



## Virginia Early Childhood Foundation Financing Meeting Summary Report

On June 14 and 15, 2018, the Virginia Early Childhood Foundation (VECF) hosted a two-day meeting for state and community leaders to discuss challenges in Virginia's early childhood funding and financing. It included 80 attendees from state government and communities around the state. The meeting surfaced numerous important issues that Virginia early childhood stakeholders would like to see resolved and led to some specific follow-up plans for the communities that attended. Part I of this summary looks at issues raised that can be worked on statewide or across communities and Part II summarizes what specific communities plan to do to follow up.

While the meeting will likely spark numerous streams of ongoing work, there are two broader efforts that it is sure to inform:

- Developing a toolkit to support local efforts to improve early childhood financing, drawing on best practices from around the country and the experiences of Virginia communities; and
- Using the lessons learned to inform a new [legislatively created](#) workgroup charged with identifying strategies for developing an Integrated Early Childhood Fund at the state level. The workgroup is being facilitated by the Virginia Early Childhood Foundation and includes the Department of Education, Department of Health, Department of Social Services, and the Department of Planning and Budget. The workgroup's report is due to the Joint Subcommittee on VPI by October 15.

Stakeholders will need to remain engaged to ensure that these processes yield results that are meaningful for communities, children, and families.

### **I. The Meeting Surfaced Many Issues on Which the State Can Move Forward**

A major purpose of the meeting was to surface critical issues facing communities in their early childhood work – specifically, those issues where changes in state law or agency regulations would make it easier for communities to finance early childhood in a manner that supports children and families. A table summarizing some of those issues is below; the table outlines issues identified at the meeting and proposes next steps for the work. In considering the issues raised, these ideas should inform the work going forward:

- Ideally, Virginia will identify some overarching goals for the system as a whole, to create a shared vision of what the early learning field is working together to accomplish. When the broader vision is set, the cost of achieving that vision can be estimated.
  - The vision should go beyond early education and care to address the full range of young children and family needs.
  - When a more comprehensive vision is established, it will be easier to understand how to fill gaps beyond the building blocks that are already in place.
- Stronger public will can drive policy change – and to develop stronger public will requires outreach and coordinated messaging.
  - Children are always learning, and policymakers should recognize the contribution made by a wide range of professionals working with young children.
  - Early childhood practitioners want very much to feel more valued for the work they do. This has particularly been an issue for child care providers, for example, who may not feel fully valued by education leaders in their communities.

- Greater thought will be dedicated to what functions are performed at the state level, which functions are regional, and which are local.
  - In too many instances, communities are taking action not because they are the logical institutional actor, but because the state has left a gap.
  - Local flexibility will always be needed to allow for variation among urban, suburban, and rural communities, but there are some elements of state infrastructure and policy that are needed to support all communities.
    - For example, dealing with transient populations requires state support.
  - In some instances, the funder of a program and the decision-maker are not the same.
    - For example, the federal government provides child care funds to the state with a great deal of flexibility; the state can do the same for communities where appropriate and with the right accountability in place.
    - Another example is the Child and Adult Care Food Program, where lack of clarity at the state level has influenced uptake at the community and provider level.
  - There are some federal parameters on federal funds, but Virginia has the power and flexibility to make the system more sensible.
- The voice of parents heard more directly can inform improvements at both the state and local level.
- While government has to lead and drive certain areas, there are aspects of the change process that philanthropy is uniquely positioned to advance. Strategic philanthropic investment can catalyze and support systems change.

The table below provides more specific analysis of the issues raised by participants and identifies potential next steps. As discussed at the meeting, there is not enough bandwidth to aggressively pursue all of these potential next steps simultaneously. VECF will work to identify some next steps that can be prioritized for immediate action, and the others can remain on the radar for future advancement.

