

Financing Plan for Great Start System–Ottawa

Connecting the Pieces

There is a national movement afoot to place a monetary value on supporting children and families in such a way as to assure school readiness for all children. In addition to placing a value on such outcomes, there is also a need to connect critical services with sustainable funding- no easy task in this economic climate.

In 1999, the Annie E. Casey Foundation launched its decade long, flagship initiative- Making Connections. The initiative's purpose was to improve outcomes for vulnerable children. In 2009, The Finance Project (a national organization whose mission includes developing and disseminating research, information, tools, and technical assistance for improved policies, programs, and financing strategies) produced a guide to support Making Connections' eleven sites: *Finding Funding: Supporting Making Connections Core Result That Children are Healthy and Prepared to Succeed in School*. The guide highlights the effect state and local budget deficits have had on private sector funding. The Finance Project documents that this economic downturn has been accompanied by fewer viable funding options and an increased pressure for service providers to do more with less.

In January 2007, The Brookings Institution authored *Cost-Effective Investments in Children*. The author, Julia B. Isaacs, states that:

While the major focus of a responsible, future-oriented budget plan should be deficit reduction, a good budget strategy also needs to make targeted investments in programs that will improve America's future economic well-being. Chief among these effective investments in children to ensure they have the skills to become tomorrow's adult workers, caregivers, taxpayers, and citizens.

The paper identified four areas of investment in children that provide evidence of positive outcomes and high cost-benefit ratios to warrant investment during economic downturn: early childhood education, infant and toddler programs, K-12 school reform, and teen pregnancy prevention. Isaacs estimates that significant benefit could be realized with an

investment of less than 0.2 percent of our national gross domestic product. Estimated cost benefits for early childhood education programming range from 2:1 to 17:1 depending on quality and range of services provided. Providing comprehensive services to the physical and developmental health of children 0-3 and their families would result in an estimated \$2.88 return for every \$1.00. The savings would be due to reduced criminal activity, improved employment, higher tax revenues, and reduced utilization of public welfare. Furthermore, Isaacs found that investment in school reform would be offset by approximately a 1:1 ratio due to savings in special education and grade retention. Finally, the author states that model teen pregnancy prevention programs have demonstrated results whose savings far outweigh their modest investments.

In August of 1995, Governor Granholm called for the creation of the Early Childhood Investment Corporation (ECIC) "to assure that every young child in Michigan has a Great Start and arrives at the kindergarten door healthy and ready to succeed in school, with parents who are committed to educational achievement". ECIC provides funds from both the public and private sector for community leaders to work together, as members of a Great Start Collaborative, to create the kinds of helpful information, services and resources that parents want and need. They also provide training and consultation to community leaders about what works to improve the health, development and learning of young children. Additionally, they seek to bring together information about child, family and community needs, to educate and advocate for policy changes that assure the most efficient and effective use of all financial resources. Recognizing these issues, in 2007 ECIC engaged The Finance Project to complete a finance map of early childhood resources in Michigan and began supporting local Great Start Collaboratives in similar efforts. This report is a result of Ottawa County's efforts to engage in a state and national movement to identify resources and maximize what funding

is available and search for additional supports as needed.

The State of Need vs. The Safety Net

In their June 23, 2009 *Budget Basics*, Michigan's Children reported that:

Michigan is facing a nearly unprecedented fiscal crisis...

- *The loss of nearly 750,000 jobs since 2000, including a 17 percent drop in the number of state employees.*
- *State revenue estimates that are now below 1971 levels.*
- *Over \$4 billion in spending cuts since 2001, including services for vulnerable children and families.*

...since 2001... many vital programs have been cut or have failed to grow to meet increased need...

Basic needs programs. ... *Despite increasing child poverty rates, investments in programs to ameliorate the effects of high unemployment and low opportunity have faltered. Funding for Michigan's Family Independence Program (FIP) monthly [cash] grants [to families] have remained largely unchanged since 1993, causing the purchasing power of the grant to decline by over one-third...*

Child abuse and neglect prevention services. ... *Between 2000 and 2000 ... programs to prevent child maltreatment were cut, including Families First (down 19%), Strong Families/Safe Children (down 12%), 0 to 3 Secondary Prevention (down 17%), and Child Protection/Community Partners (down 21%)...*

Early learning programs: *Although there were increases in funding for early childhood programs in fiscal years 2007 and 2008, overall funding was down 32 percent between 2001 and 2008, largely because of the elimination of the All Students Achieve—Parent Involvement and Education (ASAP-PIE) program, a \$45 million home visitation and family support program, as well as the full-day preschool/Head Start program in 2002...*

Health care for low-income children and youths: *Spending for Medicaid services has continued to grow in Michigan, as caseloads and health care costs have increased.*

Meanwhile, funding for prevention services has been cut. The number of children insured by Medicaid climbed from 579,000 in 1999 to 874,000 in 2007, an increase of 50 percent. An additional 30,000 children are covered by MICHild. While the Legislature protected eligibility for Medicaid and MICHild--despite the worsening fiscal situation in Michigan-- funding for health prevention and promotion programs was cut, including the school health curriculum (86% cut), prenatal care outreach and support (30%), local maternal and child health services (19%), and infant mortality prevention (10%)...

High school completion programs: *Over the last decade, state funding for adult education programs, including those targeting youths who have dropped out of school, has been drastically reduced. In the current fiscal year, the Legislature provided no new funding for adult education programming, but did approve \$15 million in new grants to school districts with low graduation rates for planning and startup of newly constructed or configured schools designed to reduce the dropout rate, but this funding was subsequently reduced through Executive Order...*

In May 2009 *Health Affairs* reported that approximately 160,000 people in Michigan will lose their health care coverage between January 2008 and December 2009. In June 2009 the Michigan League of Human Services reported that Michigan respondents to an online health care survey (sponsored by the AFL-CIO and Working America), detailed how the health care crisis is impacting them:

- *54% of respondents from Michigan reported not being able get the health care they need at a price they can afford.*
- *29% of respondents from Michigan reported that someone in their household lost health coverage this year due to losing a job or changing jobs.*
- *81% of respondents from Michigan reported that their health care costs overall increased in the past year.*

In addition, they reported that during the past 12 months:

- unemployment rates for Ottawa County increased by 5.8 points.
- the number of households receiving food assistance per month increased by 28.2 %.
- the number of persons eligible for Medicaid only increased by 17.9%.

