

Putting it Together: A Guide to Financing Comprehensive Services in Child Care and Early Education

By Christine Johnson-Staub
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CLASP develops and advocates for policies at the federal, state, and local levels that improve the lives of low-income people. We focus on policies that strengthen families and create pathways to education and work. Through careful research and analysis and effective advocacy, we develop and promote new ideas, mobilize others, and directly assist governments and advocates to put in place successful strategies that deliver results that matter to people across America.

CLASP's child care and early education work promotes policies that support both child development and the needs of low-income working parents. We support policies that expand resources for child care and early education initiatives at the federal, state, and local levels. We also study the relationships between child care subsidy systems, Head Start and Early Head Start, state pre-kindergarten programs, and other birth to five early education efforts, to advance ideas that ensure these systems address the full range of needs of children and families.

CLASP policy experts are available to provide in-depth technical assistance around the uses of particular federal funding streams and the development of strategies to deliver comprehensive services in child care and early education settings. Please contact Christine Johnson-Staub at cjohnsonstaub@clasp.org or Hannah Matthews at hmatthews@clasp.org for more information.

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Introduction and Overview

This guide aims to help states look beyond the major sources of child care and early education funding and consider alternative federal financing sources to bring comprehensive services into early childhood settings. Why? Because the sources of child care funding historically available to states have limited supply and allowable uses, and comprehensive services are critical to the success of children – especially those who are most at risk for developmental challenges and delays. The information in this guide can help states go beyond Head Start and Child Care and Development Block Grant (CCDBG) funds to build on early childhood systems and improve access to services for children. Partnerships expanding access to comprehensive services in child care and early education settings can take different forms. They can build program staff’s capacity to directly provide services to children, or they can bring other professionals (e.g. mental health consultants, nurses, etc.) and resources into early childhood settings to collaborate with child care and early education staff. In this guide, we explore partnerships using federal funding streams to provide comprehensive services to children in early childhood settings. These partnerships may be administered directly by child care and early education agencies or by partner agencies with authority over the funds.

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Overview

This guide provides state policymakers and advocates with strategies to maximize resources and make policy changes that drive funds, resources, and community partners to child care and early education programs to benefit young children and families. Separate from blending and braiding funding streams at the local or program level, the strategies described in this guide focus on state policy decisions that can facilitate the innovative use of funds, encourage partnerships at the state and local level, and replicate promising models from other states.

Through the guide, CLASP seeks to:

- Expand the ways early childhood leaders think about financing comprehensive services for children;
- Provide examples and models of strategies stakeholders have used to finance comprehensive services for children ages birth to five in a variety of states and communities; and
- Provide the critical information states need to be able to explore the use of potential federal funding sources for comprehensive services.

The Financing Guide is organized into four sections, highlighting the phases of partnership development and key resources for states exploring partnerships.

- ✓ **Getting Started: How to Begin Planning a Funding Partnership.** This section provides states with questions to consider as they plan to embark on new strategies for financing comprehensive services.
- ✓ **Funding Examples: Learning from States and Communities.** This section provides profiles of initiatives in states and communities implementing strategic financing partnerships to provide comprehensive services via early childhood settings.
- ✓ **Funding Streams: The Nuts and Bolts of Federal Sources.** This section reviews federal funding streams with the most potential for supporting comprehensive services within child care and early education settings, and provides detailed information on their allowable uses and other important considerations for each.
- ✓ **Lessons Learned: Considerations When Designing a Financing Strategy.** The guide concludes with considerations and a summary of lessons learned by states that have implemented financing partnerships to deliver comprehensive services within child care and early education settings.

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Comprehensive Services: Centerpiece of High Quality Early Care and Education

There is widespread agreement that young children, particularly those most at risk for developmental challenges, can benefit from high quality child care and early education. Research has shown that high quality early care and education promote healthy development and provide children with benefits that last throughout life. Studies like the National Institute of Child Health and Human Development (NICHD) Study of Early Child Care and Youth Development, the Title I Chicago Child-Parent Center Program, and the HighScope Perry Preschool Study have found that participation in programs with structural characteristics associated with quality (education levels of teachers, learning environments, etc.) lead to better outcomes for children over the long-term.¹ Other studies show that elements incorporated into these

¹ Vandell, D., Belsky, J., Burchinal, M., Steinberg, L., Vandergrift, N., & the NICHD Early Child Care Research Network, “Do effects of early child care extend to age 15 years? Results from the NICHD Study of Early Child Care and Youth Development.” *Child Development*, 81(3) (2010): 737-756. Reynolds, A. J., Temple, J. A., Robertson, D. L., Mann, E. A., “Age 21 Cost-Benefit Analysis of the Title I Chicago Child-Parent Centers,” *Educational Evaluation and Policy Analysis*, Vol. 24, No. 4 (2002): 267-303. Lawrence J. Schweinhart, Jeanne Montie, Zongping Xiang, William S. Barnett, Clive R. Belfield, and Milagros Nores. *Lifetime effects: The High/Scope Perry Preschool study through age 40*. Ypsilanti: High/Scope Press, 2005.

high quality programs, such as the comprehensive services provided by the Chicago Child-Parent Center Program, lead to positive outcomes for children. For example, screening children for developmental delays and connecting them to early treatment appear to have significant long-term benefits, such as reducing future needs for special education services, and improving performance in the early school years.²

Child and family services falling under the definition of comprehensive services within a child care and early education setting may include:

- Connection and access to **preventive health care services**, such as assistance in connecting families to medical homes and insurance, preventive dental screenings, and tracking of vaccination and medical screening records;
- Support for **emotional, social, and cognitive development**, including screening children to identify developmental delays, mental health concerns, and other conditions that may warrant early intervention, mental health services, or educational interventions;
- **Family support**, including parent leadership development, parenting support, abuse prevention strategies, and connecting families to needed economic supports and social services.

Early childhood programs, researchers, and policymakers have increasingly promoted this comprehensive view of early childhood services and have developed strategies like blending, braiding or layering funding at the program level; expanding the reach of the comprehensive Head Start and Early Head Start models; and supporting community and state level partnerships to connect families to comprehensive services using state and federal dollars.

Driving these innovations is state leaders' desire to realize the positive effects of high quality care and education, which frequently includes wanting to document increased school readiness among children served. How that goal is defined varies. As an illustration, in 2005, a collaboration involving early childhood leaders from 17 states produced a set of 23 key indicators for school readiness that reflect appropriate child development and assessment, as well as the important roles of families, communities, service providers and schools. A selection of these core indicators is presented in Table 1.³ Many of these indicators can be addressed through the provision of comprehensive services within early childhood programs, home visiting services, or other community-based strategies.

² American Academy of Pediatrics, Committee on Children with Disabilities, "Developmental Surveillance and Screening of Infants and Young Children," *Pediatrics*, Volume 108, No. 1 (July 2001): 192-196.; Marian F. Earls and Sherry Shackelford Hay, "Setting the Stage for Success: Implementation of Developmental and Behavioral Screening and Surveillance in Primary Care Practice – The North Carolina Assuring Better Child Health and Development (ABCD) Project," *Pediatrics*, 118 (2006): 183-188.

³ Rhode Island KIDS COUNT, *Findings from the National School Readiness Indicators Initiative: A 17 State Partnership*, David and Lucile Packard Foundation, the Kauffman Foundation, and Ford Foundation, 2005.

Table 1. Select Indicators and the Potential to Support Them in Child Care and Early Education

Select Core Indicator Areas ⁴	Services that Could Support Indicator
Ready Children:	
Physical Well-Being and Motor Development	Appropriate developmental screening; referral to appropriate interventions; connection to medical home
Social and Emotional Development	Mental health and behavioral consultation; Appropriate developmental screening; referral to appropriate interventions
Ready Families:	
Child Abuse and Neglect	Family support, parenting education, and child abuse prevention activities
Ready Communities:	
Supports for Families with Infants and Toddlers	Infant and Toddler Specialists; Family support; Parenting education
Lead Poisoning	Connection to medical provider for appropriate lead screenings
Ready Services – Health:	
Health Insurance	Connection to medical home; Information about health insurance options; connections to public health insurance, including Medicaid benefits.
Immunization	Connection to medical home; Information about importance and timing of immunizations

Why the Timing is Right to Explore Financing Partnerships

As this guide is written, states are struggling with severe budget crises fueled by state revenue shortfalls that are resulting in cuts to human services programs. Deep cuts to federal funding for human services programs are also on the horizon. States are particularly challenged around financing, and may not see a way to expand access to comprehensive services for children and their families. And yet, there is no better time to consider new financing strategies to support comprehensive early childhood services. Consider the following:

- The same economic climate that has led to revenue shortfalls has created a dramatically greater need for comprehensive early childhood services. Families that have lost jobs or earnings are struggling with food insecurity, poverty, and challenges in accessing medical care—all of which contribute to developmental challenges for children and stress for their families.
- Important stakeholders in the early childhood field—business leaders, policymakers, and others—are watching their investments closely, and are expecting to see measurable child outcomes. Research tells us that the types of outcomes they seek are achievable only through access to high quality services, which include the delivery of comprehensive services.
- An increasing number of states are approaching their delivery of early childhood services systematically, i.e. exploring ways to coordinate service delivery sectors and funding streams and align related policies to build comprehensive early childhood systems. State policymakers can

⁴ Rhode Island KIDS COUNT, *Findings from the National School Readiness Indicators Initiative*.

and should review a variety of federal funding streams to support this work. Indeed, state and local models of collaborative financing are beginning to emerge, and can be instructional as more communities begin exploring financing options.

- Allocations for the major federal funding streams supporting child care and early education for low-income and at-risk children—Head Start, the Child Care and Development Block Grant (CCDBG) and the Temporary Assistance for Needy Families (TANF) block grant—are insufficient. Only 40 percent of eligible preschoolers are served in Head Start and about 3 percent of eligible infants and toddlers are served in Head Start and Early Head Start, the funding for which requires that programs provide a full array of comprehensive services for children and families.⁵ CCDBG serves one in six federally-eligible children and states do not pay programs at rates high enough to support comprehensive services. Although HHS recommends that states pay providers at or above the 75th percentile of the child care market—the point at which three quarters of the existing market can be purchased at the established rate—in 2011, only Montana, New York and South Dakota met or exceeded this recommendation.⁶
- In most states, dedicated child care and early education dollars aren't sufficient to pay for the full costs of providing quality care and education that includes comprehensive services for families. As a result, some states have looked for ways to use a mix of federal and state funds to support elements of comprehensive services in ways that most effectively reach children and families, including by connecting federal funds to child care and education programs and providers serving young children and their families.

Methodology

CLASP used a variety of strategies to gather information for this guide. First, CLASP interviewed a number of national experts who provided an overview of the use of various funding streams, and who helped identify states and communities where the funding streams were being used to support comprehensive services. Next, we identified promising models on the state and local level, and interviewed policymakers, advocates, and administrators to learn about their experiences implementing those models, as well as any challenges they encountered or lessons they learned. Finally, we conducted detailed research of the administrative policy related to each of the funding streams to identify potential opportunities and barriers related to using those funds to support comprehensive services.

⁵ National Women's Law Center analysis of Census data.

⁶ Karen Schulman and Helen Blank, *State Child Care Assistance Policies 2011: Reduced Support for Families in Challenging Times*, 2011, http://www.nwlc.org/sites/default/files/pdfs/state_child_care_assistance_policies_report2011_final.pdf.

Getting Started: How to Begin Planning a Funding Partnership

Whether identifying state-level policy and service priorities for the early childhood system, or identifying strategies for expanding comprehensive services within a local direct service program, administrators must begin by assessing a state or community's readiness for financing partnerships and creating a plan for moving forward. The series of questions outlined below can also be found in a step by step planning worksheet in *Appendix A*.

