Success Stories:

State Investment in Early Care and Education in Illinois, North Carolina and Rhode Island

By:
Anne W. Mitchell
Alliance for Early Childhood Finance

Success Stories:

State Investment in Early Care and Education in Illinois, North Carolina and Rhode Island

By
Anne W. Mitchell
Alliance for Early Childhood Finance

Acknowledgments

Acknowledgments

Financial support for this research and report was provided by the Smart Start National Technical Assistance Center through grants from the Triad Foundation, the Carnegie Corporation of New York and the David and Lucile Packard Foundation. We would also like to thank the Build Initiative for their financial support of this work.

Very special thanks are due to all of the leaders in Illinois, North Carolina and Rhode Island who told their stories, provided additional written information, and graciously answered my questions. They have read this report to verify its basic accuracy.

The author takes responsibility, and offers sincere apologies, for any remaining errors. Several reviewers beyond these states offered helpful comments and also deserve to be thanked: Louise Stoney, Clare Stober, Judy Goldfarb and Steffanie Clothier.

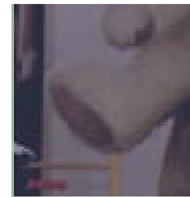
This report benefited from expert editing by Susan Blank and design by Eric Forehand. Conclusions, interpretations and views expressed in this report are the responsibility of the author alone, not the individuals interviewed, reviewers, editors or organizations that provided support

About the Author

Anne W. Mitchell is the President of Early Childhood Policy Research, an independent consulting firm specializing in evaluation research, policy analysis and planning on child care/early education issues for government, foundations and national nonprofit organizations. She is the National Child Care Information Center's State Technical Assistance Specialist in Region I (working with the states of Massachusetts, New Hampshire and Rhode Island). With Louise Stoney, she co-founded the Alliance for Early Childhood Finance, a learning community on finance reform and system-building for early care and education. For more information on the Alliance for Early Childhood Finance, visit http://www.earlychildhoodfinance.org.

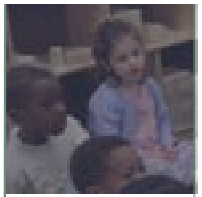
About the National Technical Assistance Center

Smart Start's National Technical Assistance Center was established in 2000 in response to the ever-increasing number of requests for technical assistance from states, cities, counties, communities, organizations and others about North Carolina's Smart Start initiative. To respond to the thousands of requests, a national center was developed through grants from the Carnegie Corporation of New York, the David and Lucile Packard Foundation and the Triad Foundation. Each year, experts from the National Technical Assistance Center assist states and cities develop and implement their own early childhood initiatives that meet the needs of their specific states and communities. For additional information on Smart Start's National Technical Assistance Center, visit http://www.ncsmartstart.org/national/main.htm.

Contents

Contents



Executive Summary

In a trend that began some 20 years ago and continues today, a number of states have stepped forward to make their own investments in early care and education services, with the investments often serving as engines for efforts to raise the quality of these services and to forge them into more cohesive systems. Using case studies from three of the states that have been at the forefront of efforts to secure new resources for early care and education – Illinois, North Carolina and Rhode Island – this report examines the factors and forces that contribute to successful change.

The three states are diverse. Besides being located in three different regions of the country, they vary in size and wealth: Illinois is the fifth most populous U.S. state; North Carolina the tenth; and Rhode Island the 43rd. Illinois ranks tenth among the states in its personal income per capita, Rhode Island 17th, and North Carolina 37th. Illinois and North Carolina have county governments; Rhode Island does not. Currently, North Carolina and Rhode Island are governed by Democratic-controlled legislatures, while the Illinois legislature is split between Democrats controlling one branch and Republicans the other.

As illustrated by the following capsule descriptions of key accomplishments in the three states, each has traveled a different road in its efforts to expand investments in early care and education.

Illinois, one of the first states to establish what is called "universal eligibility" for subsidized child care,[1] invests $570 million of its own funding in early care and education services. In 1997, the state created a single child care subsidy program for low-income working families, which is open to all families up to 50 percent of the state median income with no waiting lists.[2]

The Illinois Early Childhood Block Grant supports an extensive state-funded prekindergarten program, prevention services for infants and toddlers, and parenting services for families with children under age five. To ensure the quality of its early care and education services, Illinois invests heavily in professional development. Key investments include T.E.A.C.H. (Teacher Education and Compensation Helps) Early Childhood® scholarships and a salary bonus program called Great START. Illinois has also established an Early Learning Council, which is developing plans for a comprehensive early learning system for children from birth to age five.

North Carolina. This state's total investment in early childhood services is estimated to be close to $315 million. North Carolina's highly creative Smart Start program is a long-term, public-private initiative designed to build a system of early childhood services so that "all children will come to school healthy and ready to learn." Since the initiative's launch in 1993, its appropriation has grown from $20 million to $193 million. Smart Start is a state-local project; in each county or group of counties a nonprofit organization, a local partnership for children, assesses the needs of young children, designs initiatives to meet those needs, and is held accountable for funding and results leading to better outcomes for children and families. Under an innovative structure, the North Carolina Partnership for Children administers the Smart Start funds, provides technical assistance to local partnerships, monitors accountability toward statewide results, and works with other state agencies to promote a system of early care and education.

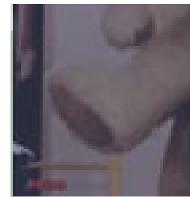
More at Four, the state's prekindergarten program for four-year-olds at risk of school failure and not enrolled in an early childhood program, was established in 2002 with an appropriation of $6.5 million; today its funding level has reached $51 million.[3]

North Carolina invests in T.E.A.C.H. Early Childhood® scholarships, a program that was created in North Carolina and now exists in more than 20 other states. Other state strategies to promote the quality of early

1 In the child care arena, this term does not necessarily connote that all families are eligible for subsidies, but that all families under certain income levels qualify, as long as they meet the typical work/training criteria and regardless of other circumstances – such as welfare status – that apply to them. More importantly, in a universal eligibility approach the state estimates the cost of serving all eligible families and builds the annual budget on the basis of this estimate. There are no waiting lists.

2 Currently the ceiling rate for child care reimbursement in Illinois varies between about the 20th and 70th percentiles of market rates. Schulman, Karen and Helen Blank (September 2004). Child Care Assistance Policies 2001-2004: Families Struggling to Move Forward, States Going Backward. Issue Brief. Washington DC: National Women's Law Center.

3 More at Four operates through contracts with local public school districts and local partnerships for children; about half of enrollment is in schools and half in licensed child care or Head Start centers.



care and education include investments in a professional development institute, a health insurance program linked with T.E.A.C.H., and a salary bonus program called WAGE$. North Carolina uses a five-star rated licensing system, which encompasses public school programs as well as programs under other auspices, awards licenses designating five levels of quality. It is the basis for a tiered reimbursement system whereby subsidies for child care providers are awarded based on ratings of quality ranging from one to five stars.

Rhode Island, which invests over $66 million in early care and education, stands out as the only state with an entitlement to child care assistance for low-income families. Under the policy, the state's financial commitment to child care is as solid as its commitment to cash assistance and Medicaid, with budget appropriations needed for child care estimated in a similar manner as for these other entitlements.

Two years after establishing the entitlement, the state initiated Starting RIght, an early care and education system. Although different parts of Starting RIght were enacted in different years, the initiative has come to be the umbrella for early care and education services in Rhode Island.

Starting RIght promotes quality child care services that incorporate early education and that extend child care services to teens through age 16. In an unusual approach to expanding Head Start services, Starting RIght provides funding to help networks of child care providers establish comprehensive services modeled on those offered through Head Start and to support extra costs of offering those services to low-income preschoolers. In a distinctive state policy that was established under the state's welfare reform legislation and that has been expanded and placed under the Starting RIght umbrella, Rhode Island guarantees access to health care coverage for child care staff. Other policies include child care reimbursement rates that have been raised to reflect the 75th percentile of child care costs identified by recent market-rate surveys and guaranteed eligibility for subsidized child care for families that earn incomes up to 225 percent of the poverty level.

The report provides in-depth accounts of the details of negotiation, leadership and coalition building that formed the foundations of successful reform in the three states. These narratives are intended to add to knowledge and understanding of state change efforts in part by recounting practical details of the stories that may get lost in brief descriptions of the states' leading initiatives. The report also points to common ingredients of successful reform that are suggested by these details. These ingredients are:

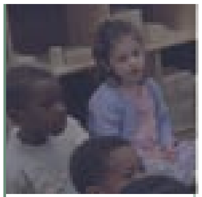
- Strong individual champions of reform who lead with a clear vision of how conditions could improve. Gubernatorial leadership is very valuable, but legislators and managers of state agencies concerned with early care and education can also play this role.

- Close cooperation between government bureaucrats, political leaders and advocates, and especially a willingness of people inside and outside of government to work closely with one another.

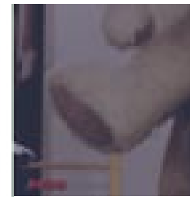
- Continuity of leadership across the spectrum of public and private institutions that take the lead in moving and shaping the early childhood agenda.

- Advocacy efforts marked by pragmatism, a willingness to let political leaders take credit for success and a strategic use of data.

- Philanthropic investments in well conceived policy and advocacy efforts. For example, in one of the three states, Illinois, where grassroots organizing was very valuable, credit should be given not only to the advocacy groups that mobilized grassroots constituencies, but to the funders who made it possible to hire staff to do that work.



Finally, the case studies suggest that no one policy environment is essential for success and that change efforts can go forward in difficult as well as favorable times. For example, the welfare reform process of the 1990s was an important catalyst for change in Illinois and Rhode Island, but far less so in North Carolina. Similarly, as indicated by the major strides made in North Carolina, change can occur in states that are not particularly wealthy. In addition, the case studies offer examples of generous levels of investment in early care and education that were maintained and even raised in years of economic downturns. The narratives also suggest that as in many areas of human endeavor, it is important to seize upon fortunate conditions when they appear, rather than waiting for perfect circumstances to materialize. The case studies offer more than one example of efforts made over many years that seemed to be yielding very little – only to turn out to have been essential when times were finally ripe for change.

Introduction

Over the past few years, the prospects for increased investment in early care and education have been read as a mix of hopeful and discouraging – and depending on the year and one's perspective, the outlook has often shifted from positive to negative, and back again. On the positive side, the wisdom of public expenditures on early education has been more and more widely acknowledged, with Nobel Laureate economists and Federal Reserve bankers citing the substantial positive return to society on these investments. Major philanthropies, from the Packard Foundation in California to the Pew Charitable Trusts in Pennsylvania, have focused their resources on advancing universal prekindergarten in the states. And with the support of the Build Initiative of the Early Childhood Funders Collaborative and Smart Start's National Technical Assistance Center, early childhood system-building has progressed in several states.

At the same time, the primary federal programs that support early care and education in the states – the Child Care and Development Fund (CCDF), Temporary Assistance for Needy Families (TANF) and Head Start – have not seen appropriation increases for nearly three years and have existed in reauthorization limbo through two sessions of Congress. The national economy has been weak for several years and only recently has begun to strengthen – and then only in some states. In addition, over the past few years, many state budgets have tightened. (In a sign of this fiscal austerity, even funding for education, typically almost sacrosanct in state budgets, has suffered cuts.) In 2002, the National Governors' Association (NGA) reported that nearly every state was in fiscal crisis. Now, however, the tide is shifting. At the end of 2004, NGA reported that all states had year-end balances (that is, an excess of revenues over expenditures), and that 23 states had healthy balances of 5 percent or more of state spending.[4]

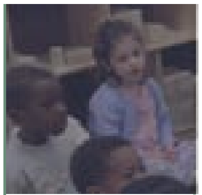
At a time when consensus on the importance of child care and early education continues to grow but when federal funding for these services stagnates, the role of the states in the early care and education arena is especially important. Furthermore, the improving economic picture in some states suggests that the upcoming period could be a fruitful one for new state action on early childhood investments.

In fact, in a trend that began some 20 years ago and that continues today, a number of states have stepped up to the plate to make significant investments in early care and education – and have sometimes even done so in the face of less-than-favorable economic conditions within their own borders. Moreover, these investments have often gone hand in hand with an investment of intellectual resources that has led to the creation of more coherent early care and education services and improvements in their quality.

What does it take for states to significantly increase their investments in early care and education? How do certain states manage to marshall the resources needed to establish major innovative initiatives to support these services? By telling the story of how investments in early care and education were made over time in three states – Illinois, North Carolina, and Rhode Island – this report aims to shed light on the forces and factors that contribute to state success. The report's premise is that it is useful to offer policymakers and practitioners in states around the country not only a discussion of the broad outlines of how change is made but in-depth accounts of the practical, on-the-ground details of negotiation, leadership and coalition building that form the foundations of successful reform.

The three states profiled in the following pages are by no means alone in having made significant progress in securing support for early care and education. But each of them can tell a story of effort and accomplishment that is in its own way remarkable. Some of the many achievements featured in these stories include exceptional investments in subsidized child care, prekindergarten, and professional development for child care workers; a public-private state-local partnership to promote early learning; and an entitlement for child care that is embedded in state law. Happily, profiles of the three states also offer an opportunity to follow success stories in three very diverse settings.

[4] Pear, Robert (December 17, 2004). States' Pocketbooks are Fuller, but Health Costs Stall Recovery. The New York Times. Accessed on December 22, 2004 at http://www.nytimes.com/2004/12/17/politics/17govs.html



In Brief: The State Settings

As suggested by the following thumbnail sketches, the states differ in their demographics, the size of their populations[5] , and in the nature of their political leadership.

With almost 12.5 million residents, **Illinois** is the fifth most populous state in the nation. Chicago, with close to 3 million residents, is the state's largest city; other major cities are Rockford, Peoria, Springfield and Aurora, each with populations of 150,000 or less. Illinois encompasses 102 counties, all of which have county governing boards. The social services system is state-administered. The state contains 894 school districts. The state legislature is split, with the House controlled by Democrats and the Senate by Republicans. Governor Blagojevich is a Democrat; over the past 25 years previous governors have been Republicans. Illinois ranks tenth among the states in its personal income per capita, which stands at $33,690.

North Carolina has a population of over 8 million, making it the tenth most populous U.S. state. The state contains several large cities: Charlotte has over 500,000 residents, while Raleigh, Durham and Greensboro are about half that size. North Carolina contains 100 counties, each of which is governed by a county commission. The social services system is state-supervised and county-administered. North Carolina's 120 school districts generally are co-terminous with a county or with a city or cities. For the last four elections, the state has elected Democratic governors; they were preceded by a Republican, only the second in a century. Both chambers of the state legislature are currently controlled by Democrats. North Carolina's personal per capita income of $28, 235 ranks the state 37th among all states on this measure.

Rhode Island, geographically the nation's smallest state, is home to just over 1 million people, ranking it 43rd among the states in its population. Close to half of Rhode Islanders live in the urban core that comprises Providence, Cranston and Warwick. Rhode Island has five counties and 39 municipalities; counties do not have government bodies, while cities and towns do. The state contains 36 school districts, generally co-terminous with a city or with a town or towns. Over the past several decades, all of the state's governors have been Republican. Both chambers of the state legislature are controlled by Democrats. Rhode Island ranks 17th among the states in its personal income per capita, which stands at $31,916.

In Brief: What Each State Has Accomplished

To set the stage for the more detailed case studies in the next three chapters, this section gives an overview of notable achievements in the three states. While the report focuses on the financial dimension of these achievements, this dimension cannot be understood in isolation from the states' policy environments for early care and education. Thus, this overview, like the full case studies in the following chapters, discusses funding issues in conjunction with descriptions of important policy decisions that the three states have made about how to structure services.

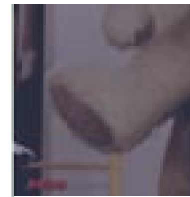
Illinois was one of the first states to establish what is called "universal eligibility" for subsidized child care[6]. In 1997, the state created a single child care subsidy program for low-income working families, which is open to all families up to 50 percent of the state median income with no waiting lists.[7]

Starting in the late 1980s, the state began to fund a prevention initiative specifically for infants and toddlers, along with parenting initiatives for families with children under age five.

[5] Population data for each state are from the U.S. Census Bureau, State and County Quick Facts, accessed on February 15, 2005 at http://quickfacts.census.gov/qfd/ Data on the organization of government in each state are from the 2002 Census of Governments, Volume 1, Number 2, Individual State Descriptions accessed on February 15, 2005 at: http://www.census.gov/govs/www/cog2002.html

[6] In the child care arena, this term does not necessarily connote that all families are eligible for subsidies, but that all families under certain income levels qualify, as long as they meet the typical work/training criteria and regardless of other circumstances – such as welfare status – that apply to them. More importantly, in a universal eligibility approach the state estimates the cost of serving all eligible families and builds the annual budget on the basis of this estimate. There are no waiting lists.

[7] Currently the ceiling rate for child care reimbursement in Illinois varies between about the 20th and 70th percentiles of market rates. Schulman, Karen and Helen Blank (September 2004). Child Care Assistance Policies 2001-2004: Families Struggling to Move Forward, States Going Backward. Issue Brief. Washington DC: National Women's Law Center.



In addition, during the education reform wave of the mid-1980s, Illinois was one of several states that established prekindergarten programs. Today, in one measure of the state's commitment to education for preschoolers, the extensive Illinois Prekindergarten Program for Children at Risk of Academic Failure enrolls about 50 percent more three- and four-year-old children than are enrolled in federally funded Head Start programs in Illinois. Moreover, in the most recent state ranking by the National Institute for Early Education Research (NIEER), Illinois scored 9 out of 10 on quality standards for prekindergarten.[8]

Beginning in the 1990s, the Illinois policy streams of universal eligibility for child care, support for prekindergarten, and prevention gradually converged under the banner of early learning. Prekindergarten and the prevention and parenting initiatives were joined in the Early Childhood Block Grant. In addition, a universal preschool initiative using both public and private early childhood programs was proposed, and an Early Learning Council was established to plan a comprehensive early learning system for children from birth to age five.

On another front, in an effort to ensure the quality of its early care and education services, Illinois invests heavily in professional development. Key investments include T.E.A.C.H. (Teacher Education and Compensation Helps) Early Childhood® scholarships and a salary bonus program called Great START.

