OBAMA-BIDEN TRANSITION PROJECT

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MEMORANDUM

To: Linda Darling Hammond
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From: Molly Munger, Advancement Project
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Re: Early Care and Education Recommendations

Date: December 19, 2008

Early childhood issues have been a major focus of Advancement Project's Los Angeles and Sacramento offices for the past five years, consuming the full-time attention of at least two and often as many as five advocates and analysts there. We are writing to share the California perspective on these issues. Because California is home to 12% of the country's children birth to five years old, and home to 18% of its low income children of color birth to five,[1] the federal approach should be designed to work well and fairly in California if it is to avoid miscarrying for a significant number of the children it is intended to help.

Background

Mounting research shows that young children who participate in high-quality early care and education (ECE) programs later achieve higher levels of educational attainment, and experience fewer economic and social problems. Yet too few children have the opportunity to participate in high-quality ECE programs. This educational deficit is a civil rights issue because low-income children of color disproportionately lack opportunities to benefit from high-quality ECE services.

Analysis

I. Quality *and* Access, K-12 *and* Childcare, Latino *and* African American Communities

We are very respectful of the decades of experience represented in the Child Care and Early Learning Coalition and support its recommendations about

[1] Advancement Project analysis of 50-State Data from National Center for Children in Poverty at Columbia University based on Current Population Survey from 2006, 2007, and 2008, available at http://www.nccp.org/tools/demographics (Dec. 9, 2008).

specific ways that current federal programs can be streamlined, strengthened and expanded. But there is a risk in focusing solely on existing structures and programs, and this is the first risk that we wish to address here. In California, serious equity implications—civil rights implications—attach to having too narrow a focus.

In our work in California, we have documented how a focus solely on improving the quality of the existing childcare/ early education system risks steering resources disproportionately away from Latino children and families. This is particularly problematic here in California where 52% of the state's children from birth to five are Latino and 71% of the state's low-income children from birth to five are Latino.[2] Because Latino children, especially first generation Latino children, are very underserved by the current ECE system, these children will end up seriously shortchanged if the Administration tries to deliver new resources solely through the (unintentionally) skewed current system.

Though we have extensively documented this reality only for California, we believe that the same phenomenon is likely observable in Texas, Arizona, New Mexico, Colorado, Illinois, New York—anywhere there are large numbers of low income, first generation Latino families. Current programs were not designed with these families in mind, are not physically present to scale in the neighborhoods where these families live, and use eligibility criteria that even eligible immigrant families find off-putting. The lack of physical facilities alone would be a major bar even if all the other issues could be solved, which underscores the importance of the federal government's infrastructure investments in early education-K-12 partnerships that can deliver early education programs to scale.

At the same time, the solution that California tried to pursue through its statewide initiative process with Proposition 82 in 2006—more preschool programs, operated without means testing and largely through public schools—raises equity issues of its own. The current ECE system is a crucial educational and economic support in low income communities and it is particularly critical in low income African American communities. Though African Americans make up a smaller percentage (6.3%) of California's population than they do of the populations of most other states, California is so large that its African American population, at almost 2.3 million, is still one of the largest in the country (African Americans make up 15.6% or 3 million of the population of New York state, 14.7% or 1.9 million of Illinois and 14.1% or 1.4 million of Michigan, for example).[3]

It is critical that the current childcare system be respected and strengthened in all the ways the current ECE sector is suggesting. Because service rates are often high in African American communities—the issue is the quality of the care that is being provided—a program that focused solely on launching high quality new

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[2] *Id.*
[3] U.S. Census Bureau, 2005-2007 American Community Survey, available at http://factfinder.census.gov/home/saff/main.html?_lang=en (Dec. 9, 2008).

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programs in areas of greatest current service shortfall would disproportionately steer investment away from African American children and families, an outcome as ethnically disparate and unacceptable in its own way as a focus solely on upgrades to the current system.

"Both-and" becomes the compelling policy choice in this area—*both* raise the quality of the current system ("quality") *and* develop new early education programs that can reach to scale the very large numbers of children currently left out of that system ("access"). Good politics aligns with good policy here because K-12 interests are supportive of a new program / access plank that includes a role for the K-12 system, while ECE interests are supportive of the program improvement / quality plank. Doing both things equally and well not only avoids racial inequity and polarization, but also holds promise for preventing political tensions between ECE and preschool advocates and interests.

II. Data-driven Planning

California's experience with its funds for First 5[4] illustrates a pitfall to be avoided in the proposed Early Learning Challenge Grant program and other initiatives of the new Administration. Some county First 5 commissions allocated early learning funds based on county-wide RFP's, rather than identifying high need areas in advance and asking for proposals to serve these particular areas. The result was "rich get richer" service rates in some areas already being served by high-capacity providers and continued horrendous service shortfalls in areas without such providers. In addition, uptake rates on newly provided services were low in some areas, and funds went unspent, because funds were awarded to areas that data analysis would have shown had scant unmet need.

In crafting the Early Learning Challenge Grant program and other initiatives, the Administration should require data-driven planning and grant-making so that funding addresses documented unmet need.

III. Attention to Physical Infrastructure

The major reason early education funds go unspent in California while so many children remain unserved is that many areas with large numbers of eligible children lack physical facilities to which funds could be sent to expand program access. Even where the amounts allowed for the services would theoretically be sufficient to cover the leasing and renovating of new facilities, the unpredictability of the funding and the lack of technical assistance has left providers without much capacity for this real estate development work.

