



Establishing a Standards-Based System: Focus on the Earliest Years

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“ The significant problems we face cannot be solved at the same level of thinking we were at when we created them.”



-Albert Einstein

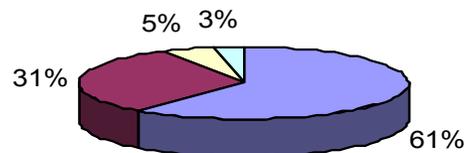
19th century industrialization supported a model where men engaged in paid work and women took responsibility for unpaid work—most especially caring for young children.

The care of children was viewed as a private concern.



New Reality: Dual-Earner Families are the Norm

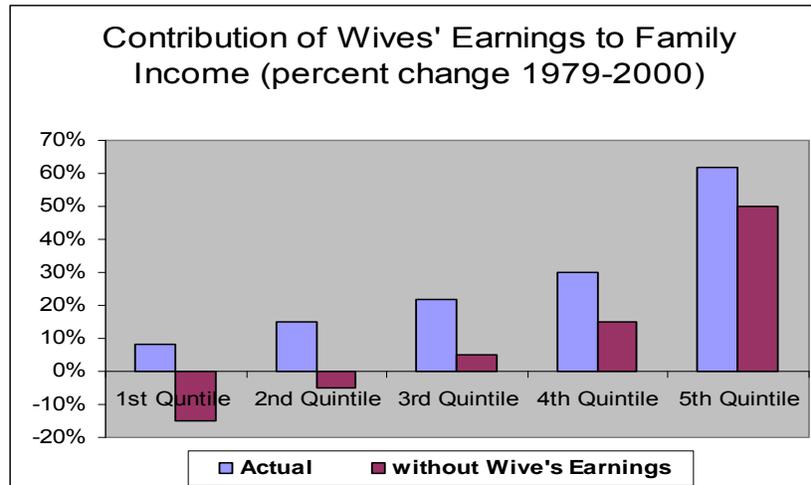
**Working Married Families
(with children under 18)**



■ Both Employed ■ Father not Mother
■ Mother not Father ■ Neither Employed

Bureau of Labor Statistics. (2004). Current Population Survey: Table 4.

New Reality: Dual-Earner Families are the Norm



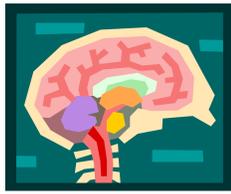
Source: Bernstein & Kornbluh, New America Foundation, 2005

New Reality: the Knowledge Economy Needs an Educated Workforce



Economic development experts are clear: in order to grow the economy, industry needs skilled, educated employees.

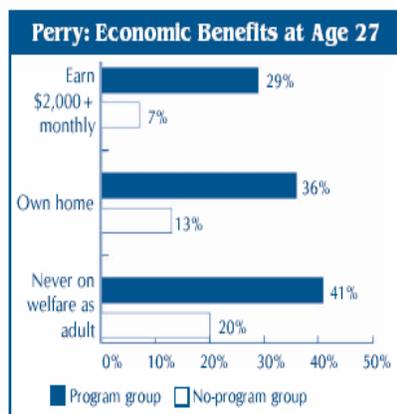
When employers are surveyed about key challenges facing business and industry, they frequently cite employee skills as one of the most serious challenges.



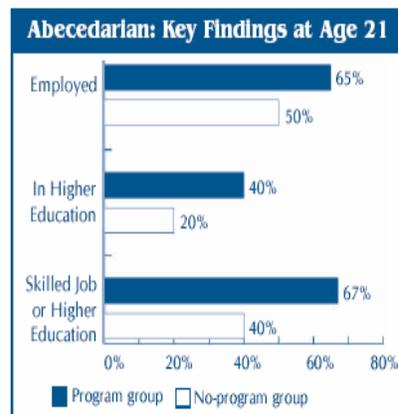
Early Learning Lasts a Lifetime

- More than 37 studies of model and large-scale programs have shown that quality early education boosts reading and math skills, giving children a strong start.
- During the first 8 years of life children acquire crucial learning skills (both cognitive and social).
- NCLB's focus on children's skills and knowledge starting in 3rd grade is too late.