Current Funding Picture.
In 2003, a newly elected Democratic Governor Blagojevich honored his promise to increase funding for the Early Childhood Block Grant by $90 million over three years. Illustrating a depth of support for both child care and early education services, during the tough budget year of 2004, these services were not only spared from across-the-board cuts, but received significant funding increases. For FY2005, the Early Childhood Block Grant is funded at $244 million, and the combined state and federal appropriation for employment-related child care is $694 million. Considering state revenues only, Illinois is making an investment of $570 million state dollars in early care and education.

North Carolina. This state's highly creative Smart Start program is a long-term, public-private initiative designed to build a system of early childhood services so that "all children will come to school healthy and ready to learn." Smart Start was launched by Governor Jim Hunt in the first year of his third term as North Carolina's governor. The authorizing legislation passed in July 1993 with an appropriation of $20 million, while the $193 million annual appropriation for the current fiscal year (2005) is many times that size. Smart Start is a state-local initiative; in each county or group of counties a nonprofit organization, a local partnership for children, assesses the needs of young children, designs initiatives to meet them, and is held accountable for funding and results leading to better outcomes for children and families. Under an innovative structure, the North Carolina Partnership for Children administers the Smart Start funds, provides technical assistance to local partnerships, monitors accountability toward statewide results, and works with other state agencies to promote a system of early care and education.

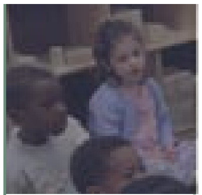
More at Four, the state's prekindergarten program for four-year-olds at risk of school failure and not enrolled in an early childhood program, was launched by Governor Easley in 2002 with an appropriation of $6.5 million. Like Smart Start, the program's growth has been robust; by FY 2005 its funding level had reached $51 million.[9] In the most recent state ranking, More at Four scored 9 out of 10 on quality standards for prekindergarten services.

North Carolina invests in T.E.A.C.H. Early Childhood® scholarships, a program that was created in North Carolina and now exists in more than 20 other states. Other state strategies to promote the quality of early care and education include investments in a professional development institute, a health insurance program linked with T.E.A.C.H., and a salary bonus program called WAGE$.

North Carolina uses a five-star rated licensing system, which applies to child care programs sponsored by public school as well as other programs. It awards licenses designating levels of quality ranging from one

8 Barnett, W. Steven, Jason Hustedt, Kenneth Robin and Karen Schulman (2004). The State of Preschool: 2004 State Preschool Yearbook. New Brunswick, NJ: Rutgers, The State University of New Jersey, National Institute for Early Education Research.

9 More at Four operates through contracts with local public school districts and local partnerships for children; about half of enrollment is in schools and half in licensed child care or Head Start centers.




star to five and is the basis for a tiered reimbursement system, whereby subsidies for child care providers are awarded based on these ratings.

Current Funding Picture.
North Carolina's early childhood system consists of a well crafted, interlocking set of policies that in addition to the teacher scholarship and compensation initiatives and prekindergarten programs, includes direct subsidy support and tax credits for families, and quality ratings within child care licensing regulations, with differential reimbursements based on the ratings. Given the interlocking nature of these elements, careful analysis is required to arrive at a precise figure for the level of the state's investment in early care and education. Taking into account Smart Start, More at Four, T.E.A.C.H. Early Childhood® scholarships and child care subsidy, North Carolina invests close to $315 million from state general fund revenues.

Rhode Island stands out as the only state with an entitlement to child care assistance. This bold policy was enacted as part of the state's welfare reform initiative, the Family Independence Act of 1996. Under the policy, the state's financial commitment to child care is as solid as its commitment to cash assistance and Medicaid, with budget appropriations needed for child care estimated in a similar manner as for these other entitlements.

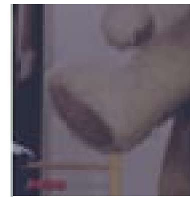
Two years after establishing the entitlement, the state initiated Starting RIght, an early care and education system. Although different parts of Starting RIght were enacted in different years, this initiative has come to be the umbrella for the early care and education services in Rhode Island, including the entitlement to child care assistance. The initiative promotes quality child care services that incorporate early education and it extends child care services to teens through age 16. Starting RIght takes an unusual approach to expanding Head Start services, providing funding to help networks of child care providers establish comprehensive services modeled on those offered through Head Start and to support extra costs of offering those services to low-income preschoolers.

In a distinctive state policy that was established under the state's welfare reform legislation and that has been expanded and placed under the Starting RIght umbrella,

What Level of Investments Do the Three States Make in Early Childhood Services? A Very Rough Estimate

There is no accepted measure of sufficient financial assistance for an early childhood system or even of the magnitude of total investment a state makes in these services. However, the three state profiles just presented here do contain some figures that shed light on these states' level of investment in early care and education. Another way to assess the strength of their investments is to use the crude measure of the amount of state general revenue expended per capita on children under age five who live in the state. That per capita investment ranges from $584 in North Carolina to $650 in Illinois to over $1,000 in Rhode Island.

Rhode Island provides access to health care coverage for child care staff. Other generous policies include child care reimbursement rates that have been raised to reflect the 75th percentile of child care prices identified by recent market-rate surveys, and guaranteed eligibility for subsidized child care for families that have incomes up to 225 percent of the poverty level and at least one member of the household working 20 hours a week or more.

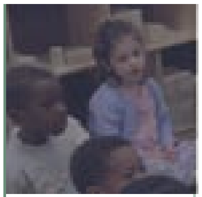


Current Funding Picture.

In the state's FY1996, the year before welfare reform, Rhode Island spent $15.8 million on child care of which 37 percent ($5.8 million) was state general revenue. By FY2004, the funding picture had changed dramatically: Rhode Island's expenditure for all of Starting RIght was $89.7 million, of which 64 percent ($57.7 million) was state general revenue. In addition, the state appropriates $1.9 million annually to expand the federal Head Start program.

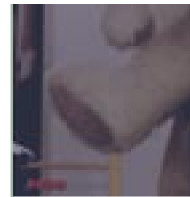
Rhode Island does not have a traditional prekindergarten program; its commitment to early education is expressed primarily through Starting RIght. The state's 1996 education reform legislation, Article 31, includes an Early Childhood Investment Fund to improve student performance in the early grades (K-3) and provide developmentally appropriate early childhood and family support services such as child opportunity zones (family community centers). The Fund consists of a $6.6 million annual appropriation that is distributed through the education aid formula to school districts. The Rhode Island Department of Education estimates that three or four districts of the 36 in the state use these funds for prekindergarten programs, generally combining them with Title I funds. Taken together, state investments in Starting RIght, Head Start and the Early Childhood Investment Fund amounted to $66 million in 2004.

The table on the following page (xii) illustrates the similarities and differences between these three states in demographics, levels of investment in early care and education, child care policies and supply of early care and education services.




	Illinois	North Carolina	Rhode Island	Source
DEMOGRAPHICS				
Total Population (2000)	12,419,293	8,049,313	1,048,319	Census 2000
Percent of population White	74.50%	71.90%	85.20%	Census Factfinder 2003
Percent of population Black	14.70%	21.20%	5.20%	Census Factfinder 2003
Percent Hispanic or Latino (of any race)	13.70%	5.60%	9.70%	Census Factfinder 2003
Children 0-4	876,549	539,509	63,896	Census 2000
Children under 5 as percentage of the population	7.10%	6.70%	6.10%	Census 2000
Percent of children under 6 with working parents FY1999	58%	61%	62%	Census 2000
Poverty rate for children under five	10.70%	12.30%	11.90%	Census 2000
Estimated State Median income (SMI) for family of four FY2003	$68,117	$57,203	$68,418	US Department of Health & Human Services
FUNDING				
Annual state investment in Early Care and Education (2004-2005)	$570,180,000	$314,900,000	$66,167,390	
Investment per capita children under 5	$650	$584	$1,036	
CHILD CARE POLICIES				
Income eligibility limit for family of three in 2004	$27,936	$35,352	$34,335	Schulman and Blank (Sept. 2004)
As percent of federal poverty level	178%	226%	219%	Schulman and Blank (Sept. 2004)
As percent of SMI	50%	74%	58%	Schulman and Blank (Sept. 2004)
Rates in 2004	between 18 to 70%ile	75%ile of 2001	75%ile of 2002	Stohr, Lee and Nyman (2002); Schulman and Blank (Sept. 2004)
SUPPLY, ENROLLMENT & QUALITY				
Number of licensed Centers	3,125	4,248	460	National Association for Regulatory Administration 2004
Percent centers accredited by NAEYC	17%	4%	12%	http://www.naeyc.org/accreditation/search/
Licensed Family Child Care Homes	10,774	4,999	1,318	National Association for Regulatory Administration 2004
Number of regulated spaces per 1,000 children under five	252	449	484	Calculated by assuming 50 children per center and 6 per home
Head Start enrollment FFY2002	39,619	19,202	3,150	US Department of Health & Human Services
PreK enrollment (2002-03)	64,000	10,000	1,160	National Institure for Early Education Research 2004 Yearbook
Kindergarten enrollment (2000-01)	147,619	101,049	10,521	National Center for Education Statistics

This Report and Its Questions



This Report and Its Questions

The following three chapters tell the stories of how the three states secured funding for early care and education. The main source of information for these case studies was interviews with knowledgeable people who played and often continue to play diverse roles in each state's efforts to secure funding, and who graciously shared their recollections, insights and wisdom with the author. (See Appendix 1 for a list of interviewees.)

Each state profile contains a narrative explaining what steps the state took to boost their investments in early care and education. While the entry point to and main focus of these profiles is the expansion of financial resources, in many cases the policy changes associated with those expansions are an intrinsic part of the stories – and indeed understanding of how the states secured more dollars for services is of little value unless there is an understanding of what they proposed to do – and did do – with that funding.

The account of each state's experiences is followed by discussions of key factors that contributed to its achievements and by a chart summarizing funding for initiatives discussed in the chapter. A concluding chapter reflects on the experiences of all three states, offering lessons and insights about the elements of successful reform.

In exploring why the states were successful in securing major investments for early care and education, the report focuses on the following questions:

- To what extent did success seem to depend on:
  - Gubernatorial leadership?
  - Legislative leadership?
  - Leadership within relevant state agencies?
  - Outside advocacy and grassroots support?
  - Philanthropic support?
  - The impetus to redesign services associated with particular changes in the policy environment – for example, welfare reform changes?
  - The state's economic climate?

- Were there particular strategies or stances that maximized the effectiveness of advocacy groups in promoting change?

- What kinds of coalitions within each state were formed to support new investment? How have they functioned and which approaches that they have taken have proven to be especially useful?

Of course, whatever answers or lessons emerge from addressing these questions depend on the author's interpretation of the very diverse perspectives and views of the interviewees. Moreover, extrapolating these answers and lessons to other states, which in many cases differ significantly from one, two or all of the ones described here, must be done with some caution. Nevertheless, the richness of the material from the interviewees – along with the level of energy and innovation that has infused their change efforts – suggests that the three state stories can serve as useful guideposts and points of reference to other states interested in expanding the reach of high quality early care and education services.

Chapter 2

Illinois

Illinois

Key Accomplishments in Illinois

- one of the first states to establish and budget for "universal eligibility" for subsidized child care with no waiting lists
- extensive prekindergarten services, with overall high quality ratings
- Early Childhood Block Grant supports prekindergarten and programs for infants and toddlers
- Early Learning Council for planning
- heavy investment in professional development
- state investment of some $570 million in early care and education

The Story

Prekindergarten

A good place to begin the Illinois story is in the 1980s when the state, like many others, was engaged in K-12 education reform. The reform process brought together a committee of the state's prominent early childhood leaders, who included three former presidents of the National Association for the Education of Young Children (NAEYC) – Barbara Bowman of the Erickson Institute, Lilian Katz of the University of Illinois and Lana Hostetler – to work with staff at the Illinois State Board of Education (ISBE). Focusing on children at risk of school failure, the committee considered either supplementing the federal Head Start program or designing its own preschool program. The committee's efforts led to the inclusion of The Illinois Prekindergarten Program for Children At Risk of Academic Failure in the state's education reform package, which was enacted in 1985.[10] For the program's first three years (FY1986-88) the annual appropriation was $12 million. In FY1989, funding doubled to $24 million and doubled again to $48 for FY 1990. Growth thereafter has averaged about 11 percent per year.

From the outset, education advocacy groups, including Voices for Illinois Children, focused energies on ensuring that the program was enacted as part of the education reform package, and these groups continued their support for the initiative as it grew over the years.

Initiatives for Children under Age Three

In 1989, through the combined efforts of Chicago's Ounce of Prevention Fund and several key legislators, two important prevention programs were funded through the ISBE. The first, the Prevention Initiative, is aimed at children under age three who are at risk for developmental delays but who are not eligible for early intervention services provided under Part C of the federal Individuals with Disabilities Education Act. The Prevention Initiative makes grants to public or nonprofit agencies located in communities with high infant mortality rates, with services aimed at reducing rates of school failure by coordinating and expanding health, social and child development services for at-risk infants and toddlers and their families. The Model Early Childhood Parental Training Program, the second prevention program that was passed in 1989, offers grants to public school districts or nonprofit agencies for families of all income levels with children from birth to age five. Programs are designed by each grant recipient to provide a range of services that bolster parenting skills and promote healthy relationships to enable children to function well when they enter school.

Annual appropriations started at about $1 million for the prevention program and $3 million for the parental training program, and despite lobbying for increases by the Ounce of Prevention and others, stayed roughly at that level. By FY1997, however, the funding levels had finally crept up to $2 million for prevention and close to $4 million for parental training.

The 1990s: New Coalitions and Funding Interests Focused on Early Care and Education

During the 1990s several new institutional actors became important to efforts to expand and strengthen early childhood services in Illinois. One was a coalition of major advocacy groups, collectively known as the Quality Alliance, which was led by Voices for Children, Ounce of Prevention, and the Day Care Action Council (now called Action for Children). Founded in 1992, the Alliance is hardly a household word in Illinois because it keeps a very low profile. Nevertheless, once it was formed, it began playing – and continues to play – a valuable role in furthering early childhood goals in the state.

[10] The Illinois Prekindergarten program is a competitive grant to school districts, with services delivered primarily in public schools, except in Chicago and a few other school districts which subcontract part of their funds to community-based child care and Head Start organizations.

In essence, the Alliance is a virtual table around which sit all the Illinois child advocacy groups, large and small, which come together to plan and move a joint agenda. Leadership on moving the joint agenda is shared, with different organizations in the Alliance taking the lead on different issues. For example, the Ounce of Prevention (which is familiarly known as "The Ounce") focuses on services for children from birth to age three.

Notably, members pledge to support the agenda and to keep any disagreements inside the Alliance. According to Alliance interviewees, each organization may put the agenda items in different order, but no one ever says, "Fund our priority, not theirs." As one leader explained:

> *The urge to compete is strong, but we try to check it and at the end of day be cooperative and collegial in our work. Even when we fail to agree, we never ever go forth publicly, locally or in Springfield, not singing the same song. We may have screaming fights in private, but never in public.*

Over the years since its founding, the Alliance has benefited from continuity of leadership. The heads of the major organizations that sit around its table – Jerry Stermer at Voices, Harriet Meyer at the Ounce and Maria Whelan at Action for Children – have known each other and worked together for years.

Also in the early 1990s, the McCormick Tribune Foundation, a major national foundation based in Chicago, shifted the focus of its education grantmaking program in response to the combined effects of welfare reform and education reform in Chicago and Illinois. The Foundation's new program, called Focus on Quality, concentrated solely on children birth to age five. Launched in 1993 with a 10-year commitment of $40 million, Focus on Quality has become an enduring grantmaking initiative for the Foundation. To promote high-quality early care and education for children in Chicago's low-income communities, Focus on Quality makes grants in four areas: program accreditation, professional development, public awareness and public policy.[11] The public policy grantmaking focuses on innovative approaches to funding early childhood education programs and on legislation to promote and sustain quality. In 2004, close to $2.5 million of the $10 million the Foundation invested in Focus on Quality was devoted to this public policy program.

Primarily under the public policy program, the Foundation has become a major supporter of child advocacy groups in Illinois, including the lead organizations for the Quality Alliance already cited – Voices for Illinois Children, the Ounce, and Action for Children.[12] In large part, thanks to support from McCormick Tribune and other philanthropies, these groups are able to employ full-time staff members who focus on public policy. Illinois-based philanthropy continues to play a role in promoting early care and education in the state. Recent grantmaking from a special initiative, known as Illinois Build, which is supported by the Joyce, Irving Harris and McCormick Tribune Foundations, supports work to address governance and other systems-building issues that concern services for young children – for example, efforts to align the health, mental health, early care and education systems to better serve them.[13]

A third new source of support for early care and education that coalesced in the 1990s was a bipartisan group of women state legislators known as COWL (The Conference of Women Legislators). Early on, COWL members defined the promotion and expansion of child care services, an issue they could all agree on, as a priority. COWL, which today has several dozen members, mainly in the House and some in the Senate, has become a strong bipartisan group that could be counted on to weigh in on issues concerning child care and early education in Illinois.

Mid-1990s: A Defeat That Fueled Resolve to Continue Fighting

In 1993, the Quality Alliance held its first retreat. Out of that session came a call for a bill to create a state Ready to Learn Council, which would develop a plan for early education and child care in Illinois. The plan had a Republican legislative champion in the Senate, who worked to have the bill passed in both chambers. Governor Jim Edgar, a progressive Republican, signed the bill and appointed the Council. In an illustration

[11] For more information on the Foundation's program, see: http://www.rrmtf.org/education/focus.htm

[12] Additional McCormick-Tribune child advocacy grantees include the Chicago Metro Association for the Education of Young Children, Sergeant Shriver National Center on Poverty Law and El Valor (a Latino child and family organization).

[13] For more information, see: http://www.buildinitiative.org/state_il.html

of interest in using the Council to bring together leaders from different sectors of the state, its conveners were Senator Frank Watson; Barbara Bowman of the Erickson Institute, who had been active in planning the prekindergarten initiative; and Jerry Stermer of Voices for Illinois Children. The Council drafted a bill outlining its new plan for the 1995 legislative session.

