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A Synthesis of Nebraska's Shared Leadership and Financing Efforts for Early Childhood

Over the past several decades, Nebraska has recognized the importance of the early years and increased its commitment to early childhood, building on partnerships between state agencies that go back even further. Over these same decades, however, disparate early childhood programs located in different state agencies with different rules and regulations were conceptualized and designed using parameters dictated by various funding sources, making it very difficult to operate as a true system. Despite efforts to coordinate across agencies and build on our unique strengths, infrastructure challenges within the early childhood system still arose.

In summer 2020—amid the COVID-19 pandemic and increasing economic turmoil facing parents, the early childhood workforce and businesses alike—the Nebraska Early Childhood Governance and Financing Task Force was formed. The Task Force, designed and strategically carried out in the context of Nebraska's Preschool Development Grant, brought together a broad range of expertise from state agencies, economic development, higher education, the legal field, philanthropy and public policy to explore a more coherent and purpose-driven systems approach to early childhood in Nebraska.

Utilizing the expertise of national partners² Jeanna Capito and Simon Workman from <u>P-5 Fiscal</u> Strategies, Nebraska went to work.

SUMMARY OF NEBRASKA'S EARLY CHILDHOOD GOVERNANCE AND FINANCING TASK FORCE

The Task Force was designed with Goal 4 of <u>Nebraska's Early Childhood Strategic Plan</u> in mind: Statewide systems align to support communities in creating an integrated and comprehensive mixed delivery system for all children.

The scope of the Task Force was to develop initial recommendations for achieving a fully funded and aligned system to ensure access to full-day, year-round, high-quality early care and education for children regardless of the setting and experiences parents choose.

Members of the Early Childhood Governance and Financing Task Force³ were: Amy Bornemeier, First Five Nebraska Tom Briese, Nebraska State Senator

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² Financial support for consultants was provided by the Pritzker Children's Initiative and the National Collaborative for Infants and Toddlers, without which this effort would not have been possible.

³ State agency offices noted in parenthesis

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The Task Force met eight times from September 2020 to January 2021 and accomplished the following deliverables:

<u>Deliverable 1 – Established and supported implementation of a fiscal vision and guiding principles.</u>

Fiscal Vision – Revenue sources will:

- 1. Cover the total cost of providing high quality and minimize the percentage of income that families pay;
- 2. Support direct service delivery, workforce supports and quality assurance and improvement systems;
- 3. Be comprised of family/consumer, federal, state, local, private and philanthropic funds;
- 4. Provide maximum flexibility for families;
- 5. Minimize burdens for the early care and education workforce;
- 6. Be administered efficiently.

Guiding Principles – Our decisions are guided by the following principles with the intention that Nebraska's 0-5 system:

- 1. Works for all children and ensures programming reaches and positively impacts children who are most vulnerable;
- 2. Elevates the professionalism of the early care and education workforce and supports their developing capacity for quality implementation and professional development;
- 3. Uses public and private resources wisely and efficiently, augmenting resources from those families who can afford services;
- 4. Acknowledges embedded social inequities and implements changes to remediate inequity;

- 5. Compensates the early childhood workforce at a level that is based on their professional experience, acknowledges their significant impact on child development and allows for financial stability;
- 6. Supports the entirety of a child's experience before entering kindergarten, including prenatal supports for expectant mothers.

<u>Deliverable 2 – Explored and synthesized the following topics with national experts:</u>

- 1. Accountability measures, efficiencies and sustainability
- 2. Regulation alignment, streamlining processes
- 3. Integrating funding sources
- 4. Governance models

<u>Deliverable 3 – Developed recommendations for coordinating and aligning revenue streams</u> <u>from disparate sources to make receiving revenue simpler for Nebraska communities and early childhood providers.</u>

Combined Recommendation for Deliverables 3 and 4: Using our charter as a framework, formed two work groups to design a Nebraska-specific model as the vehicle for shared leadership and financing full-day, year-round, high-quality early care and education for children 0-5 regardless of the setting (or experience) parents choose.