Early Learning Lasts a Lifetime



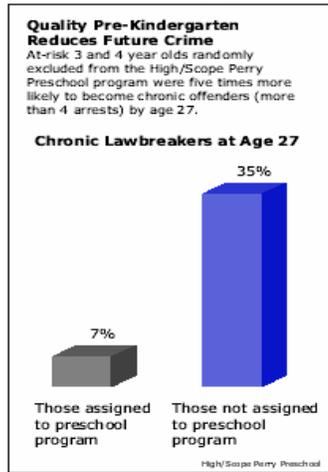
Source: National Institute for Early Education Research (www.nieer.org)



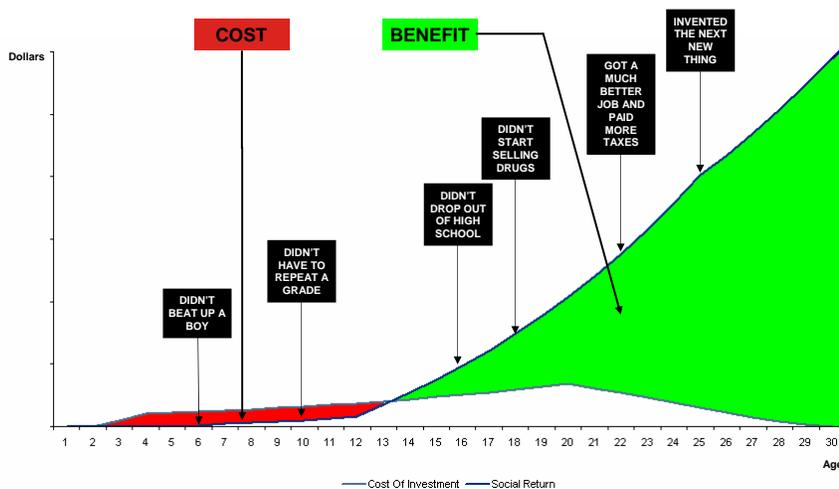
Source: National Institute for Early Education Research (www.nieer.org)

Benefits of Early Learning are Multi-Faceted

- The basis for moral behavior -- empathy, altruism & impulse control -- start to develop before age three, and grow from the teaching and modeling of adult caregivers.
- James Heckman stresses that "learning begets learning" - once children learn to read then can begin reading to learn



Societal Benefit For One Child



Assuming two loans at \$9,000 each, LIBOR is 5%, cost of funding is LIBOR + 300 bps and IRR is 20%

But we still try to solve new problems with old thinking



- We still view early care and education as a private responsibility—to be funded and secured by families on their own.
- We still operate in “silos” – as if child care, pre-kindergarten, and elementary schools were separate and disconnected endeavors requiring different standards, different policies and funding streams.
- We still focus on creating programs rather than building systems.

Quality Early Learning is Rooted in Relationships



- skilled teachers, with special training in ECE;
- small class sizes and high adult-to-child ratios;
- age-appropriate curricula and stimulating materials in a safe physical setting;
- a language-rich environment;
- warm, responsive interactions between staff and children;
- high and consistent levels of child participation.

Siloed Standards: Child Outcomes



Early Learning Guidelines - Often apply only to state-funded preK

Child Assessments - If/when they exist they vary by funding stream or curricula (e.g. Head Start, Creative Curriculum, Work Sampling) and are rarely used to inform teaching practices

K-3 Standards - apply only to early grades and usually only address academic content areas

How are these linked? How do we think developmentally - across ages, stages and systems -- about what we want children to know and do?