Taking an approach of "wait and see what the legislature will agree to," the Governor's office was not actively engaged with the Council in the bill-drafting process. But after both chambers passed the Ready to Learn plan, the Governor's staff took the position that it was too expensive. The Governor wrote an amendatory veto that supported the concept, trimmed some parts of the plan and proposed that it be phased in. For the plan to proceed, both chambers had to accept it. The Senate was set to approve, but the House was another story. In the 1994 elections, the House had changed from Democratic to Republican control; it now had a new speaker and many new religious-right members, who had been swept in on the coat-tails of Newt Gingrich. Since the number of these religious-right members was too small to defeat a vote, their tactic was to prevent the bill from being called for one. COWL and others worked hard to get a vote, but the far-right members prevailed and convinced the new Speaker not to call the bill. According to witnesses, the day of this dramatic defeat was an emotional one for the legislature. Still many supporters of the bill, who had taken the step of fighting for an important new initiative and had come very close to victory, ultimately experienced the defeat as one that tilled the soil for child care-early education success later on.

The Early Childhood Block Grant

In the mid-1990s, the concept of block grants was popular with the Illinois legislature. Chicago school reform had altered funding and governance of the Chicago public schools, granting the mayor authority to appoint the chief executive of the schools, and the legislature started to give Chicago all of its categorical state education aid as a lump sum, or block grant.

In 1997, the legislature discussed the idea of broadening block granting to encompass education aid beyond Chicago. But advocates realized that if education aid were block granted on a per capita basis statewide and if funding for prekindergarten was given in the form of a per capita allocation to all school districts rather than as grants for programs, the amount spent per prekindergarten child could be dramatically reduced: In fact, under that scenario, most districts would be without the amount of funding needed to fund a program.

Voices and the Ounce worked together to inform the legislature about the problem and offered a solution. They proposed that funding for the prevention and parenting initiatives be combined with prekindergarten into an early childhood block grant. Prekindergarten had long enjoyed widespread support in the legislature. As one observer noted, "Even when ISBE doesn't request much of an increase for PreK, the Legislature will give it more [than was requested]."

Although the Prevention Initiative and The Model Early Childhood Parental Training Program, the initiatives that focused on younger children that had been established in 1989, were much less extensive than prekindergarten – together they were funded at only 8 percent of prekindergarten levels – they did not enjoy quite the same warmth of legislative support as PreK. To maintain funding for these two initiatives, the new proposal combined them with prekindergarten into one funding stream and established that a minimum of 8 percent of the total funds be spent on initiatives for children under age three – that is, for the prevention and parenting initiatives. (In essence, the 8 percent figure preserved the ratio of spending between these programs and the prekindergarten program that was in effect at the time the idea was proposed.)

The idea took hold. The Early Childhood Block Grant (ECBG) was established in 1997 and became effective in FY1999. Subsequently, the interest in increasing funding for prekindergarten has had spillover effects for the prevention and parenting initiatives for younger children. Actual spending on these services climbed from 8 percent to closer to 11 percent of the ECBG, and in 2004 the set-aside for these services was officially raised to 11 percent. In FY2005, the ECBG has an appropriation of $244 million, including almost $27 million for the two initiatives for younger children.

The Advocacy Organizations: Working at the Grassroots Level

As discussed, child advocacy groups played an active role in the enactment of ECBG – and as this profile will show, these organizations went on to press for many other measures. The groups typically use a variety of strategies to move their agendas (and to move the common agenda of the Quality Alliance). For example, The Ounce, Action for Children and Voices for Illinois Children (or "Voices") have many well connected board members who use their good relationships with policymakers to build support for child care and early education services.

For Action for Children and Voices, both of which are structured as membership organizations, one of the most important strategies is grassroots organizing. Action for Children has organized its constituency politically (and with careful attention to the rules tax-exempt organizations must follow). Each legislative district has an Action for Children volunteer district coordinator, who organizes the early care and education constituency. The coordinator develops a tree – phone, fax or email – to distribute information and generate responses when needed. Within 24 hours, an alert asking for immediate action can generate 200 calls in a downstate legislative district and thousands in Chicago. District coordinators work to get commitments from parents of children in early care and from programs and their staff members to participate in the tree. The coordinators also encourage directors of early childhood programs to allow these parents and staff to use phones in the centers for calls to legislators. Each district also has annual voter registration goals. Action for Children employs two community organizers to oversee this work. The Ounce also reaches out, primarily to early childhood educators and administrators in public schools and to community-based organizations, to advocate for the programs funded under ECBG.

Professional Development Initiatives

In 1995 and 1996 with private business funds from the American Business Collaborative, Illinois launched a small-scale T.E.A.C.H. scholarship program, which helps child care staff earn degrees in child development and early childhood education.[14] In 1998 state funds were added for a $50,000 pilot, which by FY2005 had grown to a $2.8 million appropriation.

In 2000, the legislature established a pilot program, known as Great START, designed to complement T.E.A.C.H. Great START rewards child care professionals by supplementing their incomes based on the level of education above DCFS licensing standards that they have already attained.[15] The Great START appropriation was $5 million in the FY2002 budget. And in 2004, the legislature made Great START a permanent program with a $7 million appropriation for FY2005.

An Attempt at Universal Preschool Services

In 1998, Illinois elected a new Governor, Republican George Ryan. Early childhood advocates urged him to take up early care and education issues, and in September 2000, under the banner for Futures for Kids, the Governor and First Lady Lura Lynn Ryan hosted an invitational Early Care and Education Assembly, which Mrs. Ryan chaired. Significantly, the two-day assembly and the cost of producing the report it generated were underwritten by the McCormick Tribune Foundation. Of the four top priority recommendations that emerged from the Assembly, the first was to create a voluntary universal early care and education program for three- and four-year-olds.[16]

The Governor acted on this priority by appointing a Task Force on Voluntary Access to Universal Preschool and charging it to develop a five-year plan by January 1, 2002. The Task Force was comprised of legislators and state agency leaders, along with representatives of schools, Head Start and child care centers, business and higher education. Based in part on substantial public and community input, the Task Force made a proposal to phase in preschool services using a diverse delivery system of schools and community organizations. The proposal, introduced into the 2002 legislative session, called for an appropriation of $5 million for FY2003 to pilot the new preschool initiative. At the same time, the Governor recommended radically changing how education was funded, abolishing all education aid categories to create a block grant, which would have eliminated ECBG as a separate funding stream. (He also proposed fairly harsh increases in child care co-

[14] For more information on T.E.A.C.H., go to: http://ilchildcare.org/providers/TEACH/overview.htm

[15] For more information on Great START, go to: http://ilchildcare.org/providers/greatstart/overview.htm

[16] The se

payments during the same session.) His untenable proposal for a single education block grant lost – and took universal preschool with it. Moreover, the ECBG did not receive an increase in FY2003. Governor Ryan announced he would not run for re-election, and the advocacy community began to work with the likely contenders.

Subsidized Child Care and Welfare Reform

In states around the country, subsidized child care services for welfare recipients and for low-income families, some of whom are headed by former welfare recipients, for many years underwent a complicated series of changes, which in part have been shaped by the state's responses to federal legislation. Illinois followed this pattern.

Before Welfare Reform

In the 1980s Illinois, like many states, had two child care subsidy programs – one funded with federal Title XX funds, which mainly supported contracts with centers, and the other for families on welfare paid through the "income-disregard" method, which allowed a recipient to disregard increased earnings from work in calculating eligibility for public assistance and thus keep more of her public assistance grant to pay for child care. Contracted child care was managed by the Department of Children and Family Services (DCFS), which also handled child care regulation. The income disregard for families on welfare was managed by the Department of Public Aid (DPA).

Response to the First Wave of Welfare Reform

The 1988 Family Support Act (FSA) was the first wave of federal welfare reform that changed the Illinois welfare system. FSA guaranteed child care for welfare recipients and entitled them to one year of child care after leaving welfare (called Transitional Child Care or TCC).[17]

In late 1990, less than two years after the passage of FSA, the Act for Better Child Care created the federal Child Care and Development Block Grant (CCDBG) to help states pay for child care for low-income working families. CCDBG included a set-aside to be used for improving the quality of programs. Another funding stream established under the Act for Better Child Care, the At-Risk Child Care Program, was created for families considered at risk of going on welfare. Both programs required states to offer parents choices of child care and to ensure that low-income families have the same level of access to child care as other families. States, including Illinois, now had at least four federal funding sources for child care.

The first wave of federal welfare reform in Illinois brought new funds to DPA for TCC, which paid for child care for families who had left public assistance. But in the first few years after TCC was available, these funds were not being fully expended, and it appeared that eligible families were not taking advantage of the benefit. DPA brought on consultant Michelle Piel, a child care expert and advocate who had been the executive director of the Day Care Action Council (now Action for Children), to explore the problem and propose solutions. Piel's work led DPA to try several new strategies. They included training welfare caseworkers to explain the child care benefit more clearly and providing "bridge money" with DCFS contracts to enable child care centers to support child care for welfare leavers. Soon Piel moved from consultant status to became the head of DPA's child care division.

Under Piel, DPA spearheaded several other changes in the child care system. In 1991, DPA commissioned a statewide study to find out about the child care experiences and needs of single-parent families on AFDC.[18] The survey showed that while more than half these parents preferred to use child care centers, most did not, because they believed the centers were too expensive and that center hours would not match their work schedules. Most of these parents were accustomed to the income disregard subsidy system, which required them to wait for several months to get reimbursed, and most relied on friends and family for child care because unlike more formal programs, these caregivers were willing to accept delayed payments. In addition, many survey respondents did not know they were eligible for any assistance once they left AFDC – some did not remember having been told – while others did not know how to take advantage of the assistance. Another

[17] FSA also included provisions requiring that states conduct market-rate surveys to find out the price of child care by geography and age of child served and that they offer parents certificates (vouchers) to pay for child care.

[18] Institute for Applied Research (1991). Child Care and AFDC Recipient in Illinois: Patterns, Problems and Needs. Springfield, IL: Department of Public Aid, Child Care and Development Section.

interesting survey finding was that the AFDC families who knew about and used other subsidy systems, which are structured for payments to be made directly to the providers, were more likely to be using care that matched their preferences – often centers and formal family child care.

The combination of the new parent choice requirements in the CCDBG, the number of different federal funding streams, and the fact that many low-income workers had jobs with night, weekend and rotating shifts led Illinois to rethink its child care subsidy programs for low-income families. When the first federal child care block grant funds came to Illinois in 1991, DPA joined with the United Way and DCFS to launch a statewide system of child care resource and referral agencies (CCR&Rs), using unexpended TCC funds and the new CCDBG quality set-aside dollars. The CCR&R agencies were given responsibility, among other tasks, for managing the child care subsidy programs. This was considered important, because it was felt that many parents would view CCR&R offices as less stigmatizing than welfare agencies and thus would be more likely to approach CCR&Rs to request subsidized care.

The findings from the AFDC study also led DPA to make a concerted effort to deliver a message to AFDC leavers: "Now that you have a job and you're off assistance, you can get child care and pay very small fees." The DPA even made a soap-opera-style video, with versions in both English and Spanish, which focused on child care choices and how to get subsidies. Called *All My Child Care*, the video was played in welfare and CCR&R offices.[19]

As a result of clearer communications with AFDC leavers and putting CCR&Rs in charge of subsidies, spending on TCC increased dramatically. Recalling the forces and issues at work during this period, the manager of the DPA child care division said:

> *We wanted to make our child care system really meet the needs of families. The strong and sustained focus on welfare reform was a unique opportunity. Healthy competition with our neighbor, Wisconsin, was also a factor. They were innovating on child care [Wisconsin is another state with 'universal eligibility' for child care subsidies.] and we kept up with each other's work. We could use each other's advances. I'd say, "Look how much more Wisconsin just put into their child care program. We need to do more!"*

The Second Wave of Welfare Reform

The second wave of federal welfare reform began in 1996, with the passage of the federal Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). The law renamed the welfare program, now called Temporary Assistance to Needy Families (TANF), and introduced new work requirements and time limits on cash assistance. PRWORA also merged the former child care funding streams (FSA, TCC, At-Risk and CCDBG) into one program, called the Child Care and Development Fund (CCDF). In addition, other TANF funds could be spent directly for child care or transferred into the CCDF.

By the time the second wave of welfare reform and CCDF arrived on the scene, Illinois had already made a number of changes to its child care system. But passage of the new federal programs gave the state the opportunity to more thoroughly re-examine both the welfare and child care systems and how they were working. The advocacy community was ready with recommendations.

In late 1995, in anticipation of the federal changes, the Day Care Action Council had produced a blueprint for streamlined delivery of child day care, called "Thriving Children, Striving Families." Although funding and family participation in subsidized child care had increased significantly, many advocates and legislators felt that the child care system, with its overlapping state agencies, was too complicated. To address these concerns, in 1996 DPA launched a child care planning process using an existing Child Care Advisory Council, which had been advising DCFS for some time.

In keeping with PRWORA's strong emphasis on moving families off welfare and into the workforce, the advocacy agenda during this planning process presented child care as a critical support for working families – not just for welfare recipients, but for all low-income working parents. In legislative hearings, parents testified about the absurdity of having to return to welfare to keep child care assistance.

The solution to these problems that attracted legislative support during the legislature's 1997 session was the concept of giving low-income families so-called "universal access" to child care. The legislation sparked

[19] Mitchell, Cooperstein and Larner (1992). Child Care Choices, Consumer Education and Low-Income Families. New York: National Center for Children in Poverty.

by this interest called for two major changes. One, which was structural, was to consolidate oversight and management of funds for subsidized child care, which had been the overlapping concern of two agencies, DCFS and DPA, into a newly created Department of Human Services (DHS). The other change more directly focused on funding. It was to base eligibility for child care solely on income status and not on other categories such as welfare status.

The advocacy community was united behind this universal-access agenda. Child care advocates as well as advocates for adult welfare recipients —who found that it was increasingly important to focus on child care now that work requirements for welfare recipients had become more forceful —joined together to support the legislation. The Quality Alliance played an important role in moving the agenda. As one informant said about the establishment of universal eligibility for child care:

> *Aggressive lobbying by the Day Care Action Council and the support of the Quality Alliance agenda made this happen. The common agenda [of the Quality Alliance] was a major factor in winning this.*

This interviewee also pointed to the contribution made by another group interested in child care that was discussed earlier – COWL. "Obviously," the informant observed, "the support of the Conference of Women Legislators, who had child care on top of their agenda, was a critical factor."

Another set of allies in this effort, and indeed in many of the legislative campaigns that preceded and followed it, were government officials who were attuned to the early childhood agenda. For example, insiders Michelle Piel at DPA and Sue Howell at DCFS worked closely with the outside advocates and with legislative leaders to move the universal access proposal from concept to law.

The push for universal access was successful, and as noted, Illinois became one of the first states to pass legislation embracing this concept. The law called for access to subsidized child care for families up to an income cap, which was set at 50 percent of the 1997 state median income (SMI). Legally, the legislation does not entitle income-eligible families to child care. However, it did base eligibility on income, eliminating other categorical requirements, in part by consolidating different funding streams into one source of child care funds with one eligibility standard.[20]

The new funding stream was not open-ended; the intent was that DHS would live within its appropriation. To do so, DHS was given the authority to determine eligibility limits, provider reimbursement rates and the level of co-payments required of parents.

Spending on child care rose dramatically after 1997: from $226 million in FY1996 to $397 million in FY1998, an increase of 75 percent in two years. Still, over the years there have been some limitations on this expansion of resources. With the income cap set at 50 percent of the 1997 level of SMI, the subsidy has gradually declined in value, and in 2003 was worth about 39 percent of current SMI. However, as will be discussed in the next section, an end to this erosion of benefits was one of the state's more recent accomplishments.

Another limitation on the generosity of the universal access approach has been the levels of subsidies to providers. With the support of Governor Ryan, subsidy rates were raised once in 1999, with a $40 million appropriation. They have not been adjusted since; in 2004 the rate ceiling for preschoolers ranged by geography from the 18th percentile of the most recent market- rate survey (in the Chicago metropolitan area) to the 70th percentile (in a rural downstate area). But as will also be discussed in the next section, there have recently been signs of change in this situation.

As participation in the new child care program grew, resources allocated to quality were in shorter supply, at least temporarily. One informant noted that in 1996, "Access pushed quality into a back-seat role." However, the interviewee and others felt the trend was relatively short-lived, noting, "That's changed now with the focus on early childhood development and brain growth and the discussion of universal preschool."

[20] It turned out that some of these funding streams had had higher income limits than the DHS-managed subsidies. To address that problem, families who had been supported by those subsidies were grandfathered into the system for a year. In the following year, DHS changed the income determination rules to effectively raise the income limit slightly.

Recent Developments

In the 2002 elections, both gubernatorial candidates had preschool proposals – and advocates were prepared to respond. Action for Children, the Ounce, and Voices for Illinois Children formed a new statewide coalition, called Early Learning Illinois, which had a broad early learning agenda. (Besides the three founders, Early Learning Illinois included many other Quality Alliance members. In contrast to the Alliance, which sought to keep a low profile, Early Learning Illinois has a collective public voice.) In addition to advocating for increased investments in early education and expanding eligibility for child care assistance, the coalition pushed for the creation of an early learning planning body.

> **"The greatest success story in Illinois is the partnership between providers and advocates who work together toward common goals – when you do that, with great bipartisan support in the General Assembly, you can move systems."**
>
> **— Illinois state leader**

During the campaign, advocates worked hard to engage with both candidates. The Democratic candidate, Rod Blagojevich had the boldest plan: He pledged to increase funding for the ECBG by $90 million and – mirroring the interests of the advocates – to establish an Early Learning Council to plan universal preschool among other improvements in programs for children birth to age five. Successful advocacy during the campaign expanded the candidate's already strong early learning agenda to include updating child care eligibility to 50 percent of current SMI and indexing for later years so that it would stay at 50 percent.

Blagojevich won the election, and subsequently, gubernatorial leadership on early care and education issues has expanded dramatically in the state. Many describe Blagojevich as a "true believer in early childhood education." As one interviewee put it, "He sees it almost as a civil right. His kids had it and every kid should."

