



Mapping Fiscal Resources to Support Early Success in Delaware

March 2010

Written by Amanda Szekely,
Soumya Bhat and Lori Connors-Tadros

TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	3
<i>Overview of Funding for Children Prenatal to Age Five.....</i>	3
<i>Findings on Effectiveness of Fiscal Resources.....</i>	7
<i>Recommendations.....</i>	10
BACKGROUND AND RESEARCH APPROACH.....	12
<i>Policy Context.....</i>	12
<i>Fiscal Context.....</i>	13
<i>Research Approach.....</i>	14
<i>Organization of the Report.....</i>	16
SECTION I: OVERVIEW OF FUNDING.....	18
<i>Public Funding Overview.....</i>	18
<i>Private Funding Overview.....</i>	26
SECTION II: FINDINGS ON THE EFFECTIVENESS OF FISCAL RESOURCES.....	28
<i>Adequacy of Funding.....</i>	28
<i>Maximization.....</i>	30
<i>Flexibility of Funding.....</i>	31
<i>Stability of Funding.....</i>	34
<i>Coordination of Funding Sources.....</i>	35
SECTION III: RECOMMENDATIONS.....	39
<i>Maximize Existing Resources.....</i>	39
<i>Leverage Additional Resources.....</i>	41
<i>Create Dedicated Sources of Revenue.....</i>	42
<i>Looking Forward.....</i>	43
APPENDIX I: COMPARISON OF FRAMEWORKS.....	45
APPENDIX II: INDEX OF FUNDING SOURCES.....	46
APPENDIX III: GLOSSARY OF FEDERAL FUNDING SOURCES.....	64
ACKNOWLEDGEMENTS.....	68
ABOUT THE FINANCE PROJECT.....	70
ENDNOTES.....	70

EXECUTIVE SUMMARY

Delaware leaders in the public and private sectors have a vision for a comprehensive early childhood system that will help the state's youngest children to enter school prepared to succeed. Recent efforts, including the development of the Early Success Plan and the Policy Matters state policy audit, have set the stage for implementation of a range of policies, programs, and partnerships focused on school readiness for all Delaware children.

In order to fully realize their vision for an early childhood system, Delaware leaders have identified a need for more information on the fiscal resources that support services for young children. This report provides a detailed account of federal, state, and private expenditures on programs supporting children from prenatal to five. The Finance Project (TFP) researchers also provide an analysis of:

- The adequacy of current funding to achieve state goals;
- The degree to which Delaware is maximizing available resources;
- The flexibility and stability of current funding sources; and
- Opportunities to coordinate existing resources.

A greater understanding of the funding landscape will help state leaders make effective decisions about how to finance and sustain key programs and services for the state's youngest children.

OVERVIEW OF FUNDING FOR CHILDREN PRENATAL TO AGE FIVE

Delaware has a diverse funding base for early childhood initiatives, deriving support from both public and private funders. While federal and state resources provide the bulk of funding, private sector funding fills gaps in an emerging early childhood system. Based on program research and interviews with public and private stakeholders, The Finance Project (TFP) researchers estimate that in FY09:

- Approximately \$328 million in federal and state public funds supported 48 early care and education, health, and family support programs for children from prenatal to age five in Delaware.¹
- At least \$14 million from 12 major private funders contributed to Delaware's early childhood system.

PUBLIC FUNDING OVERVIEW

The core questions addressed in the analysis of public funding for early childhood services are:

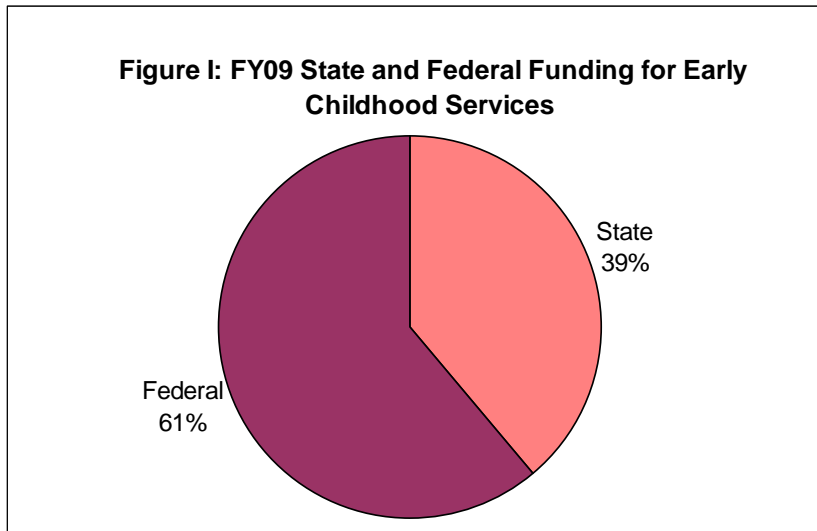
- Where do funds come from (federal or state sources)?
- How does funding compare to investments in K-12 education and other state expenditures?
- How does funding support key goals for children and families?
- Which state agencies administer funds?

¹ This figure does not include short-term federal funding provided through the American Recovery and Reinvestment Act (ARRA). Funding amounts supporting pregnant women and young children are, in some cases, estimated.

Public Funding by Source

Public funding for early childhood services in Delaware comes primarily from federal and state funding sources.² As **Figure I** illustrates:

- **Federal funding** accounts for approximately \$200 million or 61 percent of public funding for young children. A large portion of this funding comes from three entitlement programs that provide health insurance and nutritious food to low-income families (Medicaid, the Supplemental Nutrition Assistance Program (SNAP) and the Child and Adult Food Care Program (CAFCEP)). Other sources of federal funding include block grants, such as the Child Care and Development Fund (CCDF) and competitive grants, such as Head Start.
- **State funding** totals approximately \$127 million, or 39 percent of total public funding. This includes the state match for federal programs, such as Medicaid and CCDF, and expenditures on state-funded programs, such as the Early Childhood Assistance Program (ECAP), Delaware's pre-k program.



Public Funding in Context

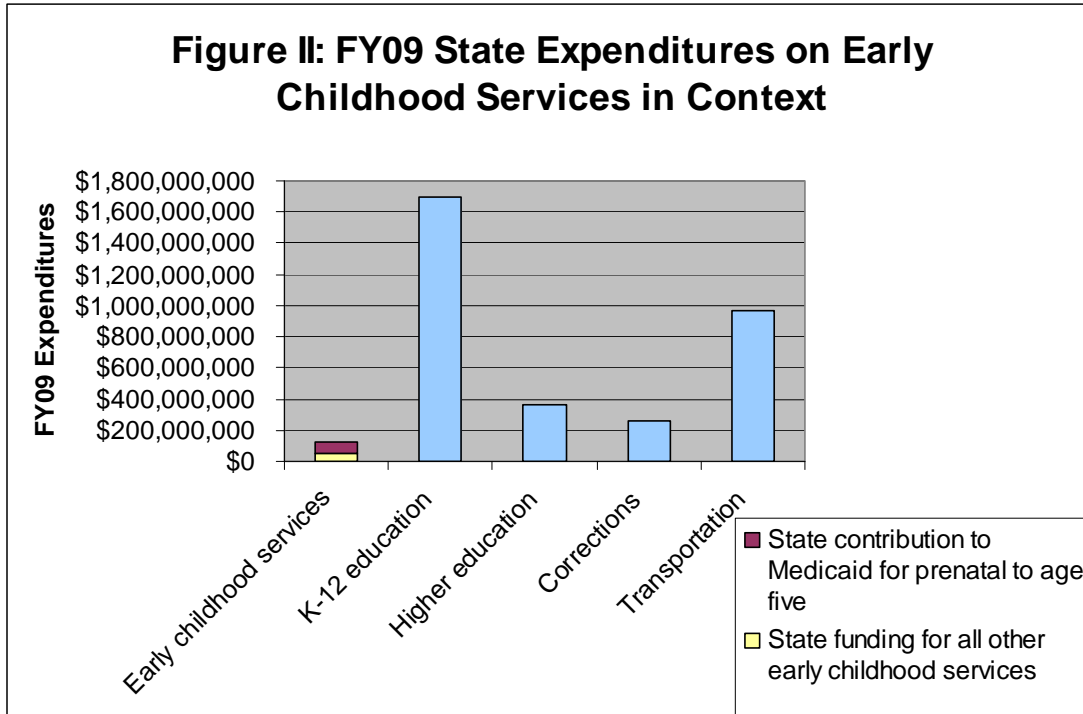
Federal and state funding catalogued in this report translates to under \$4000 per capita for children prenatal to age five in Delaware. It is important to note, however, that more than half of this funding comes from the three federal entitlement programs - Medicaid, SNAP and CACFP. In reality, many of Delaware's youngest children receive little or no publicly funded services, as the majority of publicly funded programs serve only families with low incomes or other risk factors.

In comparison, Delaware spends an average of \$11,000 per child (in federal, state, and local funds) on Delaware's K-12 education system. This comparison data is consistent with a recent national analysis by the Urban Institute and Brookings Institution, showing more significant aggregate public investments on services for school-age children than for children ages birth to five.¹

Looking more closely at state expenditures, TFP researchers found that total state spending on services for pregnant women and young children (\$127 million³) makes up

² Local revenues may also play a role in financing early childhood services by school districts in Delaware, but quantifying local spending was not within the scope of this study.

less than four percent of Delaware's FY09 state budget.ⁱⁱ As shown in **Figure II**, this figure represents a smaller share of the state FY09 budget than funding for K-12 education, higher education, corrections or transportation.



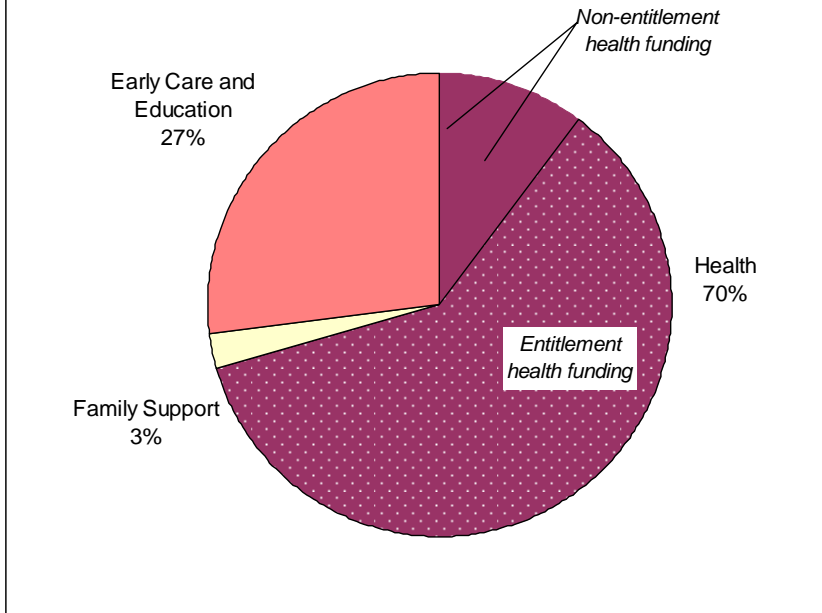
Public Funding by Program Category

TFP researchers assessed how public funding aligns with three components of a comprehensive early childhood system.ⁱⁱⁱ As **Figure III** indicates:

- **Health:** An estimated \$231 million in public funding (70 percent) supports health services for pregnant women and young children, including medical services, nutrition, mental health, and early intervention. While funding for health services is significant in size, the vast majority comes from entitlement programs, which offer limited flexibility in state use.
- **Early Care and Education:** Approximately \$88 million (about 27 percent of total funding) supports child care subsidies and funding for programs, such as Head Start and ECAP, as well as investments in program quality and infrastructure.
- **Family Support:** About \$8.3 million (three percent of funding) funds family support programs, such as home visiting and parent education.

³ Over half of this figure (\$77 million) represents the estimated state contribution to Medicaid to support medical services for pregnant women and young children.

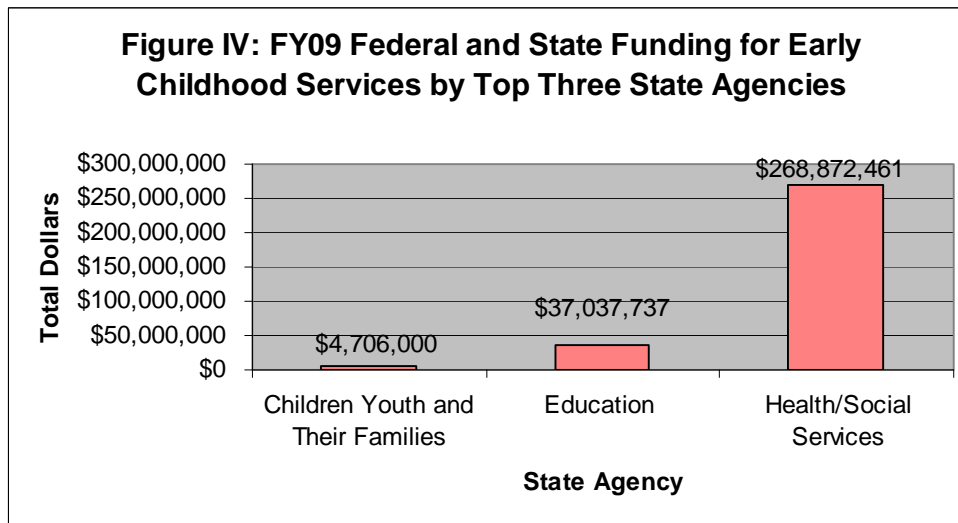
Figure III: FY09 Federal and State Funding for Early Childhood Services by Program Area



Public Funding by Agency

Several statewide and local agencies and organizations administer state and federal funding for early childhood initiatives in Delaware. As **Figure IV** illustrates, the Department of Health and Social Services (DHSS) has the largest budget for early childhood services (\$268 million), with a significant portion of that funding coming from Medicaid, SNAP and CCDF. The Department of Education (DOE) administers \$37 million for early childhood services and the Department of Services for Children, Youth and Families (DSCYF) administers close to \$5 million.

Figure IV: FY09 Federal and State Funding for Early Childhood Services by Top Three State Agencies



PRIVATE FUNDING OVERVIEW

Private funders contribute to a number of early childhood services in Delaware, often filling gaps and partnering with public funders on key initiatives to promote school readiness. Based on data collected in interviews with 12 foundation and corporate funders, TFP estimates that at least \$14 million from major private funders supports Delaware's early childhood system.⁴ The following are notable examples of how private funders support Delaware's early childhood system goals:

- The **United Way** Success by Six initiative provides grants to community programs for prenatal care, early education, parent education and other services for young children and their families. The United Way also plays a key role in coordinating and raising funds for the Delaware Stars quality rating and improvement system and the state's emotional wellness initiatives.
- **Nemours Health and Prevention** contributes to state early childhood goals in a number of ways, including funding for the state professional development system, and initiatives to provide parent education, improve developmental screening, and prevent obesity for young children.
- **Social Venture Partners** uses a venture philanthropy model to provide both funding and expert consultation to selected early childhood programs, and funds behavioral health consultants to work in these centers.

Key Private Funders Supporting Early Childhood Services in Delaware

- Bank of America Charitable Foundation
- Barclays Bank Foundation
- Blue Cross Blue Shield Foundation on Healthcare
- Dupont Company
- Jessie Ball Dupont Foundation
- JP Morgan Chase Foundation
- Longwood Foundation
- Nemours Health and Prevention Services
- PNC Bank Foundation
- Rodell Foundation of Delaware
- Social Venture Partners
- United Way of Delaware

FINDINGS ON EFFECTIVENESS OF FISCAL RESOURCES

Based on analysis of expenditure data and a series of interviews with key stakeholders in Delaware, the TFP research team analyzed the effectiveness of fiscal resources to support goals for children in Delaware. The analysis focused on five key questions:

- Are funds adequate to support an early childhood system?
- Does Delaware maximize existing resources?
- Which funding sources are most flexible?
- Are funds stable over time?
- Does Delaware coordinate funds to support early childhood system goals?

The following are key findings from this analysis:

Adequacy – Adequate funding is critical as Delaware leaders plan to implement a comprehensive system of supports for the state's youngest children. Delaware officials noted that current funding levels are inadequate to support several early childhood system goals, such as:

⁴ Foundations were identified through discussions with stakeholders, as well as a review of the Foundation Center's national database

- **Raising rates for subsidized child care** -- Stakeholders commented that Purchase of Care (POC) reimbursement rates to child care providers are below 75 percent of the market rate and are too low to support quality care. Additional funding would also be required to develop a tiered reimbursement system as an incentive for providers to earn Stars ratings.
- **Expanding the capacity of Delaware Stars** – Due to insufficient funding, there is a waiting list to participate in the Stars quality initiative.
- **Supporting additional pre-k-slots** – Delaware ranks 30th nationwide in providing preschool access to four-year olds and the state program does not serve three-year olds.^{iv}
- **Broadening health coverage for young children** – Currently over 9000 children (ages 0-18) in Delaware go without health insurance because their family incomes are too high to qualify for Medicaid or the State Children’s Health Insurance Program (SCHIP).^v

Maximization – Maximization of federal funding ensures that Delaware takes full advantage of existing resources for young children and their families.

- **Delaware is drawing down federal funds with matching requirements** – State leaders, however, anticipate challenges in meeting maintenance of effort requirements for CCDF in coming years.
- **Delaware has successfully accessed competitive grants**-- including a federal Systems of Care grant from the Substance Abuse and Mental Health Services Administration (SAMHSA) to support emotional wellness for young children, a Department of Education Early Reading First grant for early literacy programs, and a Department of Agriculture TEAM Nutrition grant to support nutrition education for child care providers. Other federal grant applications, such as the recent Project Launch initiative, have not been successful.
- **The state is not fully maximizing federal entitlement programs** – Despite ongoing outreach efforts, many families and providers entitled to services funded by Medicaid, SNAP, and CAFCP do not currently receive them. In past years, Delaware has also not used the state’s full SCHIP allocation, due to insufficient enrollment.

Flexibility – Flexible public and private funds are critical in supporting early childhood system goals in Delaware.