What services do children need? All planning for provision of comprehensive services in child care and early education settings should start with identifying the needs of children being served. Whether at the state, local, or program level, administrators should use data to identify target populations and the gaps in services they may experience. Does the state want to increase its screening rates for low-income children of working parents? Has a community identified a need for obesity prevention strategies among preschool aged children? Are teachers in a program struggling with identifying strategies for addressing the emotional and behavioral needs of the children in their classrooms? State, local or program level data should be used to identify needs and targeted strategies that drive the financing of specific comprehensive services.

What funding streams are available to pay for those services? Once needed services are identified, state and local child care administrators can evaluate which available funding streams may be able to support them in providing these services to children in their child care settings. This guide can help identify specific federal funding streams that can be used for preventive health, development, and family support services that extend beyond core child care services.

Who in the state or community currently receives those funds (if anyone) and how are they used? Before seeking new financing strategies, stakeholders should map how funding is currently being used to provide the services sought. Children do not benefit from removing dollars from one service provider to fund similar services within a child care or early education program—unless the current funding strategy is ineffective in reaching children in need. At the state or community level, administrators can identify which service providers currently receive the funds, assess whether they are reaching the children in need most effectively, and consider partnerships to help services reach families more effectively.

What partnerships already exist? State and local program administrators can also consider where partnerships exist and evaluate their efficacy. For example, does the state have partnerships bringing health consultants into child care settings? Are children receiving subsidized child care benefiting from services being offered to children and families in Head Start through partnerships within or between agencies? If a state or community has worked to build connections between agencies to use disparate funding streams to serve children, then there may be opportunities to build on those partnerships to extend their reach and improve their effectiveness.

Are all key stakeholders at the table? Effective financing partnerships are built upon trust and communication. Planning tables should include all relevant stakeholders—those who hold the important data, state level recipients and administrators of the funding streams under consideration, service providers, and other critical perspectives. By including stakeholders at the beginning of the planning phase, states can develop strong and effective partnerships and more easily overcome administrative and logistical challenges down the road.

What is the capacity of child care and early education providers or their partners to manage the administrative requirements of the additional funding stream, and what policies must be changed or aligned to support their use in child care settings? State and local administrators should consider ways to use and combine funding streams that do not add administrative burdens to service providers. While blending and braiding funding streams has long been an effective strategy for extending important services to children in child care settings, too often it has led to burdensome accounting, record keeping, assessment and reporting requirements. Administrators of funding streams can take steps to minimize and align administrative requirements. For example, if the use of certain screening tools are required for accessing Medicaid dollars, then state child care quality and licensing guidelines can be aligned to require the use of the same tools, as long as they are developmentally appropriate. Data collection and reporting timelines can also be aligned at the state level to ensure that programs do not have to duplicate efforts to meet competing requirements.

Financing Examples: Learning from States and Communities

Once states and communities have assessed their readiness to embark on a financing partnership, as well as established clear goals and identified potential funding streams, it is beneficial to learn about models of financing partnerships that have been effective in delivering comprehensive services to children in child care settings. Below are a number of state and community examples that may inspire and inform new partnerships, organized according to three broad goals within the realm of comprehensive services:

- Connecting children to preventive health services and treatment
- Supporting children’s social, emotional, and cognitive development
- Promoting family support, engagement, and leadership

Each section identifies potential funding streams that may be used for that purpose, and provides detailed examples of states and communities implementing such partnerships. In some cases, states have used a variety of funding streams either simultaneously or in procession over time. Even temporary, short-term, or past financing initiatives provide useful lessons for other states exploring such partnerships.

Focus on: Connecting Children to Preventive Health Services and Treatment

Potential federal funding streams: Early Childhood Comprehensive Systems (ECCS), Medicaid, Supplemental Nutrition Assistance Program-Education (SNAP-Ed), Temporary Assistance for Needy Families (TANF), Title V Maternal and Child Health Grants

Early childhood administrators, practitioners, and others can take a variety of approaches to connect families to health services, coordinate children’s health screening and referrals, and provide preventive health screening and services within early childhood settings. Child care and early education systems can partner with health care providers or home visiting models with a focus on preventive health care to introduce services into the child care setting for some or all of the children they serve. They may also be able to use some federal funds to support staff within the child care and early education program to provide health consultation, screening, or service coordination. Below are state examples that illustrate how a variety of federal funding streams are used to provide health services within child care and early education settings.

Arizona Child Care Nurse Consultants⁷

Funding Streams: State, Title V Maternal and Child Health Grants, ECCS

The Arizona Child Care Nurse Consultant (CCNC) initiative is an example of how small pots of federal funding can be used to take a local idea to a statewide initiative. The CCNC network in Arizona has been supported through Maternal and Child Health funds, ECCS funds and state funding through the Early Childhood Development and Health Initiatives, also called First Things First. First Things First is a state birth to five initiative funded through a statewide dedicated tobacco tax. Governed by an appointed board of directors including public officials, business leaders, and other representatives of the private sector,

⁷ For more information on Arizona’s Child Care Nurse Consultation Program, visit: <http://www.pimahealth.org/pubhealthnursing/childcarecons.asp>.

First Things First provides local councils with grants to address early childhood health and education needs.

Arizona's health consultants funded through the First Things First initiative provide no direct care or medical services to children in child care programs. Instead, they work with child care and early education programs to build their internal capacity to meet children's health and developmental needs. Consultants work with child care staff to develop policies related to health, medical and emergency procedures, and train staff to work with children who have specific health needs. Consultants offer group classes on common topics, as well as one-on-one training for staff who are working with a particular challenge. Well versed in community resources, they provide referrals to community based health and social services.

The Pima County Health Department, centrally located in Tucson, Arizona's second largest urban community, hired its first child care health consulting nurse 25 years ago, using Title V Maternal and Child Health Block Grant funds from the Arizona state Department of Public Health. That first nurse is now the Training and Technical Assistance coordinator for the First Things First statewide initiative. The state's ECCS grant provided funding for several years to send additional nurses to the National Training Institute for Child Health Care Consultants, thus increasing training capacity for CCNCs in the state. ECCS funding also provided for printing and dissemination of the *Arizona Health and Safety Policy Manual for Child Care Centers*. Designed by Arizona CCNCs, the manual provides policies, forms, and parent materials to help child care centers promote health and safety in their programs.

To expand the reach of the successful Pima County program, the board of First Things First approved funding to support a child care health consultation program. Initially, funding approved in 2008 supported 10 health consultants statewide. First Things First Regional Partnership Councils began allocating locally administered First Things First dollars toward expanding access to consultants, increasing the number of consultants available statewide to 56 as of this writing, who will serve approximately 900 early childhood programs statewide. The Pima County Health Department continues to play a key role in the CCNC initiative, providing training and technical assistance to all health consultants, producing training materials, running reports on the program, and generally administering the initiative statewide. First Things First funds providers in each First Things First region by awarding annual grants, typically to county health departments. Each contracted grantee hires CCNC staff to provide consultation to its service delivery area, which can include the catchment areas of multiple local councils.

Based on the success of the CCNC initiative, Arizona is now considering ways in which the goals of CCNC can be embedded in the state's quality rating and improvement system (QRIS), Quality First. As part of its program supports, Quality First will make a health consultant available to every program enrolled.

While the CCNC initiative is now primarily funded through First Things First tobacco tax dollars, the state still used Maternal and Child Health dollars to pay the salary of a single consultant in Pima County in the most recent fiscal year, and ECCS funds helped the state First Things First office provide training to health consultants working in the field.

Iowa Child Care Nurse Consultants⁸**Funding Streams:** State, Maternal and Child Health Grant, ECCS

Iowa uses Title V Maternal and Child Health (MCH) Grant funds to support a network of Child Care Nurse Consultants (CCNC), nurses who work directly with child care programs to help them meet the health, safety, and developmental needs of the children in their care. Title V, state, local and other federal funds are combined to support the salaries of 50 nurses statewide. The initiative is a partnership between the Department of Public Health (DPH), which is the state MCH grantee; Department of Human Services (DHS); and Early Childhood Iowa, which is a state funded initiative.

Through this initiative, nurse consultants are available to child care programs to provide on-site consultation, technical assistance, physical assessments of children, assessments of the health and safety of the early care environment, preventive care such as oral health screening, assistance to providers and families in planning for special needs, and health education. CCNCs complete Child Record Reviews (CRRs) to document the care needs of children and families in the program and help connect them to service providers and care coordination through local Title V agencies.

Iowa's CCNC initiative has been integrated into its quality rating system (QRS). Child care providers can earn points under the Health and Safety Domain for working with the CCNC on a health and safety assessment like the Child Record Review.

New York's Eat Well, Play Hard in Child Care Settings⁹**Funding Streams:** SNAP-Ed, state funds

The New York State Department of Health combines SNAP-Ed dollars with state anti-obesity program dollars to provide nutrition and physical activity classes for pre-school age children and their parents or caregivers in the Child and Adult Care Food Program (CACFP)—participating child care centers serving 50 percent or more children in free or reduced income eligibility categories. This childhood obesity prevention initiative, titled Eat Well, Play Hard in Child Care Settings, is based on a curriculum developed by New York CACFP nutritionists. In New York, SNAP-Ed dollars are administered by the Office of Temporary and Disability Assistance (OTDA). The New York State Department of Health, which has a memorandum of understanding with OTDA, contracts with Child Care Resource and Referral Agencies throughout the state and the New York City Department of Health and Mental Hygiene. These contractors hire registered dietitians who provide six classes for pre-school aged children, six companion classes for parents or caregivers, and two classes for child care center staff at each child care center.

More information about Eat Well, Play Hard is available at the New York State Department of Health's web site.

Maine's Targeted Case Management**Funding Streams:** Medicaid, Title V, MIECHV

In Maine, early childhood providers and administrators have worked for years to strategically fund efforts to connect families to preventive screening, diagnosis, and care using a targeted case management (TCM) model. In the past, home visiting, Early Head Start, and Head Start programs were all recognized by state Medicaid policy as providers for TCM, a state decision permissible under federal policy. As such,

⁸ For more information on Iowa's Child Care Nurse Consultants, visit: <http://www.idph.state.ia.us/hcci/consultants.asp>.

⁹ For more information on New York's Eat Well, Play Hard program, visit: <http://www.health.ny.gov/prevention/nutrition/cacfp/ewphccs.htm>.

programs could bill Medicaid for appropriate screening and referral for eligible children under Medicaid's Early and Periodic Screening, Diagnosis and Treatment (EPSDT) provisions, and could help families identify and access medical homes and dental providers. Programs used state funding as match dollars for the federal Medicaid funds, and billed the state Medicaid program for two contact hours a week for TCM services, while providing appropriate documentation of those contacts. Individual programs negotiated their reimbursement rates with the state Medicaid office. (See Medicaid overview on page 28 of this document for important information about the use of Medicaid dollars for TCM.)

Although there were provisions in place to ensure families did not receive duplicate case management services in both community-funded and state-funded settings, in 2009 the Maine Medicaid office disallowed coverage for TCM under state policy except under very specific circumstances. For some families, that policy change resulted in the complete loss of case management services because they were not entering the system through access points that otherwise connected them to case management.

Recently, however, stakeholders have begun working to identify other opportunities to provide EPSDT services via early care and education programs. With the understanding that individual programs would need to secure the local match for federal dollars, early childhood partners are exploring the use of Title V Maternal and Child Health dollars and opportunities within implementation of federal home visiting funds, as well as working with Early Head Start and Head Start programs to find ways to incorporate TCM. Stakeholders are also exploring ways to broaden state Medicaid policies' definition of authorized providers who can bill for EPSDT services related to mental health to include early childhood programs, in hopes of increasing the rate of children receiving developmental and behavioral screenings using standardized tools.