On July 6, 2009 the Associated Press (AP) released a stress index report based on their monthly analysis of economic stress indicators (unemployment, foreclosure rates, and bankruptcy claims) in more than 3,100 U.S. counties. Their report stated that: *California, Michigan and South Carolina suffered the most financial pain in May as unemployment, home foreclosures and bankruptcies rose...* The AP's stress index for Michigan was second highest at 15.9; the percentage of increase in the stress index was higher for Ottawa County than many of its neighbors.

In July 2009, Community Research Institute reports that over 30% of all children in Ottawa County are under the age of 6, an estimated 20,742 children for 2007. American Community Survey reports that approximately 1,000 grandparents are presently raising their grand children, and over half are single females. Almost 10% of our population over the age of 25 has no high school diploma. The 2009 National Kids Count reports that in 2007 Holland, Michigan saw 25.6% of its births being to mothers with less than 12 years of education, 38% being to unwed mothers, 20.9% being born with less than adequate prenatal care, and births to teens rising steadily since 2004. These issues do not only affect the more urban settings of Ottawa County. Since 2003 the less discussed community of Georgetown Township has seen

a steady rise in births to unwed mothers, less than adequate prenatal care, and Medicaid paid births. As a county, the number of children ages 0-17 receiving SSI has nearly doubled since 2003, the number of births to mothers with less than 12 years of education has not dropped since 2004, births to unwed mothers has steadily risen since 2003, births to teens under age 20 has been on the rise since 2005, and births with less than adequate prenatal care has continued to rise since 2004.

From 2003 to 2007 the percentage of children in Ottawa County who were served by Early On has risen from 3.5% to 4.8%. In 2007, Ottawa County had 118 child care centers, only 36 of which accepted infants and 45 only provided care for less than five continuous hours per day. Only two child care centers in Ottawa County are NAEYC accredited. For the 2008-2009 school year Ottawa County had 466 full-time and 72 part-time Great Start Readiness Program (GSRP) slots (State-Aide Allocated slots: Allendale- 17, Coopersville- 18, Grand Haven- 67, Hamilton- 16, Holland- 96, Hudsonville- 44, Jenison- 44, West Ottawa- 110, Zeeland- 36; Competitive Grant slots: Boys and Girls Club- 72 part time & 18 full-day). Early on provided services to over 900 children during the year as well. In addition, at the time of this report, the Head Start has a waiting list of families needing service.

It is clear now, at a time when funding may not be readily available for supportive services, safety nets will be critically needed- potentially in greater capacity than has been seen in some time. Need is likely to outnumber availability in the coming year for many services.

Ottawa County's Investment in Their Future: Resource Mapping

The vast majority of funding streams to Ottawa County for children 0-5 and their parents are state and federal entitlement programs, including income assistance payments, food stamps, Medicaid, housing supports, etc.

Entitlement programs provide 89% of all funding used to support children 0-5 and their parents- a total of more than \$37 Million. In comparison, Ottawa County funds 7% of the programs and services, many of which require

a local match in order for the state and federal funds to be allocated to the providers. Ottawa County private funding streams, including local foundations, United Way, and the business community, typically fund parent education and early care education initiatives.

Over 5200 children 0-17 in Ottawa County are living in poverty. The percentage of young children on food stamps quadrupled from 3% in 2000 to 12% in 2007. With unemployment on the rise, with no end in sight, more and more families will fall into poverty, creating a larger burden on the safety net. Although Ottawa County has quality programs and services for children 0-5 and their parents and a generous community base, there continues to be gaps in service, in particular to young children in poverty. Head Start does not have enough funding for the number of children who need the educational foundation in order to be ready to succeed in school and life. Home based services to overburdened/at-risk families have declined over the past two years with budget constraints and funding cuts.

Research would indicate that leaving the neediest families without support will most likely affect their children's success in school and graduation rates. In June, 2009 Partnership for America's Economic Success (PAES) released their report *Parenting Education is Economic Development*. In this report evidence is cited that supports the need for investments in programs that focus on:

- Establishing an early parent-child bond and helping parents set realistic

expectations based on their child's developmental needs.

- Teaching parents how to nurture their children to reach their full potential.
- Helping parents manage behavioral and school-readiness issues with preschoolers.
- Empowering parents to establish boundaries and discipline effectively.
- Preventing abuse and neglect.

The PAES report also credits Criminologist Alex Piquero and his colleagues for pooling results from 55 studies from around the world and discovering a very strong relationship between participation in a high-quality parenting program and lower crime rates. Piquero found that children of parents who participated were as much as 22 percent less likely to later commit a crime.

Michigan is suffering from a grave loss in revenue at the time this report is being written. Budget shortfalls will leave the state struggling for years to come and it will rely on a strong, non-incarcerated, talented, and creative workforce to put it back on its feet. Considering that our young children are also our future workforce, we must invest in them early. Research has shown a return on such investments to be up to \$17 for every dollar invested. Investing in our children means investing in our future.

Ottawa County Finance Project Process:

The goals of the GSC Finance Project were:

1) To create a funding map of federal, state, local and private expenditures on programs and services for young children and their families; and 2) to analyze the effectiveness of current funding for the Great Start system, highlighting the diversification and adequacy of existing funding, the stability and flexibility of available programs and funding sources, and issues related to coordinating funding from multiple public- and private-sector sources.