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[4] First 5 California, also known as the California Children and Families Commission, was established in 1998 when California's voters approved a 50-cent tax to each pack of cigarettes sold. First 5's mission is to improve the lives of California's young children and their families through a comprehensive system of education, health services, childcare, and other crucial programs.

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In California, consensus is growing that funds for early education facilities should be included in school bonds so that the robust facilities development capacity of the K-12 system can help address the needs of younger children to scale. Local school districts are already including early education facilities funds in their bonds, and statewide bonds appear poised to go the same direction. Ensuring that bond funds are available both to K-12-based providers and community-based providers can protect the mixed delivery model to which California is committed.

As the Administration assembles a fiscal stimulus package that includes funds for K-12 school construction and improvement, it should make a portion of those funds available to build and renovate early education facilities. It should encourage states to combine operating funds under the Early Learning Challenge Grant program and other initiatives with facilities funds from the fiscal stimulus package so that currently unserved children can be reached.

IV. Zero to Three *and* Preschool

Targeted interventions for high-risk children pre-natal through three are a critical element of equal opportunity, and it is an element that has been consistently under-funded. While we currently serve half of the children eligible for Head Start—bad enough—we serve only 3% of the children eligible for Early Head Start.

Greatly increasing funding for Early Head Start is already a goal of the Administration's, and we strongly applaud and support that goal. Doing so in a way that does not disproportionately exclude immigrant families is an important priority here as it is with programs for preschool aged children. Basing eligibility on percent of poverty (low educational attainment, etc.) in a neighborhood, rather than on an individual family's proof of its means, has been a consistent request of Latino civil rights advocates and neighborhood activists when discussing preschool in California, and it is the best approach to the eligibility conundrum when it comes to infants and toddlers as well.

The ratio of birth-to-three—infant-toddler—investments to preschool investments (including all center or licensed home based childcare for children 3 and 4 years old) is another issue. This ratio ("set-aside") has been a major battleground in states other than California and is likely to emerge here eventually as well. Because our K-12 block is extremely strong here and that block consistently expresses hesitance about making birth-to-three investments out of the state's embattled general fund, birth-to-three programs cannot be counted as a likely winner in the early education policy tug of war that California will eventually experience. A strong federal program for infants and toddlers is therefore especially important to California to insure that this critical age group receives the attention it deserves.

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The Administration absolutely should significantly increase funding for Early Head Start, being sure that pathways to eligibility include neighborhood, not only individual, poverty levels. In crafting the Early Learning Challenge Grant program, it should set aside a generous percentage of funds for children birth to three and require either no match or a small match for these funds.

V. Reimbursement Rates

One of the reasons infants and toddlers are so underserved in childcare programs in California is that the state's reimbursement rates do not cover the cost of providing the staffing ratios that the state requires for this age group. In fact, the reimbursement rates make half-day programs for four-year-olds the most economically viable program for providers to offer, shortchanging not only younger children but full-day programs for four-year-olds as well. The current reimbursement rates disincentivize providers from offering full-day, full-year programs, while a huge need for infant-toddler and full-day, full-year programs goes very disproportionately unmet to the detriment both of low income families and of their children.

The federal system could help correct this by requiring all programs that receive federal dollars to operate under reimbursement rates that are more rational and even-handed, and reflect the actual cost of care, without reducing the total number of children served. Since even programs that are otherwise largely state funded do receive federal funds—TANF, CCCDBG, or funds from the federal food program (CACFP)—the federal government's requirements could play a significant shaping role here. Through a requirement that could be imposed through the CCDBG state plan or otherwise, and would be accompanied by adequate federal funding levels to support even-handed rates, the federal system could free providers to choose which age group to serve based not on whether the rate is economically viable—because all rates would cover expenses adequately—but on the real needs of parents and communities. The resulting gains in both access and quality for young children would be substantial.

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Recommendations

Pursue Access and Quality in Tandem
Aim policy at both (1) improving the quality of all childcare birth to five, and (2) providing access to preschool, giving a role to K-12, for all four-year-olds in low income neighborhoods and all low income four-year-olds wherever they reside.

Use Data and Needs Analysis to Drive Investment Decisions
Craft the proposed Early Learning Challenge Grant program and other initiatives of the new administration to ensure that funding flows to the neediest areas first.

Include ECE Facilities in the Economic Stimulus Package
Structure the economic stimulus package, which currently includes funding for K-12 construction, to permit school districts and other public agencies that operate early care and education centers to build and renovate ECE facilities to meet the needs of young children. The Administration should encourage states to combine operating funds under the Early Learning Challenge Grant program and other initiatives with facilities funds from the fiscal stimulus package so that currently unserved children can be reached.

Increase Funding for Children from Birth to Three
Increase funding for Early Head Start, being sure that pathways to eligibility include neighborhood, not only individual, poverty levels. In crafting the Early Learning Challenge Grant program, the Administration should set aside a generous percentage of funds for children birth to three and require either no match or a small match for these funds.

Reform Infant/Toddler Reimbursement Rates to Reflect Actual Costs of Care
Require all ECE programs receiving federal funds to pay reimbursement rates that reflect the actual cost of the required level of care for each age group, so that providing care for one age group is not more financially onerous than providing care for another. At the outset, the Administration should provide sufficient federal funding to permit states to implement this policy without reducing the total number of children they serve, and then maintain the rule as funding increases and service expands.