Focus on: Supporting Children's Social, Emotional, and Cognitive Development

Potential Federal Funding Streams: Child Abuse Prevention and Treatment Act (CAPTA)/Community Based Child Abuse Prevention (CBCAP), Healthy Tomorrows Partnership for Children, CCDBG, Evidence Based Home Visiting (EBHV)¹⁰, ECCS, Maternal, Infant, and Early Childhood Home Visiting (MIECHV), Project LAUNCH, Title V Maternal and Child Health Grant, Women, Infants and Children (WIC)

Cognitive, social, and emotional development take place at a startling rate in a child's early years, and supporting that development is central to the work of high quality child care and early education. Developmental screenings, behavior management, and the building of social and emotional strengths take place frequently in early childhood settings, but doing this work intentionally and with the tools required to meet the needs of all children takes resources and staff support beyond those that basic child care funding can provide.

State and program administrators should explore opportunities to use a variety of funding sources to implement developmental screenings with valid tools; build staff capacity by bringing mental health consultation into programs; and make appropriate referrals for early interventions, mental health, and other necessary services for those children who are experiencing developmental delays, mental health

¹⁰ Evidence Based Home Visiting (EBHV) has been administered by the Children's Bureau to support home visiting efforts in 15 states and communities since 2008. At the time this was written, it appears that the funding stream will be discontinued and incorporated into the implementation of Maternal, Infant and Early Childhood Home Visiting (MIECHV), administered by HRSA in collaboration with ACF. For that reason, EBHV is not included in other sections of this guide.

issues, or behavioral challenges.

The following state examples provide information on the ways in which states have used federal and other funding sources to support children's cognitive, mental, social, and emotional well-being in child care and early education programs.

Oklahoma Child Care Mental Health Consultation Network¹¹

Funding Streams: CAPTA/CBCAP

In 2010, Oklahoma's State Department of Health used \$80,000 in CBCAP funding to support child guidance services, which include parenting support, child developmental screening, assessment and intervention, and addressing children's behavioral concerns. As part of this initiative, Oklahoma used funds to support child care mental health consultations. The Oklahoma Child Care Mental Health Consultation Network provides on-site supports to child care providers. Referrals come to the network via the state's Child Care Warm Line, also funded with CBCAP dollars as part of its child guidance initiative. In state fiscal year 2010, the initiative provided 847 mental health consultation visits to child care providers. In fiscal year 2011, that number increased to 1,114 visits to providers in 17 counties.

Rhode Island Watch Me Grow¹²

Funding Streams: Healthy Tomorrows, CCDBG, ECCS, state funds, Title V Maternal and Child Health Grant

In 2008, as part of its Child Care Support Network (CCSN) quality and comprehensive services initiative, Rhode Island launched Watch Me Grow. Early childhood stakeholders have used Healthy Tomorrows in combination with other state and federal funding streams to create and fund a collaborative initiative that helps build developmental screening capacity within early childhood programs, while better connecting families to diagnosis and treatment for developmental and health concerns.

The goals of Watch Me Grow RI are to:

- Increase the number of young children receiving developmental and behavioral health screenings;
- Increase the number of children getting appropriate assessment and intervention services;
- Give information, with appropriate permissions and confidentiality agreements among parties, to each child's health care provider, child care provider, and parents about developmental progress; and
- Train and support child care providers to use developmental screening tools and share screening results with parents and health care providers.

At the state level, Watch Me Grow RI is administered by the state Department of Health in coordination with the Rhode Island Chapter of the American Academy of Pediatrics. To achieve the goals outlined above, Watch Me Grow RI provides child care programs with materials to screen children using the Ages and Stages Questionnaire (ASQ), the Ages and Stages Questionnaire: Social-Emotional (ASQ:SE), and the Early Childhood Screening Assessment (ECSA). In addition, the initiative provides training directly to providers on how to administer the ASQ, ASQ:SE, and ECSA, how to use the results of the screenings to identify potential developmental issues, and how to communicate effectively with parents and

¹¹ For more information on Oklahoma's Child Care Mental Health Consultation Network, visit: <http://www.ok.gov/health/documents/cgs.ECMHC%20annual%20summary%20FY%202010.pdf>.

¹² For more information on Rhode Island's Watch Me Grow program, visit: <http://www.health.ri.gov/programs/watchmegrow/>.

physicians about the screening results to plan for any necessary treatment or interventions.

The initiative is voluntary for child care programs, and currently 60 programs participate out of 320 licensed sites in the state. The program capacity is limited by funding only.

To launch the Watch Me Grow RI screening initiative, the Department of Health purchased materials to train and prepare child care programs to provide screening using the ASQ. The Health Department purchased materials using a variety of funding sources, including Title V and ECCS funds, which are flexible. In addition, the Health Department initiated a cooperative agreement with the state Department of Human Services (DHS) to use CCDBG quality dollars, and had a five-year Healthy Tomorrows grant from the Substance Abuse and Mental Health Services Administration (SAMHSA).

Grand Rapids First Steps¹³ Funding Streams: MIECHV
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In Grand Rapids, Michigan, the Grand Rapids Public Schools and early childhood partnership called First Steps used the Parents as Teachers (PAT) curriculum, designed for use in family child care settings, to bring literacy support to children in family, friend and neighbor (FFN) child care settings, reaching 158 children in the first pilot year of the initiative, ending in 2010. Since 2010, the project has expanded its annual budget from \$195,000 to \$365,000 in 2012. Through home visits to the FFN providers and Play and Learn groups that welcome both the families and FFN caregivers, the initiative provides children with activities that build their literacy skills, and conducts assessments using the Peabody Picture Vocabulary Test (PPVT) and the Phonological Awareness Literacy Screening (PALS). First Steps assesses FFN providers using the Child/Home Environmental Language and Literacy Observation (CHELLO) tool, surveys and focus groups in order to measure the literacy environment of the care setting and help them design and provide a more literacy rich environment for the children in their care. In addition to FFN providers within the Grand Rapids school district, the program provides training to FFN providers throughout Kent County.

An evaluation of the First Steps pilot project found that interaction between caregivers and the children they cared for improved among all caregivers, 97 percent of caregivers evaluated had a positive increase in their Literacy Environment score and caregivers increased their age appropriate reading materials. Children enrolled in the program for six months or more gained more than typical in the language development category and 100 percent of parents surveyed reported noticeable changes in their children's skill levels since becoming involved in the FFN program. The program increased access to community resources through referrals, field trips and materials distributed to providers.

Focus on: Promoting Family Support, Engagement and Leadership

Effective family engagement and support are a critical piece of high quality child care and early education. From helping families find the economic and social resources they need to reduce stress, to providing access to parenting support, to offering leadership opportunities within the program, child care and early education settings can and should be partners in building family resilience and protective factors, and supporting parents in meeting the challenge of raising children. The following state examples describe efforts to use federal funds to bring family support, engagement, and leadership models into early childhood settings.

¹³ For more information on Michigan's First Steps, visit: http://www.clasp.org/issues/in_focus_print?type=child_care_and_early_education&id=0375 or <http://www.firststepskent.org/>.

Potential Federal Funding Streams: Child Care and Development Block Grant (CCDBG), Child Abuse Prevention and Treatment Act (CAPTA)/Community Based Child Abuse Prevention (CBCAP), Project LAUNCH, Temporary Assistance for Needy Families (TANF)

Tennessee’s Strengthening Families Initiative¹⁴
Funding Streams: TANF, CAPTA/CBCAP, ECCS, CCDBG

In Tennessee, the state TANF agency (the Department of Human Services) has partnered with the state Department of Children’s Services (DCS) and the state Department of Health to initiate a statewide Strengthening Families effort. Strengthening Families is an approach that works with child care and early education and other service delivery providers to integrate family support and parent leadership into their programs. It includes using Community Cafés, a model of enhancing parent support and leadership development in communities and expanding activities to keep children safe and support their development. The Tennessee Department of Health uses ECCS funds to produce printed and promotional materials related to the Strengthening Families approach to reach parents, with the support of Friends National Resource, the national technical assistance organization for CBCAP. The Department of Children’s Services through Tennessee Children’s Trust Fund requires CBCAP grantees to use the Strengthening Families approach in each project they fund. The Department of Human Services, through a contract with the state Child Care Resource and Referral Network, initially placed 11 Strengthening Families parenting liaisons in the 10 state-wide local Child Care Resource and Referral (CCR&R) regions. Each liaison worked closely with providers, parents, and community-based organizations to strengthen family support strategies within child care and early education programs. Liaisons provided targeted technical assistance to program directors and teachers, helping them to incorporate Strengthening Families principles into the child care rooms and program set-up. In addition, parenting liaisons helped programs by hosting parent meetings, required under licensing regulations, which focus on the Strengthening Families Protective Factors. Finally, parenting liaisons have worked with parent groups in child care programs identifying themselves as Strengthening Families sites to teach parents how to host Strengthening Families Community Cafés.

Funding for this initiative comes from a combination of TANF and CCDBG dollars and was reduced in 2011. As a result, the number of parenting liaisons statewide has been greatly reduced, and the initiative is shifting its strategy to integrate Strengthening Families and support into the technical assistance offered by the CCR&R Network’s infant and toddler specialists, and the local CCR&R specialists who offer training and targeted technical assistance. The Strengthening Families initiative is reaching out to partners such as the Departments of Education, Health and Children’s Services as well as local community partners and businesses working to serve children and families, to expand their outreach and foster other programs using Strengthening Families.

Washington’s Building Family Resiliency Training¹⁵
Funding Streams: Project LAUNCH, CCDBG

In Washington State, early childhood leaders are using Project LAUNCH funds from SAMHSA to pilot a new family engagement curriculum for child care and early education settings. Through the National Alliance of Children’s Trust and Prevention Funds and using private funds from the Doris Duke Charitable Foundation, the Washington State Department of Early Learning and the Washington Council

¹⁴ For more information on Tennessee’s Strengthening Families initiative, visit: http://tncrr.org/strengthening_families/purpose.php.

¹⁵ For more information on Washington State’s Project LAUNCH initiative, visit: http://projectlaunch.promoteprevent.org/contacts-for-grantees/washington_state.

for Children and Families partnered with a group of 16 parents. These parents provided critical input through two days of facilitated work and Café Conversations to help shape the next steps in the development of the family and community elements of Washington State’s quality rating and improvement system.¹⁶ The state used federal CCDBG infant and toddler funds to design the training, “Building Family Resiliency,” which was informed by the two-day parent meeting and the national Strengthening Families work. The training is now being piloted in early childhood programs with Project LAUNCH funds.

¹⁶ Results of the conversations are reported in the document *Parents and Child Care Providers in Partnership: Planting SEEDS for Success*, available here: <http://www.ctfalliance.org/images/pdfs/WA-SEEDS.Success.pdf>

Funding Streams: The Nuts and Bolts of Federal Sources

Each of the funding streams discussed in this guide is bound by legislation, regulation, and administrative guidance and policy. While each funding stream has potential to in some way support the delivery of comprehensive services in child care settings, it is important for state policymakers and advocates to understand those limitations to most effectively use the funding streams and make the best decisions about what funds are most appropriate for particular services. In this section, we provide a description of each funding stream and the information we consider most relevant in exploring its use to provide comprehensive services in child care and early education settings, including:

- Where in the federal government do the funds originate, and who are the relevant state-level and federal decision makers?
- Which agencies or organizations at the state or local level are eligible to receive them?
- What are the funds' allowable uses and are they available for long or short-term uses?
- What are the policy implications for using funds at the state or local level, i.e., are there any policies that may need to be in place or changed in order for the funds to be used to support comprehensive services in child care settings?
- What are the lessons that have been learned and successful strategies that have been developed by state and local policymakers and advocates in using the funds to support comprehensive services in child care settings?

