



BACKGROUND:
PUBLIC-PRIVATE PARTNERSHIPS
APRIL 2012

This backgrounder summarizes information about how states have used public-private partnerships to advance public policy and investment for early childhood development and learning. States have used public-private partnerships to:

1. Leverage public funds;
2. Enhance public funds;
3. Fund partnerships that piloted programs and led to public sector investment at greater scale;
4. Support organizations to do policy analysis, advocacy and systems development that impact public investment and coordination.

Section I of this backgrounder provides examples of how states have used public-private partnerships within the four strategies listed above. Section II includes a summary of existing materials that offer examples of public-private partnerships as well as suggestions to make them successful. These resources are attached to this backgrounder.

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Section I: Examples of Public-Private Partnerships

1. STATES THAT LEVERAGED PUBLIC FUNDS

CONNECTICUT

Philanthropic leaders conducted a scan of current investments, documenting more than \$75 million in private and philanthropic funds allocated to early childhood programs and services. Using the results, public, private, and philanthropic leaders developed a plan to align current investments to the priorities of the Connecticut Early Childhood Education Cabinet's Early Childhood Investment Framework. A leading Connecticut philanthropy, the William Caspar Graustein Memorial Fund, proposed a public-private matching plan to the state cabinet, which subsequently allocated \$1.25 million in new state funds to leverage \$800,000 in additional philanthropic investments. The plan was to use funds to support local capacity building and enhance the state's Parent Trust Fund, which provides funding to train parents in civic leadership. Connecticut's state and philanthropic leaders continue to explore avenues for further collaboration, which may include new formal structures for managing public and philanthropic resources.

ILLINOIS

The Irving Harris Foundation, Chicago, IL, and early childhood advocates approached the Illinois School Board of Education (ISBE) about launching an Infant and Early Childhood Mental Health Consultation Project. The Foundation agreed to provide partial funding for this work for two years if ISBE would match the grant and, over time, would assume full responsibility for the costs of the project. The Foundation also contributed \$5 million to the Erikson Institute to support training and leadership development for the infant and toddler and mental health workforce.

MULTI-STATE

The Nebraska-based Buffett Early Childhood Fund, the Ounce of Prevention Fund, major national philanthropic organizations such as the George Kaiser Family Foundation, the W.K. Kellogg Foundation, the Bill & Melinda Gates Foundation, and leading philanthropists in at least 13 communities nationwide have created state-of-the-art Educare schools to better prepare at-risk infants, toddlers and preschoolers for success in school. The Educare approach blends philanthropic and public funding in a unique model of partnership. Philanthropic funds support the construction of Educare centers and often program evaluation efforts, and public funds cover program operation costs. Educare schools provide comprehensive high-quality early care and education to infants, toddlers, and preschoolers growing up in low-income families, and leverage public funds from Head Start, Early Head Start, child care, and pre-kindergarten.

MAINE

The recently formed Maine Early Learning Investment Group is composed of well-respected leaders who represent a diverse cross-section of industries and view early childhood education through an economic lens. Their goal is to improve the quality of early childhood care and education, while expanding access to top-notch facilities for all Maine families, especially families with low incomes. This Group is preparing to launch a fundraising campaign to direct public awareness and private funds toward solving a problem usually regarded as a social justice dilemma rather than an economic development opportunity.

MICHIGAN

The Early Childhood Investment Corporation (ECIC) was created in 2005 to be the state's focal point for information and investment in early childhood in Michigan so that children arrive at the kindergarten door, safe, healthy and eager for learning and life. Governor Jennifer Granholm charged ECIC with implementing a Great Start system for Michigan both at the state level as well as one community at a time. The Great Start System focuses on five key areas of early childhood experiences: Pediatric and Family Health, Social and Emotional Health, Child Care and Early Learning, Parenting Leadership, and Family Support (basic needs). Modeled after the Michigan Economic Development Corporation, ECIC was created through an interlocal agreement between the Michigan Department of Human Services and Branch County Intermediate School District. The Governor appointed 15 influential leaders from business, philanthropy, communities and state government to serve as the Executive Committee for ECIC. In addition, ECIC staffs Michigan's Early Childhood Advisory Council.