- **Several flexible federal funding sources support state early childhood goals** – State leaders are using some of the more flexible federal funds, including CCDF quality set-aside and targeted funds, Community-Based Child Abuse Prevention (CBCAP), and Temporary Assistance for Needy Families (TANF) to support key components of an early childhood system.
- **Delaware is not tapping other flexible federal funds for early childhood services** – The Community Development Block Grant (CDBG), Community Services Block Grant (CSBG), and Title I offer flexibility in supporting early childhood services beyond their current uses in Delaware.
- **State general funds and private funds fill key gaps in services** – For example, the state funds the ECAP program to provide early learning opportunities to low-income or at-risk four-year olds. Private funders have partnered with public agencies to support state initiatives, such as Delaware Stars and Nurse-Family Partnership.

Stability – Funding stability is critical to sustaining an early childhood system over time.

- **Federal funding is stable or potentially increasing** – While many programs have been flat-funded for years, there are a number of new federal funding opportunities, including funding for Early Childhood Advisory Councils and for evidence-based home visiting programs. In addition, the President’s FY11 budget proposes increased funding to support child care subsidies for low-income families.
- **State, local and private funding levels have been impacted by the recession** – Programs relying on these funds are typically receiving flat or reduced funding and may face ongoing challenges in maintaining and expanding their services.

Coordination – Program coordination is an effective strategy to ensuring that the state effectively and efficiently uses resources to meet common goals.

- **Many successful approaches to program coordination currently exist** – Examples of coordination include: a new state system for professional development, a public-private partnership supporting the Stars initiative and a state workgroup focused on emotional wellness for young children.
- **Several barriers to coordination remain in place** – Implementation of Policy Matters recommendations to consolidate program governance and integrate data systems may address some of these barriers. Notable barriers include:
 - *State agencies serving young children have different missions and priorities that guide their investments in young children.*
 - *Significant subcontracting across agencies may incur excessive administrative costs and can make it difficult to monitor funds.*
 - *Data cannot be shared across agencies, making it challenging to track services for an individual child and assess whether there is duplication. Stakeholders also noted duplication in databases on licensed child care providers at DSCYF and Children and Families First.*
 - *State policy requires POC to be recertified every six months. For children in full-year programs such as Head Start, who require POC for wraparound care, recertification poses challenges to continuity of care.*
 - *Staff turnover and hiring freezes can derail coordination that is largely based on relationships, and is often not supported by official mandates.*
 - *There is no formal structure in place to coordinate private funders’ contributions to Delaware’s early childhood system. Many private funders expressed an interest in partnering with each other and with the public sector to co-invest in services for young children.*

RECOMMENDATIONS

Based on the findings of the quantitative and qualitative analyses, the TFP research team recommended a number of financing strategies for state leaders to support implementation of the Early Success Plan and the priorities identified by the Policy Matters committee. Outlined below are promising strategies to maximize current resources, leverage additional funds, and create new dedicated revenues for early childhood services.

Maximize Existing Resources

Delaware leaders can begin by considering strategies to more effectively use the state's existing resources to support an early childhood system. For example, state leaders can:

- ⇒ **Make strategic use of flexible funds** to fund high-priority needs and to draw down matching funds.
- ⇒ **Maximize entitlement funding** by investing in outreach to ensure that eligible individuals are enrolled.
- ⇒ **Tap non-fiscal resources of local government and community partners**, including in-kind space and staff time.
- ⇒ **Implement new coordination strategies** to reduce administrative costs and duplication of services. Strategies may include:
 - Consolidating program governance for early care and education programs at DOE;
 - Formalizing coordinating bodies to promote collaboration with health and social services programs;
 - Creating shared data and information systems;
 - Merging databases on licensed child care programs across DSCYF and Children and Families First; and
 - Developing a pilot program to extend POC recertification to one year for children in Head Start or Early Head Start.
- ⇒ **Encourage coordination at the local level.** Delaware agencies and private funders can promote, require, and/or provide technical assistance to communities to take on cost-effective service delivery strategies, such as co-location, blending and braiding, or a “shared services” model to build economies of scale across programs.^{vi}

Leverage Additional Resources

Delaware leaders can also leverage additional public and private funds to support initiatives for young children. For example, state leaders can:

- ⇒ **Influence allocation of flexible federal funds**, such as CSBG, CDBG and Title I to support services for young children.
- ⇒ **Apply for new competitive funding opportunities**, such as the proposed federal Early Learning Challenge grant, if and when funds become available.
- ⇒ **Engage private and corporate funders** in a formal public-private partnership or co-investment strategy that would generate new funds and coordinate resources to meet early childhood goals.

Create Dedicated Sources of Revenue

Finally, state leaders can create new and dedicated sources of financing for early childhood initiatives that would not be subject to annual appropriations. While strategies to create new revenues may not be feasible in the current fiscal environment, Delaware

leaders can begin long term planning, consensus-building, and learning from promising models from other states. As examples, state leaders can:

- ⇒ **Set aside revenues from specific fees or taxes for early childhood services**, such as tobacco taxes, license plate fees, or lottery revenues.
- ⇒ **Develop an endowment or capital fund**, where a one-time investment of state general funds sustains services over time.

LOOKING FORWARD

These findings and recommendations lay the groundwork for a strategic approach to financing early childhood system building in Delaware. Informed by this report and the recent Policy Matters study, Delaware leaders are well positioned to prioritize key early childhood goals, estimate the costs of implementation, consider what fiscal resources are currently available, and then develop new strategies to fill funding gaps. A focus on strategic financing can help Delaware leaders to move from a planning process to action steps to meet identified outcomes for children and families.

BACKGROUND AND RESEARCH APPROACH

Delaware leaders in the public and private sectors have a vision for a comprehensive early childhood system that will help the state's youngest children to enter school prepared to succeed. Recent efforts, including the development of an early childhood plan and a state policy audit, have set the stage for implementation of a range of policies, programs, and partnerships focused on school readiness for Delaware children.

In order to fully realize their vision for an early childhood system, Delaware leaders have identified a need for more information on the fiscal resources that support services for young children. This report provides a detailed account of federal and state expenditures on programs supporting children from prenatal to five and their families, and highlights the key role that private dollars play in these efforts. The Finance Project (TFP) researchers provide an overview of how funds align with the goals of an early childhood system; which agencies control key funding sources; and to what extent funding comes from federal, state, or private sources. In addition, the report provides an analysis of:

- The adequacy of current funding to achieve state goals;
- The degree to which Delaware is maximizing available resources;
- The flexibility of current funding sources;
- The stability of current funding sources; and
- Opportunities to coordinate existing resources.

A greater understanding of the funding environment for early childhood services will help state leaders to make effective decisions and lays the groundwork for developing a strategic financing and sustainability plan for key funding priorities for the state's youngest children.

Policy Context—Growing Support for a Coordinated System of Early Childhood Services in Delaware

In recent years, Delaware decision-makers, including the governor, state agency leaders, and private and philanthropic executives, have demonstrated a commitment to building a comprehensive system of early childhood services. In 2001, Governor Minner signed an Executive Order to establish Delaware's Early Care and Education Council, whose seventeen members are appointed by the state's Interagency Resource Management Committee (IRMC). The state legislature codified this coordinating body as the Early Childhood Council in 2007. The Early Childhood Council's mission is to "promote the highest quality comprehensive early learning system for Delaware's young children and their families by providing leadership and advocacy to guide the system development."

Quick Facts on Delaware's Youngest Children

- Delaware has 72,109 children under age six.
- 35 percent of young children are in low-income households (below 200% FPL)
- 44 percent of young children are exposed to one or more risk factor*
- 10 percent of young children lack health insurance.

*Risk factors include: single parent, living in poverty, linguistically isolated, parents have less than high school education or no paid employment

SOURCE: *Delaware Early Childhood Profile*. National Center for Children in Poverty, December 2009

In 2006, the Council developed *Early Success: Delaware's Early Childhood Plan*, which includes detailed objectives and strategies to ensure that all Delaware children “enter school prepared to succeed.”^{vii} Since this report was published, state leaders have engaged in successful efforts to implement some of these strategies, including completing an early care and education workforce study and launching the Delaware Stars for Early Success child care quality rating and improvement system. In addition, Delaware agencies established the Institute for Excellence in Early Childhood, a new professional development center at the University of Delaware, to support the early care and education workforce.

Delaware public and private leaders formed the “Policy Matters” Committee in 2009 to focus on state policy strategies critical to building an early childhood system. Chaired by Lieutenant Governor Matt Denn and PNC Bank’s Delaware President Connie Bond Stuart, the Commission worked with the National Center for Children and Families to conduct an early childhood policy audit and identify policy priorities for early childhood system reform. Delaware’s Business Roundtable and state agencies contributed both resources and time to this effort. The policy audit was completed in December 2009, and participants selected the following key policy areas for implementation in the coming year:

- Consolidate governance of early childhood services within the Department of Education;
- Provide full financing of Delaware Stars to encourage participation by all programs, with strong consideration of tiered reimbursement as a mechanism; and
- Build a stronger early childhood accountability system through integrated data systems.

With strong support from state agencies and other key stakeholders, the Policy Matters Committee is currently engaged in efforts to implement these goals. This fiscal mapping study is designed to complement the work of the Policy Matters Committee by providing an overview of how programs are currently funded, as well as financing recommendations to further state policy goals.

Fiscal Context—Economic and Budget Challenges

While state leaders now have a clear vision of a comprehensive early childhood system in Delaware, a favorable policy context alone is not sufficient. Delaware’s efforts to invest in early childhood services take place in the context of increased family economic insecurity as well as significant state budget shortfalls.

In the current economic downturn, more and more families with young children in Delaware are struggling to meet their basic needs. Between 2002 and 2008, the state’s poverty rate for families with children from birth to age five increased from 12 percent to over 17 percent.^{viii} In late 2009, Delaware’s unemployment rate climbed to nine percent (from a high of 5.7 percent in 2008^{ix}), most likely further increasing the number of families with young children who need the services offered by state agencies and non-profits.

At the same time, the economic downturn has caused state agencies and private funders to cut back on services. In FY 2009, Delaware faced a revenue shortfall of over \$200 million, leading to mid-year budget reductions for all state agencies (except

schools and higher education), a statewide hiring freeze, and an employee pay cut, among other cost-saving strategies.^x Delaware's FY10 budget addresses a larger (\$800 million) budget shortfall through both tax increases and additional spending cuts.^{xi} Private funders also report challenges in maintaining or increasing levels of giving to meet demand.

The fiscal situation poses challenges for state leaders as they make decisions about how best to invest in a system of supports and services for young children. The current environment, however, clearly demonstrates the need for coordinated efforts and innovative strategies to make the best use of existing resources and draw down all available resources to serve young children. In addition, funding available through the federal American Reinvestment and Recovery Act (ARRA) stimulus package is filling some key budget gaps in the short-term (2009-2010). Finally, given the current administration's commitment to early childhood, Delaware leaders may be able to take advantage of opportunities to access new federal funds, including new grants for evidence based home visiting programs and Early Childhood Advisory Councils.

Despite the strong commitment of leaders in Delaware to support a comprehensive approach to school readiness, the reality is that difficult choices will have to be made in order to bring about effective systemic reform and improved outcomes for children and families. The fiscal mapping study findings, in tandem with the policy audit, provide public and private leaders with clear and comprehensive data on the policies and financing that will best help them reach their goals for young children and their families. The study identifies opportunities to maximize current resources, increase flexibility, and tap into assets, other than money, to achieve long-term goals and address these fiscal challenges.

Research Approach

Researchers from The Finance Project (TFP) collected detailed information on public investments that support services for pregnant women and children from birth to age five and their families in Delaware (hereafter referred to as the "target population" for the study). For consistency, TFP researchers collected point-in-time fiscal data from fiscal year 2009, the most recent year for which actual expenditure data was available.⁵ Since data is intended to guide policy decisions in future years, researchers did not include short-term infusions of federal stimulus dollars in total funding estimates.

TFP staff also interviewed select foundation and nonprofit organization leaders to better understand the role that private funds play in supporting early childhood initiatives. While this report largely provides factual information about funding sources in the region, the authors' have provided suggestions and considerations for state leaders.

Public Funding

The TFP research team accessed publicly available information and consulted with staff from key state agencies to identify 48 programs, funded with federal and/or state funds, which support the target population in Delaware. (While local revenues also provide some limited funding for young children in Delaware, it was not within the scope of this study to catalog expenditures at the local level.) TFP staff conducted phone interviews

⁵ Depending on the program, respondents may have referred to funding amounts allocated during the federal fiscal year (October 2008-September 2009) or the state fiscal year (July 2008-June 2009).

with 53 individuals at Delaware state agencies between September and December 2009 to collect detailed program and fiscal information on these programs.⁶

Information collected for each program includes:

- Program goals and services provided;
- Revenue sources;
- Appropriation levels in fiscal year 2009;
- ARRA funding;
- Proportion of funds dedicated to target population;
- Flow of funds;
- Private/in kind funds leveraged;
- Program eligibility; and
- Caseload information.

TFP researchers also asked agency staff to respond to questions about the:

- Adequacy of funding,
- Maximization of funding;
- Flexibility of funding,
- Stability of funding, and
- Coordination of funding from multiple programs and sources.

Private Funding

TFP researchers also gathered information on notable examples of funding provided by private foundations, corporations, and the United Way. To better understand the role of private funding in the region, staff conducted interviews with 12 private funders.⁷ These funders were identified through a review of the Foundation Center's national database as well as discussions with stakeholders as major contributors to early childhood initiatives.^{xii} While a number of other private sources of funding contribute to early childhood services, including faith and community-based organizations and parent fees, in-depth analysis of these sources was not within the scope of this study.

Data Analysis and Collection Framework

In an effort to help state leaders understand how current programs and funding sources align with their goals and priorities, TFP worked with stakeholders in Delaware to agree upon an appropriate analysis framework for the programs included in the fiscal mapping study. An early childhood system framework that emerged from the work of national experts in the field^{xiii} and is commonly used in Delaware and nationally to drive state and local early childhood system building efforts was chosen. TFP organized the funding programs by the following three components of a comprehensive early childhood system:

- *Early Care and Education*, including child care, preschool, special education and early literacy initiatives, as well as an infrastructure that supports the quality of care and helps parents to find appropriate settings.
- *Health services*, including medical services for pregnant women and children, dental services, nutrition, social-emotional health services, and early

⁶ See Acknowledgement section for the list of individuals interviewed.

⁷ See Acknowledgement section for the list of individuals interviewed.

identification, assessment and appropriate services for infants and toddlers with special needs, disabilities or developmental delays.

- *Family Support* initiatives, including home visiting, parent education initiatives, and other initiatives designed to strengthen families.

This organizational framework differs somewhat from those used in the Early Success plan and by the Policy Matters Committee. Appendix I illustrates the frameworks used in these three projects and how they align with one another.

Limitations of Research Methods

The funding map and analysis that follows is intended to provide a comprehensive picture of early childhood funding in Delaware. However, it is important to note a few limitations to this analysis:

- *Assigning programs to program categories is an imperfect process* - Within the framework selected, TFP staff categorized each of the publicly funded programs according to the category with which it is primarily aligned. Although a few programs support services related to more than one component, in most cases there was clear primary alignment to one category.
- *Dollar amounts supporting the target population in Delaware are often estimated* - A number of programs included in this report serve broader populations, including school-age children or adults. In some cases, state agencies maintain data on the proportion of program dollars targeted specifically to young children. In other cases, estimates of the amount of funding allocated to this target population are based on assumptions informed by other state or national data. These assumptions are noted in Appendix II.
- *Scope has limitations* --Figures are not inclusive of all private investments or local resources devoted to early childhood services in Delaware.

Organization of the Report

The report is organized in the following sections:

- Section I- Overview of Funding – including a broad overview of the amounts and sources of funding providing early childhood services in Delaware.
- Section II – Findings on the Effectiveness of Fiscal Resources – analysis of the adequacy, stability and flexibility of available funding sources, the extent to which Delaware is maximizing available resources; and issues related to coordinating funding from multiple sources.
- Section III- Recommendations- outlining financing strategies that emerge from the study's findings.

Appendix I – Alignment between fiscal mapping, Policy Matters, and Early Success, showing how the analysis framework used in this study maps to the Policy Matters audit and the Early Success plan.

Appendix II - Program Index, provides detailed tables of programs supporting early care and education, health services, and family support services, including funding amounts, who receives funding, and who is served.

Appendix III– Glossary of Federal Funding, serves as a reference to the various federal funding programs referenced in this report.

SECTION I – OVERVIEW OF FUNDING

Delaware has a diverse funding base for early childhood initiatives, with support from public and private funders. While federal and state resources provide the bulk of funding, private sector and local funding fill gaps in the system.

In FY09, TFP estimates that:

- Approximately \$328 million in federal and state public funds supported 48 early care and education, health, and family support programs for children from prenatal to age five in Delaware (not including ARRA funds); and
- At least \$14 million from 12 major private funders contributed to Delaware's early childhood system.

The information presented below provides a more detailed analysis of public and private funding sources. A complete accounting of the publicly funded programs and services for young children in Delaware is provided in Appendix II.

PUBLIC FUNDING OVERVIEW

The core questions addressed in the analysis of public funding for early childhood services are as follows:

- Where do funds come from (federal or state sources)?
- How does funding compare to investments in K-12 education and other state expenditures?
- How does funding support the key goals for children and families?
- Which state agencies administer funds?

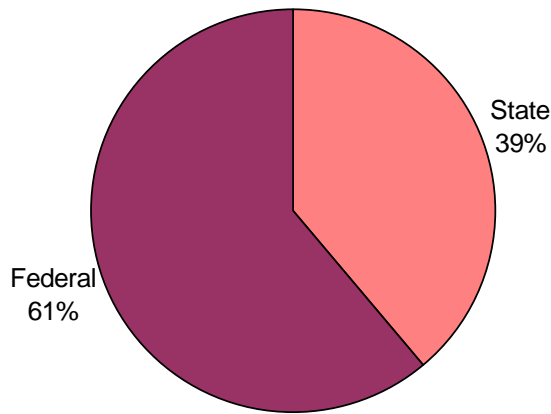
Public Funding by Source

Public funding for early childhood services in Delaware comes primarily from federal and state funding sources.⁸ Several of the programs highlighted in this report receive funds from multiple sources. As **Figure I** illustrates:

- **Federal funding** accounts for approximately \$200 million or 61 percent of public funding for young children
- **State funding** totals approximately \$127 million, or 39 percent of total public funding.

⁸ Local funding also plays a role in how school districts finance early childhood programs. Quantifying local funding was not within the scope of this study.