This document does not provide a complete description of each funding stream, but the most relevant information for the purposes of helping stakeholders understand their options for partnering funding streams to support comprehensive services to children. Links to federal web-sites, policy guidance, current recipients, and other resources related to each funding stream are available in Appendix B.

A Note on Budget Constraints

In selecting funding streams for this guide, CLASP chose federal programs that were designed to support comprehensive services for children and that are flexible enough to be used in child care settings. While the funding streams highlighted have great potential for partnership, several have experienced minimal or no growth over recent years, or have been subject to federal funding cuts. While some funding streams are mandatory, meaning their funding levels respond to increased need, others are capped or discretionary and subject to annual federal funding appropriations. At the time of publication, the future federal funding picture is unclear, with potential deep cuts to many federal funding streams on the horizon. CLASP is hopeful that this guide will help states use existing funding streams as efficiently and effectively as possible, and that federal policymakers will do everything possible to protect and increase funding streams that meet the needs of vulnerable children.

Department of Health and Human Services

Administration for Children and Families

Funding Stream: Head Start and Child Care and Development Block Grant (CCDBG)

Background and Allowable Uses of Funds

The U.S. Department of Health and Human Services' Administration for Children and Families has traditionally been the home for policies and funds supporting child care partnerships. As the federal agency overseeing CCDBG and Head Start, it has historically provided states with technical assistance in how to connect services under those two funding streams in order to broaden and strengthen services for children. To improve quality under both funding streams, it has also led short-term initiatives, such as Healthy Child Care America,¹⁷ to build connections between early childhood settings and children's health, mental health, nutrition, and family support.

States and local providers have also drawn on CCDBG and Head Start funds to maximize comprehensive services for children in programs. CCDBG dollars flow to state designated child care agencies. Those eligible for direct services under CCDBG include low-income children up to age 13 who live in households earning under 85 percent of the state median income, and where parents are participating in employment or related activities. Federal policy allows states to define many elements of CCDBG eligibility including income eligibility levels and eligible work activities.¹⁸ Federal Head Start policy limits eligibility to children living in households under the federal poverty level, or whose families receive or would be eligible for public assistance if child care were not available. In addition, federal policy requires that 10 percent of funds be used to serve children with special needs or who are eligible for special education services. Funds are granted directly to public and private agencies providing Head Start services.¹⁹

Through blending, braiding, and layering funds, child serving programs have been able to broaden the impact and reach of services provided with CCDBG and Head Start dollars.²⁰ States are required to spend a minimum of 4 percent of CCDBG funds on initiatives that improve child care quality, in addition to funds targeted for quality activities.²¹ At the state level, child care administrators have creatively used CCDBG quality set-aside dollars, as well as provider subsidy payment rate enhancements, to support the delivery of comprehensive services for target populations. For example, in Massachusetts the Department of Early Education and Care has used quality set-aside dollars within CCDBG to fund Coordinated

¹⁷ For more information on Healthy Child Care America, visit: <http://www.healthychildcare.org/>.

¹⁸ Child Care and Development Block Grant Act, 42 USC 9858, as amended, <http://www.acf.hhs.gov/programs/ccb/law/ccdbgact/ccdbgact.pdf>. Section 418 of the Social Security Act, 42 USC 618. See: Hannah Matthews, *CCDBG: What's in the Law?*, CLASP, 2010, <http://www.clasp.org/admin/site/publications/files/ccdbginlawrev.pdf>.

¹⁹ Public Law 110-134, "Improving Head Start for School Readiness Act of 2007," http://eclkc.ohs.acf.hhs.gov/hslc/standards/Head%20Start%20Act/HS_ACT_PL_110-134.pdf.

²⁰ See CLASP's *What State Leaders Should Know About Early Head Start*, <http://www.clasp.org/admin/site/publications/files/What-State-Leaders-Should-Know-About-EHS.pdf>; *Promote Access to Early, Regular and Comprehensive Screening*, <http://www.clasp.org/babiesinchildcare/recommendations?id=0011>, and *Building on the Promise: State Initiatives to Expand Access to Early Head Start for Young Children and their Families*, <http://www.clasp.org/admin/site/publications/files/0409.pdf>.

²¹ In FY 2010, states exceeded the minimum requirement and spent an average of eight percent of CCDBG expenditures on quality initiatives. When including the targeted funds, spending on quality equaled 12.5 percent.

Family and Community Engagement (CFCE) grants, and through those grants has promoted training in the Strengthening Families approach to family support. Massachusetts also uses its payment rate structure to support the delivery of comprehensive services to families with teen parents, those engaged in the child welfare system, and others defined as at-risk by the state.²²

Funding Stream: Temporary Assistance for Needy Families (TANF)

Background and Allowable Uses of Funds

TANF is a flexible block grant that can be used for a range of activities and services that are consistent with the four statutory purposes:²³

1. assisting needy families so that children can be cared for in their own homes;
2. reducing the dependency of needy parents by promoting job preparation, work and marriage;
3. preventing out-of-wedlock pregnancies; and
4. encouraging formation and maintenance of two-parent families.

TANF flows from ACF to states, which then determine how to use the funds to support eligible families. All states use a portion of their TANF funds for cash assistance, and set eligibility and benefit levels, time limits, and work requirements. Specific federal requirements, including time limits and work participation rates, apply to families receiving assistance, but not to other benefits and services supported with TANF funds. States must also meet a Maintenance of Effort (MOE) requirement, which mandates that they continue to spend non-federal funds at a fraction of historical levels. Slightly different rules apply depending on whether funds are federal TANF grant funds or state MOE expenditures under their TANF programs.²⁴ TANF programs are typically operated by state human services agencies, although this varies depending on the state and the use of funds.

Federal TANF dollars can be transferred to other related programs within limits. For example, states can transfer up to 30 percent of their annual grant of TANF dollars to their CCDBG or Social Services Block Grants (SSBG) to be used under those programs' rules, or they can use TANF dollars directly for services that meet TANF goals, including child care and early education.²⁵ Federal TANF dollars cannot be used to pay for medical services, unless they are pre-pregnancy family planning services. TANF and MOE cannot be used to support the costs of public education that are generally available regardless of need.

Considerations

Because TANF is a relatively flexible fund for states to meet broad goals, there are few federal restrictions on its use to support comprehensive services for children in needy families.²⁶ For example, states have the flexibility to define the income limits for "needy families." States may face challenges if

²² Phone interview with Commissioner Sherri Killins and Gail DeRiggi, Massachusetts Department of Early Education and Care, September 2011.

²³ U.S. Department of Health and Human Services, Administration for Children and Families, "About TANF," <http://www.acf.hhs.gov/programs/ofa/tanf/about.html>.

²⁴ For a fuller discussion of these rules, see Elizabeth Lower-Basch, *Guide to Use of Funds*, 2011, <http://www.clasp.org/admin/site/publications/files/Guide-to-Use-of-TANF-Funds.pdf>.

²⁵ There are a number of federal rules that apply to TANF dollars used for child care and early education services that determine whether those expenditures are counted as assistance for individuals under the TANF law, or as non-assistance. State TANF Maintenance of Effort dollars can also be used to support early childhood programs, as long as they are targeted to low-income families. See: Mark Greenberg, Danielle Ewen, and Hannah Matthews, *Using TANF for Early Childhood Programs*, CLASP, 2006, <http://www.clasp.org/admin/site/publications/files/0293.pdf>.

²⁶ States have the flexibility to define the income limits for "needy families" which do not need to be the same for services as for cash assistance.

they are funding a single initiative with both TANF and Medicaid or other federal dollars, because they may be required to designate the services provided as either social services or health services, but not both.

The TANF block grant has not been increased since 1996, and its value has been eroded by inflation. In nearly all states, TANF funds are fully committed, and any increased use of TANF funds in one area must be paid for by cuts in another area. In recent years as states have struggled with budget challenges and increased levels of need, TANF funds used for child care assistance have fluctuated but have stayed far below the \$3.5 billion used for child care in 2009.²⁷

Children's Bureau

Funding Stream: Community Based Child Abuse Prevention (CBCAP)

Background and Allowable Uses of Funds

Established as Title II of the 1974 Child Abuse Prevention and Treatment Act (CAPTA), the CBCAP program, formerly referred to as Community-Based Family Resource and Support (CBFRS), provides states with funds to implement child abuse prevention strategies. CBCAP dollars flow to a state lead agency designated by the Governor, and they require a 20 percent state match, which cannot include other federal dollars. CBCAP funds general child abuse prevention and family support through collaborations among community-based organizations. Title II specifically names child care and Head Start programs as partners in achieving the purposes of CBCAP. Although there are no specified limits on who can be served under the program, the law does suggest prioritizing young children, and young parents of children.²⁸

In approximately 30 states, the lead identified by the Governor to receive CBCAP funds is a Children's Trust Fund or Prevention Fund.²⁹ The legislation gives priority to trust fund advisories or other entities that coordinate abuse prevention and family support programs. Approximately two-thirds of state Children's Trust Funds receive CBCAP in some way, either as the lead agency or as a partnering agency.³⁰

There are a variety of ways CBCAP can support comprehensive services in early childhood settings, including mental health consultation, general parent education and engagement, and provider training and support.

The National Association of Children's Trust Funds is currently working with states, CBCAP agencies, and private foundations to incorporate the Strengthening Families approach to family support and abuse prevention into early childhood settings. Because CBCAP frequently flows to Children's Trust Funds and similar child abuse prevention agencies, it has the potential to fund abuse prevention work in early childhood settings, including parent education and information. As a result, some states have used CBCAP to promote the integration of the Strengthening Families approach into early childhood programs. Nationally, 18 states have written Strengthening Families into their CBCAP grant, to fund systemic adoption of Strengthening Families, including the integration of the approach into state quality rating and improvement (QRIS) systems. With states using CBCAP to support this systemic approach, the

²⁷ CLASP DataFinder, <http://www.clasp.org/data/>. CLASP Analysis of U.S. Department of Health and Human Services data, <http://www.acf.hhs.gov/programs/ofa/data-reports/index.htm>.

²⁸ P.L. 108-36, Title II, Section 201(b).

²⁹ Email correspondence with Martha Reeder, National Alliance of Children's Trust and Prevention Funds, 10/13/2011.

³⁰ Phone interview with Martha Reeder, National Alliance of Children's Trust and Prevention Funds, 9/6/2011.

dollars may be available as program support dollars to provide parent education and other abuse prevention activities consistent with the Strengthening Families approach (see Tennessee’s Strengthening Families example above), and with related state QRIS requirements.

Considerations

States and program administrators may explore other funding streams within CAPTA, but CBCAP is the most flexible for use in child care settings. Although it is usually not used to provide direct services, CBCAP can be used to seed or coordinate abuse prevention initiatives and partnerships with early childhood programs. Because it is flexible, many states use the funding to support multiple aspects of their overall child abuse prevention efforts. In past years, states have frequently used CBCAP dollars to fund home visiting programs, however with the recent increase in federal funding for home visiting programs states may have the capacity to consider using CBCAP dollars to support other abuse prevention strategies, or to expand home visiting strategies to reach children in child care settings.³¹

Health Resources and Services Administration (HRSA): Maternal and Child Health

Funding Stream: Title V Maternal and Child Health Block Grants

Background and Use of Funds

The Maternal and Child Health Block Grant, Title V of the Social Security Act, supports states in meeting the needs of mothers, children, and youth through partnerships between federal, state, and local agencies. State health agencies, the designated grantees, use funds based on a needs assessments completed every five years. The Maternal and Child Health Block Grant is flexible and can be used in a variety of ways to meet the needs of the state through coordination of resources, targeted population based initiatives, or direct services. Maternal and Child Health Grants can serve many specific purposes, including improving access to quality health care, particularly for low-income (defined as under the federal poverty level), uninsured, and under-insured women, children and families. Thirty percent of funding must be used for preventive or primary care for children, and 30 percent must be used for children with special health needs.³² Legislation designates the health agency of each state as the administering agency for Title V Maternal and Child Health funds, which require a 75 percent match. Title V grants do not allow other federal funding to be counted toward a state match.