<u>Fiscal Strategies work group</u> – Develop a plan to coordinate and align early care and education revenue streams from disparate sources. Upon implementation, the plan should:

- 1. Develop analysis of revenue streams and programs funded, mechanisms used to administer the funding (including those not currently utilized for early care and education) and utilize this analysis to guide recommendations.
- 2. Analyze current knowledge of cost of quality (services and infrastructure), determine if there are gaps in these cost sources and data and build a plan to gather more updated and accurate cost information.
- 3. Ensure braided revenue streams better cover the cost of quality.
- 4. Develop strategies to make receiving revenue simpler for early childhood providers and Nebraska communities. Exploration may include integrated contract, common contracting language.
- 5. Ensure revenue streams are able to demonstrate compliance with all funding source requirements.
- 6. Assign costs to the shared leadership model to roll out a sustainable approach to implementing the model.

<u>Deliverable 4 – Developed concepts of Nebraska-specific governance and financing structures</u> to be used in pursuit of long-term systems building.

Combined Recommendation for Deliverables 3 and 4: Using our charter as a framework, form two work groups to design a Nebraska-specific model as the vehicle for shared leadership and financing full-day, year-round, high-quality early care and education for children 0-5 regardless of the setting (or experience) parents choose.

<u>Shared Leadership work group</u> – Encompass the full scope of services for children prenatal-age 5, with considerations/guidelines for prenatal-age 8.

- 1. Ensure the shared leadership model is representative of strategic partners (i.e., parents, Nebraska Departments of Health and Human Services, Education, Economic Development, Labor, HS/EHS, Early Intervention, private partners including business and philanthropy, etc.).
- 2. Develop the role, responsibilities and structure for the shared leadership model, including how membership is determined (i.e., appointed by Governor, Legislature) and potential role or intersection for staffing the structure.
- 3. Develop, formalize and maintain an approach that represents all funding sources and others as defined.
- 4. Generate interagency connective tissue. Begin by formalizing existing interagency agreements across Nebraska Departments of Health and Human Services, Education, Economic Development and Labor for shared implementation and decision making on common standards, aligned regulations and eligibility, data and data systems, funding priorities, implementation and accountability.
- 5. Recommend a state strategy for supporting local investment, including:
 - Building local capacity
 - Supporting inclusive decision making at the local level
 - Creating pathways for local innovation
- 6. Recommend updates to existing early childhood statutes.

WORK GROUP RECOMMENDATIONS

Prior to launching the work groups, the Task Force set forward the expectation that the Nebraska-specific model⁴ of shared leadership and financing (to be developed by the work groups) would carry out the following functions:

- 1. Coordinate funding to create opportunities to braid/blend and address strategies to integrate additional funding sources.
- 2. Implement, maintain and evaluate the fiscal approach.
- 3. Maintain a CQI approach using data on outcomes and program impact to guide decisions and support systemic activities that guide quality and capacity.
- 4. Demonstrate compliance with all funding source requirements.
- 5. Be accountable to the EC system and its stakeholders in terms of quality, equity and outcomes.
- 6. Hold programs/services accountable for their performance.

Coordination: The model should connect the different parts and programs of the early childhood system, reflecting its comprehensive nature.

Alignment: The model should provide coherence across systemwide tasks like data collection, quality standards and outcome measurement, and should break down silos associated with administering funding and overseeing programs.

Sustainability: The model should be able to navigate political and administrative changes and be designed to best account for the breadth of the early childhood system's reach (in terms of programs and services).

Efficiency: The model should allocate resources wisely, reduce duplication of effort and provide a significant return on investment.

Accountability: The model should be accountable to the early childhood system and its stakeholders regarding quality, equity and outcomes and also should be able to hold services and programs accountable for their performance.

