

## Operational and Financial Strategies to Facilitate Early Head Start – Child Care Partnerships: A Framework for CCDF State Administrators

Child Care and Development Fund (CCDF) State Administrators (SAs) have the opportunity to foster and enhance Early Head Start (EHC)-Child Care (CC) partnerships to serve more infants and toddlers under the new Federal funding announcement. A successful EHC-CC partnership should efficiently utilize both CCDF and EHS dollars. Designing an effective partnership requires awareness of EHS and CCDF policies at the Federal and State levels. This technical assistance paper provides SAs with a framework and resources for helping Early Head Start programs in developing their proposals, focusing on operational and financial strategies that promote successful partnerships.

### Most Common EHS-CC Models of Partnerships

A key step in proposal development is to identify the model or combination of EHS-CC policies and procedures that forms the foundation of the partnership. We have grouped the most common models of State EHS-CC partnerships into two types.

#### Enhancement Services Model

In the enhancement services model, a family qualifies for a CCDF subsidy, and the family's home- or center-based child care provider receives the subsidy payment. EHS provides additional services, which may include:

- Services for children and families through the child care arrangement, such as child assessments, health services, case management, and parent education
- Services for child care providers, such as professional development, mentoring, network development, and quality improvement incentives

#### Direct Services Model

In the direct services model, EHS or the subcontracting child care provider receives subsidies for an eligible family. Combined partnership funds are used for a variety of purposes, which may include:

- Expanding the number of EHS center-based slots
- Expanding the EHS family child care option
- Extending EHS services to full-day and year-round programming
- Providing wrap-around child care to families served by EHS part-day programs

#### Nebraska: Different Models of Partnerships

A State initiative provides grants to EHS programs partnering with licensed child care providers. Grantees may enter into formal agreements with providers, or may offer services to providers through a less intensive involvement. Providers may also access subsidy funds.

Other innovative partnership models may include home visiting components or enhancement services to at risk or homeless families and providers who serve vulnerable populations. CCDF quality and infant and toddler set-aside funds can be applied to these partnerships.

To facilitate successful partnerships, SAs will want to use strategies that:

- Serve CCDF eligible children in quality programs
- Maximize funding
- Expand and enhance services
- Create efficiencies and reduce CCDF staff workload

## Strategies to Facilitate Partnerships

CCDF SAs involved in the partnership should consider the following operational and financial strategies when developing proposals that involve the subsidy program.

### Compare EHS and CCDF Policies

Each partnership model (enhancement services and direct services) includes specific procedures based on EHS and CCDF policies relating to eligibility, family copayments, and provider reimbursement, as is displayed in Table 1.

**Table 1. Policies and Procedures Under the Enhancement Services Model and the Direct Services Model**

	Enhancement Services Model	Direct Services Model
<b>Eligibility</b>	Family would qualify for a subsidy under CCDF rules and EHS would provide services to families and providers that meet EHS rules.	<p><i>Income:</i> States can allow the EHS agency to determine income eligibility for participating families, by categorically accepting certain EHS enrolled families. Families receiving Temporary Assistance for Needy Families (TANF) or who are below the Federal poverty line (FPL) will qualify for both EHS and subsidy.</p> <p><i>Activity:</i> States can require that a parent participates in an employment, education, or training activity initially. States can allow a parent to continue eligibility during job loss.</p> <p><i>Continuous eligibility:</i> States can deem the family and child eligible as long as there is enrollment in EHS.</p> <p><i>Citizenship:</i> CCDF requires verification of citizenship except for EHS programs or programs subject to EHS performance standards.</p>
<b>Family Copayments</b>	State CCDF policy would apply, which could be a fee waiver for families on TANF or below the FPL.	States can waive copayments for families on TANF or below the FPL.
<b>Provider Reimbursement</b>	The subsidy would go to the provider or family under State CCDF rules.	<p><i>Contracting:</i> States can set up a contract with a scope of services and payment arrangements with the EHS agency. The EHS agency can contract with child care providers or provide the care directly. States could contract with both the EHS agency and child care providers.</p> <p><i>Payment Policies:</i> Providers can earn payment by enrollment, attendance, or grant methods. States can set up streamlined payment calculations that are not tied to attendance. Programs can be paid prospectively.</p>

### Identify Opportunities to Layer, Blend, or Braid EHS and CCDF Funds

States can layer EHS and CCDF funds for the same child, as long as payments are not being made for the same service. SAs can also identify other dollars that may be used to support partnerships, such as Infant/Toddler set-aside funds, Home Visiting grants, and other State funds. Table 2 displays layered funding options.

