Establish communication processes that quickly inform partners about eligibility changes to ensure that partnering programs can promptly address families’ changing needs, preserve continuity of care, and maintain funding to sustain the partnership.

Pursue alternative resources that can be used to temporarily stand in for lost child care subsidies when families lose eligibility.

End Notes


About the brief

This brief on early care and education partnerships is the second in a series produced by the Center for Children and Families (CC&F). Ellen Kiron, Senior Research Associate, has been analyzing policy and management issues related to children’s services at a variety of public, nonprofit, and for-profit organizations for more than a decade. She earned her Masters Degree in Public Policy and Administration from Columbia University.

The research is funded by the U.S. Department of Health and Human Services, Administration for Children and Families, Child Care Bureau (Grant Number S05EC007). Any opinions, findings, conclusions, or recommendations expressed in this publication are those of the authors and do not necessarily reflect the views of the funders.

CC&F briefs provide information on a range of issues affecting young children and their families. CC&F seeks to strengthen programs by bringing together research and practice with the aim of improving the lives of children and families. Our briefs serve as a vehicle for informing research and practice.

Copyright 2003. Education Development Center, Inc. With attribution, this brief may be freely reproduced for non-commercial purposes but cannot be sold or republished without written permission. The brief and the full report are available at: www.ccf.edc.org.

Methodology

For this study, CC&F researchers defined partnership as two or more early education providers blending funding sources or resources to enhance services and/or provide full-day, full-year services for children and families.

Researchers analyzed quantitative data from a convenience sample that represents over 200 providers in partnerships from 36 states, Puerto Rico, a tribal nation, and each federal region in the country. The sample was selected to ensure a broad range of perspectives including partnerships that represent an array of programs, communities, program sizes, target populations, funding sources, and partnership settings.

Researchers analyzed interview data to identify emerging themes related to finance—providers’ motivation to partner, competence, strategies, and lessons learned. The research was designed to ensure methodological soundness in its control for biases and in the way it meets the criteria for credibility, transferability, dependability, and confirmability.

Researchers triangulated the themes that emerged among providers in partnerships and convened review groups of local early care and education professionals, technical assistance providers, researchers, and policy makers to review the accuracy of the findings.

In addition, researchers used preliminary data from a randomly selected sample of 78 child care centers in partnership with Head Start. Through questionnaires and telephone interviews, directors from these centers provided data in 2002 on financing mechanisms and practices.

Finance Issues

Leaders at the U.S. Department of Education, Department of Health, and Department of Health and Human Services encourage programs and states to find ways to blend resources. Many states have successfully put forth policies that encourage partnering among local...
Differences in reimbursement and eligibility criteria from each funding stream can create challenges in planning and managing finances. Providers noted that understanding eligibility and reimbursement criteria of the Child Care Development Fund (CCDF), preK, and Head Start can be critically important in meeting new standards. To ensure that all of the partners provide high-quality services, competent partnership management of additional financial resources are critical to successfully meeting new and heightened requirements.

**Finance Opportunities**

Providers in partnership can gain additional resources to meet a partner’s heightened standards.

**Partnering providers can gain additional resources through partnership.** Providers reported that they can gain additional resources by receiving a flat rate per child from the partner, by in-kind support, staff support and services, or a combination of all three. For example, some child care-Head Start partnerships, the child care provider receives a dollar amount per child from a Head Start program in addition to accessing the full child care subsidy from the state/country. (In some states providers can receive the full amount from the various funding streams.) Child care partners reported that Head Start funds are used to cover the costs of enhanced services, such as teacher home-visits, medical and social services, or teacher professional development. In other partnerships, Head Start programs employ a teacher who works in the child care partner’s classrooms, offer child care teachers professional development opportunities, or purchase materials, supplies, and/or equipment for child care partners.

