

Building Early Childhood Systems: Policy and Finance

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Example: The Goal of an Early Childhood System

- To build an early childhood system that addresses the following priority areas:
 - a) Access to health care and medical homes
 - b) Mental health and social-emotional development
 - c) Early care and education/child care
 - d) Parenting education and family support
 - e) Funding/Financing

A System

- Infrastructure
 - Professional development
 - Public engagement
 - Program licensing
 - Accountability
 - Funding and financing
- Services

Q. So where do you start?

A. The budget!

Q. What is a budget?

A. A document with a bunch of numbers and dollar figures.

Q. What is a budget, really?

- Yes, it is a document with a bunch of numbers and dollar figures.
- More importantly, it is the most significant **POLICY DOCUMENT** used in government planning.
 - "The budget process is the spinal column of public policymaking."¹

Basic Assumptions

- Early childhood systems initiatives must achieve a deep understanding of the budget in order to influence the policy decisions that impact young children ages 0-5.
- A cross-system plan without a cross-system budget is difficult to implement.

Beginning to Understand the Budget

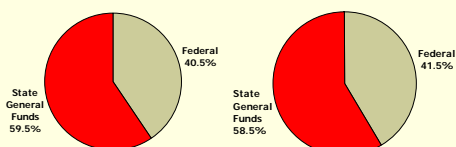
Type of Funds

- Federal
- State
- Local
- Foundation
- Corporate
- Other

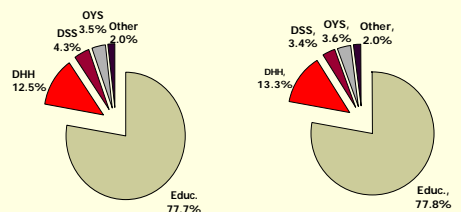
Type of Funds – Federal²

- Entitlements programs
- Formula/block grants
- Discretionary grants

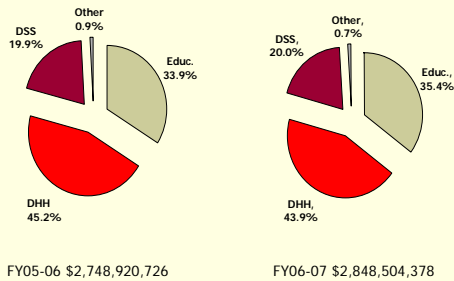
Total Children's Budget



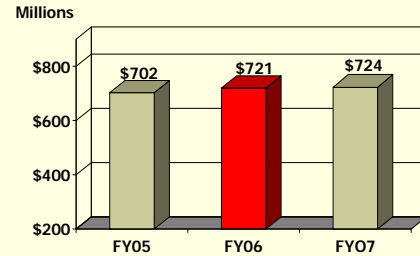
State General Funds in the Children's Budget