Siloed Standards: Practitioner Requirements

- **Teacher Certification** - Typically limited to public school settings; often very broad (K-6) and do not require child development knowledge
- **Head Start Staff Requirements** - Apply only to programs receiving HS \$\$ and limited by federal resources
- **Child Care Education/Training Requirements** - Typically limited by market forces to fairly low standards.

How are these linked? How do we think holistically - across funding streams, systems and program auspices -- about what teachers need to know and do?

Siloed Standards: Program Requirements



- Pre-K Guidelines/Regulations - Typically apply only to programs receiving PreK \$\$\$; vary widely across states.
 - K-3 Standards - school accreditation usually very broad & not specific to young learners'; classroom standards/practices left to local control
 - Head Start Standards - Apply only to programs receiving HS \$\$\$; established & monitored by federal government
 - Qualistar Standards - Apply only to programs that participate in Qualistar Quality Rating and Improvement System.
 - Child Care Licensing - Apply only to licensed child care centers; typically limited by market forces to fairly low standards.
 - Accreditation - Multiple national entities accredit ECE programs.
- How are these linked? How do we think holistically -- across funding streams, systems and program auspices -- about what ECE programs need to do to achieve effective teaching and good child outcomes ?

Early Care and Education Standards

Standards
for
Programs

Standards
for
Practitioners



Early Learning
Guidelines
(Outcomes for Children)

A New Approach: Pennsylvania

- PA Early Learning Guidelines - Define child outcomes for all ECE settings.
- Assessment tools - Linked to ELGs, used by all ECE settings to help inform teaching practices
- Practitioner Standards - Common career lattice for all ECE systems: child care, Head Start, early intervention, public & private schools, consultants/mentors, higher ed faculty.
- Program Standards - Keystone Stars (QRIS) used as common program standards for all ECE programs, regardless of funding stream or auspices; additional standards (if needed for HS or PreK are "layered" over Keystone Stars.)
- Regional Keys to Quality - Statewide system of supports, using QRIS outcomes as performance measures, allocates funding, PD and TA.



Standards-based System in P-3 Context

Challenge → Bridge various types of systems

Education-only Focus: Voluntary Pre-K/
Kindergarten and Mandatory Grades 1-3

ECE (Education + Human Service Focus):
Publicly funded Pre-K, child care and
Head Start

*Both of the above, together in a
coordinated system*



Standards-based Approach in K-3 (Education Only Focus)

Child Outcomes:

- Reconsider learning standards and grade-level expectations?

Program Standards:

- Reconsider school accreditation criteria and processes?
- Focus more on classroom quality and practices? (e.g., Bob Pianta's CLASS assessment, etc.)

Practitioner Standards:

- Reconsider teacher licensure and certification?



P-3 Standards-based Approach (Coordinated Focus, including ECE)

Child Outcomes:

- Aligned early learning standards and assessments for all ECE programs and grades K-3

Program Standards:

- Quality rating system for ECE programs aligned with Ready School designation for elementary schools

Practitioner Standards:

- B-8 or P-3 Certification
- Common professional development expectations and opportunities for ECE and K-3 teachers



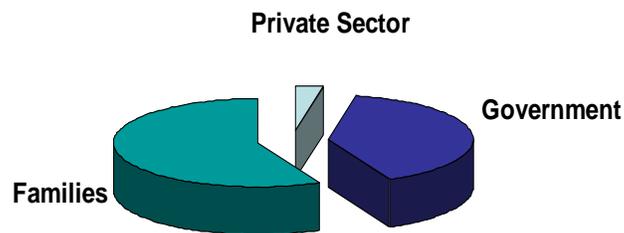
Questions?



A More In-Depth Look at
Establishing a Standards-based
ECE system



Revenue Sources for Early Care and Education



Tuition & Fees are the primary funding source for ECE



- For most programs, parent fees are by far the largest source of revenue
- Most government funding for ECE is portable tuition (e.g. subsidy follows the child to whatever provider is chosen.)