Considerations

Title V Maternal and Child Health Grants are very flexible, and are frequently used for short-term initiatives that address needs identified through the state needs assessment completed every five years. Federal guidelines for the required needs assessment specify that early childhood partners, including child care and early education stakeholders, should be involved.

³¹ Christine Johnson-Staub and Stephanie Schmit, *Home Away From Home: A Toolkit for Planning Home Visiting Partnerships with Family, Friend, and Neighbor Caregivers*. CLASP, 2012, <http://www.clasp.org/admin/site/publications/files/Home-Away-from-Home.pdf>.

³² National Health Policy Forum, *The Basics: Title V Maternal and Child Health Block Grant Program*, 2007, http://www.nhpf.org/library/the-basics/Basics_Title%20_V_09-24-07.pdf. Title V appears in the United States Code as §§701-710, subchapter V, chapter 7, Title 42.

Funding Stream: Early Childhood Comprehensive Systems (ECCS)

Background and Use of Funds

Part of Title V of the Social Security Act, the Community Integrated Services Systems (CISS) program funds the ECCS initiative. This initiative began in 2003, and has funded a total of 52 grantees, including 47 states, Washington D.C., Puerto Rico and three territories. ECCS grantees received funding to build comprehensive multi-partner early childhood systems to improve the well-being of young children. This funding was granted to state lead agencies, to support partnerships across early childhood sectors that address young children's health, development and well-being. Partners include state and local public agencies, as well as private service providers and community-based organizations. Total funding in federal fiscal year 2011 was approximately \$7.8 million, with each grantee receiving up to \$150,000 per year, so grants to states are relatively small. In May 2012, HRSA extended the existing grants for one year while the Maternal and Child Health Bureau works to align its system-building funding streams.³³ In many cases, states have used ECCS funding at the state level for planning, developing, mapping, financing, and designing comprehensive early childhood systems. In some cases, ECCS funding has been used effectively by states as “glue” to fill financing holes in multi-agency initiatives that directly improve access to comprehensive services for young children.³⁴

Considerations

ECCS funding is relatively small, and is allocated in three-year grant cycles. ECCS efforts can, however, complement the work of Early Childhood Advisory Councils, also currently funded for three years. While some states have explored and raised private funds to extend the work begun under the auspices of their ECCS grants, states may also consider sustaining the efforts with other federal funding streams described in this guide.

Funding Stream: Healthy Tomorrows Partnership for Children

Background and Use of Funds

The Healthy Tomorrows Partnerships for Children funding initiative is a partnership between HRSA's Maternal and Child Health Bureau and the American Academy of Pediatrics. The five-year grants of up to \$50,000 per year support projects that increase access to health and mental health services for children and families, including community-based preventive strategies. The grants require two-to-one non-federal matching dollars in years two through five. Projects in 47 states, Washington, D.C., Puerto Rico and Guam have been awarded grants, and 23 states currently have the five-year grants. Grantees can be local or state health agencies, or community-based agencies such as medical providers, non-profit organizations, or foundations. Healthy Tomorrows projects must represent a new initiative within the community or an innovative component that builds on existing community resources. Projects usually target low-income populations and address four key areas: 1) access to health care services, 2) community-based health care, 3) preventive health care, and 4) service coordination. Although projects usually target low-income or vulnerable families, there are no specific eligibility requirements for the funds.

Over the past two decades the grants have been used to address a broad range of state and community

³³ Federal Register Volume 77, Number 92, 27781-27783. See: Federal Register Online via the Government Printing Office, FR Doc No: 2012-11377, <http://www.gpo.gov/fdsys/pkg/FR-2012-05-11/html/2012-11377.htm>.

³⁴ Altarum Institute, *Sustaining Comprehensive Early Childhood System Building*, Early Childhood Comprehensive Systems Evaluation Results Brief, Number 1, 2011.

needs, including pediatric mental health, pediatric oral health, and health literacy for families. The funding is flexible and can be used to address a range of health-related comprehensive services for children and families.³⁵

Considerations

Healthy Tomorrows awards approximately eight new five-year grants every one to two years. Non-federal matching funds are required. Projects must be focused on direct, preventive health services, and must include a pediatrician's participation, so while non-profit child care agencies may be eligible for the grants, they would need to apply in partnership with at least one health care provider. While the grants focus on preventive health, that focus is broadly defined to include, but is not limited to, oral health, mental health, obesity prevention, and developmental health.

Funding Stream: Maternal, Infant and Early Childhood Home Visiting (MIECHV) (In collaboration with the Administration for Children and Families)
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Background and Use of Funds

The MIECHV funding stream was created as part of the Patient Protection and Affordable Care Act in 2010. Under MIECHV, many states have begun to think systematically about home visiting services, and have identified priority populations as well as increased the use of evidence-based models. Populations eligible to be served with MIECHV funds include pregnant women and the fathers, parents, and primary caregivers (including grandparents, other relatives, and foster care providers) of children from birth through kindergarten entry.³⁶ Within these parameters, states can target high risk populations as identified through their needs assessments, including young parents, low-income families, and those experiencing other disadvantages outlined in the statute. To deliver services, states can choose from nine home visiting models³⁷ deemed evidence-based by HRSA, and can use up to 25 percent of their funds to support promising home visiting models that have not yet met the evidence-based requirements. While MIECHV has in some cases extended the home visiting work that has been funded in 15 states and territories since 2008 by the Children's Bureau's Evidence Based Home Visiting program, the list of approved models under MIECHV is slightly different from the list of models approved for that program. Because program administration for MIECHV at the state level is based on a needs assessment, states also must identify target communities and populations, and select models that will best work for those families. The home visiting models approved for use under MIECHV include those providing comprehensive services such as family support, developmental screening, and connecting families to health services.

As MIECHV is implemented, states may find that the families they wish to serve are connected to early childhood programs, and may consider ways to implement home visiting in partnership with family child care or FFN care.³⁸

Considerations

Although states are in the midst of implementing their MIECHV plans, strategies involving partnerships with child care and early education settings may still be considered as they refine their state plans or

³⁵ Descriptions of Health Tomorrows Partnerships for Children's previous grants can be viewed here: <http://www2.aap.org/commpeds/grantsdatabase/>.

³⁶ 42 U.S.C. 711, Section 511. http://www.ssa.gov/OP_Home/ssact/title05/0511.htm.

³⁷ These nine home visiting models are: Child FIRST, Early Head Start-Home Visiting, Family Check Up, Healthy Families America, Healthy Steps, HIPPI, Nurse Family Partnership, Parents As Teachers, and Public Health Nursing for Early Intervention Program for Adolescents.

³⁸ Johnson-Staub and Schmit, *Home Away From Home*.

identify new needs. Because there are a limited number of models approved for use under MIECHV, states may wish to incorporate innovative partnerships between home visiting and child care into the planning for the 25 percent of funding available for promising models, or they may enhance initiatives currently planned with approved models that have experience or have adapted curriculum for use in early childhood settings.

Centers for Medicare and Medicaid Services (CMS)

Funding Streams: Medicaid and the State Children's Health Insurance Program (SCHIP)

Background and Use of Funds

Medicaid is a federal and state partnership, meaning that the federal government and states share the costs of the program, which primarily provides health insurance coverage for low-income individuals. Funding flows to states with some requirements, while states have flexibility in setting policies for how those funds are used. Each state is required by federal law to designate a single agency to administer the state's Medicaid program. The federal government currently reimburses states for services based on a formula Federal Matching Percentage (FMAP) ranging from 50 to 85 percent, and reimburses administrative costs at 50 percent.³⁹

The State Child Health Insurance Program (CHIP), reauthorized most recently in 2009, gives states additional federal funds and flexibility to provide health care services to children and pregnant mothers with incomes higher than Medicaid eligibility. States have the option of operating separate CHIP programs, using CHIP dollars to expand eligibility for their Medicaid programs, or doing a combination of both.⁴⁰ Eligibility and other CHIP program details are determined by individual states. In their CHIP plans submitted to CMS, states with separate CHIP programs must assure that children receiving benefits funded through CHIP are not receiving duplicate benefits through Medicaid.⁴¹

While there are a number of federal guidelines for the use of Medicaid dollars, states also have significant latitude in creating their own Medicaid state plans and determining who is eligible for services, which means eligibility varies significantly from state to state. Federal requirements make eligibility for some populations mandatory, while giving states authority to determine eligibility for other populations within their state plans. All states currently cover young children under age 6 and pregnant women with incomes under 133 percent of poverty.⁴²

In addition to health insurance coverage, Medicaid funds may be used to support comprehensive services in early childhood programs in a number of ways, if they fall within federal guidelines and are included in state plans. CMS has specific provisions around where and by whom specific services can be provided, while states make those decisions around other services. In all cases, states must demonstrate in some way that those providing specific services meet professional qualifications or qualifications that have been established in state Medicaid policy, but the location of service delivery is mostly up to the states.

³⁹ Beginning in 2014, the federal government will reimburse states at a higher rate due to the new Medicaid expansion included in the Affordable Care Act.

⁴⁰ For SCHIP program design by state, visit: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Childrens-Health-Insurance-Program-CHIP/Downloads/Map-CHIP-Program-Designs-by-State-.pdf>.

⁴¹ Title XXI of the Social Security Act: State Child Health Insurance Program: http://www.ssa.gov/OP_Home/ssact/title21/2100.htm.; Child Health Insurance Plan Reauthorization Act (CHIPRA) of 2009, Public Law-111, <http://www.gpo.gov/fdsys/pkg/PLAW-111publ3/pdf/PLAW-111publ3.pdf>.

⁴² Beginning in 2014, under the Affordable Care Act, states that implement the federal Medicaid expansion will adopt a new minimum eligibility to cover all individuals under 133 percent of poverty.

In the past, some states, including Rhode Island and Maine, have allowed for reimbursement to community-based agencies for case management.⁴³ According to CMS staff, case management as defined in federal Medicaid policy within a community-based setting is an allowable use of Medicaid dollars as long as it meets federal and state eligibility parameters. There are two types of case management defined in federal Medicaid policy. Targeted case management (TCM) helps Medicaid-eligible children and families by ensuring they are aware of recommended screening and preventive medical care and helping them access care based on individual assessment of needs. This can include ensuring that children receive all recommended screenings, and that they are able to access appropriate diagnosis, treatment, and follow-up care from a medical provider. Administrative case management includes activities that help eligible individuals access Medicaid coverage, including establishing eligibility and conducting outreach to potentially eligible individuals. In order for a state to use Medicaid funds to pay for case management, the service must meet federal policy guidelines. For example, in the case of TCM, all recipients must be Medicaid eligible, but the state can define a target group eligible for case management by age, location, disability, diagnosis or another state-defined indicator of Medicaid eligibility as long as they stay within federally defined parameters.⁴⁴ States can also establish their own definition of eligible providers based on specific qualifications, but that definition must meet federal review.

