High-quality Community Early Care and Education Programs occupy a unique niche within the early childhood program landscape by playing a critical role in supporting the workforce of today and tomorrow. Unlike most other service providers and program types, high-quality Community Early Care and Education Programs offer developmentally appropriate early learning opportunities for young children while providing safe, reliable care that empowers parents to be economically productive within the workforce. Affordable access to high-quality Community Early Care and Education Programs remains at the core of successful early childhood state systems that involve a range of programs, including Early Head Start and Head Start, state prekindergarten, and home visiting that operate within various settings, such as community programs and schools.

High-quality Community Early Care and Education Programs provide evidence-based school readiness experiences to children of working families, who in turn rely on year-round, full-working day program access in order to remain productive members of the workforce. And, high-quality Community Early Care and Education Programs remain more responsive and convenient to parents by operating within their home communities or places of employment during working hours, which typically extend beyond the hours of the traditional school day.

Both non-profit and tax-paying high-quality Community Early Care and Education Programs are at the core of a mixed delivery model. An effective mixed delivery model integrates and leverages resources across program types and settings. This approach to systemic coordination results in more children participating in high-quality community programs, as evidenced by prekindergarten programs in states such as Georgia¹ and New York.² Studies consistently show that a mixed delivery model that fully incorporates high-quality Community Early Care and Education Programs ultimately maximizes return on investment in high-quality early care and education.³

The Early Care and Education Consortium (ECEC) is a non-profit alliance of Multi-Site Providers, State Child Care Associations, and Educational Services Providers representing 7,500 programs in all 50 states. Our members are committed to serving as the unified voice for providers of high quality programs and services that support all families and children.
The Return on Investment of High-Quality Early Care and Education Programs

A growing body of research confirms that investment in high-quality early care and education programs yields positive outcomes in school readiness, well-being, and lifelong productivity. With 90% of brain development rapidly occurring between birth and age five, high quality care and learning environments shape children’s cognitive, social-emotional, and physical growth, and promote executive function skills during their early years. Early learning experiences in high-quality settings provide a foundation for continued academic achievement and economic productivity though adulthood for all children regardless of family income. And, it’s an investment proven to be highly cost-effective. The return to taxpayers generated by cost savings in educational remediation, corrections and unemployment benefits have been estimated to be as high as $8 for every dollar invested.

Investment in high-quality early care and education represents a dual generation approach to supporting not only the workforce of tomorrow, but also of today. Nationally, 76% of children under age five with employed parents spend some time in out-of-home care each week. Working families of all income levels need readily available, affordable, and reliable settings that provide high-quality care and early learning opportunities for their children during their hours of employment. Today’s working families generally require extended hours of care that exceed the traditional school day. Lack of access to affordable, stable care means substantial losses in worker productivity. On average, employee absenteeism based on disrupted access to child care is estimated to cost U.S. businesses $3 billion annually.

With 90% of brain development rapidly occurring between birth and age five, high quality care and learning environments during the early years shape children’s cognitive, social-emotional, and physical growth, and promote executive function skills.

The Positive Outcomes Equation: High-Quality + Continuity of Care

Maximizing the return on investment in early care and education hinges on whether or not programs deliver developmentally rich learning experiences AND provide continuity of care for the children and families they serve. Advances in brain science research have allowed the early childhood field to better define what ‘high-quality’ means in early care and learning settings. We know now that overall program quality predicts the strength and rate of positive outcomes for children, particularly low-income children. And, based on rigorous studies that have connected particular environmental inputs with developmental outcomes, we know which specific dimensions of quality should be emphasized. Stable, nurturing relationships between children and their teachers are the most powerful contributor to positive cognitive, social-emotional, and behavioral outcomes for all children.

