Early Care and Education E-Update – Spring 2014

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legislative staff representing a total of 14 states. Learn more about the Fellows by clicking HERE.

This year the program will include two face-to-face meetings and two webinars. The kick off meeting, titled Policy, Research and Innovation in Early Learning took place in Denver, Colo. May 15-16, 2014. Meeting highlights included Dr. Deb Leong’s presentation of research the science of brain development. Leong, director of Tools of the Mind, presented an in-depth look at self-regulation / executive function (SR/EF) and the link between those skills and later school achievement.

Another meeting highlight was the final presentation and discussion during which Fellows learned about a two-generation approach to early learning. A two-generation strategy focuses on creating opportunities for and addressing the needs of both vulnerable parents and children together. The session included an overview of a two-generation framework by Jennifer Stedron, senior program manager of Ascend at the Aspen Institute, and two dynamic presenters, Mary Anne Snyder and Elaine Zimmerman. Snyder, director of the Colorado Office of Early Childhood, and Zimmerman, executive director of the Connecticut Commission on Children, highlighted their state’s strategy for implementing a two-generation policy and the implications for families. Legislators and legislative staff also visited Educare of Denver at the Clayton Early Learning campus to see first-hand how teachers translate research and evaluation into positive and stimulating early learning environments and discuss the legislative role in developing high-quality learning opportunities for young, at-risk children. Learn more about these and other sessions and activities from the kick off meeting by clicking HERE.

A Social Impact Bond (SIBs), otherwise known as Pay for Success (PFS) financing, provides an innovative financing mechanism that is gaining in popularity across the U.S. In tight budget times, policymakers are interested in exploring options to pay for critical social and education services. SIBs/PFS are proving to be a viable option for financing certain types of programs such as high quality preschool, evidence-based home visitation services, or recidivism programs.
A Social Impact Bond—not an actual bond—is essentially a contract between a private entity and the public sector under which the private party commits to pay for improved social outcomes that result in public sector savings. Investors are repaid when specified social outcomes are achieved, with cost savings associated with the realization of those social outcomes. A benefit of SIBs is improved accountability for dollars spent, ensuring that money is being allocated to programs that work, thus providing a cost savings to states. Accountability and effective use of taxpayers’ dollars have broad appeal to lawmakers. Lawmakers interested in moving SIBs forward will need to understand and be supportive of the approach and in many cases changes in law will be required to effect transactions. It is important to note that SIBs are not a financing panacea but rather one mechanism to pay for important social programs. For SIBs to be successful it is important that they identify and monetize outcomes, therefore this is not necessarily applicable to all types of programs.

State and local governments are piloting SIB/PFS initiatives across an array of sectors including workforce development, reducing recidivism, homelessness, early childhood education, in addition to others. Currently, Pay for Success efforts are in some form of development in at least 14 states across the nation and that number continues to grow. This past year the Harvard Kennedy School announced its Social Impact Bond Technical Assistance Lab capacity-building program for six governments—Colorado/Denver, Connecticut, Illinois, New York, Ohio, and South Carolina—to develop Pay for Success contracts for Social Impact Bonds to support promising outcomes-driven social programs in these locations. At the federal level, the President’s 2014 budget includes over $500 million in funding to support Pay for Success pilot financing projects for social programs sponsored by state and local governments.

**Social Impact Bond/Pay for Success in state legislatures:**

**Colorado** introduced a bill (**SB 14-185**) during the 2014 session to establish Pay for Success contracts for early childhood education services program authorizing the office of state planning and budgeting to enter into state pay for success contracts with one or more lead contractors for the provision of early childhood education services that will reduce the need for the state to provide subsequent education support and other social services.

**Utah** announced an early childhood education pilot Pay for Success transaction to reduce the future need for special education services. During the recently adjourned legislative session, Utah lawmakers passed **HB 96** that bill creates the School Readiness Board, which provides grants to certain early childhood education programs, and may enter into certain contracts with private entities to provide funding for early childhood education programs for at-risk students.

**Washington** lawmakers passed a bill (**HB 2337**) that established the Washington Social Investment Steering Committee with the goal of piloting a Pay for Success project in Washington State to finance and deliver prevention-focused social or health care services.

In March 2014, [CLASP](http://www.clasp.org) produced *Social Impact Bonds: Overview and Considerations* learn more about the hot topic and read the [report](http://www.clasp.org). To read more about social impact financing, which was a featured session during the 2014 kick off meeting of the NCSL Early Learning Fellows, click [HERE](http://www.clasp.org).

**STATE TRENDS IN PRESCHOOL LEGISLATIVE**

During the 2014 legislative session, legislatures in 45 states, the District of Columbia and Puerto Rico proposed more than 600 bills on early care and education. Of those, at least 15 states proposed
measures to address preschool for four-year-old children, indicative of states' continued focus on and commitment to improve the outcomes of young children.