Figure I: FY09 State and Federal Funding for Early Childhood Services



There are several types of public funds that support early childhood initiatives in Delaware:

- Federal Entitlement programs:** Over half of public funds described in this study (\$197 million) come from three entitlement programs that provide health insurance and nutritious food to low-income families (Medicaid, the Supplemental Nutrition Assistance Program (SNAP) and the Child and Adult Food Care Program (CACFP). Unlike other funding sources catalogued in this report, entitlement programs guarantee that all individuals meeting the eligibility requirements can be enrolled in the program. State funds are required to match federal Medicaid expenditures, while SNAP and CACFP are fully funded by federal agencies.
- Federal Formula/Block grants** provide states with a fixed allocation of funds based on an established formula that is tied to a measure of need, such as the poverty rate. In some cases, these federal programs provide funding contingent upon investments of state matching dollars. States have some discretion in how funds are used. Key relevant programs include: Child Care and Development Fund (CCDF), Temporary Assistance to Needy Families (TANF), and Individuals with Disabilities Act (IDEA) funds.
- Federal Discretionary grants** are funds awarded to organizations, state or local agencies through a competitive application process. An application for a discretionary grant does not guarantee an award, and the amounts received by grantees are not predetermined by a formula. Key examples of discretionary grants include Head Start and Early Reading First grants.

The Key Role of Federal Entitlement Programs

Over half of public funding included in this report comes from three federal entitlement programs that pay for health insurance and nutritious foods for low-income families:

- **Medicaid** – est. \$153 million (50 percent of which comes from state matching funds)
- **Supplemental Nutrition Assistance Program** (SNAP or food stamps) – est. \$35 million
- **Child and Adult Food Care Program (CACFP)** – est. \$9 million

- **State general funds** are funds designated by the state legislature to support key programs, including matching funds for federal programs and state initiatives, such as the Early Childhood Assistance Program (ECAP) - Delaware's state-funded pre-K.

Federal Funding from the American Recovery and Reinvestment Act (ARRA)
 During FY09 and FY10, Delaware is receiving additional federal funding for many of the programs highlighted in this report through ARRA, the federal stimulus package. ARRA funding is not included in this report's analysis because of the short-term nature of funding. TFP found, however, that in FY09, Delaware received additional funding for the following programs serving young children:

- Child Care and Development Fund (CCDF);
- Head Start;
- Individuals with Disabilities Act (Parts B and C);
- Title I;
- Medicaid;
- Supplemental Nutrition Assistance Program (SNAP); and
- Special Supp. Nutrition Program for Women, Infants and Children (WIC).

Funds are supporting a range of services, including Medicaid and food stamps to meet the needs of newly eligible families, technology, infrastructure and professional development investments, and child care subsidy reimbursement "bonuses".

Public Funding in Context

Federal and state funding supporting services for pregnant women and young children translates to less than \$4000 per capita for children prenatal to age five in Delaware.⁹ (Close to half of this funding comes from the three federal entitlement programs (Medicaid, SNAP and CACFP).

In comparison, Delaware spends an average of \$11,000 per child (in federal, state, and local funds) on the K-12 education system. This comparison data is consistent with a recent national analysis by the Urban Institute and Brookings Institution, showing more significant aggregate public investments on services for school-age children than for children ages birth to five.^{xiv}

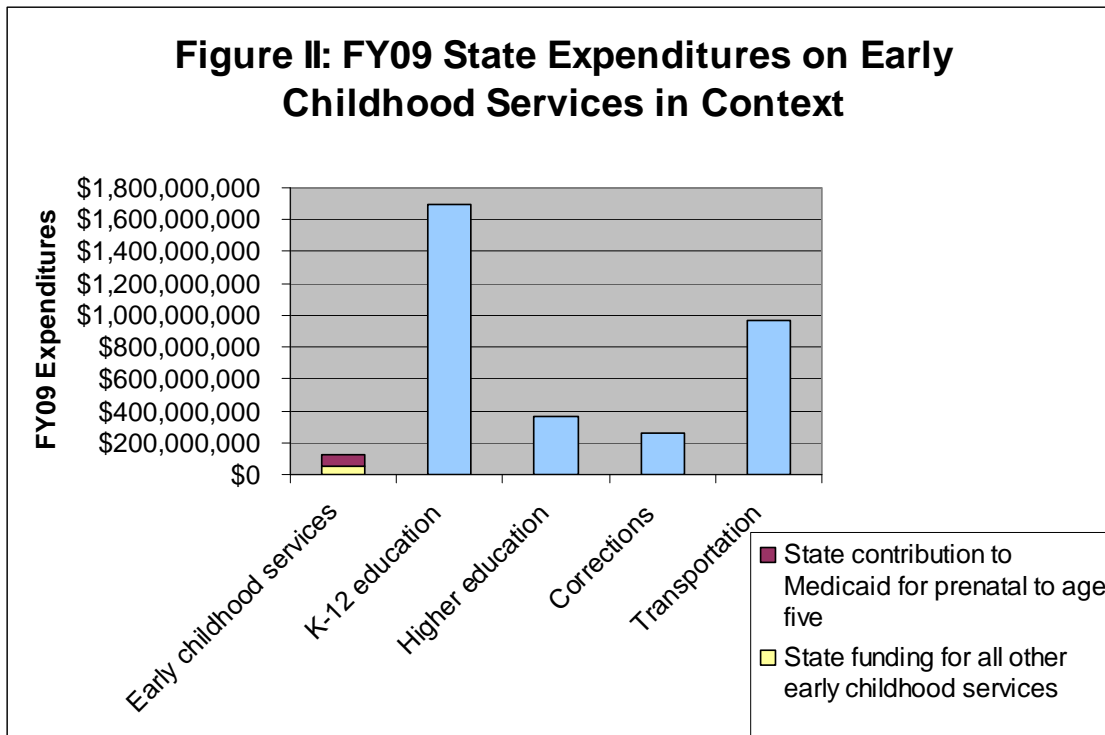
In reality, many young children in Delaware receive little or no publicly funded services, as the majority of programs serve only families with low incomes. A few programs in this report serve children and families, based on factors other than income. For example, early intervention and special education preschool programs serve children with developmental delays and family support programs serve families at risk of child maltreatment. Finally, several of the programs promoting public health (ex. immunizations and newborn hearing screening) and quality early childhood settings (ex. child care licensing) have a broader mandate to serve all children in Delaware.

A Closer Look at State Expenditures

Table I and **Figure II** show how state funds supporting early childhood services compare to state expenditures in other areas, both in aggregate and per person served. Total

⁹ Based on available data, The Finance Project estimates that there are 84,000 children from prenatal to age five in Delaware.

spending on services for pregnant women and young children (\$127 million¹⁰) makes up less than four percent of Delaware's FY09 state budget.^{xv} This figure represents a smaller share of the state FY09 budget than funding for K-12 education, higher education, corrections or transportation.



FUNDING CATEGORY	FY09 DELAWARE STATE FUNDING (in millions)	AVERAGE STATE FUNDING PER PERSON
All state-funded services for children prenatal to age five	\$127	\$1518 (per Delaware resident prenatal- age 5)
Elementary and secondary education	\$1700	\$7,040 (per K-12 student)
Higher education	\$362	\$8,339 (per enrollment)
Corrections	\$263	\$36,528 (per inmate)
Transportation	\$967	\$1,097 (per resident of Delaware)

SOURCES: National Association of State Budget Officers. "FY08 State Expenditures Report." Washington, D.C.: NASBO, Fall 2009. (Estimated FY09 State Expenditures provided.) Additional data provided by Delaware Department of Education.

¹⁰ Over one third of this figure (\$77 million) represents the estimated state contribution to Medicaid to support medical services for pregnant women and young children.

Public Funding by Program Category

A significant portion of funding for young children in Delaware comes from programs that support medical services and nutritious foods for low-income families. As **Figure III** indicates, spending in the health category accounts for the majority of public funding (70 percent) supporting young children. The three entitlement programs providing medical care and food assistance (Medicaid, SNAP and CACFP) make up the vast majority (85 percent) of total spending in the health category. Therefore, while funding for health services is significant in size, Delaware leaders have limited flexibility over how these resources are used to meet the needs of young children.

Public funding for early care and education in Delaware totals approximately \$88 million (27 percent of funding catalogued in this report) and includes funds for programs, such as child care subsidies, Head Start and ECAP, as well as investments in program quality and infrastructure. A much smaller portion of total funding (three percent) supports family support programs, including funding for home visiting and parent education.

Table II provides a full list of publicly funded programs by category.

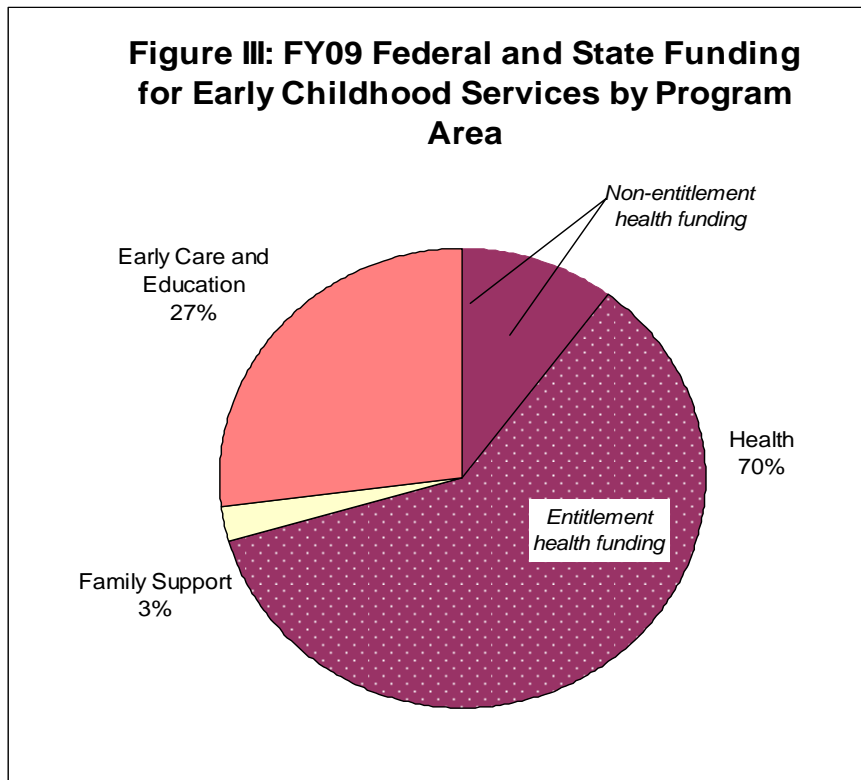
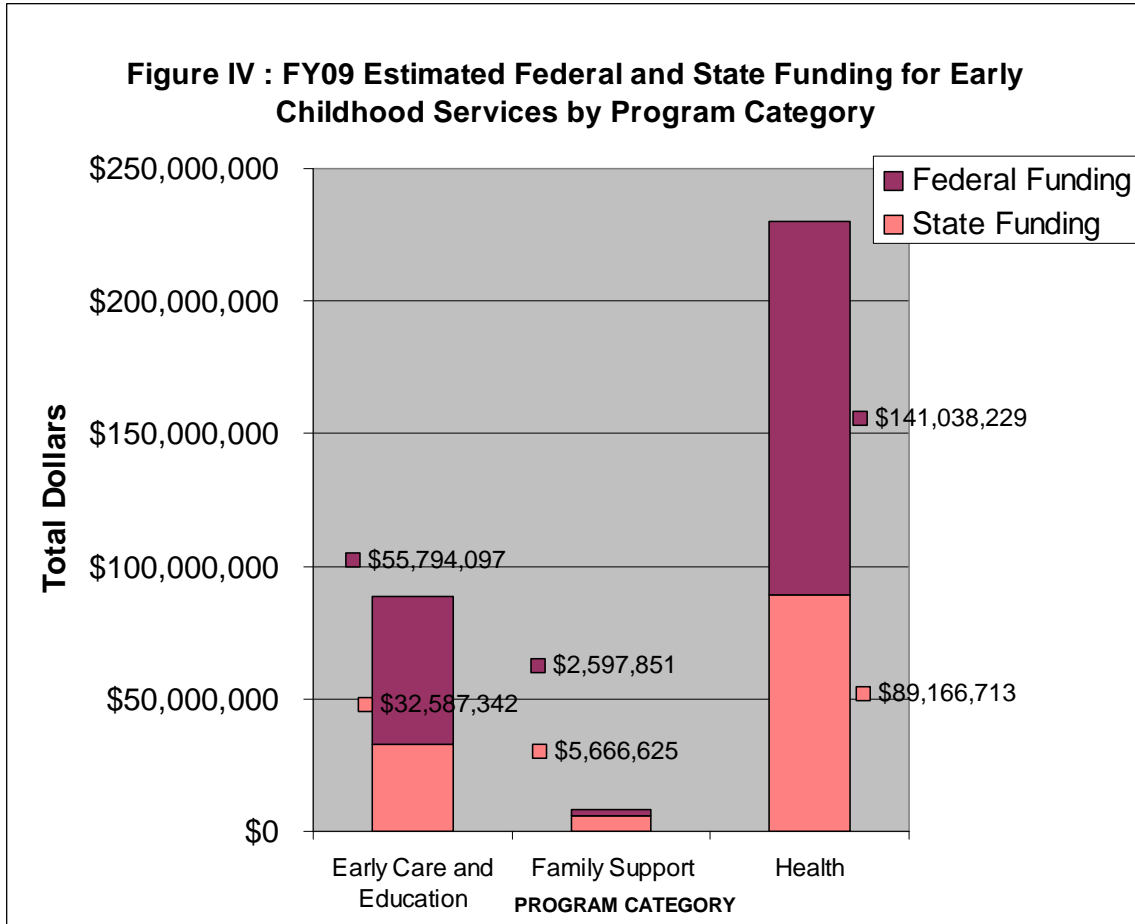


Figure IV shows the extent to which funds spent in each program category comes from federal or state sources. Federal funding makes up a larger share of funding for health programs and early care and education programs, while state funding is more prominent in supporting family support programs.

**Table II: Publicly Funded Programs Supporting Early Childhood Services in Delaware by Program Category
Total Estimated Federal and State Funding in FY09-- \$328 million (excluding ARRA funds)**

Early Care and Education \$88 million, 17 programs	Health \$231 million, 19 programs	Family Support \$8.3 million, 12 programs
<p><u>Subsidies and Programs</u></p> <ul style="list-style-type: none"> • Purchase of Care (Child Care Subsidy Program) • Head Start • Early Head Start • Early Childhood Assistance Program • Preschool Special Education • Even Start • Early Reading First • Child Care Access Means Parents in Schools • Title I (supports early education in two districts) • Community Development Block Grant (supports child care programs in Newcastle County) <p><u>Infrastructure/ Quality Improvement</u></p> <ul style="list-style-type: none"> • Child Care Licensing • Institute for Excellence (Professional Development) • Delaware STARS for Early Success • Child Care Capacity Grant • Child Care Resource and Referral • Relative/Non-Relative Care Training • Resource Center (for ECE professionals in Wilmington) 	<p><u>Medical Services</u></p> <ul style="list-style-type: none"> • Medicaid • Delaware Healthy Children Program • Healthy Women/Healthy Babies • Federally Qualified Health Centers <p><u>Dental Services</u></p> <ul style="list-style-type: none"> • Dental Services/Oral Health <p><u>Nutrition</u></p> <ul style="list-style-type: none"> • Supplemental Nutrition Assistance Program (SNAP or food stamps) • WIC • Child & Adult Care Food Program <p><u>Early Intervention</u></p> <ul style="list-style-type: none"> • Birth to Three Early Intervention <p><u>Social-Emotional Health</u></p> <ul style="list-style-type: none"> • I Can Problem Solve • Partnering to Produce Emotional Wellness for Young Children <p><u>Public Health</u></p> <ul style="list-style-type: none"> • Early Childhood Program • Immunizations • Lead Testing • Health Systems Protection (lead poisoning prevention) • Newborn Metabolic Screening • Newborn Hearing Screening • Tuberculosis Screenings • Office of Minority Health 	<p><u>Home Visiting and Parent Education</u></p> <ul style="list-style-type: none"> • Parents as Teachers • Strengthening Families • Nurse-Family Partnership • Resource Mothers • Smart Start/Kids Kare/First Time Parents • Separating and Divorcing Parent Education Program • Parent Information and Training Program <p><u>Other Family Support Services</u></p> <ul style="list-style-type: none"> • Promoting Safe and Stable Families • Prevent Child Abuse Delaware • Families and Centers Empowered Together (FACET) • Joining Generations • Relative/Kinship Care Program



Public Funding by Agency

Six statewide agencies and organizations administer state and federal funding for early childhood initiatives in Delaware, in addition to the community-based organizations and school districts that oversee locally administered programs, such as Head Start. As **Figure V** illustrates, the Department of Health and Social Services (DHSS) has the largest budget for early childhood services (\$269million), a significant portion of which comes from Medicaid, child care subsidies, and food stamps. Other agencies administering large amounts of funding include the Department of Education (DOE) (\$37 million) and the Department of Services for Children, Youth and Families (DSCYF) (\$4.7 million).

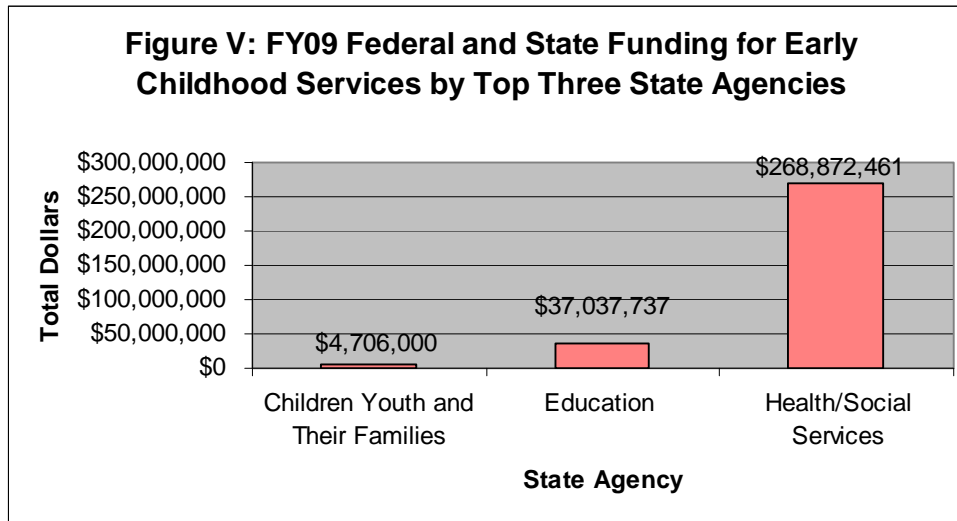
Additional statewide organizations administering funding for early childhood programs are: Children’s and Families First, the Parent Information Center of Delaware, and Prevent Child Abuse Delaware. A detailed list of programs organized by agency is included in **Table III**.