For young children, learning—particularly the development of early literacy skills—is a relational experience. Supportive relationships with adults are the delivery mechanism by which young children absorb new information, interact with new stimuli, and experience the world around them. The experience and qualifications of teaching staff, as well as staffing ratios, are essential contributors to establishing and maintaining these kinds of ‘serve and return’ relationships. The quality of interactions between teaching staff and children are a primary factor in determining the level of overall program quality that will optimize child outcomes and the return on investment in early care and education programs.

Positive outcomes produced by high-quality programs are also strongly influenced by the consistency of a child’s experience in them over time or continuity of care. Continuity of care is also a critical factor in developing the supportive relationships at the core of a high-quality care and learning experience. Consistent experience over time can refer to the length of participation in a program uninterrupted by shifts or transportation between programs during the course of a day, staff turnover, as well as the overall length of time spent in a program over years. Consistent experience over time also involves continual attendance that is not interrupted by gaps in attendance or seasonal access. New research conducted within the context of expanding state prekindergarten
initiatives is beginning to highlight the effectiveness of full-day over part-day programs, such as the recent study on Chicago’s Child-Parent Centers that found full-day over part-day programs increased school readiness skills and attendance, while reducing chronic absences.\(^9\)

**Supporting the Workforce of Today and Tomorrow**

High-quality Community Early Care and Education Programs provide positive school readiness experiences to children of working families, who in turn rely on affordable, stable program access in order to remain economically productive and self-sufficient. Dual-service high-quality Community Early Care and Education Programs operating within a mixed delivery model remain a crucial resource for empowering today’s workers.

**Empowering The Workforce of Today**

High-quality Community Early Care and Education Programs support today’s working families by offering them affordable access to safe and reliable care and learning experiences during their hours of employment, which typically extend beyond the hours of the traditional school day. Because school-based prekindergarten and Head Start programs continue to operate primarily during traditional school hours, most working families are unable to rely solely on these program options in order to cover the demands of full working day and year-round care. Although more states and districts are offering full-day prekindergarten in school-based settings, these programs will not exceed six hours per day. Working parents rely on full-day, year-round early care and learning programs to support their employment hours and schedules. In fact, new economic impact research shows that statewide universal prekindergarten programs alone do not result in increased numbers of women—primarily the heads of single-parent households—being able to enter the labor force.\(^10\) Dual-service high-quality Community Early Care and Education Programs operating within a mixed delivery model remain an essential resource for empowering today’s workers.

**Preparing the Workforce of Tomorrow**

High-quality Community Early Care and Education Programs support the future workforce by providing developmentally rich and rigorous learning experiences for children during their parents’ hours of employment. Current research shows that early care and education programs that are high-quality and provide continuity of care will produce the best school readiness outcomes for children.

Policies that determine and measure early care and education program quality vary across states. However, several metrics are applied consistently across states and program types to provide a universal, if not uniform, context for understanding whether a program is high-quality.
High-Quality Community Early Care and Education Programs support tomorrow’s workforce by:

- Participating in state licensure as a foundation for continuous quality improvement.
- Ranking within the top levels of state Quality Rating and Improvement Systems (QRIS).
- Holding accreditation by a nationally and internationally recognized entity, including NAEYC and AdvancED.
- Relying on an evidence-based curriculum, including Teaching Strategies’ Creative Curriculum and HighScope’s Infants and Toddlers or Preschool Curriculum.
- Administering a developmentally appropriate, research-based child assessment, including Teaching Strategies’ GOLD, TeachStone’s CLASS, HighScope’s COR Advantage, or a statewide Kindergarten Entry Assessment (KEA).
- Ensuring strong instructional leaders and accountable management systems.
- Benefiting all children by promoting diverse and mixed-income learning environments.  

The ability to promote continuity of care is another key attribute of high-quality Community Early Care and Education Programs. Nationally, an increasing number of children are spending time in multiple care settings throughout the course of a day. Because they offer working families an opportunity to access single-site care over the course of a full working day—which typically extends beyond traditional school hours—high-quality Community Early Care and Education Programs remain an essential option for parents within a mixed delivery early childhood system that promotes continuity of care for young children.