In addition to potentially using Medicaid for case management for eligible families, additional Medicaid policies may be designed and implemented at the state level to facilitate the use of federal funds to implement the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) requirements under Medicaid law. Through EPSDT, federal law mandates that states cover specific services, including vision, dental, hearing, preventive health and developmental screenings, and medically necessary treatment. Many states are using improvements in Medicaid and CHIP policy to increase the adaptation of the medical home model, providing families with a critical connection to consistent primary and preventive care that includes comprehensive screening. States may also explore the possibility of using Medicaid to reimburse the delivery of some services that regularly occur in child care and early education settings, such as developmental screening.

Similarly, in some states Medicaid is used to provide services through clinics in school-based settings in areas where there is a high rate of Medicaid eligibility. In those clinics, services are available to any child within the setting. States may explore the potential for similar partnerships for service delivery with child care agencies in areas with high rates of Medicaid or CHIP eligibility.

As described above, Medicaid and CHIP policies are related and can interact in a number of ways, depending on the state. Under CHIP regulations, states have the option to base Medicaid eligibility on findings from other programs, including Head Start and child care, which in turn expedites Medicaid coverage for families. In settings with high numbers of low-income children, this “Express Lane Eligibility” option may help to facilitate the use of Medicaid funds to cover specific services approved by the state by accelerating families’ enrollment in the state Medicaid program.⁴⁵

⁴³ Both Maine and Rhode Island have since stopped funding case management with Medicaid dollars due to concerns that the use was not allowable under federal rules. Regulation at 42 Code of Federal Regulations 440.169 and 441.18 define Medicaid *targeted* case management services. States exploring case management options should review this definition and work closely with CMR to ensure their use of Medicaid dollars for any type of case management is consistent with federal Medicaid guidelines.

⁴⁴ For more detailed information on income eligibility levels for Medicaid services by state see: Kaiser Commission on Medicaid and the Uninsured, *Where are States Today? Medicaid and CHIP Eligibility Levels for Children and Non-Disabled Adults*, 2012, <http://www.kff.org/medicaid/upload/7993-02.pdf>.

⁴⁵ Express Lane Eligibility is currently authorized until the end of September 2013. Federal guidance on Express Lane Eligibility established as a provision of the Child Health Insurance Program Reauthorization Act of 2009 is available here: <http://downloads.cms.gov/cmsgov/archived-downloads/SMDL/downloads/SHO10003.pdf>.

To evaluate the opportunities for using Medicaid for comprehensive services in your state, a list of state plan web-sites is available in Appendix C.

Considerations

The potential use of Medicaid to fund comprehensive services in child care and early education settings poses both great opportunities and great challenges. Some considerations for states exploring the use of Medicaid for comprehensive services include:

- Using Medicaid funding for direct services may require a state plan amendment (SPA) around allowable uses of funds, as well as the definition of approved service providers.
- Making amendments to the state plan can be a lengthy and complicated process. However, when all appropriate stakeholders are brought to the table early and the CMS staff is engaged in planning, the process can go smoothly.
- As states struggle with increases in Medicaid costs and federal limits to the Medicaid budget, broadening the use of existing Medicaid dollars may be challenging. In 2014, states will make significant changes to their Medicaid programs. While this will result in significant additional federal dollars, there will also be increased costs to states. On the other hand, the federal government's matching of Medicaid costs makes Medicaid a key funding stream to make state dollars go further. Because Medicaid is an entitlement, anyone who is eligible can receive services and states are guaranteed federal support for a portion of costs.
- As states consider Medicaid financing strategies, they may want to consider whether such strategies can be combined with partnerships with family, friend, and neighbor (FFN) and other home-based child care providers to help reach the many Medicaid-eligible vulnerable and low-income children who are regularly cared for in those settings. Some states have been successful in using Medicaid funds to reimburse home visiting services.⁴⁶
- Finally, in accordance with a 2009 reporting change in the Children's Health Insurance Program (CHIP), some states are collecting and reporting developmental screening rates among children on Medicaid. In those states, there may be an additional incentive to improve developmental screening rates through policy changes and possibly through community partnerships with child care and early education providers.

U.S. Department of Education

Office of Elementary and Secondary Education

Funding Stream: Elementary and Secondary Education Act, Title I

Background and Use of Funds

Title I of the ESEA provides funds to states, school districts, and schools to serve children who are low-income or otherwise at risk of school failure. Title I funds flow to state education agencies (SEAs), and subsequently to school districts, according to a formula that takes into account the number and percentage of low-income children in a community. State education agencies are permitted to use up to 1 percent of

⁴⁶ The Pew Center on the States and the National Academy for State Health Policy, *Medicaid Financing of Early Childhood Home Visiting Programs: Options, Opportunities, and Challenges*, 2012, http://www.pewtrusts.org/uploadedFiles/wwwpewtrustsorg/Reports/Home_Visiting/PCS_NASHP_HV_Medicaid.PDF.

their total Title I allocation for state-level administration costs. In addition, states receiving school improvement grants through Title I can use up to 5 percent of those grants to administer state-level school improvement activities under Title I. At the district level, Title I funds are flexible and can be used to provide a range of services to children from birth through the age of school entry, including in community-based child care settings outside of schools. In addition to providing direct educational services, Title I funds can be used to fund counseling services, access to medical services, and diagnostic screenings. They can also be used to provide other comprehensive services to children if a needs assessment shows that those services are not otherwise available. Preschool settings funded with Title I funds must meet certain Head Start education standards and a parental involvement requirement.

Considerations

Like many sources of federal funding, Title I has been available to eligible districts for many years, and is likely to play a well established role in most local school district budgets. State Title I administrators can encourage partnerships between those involved in administering funds at the district level and community-based early childhood settings, and can help them identify common areas of interest that the funds can address, while minimizing the negative impact in other areas. Local districts with strong partnerships between public schools and child care and early education agencies may be well positioned to form funding partnerships using Title I funds, and state level administrators can provide technical assistance to districts to encourage such partnerships. As schools and districts become more aware of the importance of the birth to five years, there may be opportunities to shift how funds are used toward that population and the comprehensive services that will help them succeed in school.

Funding Stream: McKinney-Vento Education for Homeless Children and Youth

Background and Use of Funds

The McKinney-Vento program was created to reach homeless children, birth through school-age, and provide them with services and activities to facilitate their participation and success in school.⁴⁷

McKinney-Vento funds flow to state education agencies based on the state's population of low-income children (using the Title I formula). States must distribute at least 75 percent of funding to districts through a competitive process every one to three years. The remaining 25 percent can be reserved for statewide assistance.

Sub-grantee awards average \$30,000 to \$50,000, although some urban districts with higher populations receive larger grants. Districts can use those funds for a variety of activities to support the education of homeless children. For example, many districts use the funds to cover excess costs of transportation services to ensure continuity of education for homeless children, above and beyond states' and districts' legal responsibility for transportation costs. State McKinney-Vento coordinators or local grantees can also partner with social service providers to ensure young students, particularly preschoolers, have access to comprehensive services. At the local level, districts can subcontract to child care and early education programs and other service agencies to help children and their families connect to comprehensive services. For example, local agencies can use funds to supplement Individuals with Disabilities Education Act (IDEA) Part C Early Intervention funds to provide screening in child care and early education programs to meet requirements of related Child Find provisions. Those provisions require that children with disabilities who are experiencing homelessness be identified, located, and evaluated for Part C or Part B Preschool Special Education services. Funds can also be used to ensure that homeless children in

⁴⁷ 42 U.S.C. §§11431 – 11435, Section 722(d)(2).

child care and early education programs are connected to appropriate health care and immunization, the absence of which is often a barrier to school participation.

Considerations

Because local grants are relatively small, the use of McKinney-Vento funds to provide comprehensive services to children in child care and early education settings may be most effective in partnership with programs that exclusively or primarily serve children who are homeless, allowing the funds to reach the highest number of children in one setting. State coordinators may wish to collaborate with the state child care administrator (the agency that administers CCDBG dollars) to ensure they are effectively reaching homeless children with subsidized child care services, as well as the comprehensive services the McKinney-Vento dollars can provide.

Office of Special Education Programs

Funding Stream: Individuals with Disabilities Education Act—Part C—Early Intervention

Background and Use of Funds

IDEA Part C Early Intervention dollars flow to state-determined lead coordinating agencies,⁴⁸ which then use them to administer a state-wide system of early intervention services for infants and toddlers with special needs and their families. The funding serves infants and toddlers with developmental delays, or with diagnosed physical or mental conditions that are likely to result in developmental delays, through age two. States can use Part C funds to identify young children with special needs, provide them with direct interventions to address their developmental needs, and support their families in meeting the children's developmental needs. The lead agency has an obligation to identify any child who may be eligible for Part C services in the state, based on the state's definition of developmental delay.⁴⁹ The state must also use Part C funds to evaluate and address the individualized needs of eligible infants and toddlers. The Part C agency must develop an Individual Family Services Plan (IFSP) that establishes the child's unique needs, goals for the child and family, and the services and supports needed for the goals to be achieved. Part C services include family support, service coordination, speech therapy and other services. Part C services must be provided by qualified service providers as defined in IDEA, and most services are delivered in the child's "natural environment," which is defined as where the child would be if he or she did not have a disability. Natural environments can include the child's home or an early education or child care setting. Early childhood programs can also play a critical role in referring families with children who may have developmental delays to the Part C agencies and to facilitate the delivery of early intervention services in child care and other early education programs.

If the state coordinating agency for Part C is not the state educational agency responsible for administering preschool programs under IDEA Part B, the state must have an interagency agreement in place between the two agencies to ensure coordination on children's transition between Part C and Part B services.

Considerations

IDEA requires all states to find children ages birth to 21 who have special needs and provide them with

⁴⁸ For information on IDEA Part C State Coordinators, visit: <http://www.nectac.org/contact/ptccoord.asp>.

⁴⁹ State definitions of developmental delay for the purposes of IDEA Part C services are available here: http://www.nectac.org/~pdfs/topics/earlyid/partc_elig_table.pdf.

services. This mandate, referred to as Child Find, exists in every state, and relies on close partnerships between state education agencies, Part C coordinating agencies, other state agencies serving children (such as the agency administering child care, or CCDBG, dollars), and local child and family serving agencies. The imperative of Child Find is a compelling reason to explore financing partnerships that may provide child care and early education agencies with resources to conduct outreach to families, early childhood screening, and referral services.

Funding Stream: Individuals with Disabilities Education Act—Part B—Preschool Special Education

Background and Use of Funds

There are two funding streams that fall under Part B of IDEA to provide special education services to preschool aged children—Section 619 and Section 611.

Section 619 grants are awarded to state education agencies based on population data from the state. States can reserve a portion of funds for state-level administration and activities, but then must allocate the remaining funds to individual districts based on the number of children between the ages of 3 and 5 years in the district and the relative poverty rates of districts. School districts can use Section 619 funds to provide services to children ages 3 to 9 years, or any subset of ages within that range, who have documented developmental delays as defined by the state.⁵⁰ Section 611 grants are administered at the state level, and are used to meet the special education needs of eligible children between the ages of 3 and 21 years. While states may use 611 funds for preschool services, the bulk of these funds support children in elementary and secondary education.

IDEA’s section 619 preschool program and the Part B school-aged program financed by section 611 both place Child Find obligations on the state education agency to identify all eligible children in the state.

Considerations

As with IDEA Part C (described above), Part B administrators can partner with other agencies as part of the mandated state Child Find strategy. In addition, local districts with strong partnerships between public schools and child care and early education agencies may be well positioned to form funding partnerships using IDEA Part B funds, and state level administrators can provide technical assistance to districts to encourage such partnerships. Part B funds are not often used for services outside the public schools, but there may be opportunities to do so, particularly in the case of Section 619 funds, which can serve children as young as 2 years who are not yet in the public school setting.