Under the oversight of an advisory group, consisting of GSC members representing a

variety of sectors, the scope and scale of the project was defined. It was determined to include agencies and programs that provide services to children 0-5 and their parents while excluding agencies and programs that provide for basic needs, temporary housing, employment or other services that might supplement the targeted services to children. The committee felt the end result would be a more accurate portrayal of the cost of programs that directly impact children 0-5 and their parents.

A survey was designed and developed and the State Finance Project template revised to fit the scope and scale of the Ottawa County project. Similar to the State Finance Project process, completion of local finance map surveys were facilitated through a variety of venues: phone interviews, face-to-face meetings, and e-mail correspondence. A total of 44 agencies with programs and services for children 0-5 and their parents were sent surveys (see Appendix 1). The surveys were

initiated in the fall of 2008; follow-up contacts were made with those who did not at first respond. During the winter the advisory group made additional calls and visits, resulting in the successful collection of the remaining data. In addition, the group omitted agencies and programs where the main focus was not early childhood or parents with children age 0-5. As a result, the response rate was exceptionally high – 82% of agencies responded.

Key Findings from Resource Mapping:

Existing Funding

In FY 2007, approximately \$2.5 Billion of state and federal dollars were spent in support of children 0-5 and their families. More than 71% of this funding came from federal programs and 29% from state revenue. In comparison, in FY 2008, a total of \$41,681,327 was invested in Ottawa County. The proportionate investment picture looks as follows (Diagram1):

- ☑ Federal Funding, including federal entitlements, block and formula grants and discretionary grants – 55%
- ☑ State funding, including state general funds, the Michigan Child Care Fund, the Michigan School Aid Fund, and the Healthy Michigan Fund – 34%
- ☑ Local funding, through general funds and dedicated local revenues – 7%
- ☑ Private funding, including support from foundations, corporations, and United Way organizations – 4%

To clarify, federal and state funding include:

- ☑ *Federal entitlements* – These funds guarantee that all individuals who meet the eligibility criteria are served (i.e. Medicaid Title XIX, Food Assistance, the Child and Adult Care Food Program, and Foster Care Title IV-E). Entitlement funds flow from the federal government to Michigan agencies, which are responsible for operating relevant programs or channeling funds to local agencies to operate relevant programs.
- ☑ *Federal formula/block grants* – Federal formula/block grants provide states with a fixed allocation of funds based on an

established formula that is linked to a measurement of need (i.e. Child Care and Development Fund -CCDF; Maternal and Child Health Block Grant -Title V; Temporary Assistance for Needy Families -TANF; Social Services Block Grant -SSBG; Community Services Block Grant -CSBG; and Substance Abuse and Treatment -Block Grant- SAPT). These grants flow directly to state agencies that are responsible for operating relevant programs, typically sub-granting through a proposal process, or otherwise turning over funds to local governments or nonprofit agencies. States are required to match a share of the federal funding allocation in order to draw down the formula/block grant dollars.

- ☑ *Federal Discretionary Grants* -- Federal discretionary grants fund a range of targeted federal efforts, including early health and development, early learning, parent education and support. Funds do not flow through Michigan agencies; they go directly to local grantees. (i.e. Head Start and Early Reading First grants).
- ☑ *State General Funds* – Michigan’s general funds are collected through several state taxes and fees. The State Legislature allocates general funds to support a range of early childhood initiatives (i.e. state matching funds for the Family Independence Program and funding for the Michigan School Readiness Program competitive grants). Michigan’s constitution requires that the state use general funds to provide a dollar-for-dollar match to localities supporting specified in-home and out-of-home care for vulnerable

children and youth. The combined pool of state and local funding for these activities is known as the “Child Care Fund”. It is administered by the Michigan’s Department of Human Services, Bureau of Juvenile Justice.

- ☑ *State School Aid Fund* – Michigan’s School Aid Fund is a dedicated state revenue source that uses state property and sales taxes to support public education. Funds are distributed to school districts according to a formula designed to alleviate funding disparities between local districts. (I.e. K-12 education, Michigan School Readiness Program grants to school districts, and the Great Parents, Great Start program).
- ☑ *Healthy Michigan Fund* – Legislation passed in 1996 dedicates revenue from state taxes on tobacco sales to support the Healthy Michigan Fund. This fund aims to promote the health of Michigan citizens, with a focus on vulnerable populations. Funding supports a range of health promotion programs, including maternal and child health initiatives.

Great Start System Component Funding

Results of the completed surveys were compiled and can be viewed in Appendix 2.

- ☑ **Basic Needs, Economic Security and Child Safety** represents 19% of funding, compared to 37% for the State. This component includes adoption services, children’s foster care, food assistance program, family independence program, children’s passenger safety, and assessment of abused children, to name the majority of the funding allocation.
- ☑ **Early Care and Education (ECE)** represents 25% of the total funding, in contrast with 23% for the State. ECE funding includes Parenting Plus, Child Care Fund, Children and Family services, Early On, Families First, Family Preservation, Great Parents, Great Start (Parents as Teachers), Strong Families, Safe Children, Young Lives, Breakfast with Baby, to name a few.
- ☑ **Physical and Social-Emotional Health** is 49% and less than 1% of the total funding, respectively, compared with 36% and less

than 1% for the State. Physical Health includes Maternal Infant Health, hearing / vision screening, immunizations, Community and Migrant Health Center, Medicaid, MI Child, and WIC; and Social Emotional Health includes –Child Care Expulsion Prevention project and counseling.

- ☑ **Family Support and Parent Education** includes 7% of the funding, compared with 4% of the State’s total. These programs include Head Start, Michigan School Readiness, Early On, Family Preservation, Great Parents, Great Start (Parents as Teachers), the local Public Libraries and District Libraries, Strong Families/Safe Children, Teen Moms and other programs.

Great Start System Feedback Analysis

To gather feedback information from service providers, the following questions were asked and input was received:

Q: Do all children/families that need this service have access to it? If not, please describe access challenges or funding gaps?