The Cost of Quality for Families and Providers

Many families, regardless of their income level, struggle to afford high-quality early care and education. Since 2000, the cost of child care has increased twice as fast as the median family income. In many states, a family with two children in center-based child care pay more for this service than they do to cover their housing costs. Average fees for center-based care for just one preschool-age child range from $4,515 in Tennessee to $12,320 in Massachusetts. Fees for infants are significantly higher. In addition, single-parent households, families of children with special needs, and low-income families are particularly challenged in accessing affordable, high-quality early care and learning programs. While the value of high-quality early care and education has become increasingly clear, efforts to improve its affordability remain clouded by questions of policy misalignment and cost inefficiencies.

What Funding Sources Assist Parents in Accessing High-Quality Early Care and Education Programs?

Early care and education programs operate based on per-child tuition payments. Tuition may be paid in full by a family or supported through a fee assistance program, state prekindergarten, or other initiative such as a scholarship program. A nationally recognized scholarship model is Minnesota’s Early Learning Scholarships Program, which seeks to increase access to high-quality early childhood programs for three- and four-year-old children with the highest needs prioritized based on family income, child poverty and geographic region, in order to improve school readiness for all young children.

The majority of center-based programs rely on full or partial tuition, also called co-pays, paid by parents. The Child Care and Development Block Grant (CCDBG) serves the largest source of government-funded tuition subsidy for working parents. States set varying levels of eligibility for the program based on the federal threshold for families set at 85% of the state median income. Families may also benefit from employee subsidized or discounted child care based on their workplace policies. And, 27 states currently offer the Child and Dependent Care Tax Credit that assists families in offsetting the costs of child care.
These funding sources are a critical resource for many working families. Lack of access to affordable, high-quality early care and education providers too often drives low-income families to make choices about child care that mean children are in unlicensed or unregulated settings rather than developmentally rich, high-quality program environments.

What Factors Contribute to Costs For High-Quality Early Care and Education Programs?

It should not be surprising that delivering a high-quality care and early learning program carries a higher cost for providers. In addition to paying for licensing fees and staff criminal background checks, high-quality Community Early Care and Education Programs spend the highest percent of their budget on the personnel needed to ensure the health, safety and well-being of the children in the program. Staffing costs to providers stem directly from the number of child care professionals needed to maintain the required staff-to-child supervision ratios and group size, and cover an operating day that may exceed twelve hours. Early childhood programs are extremely labor intensive, with infants and toddlers increasing personnel costs for providers since their care requires significantly more staff. Additional variance in the cost of quality among states can be significant, and may include cost fluctuations based on varying eligibility requirements across states and dramatic differences in the costs of living by geographic area.

Understanding Affordability Impacts on Early Care and Education Programs

The lack of affordability for both families and program providers in the early care and education program market produce clearly identifiable effects on program administration and operation, and directly impact the ability of working families to access high-quality care.

- Fixed Costs Versus Variable Payment Policies and Practices
  In order to maintain a high level of quality, Community Early Care and Education Programs must meet a number of fixed costs, including facilities operations and maintenance, and most significantly, staffing. However, programs—particularly those serving families supported by CCDBG—struggle to maintain consistent payment due to gaps based on shifting eligibility criteria for enrollment, calculation of absence rates which disrupt and decrease their payments, and fluctuating levels of reimbursement. Ultimately these variable payment policies undermine continuity of care for children, a key contributor to positive outcomes in high-quality programs. Although new provisions within CCDBG support 12-month eligibility and extended termination periods to allow for a parent’s employment search, state policies still vary in addressing redetermination and delinking reimbursement payments from program absences.