ECE is a Market-Driven System



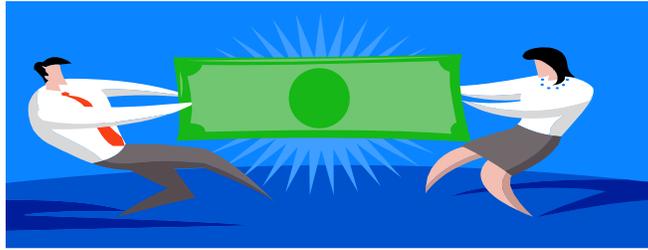
- Providers offer services for a price
- Consumers choose among those providers
- Consumers pay the price—with either their own money, or a child care subsidy, or a combination of the two.



Bottom-Line Issues for ECE Businesses

- Ensure Full Enrollment - every day, in every classroom
- Collect Tuition & Fees - in full and on-time
- Provider Costs covered by Tuition + Fees + 3rd party \$\$

Fundamentally...It is all about selling services in the market



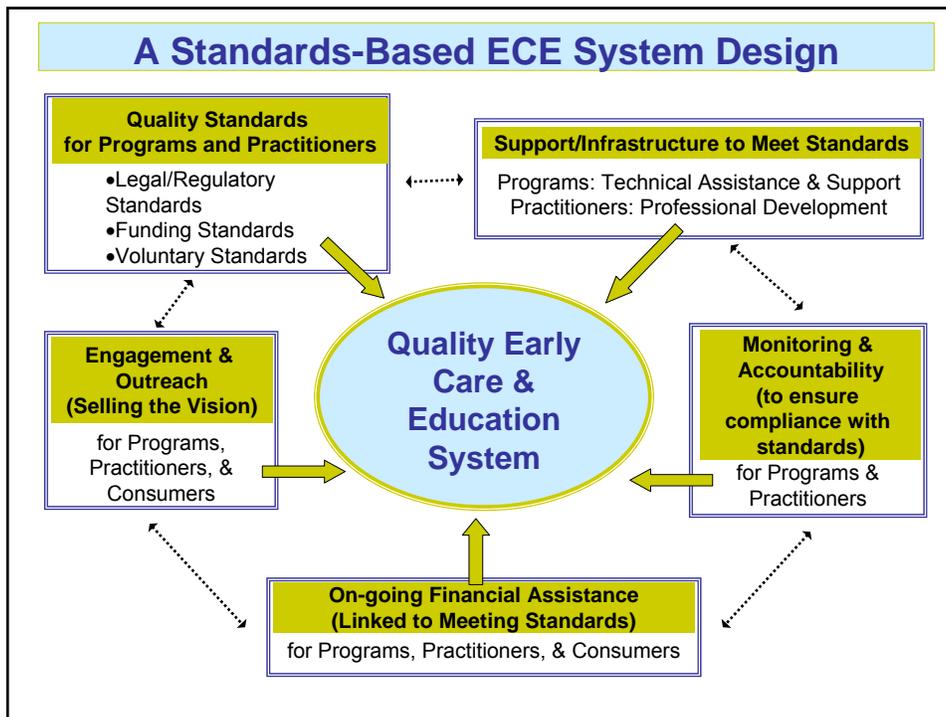
Higher Standards = Higher Costs
Higher Costs = Higher Prices
When consumers pay most of the bill,
the result is CONFLICT!

How do we resolve the conflict?

Build systems, not programs

- Common Standards
- Funding Tied to Common Standards
- Consumer information + incentives linked to common standards
- Diverse Portfolio of funding options, including paid leave and workforce reforms