ECIC leverages and invests public and private dollars. ECIC receives state funds to support local Great Start Collaboratives comprised of community leaders to who work together to create information, services and resources that parents want and need. The Department of Human Services allocated approximately \$15 million in Child Care and Development Block Grant funds to the ECIC to administer Michigan's child care quality improvement efforts. In FY2007, ECIC received a \$1 million appropriation from the School Aid Fund to leverage a \$6.5 million grant from the Kellogg Foundation to support the implementation of Great Start. In FY2008, an additional \$750,000 was appropriated from the School Aid Fund and the Kresge Foundation provided a \$2.7 million grant to fund Great Start Collaboratives in southeastern Michigan and to build the capacity of ECIC. The Joyce Foundation has also provided funds to ECIC for work to build public will to address early childhood issues.

NEBRASKA

In April 2006, the governor signed legislation to create a Birth to Three Early Childhood Education Endowment for at-risk children, with a commitment of \$40 million in public funds matched by \$20 million from private philanthropic sources. The endowment generates

approximately \$2 million annually to support high quality birth to three services. In November 2006, voters approved a constitutional amendment to permanently establish public funding for the endowment through the use of Educational Land Trust Funds. A board of trustees administers the endowment's grant allocation process. As prescribed in legislation, all board members are appointed by the governor and include the commissioner of education, director of health and human services, two early childhood professionals from rural and urban areas, and two recommended by the endowment provider to represent the private investors in the endowment. The endowment awards competitive grants to school districts to partner with local agencies or programs in their communities to deliver evidence-based birth-to-three services for at-risk children. Grants require a match of at least 50 percent of total program costs.

OKLAHOMA

In 2003, the Oklahoma Partnership for School Readiness Act established a Foundation to accept private funding on behalf of early childhood programs. Through Smart Start Oklahoma, the agency that staffs the School Readiness Initiative, 18 local coalitions have been established to implement the program. Both the Foundation and the local coalitions raise funds to support early childhood. Since Smart Start's inception private contributions have exceeded \$8.7 million.

During the 2006 legislative session, Oklahoma appropriated funds to the Oklahoma State Department of Education for a new public-private partnership called the Early Childhood Pilot Program for Infants and Toddlers. This pilot was initiated from the private sector, with support from the public sector, to create a replicable model for early education programs that prioritize serving the most at-risk children. The goals include improving the quality of early education services provided in Oklahoma and expanding capacity to serve additional low-income children from birth through age three by implementing high standards for provider operations and eligibility, staffing, training, and program evaluation. The pilot began in 2006 with \$5 million of public funding and \$10 million of private funding. In 2007, the state legislature approved an increase of \$5 million, resulting in a total of \$25 million to support the Early Childhood Pilot Program, \$10 million in state funding and \$15 million in private sector funds. The public dollars are generated from the state's general revenue funds. In Oklahoma, private funds that support Smart Start, Educare Schools, and the Pilot Program are currently estimated to be over \$20 million per year.

2. STATES THAT ENHANCED PUBLIC FUNDS

NORTH CAROLINA

The North Carolina Partnership for Children, Inc., (NCPC) was authorized in 1993 through Chapter 321-Senate Bill 27 to provide statewide oversight, along with the North Carolina Health and Human Resources Department, in developing and implementing the Smart Start initiative. NCPC is a statewide nonprofit organization that provides oversight and technical assistance for Smart Start local partnerships in the areas of program and organizational development, administration, communication, fiscal and contract management, technology, and fundraising. At its inception in 1993 Smart Start was appropriated \$20 million; its current allocation is \$151 million. Smart Start is required to raise \$1 for every \$10 it receives from the state, but historically has raised a minimum of \$1 for every \$7. By 2008, more than \$319 million in donations had been raised. Major contributors (\$1 million or more) include national foundations and corporations with ties to North Carolina.

SOUTH CAROLINA

Initiated by the South Carolina Governor, Jim Hodges, First Steps to School Readiness was signed into law in June 1999 (Section 59-102) to help improve school readiness outcomes for the state's youngest learners. First Steps is established as a 501(c) 3 to mobilize partners and resources beyond state-allocated dollars. This status also enables the nonprofit entity to leverage local private and public funds, federal grants, planned gifts, in-kind contributions, and volunteer time to fill service gaps or extend services previously unavailable to young children and their families. This program was modeled after the North Carolina Smart Start Initiative. Initially serving South Carolina children with 100 percent state-allocated monies (with a required 15 percent local match), by 2007, First Steps was funded by approximately 70 percent state funds and 30 percent federal and private funds and in-kind donations. First Steps has been supported by private foundations and corporations with ties to South Carolina.