- High Costs of Serving Infants and Toddlers for Both Parents and Providers
  The cost of providing care for infants and toddlers is substantially higher than for preschool-aged children, with costs of caring for younger children totaling up to three times the cost of providing program services to the older age group. Parent fees for infants and toddlers currently range from an average annual full-time, center-based care cost of $5,496 in Mississippi to $16,549 in New York.19

- Inadequate Reimbursement Rates for Providers
  Subsidy reimbursement rates determined by states are too low to sustain the fixed costs of investing in high quality for many providers. Nationally, fewer than 20 states reimburse providers in the subsidy program above the recommended level of the 75th percentile of current state market rates, and can range as low as the 13th percentile.25 Inadequate reimbursement rates serve as a disincentive for high-quality Community Early Care and Education Programs to serve families that need the support of child care subsidies.

State Prekindergarten Initiatives Implemented as Mixed-Delivery Systems: Implications for High-Quality Community Care and Education Programs

The intersections between high-quality, non-profit and tax-paying Community Early Care and Education Programs and publically funded programs are considerable. The health of the private early care and education program market impacts public costs, and vice
versa. Overall, the return on investment in public dollars invested in state prekindergarten initiatives is put at risk if public-private partnerships within a mixed-delivery model are not prioritized through strategic system planning. If the service continuum is segmented and disrupted between infants and toddlers and preschool-age children, family access to affordable care is similarly disrupted. Without the opportunity to serve three and four year-olds, high-quality Community Early Care and Education Programs lose the ability to help offset the high cost of infant and toddler care for families.

There are a series of effects produced by a segmented service continuum between infants and toddlers and preschool-age children. Higher costs for child care will be passed from high-quality Community Early Care and Education Programs to tuition-paying families, many of whom struggle against a thin buffer between economic self-sufficiency and eligibility for public subsidy—a scenario now defined as the “cliff effect.” An inability of tuition-paying families to cover increased costs lowers overall program quality and capacity, and ultimately impacts both tuition-paying families and those who are supported by public subsidies. For programs that serve large numbers of families who access the program with support of subsidy, it proves especially challenging to stretch these dollars to cover cost increases. Higher costs are then passed on to taxpayers to absorb. For example, Texas has estimated that even a slight 5% increase in the average cost of child care would result in an additional $26.6 million the state would need to contribute in order to simply maintain the current level of coverage for families.21

In the absence of a robust mixed-delivery state prekindergarten model, shifts in the program service continuum cause family tuition and co-pays to rise, and program quality and capacity to fall, forcing many high-quality Community Early Care and Education Programs to close. The end results are increased costs to families, limitations on parent choice among high-quality program options, and decreased returns on public investments in early care and education across a statewide system.

Many states and localities are strategically planning birth to age eight system investments based on a mixed delivery model, and relying on high-quality Community Early Care and Education Programs that operate within families’ communities as public-private partnerships. For example, Michigan’s Great Start School Readiness Program funds preschool classrooms in many of the state’s school districts. However, it also provides grants directly to 61 high-quality Community Early Care and Education Programs who were awarded funding through a competitive process. And, New York City’s 2014 prekindergarten expansion of 51,500 slots saw approximately 1,100 community provider organizations take part as integral partners in the initiative.23

The Early Care and Education Consortium’s Policy Recommendations

Access, affordability, and quality across public, non-profit, and private pay program markets can be enhanced by pursuing innovative approaches, evaluating their effectiveness, and taking them to scale. The dual service role of high-quality Community Early Care and Education Programs is essential in executing a successful two-generation workforce investment strategy.

The Early Care and Education Consortium offers the following recommendations to policy makers in order to maximize taxpayer return on investment in supporting the birth to age eight continuum served by high-quality Community Early Care and Education Programs:

Prioritize Birth to Eight System Planning by:

» Relying on a mixed-delivery model that:
  • Incorporates public-private partnerships or direct contracting with high-quality Community Early Care and Education Programs.
  • Leverages existing attributes of high-quality Community Early Care and Education Programs, including physical setting and capacity, as well as staff expertise and qualifications.