A: Service providers can be bound by mission, values, and regulations to provide services to all those who request them. However, funding availability may limit the service provision. Scholarships exist for some services, but the need exceeds the availability of such resources. Reportedly barriers to service access included insurance limitations, eligibility requirements, diagnoses, service capacity, transportation, communication, awareness of services. Barriers sometimes exist due to the need for referral from specific programs in the community. Some organizations create waiting lists for service whereas others are unable to do so.

Q: What is the value of in-kind goods and services? Is it essential to the operation of your program? Is some or all used/required as a match?

A: Ottawa County has come to rely on the kindness and support of others to make critical services and support available to our families. Foundations, businesses, volunteerism, goods, services all create a critical wealth of resources for those who are trying to meet the ever

growing need of families in Ottawa County. Many thousands of dollars worth of examples were provided and included but were not limited to: support for direct patient care, equipment, office space, administrative support, materials, books, IT support, volunteers hours (equaling over 15,000 hours in one program include: mentors, parents, students, and board members), donations (i.e. food, clothing, blankets, baby food/formula , etc..), and a playground.

Q: Who else provides a similar program?

A: When asked about program similarities, respondents were able to identify a few similar programs. Head Start and Michigan Great Start Readiness Programs (formerly known as MSRP) are similar but have different funding streams, guidelines and eligibility requirements. Adoption agencies also acknowledged that there are multiple private adoption organizations in the service area. Faith based organizations such as Central Wesleyan Church, Faith Reformed Church, Catholic Charities, Young Lives, Salvation Army, Love Inc and Good Samaritan Ministries also offer secular services in the same county but work together not to be duplicative. Several agencies have private clinicians and outpatient behavioral health programs as well. Respondents also wanted to acknowledge the multiple private daycares in the area that provide the same childcare opportunities for families.

Q: How are you different from other organizations with a similar program?

A: In the area of childcare, differences identified ranged from such issues as educational benefits that flow into school curriculum and scholarships that help families who cannot qualify for other funded programs. In regards to parenting education and support programs, the intensity and range of supports offered vary greatly, target audiences differ (parent, child, adoptive, pre-adoptive, at-risk/low-risk/no-risk), eligibility requirements are often related to funding sources, languages served varies, and secular based versus non-secular services depends on the agency's roots. Basic needs supports vary in duration, level of support offered, and target audience.

Q: What gaps/opportunities do you see in 0-5 services in Ottawa County?

A: Respondents felt that the Great Start Collaborative offers the community opportunities for improved collaboration among agencies and businesses for investment into early childhood initiatives. It also provides critical linkages to address such gaps as specialty training for providers of service and creating opportunities for services in outlying school areas (Grand Haven, Hamilton, Jenison, and Zeeland).

Even with all of the services identified, significant service gaps were identified by respondents:

- **Safety:** There is not a great deal of education and support for children and their parents in regards to injury prevention, the number one killer of children. There was an identified need for more partners to be able to diffuse more information through different avenues. Partners could include but should not be limited to: schools, daycares, and physicians' offices.
- **Basic Needs:** Gaps were identified in transportation options, affordable quality housing, and longer term supportive housing
- **Early Care & Education:** Gaps were identified in high quality, affordable, accessible, and flexible child care. In addition, Ottawa County lacks enough center-based 3-year old Pre-K programming. Respondents also identified a service gap due to limited Head Start openings. Survey respondents also pointed out a lack of integration opportunities (language, culture, learning needs, socio-economic backgrounds) at all age levels. Finally, respondents saw a need for more special education services needing to be brought into the preschool classrooms rather than having children serviced outside the classrooms
- **Social Emotional Health Care:** As can be seen by the proportional investment chart, Infant Mental Health Services are lacking in Ottawa County.
- **Parent Education & Family Support:** Concern was voiced that the limited capacity of available family support programs may impact the high dropout rate for teen parents. There are also limited services focused on teen dads. Additional service gaps were also noted for families

once their children either reach 1 year of age and are not Early On qualified, or after age 3 year if they receive Early On support, and need to have progress continued through supportive services.

- **Physical Health Care:** A service gap was noted between community members who are eligible for Medicaid insurance programs and actual enrollment. There are more individuals eligible for this service than are enrolling. Furthermore, there continues to be an on-going need for affordable health care for the underinsured families. Ottawa County has limited health care providers who will accept Medicaid. The county also needs options for dental care for under- and un-insured. Respondents also identified a need for focused effort on childhood obesity and wellness.

Q: What opportunities for improvement do you see in 0-5 services in Ottawa County?

A: Responses to this question focused primarily around service information availability. Opportunities for collaborative sharing to occur outside of the western quadrants were also mentioned. Additionally, opportunities for coordinated evaluative efforts and funding were also requested.

Q: What barriers do you see are affecting you the most in respect to funding?

A: Funding and our current economy was the number one response to the barriers question. Options such as a 0-5 millage levy and shared knowledge of funding resources for sustainability and improved availability were offered as potential solutions. Concern was frequently voiced that the lagging economy is creating additional stresses for our families at a time when services are being cut or eliminated. In addition, with limited resources it is increasingly important that the right families get linked with the right programs and supports; this takes communication and community awareness. Barriers come with service restrictions; although they are often intricate to the program itself, they can be barriers to getting families help when borderline situations occur. Barriers to service are seen in the ever increasing number of families asking for help as financial strain increases in Ottawa County. The economic stress is also being felt in the service sector. As resources become

increasingly scarce, organizations begin competing for dollars; respondents called for increased collaboration and communication rather than competition. Unfortunately, family needs are occasionally met with service mandates from funders or regulators. However, some mandates do not come with financial resources identified; this places unrealistic expectations on providers. There was also a call for creative and innovative supports and service as community needs as well as research indicates changes needed. Without innovation and evidence-based programming, access to new dollars becomes limited.