*= Funds are subcontracted to another organization

Table III: Publicly Funded Programs Supporting Early Childhood Services in Delaware by Lead Agency

Department of Education \$37 million, 9 programs	Department of Health and Social Services, \$269 million, 23 programs	DSCYF, \$4.7 million, 6 programs	Other Agencies, \$17 million, 9 programs
<p><u>Early Care and Education</u></p> <ul style="list-style-type: none"> • Early Childhood Assistance Program • Preschool Special Education • Parents as Teachers • Institute for Excellence (Professional Development)* • Delaware Stars for Early Success* • Partnering to Produce Emotional Wellness in Young Children <p><u>Teaching and Learning</u></p> <ul style="list-style-type: none"> • Title I <p><u>Adult Education</u></p> <ul style="list-style-type: none"> • Even Start <p><u>School and Community Nutrition</u></p> <ul style="list-style-type: none"> • Child & Adult Care Food Program 	<p><u>Social Services</u></p> <ul style="list-style-type: none"> • Purchase of Care (Child Care Subsidy Program) • SNAP (food stamps) • Child Care Capacity Grant* • Child Care Resource and Referral* • Relative/Non-Relative Care Training* • Resource Center * <p><u>Medicaid and Medical Assistance</u></p> <ul style="list-style-type: none"> • Medicaid • Delaware Healthy Children Program <p><u>Public Health</u></p> <ul style="list-style-type: none"> • Healthy Women/Healthy Babies • Dental Services/Oral Health • WIC • Early Childhood Program • Immunizations • Lead Testing • Health Systems Protection • Newborn Metabolic Screening • Newborn Hearing Screening • Smart Start/Kids Kare/First Time Parents • Tuberculosis Screenings • Office of Minority Health <p><u>Management Services</u></p> <ul style="list-style-type: none"> • Birth to Three Early Intervention <p><u>Aging and Adults with Physical Disabilities</u></p> <ul style="list-style-type: none"> • Joining Generations <p><u>State Service Centers</u></p> <ul style="list-style-type: none"> • Relative/Kinship Care Program 	<p><u>Child Care Licensing</u></p> <ul style="list-style-type: none"> • Child Care Licensing <p><u>Prevention and Early Intervention</u></p> <ul style="list-style-type: none"> • Strengthening Families • Separating and Divorcing Parent Education Program • Promoting Safe and Stable Families • Families and Centers Empowered Together (FACET) • I Can Problem Solve 	<p><u>Federal grants directly to local grantees</u></p> <ul style="list-style-type: none"> • Child Care Means Parents in Schools • Community Development Block Grant • Early Head Start • Early Reading First • Federally Qualified Health Centers • Head Start <p><u>Children and Families First</u></p> <ul style="list-style-type: none"> • Nurse-Family Partnership • Resource Mothers <p><u>Parent Information Center of Delaware</u></p> <ul style="list-style-type: none"> • Parent Information and Training Program <p><u>Prevent Child Abuse Delaware</u></p> <ul style="list-style-type: none"> • Child maltreatment prevention

Figure V: FY09 Federal and State Funding for Early Childhood Services by Top Three State Agencies



PRIVATE FUNDING OVERVIEW

Private funders contribute to a number of early childhood services in Delaware, often filling gaps and partnering with public funders on key initiatives to promote school readiness. Based on data collected in interviews with 12 individuals representing foundation or corporate funders, TFP estimates that at least \$14 million from major private funders supports Delaware’s early childhood system.

Several funders report that they support programs that cover multiple components of the state’s early childhood system. For example, the United Way Success by Six initiative provides grants to community programs for prenatal care, early education, parent education, and other services for young children and their families. In addition, the Business Roundtable has made notable contributions (through funding and staff time) to state efforts to build an early childhood system, including providing support for the Policy Matters policy audit and the fiscal mapping study. The following are notable contributions by private funders across the four program categories:

- Early Care and Education: Private funders play a role in supporting programming and capacity building for individual early care and education programs, but also partner with public funders to support a statewide infrastructure for quality improvement.
 - **Early Care and Education Programs:** Several private funders, including JP Morgan Chase and the Jessie Ball Dupont Foundation, provide grants to individual early care and education programs to build capacity and expand high-quality programming. Social Venture Partners uses a venture philanthropy model to provide both funding and expert consultation to selected early childhood programs.

Key Private Funders Supporting Early Childhood Services in Delaware

- Bank of America Charitable Foundation
- Barclays Bank Foundation
- Blue Cross Blue Shield Foundation on Healthcare
- Dupont Company
- Jessie Ball Dupont Foundation
- JP Morgan Chase Foundation
- Longwood Foundation
- Nemours Health and Prevention Services
- PNC Bank Foundation
- Rodel Foundation of Delaware
- Social Venture Partners
- United Way of Delaware

- **State Quality Infrastructure:** The United Way plays a critical role in coordinating and raising funds for the Delaware Stars quality rating and improvement system, in partnership with public sector leaders. Nemours Health and Prevention contributes to the Stars initiative as well as the Institute for Excellence early childhood professional development system.
- Family Support: In the area of family support, private funders have partnered with the public sector to fund home visiting and parent education programs for at-risk families in Delaware. For example:
 - **Home Visiting Programs:** Two of Delaware’s home visiting programs, Resource Mothers and the newly funded Nurse Family Partnership, receive funding from both public and private sources. The United Way is a major contributor to both programs.
 - **Parent Education:** Nemours Health and Prevention has invested in training early care and education providers in the Practical Parenting Partnerships (PPP) model focused on strengthening families and their relationships with schools and communities.
- Physical Health: Several funders support initiatives focused on improving physical health for young children:
 - **Developmental Screening:** Both Nemours and Blue Cross/Blue Shield of Delaware are funding efforts to support improved developmental screenings for young children to increase identification of development delays.
 - **Obesity Prevention:** Nemours provides training and technical assistance to early care and education providers to increase levels of physical activity and promote nutritious foods for young children. Nemours staff are also working at a systems level to embed these practices in state child care licensing regulations and Stars quality standards.
 - **Social-Emotional Health:** A few of the funders interviewed are contributing to social-emotional health services for young children. Nemours and the United Way partnered with the public sector in a state workgroup on emotional wellness for young children and applied successfully for a federal Systems of Care grant. Social Venture Partners funds behavioral health consultants to work in the early childhood centers that they support.
 - **Dental Services:** There does not appear to be significant philanthropic investment in this area, but the Blue Cross/Blue Shield funds dental services for low-income children in Newcastle County.
 - **Care for Chronically Ill Children:** Two of the funders interviewed (Longwood and Bank of America) report that they fund services for children with chronic illnesses.

SECTION II- FINDINGS ON THE EFFECTIVENESS OF FISCAL RESOURCES

The TFP research team conducted an analysis of the effectiveness of fiscal resources to support goals for children. The analysis focused on the following key questions:

- **Are funds adequate to support an early childhood system?**
- **Does Delaware maximize existing resources?**
- **Which funding sources are most flexible?**
- **Are funds stable over time?**
- **Does Delaware coordinate funds to support early childhood system goals?**

Are Funds Adequate to Support an Early Childhood System?

Despite the range of funding sources highlighted in this study, most individuals interviewed indicated that existing funding is not sufficient to give all children access to services that will prepare them for success in school.

Respondents noted that current funding levels are, in many cases, not sufficient to support quality programs or to serve all children that would benefit from services. Delaware stakeholders commented specifically on the need for additional resources to address the following key priorities¹¹:

- **Raising rates for subsidized care** to at least 75 percent of the market rate to support the provision of quality child care. Cost estimates developed for FY08 indicate that this change in Purchase of Care (POC) rates would cost \$11 million in state funds.^{xvi} Additional state funding (estimated \$2 million in FY08) would be required to develop a tiered reimbursement system as an incentive for providers to earn STARS ratings.¹²
- **Expanding the capacity of Delaware Stars** so that all early care and education programs, including those currently on a waiting list, are able to participate in this voluntary quality improvement initiative. Delaware's Department of Education estimates that it would cost \$2.25 million per year to expand Delaware Stars to reach 75 percent of child care centers and 15 percent of family child care homes by 2015.^{xvii}
- **Supporting additional pre-k slots** to provide high quality early education, including full-day slots to meet the needs of working parents and slots for three-year olds. At current funding levels of \$6600 per child, state funded pre-k for all low-income three

11 Where relevant, TFP researchers have identified Policy Matters recommendations that align with findings on adequacy. This report does not, however, provide a comprehensive listing of all Policy Matters recommendations relevant to adequate financing.

12 This may be one strategy to raise ECE teacher compensation, which many stakeholders commented is too low to support quality.

and four-year olds would cost approximately \$55 million (about ten times the FY09 state allocation for ECAP).¹³

- On a national basis, Delaware ranks 30th, compared to other states, in providing preschool access for four-year olds. Delaware's state preschool program does not serve three-year olds; 25 other states do so.^{xviii}
- According to the Policy Matters audit, Delaware spends just over \$400 per capita in state funds for early care and education programs for three and four year olds.¹⁴ State leaders set a goal to increase per capita funding to \$600-\$700, a level of investment considered a national best practice, according to the National Center for Children and Families.
- **Funding home visiting program and other services for infants and toddlers to reach more at-risk families and children.**
 - According to the Policy Matters analysis, current investments in home visiting and child care are equivalent to \$230 per capita for children from birth to age three.¹⁵ State leaders set a goal to increase per capita funding to \$700-\$800, a level of investment considered a national best practice, according to the National Center for Children and Families.
- **Expanding social-emotional health services for young children, a high priority given that Delaware is ranked fifth in the nation for behavior-based expulsions from preschool.**^{xix}
 - The Policy Matters audit found that the state invests less than \$25 per child (ages birth to eight) on average on mental health services. State leaders set a goal to increase spending to at least \$300 per child, a level of investment considered a national best practice, according to the National Center for Children and Families.
- **Investing in services in rural parts of the state;** respondents reported shortages of quality early care and education, health and family support services, most notably in Sussex County.
- **Broadening health coverage for young children;** Expanded eligibility would help some of the over 9000 children (ages 0-18) in Delaware who lack health insurance, because their family incomes are too high to qualify for Medicaid or SCHIP.^{xx} Based on national estimates, expanded Medicaid coverage for young children costs approximately \$800 per child annually in state funds (matched evenly with federal funds).¹⁶
 - In the Policy Matters audit, state leaders set a goal to increase Medicaid or SCHIP coverage from 200 percent of the federal poverty level to 300 percent

13 TFP estimates 8400 three and four-year old children in Delaware live in low-income households (at or below 200 percent of the federal poverty rate). Assuming that the program remains voluntary, it is likely that a significantly smaller number of children would actually participate.

14 This includes state funding for ECAP and child care subsidies.

15 This includes state funding for Parents as Teachers and child care subsidies.

16 National estimates by the Urban Institute and Brookings Institution indicate that, on average, the federal share of Medicaid coverage for children 0-2 cost \$1118 per capita in 2008 and \$497 for children ages 3-5, or an average of approximately \$800 for children ages birth-five. States fully match federal contributions. Medicaid costs for pregnant women are considerably higher.

of the poverty level, to align Delaware's coverage with what the National Center for Children and Families considers to be a national best practice.

Does Delaware Maximize Existing Resources?

Maximizing available funding ensures that Delaware takes full advantage of existing resources for children and families. Delaware is currently maximizing federal funds by meeting matching requirements and accessing significant resources through competitive grants. The state is not, however, fully drawing down federal entitlement funds for those who are eligible.

Grants with matching requirements

Many federal grant programs make funding available contingent on a state or community match. Based on TFP's analysis, Delaware effectively drew down federal funding for all formula grant programs with matching requirements in FY09. Stakeholders expressed concerns, however, that, due to the state's fiscal situation, the state may not have sufficient resources to meet the federal maintenance of effort requirement for Child Care and Development Fund (CCDF) in coming years.

Competitive grants

Delaware has successfully accessed a number of federal competitive grants in recent years, including several Head Start grants and an Early Head Start grant. In addition, Delaware is receiving funds from:

- A Children's Bureau cooperative agreement to support evidence-based home visiting programs, used by Delaware Children and Families First to launch the Nurse-Family Partnership program.
- A multi-year Substance Abuse and Mental Health Services Administration (SAMHSA) "Systems of Care" grant to build a state system to support the social-emotional wellness of young children.
- An Early Reading First grant to the University of Delaware to support model early literacy programs.
- A "TEAM Nutrition Grant" from the U.S. Department of Agriculture to support nutrition education for child care centers and family homes.
- Federal funds from the Health Resources and Services Administration (HRSA) to expand newborn metabolic screening services.

A collaborative approach between public, nonprofit, and philanthropic stakeholders has been critical to several of Delaware's successful efforts to access competitive grants. Federal grants are increasingly competitive in the current environment, however, so not every application will be successful. Stakeholders also noted that, in some cases, matching requirements can be a barrier to accessing competitive federal grants.

Entitlement programs and SCHIP

Federal entitlement funds guarantee that all individuals who meet the eligibility criteria can enroll in the program. As a result, efforts to enroll eligible individuals or programs for services will increase overall federal funding in Delaware. Despite ongoing outreach

efforts by state agencies, many individuals eligible for Medicaid, SNAP and CACFP are not receiving benefits. While expansion of Medicaid requires additional state matching funds, SNAP and CACFP are fully funded by federal agencies.

While not technically a federal entitlement program, Delaware faces similar issues around maximization with regard to the State Children's Health Insurance Program (SCHIP).

- **Medicaid** – Medicaid plays a critical role in supporting a range of health and prevention services to young children. A study by the University of Delaware estimates that over 5000 children (ages 0-18) are eligible, but not enrolled in Medicaid.¹⁷
- **Supplemental Nutrition Assistance Program (SNAP)** - SNAP provides subsidy payments to income-eligible individuals and families to buy nutritious food. According to a 2007 national study, 68 percent of income-eligible households participated in the program in Delaware, a figure just slightly higher than the national average.
- **Child and Adult Food Care Program** – This program provides subsidized nutritious meals to children in home and- center based child care settings. Data on the state utilization rate is not available, but it is likely that several child care providers in Delaware are eligible to participate in this program, but not currently enrolled.
- **State Children's Health Insurance Program (SCHIP)** – SCHIP provides formula grants to states to provide health insurance to children not covered by Medicaid. The program is not an entitlement program, as federal allotments to states are capped. In past years, however, Delaware has not spent its full federal allotment, due to insufficient enrollment levels. SCHIP program staff in Delaware indicate that enrollment is increasing as a result of the recession, but it is not yet clear if the state is currently on track to maximize this resource.

Which Funding Sources are Most Flexible?

Flexible funding sources can play a critical role in building an early childhood system, since they can fill gaps that other funding sources cannot fill. Flexible funding can also be key to state and local efforts to coordinate, blend, or braid multiple funding streams together to support comprehensive services for young children and families.

Federal funds offering flexibility

Many federal funding sources, such as the Supplemental Nutrition Program for Women, Infants and Children (WIC) and Head Start, are dedicated to very specific services and allow only limited flexibility in state and local implementation. In other cases, such as Medicaid and Child Care and Development Fund (CCDF) subsidies, federal agencies determine broad program parameters, but states have discretion over policy variables, such as eligibility levels or specific services covered.

¹⁷ Ratledge, 2008. The report also estimates that over 7000 children (ages 0-18) are eligible, but not enrolled for SCHIP. SCHIP is not considered an entitlement program.

Several federal funding programs, however, allow states and localities significant flexibility as long as they meet broad programmatic goals. **Table IV** highlights nine particularly flexible federal funding sources that can support early childhood services, their allowable uses, and how Delaware allocated funds in FY2009.

For a number of the programs highlighted in Table IV, such as CCDF quality set-aside funds and Community-based Child Abuse Prevention (CBCAP), Delaware’s investments appear to be well aligned with state early childhood priorities. In other cases, such as the Community Services Block Grant (CSBG), Community Development Block Grant (CDBG), and Title I, little or no funding currently supports early childhood initiatives in Delaware.

TABLE IV: Flexible Federal Funds and Their Uses for Early Childhood Services in Delaware			
Federal Funding Source	Allowable Uses of Funds for Early Childhood Services	Delaware’s Uses of Funds for Early Childhood Services (FY09)	State or Local Agency with Authority over Funds
Child Care and Development Fund (CCDF), Quality Set-Aside and Targeted Funds	Activities to promote the quality and availability of child care.	<ul style="list-style-type: none"> • Delaware STARS • DE Institute for Excellence • Child care licensing • Child care capacity grants • Child care resource and referral • Relative/non-relative care training • Resource Center (Wilmington) 	DHSS
Community-Based Child Abuse Prevention (CBCAP)	Community-based programs to prevent child maltreatment	<ul style="list-style-type: none"> • Home visiting programs (Parents as Teachers/ Nurse Family Partnership) • Strengthening Families (Support to child care providers to prevent child abuse) • Shaken baby syndrome prevention 	Prevent Child Abuse Delaware
Community Development Block Grant (CDBG)	Child care facilities funding; 15 percent of funds support “public services”, which may include a variety of services for children and families.	New Castle county: <ul style="list-style-type: none"> • Child care for children living in shelters or children of the working poor • Purchase of van for child care center 	Counties

TABLE IV: Flexible Federal Funds and Their Uses for Early Childhood Services in Delaware			
Federal Funding Source	Allowable Uses of Funds for Early Childhood Services	Delaware's Uses of Funds for Early Childhood Services (FY09)	State or Local Agency with Authority over Funds
Community Services Block Grant (CSBG)	Services and activities to support low-income families in becoming self-sufficient (including child care)	No CSBG funding supported early childhood programs in Delaware in FY09.	First State Community Action Agency/ DHSS
Maternal and Child Health Block Grant (Title V)	Activities to promote maternal and child health, including infant mortality, prematurity, low birth weight, and early intervention with special needs.	<ul style="list-style-type: none"> • Early Childhood Program • Newborn Hearing and Metabolic Screenings 	DHSS
Promoting Safe and Stable Families (Title IV-B)	Services that address family support, family preservation, time-limited family reunification and adoption promotion and support.	<ul style="list-style-type: none"> • Intensive family consultation/prevention services for families at risk of foster care placement 	DSCYF
Social Services Block Grant (SSBG)	Social services for children and adults, including child care.	<ul style="list-style-type: none"> • Subsidized child care 	DHSS
Temporary Assistance for Needy Families (TANF)	Supports to help needy families achieve self-sufficiency, including child care and family support programs.	<ul style="list-style-type: none"> • Subsidized child care 	DHSS
Title I	Services to help low-income children to achieve state academic standards. May support early childhood education.	<ul style="list-style-type: none"> • Two Delaware districts use Title I to support early education programs. 	School districts

State, local and private funds

State and local general funds and private funds offer flexibility to support Delaware's early childhood systems goals. While often less prescriptive in nature than federal funds, the current economic situation has strained the capacity of all state, local, and private sources to support new initiatives.