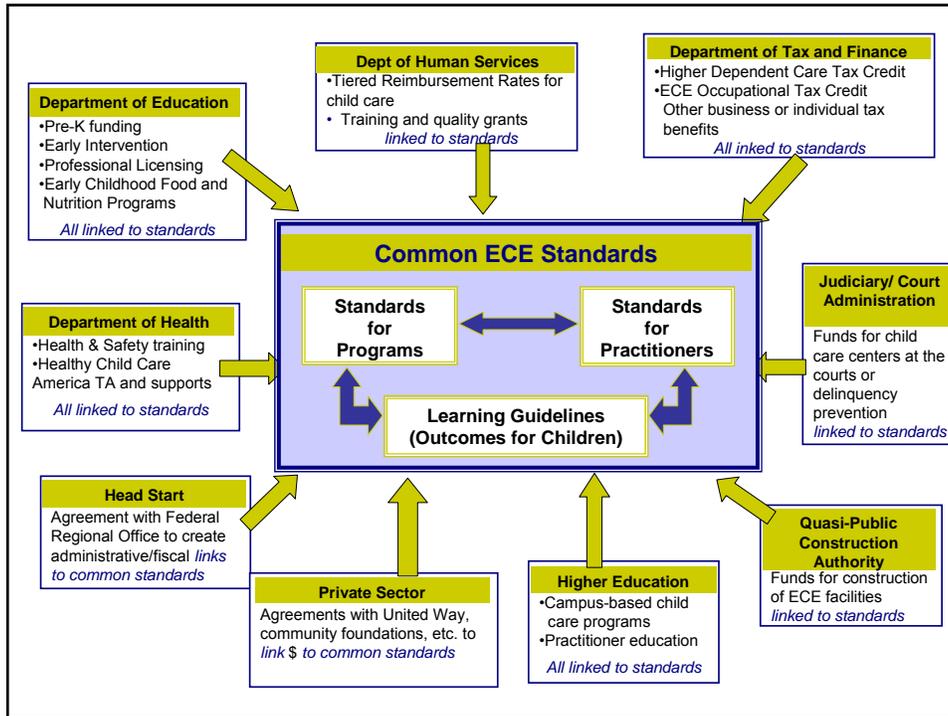




Quality Rating Systems



- Promote product differentiation
- Can help increase consumer demand for quality
- Can help reinforce the "public good" portion of early care and education
- Promote & support continuous improvement among early care and education providers.