VIRGINIA

In 2005, Governor Tim Kane facilitated the creation of the Virginia Early Childhood Foundation (VECF). VECF integrates public and private funding streams, offers systems-building grants and technical assistance to build capacity of local Smart Beginnings partnerships, tracks programmatic outcomes, and builds public awareness of the importance of early childhood development. As the Commonwealth's private partner, VECF co-chairs Virginia's Early Childhood Advisory Council, co-leads implementation of Virginia's strategic plan, and co-administers Virginia's QRIS. VECF is a state-level 501(c)3 organization governed by a board currently composed of 35 business, community, legislative, and education members with ex-

officio participation from members of the governor's cabinet. Initial funding from state general funds totaled \$1 million for the first year (July 1, 2006–June 30, 2007) and has grown to \$1.5 million annually. Additional federal dollars (Child Care and Development Fund and Early Childhood Advisory Council funds) support the work of the organization. While initially VECF pledged a dollar-for-dollar private match for every public dollar invested, VECF and its local coalitions have leveraged more than \$4 in private, local, and federal funds for every dollar of state investment. Since 2006, a total of \$30.1 million has been raised at the state and local levels leveraging state general fund investment of \$6.8 million to support Smart Beginnings. Over 25 local coalitions have been created serving 90 percent of the state's population; VECF's private partners include a variety of national and local philanthropic and corporate organizations.

WASHINGTON

In 2005, the state legislature created Washington Learns, a commission charged with exploring improvements to early learning. These efforts resulted in a framework for strengthening the state's ability to offer quality education to its youngest children. Washington Learns spearheaded the creation of a cabinet-level Department of Early Learning to better coordinate programs. The increased awareness for early childhood culminated with the establishment of Thrive by Five, a public-private partnership dedicated to early learning improvement for all children 0-5. Thrive by Five works with parents, government, businesses, communities, philanthropic organization, and early learning professionals to develop a system for improving the quality of programs in the state. The initial investment of \$9 million by Thrive's founding partners, which included national and local foundations as well as local businesses, focused on supporting parent education and high quality demonstration projects. Since then, over \$40 million dollars have been raised and been used for development, testing and evaluation of the QRIS system, work with Department of Early Learning and Office of Superintendent of Public Education to lead development of Washington Early Learning Plan, and advocate for Home Visiting Services Account that allowed Thrive to leverage public with private dollars to increase services statewide. Funds have also been used to implement and evaluate two high quality demonstration projects, home visiting and QRIS, as well as to pilot and test for statewide expansion. In addition, there has also been support for kindergarten transition programs, quality improvement efforts and a state local partnership to open an Educare school.

3. FUNDING PILOT PROGRAMS THAT LED TO PUBLIC SECTOR INVESTMENT AT GREATER SCALE

DELAWARE

Delaware STARS (QRIS) was developed and continues to be administered through a successful public-private partnership composed of state agencies, foundations, and other key stakeholders. The development of the QRIS was originally supported by 60 percent private funds, which was an integral feature of successfully implementing QRIS in Delaware. The QRIS is now totally funded by public dollars from DOE and formalized in Delaware state code. There has been a steep increase in state funding levels of \$22 million. The United Way of Delaware provided initial funding along with early funding from Delaware Business Roundtable, Nemours Health and Prevention Services, Rodel Foundation, Social Venture Partners Delaware, Robin Foundation, Chichester duPont Foundation, ING, JP Morgan Chase, and the Delaware Early Learning Council. Public funds initially came from the Department of Education, Department of Health and Human Services: Division of Social Services and Division of Public Health, and Office of Child Care Licensing.

ILLINOIS

The model for the Doula Program, in which pregnant teens are paired with mentors who support them through pregnancy and delivery and focus on fostering a strong parent-child attachment, was developed with private funds. Private funds also supported the research to show its effectiveness and the advocacy efforts to obtain public funding and bring it to scale. A variety of private funders contributed. Illinois Doula Program is now publically supported at 20 community programs throughout the state. Public support includes funds from the Illinois Department of Human Services, State Board of Education, Chicago Public Schools and the U.S. Department of Health and Human Services.