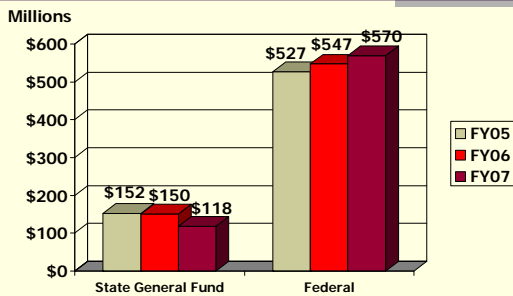
Federal Funds in the Children's Budget



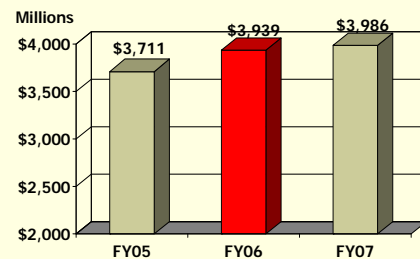
Department of Social Services



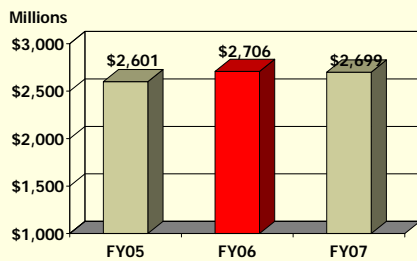
Department of Social Services



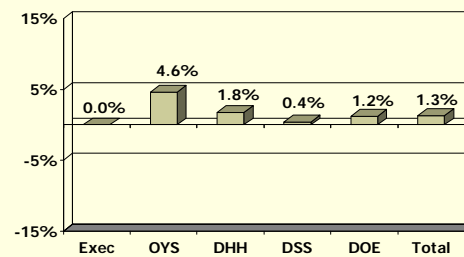
Department of Education



Department of Education – State General Funds



Children's Budget Comparison FY05-06 vs. FY06-07



Beginning to Move the Early Childhood Systems Agenda into the State Budget

Common Early Childhood Systems Funding Goals

- Coordinate funding for all components of the early childhood system.
- Foster flexibility in use of federal and state funding to address the needs of children birth through five.

Major Federal Funding Sources that Support Early Childhood

Early Care and Education (Partial List)		
Funding Source	Type	Department
Child Care and Development Fund	Formula/Block Grant	DSS
TANF	Formula/Block Grant	DSS
Title I	Formula/Block Grant	DOE
Head Start	Discretionary/ Project Grant	Direct to local

Major Federal Funding Sources that Support Early Childhood

Mental Health/Social Emotional Development (Partial List)		
Funding Source	Type	Department
Community Mental Health Services Block Grant	Discretionary/ Project Grant	DHH
MCH Block Grant (Title V)	Formula/Block Grant	DHH
Title IV-E (Training)	Entitlement Program	DSS
Social Services Block Grant (Title XX)	Formula/Block Grant	DSS

Major Federal Funding Sources that Support Early Childhood

Family Support/Parenting Education (Partial List)		
Funding Source	Type	Department
Even Start Family Literacy (Title I, Part B)	Discretionary/ Project Grants	DOE
MCH Block Grant (Title V)	Formula/Block Grant	DHH
Head Start/Early Head Start	Discretionary/ Project Grants	Direct federal to local
Title IV-E (Adoption Assistance)	Entitlement Program	DSS

Major Federal Funding Sources that Support Early Childhood

Access to Medical Homes (Partial List)		
Funding Source	Type	Department
CHIP (Title XXI)	Formula/Block Grant	DHH
MCH Block Grant (Title V)	Formula/Block Grant	DHH
Child Support Enforcement	Entitlement Program	DSS
Medicaid (Title XIX)	Entitlement Program	DHH

Early Childhood Budget

Early Care and Education	State General Fund	Federal Funds	Total Funds
Public Pre-K	\$83,000,000	\$0	\$83,000,000
Private Pre-K	\$0	\$8,500,000	\$8,500,000
Head Start	\$0	\$358,000	\$358,000
Child Care Subsidy Program	\$15,000,000	\$74,000,000	\$89,000,000
Totals	\$98,000,000	\$82,858,000	\$180,858,000

Early Childhood Budget

Family Support/ Parenting Education	State General Fund	Federal Funds	Total Funds
Fatherhood Initiative	\$0	\$375,000	\$375,000
Nurse Family Partnership	\$6,291,262	\$1,290,000	\$7,581,262
Child Welfare	\$73,502,402	\$141,546,144	\$215,048,546
TANF	\$33,000,000	\$202,000,000	\$235,000,000
Totals	\$112,793,664	\$345,211,144	\$458,004,808

Early Childhood Budget

Mental Health – Social/Emotional Development	State General Fund	Federal Funds	Total Funds
Early Childhood Supports and Services	\$3,250,000	\$2,000,000	\$5,250,000
NFP – Mental Health Component	\$200,000	\$400,000	\$600,000
MH Consultation to Child Care	\$100,000	\$400,000	\$500,000
Totals	\$3,550,000	\$2,800,000	\$6,350,000