**Finance Strategies**

To overcome challenges inherent in blending multiple funding streams, providers recommend the following strategies:

- **Understand funding systems and programs before agreeing to a partnership’s financial terms.**
- **Include federal and state funders in the planning process.**
- **Address child care eligibility determination requirements.**
- **Develop contingency plans to address changes in child care eligibility and enrollment fluctuations.**
- **Revisit financial terms of the partnership agreement.**
- **Address financing and management systems and structures.**
- **Create systems at the outset to track and report on child care financing and management.**
Different eligibility and reimbursement criteria from each funding stream can create challenges in planning and managing finances. Providers noted that understanding these different eligibility and reimbursement criteria were important to ensure financial stability and continuity of care for children in the partnership. The eligibility and reimbursement criteria are described briefly in the box below.

### Finance Strategies

To overcome challenges inherent in blending multiple funding streams, providers recommend the following strategies:

- **Understand funding systems and programs before agreeing to a partnership’s financial terms.**
- **Include federal and state funders in the planning process.**
- **Address child care eligibility redetermination requirements.**
- **Develop contingency plans to address changes in child care eligibility and enrollment fluctuations.**
- **Revisit financial terms of the partnership agreement periodically.**
- **Include fee collection procedures in Head Start’s parent handbook.**

### Financial Opportunities

Providers in partnership can gain additional resources to meet a partner’s heightened standards.

#### Partnering providers can gain additional resources through partnership.

Providers reported that they can gain additional resources by receiving a flat rate per child from the partner, by in-kind support, staff support and services, or a combination of all three. For example, some child care-Head Start partnerships, the child care provider receives a dollar amount per child from a Head Start program in addition to accessing the full child care subsidy from the state/country. (In some states providers can receive the full amount from the various funding streams.) Child care partners reported that Head Start funds are used to cover the costs of enhanced services, such as teacher home-visits, medical and social services, or teacher professional development. In other partnerships, Head Start programs employ a teacher who works in the child care partner’s classrooms, offer child care teachers professional development opportunities, or purchase materials, supplies, and/or equipment for child care partners.

### Fiscal Knowledge

Fiscal knowledge of CCDF, preK, and Head Start can be critically important in meeting new standards. A major objective of partnership is to ensure that all of the partners provide high-quality services. Providers reported that they can stretch existing financial resources further by sharing responsibility for various costs. Providers in partnership can increase their ability to gain additional resources to meet a partner’s heightened standards.

### Estimating the Full Cost of Partnership Services

Including fee collection procedures in Head Start’s parent handbook is important to ensure that all of the partners provide high-quality services. Providers reported that they can gain additional resources by receiving a flat rate per child from the partner, by in-kind support, staff support and services, or a combination of all three. For example, some child care-Head Start partnerships, the child care provider receives a dollar amount per child from a Head Start program in addition to accessing the full child care subsidy from the state/country. (In some states providers can receive the full amount from the various funding streams.) Child care partners reported that Head Start funds are used to cover the costs of enhanced services, such as teacher home-visits, medical and social services, or teacher professional development. In other partnerships, Head Start programs employ a teacher who works in the child care partner’s classrooms, offer child care teachers professional development opportunities, or purchase materials, supplies, and/or equipment for child care partners.

### Providing Parents with Child Care Subsidy Co-payment

By state co-payment policies that exempt families who live in poverty or who receive TANF from making co-payments. Some states have changed child care subsidy policies which make it easier to partner.

<table>
<thead>
<tr>
<th>Financial Opportunities</th>
<th>Providers in partnership can gain additional resources to meet a partner’s heightened standards.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Partnering providers can gain additional resources through partnership.</strong></td>
<td>Providers reported that they can gain additional resources by receiving a flat rate per child from the partner, by in-kind support, staff support and services, or a combination of all three. For example, some child care-Head Start partnerships, the child care provider receives a dollar amount per child from a Head Start program in addition to accessing the full child care subsidy from the state/country. (In some states providers can receive the full amount from the various funding streams.) Child care partners reported that Head Start funds are used to cover the costs of enhanced services, such as teacher home-visits, medical and social services, or teacher professional development. In other partnerships, Head Start programs employ a teacher who works in the child care partner’s classrooms, offer child care teachers professional development opportunities, or purchase materials, supplies, and/or equipment for child care partners.</td>
</tr>
</tbody>
</table>