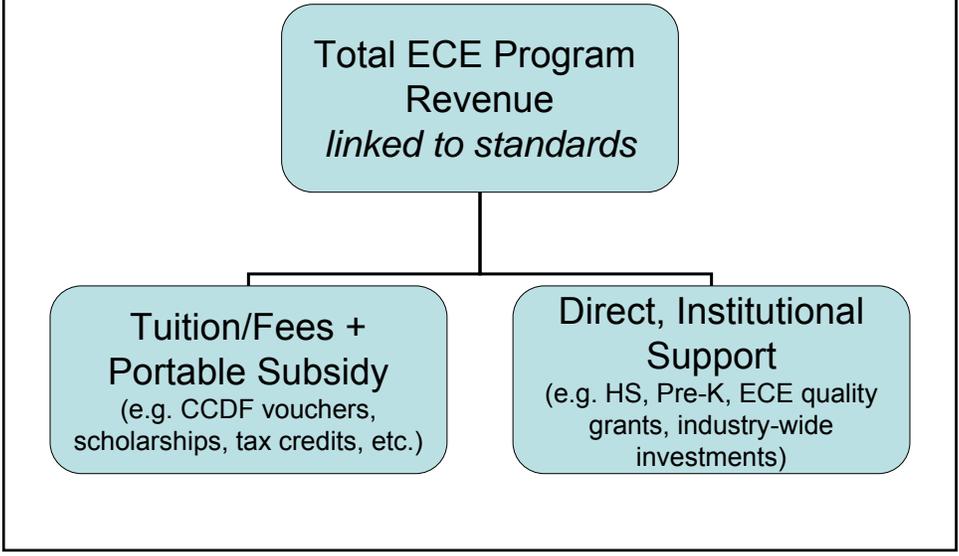


Step	Criteria	Portable Incentives	Direct Incentives
Start with Stars	Apply for QRS & complete requirements (e.g. Health & Safety checklist)	Child care subsidy (CCDF/TANF) at basic rate State child care tax credit at basic rate	Start with STARS grant - one time only TEACH and CADFP available Access to T/TA -- prioritized Links to family support and/or home visiting
STAR 1 - Attained ★	Meets STAR 1 Standards or in a points system has sufficient points for Star 1	Child care subsidy at Star 1 level (tiered bonus) State child care tax credit at basic + .25	STARS Support Grant - available for 2 years TEACH, CACFP, T/TA, family support links same as Start with Stars Early Childhood MH Consultation available Health Consultation available
STAR 2 - Attained ★ ★	Meets STAR 2 Standards or in a points system has sufficient points for star 2	Child care subsidy at Star 2 level (tiered bonus) Private scholarships/grants at Star 2 level State child care tax credit at basic + .50 refundable practitioner tax credit at base level (or Ed & Ret grants)	STARS Support Grant - available for 3 years Ed & Retention Award (or practitioner tax credits) Campus-based child care funds @ Star 2 level TEACH prioritized CACFP, T/TA, family support links same as Star One Early Childhood MH & Health consultation prioritized
STAR 3 - Attained ★ ★ ★	Meets STAR 3 Standards or in points system has sufficient points for star 3	Child care subsidy at Star 3 level (tiered bonus) Private scholarships/grants at Star 3 level State child care tax credit at basic + .75 refundable practitioner tax credit at 1.5 of base level (or Ed & Ret grants)	STARS Support Grant - ongoing Ed & Retention Award (or practitioner tax credits) Campus-based child care funds @ Star 3 level TEACH & CACFP same as Star Two Training and TA available, as needed & appropriate Title IV-B - priority placement for protective/preventive Family support available & aligned with IV-B cases Early Childhood MH Consul aligned with IV-B Health Consultation prioritized & aligned with IV-B Priority placement for children with disabilities
STAR 4 - Attained ★ ★ ★ ★	Meets STAR 4 Standards/points or National Accreditation or Head Start (licensed integrated model)	Child care subsidy at Star 4 level (tiered bonus) Private scholarships/grants at Star 4 level State child care tax credit x 2 (double benefit) refundable practitioner tax credit at 2x base level (or Ed & Ret grants)	STARS Support Grant - ongoing Ed & Retention Award (or practitioner tax credit) Campus-based child care funds @ Star 4 level Eligible for Head Start and/or State Pre-K Funding TEACH, CACFP, T/TA, Title IV-B, Family Support, MH & Health Consultation same as Star Three Priority placement for children with disabilities

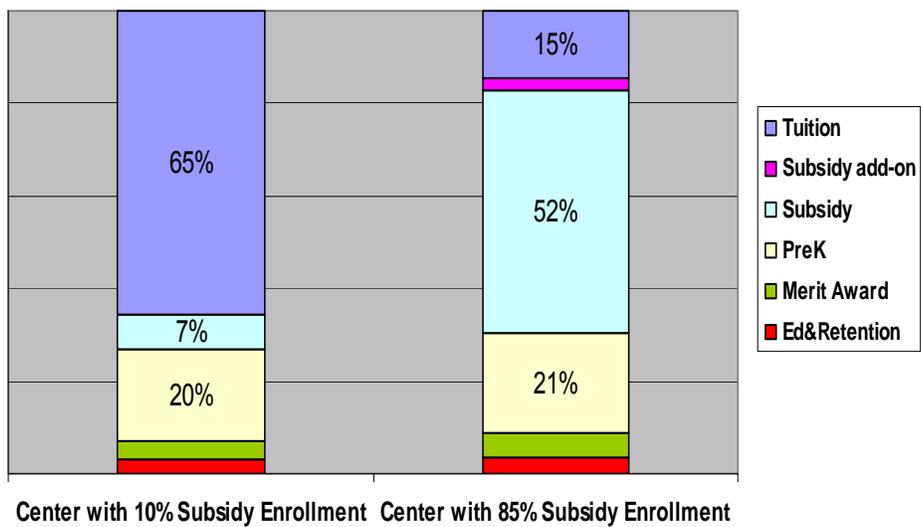
Hypothetical QRIS Supports -- Finance and TA