Delaware currently uses these flexible funds in a number of cases to fill gaps in a system of early childhood supports. For example, Delaware taps flexible state general funds to support ECAP to provide early learning opportunities for low-income or at-risk four-year olds. Private funders have recently partnered with public funders to launch new state initiatives, such as Delaware Stars and Nurse-Family Partnership.

Are Funding Sources Stable over Time?

Knowledge about the stability of existing funding sources is critical as Delaware leaders move toward implementing an early childhood system. To better understand the stability of funding for early childhood programs and services, the TFP research team asked state agency staff to assess the stability of relevant programs.

State agency staff indicated that funding for many programs has been stable and flat for many years, with no anticipated increases. Respondents expressed concerns about the impact of the state's budget shortfalls on early childhood programs in coming years. Similarly, private funders reported that grantmaking for early childhood programs has either decreased or remained flat, due to the economic climate. At the same time, ARRA funds and other new federal funding opportunities hold promise in filling some funding gaps.

The following are specific publicly funded early childhood programs that have seen increases or decreases in funding, as well as potential opportunities for new federal funding:

Initiatives where funding has increased

Federal funding provides the most stable source of funding in the current fiscal environment. For example-

- **Entitlement Funds** - Programs that derive their funding from federal entitlements are guaranteed to grow as more families become eligible. It is likely that, due to the economic environment, more Delaware families will enroll in Medicaid and food stamps.
- **Federal Stimulus Funding** - ARRA is providing an immediate short-term boost in funding for many of the programs highlighted in this report during FY09 and FY10, as indicated in Section I. Funds have helped to fill shortfalls in state or local budgets; addressed the needs of families impacted by the economic downturn; and expanded and improved services.
- **New Competitive Grants** – As indicated earlier, Delaware has recently seen new funding for a variety of initiatives through federal competitive grants, including Early Reading First, Evidence-Based Home Visiting, and Systems of Care grants.

Initiatives at risk of funding cuts

A number of the programs highlighted in this report may be at risk of funding cuts in coming years. Respondents reported that programs, such as: Even Start, Parents as Teachers, Families and Centers Empowered Together (FACET), Healthy Women - Healthy Babies, Lead Testing, Resource Mothers, and the Office of Minority Health, all may face funding cuts at the federal or state level.

Potential new federal funding opportunities

There are a number of potential new federal funding opportunities that could support early childhood initiatives in Delaware in coming years. These include:

- **Early Childhood Advisory Councils**, one-time federal funding included in Head Start reauthorization (and triggered by ARRA Head Start funding levels), provides at least \$500,000 to early childhood coordinating councils. A state match is required, but states can count existing early childhood investments toward the match. Applications are due August, 1, 2010.^{xxi}
- **Health care reform**, which will support subsidized health coverage for additional families with children, new federal grants for evidence-based home visiting programs, and other initiatives focused on prevention.^{xxii}
- **Expanded child care funding in FY11 budget**. The President's proposed FY11 budget includes a \$1.6 billion increase in federal funding for the Child Care and Development Fund (CCDF), including additional funds for quality improvement initiatives. The President's budget would also increase federal Child and Dependent Care Tax Credit for middle and lower-income families using child care.^{xxiii}
- **Increased federal funding for education in FY11 budget**. The President's proposed budget also includes a \$4 billion increase in education funding, to go into effect along with reauthorization of the Elementary and Secondary Education Act (ESEA). The proposed plan would consolidate 38 existing programs under 11 new program categories. It is not yet clear to what extent early learning programs will be supported in each of these categories. The budget indicates that Even Start would be eliminated, but 15 percent of a new "Striving Readers" program would be focused on early literacy.^{xxiv}
- **Early Learning Challenge Fund (ELCF)**, a proposed new competitive federal funding source, would support state early learning systems, including: program standards, professional development and quality rating and improvement systems. The Fund was included in the House version of the higher education bill, but was removed from the final version of the bill. Early childhood advocates are currently looking for new opportunities to pass the ELCF, potentially through ESEA reauthorization.

Does Delaware Coordinate Funds to Support Early Childhood System Goals?

Coordination of programs, service delivery and funding is an important way to improve efficiency and increase the flexibility that providers have to address the needs of children and families in their communities. TFP staff identified a number of existing examples of coordination, as well as several challenges and opportunities for future coordination.

Examples of existing coordination

Individuals interviewed by TFP staff identified a number of examples where Delaware leaders are currently coordinating resources to more effectively serve young children, often building on close working relationships between public agencies and private funders. The following are promising examples of coordination that state leaders can build upon as they implement a comprehensive early childhood system:

- **Institute for Excellence in Early Childhood** - Delaware leaders recently founded the Institute to carry out a systemic approach to providing professional development to individuals working in various early childhood settings. Based at the University of Delaware, the Institute designs, delivers and coordinates professional development to early childhood practitioners and provides quality assurance for existing training opportunities. The Institute is funded with CCDF, state funds, private funding from Nemours Health and Prevention, and provider fees. The state's resource and referral agency is also a key partner.
- **Stars for Early Success** – The Institute operates Stars for Early Success, a quality rating and improvement system that provides quality assessment and improvement support to all types of early care and education programs. Stars is managed by a public-private partnership and funded by CCDF and significant contributions from private funders. Public funds support staffing and other infrastructure investments, while private funds support grants and incentives for participating early care and education programs. The Stars initiative is closely aligned with professional development offered through the Institute.
- **Head Start/ECAP** – Delaware's ECAP program has adopted federal Head Start performance standards, which helps to facilitate coordination between the two programs. The programs share professional development opportunities and program data. In some cases, program sites braid ECAP funding with a Head Start federal grant to seamlessly support additional slots for four-year olds, while freeing up Head Start resources for three and five-year olds.
- **Nurse-Family Partnership** – Delaware's Children and Families First, using a federal grant as seed money, has raised funds from multiple sources to support a Nurse-Family Partnership home visiting program, beginning in 2010. Funding sources for this public-private initiative include: Eckerd Family Foundation, United Way, Prevent Child Abuse Delaware, and the Department of Public Health.
- **Emotional Wellness** – The Early Childhood Council has developed a subgroup to focus on emotional wellness for young children, which involves stakeholders from the public and private sectors, including the United Way, University of Delaware, Business Council and key state agency stakeholders. Bringing partners together on this issue has resulted in greater coordination, a successful application for a SAMHSA Systems of Care grant, and a decision to dedicate CCDF quality funds (in FY10) to support early childhood mental health consultants.
- **Delaware Healthy Children** – Delaware's SCHIP program formed a cooperative agreement between state departments supporting mental health and immunizations, and school districts to send enrollment packets to children receiving free and reduced price lunches to ensure that qualifying families enroll. SCHIP program staff

have also worked with other outreach efforts in the state to distribute materials to families.

- **Smart Start/Kids Kare/First Time Parents** – DHSS recently consolidated these three programs operated by the Division of Public Health, all of which serve similar populations. The combined program offers in-home prenatal supports and parent education to Medicaid eligible expectant women and also focuses on new parents and children at risk of developmental delays. In many cases, staff provide all three services through home visits. DHSS staff report that consolidation allows them to be more efficient in staffing and service delivery.
- **Nutrition Education Plan** – Several key partners in Delaware have offered in-kind support to support a common message for child nutrition in Delaware. The Food Supplement program was able to leverage over \$600,000 in federal Food and Nutrition Service funding to create the Nutrition Education Plan to provide community outreach. Four entities collaborated to provide in-kind support and the matching funds for this initiative, including the University of Delaware, who manages the effort, the Food Bank of Delaware, Delaware State University and the Nemours Foundation.

Barriers to coordination

The following are notable barriers to coordination cited by stakeholders, several of which would be directly addressed through implementation of the Policy Matters goals:

- **State agencies have varied missions** – Stakeholders commented that the key agencies supporting services for young children have different missions and priorities, which can impede coordination. Most notably, DHSS supports child care subsidies as part of a two-generation strategy to promote self-sufficiency for low-income adults and support the wellbeing of young children, while DOE is focused on promoting early learning and school readiness and administers the Stars quality rating system.
- **Subcontracting across agencies** – Funding for a range of early childhood initiatives and services is often subcontracted between key agencies and contractors in Delaware; which may result in unnecessarily high administrative costs. Stakeholders also reported challenges in monitoring funds; however, respondents noted that a new fiscal system, to be launched in 2010, will allow a funding agency to better monitor funds allocated to other agencies.
- **Data cannot be shared across agencies** – Respondents commented on challenges sharing data across agencies and programs serving young children. Although health, social services, and early education programs serve many of the same children, it is not possible to track what services an individual child is receiving across agencies. As a result, state agency staff are unable to assess whether there is duplication in services and where there may be opportunities to target resources more strategically to families facing multiple risk factors. In Delaware's Race to the Top Application, state leaders have proposed to develop a coordinated education data system that includes preschool. State leaders have also indicated that Head Start funds available for the state Early Childhood Advisory Council would support data coordination.

- **Length of Certification for Child Care Subsidies** – Stakeholders commented that families receiving child care subsidies need to be recertified every six months to ensure that families qualify for the program. Recertification may pose a challenge for continuity of care, particularly for children in full-year, part-day early learning programs, who receive wraparound subsidized child care. Federal law allows for a recertification period of one-year for children in part-day early learning programs. State agency staff have noted that they are considering changing this state policy.
- **Duplication across child care licensing and resource/referral** – Child care licensing, managed by DSCYF, and resource and referral, managed by Children and Families First, both operate similar databases of information on licensed child care providers in the state. While each database has its own purpose, some of the data collected may be duplicative. Both services are funded with CCDF quality funds.
- **Staff turnover and relationship-based coordination**– Program coordination in Delaware is often based on relationships, rather than formal mandates. Stakeholders commented that staff turnover and recent hiring freezes may pose a challenge to ongoing collaboration.
- **Lack of a formal structure to coordinate and leverage private investments** - Foundation executives interviewed noted that there is no coordinated investment strategy to engage and coordinate private funders in supporting state early childhood system goals.

SECTION III - RECOMMENDATIONS

Based on the findings of the quantitative and qualitative analyses, the TFP research team has developed a number of recommended financing strategies for state leaders to support implementation of the Early Success Plan and the priorities identified by the Policy Matters committee. The findings indicate a number of decision points and actions that could be undertaken by policy makers to increase the efficiency and effectiveness of current funding, and to ensure that funding is sufficient to meet the goals identified for young children.

For example, as state leaders make decisions about how to more effectively use existing resources, they may consider whether the current allocation of resources reflects the state's goals for an early childhood system. For example, while a priority in the Early Success plan; family support initiatives make up only three percent of total funding for early childhood services. Similarly, while health funding is significant, TFP researchers identified minimal resources for social-emotional health services, a priority issue for Delaware's Early Childhood Council.

Outlined below are promising strategies that Delaware leaders may consider to maximize current resources, leverage additional funds, and create new dedicated revenues for early childhood services. Each of these recommendations will require a thorough review by state policy makers, and consideration of how one decision may impact another. Maximizing current resources for example, can be a shorter-term strategy to improving the alignment between policies, programs, and funding. Leveraging additional resources takes more time to build the necessary consensus to allocate funds to new purposes. Creating new dedicated sources of funding for the ambitious goals the Early Success Plan has identified for young children will necessitate significant political will, leadership, and research to craft the right strategy for Delaware.

Maximize Existing Resources

Delaware leaders can first consider strategies to more effectively use the state's existing resources to support an early childhood system. Delaware leaders can, for example:

- **Make strategic use of flexible funds** - When flexible public or private funds are available, state leaders have an opportunity to make strategic investments. Delaware leaders can use these funds to:
 - Meet high-priority needs, identified by this study and Policy Matters;
 - Fund dedicated staff to support coordination efforts across programs and agencies; and
 - Fund programs that draw down matching funds from competitive public and private grants.

- **Maximize entitlement programs and SCHIP** - Strategic investments in outreach can ensure Delaware residents draw down entitlement funds for which they are eligible. For example:
 - ***SNAP (food stamps)***: Other states have demonstrated success in raising their participation rates as high as 90 percent through expanded outreach efforts, compared to Delaware's 68 percent participation rate.¹⁸ Delaware can

¹⁸ Cunyngnam, Karen E. and Laura A. Castner. State Supplemental Nutrition Assistance Program: Participation Rates in 2007.

Washington, D.C.: USDA Food and Nutrition Service, 2009. Available online at: <http://www.fns.usda.gov/fns/>

also access additional federal reimbursement by participating in the SNAP Education program (SNAP-Ed), a nutrition education program administered by land-grant universities.^{xxv}

- **Medicaid:** In addition to expanding outreach, state leaders can review state Medicaid policies to ensure that Delaware is fully exercising state options to use Medicaid to fund state early childhood priorities, including home visiting, child mental health services and early intervention.
- **SCHIP:** To promote enrollment in this program, a 2009 federal law allows states the option of developing Express Lane Eligibility processes for the SCHIP program, drawing from eligibility data on other need-based programs, such as Head Start or National School Lunch Program.
- Implement new coordination strategies– Six different state agencies and organizations administer the funding sources described in this report. The following coordination strategies can improve delivery of services across agencies and reduce administrative costs:
 - **Consolidate governance for early care and education programs** at the Department of Education, as recommended by Policy Matters. This consolidation will reduce administrative costs and allow the Department of Education greater authority to make decisions about reallocating resources, reducing duplication, and blending and braiding resources, when possible.
 - **Formalize coordinating bodies** to ensure ongoing linkages between DOE and the programs serving young children that remain at other agencies. A number of programs catalogued in this report, particularly health programs, provide significant public resources for young children, but will likely not be part of a plan to consolidate programs at DOE. By strengthening coordination with these programs, state leaders can ensure that young children are screened and referred to appropriate health, mental health, and social services.
 - **Create shared data and information systems** across agencies to track and improve the delivery of services provided to individual children and families. State leaders may also look to consolidate the databases on licensed child care providers housed at DSCYF and Children’s and Families First.
 - **Conduct a review of current subcontracts** to agencies and organizations to ensure that administrative costs associated with staff time managing multiple contracts is minimized, that services are not duplicated, and that mechanisms, such as performance-based contracts, are in place to ensure effective use of resources.
 - **Align uses of POC and early education funding, when possible.** For example, to promote continuity of care, consider extending the time for recertification of child care subsidies for children enrolled in full-year programs, such as Head Start, that require wraparound child care.

- Encourage coordination at the local level - Delaware agencies and private funders can also promote, require, and/or provide technical assistance to communities to take on more cost-effective and coordinated approaches. For example, the state can encourage community leaders to:
 - **Co-locate programs** to make efficient use of community facilities, reduce administrative costs, as well as to make public services more accessible to families in one location;
 - **Blend and braid funding sources**, or wrap categorical funding streams together to provide comprehensive services (for example, Preschool Special Education, Head Start, ECAP and child care subsidies); and
 - **Promote “shared services” approaches**, where early care and education providers join together to achieve economies of scale on back-office functions, such as purchasing, health insurance, and staff training,^{xxvi}
- Tap non-fiscal resources of government and community partners— State and local government and community organizations have more to offer initiatives than an increase in general fund revenues. Elected and appointed officials can, for example, contribute unused state or city buildings and land or use their authority to engage the private sector in expanding services for young children. Community organizations may also be able to provide in-kind space, materials, or volunteers to support services for young children.

Leverage Additional Resources

State leaders may also look to leverage additional public and private funds to support initiatives for young children. For example, policy makers can:

- Influence allocation of flexible federal funds – State and community early childhood leaders can take a proactive approach to influence allocation of the flexible federal funds described in this report to ensure that agencies are investing in services aligned with the goals of the *Early Success* plan and the Policy Matters committee. As examples, Delaware may consider tapping the following resources for early childhood programs:
 - **Community Services Block Grant (CSBG)**: Delaware’s community action agency could, but does not, dedicate any of these funds to early care and education programs.
 - **Title I**: Only two of Delaware’s school districts take advantage of flexibility in this funding source to support early education. Other states, such as North Dakota, provide guidance to encourage local school districts to use Title I for early education programs. State guidance documents can also clarify how districts can use Title I funds for early education.¹⁹

¹⁹ For more information on North Dakota’s guidance to states on using Title I for early education, see:

<http://www.dpi.state.nd.us/Title1/earlychild/index.shtm>

- **Community Development Block Grant (CDBG):** Counties may use CDBG to support child care facilities and human services. Only New Castle County currently taps CDBG for early childhood services.
- Apply for new competitive funding opportunities, such as the Early Learning Challenge grant, if and when Congress makes these funds available.
- Engage private and corporate funders in a co-investment strategy – State leaders may consider building on the existing public-private partnership that supports Delaware Stars to develop a formal structure that would generate new private funds and coordinate resources for early childhood system goals. For example, at the national level, the Birth to Five Policy Alliance pools funds from seven private funders in a co-investment strategy targeted on key goals.^{xxvii} A range of examples from other states, such as Florida, Michigan, North Carolina, and Washington, demonstrate how public-private partnerships can provide flexible funding to meet critical needs and contribute to system-building efforts at the state and local level. Delaware leaders can review models from other states to assess which type of partnership would best support the state’s early childhood goals.^{xxviii}

Create Dedicated Sources of Revenue

In the Policy Matters audit, Delaware stakeholders reported that all state funding for early childhood is subject to annual appropriations. The National Center for Children and Families recommends as a national best practice that states fund services through dependable and sustainable sources.^{xxix} Other states have created dedicated sources of revenue by setting aside specific fees or taxes for early childhood services or developing an endowment or capital fund.