Issue Area	Potential Next Steps
<b>Identifying Key Facts to Inform Decision-Making</b>	
<p><b>Lack of data is a huge issue. The State is working to develop more robust data reports, informed by stakeholder feedback.</b></p> <ul style="list-style-type: none"> <li>• <b>Communities will always want more data than the state is providing, so how do you make the infrastructure complementary?</b></li> <li>• <b>Communities may not know where their children are actually enrolled or how they are doing.</b></li> </ul>	<p>VECF is partnering with state leaders to produce new data that will be more useful to early childhood leaders at the state and community levels. That work is ongoing and being conducted in partnership with the Virginia Longitudinal Data System and Virginia Tech Social and Decisions Analytics Lab, among other partners. There are some data points that are hard to track community by community – particularly with regard to enrollment in state-funded programs – so a strong data governance and sharing infrastructure at the state level can be of value to communities.</p>
<p><b>Law vs. policy vs. practice – when best practices are not being implemented, is that because they are prohibited by law, prohibited by policies, or just not part of the culture? Where are myths getting in the way?</b></p>	<p>The toolkit for communities will address key decisions and clarify what flexibility they have under current law. Clarifying what is actually possible could help break down local barriers, where lack of clarity about authority can inhibit actions that are legal and would be useful.</p>
<b>State-Level Underfunding</b>	
<p><b>Being more honest about the cost of early childhood programs.</b></p> <ul style="list-style-type: none"> <li>• <b>The state budget is not based on the actual incremental cost to families.</b></li> </ul>	<p>Participants believe that how much the state spends on key programs – including Medicaid, child care, preschool, and others -- is based not on how much those things actually cost, but on how much money the state has available. While it may be difficult to change that dynamic, the state or an outside partner could choose to do an analysis that articulates the actual incremental costs – and that information could then be used to inform the budgeting process.</p>

Issue Area	Potential Next Steps
<p><b>Providers need stability and to be paid enough to provide quality.</b></p> <ul style="list-style-type: none"> <li><b>In effect, early childhood professionals are the biggest philanthropists in the early childhood system.</b></li> <li><b>How much public assistance are early childhood professionals receiving?</b></li> </ul>	<p>In Virginia, as in many states, the low pay for early childhood professionals can make it difficult to attract and retain great staff. One participant in the meeting pointed out that early learning teachers are in effect philanthropists, donating their earning potential to the cause of early childhood. Others pointed out that early childhood teachers are often paid so little that they end up needing public assistance. Any effort to quantify the actual cost of child care (or other programs) should do so in a manner that anticipates teachers being paid at a level that allows them to stay in the profession. Ultimately for Virginia to improve in this area will require the state to fund services at a level that allows providers to pay their teachers adequately.</p>
<b><i>Opportunities for State-Level Efficiencies</i></b>	
<p><b>Improve state agency monitoring: The monitoring process needs to be harmonized across agencies.</b></p> <ul style="list-style-type: none"> <li><b>Agency regions do not have the same boundaries – can that be made more customer driven?</b></li> </ul> <p><b>How can the state ensure quality more efficiently? Reduce duplicative inspections.</b></p>	<p>Communities and providers noted that the state’s monitoring systems are overlapping, meaning that they are sometimes monitored for the same thing by different agencies on different schedules. If the state worked to harmonize its monitoring – which could include establishing reciprocity across agencies on issues of shared oversight – that would be more efficient for the state and for providers. A study group could be created to delve more deeply into this issue. Participants also noted that different agencies currently have different monitoring regions, which adds to the complexity and confusion; one aspect of a simplification process might be to update the monitoring regions so that they are consistent across agencies, which could lead to greater efficiency and stronger relationship-building. This strand of work could also benefit from better data, which could be used to make the monitoring system more efficient.</p>
<p><b>Professional development in the early childhood field is not well coordinated across funding streams, and is therefore disconnected and not of the highest quality.</b></p> <ul style="list-style-type: none"> <li><b>What can the state do to support a system of quality? Communities typically can’t do this on their own.</b></li> <li><b>How can we create communities of learning, perhaps at the regional or local level?</b></li> </ul> <p><b>How do we account for both professionals who want to advance, and those who just want to get better in their current role?</b></p>	<p>Participants were concerned that professional development is disjointed across different funding streams – particularly in early learning where Head Start, preschool, and child care professionals might all have similar developmental needs. The state could partner with Head Start to evaluate existing professional development opportunities and see how they might be expanded, and also consider ways to support regional infrastructure for professional development. This will require cross-agency partnership. In addition, the toolkit for communities can include suggestions on supporting professional development partnerships. The state should also consider how ESSA Title II funds might be leveraged to support this work.</p>