Financing ECE Programs

Total Revenue = Portable + Direct Assistance



Layering Portable & Direct Subsidies



Systemic Accountability



- Industry-wide Quality Standards
- Industry-wide Support Systems
- Public/Private Financing Linked to Compliance with Quality Standards
- Intermediaries to launch/administer shared platforms & support services

Shared Services: Improving ECE Quality and Financial Stability

2008
TECHNICAL
CONFERENCE



The Annie E. Casey Foundation



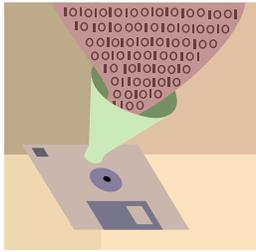
Questions?



Supporting Families

- Paid family leave
- Social Security & retirement reforms - to support years spent caring for young children
- High-quality part-time jobs - with health and retirement benefits
- Flexible work schedules
- Opportunities for reduced work hours without undue penalties





For More Information...

- www.earlychildhoodfinance.org
- <http://economicdevelopment.cce.cornell.edu>

Discussion Questions



Systems vs Programs - In terms of children's learning experiences prior to mandatory school attendance, this sub-committee's focus has primarily been on programs -- CPP (Colorado Preschool Program) and full-day kindergarten. What are your thoughts on the full system approach to early care and education...and the need to expand standards to child care and community-based programs?

Next Steps - How might this sub-committee put greater emphasis on a standards-based system during the pre-school years? What about during the K-3 years?

Extra Slides

Do not include these slides in the power point that is printed out for participants. They are only here for Louise, in case she needs them to answer a question or elaborate on a point.

A Single Program Approach



**Narrow
Problem
Definition**

(lack of ECE
program)



**Target
Population:**

- Poor Kids, or
- Employees,
or
- School
District



**Program:
Child
Development
Center**

- In community
center
- At workplace
- In school

A Systems Approach



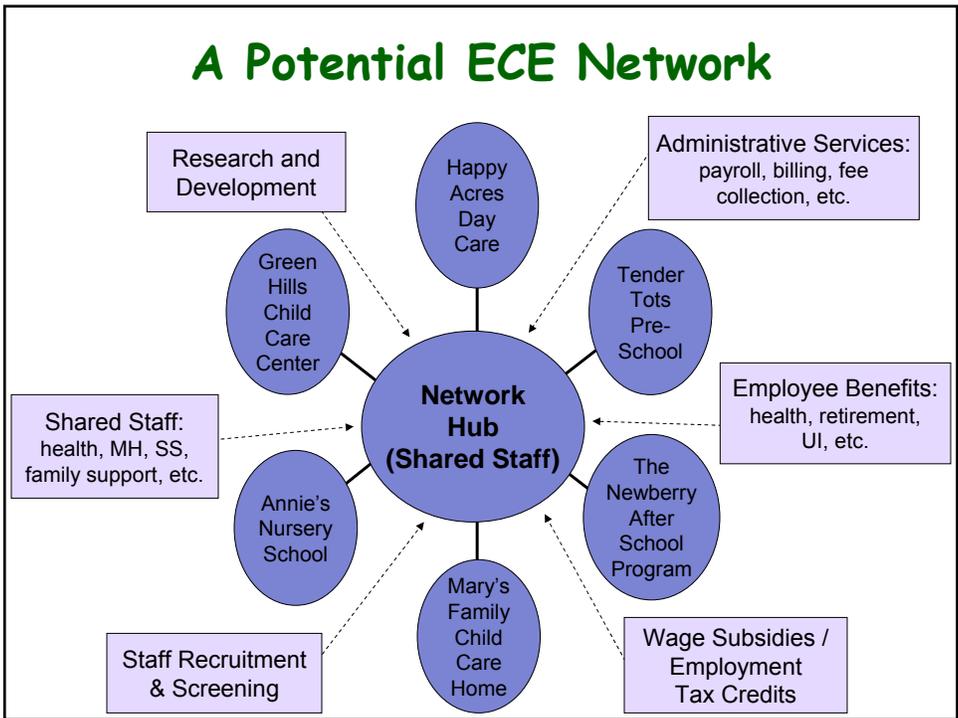
Broad Problem Definition:
(America Isn't Investing in Human Capital)