- Set aside revenues from specific fees or taxes for early childhood services: A number of states rely on revenues from specific fees or taxes to support early childhood services. For example, school readiness tax credits linked to the quality rating and improvement system (Louisiana), taxes on tobacco products (Arizona) and beer (Arkansas), fees on license plates (Massachusetts), an income tax check-off (Colorado) and lottery revenues (Georgia) all support early childhood initiatives. In some states, such as in Arizona, these funds support a public-private partnership that leverages additional resources from the private sector. Finally, in an effort to encourage localities to generate new revenues, Florida law allows local governments to levy property taxes earmarked for children’s services.²⁰
- Develop an endowment or capital fund: Other states have developed innovative new structures that allow one-time investments of state general funds to sustain services over time. For example, Nebraska recently passed a constitutional amendment to create an early childhood endowment fund. Annual interest on an initial \$60 million public/private investment funds programs for children up to age three. In Massachusetts, public and private funding sources supported a

²⁰ Examples are drawn from The Finance Project’s collection of state promising practices in financing early childhood initiatives.

revolving child care capital investment fund in the early 1990s, which continues to provide loans and technical assistance to providers.²¹

Delaware's Arts Stabilization Fund, an endowment which includes set aside funds for ongoing fundraising and revolving loans, provides an example for how Delaware might establish such a fund.²²

While strategies to create new revenues may not be feasible in the current fiscal environment, Delaware leaders can begin long term planning, consensus-building and learning from promising models from other states. Stakeholders may consider which strategy would most likely generate sustainable revenue over time, and which would be the best fit for Delaware, given that the state does not have a history of creating dedicated revenue sources for human services.

Looking Forward

This report describes the current fiscal landscape for early childhood services and supports in Delaware. The report identifies a number of opportunities and suggestions to utilize dollars more effectively, as well cost savings that could result from increased alignment with key priorities, reducing inefficiencies in current use of funds, and leveraging new federal and/or private dollars.

State leaders are well-positioned to use this fiscal data and analysis, along with the Policy Matters project findings, to guide decision-making about how to finance and sustain Delaware's early childhood system goals. In order to target and effectively utilize resources, state leaders may consider developing a strategic financing plan to guide implementation in the short and long-term.

The following is a framework to guide the development of a strategic financing plan -

- What to finance – The first question to answer in developing a strategic financing plan is “financing for what?” What are the state's key goals for children and families? What are specific new initiatives or services that would help achieve these goals? The Early Success Plan and Policy Matters study provide a blueprint for state leaders' goals and will inform the state's financing priorities. State leaders may take this to the next level by developing a detailed plan for a high-priority initiative. For example, what services would be offered? How many children would be served?
- What are the costs – The next step is to estimate the costs of the strategy that policymakers intend to fund to help to understand the budget implications of the new initiative. State leaders may begin by looking at costs of current services in other states and confer with service providers about what costs are necessary to support quality services.

21 Ibid.

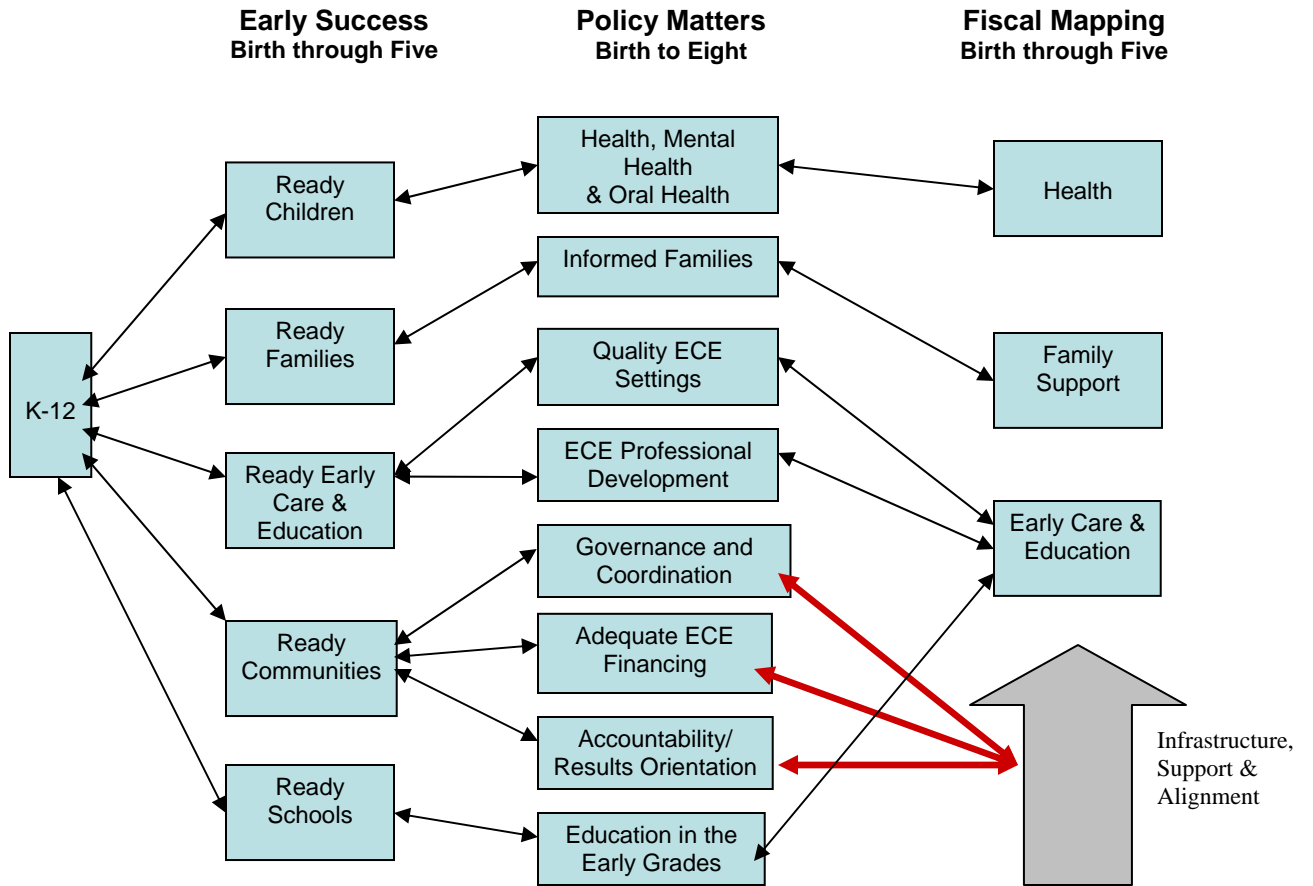
22 Despite an intention to only spend earned interest on new programs, The Delaware Arts Stabilization Fund is now relying on dollars from the Fund's principal to support new programs. Delaware early childhood leaders may consider what lessons can be learned from the Arts Stabilization Fund to ensure that a new endowment or capital fund would be sustainable over time.

- Available resources - It is critical to understand what resources are available to support funding priorities. State leaders can rely on this report, as well as regular monitoring of new public and private funding opportunities, to understand the funding landscape.
- Identifying gaps - After looking at costs and available resources, state leaders will then be able to identify the gaps in current funding where new funding is needed.
- Developing financing strategies - To fill these gaps, state leaders can consider a variety of financing strategies, including maximizing entitlement programs, coordinating existing resources, and accessing new funds.

Stakeholders can tailor this framework to best suit the needs of their planning processes. However, no matter the sequence of steps or language used, it is important to address such basic questions as how to prioritize goals, how much implementation of new programs and services will cost, and how to finance them.

Financing is often a hurdle for states and communities looking to move from a planning process to taking actions to improve outcomes for children and families in the community. With consideration of the findings of this report, state leaders now have the tools to develop new financing strategies that will support implementation of an early childhood system.

APPENDIX I: HOW POLICY MATTERS AND FISCAL MAPPING CONTRIBUTE TO THE GOALS OF EARLY SUCCESS



APPENDIX II: INDEX OF FUNDING SOURCES

Early Care and Education

Table I provides a full list of the 17 early care and education programs serving young children in Delaware with a total of approximately \$88 million. Of these, 10 programs provide the majority of public funds to support subsidies for families and direct program costs. Seven programs fund resource and referral and quality improvement initiatives.

Table I: Public Funding for Early Care and Education in Delaware

Program	Description	Est. FY09 State and Federal Funding for Target Population	Federal/State Revenue Sources	Other Funds/In Kind Support Leveraged	State agency/organization	Who Provides Services	Eligibility Requirements	Children ages 0-5 served	Average cost per child ²³
Funding for Subsidies and Programs									
Purchase of Care (child care subsidies)	Subsidies for child care providers serving eligible low-income families.	\$45.4 million ²⁴	CCDF, SSBG, TANF and state funds	Parent co-payments	Department of Health and Social Services (DHSS)	Licensed or exempt child care providers (in home, family child care or centers)	Children age 0-13 whose families meet income requirements and have documented need for child care to support employment/ child protective services.	14,978	\$309 per month
Head Start	Comprehensive child development program providing educational, health, nutritional, and social services to enrolled children and families.	\$10.6 million	Federal Head Start grants	20% matching funds (in-kind support) and parent co-payments	Department of Education (DOE) (manages Head Start collaboration)	Local grantees	Children ages three-five whose family meet income requirements; at least 10 percent of slots for children with disabilities	App. 3000	Data not available (n/a)

²³ Average cost per child is only listed in this Appendix when data on average costs was available and provided by program managers. In some cases, it may be possible to estimate average costs based on other available data.

²⁴ This figure represents 74 percent of total program funding, an estimate of funding for the birth to five age group, provided by DHSS staff.

Table I: Public Funding for Early Care and Education in Delaware

Program	Description	Est. FY09 State and Federal Funding for Target Population	Federal/State Revenue Sources	Other Funds/In Kind Support Leveraged	State agency/organization	Who Provides Services	Eligibility Requirements	Children ages 0-5 served	Average cost per child ²³
Early Head Start	Comprehensive child development program offering home-based and center-based services for families with young children.	\$1.8 million	Federal Early Head Start grant	20% match (in-kind support and cash donation from University of Delaware) and parent copays	University of Delaware	University of Delaware and Local service providers	Low-income pregnant women and families with children up to age three; at least 10% of slots for children with disabilities	25 pregnant women and 203 children	n/a
Early Childhood Assistance Program	Preschool program for four-year olds, following Head Start performance guidelines.	\$5.7 million	State funds	No required match, but grantees provide in-kind resources.	DOE	School districts, Head Start grantees, nonprofit and for-profit organizations	Four year olds whose families meet income requirements; 10% of slots for children with disabilities	843	\$6600 per year
Preschool Special Education	Preschool for children with disabilities in a variety of settings	\$18.3 million ²⁵	Federal IDEA, Part B, and state funds	Local funds	DOE	Local school districts	Children ages 3-5 meeting state criteria regarding children with disabilities	2264	\$10,791 ²⁶

25 The average per-child cost in Delaware Public Schools is \$10,791. (Source: <http://profiles.doe.k12.de.us/SchoolProfiles/State/Finance.aspx>). Multiplied by 2264 students served in preschool special education, we estimate a total cost for preschool special education at \$24.4 million (federal, state and local funds). We then multiply this figure by 62%, the amount of total schools spending that comes from the state to estimate state funding. We add to that the known federal FY09 federal funding for preschool special education. According to the Dept of Education, the state funding estimate is likely overestimated, since average per pupil costs include using figures from more costly Vocational Tech schools, as well as some districts with substantially higher teacher salaries. Per pupil costs also account a structure in which children attend five days per week. In early childhood special education, children do not always attend five days per week.

26 This may be an overestimate; see footnote above.

Table I: Public Funding for Early Care and Education in Delaware

Program	Description	Est. FY09 State and Federal Funding for Target Population	Federal/State Revenue Sources	Other Funds/In Kind Support Leveraged	State agency/organization	Who Provides Services	Eligibility Requirements	Children ages 0-5 served	Average cost per child ²³
Even Start	Integrated program of early childhood education, adult education, parenting education (including home visits), and literacy activities.	\$595,590	Federal Even Start grants	65% local match, including in-kind	DOE	Five local education agencies and one nonprofit organization	Children up to age eight and parents who are eligible for either (1) adult education program or (2) compulsory education	Families-265 Adults-289 Children-432	\$2178
Early Reading First	Early childhood centers of excellence, focused on early literacy skills	\$750,000	Federal Early Reading First grant	None	University of Delaware	University of Delaware/Head Start and child care programs	Preschool-age children in ECE programs that serve low-income children	170-190	n/a
Child Care Access Means Parents in School (CCAMPS)	Campus-based child care centers serving low-income parents attending higher education	\$40,996 ²⁷	Federal CCAMPS grants	n/a	None	Child care centers at DE Technical and Community College	Income guidelines	n/a	n/a
Title I- Preschool	Funds support early education programs in two Delaware districts	n/a	Federal Title I	n/a	DOE	School districts (Indian River and Christina)	Students in school districts with high rates of low-income families	n/a	n/a
Community Development Block Grant	Child care for children living in shelters/ low-income families; purchase of van for child care center.	\$105,910	Federal CDBG funds	n/a	None	Department of Housing and Urban Development; County government/Municipalities	n/a	n/a	n/a

²⁷ FY08 grant amounts to two sites in Delaware. Dollar amount may also support child care for school-age children.

Table I: Public Funding for Early Care and Education in Delaware

Program	Description	Est. FY09 State and Federal Funding for Target Population	Federal/State Revenue Sources	Other Funds/In Kind Support Leveraged	State agency/organization	Who Provides Services	Eligibility Requirements	Children ages 0-5 served	Average cost per child ²³
Resource/Referral and Quality Improvement²⁸									
Child Care Licensing	Licensing and monitoring of various child care settings to ensure that requirements are met.	\$2.6 million	CCDF, SSBG, state funds	None	Funds subcontracted from DHHS to DCSYF	DCSYF	All child care facilities that are not run by Dept of education or other state agency or a school or a private school.	1738 facilities, most of which serve children from 0-5	n/a
Institute for Excellence (Professional Development System)	Professional development system offers, coordinates , and assures the quality of trainings for ECE workforce	\$1.3 million	CCDF and state funds	Provider fees; donations by Nemours Health and Prevention	Funds subcontracted from DHHS to DOE to University of Delaware	Institute for Excellence	All licensed child care providers, pre-k providers and early intervention staff.	App. 3000 providers served	n/a
Delaware Stars for Early Success	Voluntary quality rating and improvement system for child care providers.	\$350,000 ²⁹	CCDF and state funds	Over \$500,000 in support from private funders	Funds subcontracted from DHHS to DOE to University of Delaware	Delaware Institute for Excellence (at University of Delaware)	Licensed child care providers	n/a	n/a

28 Funding amounts in this category support child care providers serving all ages of children. It was not possible to break out funding amounts by those supporting quality and infrastructure only for providers serving children from birth to age five.

29 Estimated federal funding for Delaware Stars

Table I: Public Funding for Early Care and Education in Delaware

Program	Description	Est. FY09 State and Federal Funding for Target Population	Federal/ State Revenue Sources	Other Funds/In Kind Support Leveraged	State agency/ organization	Who Provides Services	Eligibility Requirements	Children ages 0-5 served	Average cost per child²³
Child Care Capacity Grant	Grants and technical assistance to child care providers to expand, enhance or create new services for high-need populations (ex. infants and toddlers)	\$300,726	CCDF	State grant-in-aid funds	Funds subcontracted from DHHS to Children and Families First	Children and Families First	Child care programs that are new, expanding or enhancing services for target populations. Programs that are serve low-income families accept POC; and operate full-time.	n/a	n/a
Child Care Resource and Referral	Information and referral services to parents (particularly those receiving POC) about child care options in their community.	\$55,126	CCDF	State grant-in-aid funds	Funds subcontracted from DHHS to Children and Families First	Children and Families First	Families seeking child care (focus on POC families)	n/a	n/a
Relative/non-relative Care Training	Training for relative/non-relative providers	\$49,972	CCDF	None	Funds subcontracted from DHHS to Children and Families First	Children and Families First	Relative/non-relative child care providers with contracts with DHSS	n/a	n/a
Resource Center	Training for child care providers in city of Wilmington	\$21,000	CCDF	n/a	Funds subcontracted from DHHS to Children and Families First	Children and Families First	ECE professionals in the city of Wilmington	n/a	n/a

Health

Table II provides a full list of the 19 health programs, totaling approximately \$231 million serving young children in Delaware. Of these, three entitlement programs have the majority (an estimated \$197 million) of funding and support health insurance and nutritious food to eligible children and families. These programs are funded by Medicaid, the Supplemental Nutrition Assistance Program (SNAP), and the Child and Adult Food Care Program (CAFCP).

In Table II, the full list of 19 programs is listed by five programmatic sub-categories:

- Four programs support direct medical services;
- One program supports dental services;
- Three programs support nutrition;
- One program supports early intervention for children with special needs;
- Two programs support social-emotional health; and
- Eight programs support other public health goals.

Table I: Public Funding for Health Services in Delaware

Program	Description	Est. FY09 State and Federal Funding for Target Population	Federal/State Revenue Sources	Other Funds/In Kind Support Leveraged	State agency/organization	Who Provides Services	Eligibility Requirements	Children ages 0-5 served	Average cost per child
Funding for Medical Services									
Medicaid	Health insurance for low-income individuals, including pregnant women and children	\$153.4 million ³⁰	Medicaid (federal and state funds)	Parent fees	DHSS	Managed care organizations (MCOs)	Low-income children/ pregnant women (based on income and household size);	12,601 pregnant women; 32,588 young children ³¹	Est. \$1600 per child, \$8000 per pregnant woman ³²

30 TFP derived this estimate by multiplying the number of children and pregnant women served by average national Medicaid costs. (Delaware-specific estimates were not available.) National estimates by the Urban Institute and Brookings Institution indicate that, on average, the federal share of Medicaid coverage for children 0-2 cost was \$1118 per capita in 2008 and \$497 for children ages 3-5, or an average of approximately \$800 for children ages birth-five. States fully match federal contributions, for a total cost of over \$1600 per child. Since national estimates on Medicaid costs for prenatal care and births were unavailable, TFP reviewed data from other states to inform a conservative estimate of \$8000 per pregnant woman, in combined federal and state costs.