**Table 2. Layered Funding Options**

	Enhancement Services Model	Direct Services Model
<b>Funding</b>	Partnership grant would go to the EHS agency and could be combined with other CCDF Quality or Infant/Toddler set-aside funds. Other grants can be added.	<p><i>Layering funding:</i> States can layer EHS and CCDF subsidy funds for the same child as long as there is no duplication in payments for the same exact service. Partnership funds can be used to increase the provider payment rate.</p> <p><i>Funds used:</i> States can combine or layer subsidy, Infant/Toddler set-aside, CCDF quality, EHS, Partnership grant, Home Visiting grants, and other State funds.</p>

### Provide Financial and Other Supports to Promote Partnerships

SAs can review their infant and toddler base and tiered rates for opportunities to pay providers more if they participate in a partnership. By contracting with the provider or EHS agency, States can negotiate different rates. SAs can also choose to pay child care providers prospectively instead of on a reimbursement basis, as long as they meet and maintain certain standards. In States that have a Quality Rating and Improvement System (QRIS), SAs can consider aligning quality standards with Early Head Start Program Performance Standards (EHSPPS). If the States give bonuses or other financial incentives to providers for quality or educational attainment, those providers may be good candidates for an EHS-CC partnership and can receive the benefits of the QRIS.

<b>Kansas: Financial Supports to Promote Partnerships</b>
Child care providers collaborate with EHS programs receiving State funds to provide full-day and year care, and deliver services. Participating providers can receive mini-grants for quality improvement and support for training and professional development.

### Identify Infant/Toddler Populations to Target

SAs can use EHS and CCDF data to identify which children and families are most in need of services. For example, SAs could focus on both geographical areas (urban, rural, under-resourced areas, etc.) and special populations (children with disabilities, homeless families, migrant families, etc.). In addition, States can use the data to understand how families utilize services. For example, infants and toddlers are more likely to be in family child care settings rather than in a center. Therefore, SAs may want to provide support for family child care networks which are able to partner with EHS grantees and provide services to EHS children and families.

### Develop Joint or Streamlined Processes

CCDF and EHS agencies each have Federal reporting requirements. CCDF SAs collect and submit financial reports, case data, and quality performance data. EHS requires grantees to report on selection criteria for eligible children, enrollment data, and waitlist information. States can ease the workload by comparing reporting

<b>Montana: Blending Funds</b>
A State initiative promotes EHS-CC partnerships with policies designed to ease the blending of funds. As a result of combining funds, children are able to receive extended-day EHS services through qualified child care providers.

requirements so that administrators do not have to collect and compile certain data (for example, case and enrollment data) twice while ensuring the integrity of the separate funding streams. States can use a cost allocation method or designate funding for specified budget items.

Monitoring activities can be completed by the State, or they can be completed by EHS if specified on the partnership agreement. Federal regional staff must agree to the monitoring arrangement.

**Support EHS-CCDF Partnerships in Encouraging Stability and Continuity of Care**

States can promote stable enrollment of families by customizing their eligibility and redetermination rules for families involved with direct service partnerships. Because of overlap in EHS and CCDF regulations, families may be initially eligible for both programs. If family circumstances change, SAs might consider categorical eligibility options to ensure children receive stable access to care. For example, some States have established that as long as a child is enrolled in EHS, they can be deemed continuously eligible for a CCDF subsidy. Redetermination policies can further allow for continuous eligibility by aligning the eligibility periods of the two programs and easing the requirements of families to report changes in circumstances.

Illinois: Supporting Continuity of Care
Partnerships participating in the Illinois Child Care Collaboration Project take advantage of child care rule exceptions that foster continuity of care. Through 12-month redetermination periods, job loss grace periods, and categorical eligibility for certain groups, children and families are able to receive extended EHS services.