The Current State of State Preschool Programs – Enrollment, Funding and Quality
Currently, 41 states offer preschool for four-year-old children. However, program size, enrollment numbers and state funding for preschool vary widely across states. In 2013, the District of Columbia enrolled nearly 94 percent of its four-year-olds in preschool, while Florida, Oklahoma and Vermont enrolled between 70 and 80 percent of their four-year-olds into preschool. Enrollment rates hovered around 60 percent in Georgia, Iowa, New York, Texas, West Virginia and Wisconsin. Together, the number of enrolled preschoolers in these states make up more than half of the total number of enrolled preschoolers nationwide, estimated at 1.3 million in 2013. State funding—both in term of per-child allocations and total state preschool budgets—is also significantly different across states. For example, the District of Columbia spent more than $14,000 per child for a total spending of $175 million in 2013. New Jersey spent more than $12,000 per child for a state total of $624 million in 2013 and Connecticut had a per-pupil price tag at $9,800 (albeit the total spending is not comparable because of Connecticut's population size). This is in contrast to states such as Nebraska and South Carolina which in 2013 spent around $1,300 for each enrolled preschooler for a total spending of $13 million and $35 million, respectively.

Another aspect of the state preschool conversation that has a policy implication—beyond enrollment and funding adequacy—is the quality of preschool programs. The National Institute for Early Education Research (NIEER) defines "quality" preschool as programs with a research-based curriculum, educated and qualified teachers, small class sizes, in addition to meals and health screening. Based on the definition of quality preschool, only 12 state preschool programs (out of more than 50) are providing a high-quality preschool experience that meet the developmental and learning needs of four-year-olds. While states have made progress in quality over the past decade (most recently Ohio), many states with large populations of enrolled preschoolers such as California, Florida and Texas continue to put forth efforts to improve the quality of preschool.

Recent State Legislation on Preschool
Over the years, state legislative proposals on preschool have been diverse, a fact that continued to be true in 2014. But a few themes have also emerged, suggesting that while states' needs, resources and landscapes are unique, lawmakers are cognizant of and taking into consideration the lessons learned around access, funding and quality from some of the longest-running preschool programs. Some of the themes of state preschool legislation include:

- Expansion of preschool access for four-year-olds (California, Hawaii, Louisiana, Minnesota and Vermont);
- Inclusion of preschool state funding into states' education finance appropriations (California, Iowa and Missouri); or proposals to amend the state constitution to allow the legislature to appropriate state funds for preschool (Hawaii and Missouri); and
- Legislative measures to increase the quality of preschool programming, including efforts to promote a well-trained, qualified preschool teaching workforce and implementation of research-based curricula (Colorado, Florida, Indiana and Kentucky).

In 2014, three states—Idaho, Indiana and Utah—without formal, state-funded preschool programs (among the remaining nine) put forth measures to create statewide preschool initiatives. (For a complete, up-to-date list of legislative proposals on preschool, visit the NCSL Early Care and Education Database).
Indiana: Enacted HB 1004, sponsored by Representative Robert Behning, establishes a pilot program in five selected counties using a combination of federal Child Care and Development block grant funds, private funds and legislatively appropriated funds to various divisions, departments, and bureaus under the auspices of the Family and Social Services Administration. The pilot program will provide tuition grants, ranging from $2,500 to $6,800, to families with age-eligible children and whose incomes do not exceed 127 percent of poverty. The bill also includes the creation of an Early Learning Study Commission and a longitudinal study of participating preschoolers, in addition to requiring providers seeking to participate in the program to hold at least a 3- or 4-star ranking in the state quality, rating and improvement system (Paths to Quality).

Idaho: Representatives Hy Kloc and Doug Hancey introduced HB 586 to establish a voluntary, three-year pre-K pilot program in five classrooms within five Idaho public elementary schools. School districts that are interested in piloting the “kindergarten readiness” program would apply to the State Department of Education in 2015 to be evaluated for their program’s effectiveness on participating four-year-old children and their parents. Funding for the pilot is contingent upon the state’s ability to raise at least $764,000 in private sector funding or 55 percent of the total implementation cost. The state would then provide the remaining 45 percent of the required funds (approximately $640,000 in state funds). Some of the other provisions of HB 586 included:

- Requires student information to be entered into the state longitudinal data system to help the state determine the efficacy of program in preparing students for kindergarten and later grades;
- Encourages parents to participate in the program through voluntary home visits, classroom visits and observations, meetings with teachers and school staff, and review of a orientation kit that includes strategies for parents to effectively participate in the program, ensure that their child fully benefits from the program, and books to read to children at home;
- Specifies that state funding for the program is contingent upon the state’s ability to raise at least $760,000 in private grant(s), of which $293,000 must be spent for the first year of the program, and $233,000 for each of the final two years;
- Requires that private funds make up at least 55 percent of the total cost to implement the pilot and stipulates that the state will match up to 65 percent of the privately raised funds for the first year of implementation and up to 82 percent of privately raised funds in subsequent years.