31 Individuals served by two MCOs in 2009 (Unison and DPCI.) This figure excludes any children or pregnant women served by Diamond State Partners, the state-administered managed care plan, as this data was not available.

Table I: Public Funding for Health Services in Delaware

Program	Description	Est. FY09 State and Federal Funding for Target Population	Federal/State Revenue Sources	Other Funds/In Kind Support Leveraged	State agency/organization	Who Provides Services	Eligibility Requirements	Children ages 0-5 served	Average cost per child
Delaware Healthy Children Program	Health insurance for low-income children. (Medicaid “look-alike” program)	\$1.7 million ³³	SCHIP (federal and state funds)	None (no copayments)	DHSS	Health providers through managed care organizations, state agencies (ex. mental health), and pharmacies	Children with family incomes at or below 200% Federal Poverty Level	1461 children	n/a
Healthy Women, Healthy Babies	Supports for women with previous issues with birth outcomes, from preconception through two-year postpartum period	\$2.8 million	State general funds	None	DHSS	Contracts with providers, community health centers, private practice, and Planned Parenthood	Loose guidelines, but any woman in Delaware would be eligible	2254 pregnant women; 9118 women in preconception programs; and 1693 infants	n/a
Federally Qualified Health Centers (FQHCs)	Community health centers offering primary care, preventive care services, as well as dental, mental health, substance abuse, and transportation.	\$2.8 million ³⁴	FQHC grants	n/a	None	Grantees	All, regardless of ability to pay, through sliding fee scales based on family size and income	n/a	n/a

³² Estimates based on national data. See footnote #38 for more information.

³³ 12 percent of total program funding, since children ages 0-5 make up 12 percent of children served under CHIP program. This is likely an underestimate of total program funding, since very young children, on average, require more costly medical care.

Table I: Public Funding for Health Services in Delaware

Program	Description	Est. FY09 State and Federal Funding for Target Population	Federal/ State Revenue Sources	Other Funds/In Kind Support Leveraged	State agency/ organization	Who Provides Services	Eligibility Requirements	Children ages 0-5 served	Average cost per child
Funding for Dental Services									
Dental Services/ Oral Health	Comprehensive dental services to Medicaid-eligible children; efforts to increase access to care.	\$207,700	Federal HRSA grants, Maternal and Child Health grant, state funds	Leverage resources from partners- ex. Health Care Commission for Institute of Dental Education and Research, Office of Primary Care and Office of Rural Health	DHSS	Dentists and dental hygienists, mobile dental vans	Under age 21 and eligible for Medicaid	n/a	n/a

34 Figure represents total Maternal and Child Health grant dollars from HRSA website, 2009. See: <http://stateprofiles.hrsa.gov/>

Table I: Public Funding for Health Services in Delaware

Program	Description	Est. FY09 State and Federal Funding for Target Population	Federal/State Revenue Sources	Other Funds/In Kind Support Leveraged	State agency/organization	Who Provides Services	Eligibility Requirements	Children ages 0-5 served	Average cost per child
Nutrition									
Supplemental Nutrition Assistance Program (SNAP or food stamps)	Helps low-income people to buy food that they need for good health.	\$34.7 million ³⁵	SNAP federal funds	University of DE, food bank of DE, DE State University and Nemours Foundation match funds to draw down federal funding for a nutrition education plan.	DHSS	DHSS	Income requirements (gross incomes of 130% FPL) Non-public assistance households also have to meet asset requirements	28,585 children served	\$1767.53 (average per person cost)
WIC	Provides nutritional counseling and supplemental nutritious foods to pregnant, postpartum, breastfeeding women and their children up to age five.	\$16.2 million	WIC (federal)	Coordinate with CAFCP, Nemours, and Delaware Healthy Eating and Active Living Partnership (HEAL) for outreach, training, and shared messaging	DHSS	DHSS	Pregnant women, postpartum women, breastfeeding women, infants, and children up to age five; up to 185% FPL; Participants must be at nutritional/ medical risk .	288,347 people Pregnant women- 21,642 Infants and children – 169,600	n/a

³⁵ Figure represents 23 percent of total program funding based on the individuals served in the target population. Estimate of total individuals served who are in this age group, provided by SNAP program staff.

Table I: Public Funding for Health Services in Delaware

Program	Description	Est. FY09 State and Federal Funding for Target Population	Federal/State Revenue Sources	Other Funds/In Kind Support Leveraged	State agency/organization	Who Provides Services	Eligibility Requirements	Children ages 0-5 served	Average cost per child
Child and Adult Care Food Program (CACFP) Program (Centers)	Reimbursement of meals and snacks to center-based child care providers	\$9.1 million ³⁶	CACFP (federal)	Nemours Health and Prevention and Altarum Institute support improvements in the nutritional quality of food provided	DOE	Child care sponsors apply directly to the state agencies for participation in the CACFP. Sponsors could be one location or a group like Catholic Charities that has multiple centers.	Licensed Child care centers serving children up to age 12. Rates based on children's free/reduced lunch status	n/a	Base daily rates: Breakfast-.43 - \$1.17; Lunch/supper: \$1.31-\$2.18 Snack- .18-.65
Early Intervention									
Birth to Three Early Intervention	Comprehensive early intervention supports and services to infants and toddlers from birth through age two with developmental delays and their families	\$5.3 million	IDEA, Part C (federal), state funds,	Medicaid	DHHS	Child Development Watch (staffed by DHHS Division of Public Health and Division of Disability Services)	Children ages 0-3 meeting criteria for developmental delays in one of five developmental areas.	3094 ³⁷	\$1708

³⁶ This figure represents 80 percent of total funding; DOE staff estimate that 80 percent of program funding serves the birth-five population.

³⁷ Unduplicated number of children assessed; while not all were eligible, some may still be tracked with ongoing assessments.

Table I: Public Funding for Health Services in Delaware

Program	Description	Est. FY09 State and Federal Funding for Target Population	Federal/State Revenue Sources	Other Funds/In Kind Support Leveraged	State agency/organization	Who Provides Services	Eligibility Requirements	Children ages 0-5 served	Average cost per child
Social-Emotional Health									
I Can Problem Solve	School-based primary prevention program that offers practical skills for helping children learn how to think through and resolve everyday conflicts.	\$ 77,000 ³⁸	Title IV-B, State General Fund	n/a	DCSYF	DCSYF, Office of prevention and early intervention	Families with children in day care centers.	25 child care center staff and 32 children and families	n/a
Partnering to Produce Emotional Wellness in Young Children	Statewide system to support emotional wellness for young children through strategies including mental health consultants in child care settings	\$ 1 million ³⁹	SAMHSA Systems of Care grant	Nemours and United Way are partners in state emotional wellness committee.	DOE	Provider network for treatment. Therapists in that network providing treatment.	Children with Medicaid or CHIP or without insurance.	Approximately 60 centers in the first year with the consultants; provided, 2009.	n/a

³⁸ \$2,000 is a one-time cost for book purchases; \$70,000 goes towards a full-time staff and \$5,000 goes to a trainer who spends 5% time on the program.

³⁹ Estimated 1-year funding from SAMHSA Systems of Care grant.

Table I: Public Funding for Health Services in Delaware

Program	Description	Est. FY09 State and Federal Funding for Target Population	Federal/State Revenue Sources	Other Funds/In Kind Support Leveraged	State agency/organization	Who Provides Services	Eligibility Requirements	Children ages 0-5 served	Average cost per child
Public Health Programs									
Early Childhood Program	Two key initiatives: (1)Healthy Child Care America (training on health/safety issues to child care providers); and (2) Early Childhood Comprehensive Systems (ECCS)- provide a framework for early childhood system building	\$105,000	Federal Title V funding	Leverage resources of other agencies, as needed	DHSS	DHSS	n/a – statewide program to build infrastructure	n/a	n/a
Immunizations	Immunization services for children	\$1 million ⁴⁰	n/a	n/a	DHSS	n/a	n/a	38,747 children	n/a
Lead Testing	Public awareness, universal screening for preschool children, and case management, education and/or investigation for children found with lead poisoning.	\$1.3 million	HUD, CDC, EPA grants and state general funds	n/a	DHSS	Private agencies and community-based organizations	No restrictions; all children to be screened by 1 st birthday	n/a	n/a

40 Figure represents 46 percent of total funding for immunizations; percentage obtained from Division of Public Health staff.

Table I: Public Funding for Health Services in Delaware

Program	Description	Est. FY09 State and Federal Funding for Target Population	Federal/State Revenue Sources	Other Funds/In Kind Support Leveraged	State agency/organization	Who Provides Services	Eligibility Requirements	Children ages 0-5 served	Average cost per child
Health Systems Protection (Lead Poisoning Prevention)	Promoting water, food safety, indoor air quality and other efforts to support healthy environments, including lead poisoning prevention.	\$140,000	HUD, CDC, EPA grants and state general funds	In kind use of state lab for testing children for lead poisoning	DHSS	DHSS	No restrictions	n/a	n/a
Newborn Metabolic Screening	Newborn screening for metabolic disorders during 1-3 days of life and repeat screen at 28 days.	n/a	State general funds	n/a	DHSS	Division of Public Health, in coordination with birthing facilities	All infants born in Delaware	12000+ births each year	n/a
Newborn Hearing Screening	Newborn screening for hearing disorders	\$125,000	Federal HRSA grant	Other agency resources support state data system	DHSS	Birthing facilities and outpatient audiologists	All infants born in Delaware	12000+ births each year	\$9.61
Tuberculosis Screenings	Conducts activities of surveillance, consultation on tuberculosis clinical and policy issues, and support of specialized tuberculosis services throughout the state	\$1.3 million ⁴¹	N/A (federal and state)	N/A	DHSS	Child health clinics	Children (under age 19) who are well and who do not have insurance or a doctor.	67	n/a
Office of Minority Health	Works with communities to build capacity to address health disparities among racial/ethnic groups	\$8800 ⁴²	Federal Office of Minority Health, State funds	None	DHSS	DHSS staff in coordination with other agencies	No requirements beyond minority population	n/a	n/a

⁴¹ Figure represents 80 percent of total program funding; percentage obtained from Division of Public Health staff as estimate of total funding serving target population.

Family Support

Table III provides a full list of the 12 family support programs serving young children in Delaware with a total of approximately \$8.3 million. Seven programs provide home visiting and/or parent education services, while an additional five programs provide other family support services, including outreach to at-risk populations.

Table III: Public Funding for Family Support in Delaware									
Program	Description	Est. FY09 State and Federal Funding for Target Population	Federal/State Revenue Sources	Other Funds/In Kind Support Leveraged	State agency/organization	Who Provides Services	Eligibility for Services	Children ages 0-5 served	Average cost per child
Home Visiting and Parent Education									
Parents as Teachers Program	Monthly home visits to provide information to parents about their children and strategies to promote/facilitate children's development.	\$1.3 million	PIRC, State General Fund, CBCAP	Space and other in-kind services - home base for supplies; home visitors work out of their homes.	Department of Education (DOE)	3 school districts, one in each county in DE.	First time parents with children 0-36 months. No income limit, but there is a target that at least 85% of families served have an identified risk factor (ex. -poverty, English language learner)	FY 2008: 1,669 families served; 1,886 children were served.	n/a
Strengthening Families	Program supports families and children to go through an extensive 14-week program. Evidence-based curriculum focuses on communication, effective parenting, substance abuse, developmental attributes of kids, etc.	\$ 350,000	State general fund	None	Department of Children, Youth and Families (DCYF)	Contractor selected by an RFP	Program serves families in child protective services and those at risk. Special classes for children in foster care.	250 families (300 children); Children ages 3-16	n/a

42 Figure represents eight percent of total program funding, or the percentage of children 0-5 compared with total DE population from census data.

Table III: Public Funding for Family Support in Delaware

Program	Description	Est. FY09 State and Federal Funding for Target Population	Federal/State Revenue Sources	Other Funds/In Kind Support Leveraged	State agency/organization	Who Provides Services	Eligibility for Services	Children ages 0-5 served	Average cost per child
Nurse Family Partnership	Evidence based home visiting program model	\$550,000 ⁴³	Cooperative agreement with the Children's Bureau.	Public and private funds leveraged for implementation in FY10	Children and Families First	Nurses working for Children and Families First	First time low-income moms meeting income criteria.	Caseload-about 25 per nurse at any given time. Plan to hire 4 nurses	n/a
Resource Mothers	Evidence based home visiting program model (focus on health outcomes, as well as parent education).	\$ 561,000 ⁴⁴	State DPH to hospital subcontract to Children and Family Futures; social workers, non-profit agencies	United Way, AstraZenec, other private grants	Department of Health and Social Services (DHSS)	Paraprofessionals working for Children and Families First	Targeted to at-risk families, assessment, no income criteria, but majority are low-income. Not just first-time parents; Program follows families until the baby is 6 months to a year.	447 mothers and app. 278 babies.	n/a
Smart Start/Kids Kare/First Time Parents	Home visits and assessment/referral to services, such as nutrition/WIC.	\$4.7 million ⁴⁵	Medicaid and state funds	None	DHSS	Division of public health employs nurses, social workers, and nutritionists.	Eligibility is any child between 0-21 meeting risk factors.	1787 between 3 programs	n/a

⁴³ \$500,000 for full five year grant; most was for planning in the first year (2009); and \$50,000 in CBCAP funding.

⁴⁴ Estimated funding amount provided by Children and Families First.

⁴⁵ Funding is for positions, not direct program expenditures. Time that staff spend on Smart Start/Kids Kare versus other public health duties is not tracked.

Table III: Public Funding for Family Support in Delaware

Program	Description	Est. FY09 State and Federal Funding for Target Population	Federal/State Revenue Sources	Other Funds/In Kind Support Leveraged	State agency/organization	Who Provides Services	Eligibility for Services	Children ages 0-5 served	Average cost per child
Separating and Divorcing Parent Education Program	Parent education program for any family who goes through a divorce, separation, or visitation hearing at the court.	n/a ⁴⁶	n/a	Parent fees, Half-time staff person out of state general fund	DCYF	Certified providers who provide education program	Anyone going through divorce, separation, or visitation.	1200 families/year; children up to age 18	n/a
Parent Training and Information Program	Parent education for families with children in special education (pre-k-grade 12)	\$ 10,850 ⁴⁷	Federal grant from Department of Education, Office of Special Education programs	None	Parent Information Center of Delaware	Parent Information Center of Delaware	Open eligibility, but focus on low-income and Hispanic families	n/a	n/a
Other Family Support Services									
Promoting Safe and Stable Families	Intensive family consultation and mapping process for at-risk families	\$ 400,000 ⁴⁸	Title IV-B	Contracted providers located in community centers leverage community center's resources for program.	DCYF	Six contracted providers	No eligibility criteria, just families in need; free for families.	Serve 1500 children per year (ages 0-18)	n/a

46 Half-time staff person monitor the program is supported out of the state general fund; program is largely funded with parent fees (no state money allocated to program).

47 Figure represents 5 percent total program funding; staff estimate of how much funding supports children in pre-k.

Table III: Public Funding for Family Support in Delaware

Program	Description	Est. FY09 State and Federal Funding for Target Population	Federal/ State Revenue Sources	Other Funds/In Kind Support Leveraged	State agency/ organization	Who Provides Services	Eligibility for Services	Children ages 0-5 served	Average cost per child
Prevent Child Abuse Delaware	Support: (1) Strengthening Families-training and TA with child care providers and (2) Training with maternity hospitals to reduce shaken baby syndrome. (Also support grants to Parents and Teachers and Nurse-Family Partnership, but these are described separately)	\$ 110,988 ⁴⁹	CBCAP	United Way funding, unrestricted dollars from fundraising activities	Prevent Child Abuse Delaware	Prevent Child Abuse Delaware staff	Shaken baby syndrome prevention-designed to reach all new families through hospital based programs.	n/a	n/a
Families and Centers Empowered Together (FACET)	Family support, empowerment, and substance abuse prevention program located in childcare centers	\$ 242,000	State general fund	Four community centers leverage additional sources – private, public, in-kind donations.	DCYF	Four community providers - at-risk day care centers in city of Wilmington.	Any children and families who attend the four at-risk centers.	248 adults, 378 kids (majority were 0-5)	n/a

48 Young children comprise less than half of population served; figure represents 50% of total program funding.

49 The full CBCAP grant is \$210,988; excluded \$100,000 in grants to Parents and Teachers and Nurse-Family Partnership to avoid double-counting dollars.

Table III: Public Funding for Family Support in Delaware

Program	Description	Est. FY09 State and Federal Funding for Target Population	Federal/State Revenue Sources	Other Funds/In Kind Support Leveraged	State agency/organization	Who Provides Services	Eligibility for Services	Children ages 0-5 served	Average cost per child
Joining Generations	Joining Generations (JG) is an intergenerational program that supports relative caregivers through advocacy, education, and programs. The Grand Time Off Program and Camp Respite offer day care services for children.	\$ 13,864 ⁵⁰	Administration on Aging, State General Fund	None	DHSS	Grand Time Off (GTO) and the Delaware Kinship Navigator are operated through Children & Families First and Camp Respite through the YMCA of Delaware.	GTO is available to children ages 0-18; Camp Respite is available to children ages 3-18	FY 09: 47 children ages 0-5	n/a
Relative/Kinship Care Program	The Kinship Care Program assists non-parent caregivers during a child's initial transition (within first 180 days) into the caregiver's home. The program can pay for items such as clothing or furniture for the children.	\$ 23,226 ⁵¹	Kinship Care Fund (State funds dispersed in an account managed by Division of State Service Centers.)	None	Division of State Service Centers	DHSS, Division of State Services	A caregiver receiving assistance under this program must be a relative but not the parent of the child. The child must be under 18 years of age. 180 days. Financial eligibility is determined using	Served 91 children ages 0-18	Maximum is \$500 in a calendar year per person.

⁵⁰ Percentage calculated based on staff estimate of target population served by program (approximately 16%).

⁵¹ The program receives \$70,000 every other year via the Kinship Care Fund; serves children up to age 18, so a smaller portion of funding supports young children. Estimate of funding for target population obtained from Division of State Service Centers staff.

APPENDIX III: GLOSSARY OF FEDERAL FUNDING SOURCES

Federal programs referenced in this study are grouped into three categories: entitlement programs, formula/block grants, and discretionary grants.