» Balancing investments across age groups, from infants and toddlers, to preschool-aged and school-aged children.

» Developing blended funding models that incorporate multiple funding sources to expand the range and quality of program services, including home visiting.
Promote High Quality Across the Birth to Eight Early Care and Learning Continuum by:

» Investing in QRIS systems that are linked to statewide tiered reimbursement, ongoing technical assistance and supports, and program accreditation by a nationally and internationally recognized accrediting body.

» Supporting onsite competency-based training, workforce development, and higher education opportunities that increase staff and leadership credentials and qualifications, and result in demonstrated professional competencies.

» Ensuring strong instructional leaders and accountable management systems.

» Recognizing high-quality programs rely on evidence-based curricula and developmentally appropriate child assessment.

» Incentivizing quality by empowering parent choice through program vouchers and scholarship models, as well as parent awareness and education.

» Allowing subsidies to only support licensed and regulated programs.

Ensure Community Early Care and Education Providers can Support the Fixed Costs of High Quality by:

» Meeting or exceeding the federally recommended 75% percentile market rate reimbursement.

» Adjusting eligibility and enrollment policies to promote access, continuity of care, and viable business models that support and sustain the costs of quality.

Our national drive to improve the next generation’s potential for economic competitiveness and success is increasingly focused on improving early care and learning experiences for young children. Beginning in 2015, the Early Head Start-Child Care Partnerships will expand resources and opportunities for infants and toddlers. And, states and localities continue to investment in prekindergarten programs, while new federal investments have been made through the Preschool Development and Expansion initiative. As early childhood systems develop and grow, high-quality Community Early Care and Education Programs must play an integral role in every state, and across diverse communities and program networks.

Leaders at the federal and state levels are committed to examining what early childhood investments are most effective in building and sustaining the pathway to the middle class for America’s families. Policies that promote affordable access to high-quality Community Early Care and Education Programs will strengthen our capacity to empower the workforce of today, prepare the workforce of the future, and increase the impact of our public investment in early care and learning.
Endnotes


16 http://www.education.state.mn.us/MDE/StuSuc/EarlyLearn/EarlyLearnScholarProg/index.html


20 http://www.michigan.gov/mde/0,4615,7-140-63533---,00. html

21 http://www.nytimes.com/2014/09/05/nyregion/expanded-pre-k-kicks-off-as-new-york-students-head- back-to-school.html?_r=0
The Child Care and Development Block Grant (CCDBG): CCDBG is the primary federal funding source for child care assistance for children from birth through age 12 from low-income families. The program is administered as a state block grant, providing states with broad flexibility in setting policies regarding operational guidelines and licensure, as well as programmatic health, safety and quality thresholds. 1.7 million children receive assistance through CCDBG, about one out of every six eligible children. The program was reauthorized in 2014, resulting in strengthened requirements for health and safety, and cost stability to support provider investments in quality.

Early Head Start/Head Start (EHS/HS): EHS/HS is a federal funded program serving low-income children from birth through preschool entry and their families. The program offers children comprehensive health and developmental services as wraparound support to early care and learning experiences. The program is administered according to an extensive set of program performance standards. EHS serves approximately 156,000 infants and toddlers, while HS serves just under 1 million preschool-aged children. Approximately 42% of eligible children receive services from HS, while EHS reaches 4% of the eligible population.

Child and Adult Care Food Program (CACFP): CACFP provides assistance to child care institutions and family or group day care homes for the provision of nutritious foods that contribute to the wellness, healthy growth, and development of young children. Through CACFP, more than 3.3 million children and 120,000 adults receive nutritious meals and snacks each day as part of the child care they receive.

Early Head Start-Child Care Partnerships: The Administration for Children and Families’ (ACF) Early Head Start-Child Care Partnership and Expansion program is designed to improve the quality of existing child care programs and expand access to high-quality care for infants and toddlers. Grantees supported by the $500 million FY 2015 initiative will serve children and families in a variety of settings, including family child care homes, community child care centers and traditional Early Head Start centers in both rural and metropolitan areas across the country.