Department of Agriculture

Funding Stream: Supplemental Nutrition Assistance Program (SNAP)

Background and Use of Funds

Most SNAP (formerly known as Food Stamps) funds are given directly to eligible families, specifically for the purchase of food. A portion of funds, however, is allocated for nutrition education for SNAP

⁵⁰ National Early Childhood Technical Assistance Center (NECTAC) Notes no. 27, *Eligibility policies and practices for young children under Part B of IDEA*, 2011, <http://www.nectac.org/~pdfs/pubs/nnotes27.pdf>.

recipients and related training for nutrition education. Use of these funds, referred to as SNAP-Ed, must meet federal guidelines⁵¹ including a requirement that participation must be voluntary. Education programs are required to provide information about making healthy food choices and having an active lifestyle, and they must serve eligible families, individuals who are likely eligible based on location, or individuals who are potentially eligible (which may require a state waiver). Individuals living under 130 percent of the federal poverty level can be served under the “likely eligible” category, even if they have not yet gone through the SNAP application process. Under federal guidance, and with a request for a federal waiver, services can be also be delivered to individuals at a site that serves low-income persons, at least 50 percent of whom have incomes at or below 185 percent of the federal poverty level. According to the U.S. Department of Agriculture’s Food and Nutrition Service, most states in some way use their SNAP-Ed funds in partnership with early childhood and other community based settings by conducting outreach to potential SNAP recipients through those settings.

Considerations

SNAP-Ed funds must be targeted to serve families who are eligible or likely to be eligible for SNAP, so efforts to use these funds in child care and early education settings should be focused in programs serving primarily low-income children. Because SNAP-Ed can only be used to educate its target audience, states may wish to use other state funding sources for infrastructure costs (curriculum development, training, etc.). State level SNAP coordinators can work with child care agencies and state level Head Start Collaboration Directors, and use existing data sources to identify communities and programs where there may be opportunities to use SNAP-Ed dollars in child care and early education settings. State administrators can also collaborate with state level coordinators, usually called Food Stamp Nutrition Education (FSNE) Coordinators to design and implement community-based partnerships. FSNE Coordinators are typically housed at the state’s National Institute of Food and Agriculture (NIFA) agency (which may be known as the state’s Cooperative Extension), but FSNE Coordinators can also be at other related state agencies, such as health or human services.

Substance Abuse and Mental Health Services Administration

Funding Stream: Project LAUNCH

Background and Use of Funds

Administered by SAMHSA, Project LAUNCH is a partnership between the agency and HRSA, ACF, and the Centers for Disease Control. Project LAUNCH currently provides five-year grants to 24 sites (a mix of states, tribes, and local communities)⁵² to implement partnerships designed to prevent physical, mental and behavioral health problems among children ages birth to 8 years, and to promote positive development among young children using five research-based strategies. Those strategies include: screening and assessment in a range of child-serving settings, integration of behavioral health into primary care settings, mental health consultation in child care and early education, enhanced home

⁵¹ For federal guidance on SNAP-Ed, visit: <http://www.nal.usda.gov/fsn/Guidance/FY2012SNAP-EdGuidance.pdf>.

⁵² For more information on Project LAUNCH sites, visit: <http://projectlaunch.promoteprevent.org/about-us/grantees>.

visiting with an increased focus on social and emotional well-being, and family strengthening and parent skills training. Many of the Project LAUNCH grantees use workforce development activities to provide training for child care and early education staff, particularly on issues related to social and emotional development and behavioral health. Sites implementing Project LAUNCH grants frequently incorporate regular developmental screening into their funded work, and often those services take place at child care and early education settings, or in partnership with child care and early education providers. Many sites have also incorporated mental health consultations in child care settings as part of their strategies. Typically grants are received by state or local public health agencies or tribes, and are coordinated with area home visiting programs.

Project LAUNCH grantees can also focus on infrastructure changes to improve coordination and collaboration across child serving systems at the state, tribal and local levels. State level infrastructure work may involve efforts to create better linkages between child care and early education settings, elementary schools, primary care, behavioral health, home visiting, and other elements of the early childhood system through changes in policy, data sharing, and joint training.

Considerations

Project LAUNCH grants are very flexible. Although grants are multi-year, sites have flexibility to change strategies within that time period, for example to address newly identified needs, or to better reach a target population. Some grantees are very focused on incorporating strategies into the provision of primary health care. It is important to understand the history and current strategies of the Project LAUNCH grant in a given state or community when exploring potential financing partnerships.

Housing and Urban Development

Funding Stream: Community Development Block Grant

Background and Use of Funds

The Community Development Block Grant program is administered at the local level by municipal and county governments to support housing and economic development of targeted communities. Eligible communities receive funds based on a federal formula that considers a variety of socio-economic factors including poverty, population, overcrowding in housing, age of housing, and population growth. Local use of the funds is very flexible, and is determined by local governments. They must, however, use at least 70 percent of the dollars to address the needs of the target population: low- and moderate-income people. In most communities, up to 15 percent of an individual CDBG grant may be used to provide public services, including services for children in a variety of settings. Some communities make funds available to provide child care for low-income children. CDBG dollars may be more flexible within provider settings than other sources of direct service funds, allowing providers to deliver comprehensive services with core child care and early education services to the target population. Because the funds are locally administered, child care and early education providers must pursue these dollars with the city and county governments of the communities where they provide services.

Considerations

CDBG funding amounts for public services are often small and their use varies by community. This funding stream is most useful to individual programs or agencies at the local level, which can build relationships with CDBG administrators. Because funds are used in such a variety of ways and can

include a broad array of community development goals, early childhood partners may need to build administrators' understanding of the importance of high quality child care and early education to meet the locally-defined CDBG goals.

Lessons Learned: Considerations When Designing a Financing Strategy

Exploring financing strategies can open new doors and reveal new barriers. Some lessons that have emerged as states have explored this area of work include the following:

- Consider the full range of funding streams available—federal, state, local, and private—and especially those that support the components of comprehensive services. Although this guide focuses on federal funding streams, many of the state examples included use multiple sources of public and private funding from the state and local levels as well.
- Look for short-term and small funding streams to get partnerships and direct service initiatives started, and seek long-term funding to sustain services. There are a few federal funding streams that most easily lend themselves to partnerships with child care (e.g. ECCS, Project LAUNCH), and others that have a great deal of potential for partnerships but may take stronger partnerships and more groundwork in the form of policy or administrative changes (e.g. Medicaid, home visiting funds).
- Build relationships. Consider which agencies administer potential funding streams, and what relationships and other collaborations already exist. Remember that intermediaries like United Ways and community foundations can help coordinate partnerships between agencies, and can help bring private funds into the mix.
- Use research and data to make your case, and use models from other states to avoid reinventing the wheel.
- Invest in coordinated solutions and align systems as you layer funding to make your financing initiative more sustainable. This includes accountability systems (licensing, quality standards), professional development systems, and reporting requirements. By aligning these systems across funding streams, the administrative impact on service providers involved in the funding initiative will be reduced and the initiative will be more sustainable and effective.
- Pay attention to silos and the targeted populations they serve as you explore federal financing options. Although reducing funding silos generally helps create a cohesive system of early childhood supports and services, sometimes silos exist to ensure the needs of a specific population are met. In creating funding partnerships, be careful to continue to address the needs of underserved populations.
- Consider opportunities offered by “threshold eligibility” policies. Look for programs with similar eligibility requirements to link eligibility and enrollment policies and procedures, or for child care programs serving primarily populations that meet the eligibility requirements for other funding streams, to expand the services available to those families.

CLASP recommends that states and communities document and continue to share their experiences with strategic financing partnerships so that the early childhood field can learn how to best provide the full range of comprehensive services to children in child care and early education settings.

Appendix A: A Worksheet to Help States Get Started in Putting it Together

States and communities embarking on a partnership to expand access to comprehensive services within child care and early education settings can use this worksheet to begin mapping the need, available resources, and potential partnering strategies that will help them move forward.

What services do children need?

What type of service do you want to provide in your program, community, or state? (e.g. developmental screening, parent support, etc.)

What data do you have to document need in the state and in specific communities?

What funding streams are available to pay for these services?

Which funding streams include the needed services as part of their allowable uses?

Which funding streams can be used in partnership and/or within the child care and early education setting?

Are there opportunities presented by expansion of existing funding streams, changes in funding parameters, or the introduction of new funding opportunities in the state?

Which funding streams have other states and communities used to provide similar services in child care and early education settings?

Who in the state or community currently receives or administers the funds identified, and how are they used?

For the funding stream(s) you are exploring, which agencies or organizations are the current recipients (if any)?

What are the eligibility requirements for an agency or organization to receive funding under this funding stream?

If the funding stream is currently being utilized within the state or community, how is it being used? Is it providing services similar to those you would like to make available in child care and early education settings?

What partnerships already exist?

Are there existing collaborations between agencies currently receiving this funding and child care and early education agencies?

Are there examples of partnerships bringing other comprehensive services into child care and early education settings that could be built upon? (e.g. mental health consultation)

Are there tables at which all potential partners are present, where discussions about potential funding partnerships could take place? (e.g. Early Childhood Advisory Councils, Interagency Coordinating Councils, Children's Cabinets, etc.)

Are all key stakeholders at the table?

Does the planning or implementation group include current recipients of the funding stream, and any existing partnerships?

Does the table include stakeholders who have access to important data and other information?

Are service providers, including child care and early education providers, included at that table?

What other perspectives are important to the partnership, and are they present or included in other ways?

Are child care and early education providers ready to participate in a funding partnership?

What is the capacity of providers to manage the administrative requirements of the additional funding stream(s)?

What supports will providers and administrators need for this partnership to work?

What policies must be changed or aligned to support the use of this funding in child care settings?

What policy decisions need to be made at the state or local level to use this funding stream to support the service?

Does use of this funding stream require changes in statute or state regulation?

Does use of this funding stream require amendments to a state plan submitted to the federal agency (e.g. Medicaid)?

What related policies must be reviewed and potentially changed? (e.g. licensing policies, subsidy policies)

What are your next steps?

Who must be brought to the table to discuss a potential partnership?

What review of federal guidance or additional questions must be pursued and clarified?

What else?

Appendix B: Additional Resources by Funding Agency

Department of Health and Human Services Administration for Children and Families

CCDBG and Head Start

Text of the Child Care and Development Block Grant Act (CCDBG):

<http://www.acf.hhs.gov/programs/ccb/law/ccdbgact/index.htm>

Final regulations for the CCDBG law

<http://www.acf.hhs.gov/programs/ccb/law/finalrul/index.htm>

U.S. Department of Health and Human Services (HHS), Administration for Children and Families (ACF), *Eligibility Determination for Head Start Collaboration*, ACYF-PIQ-CC-99-02:

<http://www.acf.hhs.gov/programs/ccb/law/guidance/current/pq9902/pq9902.htm>

State Child Care Agencies (CCDBG Lead Agencies):

http://www.acf.hhs.gov/programs/ccb/ccdf/ccdf_state_territory_grantees.htm

Text of the Head Start Act: <http://eclkc.ohs.acf.hhs.gov/hslc/standards/Head%20Start%20Act>
Public Law 110-134 "Improving Head Start for School Readiness Act of 2007

Head Start grantees: http://eclkc.ohs.acf.hhs.gov/hslc/hslc_grantee_directory/

CLASP Resources

CCDBG: What's in the Law, <http://www.clasp.org/admin/site/publications/files/ccdbginlawrev.pdf>, 2010.

What State Leaders Should Know About Early Head Start,

<http://www.clasp.org/admin/site/publications/files/What-State-Leaders-Should-Know-About-EHS.pdf>, 2011.