In 2003, the legislature agreed to the Governor's proposals on updating eligibility to 50 percent of the SMI and indexing the rate for inflation. In looking back at the effort to pass this legislation – and other similar efforts – many interviewees cited Randy Valenti, the longtime deputy director at DHS (and before that DPA), as demonstrating a talent at making the case for budget increases with the legislature with good data and persuasive arguments. The observations of one interviewee echo this appreciation of the way DHS used information and point to additional actors who made a big difference:

> *The key was good data [from DHS], good numbers on which families use child care and who's left out. And the [Quality] Alliance got key legislators to say we need to do both – preschool and child care. Another hero in getting both these investments is the director of the Governor's Office of Management and Budget, John Filan. Bottom line is: the Governor gets it.*

Besides the indexing of eligibility for subsidies at 50 percent of SMI, there were other major gains for early care and education following the election. In the 2004 legislative session, $30 million was added to the ECBG, and $27 million was appropriated to maintain child care eligibility. (The FY 2003 budget had included a $30 million increase for the ECBG and a $19 million increase for child care eligibility.) And the Illinois Early Learning Council was established. The Council is to: [21]

> *...coordinate existing programs and services for children from birth to five years of age, in order to better meet the early learning needs of children and their families. The goal of the Council is to fulfill the vision of a statewide, high-quality, accessible, and comprehensive early learning system to benefit all young children whose parents choose it. The Council shall guide collaborative efforts to improve and expand upon existing early childhood programs and services. This work shall include making use of existing reports, research, and planning efforts.*

The Governor signed the Early Learning Council bill at an event at the Carol Robertson Center for

[21] Public Act 093-0380, The Illinois Early Leaning Council Act, effective July 24, 2003. http://www.ilga.gov/legislation/publicacts/fulltext.asp?name=093-0380&GA=093

Learning in Chicago. The advocates held a large rally to applaud the funding commitments and the Council. Maria Whelan of Action for Children led the crowd in chanting "Promises made, promises kept!" Illustrating the openness to positive "inside-outside" relationships between child advocates and government officials that has marked many efforts to strengthen early care and education in Illinois, the Governor announced the co-chairs of the Council would be Harriet Meyer, president of the Ounce of Prevention Fund, and Brenda Holmes, the Governor's chief education advisor.[22]

The Council was appointed in early 2004 and organized into five committees, which focus on quality, evaluation and assessment, expansion, linkage and integration, and workforce development. Its immediate task was to propose a plan for voluntary universal preschool for the 2005 legislative session.

Also in 2004, the legislature directed DHS, in consultation with its Child Care and Development Advisory Council, to develop, by January 1, 2005, a comprehensive plan to revise the state's rates for the various types of child care in accordance with the child care market-rate survey. As one informant said:

> *The child care program will work better if we can have rates updated and indexed, like eligibility now is, so that growth in the program is predictable and even, rather than having to go to the Legislature every five to seven years with requests for large increases.*

For FY2005, the ECBG is funded at $244 million, and the combined state and federal appropriation for employment-related child care (subsidy and quality) is $694 million. Data for recent fiscal years indicates that child care spending is about 47 percent drawn from state general revenue and 53 percent from federal revenue.[23]

> **"I'm a billionaire. I can spend a lot on young children. But who has the most money? The government. We need to get our hands on their money. And that takes lobbyists to work the political agenda."**
>
> **— the late Irving Harris, Chicago philanthropist**

Based on those proportions, state general revenue for child care in 2005 will be about $326 million. Overall, Illinois is making an investment of $570 million state dollars in early care and education.

Reasons for Success

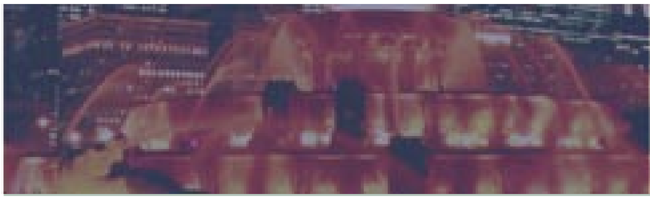
Not surprisingly, no one factor is responsible for all the success that Illinois has had in expanding investments in child care over many years. But clearly one theme that is strongly etched into the state's success story is the power of effective and sophisticated collective action. Advocates were unified under the auspices of two coalitions, the Quality Alliance and later Early Learning Illinois, and they committed themselves to avoid public disagreements that could have undermined their shared goals. Just as important, illustrating the benefits of outside/inside partnerships, advocates were willing to cooperate with government officials, and likewise, key officials were receptive to advocates. It was fortunate that within the ranks of its social service agencies Illinois had talented officials such as Michelle Piel, Sue Howell and Randy Valenti, who not only managed their programs well but who were skilled in working in tandem with advocates. (And as suggested by the role Michelle Piel played in reform efforts, a government official with a history of child advocacy could be very effective.) On the legislative side, Democratic and Republican women reached across the aisle to advance the COWL agenda, and more broadly, bipartisan legislative support for new investments has been very valuable.

Another ingredient of success was that the advocacy community had the capacity to mobilize grassroots constituencies. That capacity, in turn, has been greatly facilitated by the willingness of Chicago-based philanthropies, most notably the McCormick Tribune Foundation, to fund advocacy groups at a level that has

---

[22] When Brenda Holmes moved into another role in the administration, the Governor hired a Director of Education Reform, Elliot Regenstein, who is now Council co-chair with Meyer.

[23] Unpublished data derived from Illinois DHS reports provided by Action for Children.



enabled them to hire paid staff members dedicated to organizing. More broadly, McCormick Tribune and other Chicago-based foundations have determined that they have a legitimate role to play in efforts to strengthen the state's investment in early childhood services.

The welfare reform movement also was an important impetus to change in Illinois. While efforts to expand early care and education services were under way before the passage of the two federal welfare-to-work laws, the new emphasis on the need for child care as a support for work in the federal legislation led government officials and advocates to rethink their delivery systems for this service.

Gubernatorial leadership has also contributed to success, although far more decisively since 2002 and the election of Governor Blagojevich than in the years preceding his term. In contrast to Blagojevich, earlier Republican Governors Ryan and Edgar were more mixed in their support of early childhood agendas. For example, Edgar, who saw ECBG grow by more than 10 percent every year he was in office, supported the $40 million increase for child care during the last year of his term, but he took a wait-and-see attitude toward the Early Leaning Council and tried to trim the Ready to Learn bill. Ryan stepped forward to lead on universal preschool, but proposed fairly harsh increases in child care co-payments and the elimination of ECBG, with both proposals being stopped by the legislature. While whatever support that these governors did extend to early care and education in the past was helpful, a governor who is a true champion of these services bodes well for the future.

Annual Expenditures 1991 – 2004
for the Illinois Child Care Program
(from Illinois Department of Human Services and Action for Children)

State Fiscal Year	*State and Federal Child Care Funds*
1991	$54,000,000
1992	$72,500,000
1993	$107,000,000
1994	$130,700,000
1995	$186,600,000
1996	$226,000,000
1997	$262,800,000
1998	$397,000,000
1999	$448,000,000
2000	$574,000,000
2001	$663,700,000
2002	$659,800,000
2003	$611,200,000
2004	$665,300,000

Annual Appropriations 1986 – 2004 to the Illinois State Board of Education for Early Care and Education
(from Illinois State Board of Education and The Ounce of Prevention Fund)

State Fiscal Year	*PreK At-Risk*	*Early Childhood Block Grant with Birth to 3 set-aside*	*Prevention Initiative*	*Model Parental Training*
1986	$12,100,000			
1987	$12,700,000			
1988	$12,170,000			
1989	$23,900,000			
1990	$48,000,000		Not available	Not available
1991	$63,000,000		Not available	Not available
1992	$71,500,000		Not available	Not available
1993	$75,500,000		Not available	Not available
1994	$87,700,000		Not available	Not available
1995	$92,700,000		Not available	Not available
1996	$101,900,000		$2,000,000	$3,900,000
1997	$112,200,000		$2,000,000	$3,900,000
1998	$123,400,000		$4,300,000	$5,900,000
1999		$154,200,000		
2000		$170,200,000		
2001		$180,200,000		
2002		$183,500,000		
2003		$183,500,000		
2004		$213,600,000		
2005		$244,000,000		

Chapter Three

North Carolina

North Carolina

Key Accomplishments in North Carolina

- Smart Start, a long-term statewide initiative, administered in counties by public-private partnerships and currently funded at $193 million. Designed to build an early childhood system to ensure that "all children will come to school healthy and ready to learn"
- More at Four, a state prekindergarten program for four-year-olds at risk of school failure, currently funded at $51 million
- five-star rated license and tiered reimbursement systems
- investments in T.E.A.C.H. Early Childhood® scholarships, a professional development institute, a health insurance program linked with T.E.A.C.H and a salary bonus program called WAGE$.
- approximate state investment of more than $315 million in early childhood services

The Story

Origins of Smart Start: The Need for Change

Smart Start was in part conceived as a response to conditions in North Carolina during the 1980s. At that point North Carolina had the country's highest proportion of working parents (two-thirds of mothers with children under age six). With an economy characterized by low-wage jobs, the state was also home to many single-parent families. Thus, not surprisingly, in comparison to other states, North Carolina was appropriating more of its general revenue to support child care subsidies. For example, in FY1987, North Carolina's total child care subsidy budget was about $28 million, with almost 60 percent of this amount coming from state funds.[24] The new federal child care funds that arrived with passage of the Family Support Act of 1988 and the two funding streams available under the 1990 Act for Better Child Care were welcome additions, but didn't meet the need. Every pot of funds was stretched as far as possible.

In order to make child care more available, North Carolina had kept child care regulations lax, and overall, the quality of child care across the state could be fairly characterized as dismal. Staff/child ratios were very high, and the only requirements for child care staff were that they be 16 and literate. Advocates' efforts to strengthen quality by changing regulations or other systemic improvement efforts had made only modest progress. Nonetheless, initiatives that would become important later were launched. For example, in 1990 the T.E.A.C.H. Early Childhood® scholarship project began as a privately funded pilot project. On the positive side, advocates were fairly well organized, with the North Carolina Child Care Coalition serving as the umbrella for several dozen statewide and local groups.

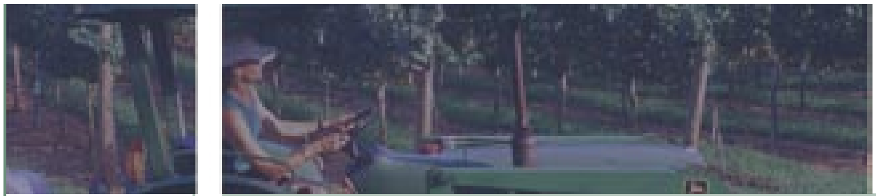
In 1990, a small group of these advocates went to the legislature with a proposal for an $80 million investment in child care. Recalling the experience, one of the advocates acknowledged that the request was "utterly unreasonable," but went on to say, "As such, it got their attention, and it got them to appoint a Study Commission that in part laid the groundwork for Smart Start."

A Gubernatorial Candidate as Champion

In 1992, Jim Hunt, who had been North Carolina's governor from 1977-84, came back from eight years out of office, where he had worked as a lawyer, with focus and direction for his campaign to regain the governorship. Hunt had always been an education reformer; during his first term, he had brought universal kindergarten and increases in basic education aid to North Carolina. In the intervening years, he became a grandfather and experienced firsthand that a great deal of learning happens before kindergarten – and he recognized that not much was going on in the state to systematically take advantage of that opportunity. K-12 education reform would be more successful, he concluded, if

North Carolina

[24] Marx and Seligson (1988), page 277.



children came to school better prepared. He also saw the child care issue in economic terms, as shown in this campaign statement:

> *We have one of the strongest manufacturing economies in the nation. We have become a leader in science and technology. But we have failed to develop a common vision and blueprint for the first five years of our children's lives – the essential foundation upon which everything else is built. The quality of care that children receive in their first five years will determine whether they succeed in school* <u>*and*</u> *in life.*[25]

Alongside prison issues and education reform, early childhood education was one of the three major issues of Hunt's 1992 campaign. Hunt talked about young children and families, about child development and early education, and about the struggles of working families to make ends meet and secure good child care. During the town meetings on education his campaign held, Hunt noticed that when he discussed child care and early education, parents would immediately start stroking their children's heads or hugging them closer. He knew he was onto an issue that resonated with voters emotionally, as well as with their concerns about the economy and about the quality of their lives. Hunt's agenda called for an early childhood strategy – a "partnership between business, families, child care, and local and state government…to develop a long-range plan for early childhood education in North Carolina."[26]

Smart Start is Born

Hunt announced his plan for an early childhood initiative in late 1992, less than two months after he was elected. Some of the work of envisioning the initiative had already started. Under the leadership of Lucy Bode, Hunt's political advisor, a small group of advocates and researchers, which included Dick Clifford, Stephanie Fanjul, Marjorie Tate, Sue Russell and Michele Rivest, had been helping to frame early childhood issues during the campaign. After the election, this group worked in high gear to develop the details of the program, budget and legislation before the 1993 legislative session began in January.

The bill, called "an act to develop and establish early childhood initiatives," included the partnership concept Hunt had talked about in his campaign – the core idea that would translate into Smart Start – along with improvements in child care regulations for infants and toddlers, and state funds for the T.E.A.C.H. Early Childhood® project.

Smart Start was designed as a partnership between the state and its local communities. The purpose of the partnership was to develop the services and infrastructure needed to offer all children access to high-quality early childhood education and development services. (In fact, in recognition that it would take even more than these services to ensure that all children would come to school healthy and ready to learn, Smart Start was soon to expand to encompass enhanced child health services and family support services, along with early care and education.)

To raise the importance of early childhood and to provide for Smart Start's administration, the legislation established a new Division of Child Development (DCD) within the Department of Human Resources.[27] The law also created a statewide nonprofit corporation, the North Carolina Partnership for Children (NCPC), whose role was to oversee and integrate the work of the local communities.

According to the proposed legislation, Smart Start was to roll out with 12 pilot projects. Governor Hunt, by all accounts a brilliant political strategist, insisted that the projects be spread across the state — one in each of the 12 Congressional districts. This distribution would ensure that every region would feel the benefits of Smart Start and have reason to support the initiative politically. The Governor also insisted that even though only 12 counties would be funded in the first year, all 100 of them would be eligible and encouraged to apply. The result would be that in every county a group of local leaders would come forward together to focus on children's needs and how to address them. In keeping with this interest, one of DCD's responsibilities was to oversee a needs and resource assessment process for all counties.

[25] Hunt (1992), page 1.

[26] Hunt (1992), page 4.

[27] In addition, DCD brought child care subsidy and regulation, the Head Start Collaboration office and the state Interagency Coordinating Council for the early intervention system into one unit.

Another feature of the plan for the pilot projects was that implementation was to begin almost immediately after funding commenced. Only about three months were to be allowed for needs assessment and planning, and services were to be delivered during the first year that the funding was awarded. This rapid timetable meant that there would be tangible results to show the legislature, a kind of built-in accountability mechanism. Accountability was assured in other ways as well. The legislation required a comprehensive evaluation of Smart Start, focusing on both implementation and child outcomes. Moreover, fiscal accountability was assured by requiring the State Auditor's office to conduct an annual audit of each local partnership and of the NCPC. In essence, this requirement would pose stricter audit rules for the local partnerships and for NCPC than were placed on other nonprofit organizations.

The struggle to pass Smart Start was intense. In 1993, both houses of the legislature were controlled by Democrats, so theoretically it should have been easy for a Democratic governor to secure the enactment of a program that had already appealed to many voters. But the Republican opposition to Smart Start was highly energized, primarily because Republicans felt frustrated by their recent loss of the governorship (which for the previous eight years had been held by a moderate Republican, and one who had been only the second Republican governor of the state in the twentieth century. Democrats were not entirely happy either; with the former Republican governor perceived as weak, they had been running the show in the legislature. Now they had to contend with a strong leader with strong ideas from their own party.

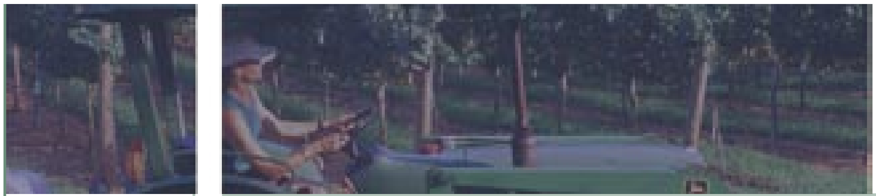
The conservative Republicans could not easily attack Hunt's other priorities (education is popular and his position on prisons was not unlike theirs), but Smart Start seemed like a conservative's perfect target. Opponents said the initiative was anti-family and anti-Christian, and that putting so much money in the hands of local groups would surely lead to misuse of funds. In late May 1993, organized grassroots opposition was orchestrated by the Christian Coalition, which rallied its members in North Carolina to oppose Smart Start, claiming that the program would allow government to intrude into the family and would put church-operated child care services out of business. Hunt fought back, refuting each of these claims with facts, and calling the opponents "right-wing extremists conducting a smear campaign."[28] He called the conservative religious leaders together, explained his plan for Smart Start and asked for their help.

Legislative champions in both houses prevailed, and the legislature approved Smart Start in July 1993 with an appropriation of $20 million. Clearly, the leadership of Governor Hunt, an extraordinarily passionate and gifted politician, was one major reason for this legislative success. But a number of other factors – so many that some said the stars had been aligned – were also important. The first star in alignment was that in the early 1990s, the state had surplus funds – and federal welfare reform had further expanded those resources. Second, the advocacy community had united behind the legislation. Moreover, advocates had been skilled at using data to make their case. For example, when advocates were able to make it clear to lawmakers that more than 80 percent of licensed child care programs already met the bill's standards for the ratios of child care staff to infants and toddlers, the legislature easily accepted the ratios. Yet another star that seemed to be well aligned with the others was a cultural factor: In the early 1990s, North Carolina wanted to be in the "new South," committed to education and progress. Jim Hunt and his interest in early education epitomized what it meant to be part of that culture.

Starting the Pilot Projects

DCD, which was to provide ongoing technical assistance to Smart Start, was charged with developing a statewide selection process for the 12 pilot sites. Every county received DCD's request for applications, which was sent to the chair of the local interagency coordinating council (the county's early intervention system) and to the executive of the county commission. The application requested documentation of the needs of young children and required a collaborative plan to address those needs. The plan was to be developed with participation from a diverse group in the county, which was to include county commissioners, school officials, early childhood program staff and other community leaders. Ninety-four of the state's 100 counties applied. The Governor's instincts about the value of making the process open to

[28] Winston- Salem Journal. May 27, 1993. "Hunt Accuses Critics of Smear Campaign"



all counties had paid off. The application process became a competition that built tension and interest among counties as they vied to be chosen. In ensuing years, the Governor fueled this competitive spirit by traveling the state and essentially saying, "Let me show you what you could have."