### Finance Strategies

To overcome challenges inherent in blending multiple funding streams, providers recommend the following strategies:

- **Understand funding systems and programs before agreeing to a partnership’s financial terms.**
- **Include federal and state funders in the planning process.**
- **Address child care eligibility redetermination requirements.**
- **Develop contingency plans to address changes in child care eligibility and enrollment fluctuations.**
- **Revisit financial terms of the partnership agreement periodically.**
- **Include fee collection procedures in Head Start’s parent handbook.**

### Fiscal Knowledge

Fiscal knowledge of CCDF, preK, and Head Start can be critically important in meeting new standards. A major objective of partnership is to ensure that all of the partners provide high-quality services. Providers reported that they can stretch existing financial resources further by sharing responsibility for various costs. Providers in partnership can increase their ability to gain additional resources to meet a partner’s heightened standards.
funds (e.g. food program, Reading First, ELOA, Smart Start).

Leaders at the U.S. Department of Education, Department of Health, and Department of Health and Human Services encourage partnerships among multiple sectors to find ways to blend resources. Many states have successfully put forth policies that encourage partnering among local agencies.

Finance Issues

This research brief summarizes the finance-related findings of the CC&F researchers’ full report. (It also draws from the researchers’ preliminary data on child care-Head Start partnerships collected from a sample of 78 Ohio child care centers partnering with Head Start.)

Methodology

For this study, CC&F researchers defined partnership as two or more early education providers blending funding sources or resources to enhance services and/or provide full-day, full-year services for children and families.

Researchers analyzed qualitative data from a convenience sample that represents over 200 providers in partnerships from 36 states, Puerto Rico, a tribal nation, and each federal region in the country. The sample was selected to ensure a broad range of perspectives including partnerships that represent an array of programs, communities, program sizes, target populations, funding sources, and partnership settings.

Researchers analyzed interview data to identify emerging themes related to finance—providers’ motivation to partner, competence, strategies, and lessons learned.

Recent studies by early care and education researchers point to the critical and challenging nature of financial management for partnerships. They note the importance for each early education provider to have the skill and capacity to understand various public funding streams that operate within distinct systems. To understand early education partnerships across the country, researchers at the Center for Children & Families (CC&F) analyzed qualitative data and issued a report in April 2003.2 The report describes state and local issues affecting partnerships and describes the role of finance in partnerships.

This brief on early care and education partnerships is the second in a series produced by the Center for Children and Families (CC&F). Ellen Kiron, Senior Research Associate, has been analyzing policy and management issues related to children’s services at a variety of public, non-profit and for-profit organizations for more than a decade. She earned her Masters Degree in Public Policy and Administration from Columbia University.


End Notes


About the brief

This brief is a product of the Center for Children and Families (CC&F). Ellen Kiron, Senior Research Associate, has been analyzing policy and management issues related to children’s services at a variety of public, non-profit and for-profit organizations for more than a decade. She earned her Masters Degree in Public Policy and Administration from Columbia University.

The research is funded by the U.S. Department of Health and Human Services, Administration for Children and Families, Child Care Bureau (Grant Number SO50EC00379). Any opinions, findings, conclusions, or recommendations expressed in this publication are those of the authors and do not necessarily reflect the views of the funders.

CC&F briefs provide information on a range of issues affecting young children and their families. CC&F seeks to strengthen programs by bringing together research and practice with the aim of improving the lives of children and families. Our briefs serve as a vehicle for informing research and practice.

Copyright 2003. Education Development Center, Inc. With attribution, this brief may be freely reproduced for non-commercial purposes but cannot be sold or republished without written permission. The brief and the full report are available at: www.ccf.edc.org.