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<p><b>The Virginia Preschool Initiative is a funding stream where the state has some real flexibility, but right now communities do not feel that it is maximizing its potential.</b></p> <ul style="list-style-type: none"> <li>• <b>Participants raised concerns about the VPI distribution formula – what is its goal? Can the formula be tweaked to better meet that goal?</b></li> <li>• <b>Participants were also concerned about the design of the match – can that issue be revisited given the experience of communities with more limited financial resources?</b></li> <li>• <b>How can VPI and Head Start be more intentionally complementary, rather than potentially competing?</b></li> <li>• <b>How can VPI and subsidy work together more effectively?</b></li> <li>• <b>What are the incentives for mixed delivery?</b></li> </ul>	<p>Participants in the meeting raised a number of concerns with VPI – including that the distribution formula and matching processes may not be well designed to meet the program’s goal, that the program is not coordinated with Head Start and child care as well as it could be, and that it might not be encouraging mixed delivery to the extent originally envisioned. These issues should be considered by the workgroup looking at flexible funding, but the Department of Education should also consider reviewing VPI’s design and making recommendations for potential changes.</p>
<p><b>Governance – the current system may not be ideal, but for change to work there must be a thesis of what the state is trying to accomplish. Can take a lot of energy.</b></p>	<p>The issue of state-level governance was touched on at the meeting, with the recognition that changing governance is difficult and should only be attempted if Virginia can clearly articulate what benefits it would expect to achieve from the change.</p>
<p><b>Is there going to be a statewide strategy focused on the needs of rural communities?</b></p>	<p>At several points, the distinctive challenges of rural communities were raised as an issue. At the very least, the toolkit could identify which financing strategies are more likely to be effective (or ineffective) in rural areas. A more ambitious approach would be to form a task group specifically to study these issues and propose action steps.</p>
<p><b><i>Disconnects in the Design of the System</i></b></p>	
<p><b>Early childhood education and K-3 are not always well connected, and there are also disconnects within B-5.</b></p> <ul style="list-style-type: none"> <li>• <b>Is each year’s experience designed to look like the next year?</b></li> <li>• <b>Who is helping children and families navigate from one year to the next?</b></li> </ul>	<p>Participants expressed frustration about the discontinuity children and families experience as they progress through the birth-to-eight years. To some degree, that is a function of program design – are the programs serving children of different ages really designed to promote continuity? -- and to some degree that is a challenge of not having professionals focused on helping families navigate those transitions. Some states are developing comprehensive recommendations on the subject of kindergarten transition, which Virginia could consider doing. The toolkit could also identify some best practices that could be implemented at the local level pending improvements in state policy.</p>
<p><b>Participants identified disconnects in the administration of special education students for 0-3 year olds (Part C) and older pre-kindergarten children (Part B) under the Individuals with Disabilities Education Act.</b></p>	<p>In Virginia Part C special education is administered by the Department of Behavioral Health and Developmental Services, while Part B special education is administered by the Department of Education (as required by federal law). Those two agencies are already looking at how to improve their connections, and could ramp up those efforts through a more formal joint study that works with external stakeholders to design a more seamless system of early childhood special education.</p>

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<b><i>State Systems That Influence Local Behavior</i></b>	
<p><b>K-12 doesn't fully embrace early childhood because it's not compulsory.</b></p> <ul style="list-style-type: none"> <li>• <b>There are a whole host of issues to address relating to implementing the federal Every Student Succeeds Act (ESSA) provisions on accountability and school improvement. These state-designed systems influence how school divisions approach early learning, and the state has the power to create more favorable conditions for school leaders to engage with early learning and the early elementary grades.</b></li> </ul>	<p>The Virginia Department of Education could look for opportunities to use implementation of its ESSA plan to encourage a focus on the early years – both through its accountability requirements and its school improvement process. The Department could also examine other levers to build the capacity of school districts to engage constructively with early learning leaders.</p>
<p><b>Scaling Virginia Quality: is it a consumer information tool, a driver of quality improvement, or both?</b></p> <ul style="list-style-type: none"> <li>• <b>On quality improvement, the system needs to meet providers where they are and pull them forward.</b></li> </ul> <p><b>Is the system designed to actually incentivize quality?</b></p>	<p>Further study may be needed of how Virginia Quality can be most constructively implemented in the years ahead. Participants noted that it is both a consumer information tool and a driver of quality improvement, and that in the ongoing continuous quality improvement needed at the state level the state should continue to evaluate how well it is serving both functions. In particular the state should pay attention to two important issues: (1) is the system well designed to actually diagnose needed quality improvements and then provide supports that genuinely assist in the improvement process, and (2) are the ongoing funding levels it provides at higher levels sufficient to provide an incentive for high quality?</p>
<p><b>Capital funding is a need in many communities. There is a desire to have the state provide this, and have communities be ready to use effectively.</b></p>	<p>Participants identified the need for greater capital funding for early childhood needs, which would allow for the construction of much-needed facilities in underserved communities. This is a nationwide shortage area that very few states have addressed. To address it in Virginia would likely require a task group to study the issue in some depth and prepare recommendations for a framework that would fit within the state's budgetary approach and also meet the needs of communities.</p>
<b><i>Opportunities for Community-Level Efficiencies</i></b>	
<p><b>One of the ideas that generated the most enthusiasm among participants was the idea of centralized intake – a system where parents can sign up for services in one place without having to fill out multiple forms for different agencies.</b></p> <ul style="list-style-type: none"> <li>• <b>At what level should centralized intake be designed – state, regional, or local?</b></li> <li>• <b>If systems are being built regionally or locally, what kinds of infrastructure supports should the state provide? What supports would be needed at the local level?</b></li> <li>• <b>How can states and communities support the trust-building needed for these systems to succeed?</b></li> </ul>	<p>Centralized intake is already being implemented successfully in communities around the country. The toolkit can include recommendations for communities that are seeking to develop centralized intake systems, building on the best practices identified in other places. It can also identify state infrastructure supports that would be useful to communities building these systems; some aspects of centralized intake will in fact need to be developed individually, community by community, but there may be some supports – including data systems – that are best provided centrally.</p>