By the September following the July passage of the law, 12 partnerships representing 18 counties had been selected, and the pilot projects began operating in January 1994. Meanwhile, two behind-the-scenes architects of Smart Start readily took on the tasks of implementation. Dick Clifford had been appointed the first director of DCD, with Stephanie Fanjul as his deputy. Fanjul became director after a year and stayed through 2000 (close to the end of Hunt's second term).

The Evolution of Smart Start and North Carolina's Early Childhood System

A Brief Calm – and Gathering Opposition

Growing Smart Start from a pilot program with $20 million in state general revenue to a statewide program with $200 million serving every county was not an easy task. The first legislative session after Smart Start was enacted was fairly uneventful; the appropriation doubled and 12 more partnerships were funded. But by the 1995 legislative session, the struggle to expand Smart Start was marked by the intensity of the original battles over whether it should be enacted.[29]

Republicans had taken control of both houses of the legislature in the November 1994 elections, and scrutiny of Smart Start grew in the 1995 session. The legislature commissioned an independent performance audit of the program by Coopers and Lybrand. Also for the first time, there was a specific requirement for a 10 percent match of the Smart Start appropriation. (Of this amount, at least half had to be cash and the rest could be in-kind.) Nevertheless, in this Republican-dominated legislature where favorable reactions to Smart Start were by no means a given, the 1995 session increased the appropriation to $58 million and added 11 counties to the project.

The North Carolina Child Care Coalition

It was in the 1995 session that the North Carolina Child Care Coalition began a practice that continues to this day – employing a full-time lobbyist to be in the legislature every day it is in session. Besides providing this continuous presence representing the Coalition, the lobbyist, Roslyn Savitt, communicates with Coalition members via regular alerts, informative summary reports, and – in more recent years – monthly email updates.

The Coalition that employs Savitt has consistently made Smart Start one of its top priorities. Over the Coalition's 20 years of operations, it has steadily grown stronger. In comparison to its several dozen member groups when it was laying the groundwork for Smart Start in the 1980s, the organization now has over 100 members, including all the major statewide early childhood organizations, as well as other leading statewide organizations such as North Carolina Pediatric Society, North Carolina Council of Churches and North Carolina Association of County Directors of Social Services. Other members include local partnerships for children, individual child care programs and individuals.

From the earliest stages of building support for Smart Start, its advocates, including the Coalition, have been characterized by a willingness to stay behind the scenes. They have understood the importance of keeping confidentiality and getting the work done in a way that gives the political leader – the legislator or the governor – all the credit for the outcome. As one advocate put it, "It's not about me; it's about advancing the cause."

A Failed Attempt to Slow Momentum and Additional New Requirements

In its 1996 session, the legislature received the report of the Coopers and Lybrand audit. The report found that with the exception of a few minor instances of poor accounting practices, Smart Start was working as expected, and the recommendation was that the project be expanded. The right wing of the Legislature reacted by using its votes to keep the entire supplemental budget from passing (thus starving Smart Start of funds) until the short session ended. When the legislature adjourned in late June without passing the supplemental budget,

[29] North Carolina has a biennial Legislature. In odd numbered years, the Legislature has a "long session," which begins in January and lasts through either June or however long it takes to pass the budget. In even numbered years, the legislature has a "short session," beginning in May and ending in June. The short session is focused on the supplemental budget for the second year of the biennium, and this budget always includes teacher pay raises. (Public school teachers are state employees in North Carolina.)

public school teachers and other constituencies were in an uproar. Hunt, who was running for re-election, called the legislators back into session to finish the budget. During this added session, Smart Start's proponents prevailed: The Smart Start appropriation increased to $67 million, and 12 additional partnerships were added for a total of 55 counties, covering well more than half the state's population.

At the same time, new mandates were imposed. The legislature required that at least 30 percent of Smart Start funds be used for child care subsidies. (Some of these funds can be combined with DCD's own child care funds to be used for child care purposes determined by the local Smart Start partnerships.) The legislature also required that the administration of Smart Start be moved from DCD to the North Carolina Partnership for Children (NCPC).

Smart Start proponents actively worked to ensure that the new mandates would not undermine the program's standing. When the 30-percent requirement was under discussion, NCPC, in an example of skillful use of data, pointed out that in fact about 42 percent of funds were already being spent on subsidies. In doing so, NCPC essentially confirmed that such spending was good policy and that current practice was already meeting the legislature's expectations and intent. Over the years, Smart Start supporters have continued the practice of systematically informing the legislature about any instances in which Smart Start has met or exceeded requirements. Data in both formal and informal reports to the legislature highlight these accomplishments.

In a similar vein, the way in which Smart Start proponents responded to the requirement that the initiative's administration be moved from the government to NCPC typifies the politically pragmatic style – in essence, make things work for you – of the state's early childhood leaders. Like the 30-percent requirement and other mandates that were to come, this shift in administration may have been intended to slow down Smart Start. Proponents' response was: We can work with this.

Overall, the prevailing attitude of North Carolina's early childhood leaders toward changes to Smart Start – and indeed to other early childhood policies – is: Don't expend energy on things you can work with, save it for the big fights, which are usually about the money. Also with a style that could be characterized as "making lemons out of lemonade," many Smart Start proponents have also had the maturity to view mandates like the annual audits not as obstacles but as requirements that can only make Smart Start stronger.

"No matter what was done to make it harder for us to succeed, we just did what was good for kids."

—state early childhood leader discussing organized support for Smart Start

An Expanding Base of Support

As each new county was added, the constituency for Smart Start grew. By the time Jim Hunt stood for re-election in 1996, Smart Start had literally thousands of local supporters – leaders on the boards of local partnerships, organizations delivering services and participating families. In addition, the well crafted partnership structure of Smart Start at the county level, bringing together diverse leaders from both the public and private sectors, added to the initiative's growing support.

Smart Start was also benefiting from a stability and commitment of leadership that has continued throughout the program's history. Karen Ponder's relationship with Smart Start illustrates this stability. Ponder was an early manager of Smart Start in DCD, who moved over to become NCPC program director when the legislature shifted administration from DCD to NCPC in 1996. She became NCPC president in 1998, a position she still holds. Michele Rivest, who was hired

to be the director of Smart Start's first local partnership, the Orange County Partnership for Young Children, which was funded in 1993, remains the Partnership's director. Ashley Thrift, a lawyer and political leader, became engaged in the first-year planning for Smart Start in his community, Forsyth County. He soon became a member of the NCPC Board and has been its chair for many years.

Another asset helping Smart Start was that through skillful communication strategies, the audit report requirement (toughened by the requirement for an independent audit that began in 1995) never became the stumbling block that it might have posed to the initiative and its counties. Especially during the challenging early years for the local partnerships, when they were receiving allocations of funds to provide services at the same time as they were building their organizations, audit problems could have significantly slowed their momentum and undermined their support.

In fact, most audit findings pointed to fairly minor errors such as lack of a signature on a contract. However, in one or two instances – such as one accountant who embezzled funds and then left the country – major transgressions were uncovered. And every audit report, no matter what the significance of its findings, made the local papers.

As the NCPC and counties received audit reports (before they were made public), they contacted local legislators and explained the findings and their plan for fixing any problems. Legislators were invited to visit, see programs and review the audit with the local partnership leaders. On behalf of the NCPC, Karen Ponder made calls to the legislators of audited counties to say, "Here's what's coming. The newspapers will make hay, and we want you to know before it comes out and know what we're doing to fix it." As part of its technical assistance support, the NCPC helped local partnerships write the press release for any bad news and assigned a spokesperson, usually a board member, to handle press inquiries. As Ponder observes:

> *We learned this from Jim Hunt – when there's bad news, you take charge of delivering it and making it an opportunity to communicate about what you're doing to make it right. We just apply this to little children.*

Jim Hunt remained Smart Start's most talented and visible champion. In his 1996 re-election campaign he capitalized on the initiative's reputation for serving children and families well. Smart Start was featured prominently in his campaign in advertisements with the theme, "Good start, right direction, more to do." In November 1996, Hunt won re-election to an historic fourth term. His victory was perceived as a mandate for Smart Start.

Hunt's Last Term: Increasing Investments, Additional Mandates and Building the System

In the 1997 session, the Smart Start appropriation was raised to $97 million. Fifty-five counties continued to receive allocations and the remaining 45 counties received Smart Start funding for planning.

The 1997 session also brought a call for another new requirement: To preserve Smart Start's focus on early education, legislators proposed mandating that at least 70 percent of funds be spent on child care subsidies. In order to maintain work on quality improvement and system building that was proceeding under the Smart Start umbrella, NCPC and the local partnerships worked successfully to change the language to require that 70 percent be spent on "child care-related activities." Again, the attitude of the advocates was that the new requirement was manageable and that it was legitimate for the legislature to want to take steps to maintain the original intent of the law.

Another development in the 1997 session witnessed a first step toward including a new element in the state's early childhood system. The legislature authorized the Secretary of DHS to issue a rated child care license and work on its development began.

In the 1998 session, the Smart Start appropriation jumped to $143 million and all counties received allocations. The November 1998 elections returned both the House and Senate to Democratic control.

Smart Start's appropriation reached $217 million in the 1999 session. The first wave of reports on Smart Start's impact on child outcomes, conducted over several years by the Frank Porter Graham Child Development Institute at the University of North Carolina at Chapel Hill, were released, with results from six counties showing that children were better prepared for school.

Other elements of the early care and education system were advanced in this session. Over the years, the state had been making progress in improving the quality of care as well as in expanding its supply. For example, staffing requirements for licensed child care centers had improved over time, primarily by making training and education both widely available (in every community college) and financially attractive (with T.E.A.C.H. Early Childhood® scholarships supporting students to pay college tuition), and by creating voluntary credentials that could be required in child care regulations once a critical mass of staff had acquired them.

Now in another step to bolster quality, the legislature approved implementation of the five-star rated licensing system to take effect in 2000. The rated license is the basis for a tiered reimbursement system whereby subsidized providers are paid differential rates depending on the number of stars they receive through independent assessments of their quality. The new rating system applied to all programs, including those sponsored by public schools.

During the 2000 legislative session, the T.E.A.C.H. Early Childhood® Health Insurance program (North Carolina Cares) was launched with federal Child Care and Development Block Grant (CCDBG) quality funding.

Leaving a Legacy

The 2000 session was Governor Hunt's last year in office; term limits prohibited him from running again. As an exceptionally astute politician, he crafted a strategy to secure Smart Start after his term ended. As Karen Ponder recalls:

> *In the last year or so of his term, Hunt would call Stephanie [Fanjul, director of DCD] and me into his office and he'd say "I have a year – what else do I need to do so this will not be unraveled?" These discussions involved everything from small operational issues in DCD to big legislative matters. Governor Hunt was focused on making sure he'd done as much as he could do to make Smart Start secure and solid.*

Part of Hunt's strategy was building the capacity of local leaders to speak for Smart Start and at the state level gradually shifting the focus from himself to other leaders such as Ashley Thrift, chair of the NCPC Board, and Karen Ponder. There was also a deliberate shift from focusing on the politics of establishing Smart Start to focusing on the people positively affected by the initiative, the families who now had access to better quality care and the children whose positive outcomes were well-documented.

The 2000 legislature appropriated $231 million for Smart Start. It also increased the initiative's cash match requirements. While the match remained at 10 percent of the state appropriation, the state and local partnerships had to assure that at least 75 percent of the match was in cash (with the rest in-kind).

> **"Literally, in the early years of Smart Start, Jim Hunt put everything he had into it."**
>
> — Smart Start leader

Following the session, Hunt left office, but he did not leave Smart Start behind. Karen Ponder observes:

> *He continues to be its champion even these days. I can be speaking to a legislator in their office and they'll laugh and say, "That phone will ring in five minutes – and it'll be Jim Hunt saying, 'You need to listen to her.'"*

2000 – 2004: Smart Start Adjusts to a New Governor and Weathers a Rocky Funding Environment

In November 2000, the Democratic candidate, Mike Easley, was elected. His opponent in the primary had proposed a prekindergarten program, and Easley had begun to craft his own and talk about it in the campaign. Recognizing that the plan was not fully detailed and that it certainly would interact with Smart Start and the early care and education system, a small group of early childhood leaders who had worked with Hunt to craft Smart Start approached Easley after the election and offered their help in developing the plan. Easley accepted. As one of them observed:

> *To play this role with politicians, you have to establish credibility over time – 10 years or more. You have to always go out, do the best you can, tell the truth and look for opportunities to advance policy. When they come, act fast.*


The 2001 session, Governor Easley's first, was the longest in the state's history, lasting into December. The General Assembly was controlled by Democrats, strongly in the Senate (35-15) and with a slim margin in the House (62-58). The economy was not in good shape, and to deal with a deficit of more than $1 billion, all areas of the budget were cut. However, proportionately Smart Start received cuts no higher than the ones imposed on K-12 and higher education. Easley proposed funding Smart Start at its current spending level, that is, reduced by the amount of its previous year's appropriation that had not been spent. In keeping with his recommendation, Smart Start's appropriation was decreased to $220 million.

Also during this session, Governor Easley's prekindergarten program, More at Four, received its first appropriation of $6.5 million. More at Four is designed to reach at-risk four-year-olds who are not served by any early childhood program. Only programs that are awarded four- or five-star status through the state's quality rating system are eligible to operate More at Four classes. Part of the More at Four allocation is used for T.E.A.C.H. Early Childhood® scholarships for staff in More at Four classrooms in child care settings.

In the 2002 session, the deficit worsened (reaching $2 billion) and Smart Start funding was reduced to $199 million. Meanwhile, More at Four increased to $34.5 million. In another enhancement of the early childhood system during this lean year, the state's compensation bonus program, WAGE$, which began as a pilot with the Orange County Partnership in 1994, was made available statewide by funding its administration with CCDBG quality funds and having the bonuses paid by local partnerships that chose to participate.

The total amount of state funds appropriated for early care and education during this period remained more or less steady or was slightly increased. However, the proportions of funding shifted among Smart Start, More at Four and other parts of the system. In support of Smart Start and child care, hundreds of child advocates attended the first "Keep the Promise to North Carolina's Young Children" rally at the North Carolina Legislature, presenting lawmakers with over 10,000 signatures on a petition favoring Smart Start.

In the November 2002 election, the Senate remained Democratic but with a closer margin (28-22); the House shifted to Republican control (61-59). One Republican switched parties making the count 60-60; the House decided to have bipartisan co-speakers.

In the 2003 session, Smart Start again took a small cut, receiving an appropriation of $191 million, while More at Four was increased to $43 million. The second Keep the Promise rally was held. Positive findings from Smart Start's Performance Audit led the legislature to permit local partnerships that had audit results of superior or satisfactory to be audited every two years instead of annually.

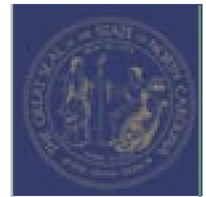
In the 2004 session, the Governor's budget did not contain any cuts to Smart Start and its appropriation remained the same as in the previous year. Funding for More at Four increased to $51 million and the director of More at Four was added to the NCPC Board. The legislature established a Smart Start Funding Study Commission to examine the current funding system for Smart Start and "strategies for achieving full funding and full service for North Carolina's young children and families and funding equity among all counties and local partnerships."[30] A report from the Commission is due to the 2005 General Assembly.

In November 2004, Governor Easley was re-elected, the House returned to Democratic control and additional Democratic seats were added in the Senate.

A Well Articulated Early Childhood System

The story of Smart Start's growth and development is replete with the twists and turns of hard fought political battles, complex policy changes and canny leadership. Especially because the road has not always been straight, it is important to recognize where it has led: In establishing Smart Start, More at Four and other related initiatives, North Carolina has created not just an innovative set of programs but an unusually coherent state system of early care and education, which encompasses child care and prekindergarten and a community and state infrastructure, with funding and policies to support that infrastructure.

[30] Session Law 2004-161, The Studies Act of 2004, Part XXXV, Smart Start Funding Study, Section 35.4



For a variety of reasons, Smart Start – especially if it is considered in conjunction with its fellow programs such as More at Four and North Carolina's other early childhood initiatives – can be considered the poster child for such a system. First, Smart Start itself contains all of the elements that are considered most important by early childhood experts and others who have envisioned what such a system should look like. Smart Start: provides for *needs assessments*, is backed by *significant resources*, is characterized by an *alignment of resources and needs*, contains *mechanisms for accountability*, has established *state-community linkages*, and has a *focus on outcomes* (the main outcome sought being that all young children are ready for school).

Second, by definition, a system is an interdependent set of elements, and indeed the elements of Smart Start function in concert with one another. The most important arenas for this integration are the Smart Start local partnerships, which collectively form the linchpin of the state's system-building efforts. It is at the local level that many different actors and institutions, both inside and outside of government, work together to examine all of a county's early childhood needs and to collectively develop strategies to address them. In describing what makes Smart Start work, one leader cited, "... the strength of the local partnerships and their ability both to be accountable for the funding and to demonstrate results for programs that are implemented locally."

Third, reinforcing the local-level integration of the Smart Start partnerships, North Carolina's child care services are marked by two other kinds of collaborations: 1.) collaboration across state agencies and initiatives, and 2.) collaboration between different state institutions and the local Smart Start partnerships. Examples of these kinds of interdependence include:

State-Level Integration

- More at Four's use of the state's five-star rating system to set its eligibility standards for funding prekindergarten programs;

- application of the same five-star standards to all early care and education programs, regardless of their auspices;

- use of part of the More at Four allocation for T.E.A.C.H. Early Childhood® scholarships; and

- most broadly, collaborative efforts of NCPC, DCD and More at Four to advance policies to support the state's early childhood system.

State-Local Integration

- regular transmittal of information about local prekindergarten services from Smart Start local partnerships to More at Four. This information helps give More at Four a picture of the capacity of local programs to operate new prekindergarten programs and clarifies which children are not receiving PreK services;

- leveraging of statewide investments that DCD makes in quality improvements by local Smart Start partnerships according to their needs and resources. For example, as noted earlier, DCD's child care funds can be combined with the local partnerships' 30 percent allocation for subsidies to further child care purposes determined by communities.

- leveraging of Smart Start local funds for quality improvement activities that are also funded by the state. Statewide administration of the WAGE$ initiative is supported by DCD with CCDBG quality funds, but the bonuses for participants are paid by local partnerships using Smart Start funds.