PENNSYLVANIA

In 2004, three foundations in Pennsylvania pooled their funds to create a pre-K partnership and engaged four additional foundations to raise a total of \$11 million. The public sector contributed seed public dollars to the effort as well. This partnership eventually leveraged \$75 million in public funds to create PA Pre K Counts; the PA publically funded pre-kindergarten initiative, which has been publically funded since 2007. In 2008, the three foundations pooled funds again to support public and business engagement, the development of the Early Learning Network data system, and increasing the number of early childhood educators with bachelor degrees. Foundations contributed \$3.5 million to this project, which enhanced the \$31.7 million allocated from public dollars for this work. In 2006, the Heinz Endowments contributed \$400,000 over two years to launch an early childhood mental health initiative piloted in two regions of the state. That initiative led to public funding using a combination of state, federal CCDBG, IDEA and its

state resources to create a program of early childhood mental health consultants in all regions of the state totaling approximately \$1 million annually.

4. SUPPORT ORGANIZATIONS TO DO POLICY ANALYSIS, ADVOCACY, COMMUNICATIONS AND SYSTEMS DEVELOPMENT THAT IMPACT PUBLIC INVESTMENT AND COORDINATION

ILLINOIS

A number of Illinois-based foundations invested in building the capacity of the early childhood field over time. Grant-makers recognized the complexity of the system-building process, and different foundations focused on different parts of the system including research, advocacy and policy development, and professional development. The leading advocacy groups in Illinois also recognized the need to join forces to push for quality and equity for young children. One of the Irving Harris Foundation's grant-making core values is an intentional effort to leverage limited resources to make the most impact; and therefore, grant making is done in partnership with philanthropic and governmental partners. Since 2007, this Foundation alone has invested almost \$20 million to advancing Illinois' early childhood system. The momentum generated by local funding support, the strength of the Illinois advocates, and the progress made leveraged additional foundation support from outside the state for public awareness and policy efforts to expand pre-school and for broad systems reform. The support generated through this private funding helped to pass Preschool for All in 2006 when Illinois became the first state to put forward a plan to offer voluntary, high quality preschool to all three- and four-year-olds, as well as a set-aside for programs serving the most at-risk infants and toddlers. Preschool for All is currently publically funded at \$325 million.

MINNESOTA

Over 30 foundations statewide participate in Start Early: Funders for Children and Minnesota's Children, a group that supports a collective policy agenda with the end goal of increased school readiness. In 2009, this group invested \$18 million in school readiness related efforts. Through its public policy and advocacy work, Start Early made significant contributions to the establishment of Minnesota's Office of Early Learning.

OHIO

Governor John Kasich issued an Executive Order in October of 2011 to create the Early Education and Development Innovation Committee composed of senior executives from private sector to develop strategies to achieve results for young learners. This Executive Order formalized the tie between business and state level early learning and development policy. It

charged this Committee to mobilize business partnerships at the local level to achieve community and state-wide kindergarten readiness goals and to bring private sector tools and resources to early learning policy and practice. The Committee is also charged with assisting the Early Education and Development Officer with disseminating information annually to the Legislature, leaders in local communities, and the public of the state of school readiness in Ohio.

PENNSYLVANIA

Pennsylvania's Promise for Children is a public-private partnership to raise awareness about the importance of providing Pennsylvania's young children with access to quality early learning opportunities. Pennsylvania's Promise for Children's campaign offers easy-to-understand information on the benefits of quality early learning opportunities at home and in programs, tips for parents on helping their children learn, and ways for everyone to get involved and tell their story. Pennsylvanians can also sign PA's Promise for Children's declaration to add their name to the thousands of others who value quality early education for Pennsylvania's young children. This initiative is sponsored by three private PA foundations and the BUILD initiative in partnership with the Pennsylvania Office of Child Development and Early Learning (OCDEL) and is funded at \$225,000 per year.

VERMONT

In 2006, Governor Jim Douglas signed an Executive Order creating a public-private partnership, Building Bright Futures Council. The 21-member Council included the heads of state agencies serving young children as well as business and community leaders. Building Bright Futures is a non-profit organization that seeks to assure all Vermont children are healthy and successful by improving the quality, affordability, and accessibility of services for families with children under the age of six in the areas of health, early care, and education. Established as a public-private partnership, Building Bright Futures links community-based planning and program development with a state-level Council charged with creating an integrated system of services. Locally there are 12 regional councils charged with coordinating regional programs, collecting outcomes data, communicating local gaps in service and developing regional plans for service delivery. The Building Bright Futures Council was established in Vermont statute in 2010 through Act 104. In 2007, the state allocated \$100,000 to support the infrastructure and the Vermont Community Foundation pledged \$200,000 over three years to coordinate activities with Building Bright Futures and support the development of STARS (Step Ahead Recognition System), Vermont's child care quality rating system. Currently state funding comes from premiums for specialty vehicle license plates.