Early Childhood Budget

Access to Health Insurance/ Medical Home	State General Fund	Federal Funds	Total Funds
Medicaid			
LaCHIP			
MCH			
School Based Health Centers			
Totals			

Early Childhood Budget

Total Early Childhood Budget	Agency	Program	State General Fund	Federal Funds	Total
Early Care and Education	Dept. of Social Ser.	Subsidy Program	\$9.3 million	\$144 million	\$153.3 million
	Dept. of Social Ser.	Quality Initiative	\$1 million	\$6 million	\$7 million
	Dept. of Education	Pre-K Initiative	\$83 million	\$8.5 million	\$91.5 million
Mental Health/ Social-Emotional Development	Dept. of Health	Early Childhood Supports	\$3.25 million	\$2 million	\$5.25 million
	Dept. of Social Ser.	Mental Health Consultation	\$100,000	\$400,000	\$500,000

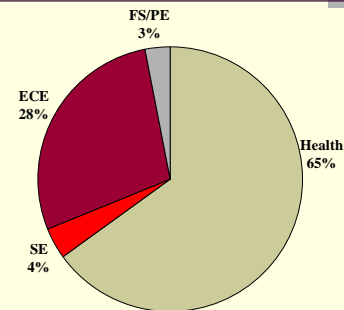
So what do you know?

- Approximately how much federal and state dollars are being used to support young children and their families.
 - x% from federal funds
 - x% from state funds

So what do you know?

- Number of programs directed at early childhood.
 - Agencies responsible for these programs
 - Highlights areas of potential collaboration/blending
- Distribution of these funds toward your targeted areas.

Total Funding by Target Area



Now you are ready to make informed policy decisions

- Adequacy of funding
- Maximizing available funds
- Stability
- Address barriers to collaboration/flexibility
- Be careful not to undermine your best efforts

Helps to solve dilemmas

Early Care and Education	State General Fund	Federal Funds	Total Funds
Public Pre-K	\$83,000,000	\$0	\$83,000,000
Private Pre-K	\$0	\$8,500,000	\$8,500,000
Head Start	\$0	\$358,000	\$358,000
Child Care Subsidy Program	\$15,000,000	\$74,000,000	\$89,000,000
Totals	\$98,000,000	\$82,858,000	\$180,858,000

Contact Information

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References

- ¹ Nathan, R. P. *Handbook for Appointed Officials in America's Governments*. Chapter 5, Page 42. Available at http://www.rockinst.org/publications/general_institute/gov_handbook/Handbook.pdf
- ² Hayes C. *Strategic Financing: Making the Most of the State Early Childhood Comprehensive Systems-Building Initiative*. In: Halfon N, Rice T, and Inkelas M, eds. *Building State Early Childhood Comprehensive Systems Series, No. 5*. National Center for Infant and Early Childhood Health Policy; 2004. Available at <http://www.healthychild.ucla.edu/NationalCenter/FINANCE%20print%20copy%202.2.6.04.pdf>
- ³ Fisher, H., Cohen, C., & Flynn, M. (2000). *Federal funding for early childhood supports and services: A guide to sources and strategies*. The Finance Project: Washington, DC. Available at http://www.eric.ed.gov/ERICWebPortal/custom/portlets/recordDetails/detailmini.jsp?_nfpb=true&_ERICExtSearch_SearchValue_0=ED444763&ERICExtSearch_SearchType_0=no&accno=ED444763
- ⁴ Flynn-Khan, M., Ferber, T., Gaines, E. & Pittman, K. (2006). *Adding it Up: A Guide to Developing a Children, Youth and Families Budget*. The Forum for Youth Investment and The Finance Project. Available at <http://www.forumfyi.org/Files/cyfguide.pdf>