All of these many interlocking partnerships and collaborations create a culture oriented to looking at change from a systemwide perspective. As one state leader observed:

> *I don't think any of us in North Carolina move without considering the impact on the system. So much of what we do is the result of our collaboration and consulting with each other – inside and outside of government.*


Reasons for Success

Unquestionably, North Carolina's success has been shaped by a commitment to creating the kind of coherent system that has just been discussed. But the state's experience also shows that political strategy is just as important as a good policy approach. It would be a mistake, for example, to conclude that creating a system like North Carolina's is an all-or-nothing proposition, with no room for incremental reform. Quite to the contrary, change has often come in fits and starts, with many compromises and accommodations. In fact, in addition to the clear vision of an ideal, the pragmatism and maturity of North Carolina early childhood leaders and advocates, who have been willing to prioritize and to pick and choose their battles, has been a key ingredient of the state's accomplishments.

The observations of one long-time state leader captures the creative tensions between ideals and practical considerations that have infused North Carolina's experiences with Smart Start:

> *You can figure out a perfect system and wait forever to implement it, or you can go with what you've got and build the pieces block by block. Make each block solid; make it statewide so there's support for it everywhere. You can't do this on small grants, you need solid public money, and the state and local communities working together. It won't be perfect but you'll make progress toward a system that works.*

One intriguing opinion that this observation puts on the table is that although change is often step by step, success does depend on having "solid public money." Smart Start appropriations took many years to grow, but even from the outset, the initiative was more than just another program.

Besides having established an unusually sturdy child care system, North Carolina has created one with strong roots at the local level, and unquestionably the broad-based constituency for Smart Start across the state has been an immense help in growing the system. Complementing the system's grassroots constituency, highly organized groups of advocates and state early childhood leaders, both inside and outside of government, have made skillful use of local data to make their case to legislators, including the positive data on child outcomes. In addition, NCPC has stepped in to help local partnerships develop effective communications strategies to support their initiatives. More broadly, at the state level, Smart Start has been fortunate to have an exceptionally stable and committed group of leaders, and the entire early childhood system benefits from close cooperation between NCPC, DCD and More at Four. Finally, North Carolina's success story cannot be told without giving a prominent role to gubernatorial leadership. As a Smart Start champion, Jim Hunt combined a clarity of vision with the political skills and instincts needed to translate that vision into policy and practice.

State General Revenue 1992-2004 for Early Care and Education in North Carolina

State Fiscal Year	*State Appropriations (rounded)*			*State expenditures for child care[1] (rounded)*	*TOTAL*
	Smart Start[1]	*More at Four[2]*	*T.E.A.C.H.[1]*		
1992-93				$32,100,000	$32,100,000
1993-94	$20,000,000		$1,000,000	$42,700,000	$63,700,000
1994-95	$46,800,000		$1,000,000	$58,300,000	$106,100,000
1995-96	$57,300,000		$850,000	$57,500,000	$115,600,000
1996-97	$67,400,000		$1,300,000	$59,600,000	$128,300,000
1997-98	$97,400,000		$1,400,000	$66,200,000	$165,000,000
1998-99	$143,000,000		$1,500,000	$60,800,000	$205,300,000
1999-00	$216,800,000		$2,000,000	$64,500,000	$283,300,000
2000-01	$231,200,000		$2,600,000	$58,500,000	$292,300,000
2001-02	$220,200,000	$6,400,000	$2,600,000	$58,800,000	$288,000,000
2002-03	$198,600,000	$34,500,000	$2,600,000	$73,500,000	$309,200,000
2003-04	$191,000,000	$43,100,000	$2,600,000	$61,900,000	$298,600,000
2004-05	$191,000,000	$51,100,000	$2,600,000	$70,200,000	$314,900,000

1. Smart Start, T.E.A.C.H. and child care general revenue amounts from Division of Child Development, NC DHHS. Amount for state child care expenditures includes state funds for subsidy and administration; all quality dollars are federal.

2. More at Four general revenue amounts from More at Four 2005 Report to the Legislature.

Chapter 4

Rhode Island

Rhode Island

Key Accomplishments in Rhode Island

- unique among the states, an entitlement to child care assistance for low-income families and access to health care coverage for child care staff
- Starting RIght, a state system encompassing early education; support for networks of child care programs that provide comprehensive services such as the ones offered through Head Start; and before- and after-school care, with services extended to youth through age 16
- child care reimbursement rates at 75th percentile of recent market-rate levels
- current state investment of $66 million in early care and education services

The Story

The Children's Cabinet

Change in state policies that affect children can be greatly facilitated if representatives of different state agencies with different responsibilities meet to discuss common concerns. In 1991 Rhode Island state law created a governmental body that according to several state leaders became an important venue for such discussions. Designed to foster cooperation among state agencies to address the needs of children and families in an integrated and effective way, the Rhode Island Children's Cabinet is composed of the directors of the range of state departments that serve children: Human Services; Health; Children, Youth and Families; Labor and Training; Administration; Mental Health, Retardation and Hospitals; Higher Education; and Elementary and Secondary Education. The Cabinet also includes the governor's policy director and the Rhode Island child support enforcement administrator. While there are no official private sector representatives to the group, the Children's Cabinet has partnered with Rhode Island Kids Count,[31] a statewide policy organization that collects, analyzes and disseminates information about the status of the state's children, to measure progress toward meeting the Cabinet's goals.

In 1992 the Cabinet adopted a five-year plan and committed itself to working toward four broad outcomes:

1. All children will enter school ready to learn.
2. All youth will leave school prepared to lead productive lives.
3. All children and youth will be safe in their homes, schools, and neighborhoods.
4. All families shall be economically self-sufficient yet interdependent.

Welfare Reform

In 1994, two years after the Cabinet issued its plan, Rhode Island elected a new governor, Republican Lincoln Almond. Previous governors had served two-year terms; under a change in state law, Almond was the first to be elected to serve for four, and some observers believe that his longer tenure encouraged him to take a longer view of policymaking. Indeed, early in his term, the Governor took two steps that were destined to contribute to significant reforms in the state's child and family policies: He continued the Children's Cabinet, and he hired a dynamic leader for the Department of Human Services (DHS), Christine Ferguson, who had been Senator John Chafee's chief of staff in Washington and a major player in the arena of health care reform. Ferguson brought to her new job a seasoned veteran's understanding of how to create change in a political system. Her background and expertise in the health care field, with its emphasis on the entitlement of families to services, would also turn out to be very important in moving an early childhood agenda in Rhode Island.

As Ferguson came on board at DHS, one major political and policy shift on the horizon for her agency and for the state was federal welfare reform. According to commentators on this period, "…it seemed increasingly clear that the Republican Congress was determined to revolutionize the welfare system in ways that would likely be harmful to Rhode Island residents."[32]

---

31 Kids Count, a project of the Annie E. Casey Foundation and funded primarily by the Foundation and local philanthropies, is a state-by-state effort to use data to highlight conditions of U.S. children. Rhode Island Kids Count began as a project of the Rhode Island Foundation in 1995 and became a separate entity in 1997.

32 Anton et al (2001). Against the Tide, p. 3. This engagingly written paper tells the story of the politics and implementation of welfare reform in Rhode Island.

In early 1995, this prospect galvanized community leaders from the Campaign to Eliminate Child Poverty and the Rhode Island Public Expenditure Council (a business-supported group) to form a study group to explore welfare reform options and frame a welfare proposal. Members of the new coalition expanded their ranks with diverse groups, which included legislators, the United Way and Ferguson, among others. These public and private sector players worked together at first, but in the summer Governor Almond announced a plan to hold community forums across the state to gather public input on welfare reform, bypassing the coalition. Jane Hayward, today the state's secretary of Health and Human Services, and then the assistant director of DHS, o that the forums teliFered Msl ar

In the new context of welfare reform, these arguments worked, effecting change in an area where demands had gone unmet for many years. When the 1997 legislative session added several provisions to the welfare reform statute, one was on child care payment rates. Rates were to be raised in three stages, in January 1998, 1999 and 2000, to reach the 75th percentile of market rates. The then most recent market-rate survey (1993) was to be used to calculate the 1998 and 1999 increases. But the Department of Labor and Training was directed to conduct a new market-rate survey by June 30, 1998 and then every two years thereafter, with the 1998 survey to be used to set the 2000 increase at the 75th percentile.

A Policy Environment Conducive to Non-Governmental Participants

Advocates can serve a number of valuable functions in advancing public policy: among them, providing data, developing policy proposals, reacting to legislative and administrative proposals and critiquing implementation. As welfare reform got under way, Rhode Island had several major advocacy groups equipped to play some or all of these roles. Kids Count (the newest group) was becoming a trusted source of data for legislators and other policymakers, and a consistent private sector partner with the state.[34] Kids Count was also part of another important policy coalition in the state – One Rhode Island, which focuses on economic security.

Christie Ferguson, a state official who recognized the value of the contributions made by such groups, worked well with advocates and with community groups. At a conference held at Harvard's Kennedy School, Christie described her approach to engage with outside advocates:

> *You challenge the turf protectors and disarm the opposition by getting the outside advocates to ask the hard questions. Give them access to the data, and let them use it to be the "cattle prods."*[35]

Once the state's welfare reform bill had been enacted, advocates actively sought to be involved in its implementation. Ferguson agreed that they deserved a place at the table, because she believed that community input and criticism are essential to policymaking, and that major policy change will not succeed without community support. In her view the "creative tension" of the consensus-building process can be used as a positive force to move from broad policy conceptions and ideology to practical solutions, issue by issue. As she described it, "We move forward and re-set the creative tension band to achieve new goals. It's high stakes/high yield."[36]

Under Ferguson's management, the implementation of welfare reform was guided by an open, flexible structure perhaps unique to Rhode Island that has come to be called "participatory administration." Under this system, essentially anyone in the state who wanted to be a part of the implementation process was invited to join the Welfare Reform Implementation Task Force. Advocacy groups, academics, welfare rights organizations, and employment and training agencies participated. The group, which continues to this day,[37] has no bylaws – and that feature, combined with its open membership, makes its style informal. However, it generally follows public meeting rules: Meeting times and places are announced, agendas are posted, and minutes are kept and distributed. Ferguson asked two respected community leaders, Linda Katz of the Poverty Institute and Elizabeth Burke Bryant of Rhode Island Kids Count, to serve as Task Force co-chairs. Throughout 1997, the group met weekly, using both subcommittees and full-group deliberations to thrash out the details of implementing welfare reform. Senior staff of DHS met with subcommittee members and provided data to them.

---

[34] Currently Kids Count is partnering with DHS under a Child Care Research Partnership Grant awarded to the state from the federal Child Care Bureau. Kids Count is helping to develop the project's research and evaluation agenda and takes the lead in communicating research findings to policymakers.

[35] Notes from talk by Christine Ferguson, Cambridge, Massachusetts, June 27, 2001.

[36] Excerpt from PowerPoint delivered by Christine Ferguson, Cambridge, Massachusetts, June 27, 2001.

[37] It now meets monthly, rather than weekly, as it did in 1997.

The Danforth Policymakers' Program: A Valuable Forum for Planning

In summer 1997, a diverse team of 30 Rhode Islanders representing public and private groups concerned with child and family policy[38] spent a week in St. Louis, where, after hearing briefly from child and family policy experts, they crafted a plan that proposed bold solutions to child care problems. The initiative that brought the team to St. Louis, the Policymaker's Program, was a 10-year project, running from 1992 to 2002, which was sponsored by the Danforth Foundation, the Education Commission of the States, the National Conference of State Legislatures and the National Governors' Association. Responding to the troubled state of children in America and to the equally troubled, fragmented and inefficient service delivery system, the Program was designed to convene education and human service policymakers to develop a shared vision of improved conditions for children and families, and to create results-focused plans to translate that vision into reality.[39] Teams were intended to represent a state's legislature, its executive branch – both the education and human services agencies – as well as relevant constituencies such as community leaders.

Rhode Island's participation in the Program was catalytic. As one participant said, "In four hot days in St. Louis in August, we developed four plans that became the Starting RIght bill."

In 1997, public attention had been caught by findings from the field of neuroscience on early brain development. There were babies on the cover of *Newsweek*, the "I Am Your Child" campaign was in full swing and the Rob Reiner television special on early brain development had aired in April 1997. The Rhode Island team sought to develop a plan that would capitalize on this new interest. Similarly, they wanted the plan to reflect findings from recent reports from Rhode Island's Governor's Juvenile Justice Reform Task Force about the prevalence of youth crime and violence during after-school hours. Finally, they tried to craft an early childhood initiative that would build on existing strong policies, such as the child care entitlement and education reform bill that had been passed along with FIP.

Using the four desired outcomes that had been articulated by the Children's Cabinet in its five-year plan as a starting point, the team crafted a legislative children's agenda to:

- extend Head Start to reach all eligible three- and four-year olds;
- expand school-age care and develop new youth programs for youth between 13 and 16 years old;
- improve the quality of all child care through professional development, raises in subsidy rates, start-up and innovation grants, and provision of health care coverage to staff of child care programs; and
- over three years, expand access to child care by increasing the family income eligibility limit from 185 to 250 percent of the poverty level (at which point the limit would match the one for Medicaid eligibility).

These elements became the basis of the Starting RIght Initiative that was introduced as amendments to the Family Independence Act by Danforth team members Representatives Nancy Benoit and Paul Sherlock in the 1998 legislative session. Starting RIght proponents were strongly united behind the proposal. Through the Danforth Policymakers' Program process, the key leaders in the Children's Cabinet (the executive branch) and the legislature had come to consensus about the content of the initiative and the role of the various state agencies. All agreed that because the plan was built on child care and Head Start, the logical department to lead was DHS, which managed child care and Head Start. The role of the Department of Education (DOE) and other agencies was to promote quality across settings. Collaboration was expected; the statute specifically calls for:

[38] Rhode Island sent a diverse team of 30 individuals to St. Louis. They included most of the Children's Cabinet – the Commissioner of Education (Peter McWalters), and directors of Human Services (Christie Ferguson), Children Youth and Families (Jay Lindgren), Health (Patricia Nolan), Mental Health (Kathryn Power) – and several of their senior staff (Sherry Campanelli from DHS, Virginia da Mota from DOE and Lee Baker from DCYF). Representatives of the Governor's Office and four key legislative leaders (Senator Tom Izzo and Representatives Nancy Benoit [long-time chair of the Legislative Commission on Child Care], Leo Blais and Paul Sherlock) were part of the team. The Head Start Collaboration Director (Larry Pucciarelli), Linda Katz from the Poverty Institute and several community or

[39] Danforth Foundation (July 1998). The Policymakers' Program: The First Five Years, Vol. I. Strategies for Improving the Well-being of Children and Families. St. Louis, MO: Danforth Foundation.

> *the departments of children, youth and families; human services; elementary and secondary education; and health to collaborate…to provide monitoring, mentoring, training, technical assistance and other services which are necessary and appropriate to improving the quality of child care…* [40]

The testimony given in support of the bill on behalf of the administration was delivered by the Children's Cabinet as a team, standing, according to one observer, "shoulder to shoulder." Even though most of the funding that the legislation called for went to DHS, each department head supported the bill fully, saying, in effect: These goals support my agency's goals.

Debate on the bill featured a compelling chart that had been issued by Rhode Island Kids Count in fall 1997. Using town-by-town data, it showed that the number of children under age six enrolled in FIP almost equaled the total number of regulated child care spaces in the state for children under six of *all* income levels. These statistics graphically made the connection between the child care entitlement in FIP that had passed in the previous session and the need to scale up the supply and quality of child care through the Starting RIght legislation.

The Starting RIght bill passed in June 1998, with most provisions taking effect in January 1999. The bill appropriated $1 million for the state's FY1999 and proposed $7 million for FY2000 and $13 million for FY 2001. In another provision, the bill opened the door to staffing increases for state agencies that serve children and families: Rhode Island has statutory limits on the number of full-time equivalent employees (FTEs) by agency, and the bill increased the FTE limit for DHS by 9, for DCYF by 3 and the DOE by 3. Also in a measure that the Public Policy Coalition worked to have included in the legislation, the bill raised rates for providers to the 75th percentile of the 1998 market-rate survey, one year in advance of the time for taking that step that had been specified in the earlier legislation.

Implementing Starting RIght

A Participatory Approach to Implementation Backed by Strong Leadership

Using the same approach of participatory administration that had been developed during the welfare reform process, a Starting RIght Implementation Committee was formed to help the state departments implement the law. The Committee was intended to offer participants an open and inclusive process with the opportunity to shape policy and to guide implementation. At the same time, it was designed to give the relevant departments a forum to test out policies, get early warning of pitfalls and make corrections. Advocates appreciated the process: They saw that when new legislation was passed, their role did not end with bureaucrats taking over; instead the inside-outside relationship continued.

Christie Ferguson asked Elizabeth Burke Bryant of Kids Count and Alexandra Moser of the Public Policy Coalition for Child Care to co-chair the Committee. At a Think Tank Retreat jointly convened by DHS, DOE and the Department of Children, Youth and Families (DCYF) in fall 1998, four subcommittees were formed to develop the implementation plans. The subcommittees and their tasks were:

1. Professional Development – to plan the training system for personnel and accreditation for child care and early education programs
2. Comprehensive Child Care Services – to plan the child care enhancements and Head Start expansion
3. Youth Services – to develop before- and after-school and youth programs
4. Policy and Systems – to focus on the reimbursement rate increases, family eligibility expansion, streamlining the payment system, extending health insurance provided by RIte Care to center-based providers, and organizing the start-up and innovation grants program

The co-chairs of these subcommittees reflected the diversity of the early care and education community. For example, the Professional Development Subcommittee was chaired by Judy Victor of Day Care Justice Coop (a family child care provider network that had been

[40] Article 11. An Act relating to the Starting Right Initiative, section 42-72.1-3, page 10.

instrumental in securing health insurance for family child care providers as part of welfare reform) and Sue Connor, president of the Rhode Island Association for the Education of Young Children. The Comprehensive Services Subcommittee was co-chaired by Kim Main, director of Sunshine Early Learning Center (a child care agency) and Lynda Dickinson, director of Child Inc. (a Head Start agency).

Each subcommittee worked over the year, coming together for monthly Starting RIght Implementation meetings. As had been the case during the welfare reform process, senior staff of departments met with these groups and membership was open to anyone who expressed interest in joining. The subcommittee reports were presented at an all-day meeting in September 1999. Once the plans were officially accepted by the Children's Cabinet, DHS was charged with administering them through its Office of Child Care. The Starting RIght Implementation Committee continued to meet until September 2000, when it transformed itself into the Advisory Committee on Child Care and Development (ACCCD), signaling that implementation of Starting RIght was underway and that ongoing advice would be needed.