Q: Do the funding sources that your agency receives from federal or state agencies come with statutory or regulatory requirements that make it difficult to use them in a coordinated way? If yes, in what way?

A: Those agencies who receive federal and state dollars reported that the dollars are specifically earmarked for individual programs. Although these programs have some ability to collaborate and combine funding, the other service(s) would need to meet the specific requirements of the funding source. These funds often come with numerous regulations. Due to that, some respondents stated that they do not want these funds due to the restrictions placed on them. This then limits community willingness to access potentially available funds.

Q: What are your three most significant funding gaps that you face in your effort to implement a comprehensive early childhood system in your community? In other words, what three types of early childhood supports and services are most in need of additional funding?

A: Respondents identified funding gaps exist for prevention and early intervention programming in general. Foundations are making decisions about new and renewed funding, the county is making decisions to eliminate some of their supportive funding, and the state is making critical decisions about eliminating and cutting funding streams. Prevention was identified as needing additional funding; included in prevention was: access to healthcare, assessments, child maltreatment, and obesity. Along with prevention, a growing need for intervention was identified and

included: behavioral health, infant mental health, housing, and food. Furthermore, an underfunded infrastructure was cited as needing support dollars to meet the ever increasing numbers of consumers and included: transportation, staffing, accessible facilities, communication, materials, and professional development. Current economic conditions are quickly changing the face of what families need and therefore financial support that recognizes the need for communication, partnerships, and service agility are critical. In addition, high quality,

accessible early care and education is often not affordable for those who are most at risk of not being ready for school. As families become increasingly employment challenged, their child care needs are changing. Families are leaving high quality child care settings, child care providers are losing their jobs, and families are seeking information and support from informal sources. Ottawa County is finding they are underfunded and unready to meet these needs with agility.

WHAT'S NEXT: TOWARD A STRATEGIC FINANCING PLAN FOR GREAT START

At the state level

ECIC's post-Finance Project advisory committee will include a gap analysis in Phase II of the project. Phase II will also address funding efficiencies as well as find opportunities for coordination.

- ☑ Identify potential financing strategies and funding sources to fill the gaps between resources currently in the system and what is needed to support full implementation.
- ☑ Identify strategies to coordinate and make better use of existing resources at the state and local level, including opportunities to reduce operating costs, redeploy funds from higher cost to low cost services delivery and reinvest funds that can be saved through these strategies to new programs and services.

- ☑ Look at innovative ways that other states and communities have utilized similar financing strategies and funding sources to support comprehensive early childhood support systems, taking account of what has worked well and what has not worked well elsewhere to help frame a coherent set of strategies to generate revenue to support the full implementation of the Great Start system.
- ☑ Develop a clear plan for full implementation of the Great Start system at the state and local level, including the scope and scale of programs and services related to each of the Great Start system components, a detailed understanding of required capital investments and start up needs in Great Start Ottawa, a clear concept of the size of the target population, and a timetable for implementation.

At the local level

- ☑ Connect with ECIC's state level Finance Project plans for coordination strategies and innovation.
- ☑ Develop Year 3 GSC-O Action Agenda utilizing the knowledge and resources developed and shared by both national and

state-level organizations involved in similar efforts.

In 2006, The Finance Project authored *A Guide to Calculating the Cost of Quality Early Care and Education*. This guide breaks costs down

into direct service, infrastructure and capital expenditures. They define **direct services** as:
the specific programs or resources that children and their parents receive. They may include child care services, parent education, health care, or other family support services.

Infrastructure is defined as:
the foundation on which services and effective systems function. Costs include administration, evaluation, resources and referral functions, technical assistance and support, planning and coordination...the more families the system serves, the larger the infrastructure will be.

The final expenditure **capital costs**, is defined as:
the larger expenditures, some of which are one-time outlays, others of which are on-

going, that are also essential for programs and systems to operate. They may include bricks-and-mortar of building, renovation and costs to maintain facilities as well as transportation and equipment.

The guide recognizes that infrastructure and capital outlays may be extensive; however, they have an important affect on both the quality and availability of services provided. *A Guide to Calculating the Cost of Quality Early Care and Education* recommends that an advisory group make decisions about finance prioritization using the following tool:

By utilizing these common terms and breakdowns, alliances can be sought to align needs and resources cross providers and systems in an intentional way.

| To answer these questions... | ...it may help to have the following information |
|---|--|
| <p>1. Direct Services</p> <ul style="list-style-type: none"> • What types of services are you seeking to finance? (early learning, maternal and child health, parental support) • For whom? • Where? What geographic location? In what settings? • For each of the direct services defined during prioritization, what are the most important components of a quality program? • What will it take to bring programs up to the improved quality standards? • What is the demand for services now, and how will it change with improved quality? • If demand exceeds capacity, what are the start-up costs for adding new programs? <p>2. Infrastructure</p> <ul style="list-style-type: none"> • What capacities are needed to support the system? (e.g., workforce development/retention, training and technical assistance, evaluation, planning, coordination, licensing, resource and referral, transportation) • Do the services defined during prioritization require new infrastructure, or is the existing infrastructure sufficient? • If new infrastructure is necessary, can it build on existing systems, or does it require the design of new systems? • What are the start-up and ongoing costs of new infrastructure? <p>3. Capital Investment</p> <ul style="list-style-type: none"> • What expansion or improvements to facilities are needed? (e.g., new construction, renovation, emergency funds for repairs and replacements) • What other types of capital expenditures are required? (e.g., equipment for early learning centers and family child care homes, vehicles, special equipment for children with special needs) • Do facilities and/or equipment need to be added or improved? • What are the start-up costs of building or renovating facilities and purchasing or leasing equipment? • What are the ongoing costs for additional facilities and equipment maintenance and for emergency needs? | <ul style="list-style-type: none"> • Annual births are the state and community level • Number of children in Head Start, Early Head Start, Even Start, and public pre-kindergarten programs • Number of children with special needs (birth to five) • Number of children (birth to five) on Medicaid and/or State Children's Health Insurance Program • Number of uninsured children (birth to five) • Number of children (birth to five) receiving subsidized child care • Who and how many parents participate in family support or parent education programs • Who and how many children/families receive home visits • Number of licensed or regulated child care providers (centers and homes) • Child care licensing regulation (which providers are exempt, minimum staff requirements, maximum group sizes, and staff-child ratios) • The maximum capacity of the existing pool of child care providers • The unmet need for subsidized child care (birth to five) • Current supply of providers/state facilities • Current state of transportation services for staff and families • Current level/capacity of system infrastructure |