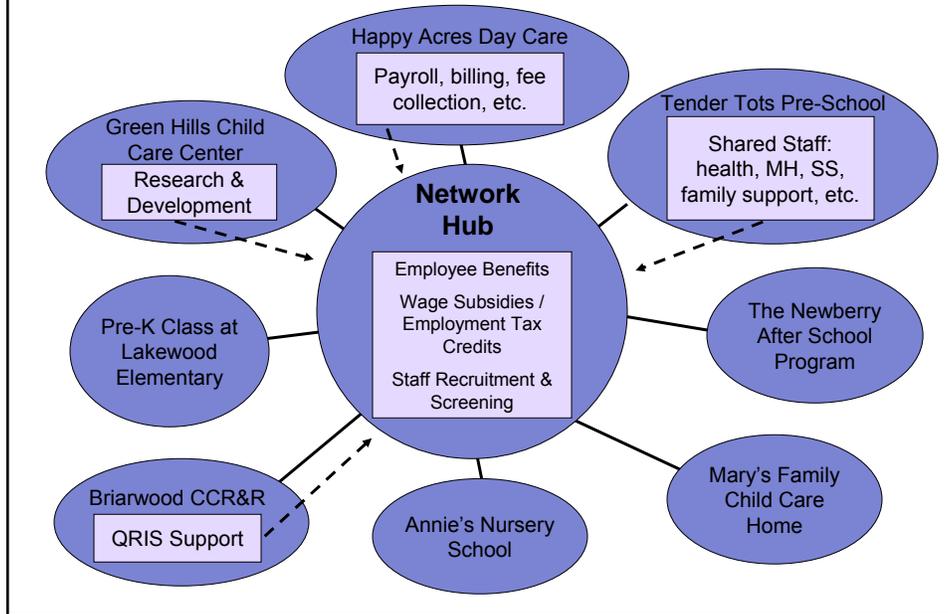
Systemic Response:

- Support for range of ECE services & family supports
- Flexible Financial Aid for Families
- Publicly Funded Infrastructure
- Support for Non-Market ECE

A Potential ECE Network



A Potential ECE Network



Early Care & Education is Economic Development

- **It supports regional economies** (as an industry that contributes to jobs and income)
- **It enables parents to work** (and therefore increase family earnings & purchasing power)
- **It helps children succeed** (in school & life...so they will be productive, wage-earning, citizens who contribute to the economy)

ECE is an Underdeveloped Market



- **Lack of effective demand** from consumers for high quality services.
- **Low profitability** due to high labor expenses required by high staff/child ratios.
- **No economies of scale** in an industry composed of very small businesses.
- **Insufficient product differentiation** makes it difficult for consumers to obtain information on the quality of early care and education services.



ECE is an Economically Fragile Industry

Bottom-Line Issues for ECE Businesses:

- **Ensure Full Enrollment** - every day, in every classroom
- **Collect Tuition & Fees** - in full and on-time
- **Maintain High Quality Services** (fees cover cost or have 3rd party revenue source)

Families & Children Have Economic Value



Because a significant amount of the time spent caring for children takes place outside the market economy, we tend to think of it as an altruistic act, rather than what it also is -- an investment that is crucial to economic growth

-Nancy Folbre

Families & Children Have Economic Value



What could you buy with your Social Security check, or your IRAs for that matter, if everyone else in your generation had simply forgotten to have children or failed to invest in them?

- Phillip Longman