Like its predecessor, Starting RIght Implementation Committee, the ACCCD embodies participatory administration. Using the same set of practices that have guided the Welfare Reform Task Force and that were applied to the Implementation Committee, ACCCD is open to anyone who wants to participate, has no bylaws and generally follows public meeting rules. And again like its predecessor Committee, ACCCD offers participants a chance to shape policy and implementation in an inclusive atmosphere that gives them early notice of rulemaking, while at the same time giving the Department valuable feedback that allows it to make mid-course corrections. Rhode Island leaders say it is essential that the departments commit senior personnel to staff ACCCD, that they maintain ongoing consultation of the group's members and that they be active seekers of input, rather than passive receivers of information.

"Our credo has to be, "I will ask for advice early and often," and "I will share drafts" – not when they're final, but when they can be changed. Listening is crucial, and responding promptly to all requests for information is essential to making this work. Don't promise what you can't deliver and always deliver what you promise."

— Sherry Campanelli, DHS Associate Director, describing her department's approach to participatory administration.

Complementing the participatory spirit of the implementation process was the strong and dynamic leadership of Christie Ferguson that had been instrumental in advancing an early childhood agenda. There is broad consensus that the progress Rhode Island has made in creating an early care and education system and the significant state investment in it would not have happened without Ferguson. She has been described as a fearless leader who welcomed criticism, an innovator relentless in focusing on results and a bureaucrat who dared to be bold.

Levels of Coverage and Expenditures

Several provisions of Starting RIght were intended to take effect in three stages: January 1, 1999; July 1, 1999 and January 1, 2000. On those dates respectively, income eligibility was to rise first to 200 percent of poverty, then to 225 percent and finally to 250 percent, the Medicaid standard. Health insurance coverage for licensed center-based providers was to be available to centers with 50 percent subsidized enrollment, then 40 percent and finally 30 percent. By January 1999, payment rates for child care were to reach the 75th percentile of market rates based on a 1998 survey. The changes scheduled for January and July 1999 have all been made; however, two of the changes scheduled for 2000 did not occur. Family eligibility is frozen at 225 percent of the poverty level, and health insurance is frozen at the 40 percent level. However, in 2000, eligibility for school-age care was extended to include youth up to age 16.

Child care assistance payment rates have increased dramatically: The 2000 rates represented a 70 percent increase over the rates in 1997. The most recent change, made in January 2004, increased rate ceilings to the 75th percentile of the 2002 market rate survey. The combination of entitlement and adequate rates has resulted in dramatic increases in supply and access for families: Between 1997 and 2002, the supply of licensed and certified child care increased by 66 percent, and the proportion of these providers that accept children with subsidies rose from 60 to 87 percent. In the state's FY2004, Rhode Island's expenditure for child care assistance payments was $80.5 million, 66 percent of which came from state general revenue.

Since 1996, RIte Care, the state's managed care program, has fully covered health care benefits for certified family child care providers who participate in the child care assistance program at or above a threshold level of reimbursement. With the onset of Starting RIght, partial coverage was extended to center-based providers and the state now reimburses 50 percent of health care insurance costs in centers where at least 40 percent of enrolled children participate in the child care assistance program. In the state's FY2004, the expenditure for health insurance for family child care providers and center staff was $2.86 million, all state general revenue.

Using Starting RIght to Expand the Reach of Head Start

Rhode Island's approach to extending Head Start to more eligible children is distinctive. Since 1986, in a practice used in several other states, Rhode Island has appropriated general revenue to support existing Head Start grantees. The original intent of this appropriation was to provide part of the non-federal match requirement; later the funds were increased and intended also to support enrollment of several hundred more eligible children. The appropriation has stood at $1.9 million for several years. The unique feature of Rhode Island's approach is the Comprehensive Child Care Services Networks, which evolved through Starting RIght.

When the Implementation Committee's subcommittee on Comprehensive Child Care Services was meeting, it proposed that the state define and fund comprehensive child care programs that would be similar to Head Start. In other words, these programs would include early education and child development services, along with social services; health, mental health and nutrition services, parental involvement activities and services designed to promote children's transition to school. The DHS Child Care Office and Head Start Collaboration Office worked together with the subcommittee to develop standards for these programs. The standards that were created are essentially the same as the federal Head Start Performance Standards, except for transportation and administration standards, which were omitted, and governance standards, which were modified. To promote collaboration among child care providers and Head Start agencies and increase the efficiency of support to and management of the program, it was conceived as a series of local networks of service providers, which would include family child care providers, centers, public school districts and the Head Start agencies themselves. Providers in this network would meet high standards; the entire network would need to be certified as capable of providing comprehensive Head Start-like services. Also, for the purposes of governance, the network would function as a collective "organization."

Funding was approved for the Networks in 1999. The funds were to support the operations of the networks, the extra costs of providing comprehensive services – about $4,000 per child in addition to subsidy payments – and the cost of part-day services for children whose parents were not working. In January 2000, the Certification and Performance Standards for Comprehensive Child Care Services Networks were officially approved by the Children's Cabinet and published. During the state's FY2000, network development grants were awarded to assist organizations to improve their education programs and to develop the capacity to provide comprehensive services. By spring 2001, four networks had been certified and began offering services. In FY2004, $1.3

million was expended for Comprehensive Child Care Services Networks to serve close to 300 very low-income preschoolers.

Quality Improvement Initiatives

Starting RIght includes a number of initiatives to improve the quality of early care and education programs. For example, Rhode Island is working toward a state-of-the-art professional development system that will specify core competencies for child care providers and offer accessible training and scholarships to help them attain college degrees. In keeping with the collaborative spirit that characterizes Starting RIght, DHS shares much of the work of developing and implementing this system with other agencies and institutions: Support for programs to achieve national accreditation is provided in collaboration with the Department of Education. On-site technical assistance for programs, provided via the Child Care Support Network, is offered in collaboration with the Department of Health. The Rhode Island Child Care Facilities Fund is a public-private venture that encompasses the state, the Rhode Island Foundation, and corporate and business partners. Finally, a statewide resource and referral service for families was launched as part of Starting RIght. In FY2004, Rhode Island spent $1.6 million on these activities.

Reflecting the continuing commitment to quality improvement and the collaborative spirit of Starting RIght, DHS and the DOE have collaborated on a multi-year project to develop early learning standards. The process brought together stakeholders throughout the state to write the first draft of a document that articulated the standards and provided a curriculum for implementing them. The draft was rolled out in pilot communities, which were required to assemble cross-sector groups of practitioners (family child care providers and providers from centers, Head Start programs and schools) to discuss the standards and apply them in their work with children. Based on the feedback from the pilot communities, the standards and the curriculum were revised and a new round of dissemination followed. A special effort was undertaken to engage families in the process of examining the standards, and it produced a set of activities for families that serve as a companion to the standards themselves and that are aligned with them.

The Early Learning Standards have now been approved by the State Board of Regents. Following that approval, the Commissioner of Education and the Executive Secretary of Health and Human Services jointly sent an announcement letter to all early care and education providers in the state urging them to use the standards.

Continuity of Leadership

Over the years of Starting RIght's implementation, a remarkably stable group of individuals, from both inside and outside government, have continued to nurture the initiative. With the exception of Christie Ferguson, who left DHS in 2002, the leaders of the Starting RIght agencies in 1997 are still in place, and nearly all the people who participated on the Danforth team continue to play the same roles. Key community leaders who participated in the Implementation Committee continue to participate in the ACCCD, and at least one has changed roles and become a bureaucrat. The state child care administrator, Reeva Sullivan Murphy, previously represented the Rhode Island Association for the Education of Young Children (RIAEYC) on the Implementation Committee; she joined DHS in 1999 to implement the Starting RIght plans. Elizabeth Burke Bryant continues to lead Kids Count and plays leading roles in advocacy coalitions. In addition, there has been institutional continuity in the Children's Cabinet; it has transcended a shift in governors that occurred in 2002 and is regarded by agency leaders as the principal mechanism for developing and maintaining relationships and shared belief systems among Rhode Island agencies that serve children and families.

Recent Developments

The political climate in which welfare reform and Starting RIght were developed and initially implemented – through 2002 – was quite stable. Besides the continuity in the state agencies and the Children's Cabinet that has just been discussed, there was a re-election of Governor Almond in November 1998. Both houses of the legislature remained in Democratic control, and the legislative leaders who had championed welfare reform and Starting RIght were re-elected. Against this background of stability, the elements of Starting RIght, with only a few exceptions, were implemented as planned.

In November 2002, Donald Carcieri, a Republican businessman turned government reformer, was elected to the governorship. The legislature stayed in Democratic control, but the economy weakened and the state budget became tighter. Also in 2002, Christine Ferguson left DHS to run for Congress.[41] Her deputy director at DHS, Jane Hayward, took her place in 2002 and in 2004 Hayward became the Executive Secretary of Health and Human Services.

Starting in the state's FY2003, the administration's budget targets for DHS have asked for reductions. In response, DHS's goal has been to carefully construct its budget to meet the governor's dollar targets while preserving basic programs, including Starting RIght, and protecting families' eligibility for child care and rates for providers.

Significantly, in 2005, in a reflection of the administration's trust in DHS leadership and its support for DHS programs, DHS was asked to make cuts proportionally smaller than the ones requested of other departments. When a proposal was made to roll back family eligibility for child care to incomes no higher than 200 percent of the poverty level, the advocacy community, led by the One Rhode Island Coalition, reacted, arguing that eligibility should advance to 250 percent of the poverty level (the original goal). The legislature maintained eligibility at the 225 percent rate.

Over the years, modest changes in Starting RIght have saved money and/or increased program accountability. These changes have included simplifying family co-payments, adding rates for three-quarters time to the part-time and full time rates structure, and setting the 75th percentile as the rate ceiling. (In other words, rather than making the assumption that providers are to be paid at the 75th percentile, DHS now requires them to submit their rate schedules and they are paid their published rate up to the 75th percentile). Notwithstanding relatively minor adjustments, the commitment to Starting RIght appears to be strong in the legislature and that commitment is shared by the leadership of DHS and the other Starting RIght agencies.

Reasons for Success

In 2001, Christie Ferguson described her state's accomplishments:

> *I think about what we've done in Rhode Island as a river. Does it matter if you go around the rock the left way or the right way? The goal is to get around the rock to the next point. You can have multiple programs. Make sure all of the people are taken care of somewhere. In Rhode Island we had people who were pragmatists. We had a governor who would listen. We had an opportunity to explore a vision for our state. First we put in the entitlement for child care. Then the Head Start program had an opportunity to expand. Over time, everyone agreed…to share resources. We're doing this by saying everyone can participate if they meet our standards.*[42]

Ferguson's observations capture many of the factors that contributed to Rhode Island's success story – pragmatism, receptive gubernatorial and political leadership, and an inclusive spirit that tried to bridge traditional divides that exist among state agencies and even among different kinds of programs, such as Head Start and other kinds of centers. Clearly, Ferguson's unusual participatory administration strategy was key to fostering that spirit. Along these same lines, the good working relationships among members of the Children's Cabinet, specifically the Starting RIght agencies, the legislature and the advocacy coalitions, especially Kids Count, were a factor in Rhode Island's investment in early care and education. As one agency leader put it:

> *The basic triangle of successful policymaking is providers [advocates], bureaucrats [agencies] and legislators. If everyone understands their roles, it is a symbiotic process in which public debate occurs, information is considered and good decisions are made.*

Another reason for success was that in Rhode Island, as in Illinois and North Carolina, advocates have been persistent, flexible and ready to share credit in advancing an early childhood agenda. In addition, advocacy groups, especially Rhode Island Kids Count, which brought statistical information to bear on key legislative debates, have also been skilled at using and communicating data

[41] Although her election bid was unsuccessful, she later was tapped by Massachusetts Governor Romney (R) to become his state's Commissioner of Health

[42] Institute for Government Innovation (June 2001). Public Obligations: Giving Kids a Chance. A report from a conference on the State Role in Early Education. Page 8.

to make their case. The strong presence of Kids Count in Rhode Island is in some measure due to philanthropy – the support of the Rhode Island Foundation for this organization – and indeed philanthropy has played a positive role in stimulating change in the state. The Danforth Foundation's Policymakers' Program gave key leaders from the executive branch, legislature and advocacy and other community groups an opportunity to get away from their day-to-day responsibilities and concentrate on a vision and agenda for children. The Program functioned exactly as it was meant to – as a forum that gave leaders of diverse institutions a stake in a plan for change that they had created together.

If one catalyst for change in Rhode Island was the Danforth Program, another was welfare reform. Proponents of high quality care and education understood that the new welfare era was a catalytic moment. They seized it, and were able to help move state legislation that reflected their concerns and interests.

Finally, Rhode Island has benefited immensely from the work of Christy Ferguson, a highly committed and creative champion of early care and education, who also was a top manager in the state's bureaucracy. Interestingly, when Ferguson left her post in 2002, Starting RIght continued to hold its own. Doubtless this institutional continuity is in part a reflection of the overall stability of leadership, both inside and outside government that has marked Starting RIght. It is also likely that Ferguson's own vision of consensus building and participatory administration has infused Starting RIght with a spirit that has helped it to outlive her tenure.

Expenditures for Starting RIght 1996 - 2004
(from Rhode Island Department of Human Services)

	Starting RIght (all components including child care assistance)			
State Fiscal Year	State	Federal	TOTAL	Percent State General Revenue
1996	$5,815,568	$10,036,844	$15,852,412	37%
1997	$6,365,091	$12,358,227	$18,723,318	34%
1998	$12,815,924	$11,906,853	$24,722,777	52%
1999	$18,069,218	$16,073,071	$34,142,289	53%
2000	$26,324,292	$30,410,513	$56,734,805	46%
2001	$53,694,933	$19,050,255	$72,745,188	74%
2002	$56,283,110	$19,834,834	$76,117,944	74%
2003	$55,414,524	$28,412,647	$83,827,171	66%
2004	$57,667,390	$32,002,024	$89,669,414	64%
2005 (estimated)	$73,872,855	$18,597,607	$92,470,462	80%

Chapter 5

Conclusions

The state stories that have just been told indicate that in at least three states – as undoubtedly in many more – proponents of high quality early care and education can tap into reserves of commitment, vision and creativity in many institutions that care about early childhood services. In addition, the sheer variety of new ideas and strategies that emerge from the profiles of just three states makes it clear that states can take many different approaches to expanding investments in early care and education. But despite this diversity, the three stories suggest the following common lessons about what it takes to effect change:

The likelihood of significant change is much higher when government bureaucrats, political leaders and advocates see themselves as playing on the same team.

If there is any single theme that stands out for all of the case studies, it is the importance of unified action. Each of the three states is home to strong advocacy organizations and coalitions that work with state agency and political leaders as inside-outside partners. In its participatory administration approach, Rhode Island takes this relationship further by offering advocates a structured process for engaging them in the implementation of policies that they have helped to enact.

Major efforts to strengthen investments need strong champions who lead with a clear vision of how conditions could improve. Gubernatorial leadership is very valuable, but the governor's office is not the only source of champions.

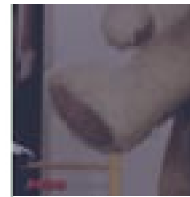
Gubernatorial champions appeared often on the stage of the three success stories, and unquestionably they can play a major role in moving agendas. But in Rhode Island, where governors have been supportive, the major change agent was a top bureaucrat, and in all three states legislative champions have been another key to success.

Pragmatism, a willingness to let political leaders take credit for success and strategic use of data are key to successful advocacy strategies.

The case studies offer instructive examples of advocacy groups that managed the feat of being bold without rigidly insisting that every demand be met and without needing to be in the limelight. In North Carolina, for example, Smart Start proponents accepted many changes in the structure of the initiative so long as its funding and overall mission was maintained. In Illinois, the Quality Alliance was highly active and disciplined, but deliberately kept a low profile. The capacity of Rhode Island Kids Count to intervene at strategic moments in legislative debate with data that shed new light on conditions for children illustrates the importance of sophisticated use of statistical information and clear communication in making a solid case to lawmakers.

Philanthropic investments in well conceived advocacy and policy efforts can realize significant returns to states.

The capacity of Illinois advocates to mobilize grassroots support for new investments was a factor that promoted change, and in Rhode Island, the willingness of a very wide spectrum of institutions, including advocacy groups, to fight for a common agenda was clearly fundamental to success. These developments, however, might have never occurred without philanthropic support. In Illinois, funders, especially the McCormick Tribune Foundation, made it possible for advocacy groups to hire staff for grassroots organizing. The Build Initiative further illustrates the role that philanthropy can play in advancing early care and education. And with the support of the Danforth Foundation, Rhode Island leaders had a rare opportunity to meet for a week to jointly develop the agenda that they then were able to bring to the legislature.



Conclusions

Continuity of leadership for reform efforts greatly facilitates progress.

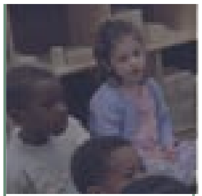
All three states offer examples of longstanding commitment of key leaders to reform initiatives. Leaders did not always stay in the same positions, and in fact, certain shifts – for example, advocates who brought their skills and knowledge to inside-government positions – were extremely useful. Moreover, the departure of strong leaders – Christy Ferguson in Rhode Island and Governor Jim Hunt in North Carolina – indicates that at a certain point, institutional reform efforts become sturdy enough to withstand the loss of even major champions. Nevertheless, it is difficult to imagine that any three of the states would have managed to boost their investments nearly as much as they did, if they had faced extreme volatility of leadership in the executive branch, the legislature and the advocacy organizations.

Changes in the welfare system can be an important catalyst for changes in the early care and education system, but more than one policy environment can serve this function.

Welfare reform was the impetus for investment in early care and education in Rhode Island, and to some extent in Illinois, but not in North Carolina. In North Carolina it was an interest in school readiness that originally fueled interest in the development of Smart Start. And interestingly, public interest in early brain development that peaked in the early 1990s seems to have helped to stimulate reform in both North Carolina and Rhode Island, yet in both states momentum for change developed before that interest had manifested itself and continued after the publicity it was given became less intense.

Change can go forward in difficult as well as favorable times.