FRAMEWORK FOR SUCCESS

Once questions about what is wanted and needed are answered, decisions regarding prioritization of programs and funding must be made. In order to continue alignment efforts, national efforts have demonstrated the need for them to be built upon a common framework of understanding and history of success. In 2001, the national Center for the Study of Social Policy (CSSP), with support from the Doris Duke Foundation, developed a new conceptual framework called Strengthening Families. The Center developed an approach which involved building evidence-based protective factors around young children by working differently with their families. CSSP then began creating tools to support early childhood programs, policymakers, and advocates in making small but significant changes that support these factors. Since then, Strengthening Families has become an evidence-based model to build community service delivery around. Strengthening Families has widespread support from social science researchers, state child welfare officials, early childhood practitioners, and policy experts.

Currently, the Strengthening Families' 5 Protective Factors approach is being applied in 36 states, including Michigan. Parenting Communities in Leelanau, Michigan was, in fact, one of the Strengthening Families study sites utilized to create their evidence-based research. Furthermore, in 2009, United Way of America (UWA) expanded the work of Strengthening Families through its United Way Strengthening Families (UWSF) initiative. Additionally, the Early Childhood Investment Corporation (ECIC) has also called for implementation of the 5 Protective Factors state-wide in their 2010 Blueprint for Michigan's Great Start System.

Activities that build the Five Protective Factors can be incorporated into programs and systems that already exist in every service sector at little cost, creating an aligned system of services. Therefore, Strengthening Families' Five Protective Factors will become Ottawa County's framework for success.

The Five Protective Factors include:

1. Parental resilience: The ability to cope and bounce back from all types of challenges
2. Social connections: Friends, family members, neighbors, and other members of a community who provide emotional support and concrete assistance to parents
3. Knowledge of parenting and child development: Accurate information about raising young children and appropriate expectations for their behavior
4. Concrete support in times of need: Financial security to cover day-to-day expenses and unexpected costs that come up from time to time, access to formal supports like TANF and Medicaid, and informal support from social networks
5. Children's social and emotional development: A child's ability to interact positively with others and communicate his or her emotions effectively

Strengthening Families' June 2009 Newsletter states that:

All families have strengths, and these strengths can help them create optimal environments for child development and respond positively to stress. This is the fundamental principle behind Strengthening Families, and it holds true now more than ever as families face the most challenging economic climate in years. Media and government have tended to focus on the impact of the global economic crisis on businesses. Though this is where the crisis originated, its effects reverberate throughout U.S. communities. The worsening economy is a source of growing concern for those working with children and families to prevent abuse and neglect and promote optimal child development, as resources for organizations and individuals become increasingly scarce. A Strengthening Families approach can be especially useful when times are tough. The Protective Factors are a frame for what makes families strong, and in times of stress, they are even more important.

Using the Protective Factors Framework, a regional *Blueprint for Strong Families* will begin to take shape in September 2009. The work will include a broad array of stakeholders for services to children ages 0-18 and their families, including the Great Start

Collaboratives of Allegan, Ottawa and Muskegon Counties. The *Blueprint* will work towards alignment of quality programs that can demonstrate progress through common

indicators and as well as seeking sustainable funding strategies.

INDICATORS OF INVESTMENT SUCCESS

In addition to prioritization and selecting a system of approach to aligning services, Ottawa County must also measure its trajectory towards success both with lead and lag indicators. Lag indicators tell an organization whether or not they have met their end target goal. Lead indicators, on the other hand, tell the stakeholders how the project is doing along the way so that adjustments can be made to improve performance toward that end goal. Lead indicators come from mapping the process and establishing critical milestone measures.

In 2007, the State Early Childhood Policy Technical Assistance Network (SECPTAN) and the National Neighborhood Indicators Project (NNIP) created the *School Readiness Resource Guide and Toolkit*. Within the toolkit is a reflection of a four-year, seventeen-state project to identify “core indicators” that most states could collect and track over time so as

to identify opportunities at the community level to improve school readiness. The following equation was developed to build school readiness in communities:

$$\begin{aligned} & \text{Ready Families} \\ & + \\ & \text{Ready Early Childhood Education Services} \\ & + \\ & \text{Ready Health Services} \\ & + \\ & \text{Ready Schools} \\ & + \\ & \text{Ready Communities} \\ & = \\ & \text{Ready Children} \end{aligned}$$

The core indicators agreed upon by the partnership to support this equation are displayed in the table below:

CORE INDICATORS OF SCHOOL READINESS

| | | |
|---|---|---|
| Ready Families | Mother's Education Level | % of births to mother with less than 12 th grad education |
| | Births to Teens | # of births to teens 15-17 per 1,00 girls |
| | Child Abuse and Neglect | Rate of substantiated abuse and neglect among children birth to age 6 |
| | Children in Foster Care | % of children birth to age 6 in out-of home placement (foster care) who have no more than two placements in a 24-month period |
| Ready Early Childhood Education Services | Children Enrolled in an Early Education Program | % of 3- and 4-year-olds enrolled in center based early childhood care and education programs |
| | Early Education Teacher Credentials | % of early childhood teacher with a bachelor's degree and specialized training in early childhood |
| | Accredited Child Care Centers | % of child care centers accredited by the national Association for the Education of Young Children |
| | Accredited Family Care Homes | % of family child care homes accredited by the National Association for Family Child Care |
| | Access to Child Care Subsidies | % of eligible children under age 6 receiving child care subsidies |
| Ready Health Services | Health Insurance | % of children under age 6 without health insurance |
| | Low Birthweight Infants | % of infants born weighing under 2,500 grams (5.5 pounds) |
| | Access to Prenatal Care | % of women who receive late or no prenatal care |
| | Immunizations | % of children ages 19-35 months who have been fully immunized |
| Ready Schools | Class size | Average teacher/child ratio in K-1 classrooms |
| | Fourth Grade Reading Scores | % of children with reading proficiency in fourth grade as measured by proficiency tests |
| Ready Communities | Young Children in Poverty | % of children under age 6 living in families with low income below the federal poverty level |
| | Supports of Families with Infants and Toddlers | % of infants and toddlers in poverty who are enrolled in Early Head Start |
| | Lead Poisoning | % of children under age 6 with blood lead levels at or above 10 micrograms per deciliter |
| Ready Children | Physical Well-Being and Motor Development | % of children with age appropriate fine motor skills |
| | Social Emotional Well-Being | % of children who often or very often exhibit positive social behaviors when interacting with their peers |
| | Approaches to Learning | % of kindergarten students with moderate to serious difficulty following directions |
| | Language Development | % of children almost always recognizing relationships between letters and sounds at kindergarten entry |
| | Cognition and General Knowledge | % of children recognizing basic shapes at kindergarten entry |

The School Readiness Indicators Project also provided a matrix of additional measurements:

| MATRIX OF SCHOOL READINESS DATA ELEMENTS, SOURCES, AND POTENTIAL USES | | | |
|--|--|---|---|
| | Data Elements | Sources | Potential Uses |
| Ready Families | Number of children by age | Census | Use as denominator for establishing percentages Use in determining area with high proportions of children Use in identifying diversity issues |
| | Households with young children | Census | Use in identifying single parents, grandparents raising children |
| | Young children and parent work status | Census | Use in determining potential demands for child care |
| | Poverty and income status of children | Census | Use in identifying needs based upon economic circumstances |
| | Linguistically isolated households | Census | Use in identifying needs for ESL programs and for programs offered in languages other than English |
| | Births to adolescent girls/low-educated mothers | Vital records | Use in identifying particular parenting needs and programs for age-appropriate programs for new parents |
| | Child abuse cases, foster care cases | Child Welfare Records | Use in identifying need for neighborhood-based services in the child protection/child welfare system |
| | Children with an incarcerated parent | Dept. of Corrections Records | Use in developing community strategies to support returning ex-offenders and provide supports to children and families with an incarcerated parent |
| Ready Early Childhood Services | Pre-school data | Head Start, Part B of IDEA, state and school district data, Census data | Use in assessing need for and location of pre-school programs |
| | Child care data | Child care resource and referral data, child care subsidy records | Use in identifying need for additional child care services and in locating potential child care resources in community |
| Ready Health Services | Entry into prenatal care, low birthweight, and smoking/drinking during pregnancy | Vital statistics records | Use in identifying prenatal care services and their impact upon healthy births |
| | Health care coverage and use | Medicaid, SCHIP, and EPSDT data | Use in determining degree of coverage of children under public health programs and actual use of services (EPSDT) |
| | Immunizations | Department of Public Health | Use in determining need for additional strategies to ensure children receive primary care preventive care |
| | Elevated blood lead levels | Department of Public Health | Use in determining need for additional strategies to reduce lead in children's environments |
| | Early intervention participation | State department administering Part C | Use in determining where additional outreach and early intervention services are needed for child with developmental delays. |
| Ready Schools | Kindergarten assessment data | School district records | Use in determining relative need for school readiness activities within community |
| | Elementary grade test scores | School district records, NCLB report | Use in identifying schools and geographic areas requiring additional efforts to raise achievement and close the achievement gap |
| | Elementary attendance experiences | School district records | Use in establishing early intervention strategies with particular schools, based upon student absences |
| | Other elementary school activities | School district records and individual school surveys | Use in identifying where additional parent, school, and community activities might occur |
| Ready Communities | Crime data | Police records | Use in identifying areas that jeopardize child safety |
| | Parent and community program information | Various administrative sources, 2-1-1 | Use in identifying neighborhood gathering places and sources for community support and activity, and gaps in such resources |

By agreeing to utilize common indicators, Ottawa County's multiple early childhood and

family support programs and services can track their aligned efforts towards the common

goal of school readiness for their target population(s). Not only will this assist in efforts to align resources, but will provide critical information needed for agility and innovation.

Furthermore, for quality assurance, it will provide accountability markers, investment reports, and benchmarking opportunities.

CONCLUSION

The Partnership for America's Economic Success' June 2009 report states clearly that:

No single program can address the needs of all parents and communities. But examining the specific results of each type of parenting support enables policy makers to adopt or design programs tailored to the challenges they face, thereby reducing costs.

Therefore, Ottawa County will need a comprehensive networking of services to assure school readiness of all children it helps to raise. By mapping existing resources and collecting information regarding strengths, gaps and opportunities for improvement, Ottawa is poised to expand its efforts in creating connections with its early childhood stakeholders. Coordinated efforts to identify solutions to high quality, affordable, available solutions to challenges can be facilitated by

utilizing the work of The Finance Project, CSSP, NNIP, and SECPTAN. To reduce the burden of duplication and competition for scarce resources, the Great Start Collaborative can act as county-wide discussion and action table. Approximately 60% of the organizations providing services listed in the funding map are members of the Great Start Collaborative at the time of this report. Many of the remaining organizations are represented on the Collaborative by others who are connected to them through additional community partnerships. This comprehensive opportunity for coordination enhances the potential for sharing resources, aligning efforts, improving efficacy, and avoiding duplication so as to ultimately assure all children in Ottawa County meet their full potential for being ready for school and life.