Preschool Development and Expansion Grants: The Department of Education has awarded 18 one-time grants to states to support the development or expansion of high-quality preschool programs in regionally diverse communities as determined by the state. Preschool programs funded under either category of grants in FY 2015 must meet the Department’s criteria for high-quality preschool programs.

State-Funded Prekindergarten: Currently, 40 states and the District of Columbia offer state-funded prekindergarten. Most state-funded prekindergarten programs are designed to provide grants to community-based organizations in addition to, or instead of, school districts. Nationally, four percent of 3-year-olds and 28 percent of 4-year-olds are enrolled in state-funded prekindergarten programs. Most state-funded prekindergarten programs are designed to operate as mixed delivery systems, in which high quality Community Child Care Programs participate along with school-based programs.

The Maternal, Infant, and Early Childhood Home Visiting Program (MIECHV): MIECHV supports pregnant women and families, and helps parents of children from birth to age 5 tap the resources and develop the skills they need to raise children who are physically, socially and emotionally healthy and ready to learn. The federal Human Resources and Services Division funds states to develop and implement voluntary, evidence-based home visiting programs using models that are proven to improve child health and to be cost effective. These programs help to prevent child abuse and neglect, encourage positive parenting, and promote child development and school readiness. There are 16 recognized evidence-based home visiting models, including Early Head Start-Home Visiting and Parents as Teachers.

Military Affiliated High Quality Community Child Care Programs: Families pay fees comparable to those charged in military-operated on-base centers and family child care homes. Programs include Army Child Care in Your Neighborhood (ACCYN) and Army School Age Programs in Your Neighborhood (ASPYN), providing supplement care available on base and serving Army families who live in communities surrounding designed major military installations; Military Child Care in Your Neighborhood, providing fee assistance for families of Active Duty Service Members and Department of Defense Civilians who are geographically separated and unable to access on-base child care; and Operation Military Child Care, providing fee assistance for families of deployed or mobilized National Guard, Reserve and Active Duty Service Members during the duration of the deployment.

In addition to these core early care and education programs, ECEC also focuses on supporting the needs of school-age children in before- and after-school care. Public funding sources that support school-age programs include CCDBG and the 21st Century Community Learning Centers initiative.
Early Care and Education Program Measures of Quality:

» **Licensure**: Licensure alone serves as a foundation for continuous quality improvement. State licensure requirements vary; however, they typically address basic health and safety standards, including required training, background checks, basic environmental guidelines, and group size. Programs participating in CCDBG are not required to be licensed. Nearly one in five children who receive CCDBG assistance is in unlicensed care.

» **Quality Rating and Improvement Systems (QRIS)**: Currently, 38 states have implemented or piloted a QRIS. Although metrics and system structure across states vary, common components of QRIS include quality rating standards that align state licensure requirements, state early learning guidelines and other systemic guidelines for quality; incentives and technical resources to promote quality improvement; and parent engagement and outreach.

» **National Accreditation Programs**: Early care and education programs may voluntarily opt to become accredited by a nationally or internationally recognized accrediting body to demonstrate a high level of quality, e.g. the National Association for the Education of Young Children (NAEYC), AdvancED. Accreditation standards typically exceed state licensure standards and may be aligned with QRIS standards.

» **Kindergarten Entry Assessments (KEA)**: KEA’s are typically administered to children during the first few months of their admission into kindergarten as a measure of school readiness. The research community recommends that KEA’s should be valid, reliable, and aligned with a state’s early learning standards, and used only for purposes of child assessment. A growing number of states are developing, piloting, or implementing new KEA’s, spurred by new legislation and new funding opportunities, e.g. Race to the Top-Early Learning Challenge Fund. Currently, 33 states have implemented or piloted a KEA.