Utah: The Utah Legislature proposed three different bills that aimed to provide preschool access to four-year-olds during the 2014 session, including HB 96 by Representative Greg Hughes. In April 2014, Governor Herbert signed the bill into law to create the School Readiness Initiative, a dedicated funding stream (School Readiness Restricted Account), and a School Readiness Board that will be charged with oversight of performance-based contracts with private investors to fund high-quality preschool in a variety of settings, including a home- and technology-based preschool program. The bill appropriated $3 million to the restricted account that will be tapped to pay back private investors, once the program has been evaluated and performance outcomes such as third grade reading proficiency and decreased special education in at-risk students are met and documented.
In the upcoming months, NCSL will conduct the sixth annual survey and analysis of state legislative fiscal offices on early care and education state budgets and appropriations. The FY 2014-15 Early Care and Education State Budget Actions survey and report—scheduled for release in fall 2014—will capture state budget information for 21 selected states in child care, preschool, home visiting and other early learning state initiatives.

The FY 2012-13 report showed states' continual efforts to maintain preschool appropriations while minimizing cuts in child care appropriations. In all, the 21 selected states increased appropriations by more than $127 million in early care and education appropriations during this period. Click HERE to view the full Early Care and Education State Budget Actions FY 2012-13 report, state data tables and summary of findings in each funding category.

For more information about the FY 2014-15 survey and report, please contact Phuonglan Nguyen at phuonglan.nguyen@ncsl.org, 303-856-1582.

2014 LEGISLATIVE SUMMIT | AUG. 19-22

There’s nothing mini about it! Be sure to join NCSL at our annual Legislative Summit, Aug. 19-22 in Minneapolis, MN.

NCSL's annual Legislative Summit is the largest legislative gathering in the nation and you need to be there. As an attendee you will take home 1,000 ideas from the land of 10,000 lakes at the Legislative Summit this summer. Connect, Discover, Grow, at the NCSL Legislative Summit. It’s the best meeting you’ll attend all year.

While at the Legislative Summit this summer be sure to attend two very exciting Issue Forums:

- **Keeping the American Dream Alive**, 10:15 a.m., Thursday, Aug. 21.
  A lot has changed since President Johnson declared war on poverty in 1964, with many Americans now viewing government programs as the problem, not the solution. Learn how states are using new research that quantifies the effects of poverty on brain development to find new ways to tackle this complex problem.

- **Reading by Third Grade: It’s Critical**, 2:15 p.m., Thursday, Aug. 21.
  Kids who are behind in their reading skills in third grade often never catch up and eventually drop out of school. Explore policy strategies to ensure every child can read by the end of third grade, including holding back kids for a second year of third grade.

Learn more about the meeting and be sure to register today by clicking HERE.

RESOURCES OF INTEREST

**Opportunities for Progress on Infant and Toddler Care: New and Proposed Federal Initiatives**

Source: NWLC—April 2014

Policy makers are implementing new early learning programs, discussing and debating renewal and revision of existing programs, and proposing significant expansion of early learning investments. This fact sheet includes an overview of new and proposed federal policies and initiatives that can support and improve early care and education for infants and toddlers. Read the fact sheet.
The 2011–12 Civil Rights Data Collection (CRDC) collected early-childhood-education-related data such as preschool access and discipline, as well as student retention, in elementary school. Read the issue brief.

This policy report provides state leaders and technical assistance providers with information about the design and requirements of teacher evaluations systems for early childhood teachers in 11 states. The brief concludes with questions for further research and recommendations for state policy makers. Read the policy report.

Neurodevelopmental disabilities, including autism, attention-deficit hyperactivity disorder, dyslexia, and other cognitive impairments, affect millions of children worldwide, and some diagnoses seem to be increasing in frequency. Industrial chemicals that injure the developing brain are among the known causes for this rise in prevalence. Read the study. Recent article in Forbes about this study 11 Toxic Chemicals Affecting Brain Development In Children. Read the article.

The brain starts forming very early on and once a child is born the brain is far more impressionable in early life than in maturity. This webpage from Zero to Three provides the reader with an in-depth frequently asked questions on three main topics related to infants and toddlers and their brains. Learn answers to General Brain Development, Prenatal Development, and Postnatal Development by visiting the webpage.

This report provides information on how other states are approaching the development and implementation of kindergarten entry assessments (KEA) as part of a comprehensive assessment system. Read the report. Learn more about KEAs from a BUILD report produced in July 2013 called Families Know Best.

A new analysis showing state spending on child care assistance, including funds from two federal programs—the Child Care and Development Block Grant (CCDBG) and the Temporary Assistance for Needy Families (TANF) block grant—at a 10-year low and the number of children receiving CCDBG-funded assistance at a 14-year low. About 263,000 fewer children received child care assistance through CCDBG in 2012 than in 2006, according to newly released data from the U.S. Department of Health and Human Services (HHS). Read the analysis.

State and federal agencies fund an array of early care and education (ECE) services and collect data
documenting those services, including data about program participation, program quality, workforce characteristics, and developmental outcomes. Despite the volume of data states are falling short in linking data and coordinating the use of data to understand how children’s collective experiences contribute to their learning and development across programs and overtime, according to a report sponsored by NCSL. Read the report.

Outside links are provided for informational purposes only and do not constitute an endorsement by NCSL.

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