Diagram 1

Family Support & Parenting Education Programs:

- Breakfast With Baby
- Child Care Fund- In-Home care services
- Children & Family Services
- Early On
- Families First of Michigan
- Family Preservation- Child Safety & Permanency Plan (CSPP) & Child
- Great Parents, Great Start (PAT/OAISD)
- Kinship
- Michigan Parent Information & Resource Center and Parents as Teachers
- Parent Education & Support (CTF/ Pathways, MI)
- Parenting Plus
- Pregnancy Testing/Pregnancy & Parenting Education/Material Services
- Child Protection/Community Partners (CP/ CP)
- Strong Families/Safe Children
- Teen Moms
- Wrap Around
- Young Lives

Great Start - Ottawa Total Funding by Component \$41,681,327

Social-Emotional Health Programs:

- Behavioral Health
- Child Care Expulsion Prevention Project
- Counseling
- Family Counseling
- Lakeshore Clinics

Basic Needs, Economic Security & Child Safety Programs:

- Assessment of Sexually Abused Children
- Buen Pastor Ministries
- Child Passenger Safety
- Children's Foster Care
- Children's Protective Services (CPS)
- Family Independence Program (FIP)
- Food Assistance Program (FAP)
- Lakeshore Cottages
- Older Child Adoption

Family Support and Parenting Education Social-Emotional Health

Basic Needs, Economic Security and Children's Safety

Early Care and Education

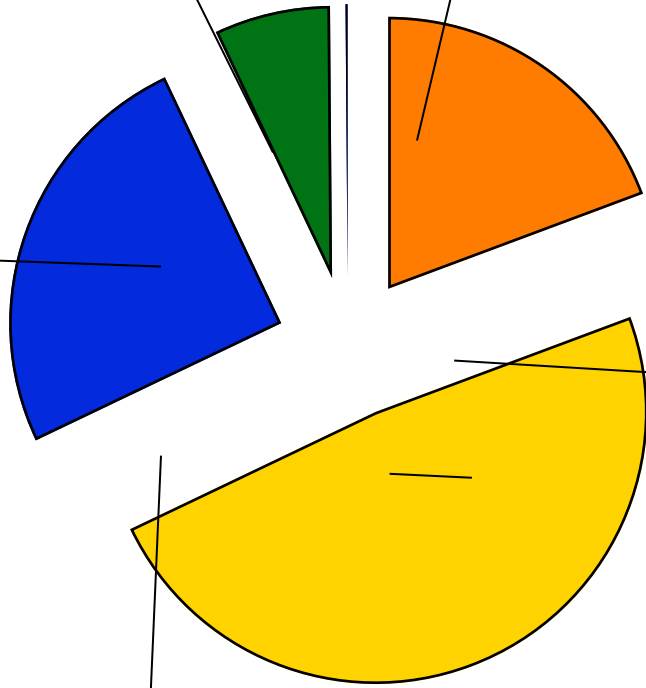
Early Care & Education Programs:

- Better Kid Care
- Child Care Provider Professional Development
- Child Care Resource & Referral
- Child Care Training
- Child Development & Care
- 4C (Community Coordinated Child Care)
- Early Head Start & Head Start
- Gary Byker Library
- Great Start Readiness Program (GSRP)
- GSRP Competitive
- Grand Haven Area Public Schools
- Herrick Library
- Imagination Forest
- Longfellow School Feasibility Study
- Loutit Library
- Migrant Head Start (Telemon/ Buen Pastor)
- No Child Left Inside (Outdoor Discovery Center)
- Preschool Special Education
- Smart Start Soccer
- State Child Care
- YMCA
- ZeeBus

Physical Health Care Programs:

- Children Special Health Care Services
- Community & Migrant Health Center
- Dental Services
- Early On
- Hearing and Vision Screening
- Immunizations
- Maternal Infant Health Program
- Medicaid
- Medical Services
- MI Child
- WIC

Physical Health Care



GSC-O Finance Project- Agencies Participation List

1. Allendale Township Library- DNP
2. Arbor Circle- DNP
3. Bethany Christian Services- P
4. Blue Cross Blue Shield Michigan- P
5. Boys & Girls Club of Greater Holland- P
6. Catholic Charities of West Michigan- DNP
7. Central Wesleyan Church- DNP
8. Child Development Services- P
9. Children's Advocacy Center- P
10. City of Grand Haven- DNP
11. City of Holland- P
12. Community Action Agency- DNP
13. Community Action House- DNP
14. Community Mental Health- *(included in OCHD)*
15. Dept of Human Services- Ottawa- P
16. Faith Reformed Church (Zeeland) - DNP
17. Gary Byker Library- P
18. Georgetown Township Library- P
19. Grand Haven Schools Foundation- P
20. Gray Center- DNP
21. Herrick District Library- P
22. Holland Community Health Center- P
23. Holland/Zeeland Community Foundation- P
24. Howard Miller Library- DNP
25. Intercare- Community Health Network- P
26. Jenison Public Schools- P
27. Lakeshore Cottages- P
28. Lakeshore Pregnancy Center- P
29. Lakeshore Safe Kids- P
30. Life Services Systems- P
31. Loutit District Library- P
32. Love Inc (Grand Haven) - P
33. MSU-E- P
34. New Community Fourth Reformed Church- DNP
35. North Ottawa Hospital- DNP
36. OAISD- P
37. Ottawa County Health Department- P
38. Pathways- P
39. Patmos Library- P
40. Pine Rest- P
41. Spring Lake District Library- P
42. Telamon- P
43. Tricities YMCA- P
44. United Way- P
45. Young Life- P
46. Youth for Christ- P

(other service providers were contacted but declined participation due to information not being available as to numbers of consumers with children under the age of 5)

Key:

DNP- Did not participate

P- Participated

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