State Head Start and Child Care Assistance Factsheets, http://www.clasp.org/in_the_states/.

Temporary Assistance for Needy Families (TANF)

Administrative web-site: <http://www.acf.hhs.gov/programs/ofa/programs/tanf>

HHS, ACF, *Temporary Assistance to Needy Families Program Instruction No. TANF-ACF-PI-2005-01*:

<http://www.acf.hhs.gov/programs/ofa/dts/tanf/tanf05-01.htm>.

State Human Service Directors (TANF grantees):

http://www.acf.hhs.gov/programs/ofa/states/tanf_admin.html

State TANF plans: http://www.acf.hhs.gov/programs/ofa/states/st_index.html

CLASP Resources

Guide to use of funds, <http://www.clasp.org/admin/site/publications/files/Guide-to-Use-of-TANF-Funds.pdf>, 2011

Using TANF for early childhood programs, <http://www.clasp.org/admin/site/publications/files/0293.pdf>, 2006.

Children's Bureau

Community Based Child Abuse Prevention (CBCAP)

Administrative web-site: http://www.acf.hhs.gov/programs/cb/programs_fund/state_tribal/cbcap.htm

State lead agency contacts for CBCAP: <http://friendsnrc.org/state-lead-agency-contacts>

CBCAP law and policies: http://www.acf.hhs.gov/programs/cb/laws_policies/policy/pi/2008/pi0801.htm

Health Resources and Services Administration

HRSA Grants technical assistance web-site: <http://www.hrsa.gov/grants/apply/>

Title V Maternal and Child Health Block Grants

Administrative web-site: <http://mchb.hrsa.gov/programs/titlevgrants/index.html>

The Basics: Title V Maternal and Child Health Block Grant Program, National Health Policy Forum, http://www.nhpf.org/library/the-basics/Basics_Title%20_V_09-24-07.pdf, 2007.

Title V of the Social Security Act: http://www.ssa.gov/OP_Home/ssact/title05/0500.htm

Early Childhood Comprehensive System Grants

Administrative web-site: <http://mchb.hrsa.gov/programs/earlychildhood/comprehensivesystems/>

ECCS grantees:

<http://mchb.hrsa.gov/programs/earlychildhood/comprehensivesystems/grantees/index.html>

ECCS state plans and models:

<http://mchb.hrsa.gov/programs/earlychildhood/comprehensivesystems/plansandmodels/index.html>

National Training Institute for Child Care Health Consultants: <http://nti.unc.edu/>

Healthy Tomorrows Partnership for Children

Administrative web-site: <http://mchb.hrsa.gov/programs/healthytomorrows/index.html>

Healthy Tomorrows Partnership for Children grantees:
<http://www2.aap.org/commpeds/grantsdatabase/index.cfm>

Descriptions of previous Healthy Tomorrows grants: <http://www2.aap.org/commpeds/grantsdatabase/>

Technical assistance resources are available from the American Academy of Pediatrics:
<http://www2.aap.org/commpeds/httpc/default.htm>.

Maternal, Infant and Early Childhood Home Visiting (MIECHV)

MIECHV program web-site: <http://www.hrsa.gov/grants/manage/homevisiting/>

MIECHV lead agencies: http://www.supportingebhv.org/component/joomdoc/doc_view/22-lead-agency-list?tmpl=component&format=raw

Home Visiting Evidence of Effectiveness (HOMVEE) web-site: <http://homvee.acf.hhs.gov/>

MIECHV statute: http://www.ssa.gov/OP_Home/ssact/title05/0511.htm

CLASP Resources

CLASP's MIECHV Issue Page: http://www.clasp.org/federal_policy/pages?id=0024

CLASP's Home Visiting Resource Page:
http://www.clasp.org/issues/pages?type=child_care_and_early_education&id=0020

Home Away From Home: A Toolkit for Planning Home Visiting Partnerships with Family, Friend, and Neighbor Caregivers, <http://www.clasp.org/admin/site/publications/files/Home-Away-from-Home.pdf>, 2012.

Centers for Medicare and Medicaid Services (CMS)

Medicaid and the State Child Health Insurance Program (CHIP)

Medicaid administrative web-site: <http://www.medicaid.gov/>

A searchable database of state plans: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-State/By-State.html> (State Plan web-sites, where available, are also listed in Appendix C.)

CHIP administrative web-site: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Childrens-Health-Insurance-Program-CHIP/Childrens-Health-Insurance-Program-CHIP.html>

CHIP program design by state: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Childrens-Health-Insurance-Program-CHIP/Downloads/Map-CHIP-Program-Designs-by-State-.pdf>

Title XIX of the Social Security Act, Medicaid: http://www.ssa.gov/OP_Home/ssact/title19/1900.htm

Title XXI of the Social Security Act, State Child Health Insurance Program:
http://www.ssa.gov/OP_Home/ssact/title21/2100.htm

Child Health Insurance Program Reauthorization Act (CHIPRA) policy guidance:
http://www.insurekidsnow.gov/professionals/policy_guidance/index.html

Federal guidance on Express Lane Eligibility established as a provision of the Child Health Insurance Program Reauthorization Act of 2009: <http://downloads.cms.gov/cmsgov/archived-downloads/SMDL/downloads/SHO10003.pdf>

Medicaid Financing of Early Childhood Home Visiting Programs: Options, Opportunities, and Challenges, The Pew Center on the States and The National Academy for State Health Policy, http://www.pewtrusts.org/uploadedFiles/wwwpewtrustsorg/Reports/Home_Visiting/PCS_NASHP_HV_Medicaid.PDF, 2012.

U.S. Department of Education

Office of Elementary and Secondary Education

Elementary and Secondary Education Act, Title I

Administrative web-Site: <http://www2.ed.gov/programs/titleiparta/index.html>

US Department of Education, Title I Non-Regulatory Guidance for Preschool:
<http://www2.ed.gov/policy/elsec/guid/preschoolguidance.pdf>

CLASP Resources

CLASP's Title I and Early Education Issue Page:
http://www.clasp.org/issues/pages?type=child_care_and_early_education&id=0005

Title I and Early Childhood Programs: A Look at Investments in the NCLB Era,
http://www.clasp.org/publications/ccee_paper2.pdf, 2007.

Missed Opportunities: The Possibilities and Challenges of Funding High-quality Preschool through Title I of the No Child Left Behind Act, http://www.clasp.org/publications/missed_opp.pdf, 2005.

McKinney-Vento Education for Homeless Children and Youth

Administrative web-site: <http://www2.ed.gov/programs/homeless/index.html>

Office of Special Education Programs

Individuals with Disabilities Education Act—Part C—Early Intervention

IDEA Part C Coordinating: <http://www.nectac.org/contact/ptccoord.asp>

State definitions of developmental delay for the purposes of IDEA Part C services:
http://www.nectac.org/~pdfs/topics/earlyid/partc_elig_table.pdf

National Early Childhood Technical Assistance Center (NECTAC) Notes no. 27, *Eligibility policies and practices for young children under Part B of IDEA*, <http://www.nectac.org/~pdfs/pubs/nnotes27.pdf>, 2011.

Individuals with Disabilities Education Act—Part B—Preschool Special Education

National Early Childhood Technical Assistance Center (NECTAC) Notes no. 27, *Eligibility policies and practices for young children under Part B of IDEA*, <http://www.nectac.org/~pdfs/pubs/nnotes27.pdf>, 2011.

Department of Agriculture

Supplemental Nutrition Assistance Program (SNAP)

Administrative web-site: <http://www.fns.usda.gov/snap/>

SNAP-Ed coordinators: http://www.nifa.usda.gov/nea/food/fsne/search_result.cfm

Federal SNAP-Ed guidance: <http://www.nal.usda.gov/fsn/Guidance/FY2012SNAP-EdGuidance.pdf>

Substance Abuse and Mental Health Services Administration

Project LAUNCH

Administrative web-site: <http://projectlaunch.promoteprevent.org/about/about-launch>

Project LAUNCH grantees: <http://projectlaunch.promoteprevent.org/about-us/grantees>

Housing and Urban Development

Community Development Block Grant (CDBG)

Administrative web-site:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/communitydevelopment/programs

Appendix C: Medicaid State Plan Web-sites

A searchable database of state plans is available here: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-State/By-State.html>

The following is a list of web-sites where individual Medicaid state plans can be found.

State	Medicaid Plan
Alabama	n/a
Alaska	http://www.hss.state.ak.us/commissioner/medicaidstateplan/default.htm
Arizona	http://www.azahcccs.gov/reporting/PoliciesPlans/stateplan.aspx
Arkansas	n/a
California	http://www.dhcs.ca.gov/formsandpubs/laws/Pages/CaliforniStatePlan.aspx
Connecticut	n/a
Colorado	http://www.colorado.gov/cs/Satellite?c=Page&cid=1197969486289&pagename=HCPF%2FHCPFLayout
Delaware	n/a
District of Columbia	http://dhcf.dc.gov/dhcf/cwp/view,A,1413,Q,609150,dhcfNav,%7C34822%7C.asp
Florida	http://www.fdhc.state.fl.us/Medicaid/stateplan.shtml
Georgia	n/a
Hawaii	n/a
Idaho	n/a
Illinois	n/a
Indiana	http://www.indianamedicaid.com/ihcp/StatePlan/state_plan.asp
Iowa	http://www.ime.state.ia.us/StatePlan/index.html
Kansas	http://www.kdheks.gov/hcf/healthwave/state_plan.html
Kentucky	http://chfs.ky.gov/dms/state.htm
Louisiana	http://bhsfweb.dhh.louisiana.gov/onlinemanualspublic/
Maine	n/a
Maryland	n/a
Massachusetts	n/a
Michigan	http://www.michigan.gov/mdch/0,4612,7-132-2943_4860-225474--,00.html
Minnesota	n/a
Mississippi	http://www.medicaid.ms.gov/MississippiStatePlan.aspx
Missouri	n/a
Montana	n/a
Nebraska	http://dhhs.ne.gov/medicaid/Pages/med_xixstateplan.aspx
Nevada	http://dhcfp.nv.gov/MSPTableofContents.htm
New Hampshire	n/a
New Jersey	http://www.state.nj.us/humanservices/dmahs/info/state_plan.html
New Mexico	http://www.hsd.state.nm.us/mad/RPublicInformation.html#
New York	http://www.health.ny.gov/regulations/state_plans/

North Carolina	http://www.ncdhhs.gov/dma/plan/index.htm
North Dakota	n/a
Ohio	n/a
Oklahoma	n/a
Oregon	http://www.oregon.gov/OHA/healthplan/tools_policy/stateplan.shtml
Pennsylvania	http://www.dpw.state.pa.us/publications/medicaidstateplan/index.htm (not online but instructions on how to request a hardcopy)
Rhode Island	n/a
South Carolina	http://www.scdhhs.gov/site-page/state-plan-under-title-xix-social-security-act-medical-assistance-program
South Dakota	n/a
Tennessee	http://www.tn.gov/tenncare/pol-stateplan.shtml
Texas	http://www.hhsc.state.tx.us/medicaid/StatePlan.html
Utah	http://health.utah.gov/medicaid/stplan/
Vermont	http://ovha.vermont.gov/administration/state-plan
Virginia	n/a
Washington	http://hrsa.dshs.wa.gov/medicaidsp/
West Virginia	http://www.dhhr.wv.gov/bms/smp/Pages/WVMedicaidStatePlan.aspx
Wisconsin	http://www.dhs.wisconsin.gov/aboutdhs/DHCF/MAStatePlan/StatePlan1-50.pdf
Wyoming	http://www.health.wyo.gov/healthcarefin/medicaid/spa.html



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