Entitlement programs guarantee that all individuals meeting the eligibility requirements can be enrolled in the program. Local agencies typically enroll individuals and child care providers in these programs, but do not control how funds are used.

Formula/Block grants provide states with a fixed allocation of funds based on an established formula that is tied to a measure of need, such as the poverty rate. States distribute these funds to localities based on a formula or through a competitive application process.

Discretionary grants are funds awarded to organizations, state or local agencies through a competitive application process. An application for a discretionary grant does not guarantee an award, and the amounts received by grantees are not predetermined by a formula.

The following is a list of the major federal programs that currently do or could support early childhood services in Delaware:

Entitlement Programs

- **Medical Assistance Program (Medicaid; Title XIX)**
Medicaid is a federal-state matching entitlement program providing medical assistance to low-income persons who are aged, blind, disabled, members of families with dependent children and certain pregnant women and children.
- **The Supplemental Nutrition Assistance Program (SNAP/Food Stamps)**
Households receive food stamp benefits which vary according to household size and income. Food stamp benefits may be used in participating retail stores to buy food for home consumption and garden seeds and plants to produce food for personal consumption.
- **Child and Adult Care Food Program (CACFP)**
CACFP reimburses eligible institutions for providing meals and snacks to children and adults receiving day care.

Formula/Block Grants

- **Child Care and Development Fund (CCDF) Block Grant**
The vast majority of CCDF dollars are used by states to provide eligible low-income families with child care subsidies in the form of vouchers or certificates. Funds also support initiatives to improve the quality and availability of child care in the state.
- **Community-Based Child Abuse Prevention Grant (CBCAP)**
Funds assist states in developing and implementing or expanding and enhancing a comprehensive statewide system of community-based family resources and support services to prevent child abuse and neglect.
- **Community Development Block Grant (CDBG)**
CDBG funds are used to develop viable communities by providing decent housing, a suitable living environment, and expanding economic opportunities for persons of low and moderate income. A portion of program funds can support “public services” that some communities use to meet the operational and infrastructure needs of early childhood programs.

- **Community Services Block Grant**
The Community Services Block Grant can be used to provide services and/or activities to meet the needs of low-income families in the areas of child care, employment, education, better use of available income, housing, nutrition, emergency services and health.
- **Even Start: Formula Grants to States**
Even Start focuses on the educational needs of low-income families with young children. Funds are used to provide four core services: adult education, parenting education, early childhood education, and interactive literacy activities between parent and child.
- **Maternal and Child Health (MCH) Services Block Grant (Title V)**
The MCH Services Block Grant funds the planning, promoting, coordinating and evaluating of health care for pregnant women, mothers, infants, children, children with special health care needs, and those mothers and children that do not have access to adequate health care.
- **Social Services Block Grant (SSBG)**
SSBG funding uses are flexible; states and other eligible jurisdictions determine their own social service programs. Examples of funded services include child day care, protective and emergency services for children and adults, information and referral, adoption, foster care, counseling, and transportation.
- **Special Education Preschool Grants (IDEA, Part B)**
Grants are provided to the state to assist them in providing a free appropriate public education to children with disabilities ages 3 through 5 years, and at a state's discretion, to 2 year old children with disabilities.
- **Special Education Grants for Infants and Families with Disabilities (IDEA, Part C)**
This program assists states in implementing and maintaining their systems of early intervention services. Funding may also be used to: provide direct services for infants and toddlers with disabilities and their families; expand and improve on services; and to provide a free appropriate public education to children with disabilities from their third birthday to the beginning of the following school year.
- **State Children's Health Insurance Program (SCHIP)**
SCHIP grants enable states to initiate and expand child health assistance to uninsured, low-income children, through either the creation of programs that obtain health insurance coverage or the expansion of eligibility requirements for the children.
- **Temporary Assistance for Needy Families (TANF)**
TANF provides support and financial assistance to needy families through such practices as encouraging them to maintain two-parent households, promoting job preparation, assisting with in-home care for children and working to reduce out-of-wedlock pregnancies. In this study TANF dollars are used to support the child care subsidy program.
- **Title IV-B**
Child Welfare Services: State Grants (Title IV-B) strengthens child welfare on a state, local, or tribal basis, addressing the issues of neglect, abuse, exploitation, and delinquency, as well as family separation, so that children can remain in their own homes, or if necessary, in homes provided for them. Title IV-B funds identified in this study primarily support the state's Promoting Safe and Stable Families programs.

- **Title I – Grants to LEAs**

Title I grants help local educational agencies (LEAs) and schools improve the teaching and learning of children who are failing, or who are most at risk of failing state academic standards. Grants are targeted to LEAs and schools with high concentrations of children from low-income families.

- **Special Supplemental Nutrition Program for Women, Infants and Children (WIC)**
WIC distributes, through local, tribal, or state agencies, supplemental nutritious foods, nutrition education, and referrals to health care providers to low-income pregnant, breastfeeding and postpartum women, infants, and children to age five determined to be at nutritional risk.

Discretionary Grants

- **Child Care Access Means Parents in Schools Program**

These grants support the participation of low-income parents in postsecondary education through the provision of campus-based child care services.

- **Childhood Lead Poisoning Prevention Program (Lead Testing/Health Systems Protection)**

These grants are intended to develop a surveillance system that monitors all blood lead levels, assure that children who are potentially exposed to lead receive follow up care, and increase awareness and action among the general public and affected professionals in relation to preventing childhood lead poisoning.

- **Community Health Centers**

These grants are awarded to increase access to comprehensive primary and preventive health care and improve the health status of underserved and vulnerable populations. Funds can be used to improve the availability, accessibility and provision of primary health care services.

- **Early Head Start**

Early Head Start is a child development program that supports low-income pregnant women and children ages 0 – 3. The program supports activities that promote healthy prenatal outcomes, enhance the development of young children and promote healthy family functioning.

- **Early Reading First**

Early Reading First supports local efforts to enhance the early language, literacy, and pre-reading development of preschool age children, particularly those from low-income families, through instructional and professional development strategies proven effective through scientifically-based reading research.

- **Evidence-Based Home Visiting Program to Prevent Child Maltreatment (Cooperative Agreement with Children’s Bureau)**

This funding supports the state and local infrastructure needed for the high quality implementation of existing evidence-based home visiting programs to prevent child maltreatment. States leverage these grants with other funding sources to develop state and local funding, workforce, and policy infrastructures to support the use of evidence-based home visiting programs and practices. States also implement selected, evidence-based home visiting programs with high fidelity to a tested program model and conduct local implementation and outcome evaluations along with a cost analysis. Low-income first-time pregnant mothers with risk factors associated with child maltreatment comprise the target population.

- **Head Start**

Head Start funding promotes school readiness by enhancing the social and cognitive development of low-income children through the provision of comprehensive health, educational, nutritional, social and other services, also involving parents in their children's learning.

- **Immunization Grants**

These grants assist states in establishing and maintaining preventive health service programs to immunize individuals against vaccine-preventable diseases.

- **Parent Information and Resource Centers (PIRCs)**

PIRC grants assist nonprofit organizations in establishing school-linked or school-based parental information and resource centers that provide comprehensive training, information and support to parents and other individuals who work with children.

- **SAMHSA Systems of Care Grant**

These grants support an array of services designed to meet the needs of children and adolescents with serious emotional disturbances and their families. They coordinate systems of care by developing partnerships with mental health, child welfare, education, juvenile justice, and other local, public and private agencies. Projects can provide services such as intensive family-based services, respite care, day treatment, clinic- and school-based services, crisis outreach services, therapeutic case management, therapeutic foster care, and diagnostic and evaluation services.

ACKNOWLEDGEMENTS

The authors would like to thank Janet Carter of the Department of Education, and Madeleine Bayard and Sarah Grunewald of The Rodel Foundation of Delaware for their valuable comments and suggestions throughout the research and writing of the fiscal mapping report. We also greatly appreciate the Delaware Business Roundtable Education Committee and the Policy Matters Committee and its co-chairs Lt. Governor Matt Denn and Connie Bond Stuart of PNC Bank for their support of the work.

The following individuals took the time to provide detailed information on public and private funding for Delaware's early childhood system. Several of these individuals also served in an advisory capacity in the development of the report.

Delaware Department of Education

David Bowman, School and Community Nutrition (CAFPC)
Janet Carter, Office of Early Childhood
April Hill-Addison, Head Start Collaboration Office
Amelia Hodges, Teaching and Learning (Title I)
Jim Lesko, Office of Early Childhood
Dennis Rozumalski, Student Services and Special Populations
Verna Thompson, Office of Early Childhood
Maureen Whelan, Adult Education

Delaware Department of Health and Human Services

Barbara Akenhead, Division of Public Health
Elaine Archangelo, Division of Social Services
Helen Arthur, Division of Public Health
Carol Boyer, Division of Services for Aging & Adults with Physical Disabilities
Norman Clendaniel, Division of Public Health
Emma Curtis, Division of Medicaid & Medical Assistance
Eulinda DiPietro, Division of Social Services
Terry Dombrowski, Division of Public Health
Mary DuPont, Division of State Service Centers
Jacqueline Farr, Division of State Service Centers
Mawuna Gardesey, Division of Public Health
Roseanne Griff-Cabelli, Division of Management Services
Al Griffith, Division of Services for Aging & Adults with Physical Disabilities
Gloria James, Division of Public Health
Susan Keegan, Division of Public Health
Lucy Luta, Division of Public Health
Martin Luta, Division of Public Health
Walt Mateja, Division of Public Health
Thom May, Division of Public Health
Gregory McClure, Division of Public Health
Dave McGonagall, Division of Medicaid & Medical Assistance
Virginia McGonagall, Division of Medicaid & Medical Assistance
Dave Michalik, Division of Medicaid & Medical Assistance
Lisa Moore, Delaware Tobacco Prevention and Control Program
Alisa Olshefsky, Bureau of Maternal and Child Health, Division of Public Health
Guy Perrotti, Division of Services for Aging & Adults with Physical Disabilities
Ronniere Robinson, Division of Public Health

Jill Rogers, Division of Public Health
Maureen Tucker, Division of State Service Centers
Betsy Voss, Division of Public Health
Joanne White, Division of Public Health
Brian Williams, Division of Medicaid & Medical Assistance

Delaware Department of Services for Children, Youth, and their Families

Patti Quinn, Division of Family Services
Dana Sawyer, Office of Prevention and Early Intervention
Keith Serkel, Division of Family Services
Nancy Widdoes, Division of Child Mental Health Services

Other State Agencies/Organizations

Marie-Anne Aghazadian, Parent Information Center of Delaware
Heidi Beck, University of Delaware (Early Head Start)
Martha Buell, University of Delaware (Early Reading First)
Karen Derasmo, Prevent Child Abuse Delaware
Andrew Lorenz, Delaware State Housing Authority
Leslie Newman, Children and Families First
Kathy Wilson, University of Delaware (Institute for Excellence in Early Childhood)

Private Funders

Sylvia Banks, DuPont Company
Midge Barrett, Nemours Health and Prevention Services (NHPS)
Madeleine Bayard, Rodel Foundation of Delaware
Mary Elizabeth Biddle, PNC Foundation
April Birmingham, Bank of America Charitable Foundation, Inc.
Jim Donahue, United Way of Delaware, Inc.
There Dupont, Longwood Foundation
Melissa Lukach, Blue Cross Blue Shield Foundation on Health Care
Sherry P. Magill, Jessie Ball duPont Fund
Helen Stewart, JP Morgan Chase Foundation
Jocelyn Stewart, Barclays Bank Foundation
Janet Umble, United Way of Delaware, Inc.
David Woods, Social Venture Partners Delaware, Inc.

About the Finance Project

Helping leaders finance and sustain initiatives that lead to better futures for children, families and communities

The Finance Project is an independent non-profit research, consulting, technical assistance and training firm for public and private leaders nationwide. We specialize in helping leaders plan and implement financing and sustainability strategies for initiatives that benefit children, families and communities. Through a broad array of products, tools and services, we help leaders make smart investment decisions, develop sound financing strategies, and build solid partnerships. To learn more, visit www.financeproject.org.

ENDNOTES

- i Macomber, Jennifer et al. "Public Expenditures on Children Through 2008: Key Facts: Washington, D.C.: Urban Institute and Brookings Institution, January 2010. Available online at: http://www.urban.org/UploadedPDF/412003_public_expenditures_on_children.pdf. Since this study looked at a somewhat different set of programs, it is not possible to accurately compare Delaware expenses to national averages.
- ii State of Delaware. FY09 Governor's Financial Overview. Available online at: <http://budget.delaware.gov/fy2009/operating/09opfinoverview.pdf>.
- iii Early Childhood Systems Working Group. "State Early Childhood Development System Components and Core Elements". Early Childhood Systems Working Group, 2006. Each program is assigned to the category with which it is primarily aligned; however, some programs, such as Head Start, do support services related to more than one system component.
- iv National Institute for Early Education Research. "The State of Preschool, 2008." Available online at: <http://nieer.org/yearbook/>
- v Rattledge, Edward C. "Delawareans Without Health Insurance, 2008." University of Delaware: Center for Applied Demography and Survey Research, Prepared for the Delaware Health Care Commission. Available online at: <http://dhss.delaware.gov/dhcc/files/delawareanswithouthealthinsurance2008.pdf>
- vi For more information on this approach, see: Stoney, Louise, Collective Management of Early Childhood Programs: Approaches that Aim to Maximize Efficiency, Help Improve Quality, and Stabilize the Industry, Raleigh, NC: Smart Start National Technical Assistance Center, 2008. Available online at: <http://earlylearningventures.org/ELV/Files/8c/8c4a29de-5d77-4b23-b2d3-78e2dac2ea13.pdf>
- vii Delaware Early Care and Education Council and Early Childhood Comprehensive System Steering Committee. "Early Success: Delaware's Early Childhood Plan.", 2006. Available online at: http://www.doe.k12.de.us/infosuites/students_family/earlychildhood/files/ec_EarlySuccessDelawaresEarlyChildhoodPlan.pdf
- viii Kids Count Data Center. "Profile for Delaware". Annie. E. Casey Foundation, <http://datacenter.kidscount.org/> (accessed January 4, 2010) Interestingly, the poverty rate did not increase for families for children ages 6-18 during this timeframe.
- ix Bureau of Labor Statistics. Local Area Unemployment Statistics. Retrieved online, February 25, 2010 at: <http://www.bls.gov/lau/>
- x Information provided by the Delaware Department of Education.
- xi State of Delaware website. "Markell Signs Budget that Responsibly Closes Historic Shortfall; Lauds Passage of Administration's Education and Energy Reforms. Retrieved online, March 4th 2010 at: <http://governor.delaware.gov/news/2009/07july/20090701-responsiblebudget.shtml#TopOfPage>
- xii Information on foundation investments retrieved from The Foundation Center's website, November 2009, <http://foundationcenter.org/>
- xiii Early Childhood Systems Working Group. "State Early Childhood Development System Components and Core Elements". Early Childhood Systems Working Group, 2006.
- xiv Macomber, Jennifer et al. "Public Expenditures on Children Through 2008: Key Facts: Washington, D.C.: Urban Institute and Brookings Institution, January 2010. Available online at: http://www.urban.org/UploadedPDF/412003_public_expenditures_on_children.pdf. Since this study looked at a somewhat different set of programs, it is not possible to accurately compare Delaware expenses to national averages.
- xv State of Delaware. FY09 Governor's Financial Overview. Available online at: <http://budget.delaware.gov/fy2009/operating/09opfinoverview.pdf>.
- xvi Cost estimates provided by the Delaware Department of Education, March 2010.
- xvii Ibid
- xviii National Institute for Early Education Research. "The State of Preschool, 2008." Available online at: <http://nieer.org/yearbook/>
- xix Gilliam, Walter. "Prekindergartners Left Behind: Expulsion Rates in Prekindergarten Programs." New York: Foundation for Child Development, 2005. Available online at: http://www.challengingbehavior.org/explore/policy_docs/prek_expulsion.pdf
- xx Rattledge, Edward C. "Delawareans Without Health Insurance, 2008." University of Delaware: Center for Applied Demography and Survey Research, Prepared for the Delaware Health Care Commission. Available online at: <http://dhss.delaware.gov/dhcc/files/delawareanswithouthealthinsurance2008.pdf>
- xxi Daily, Sarah. "Creating a Comprehensive State Early Childhood Advisory Council: Frequently Asked Questions." Washington, D.C.: National Governors' Association, May 2009. Available online at: <http://www.nga.org/Files/pdf/0905ECACFAQ.PDF>
- xxii Georgetown University Health Policy Institute. "Children in Health Care Reform: Where Things Stand in the Senate and House Bills." Washington, D.C.: Georgetown University Health Policy Institute, January 2010. Available online at: <http://ccf.georgetown.edu/index/children-in-health-care-reform>. Available online, at: <http://ccf.georgetown.edu/index/children-in-health-care-reform>
- xxiii Information retrieved from Center for Law and Social Policy (CLASP) website, February 2010, <http://www.clasp.org/>.

xxiv Department of Education. Fiscal Year 2011 Budget Summary, Accessed online, February 2010 at:
<http://www2.ed.gov/about/overview/budget/budget11/summary/edlite-section1.html>

xxv For more information on SNAP-ED, see: <http://www.csrees.usda.gov/nea/food/fsne/about.html>

xxvi For more information on this approach, see: Stoney, Louise, Collective Management of Early Childhood Programs: Approaches that Aim to Maximize Efficiency, Help Improve Quality, and Stabilize the Industry, Raleigh, NC: Smart Start National Technical Assistance Center, 2008. Available online at: <http://earlylearningventures.org/ELV/Files/8c/8c4a29de-5d77-4b23-b2d3-78e2dac2ea13.pdf>

xxvii For more information on the Birth to Five Policy Alliance see: <http://www.birthtofivepolicy.org/>

xxviii For more information, see: National Child Care Information Center (NCCIC). "Public-Private Partnerships Supporting Early Care and Education and Afterschool Care. Fairfax, VA: NCCIC, September 2007. Available online at: <http://nccic.acf.hhs.gov/poptopics/public-private.html>; and Daily, Sarah and Anna Lovejoy. "Partnering with the Private and Philanthropic Sectors: A Governor's Guide to Investing in Early Childhood." Washington, D.C.: National Governors Association, Center for Best Practices. Available online at:

<http://www.nga.org/Files/pdf/0806PARTNERINGEDUCATION.PDF>

xxix For more information, see materials developed for Delaware's Policy Matters study.