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<p><b>Shared services can help make community-level work more efficient, and minimize the burden on providers to engage in work outside their core focus.</b></p> <ul style="list-style-type: none"> <li>• <b>Providers have to be motivated to participate.</b></li> <li>• <b>How can it work in rural settings?</b></li> <li>• <b>Is there sufficient trust to make this work? Sufficient understanding?</b></li> </ul>	<p>“Shared services” allow providers to reduce the level of internal capacity they need to conduct back-office services, by sharing capacity across multiple providers. Some communities are already developing robust shared-services approaches, and other communities expressed interest in moving in this direction. VECF can support peer-to-peer learning in this area, and the toolkit can include recommendations for shared services implementation.</p>
<p><b>How are communities defining success? What are their performance measures?</b></p>	<p>The goal of streamlining financing is to allow communities to more efficiently achieve their goals – but participants noted that there is not always consistency among communities in how those goals are defined. The toolkit could offer suggestions for communities on how to articulate goals that define success, and what measures they might use to gauge progress toward achieving those goals.</p>

Meeting participants also surfaced numerous other areas that would benefit from state and community level action:

- Supporting the use of Adverse Childhood Experiences (ACEs) data as an analytic tool;
- Engaging fathers;
- Ensuring that single mothers do not face unnecessary obstacles to program enrollment (which is potentially an issue with the TANF program and other forms requiring a father to be identified);
- Leveraging federal Maternal, Infant, and Early Childhood Home Visiting (MIECHV) funds;
- Strengthening nutrition programs;
- Expanding Early Head Start – which could include the state applying to become a grantee;
- Supporting infant-toddler mental health; and
- Engaging providers of home-based care.

These are areas that might fit into some of the cross-cutting state follow-up, or that might warrant deeper study. The toolkit can also provide suggestions for addressing these issues at the community level to the extent possible.

## II. Communities Have Specific Plans for Follow up

In addition to plans for statewide and cross-community work, attending communities identified some specific issues they plan to follow up on after the meeting.

Community	Key Follow-up Steps
<b>Southeast</b>	<ul style="list-style-type: none"> <li>• Home visiting: targeting expansion of MIECHV; one low-income community has not been on the list.</li> <li>• Work on VPI slots, get buy-in from schools/community leaders – how to get them to make a local commitment?</li> </ul>
<b>Roanoke</b>	<ul style="list-style-type: none"> <li>• Very interested in shared services – gained some ideas from Richmond to follow up on.</li> <li>• Want to use the data available to develop consistent talking points for legislators.</li> <li>• Do more to meet families where they are to ensure access to services.</li> </ul>
<b>Thomas Jefferson Area</b>	<ul style="list-style-type: none"> <li>• Have built out a single application for families – there’s a desire to expand on that, and get into the next phase that leads to single point of entry.</li> <li>• Professional development: not enough for preK teachers. Looking to partner with Head Start to expand access.</li> <li>• Interested in having the state apply for an Early Head Start grant.</li> </ul>
<b>Fairfax</b>	<ul style="list-style-type: none"> <li>• Just rolled out a strategic plan, now focused on obtaining funding to complete year one components. This includes expanding the Nurse-Family Partnership and the use of the Early Development Instrument.</li> <li>• There’s a desire to look at the needs of families and keep collaboration growing.</li> <li>• Key data strategies include figuring out the true cost of services.</li> </ul>
<b>Danville/Pittsylvania</b>	<ul style="list-style-type: none"> <li>• Would like to see state organizations communicate and collaborate, including providing better data.</li> <li>• Want to continue working on early detection and treatment – a strong emerging partnership with schools, but need help scaling it.</li> </ul>