When North Carolina's Smart Start initiative was enacted, it was reasonable to conclude that its legislation passed because the stars were aligned. Most notably, the state was in a strong financial position to invest in a new initiative. There was also a united advocacy community that had been very skilled in using data to make its case, and strong public interest in supporting an initiative that promised to help North Carolina position itself as part of the New South. But it is just as important to recognize that the right moment could have been the wrong one if the state's early childhood community had not already invested years of hard work in seeking change. This is equally true of Illinois and Rhode Island, where years of continuous effort to craft policy proposals preceded major advances. Along these lines, all three case studies also suggest that as in many areas of human endeavor, it is important to seize upon fortunate conditions, rather than wait for the perfect moment to materialize. The success stories offer more than one example of efforts that seemed to be yielding little – only to turn out to have been essential when the moment for change had finally arrived.




References and Bibliography

Illinois

Day Care Action Council (November 1995). *Thriving Children, Striving Families: A Blueprint for Streamlined Delivery of Child Day Care.* Chicago: Day Care Action Council

Early Care and Education Assembly (September 2000). *Summary Report on Goals and Recommendations:* Springfield, IL: Office of the Governor.

Governor's Task Force on Universal Access to Preschool (no date, circa 2001). *Ready Set Grow Illinois Preschool: A Framework for Universal Access to Quality Preschool in Illinois.* Springfield, IL: Office of the Governor.

Illinois Network of Child Care Resource and Referral Agencies (no date, circa 2003). *TEACH Early Childhood Illinois: A progress report.* Glen Ellyn, IL: INCCRRA. On the web at: http://ilchildcare.org/providers/TEACH/forms/Progress_Report.pdf

Illinois State Board of Education (June 2004). *Illinois Prekindergarten Program for Children at Risk of Academic Failure: FY 2003 Evaluation report.* Springfield, IL: ISBE Data Analysis and Progress Reporting Division. On the web at: http://www.isbe.state.il.us/research/pdfs/prek_evaluation.pdf

Institute for Applied Research (1991). *Child Care and AFDC Recipients in Illinois: Patterns, Problems and Needs.* Springfield, IL: Department of Public Aid, Child Care and Development Section.

Mitchell, Anne, Emily Cooperstein and Mary Larner (1992). *Child Care Choices, Consumer Education and Low-Income Families.* New York: National Center for Children in Poverty.

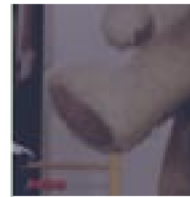
Stohr, Kathy, Susie Lee and Sessy Nyman (2002). *The Illinois Child Care Experience Since 1996: Implications for Federal and State Policy.* Chicago: Day Care Action Council.

Voices for Illinois Children and the Kids Public Education and Policy Project of the Ounce of Prevention Fund (no date, circa 1997). *Success Starts Young: Development of an Early Childhood Block Grant.* Chicago: Authors.

Voices for Illinois Children (September 2004). *Illinois' Fiscal Year 2005 Budget: Lack of Revenue Forces Tough Choices.* Budget & Tax Policy Initiative Special Report. Chicago: Author.

Websites for more information:

About the Early Childhood Block Grant
    http://www.isbe.state.il.us/earlychi/Default.htm
About the Child Care program in Illinois
    http://www.dhs.state.il.us/ts/ccfs/ccd/index.asp
About T.E.A.C.H.
    http://ilchildcare.org/providers/TEACH/overview.htm
About Great START
    http://ilchildcare.org/providers/greatstart/overview.htm
About Build Illinois
    http://www.buildinitiative.org/state_il.html



References and Bibliography

North Carolina

Hunt, Jim (1992). *An Investment in Our Future: An Early Childhood Strategy for North Carolina,* unpublished campaign paper (5 pages).

Kroll, Carolyn K. and Michele Rivest (2000). *Sharing the Stories: Lessons Learned from Five Years of Smart Start.* Durham, NC: Early Childhood Initiatives in North Carolina.

Kroll, Carolyn K. and Michele Rivest (2004). *Sharing the Stories: Lessons Learned from Ten Years of Smart Start.* Raleigh, NC: Smart Start National Technical Assistance Center.

Marx, Fern and Michelle Seligson (1988). *The Public School Early Childhood Study: The State Survey.* New York: Bank Street College of Education.

More at Four Pre-Kindergarten Program (January 1, 2005). *More at Four Pre-Kindergarten Program Progress Report to the North Carolina General Assembly January 1, 2005.* Raleigh, NC: More at Four Pre-Kindergarten Program, Department of Health and Human Services, Department of Public Instruction, More at Four Pre-Kindergarten Program Task Force. http://www.governor.state.nc.us/Office/Education/_pdf/Jan%202005%20Legislative%20Report.pdf

Savitt, Roslyn (August 1995). *North Carolina Child Care Coalition 1995 North Carolina General Assembly Session Legislative Report.* Raleigh, NC: RS Government Services.

Savitt, Roslyn (September 1996). *North Carolina Child Care Coalition 1996 North Carolina General Assembly Session Legislative Report.* Raleigh, NC: RS Government services.

Savitt, Roslyn (October 1997). *North Carolina Child Care Coalition 1997 North Carolina General Assembly Session Legislative Report.* Raleigh, NC: RS Government Services.

Savitt, Roslyn (November 1998). *North Carolina Child Care Coalition 1998 North Carolina General Assembly Session Legislative Report.* Raleigh, NC: RS Government Services.

Savitt, Roslyn (August 1999). *North Carolina Child Care Coalition 1999 North Carolina General Assembly Session Legislative Report.* Raleigh, NC: RS Government Services.

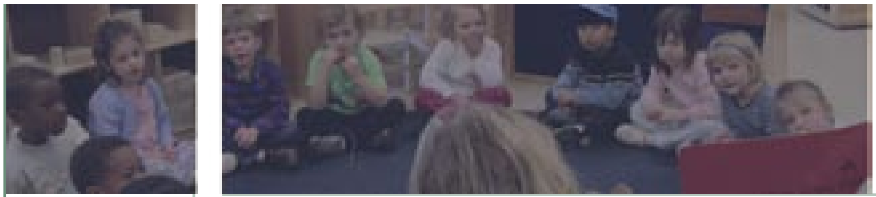
Savitt, Roslyn (August 2000). *North Carolina Child Care Coalition 2000 North Carolina General Assembly Session Legislative Report.* Raleigh, NC: RS Government Services.

Savitt, Roslyn (December 2001). *North Carolina Child Care Coalition 2001 North Carolina General Assembly Session Legislative Report.* Raleigh, NC: RS Government Services.

Savitt, Roslyn (November 2002). *North Carolina Child Care Coalition 2002 North Carolina General Assembly Session Legislative Report.* Raleigh, NC: RS Government Services.

Savitt, Roslyn (September 2003). *North Carolina Child Care Coalition 2003 North Carolina General Assembly Session Legislative Report*. Raleigh, NC: RS Government Services.

Savitt, Roslyn (August 2004). *North Carolina Child Care Coalition 2004 North Carolina General Assembly Session Legislative Report.* Raleigh, NC: RS Government Services.



(North Carolina cont...)

Websites for more information:

About Smart Start, the NC Partnership for Children, local Partnerships and Smart Start's National Technical Assistance Center
http://www.ncsmartstart.org/

About More at Four
http://www.governor.state.nc.us/Office/Education/moreat4_overview.asp

About the Division of Child Development and its programs
http://ncchildcare.dhhs.state.nc.us/general/home.asp

About T.E.A.C.H. Early Childhood® scholarships and health insurance
http://www.childcareservices.org/TEACH/TEACH_Project.html

About WAGE$
http://www.childcareservices.org/WAGE$/WAGES.html

Rhode Island

Anton, Thomas J., Jack D. Combs, Richard M. Francis and Patrick T. Sharkey (January 2001). *Against the Tide: Welfare Reform in Rhode Island*. Providence, RI: Taubman Center, Brown University. http://www.brown.edu/Departments/Taubman_Center/Pdf/RI_Welfare_Reform.pdf

Institute for Government Innovation (June 2001). *Public Obligations: Giving Kids a Chance. A report from a conference on the State Role in Early Education.* Cambridge, MA: Kennedy School of Government, Harvard University.

The Danforth Foundation (July 1998). *The Policymakers' Program: The First Five Years, Vol. I. Strategies for Improving the Well-being of Children and Families.* St. Louis, MO: The Danforth Foundation.

The Danforth Foundation (July 1998). *The Policymakers' Program: The First Five Years, Vol. II. Implementation Tools.* St. Louis, MO: The Danforth Foundation.

The Danforth Foundation (October 2002). *Positive Results for Children, Youth and Families: A Ten-Year Initiative in State/Local Collaboration that Brings Together Education and Human Services.* St. Louis, MO: The Danforth Foundation.

Rhode Island Department of Human Services (December 6, 1999). *Certification Standards for Comprehensive Child Care Services Networks for children age 3 through entry to Kindergarten.* Cranston, RI: Rhode Island Department of Human Services.

Rhode Island Department of Human Services (July 2000). *Starting RIght Quality Early Education and Child Care for Rhode Island's Children and Youth.* Cranston, RI: Rhode Island Department of Human Services.

Rhode Island Department of Human Services (August 2001). *Starting RIght Improving Outcomes for Children and Families.* Cranston, RI: Rhode Island Department of Human Services.

Rhode Island Department of Human Services (April 2002). *Starting RIght Progress Improving Outcomes for Children and Families.* Cranston, RI: Rhode Island Department of Human Services.

Rhode Island Kids Count (April 1996). *Welfare Reform: How Will We Know If It's Good for Children?* Issue Brief No. 1. Providence, RI: Rhode Island Kids Count.

Rhode Island Kids Count (October 1997). *Child Care in Rhode Island: Caring for Infants and-Pre-school Children.* Issue Brief No. 4. Providence, RI: Rhode Island Kids Count.
Rhode Island Kids Count (December 1999). *Building an Early Care and Education System in Rhode Island.* Providence RI: Rhode Island Kids Count.

Rhode Island Kids Count (May 2000). *Starting Points for Rhode Island's Youngest Children.* Providence, RI: Rhode Island Kids Count.

Rhode Island Kids Count (September 2004). *Impact of Policy Changes on the Use of Child Care Subsidies and Employment. Child Care Snapshot No. 1.* Providence, RI: Rhode Island Kids Count.

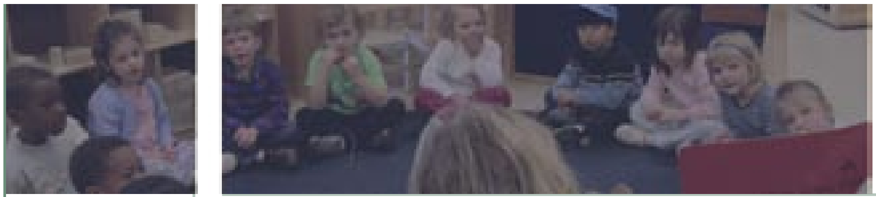
Witte, Ann Dryden and Magaly Queralt (August 2002). *Evaluation of Rhode Island's Starting RIght Program.* Wellesley, MA: Wellesley Child Care Research Partnership.

Websites for more information:

About Starting RIght
http://www.dhs.state.ri.us/dhs/famchild/dcspgm.htm From this page you can click on links to each part of the Initiative.

About Early Learning Standards
http://www.ride.ri.gov/els/

About the Child Care Research Partnership in Rhode Island
http://www.rikidscount.org/matriarch/MultiPiecePage.asp_Q_PageID_E_311_A_PageName_E_childcarepartnership



Appendix: Interviewees

Illinois leaders interviewed

Micki Chulick
Executive Director
DeKalb 4C (Community Coordinated Child care)

Kay Henderson
Administrator, Early Childhood Education Division
Illinois State Board of Education

Ann Kirwan
Assistant Director, Kids PEPP (Public Education and Policy Project)
The Ounce of Prevention Fund

Dan Lesser
Sergeant Shriver National Center on Poverty Law

Michelle Piel
Former director, Child Care and Development Section
Illinois Department of Public Aid

Linda Saterfield
Chief, Bureau of Child Care and Development
Illinois Department of Human Services

Jerry Stermer, President
Voices for Illinois Children

Margie Wallen
Early Learning Project Manager
The Ounce of Prevention Fund

Maria Whelan, President
Action for Children (formerly Day Care Action Council)

North Carolina leaders interviewed

Peggy Ball
Director, Division of Child Development
North Carolina Department of Health and Human Services

Richard M. Clifford
Senior Scientist, Frank Porter Graham Child Development Institute
University of North Carolina at Chapel Hill

Gerry S. Cobb
Director, Smart Start's National Technical Assistance Center

Stephanie Fanjul
Director of Student Achievement, National Education Association; Former chief, Division of Child Development, North Carolina Department of Health and Human Services

Rachel Perry
Rachel Perry Communications

Karen W. Ponder
President and CEO, North Carolina Partnership for Children

Michele Rivest
Executive Director, Orange County Partnership for Young Children

Sue Russell
Executive Director, Child Care Services Association
Board member, North Carolina Partnership for Children

Rhode Island Leaders Interviewed

Barbara Burgess
Early Childhood Coordinator
Rhode Island Department of Elementary and Secondary Education

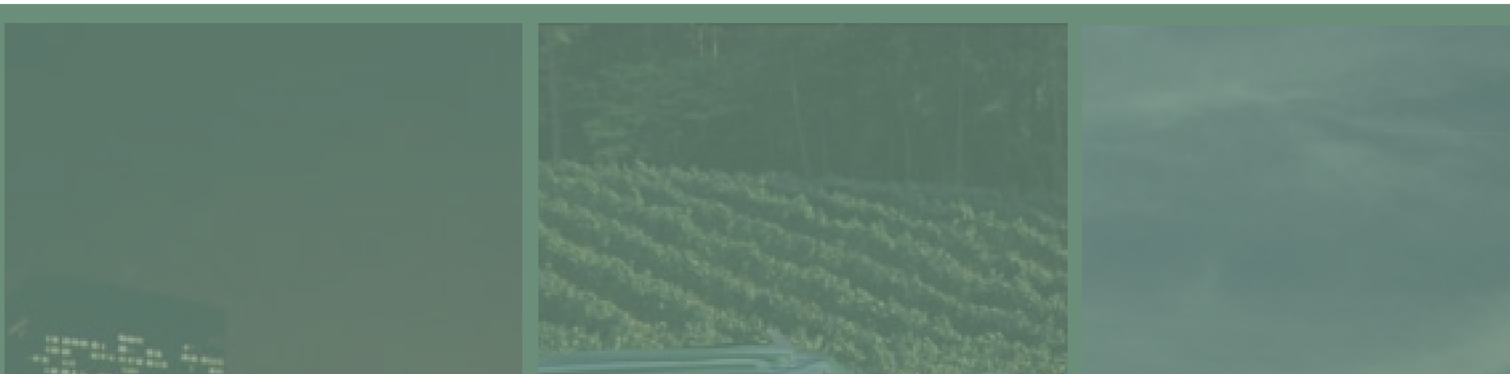
Elizabeth Burke Bryant
Executive Director
Rhode Island KIDS COUNT

Joyce Butler
Director
Ready to Learn Providence

Sherry Campanelli
Associate Director of Individual and Family Support Services
Rhode Island Department of Human Services

Larry Pucciarelli
Head Start Collaboration Office
Rhode Island Department of Human Services

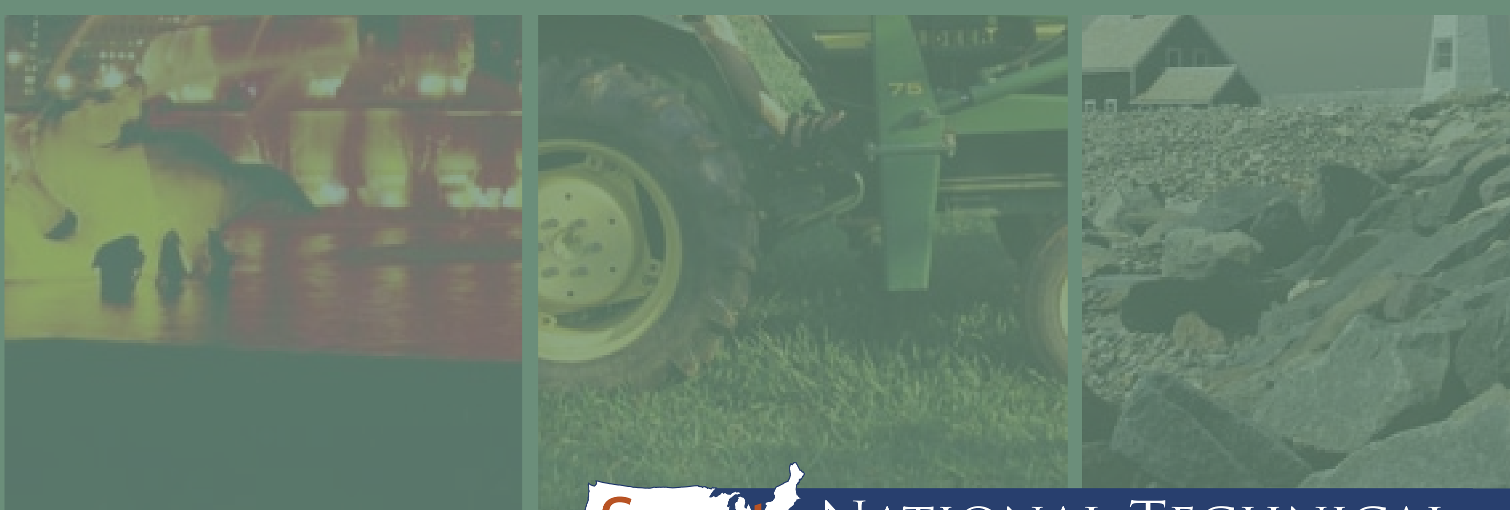
Reeva Sullivan Murphy
Office of Child Care
Rhode Island Department of Human Services



This publication is made possible in part through the generosity of the David and Lucile Packard Foundation, the Carnegie Corporation of New York and the Triad Foundation. We also wish to thank the Build Initiative for their support.

Build
Strong Foundations For Our Youngest Children

Build Initiative
5313 Pamela Circle, Cross Lanes, WV 25313
304-776-2940 (phone) 304-776-8535 (fax)
bgebhard@buildinitiative.org



Smart Start
NATIONAL TECHNICAL ASSISTANCE CENTER

Smart Start's National Technical Assistance Center
1100 Wake Forest Road, Raleigh, NC 27604
919-821-9540 (o) 919-821-8050 (fax)