North Carolina's Smart Start has been a leader in the development of a successful public-private partnership and offers these lessons learned when creating a public-private partnership:

- Begin with a clear vision
- Leadership is absolutely essential
- Collaboration can be taken to a new level
- Accountability must be built into the design
- There is a limit to the amount of planning you can do; know when it's time to act!

Section II: Resources

Partnering with the Private and Philanthropic Sectors: A governor’s Guide to Investing in Early Childhood, National Governor’s Association 2008. http://www.nga.org/cms/home/news-room/news-releases/page_2008/col2-content/main-content-list/title_public-private-partnerships-key-for-early-childhood-success-new-nga-report-says.html

This guide describes the nature and activities of early childhood public-private partnerships. It aims to help governors and state policymakers navigate through the decisions they will make if they wish to pursue such partnerships in their own state. Detailed profiles describing the governance, funding, programming, and evaluation of the 10 state early childhood public-private partnerships referenced throughout the guide can be found in the appendix. The State Private-Public Matrix described below developed by the Ounce of Prevention was developed from this report. The Recommended Key Characteristics of a State-Level Public-Private Partnership and the Roles Matrix described under “Developing Public Private Partnerships” were also derived from this report and put together by the Ounce.

State Private-Public Matrix, developed by Ounce of Prevention, 2010 (attached to document)

This chart highlights 10 states that have developed public private partnerships: Alaska, Arizona, Michigan, Nebraska, North Carolina, Oklahoma, South Carolina, Vermont, Virginia, and Washington. For seven states, the chart specifies the amount of public funds the partnership leveraged as listed below. The chart indicates the name of the public-private partnership, the background, the focus, the governance and authorizing vehicle, funding, activities, and evaluation.

Inspiring Innovation: Creative State Financing Structures for Infants and Toddlers, 2009 by Ounce of Prevention and Zero to Three, http://main.zerotothree.org/site/DocServer/Ounce_brief_Oct6B.pdf?docID=9642

This report highlights how Illinois, Kansas, Nebraska, and Oklahoma have developed innovative financing structures to support services for at-risk infants and toddlers. Nebraska and Oklahoma have established Public-Private Partnership Funds to finance high quality infant-toddler programs. These partnerships are innovative because the use of private dollars encourages state action and leverages public investment. Private dollars are not intended to supplant public support but rather to build upon it. As of this 2009 report, the state of Oklahoma contributed \$10 million in state education funds and the private sector contributed \$15 million to the Oklahoma Pilot Early Childhood Program. The state of Nebraska contributed \$40 million from the Educational Lands and Trust Fund, matched by \$20 million in private funds, to Sixpence.

Nebraska and Oklahoma offer two strategic tips for states interested in establishing a public-private partnership fund. (Page 11 of report)

- Bring together a varied group of advisors to the public-private partnership fund.
- Policymakers and advocates should identify a diverse group of advisors for the public-private partnership fund from the public, private, early childhood, and philanthropic arenas who bring a range of resources and unique perspectives to enhance the partnership.
- Protect the partnership fund and ensure long-term sustainability with the help of state legislation or an executive order. Protecting the sustainability of a public-private partnership fund is critical.
- States should consider formalizing the partnership with state legislation or an executive order.

Documents from Maine created with assistance from the Ounce, 2010,

<http://mainechildrensalliance.org/assets/files/pppbrieffinal.pdf> - Early Childhood as an Economic Investment

The State of Maine was interested in developing a public-private partnership. Documents were created to help with this process based on the report mentioned above by the National Governors Association. (Attached to document)

- Public-Private Work Group key questions divided by function of the three groups. The three groups were Governance, Structure and Financing; Purpose and Function; and Evaluation and Implementation. Maine also created principles for public private partnerships as part of this document.
- A second document contains recommended key characteristics of a public private partnership and a role matrix.