⁴ In their efforts to develop a Nebraska-specific model, the work groups considered the following elements:

The Shared Leadership work group and the Fiscal Strategies work group launched in March 2021. Members of the Shared Leadership work group were:

Nicole Barrett, Office of State Senator Lynne Walz

Ben Baumfalk, Nebraska Department of Education (Early Childhood Integrated Data System)

Amy Bornemeier, First Five Nebraska

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Deb Reiman, Nebraska Children and Families Foundation

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Becky Veak, First Five Nebraska

Members of the Fiscal Strategies work group were:

Janet Anderson, Office of State Senator Myron Dorn

Jessica Anthony, Nebraska Department of Health and Human Services (Medicaid, Early Intervention)

Katie Bass, First Five Nebraska

Edward Boone, Office of State Senator Tom Briese

Eric Buchanan, Buffett Early Childhood Fund

Elizabeth Everett, First Five Nebraska

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Cristine Prentice, Office of State Senator Tony Vargas

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John Spatz, Nebraska Association of School Boards
Colten Venteicher, Gothenburg Early Learning Coalition
Nicole Vint, Nebraska Department of Health and Human Services (Children & Family Services)

While each work group focused on its own set of work, they often met together to ensure maximum coordination. Each work group put forward recommendations to address the scope of work for which they were responsible. At the conclusion of the process, the work groups met together in a final meeting, discussed all recommendations jointly and put forward the following.

A SHARED LEADERSHIP STRUCTURE FOR NEBRASKA'S EARLY CHILDHOOD SYSTEM

Nebraska should establish a new collaborative structure to lead the system for early childhood care and education. In this new shared leadership structure, state agencies retain their legal and fiscal obligations and authority for their respective programs, but approach the entire system (not just the programs within their jurisdiction) in a shared manner.

This new collaborative structure should be made up of representatives from the Nebraska Department of Health and Human Services (including different divisions within the Department representing child care, public health/maternal child health, early intervention), Nebraska Department of Education (including Title I, ECSE), Nebraska Department of Economic Development, Nebraska Department of Labor, Early Head Start/Head Start, Sixpence, programs and workforce (across program types in the EC system or entities that work on behalf of programs/workforce), parents, the business community and philanthropy.

This new structure is not a new entity, per se, or even a new division within a certain agency. We might think of it as a new table for shared leadership of the entire system to occur. To approach the system as a whole, this new shared leadership structure should:

Conduct further analysis of early childhood funding streams, including qualitative analysis, (with updates completed on an annual or biennial basis) to:

- 1. Identify unforeseen barriers to accessing each funding stream
- 2. Estimate the number of children/families served by each funding stream
- 3. Understand who can access each funding stream and disparities in access for providers/families based on income, geographic location, race/ethnicity
- 4. Develop recommendations for changes to state funding stream requirements to ensure they align with the state's goals for the EC system

Conduct a cost-of-quality study to estimate the true cost of providing child care that meets licensing standards and higher standards related to Step Up to Quality. This study should:

- 1. Collect primary data from providers across the state
- 2. Engage a stakeholder advisory group
- 3. Develop a cost estimation model reflecting the current cost of operating as well as the anticipated cost reflecting the true cost of care, including increased workforce compensation

More generally and in addition to these two immediate steps, the new shared leadership structure should:

Maintain a Systems Approach – guide and oversee the system and embed strategies that build and facilitate trust in the system; further development and implementation of the systems action plan, including the establishment of benchmarks to measure progress of the system; maintain strategies that are adaptable and responsive to the components of the system.

Finance Strategically – ensure continual improvement toward sufficient and sustainable funding for services and systems supports; maintain data on revenue and actual cost of quality; plan for long-term investments needed to improve system and services; hold a fiscal vision and have it function across systems and at local and state levels.

Advance Quality – maintain a continuous quality improvement approach that is fully transparent to professionals and families, using data on outcomes, results and program impact to guide decisions, and support systemic activities that impact quality and capacity.

Ensure Transparency and Accountability – focus on gathering and analyzing data necessary to show movement on a shared measurement system; add additional data collection as needed to determine progress as part of the integrated data system approach; prioritize activities that eliminate inequitable outcomes by race and ensure transparency in sharing data and holding system accountable.

Utilize Responsive Planning – ensure assessment of need and responsive planning is occurring across communities and feeding in to understanding of statewide need; support local capacity for this work; have system response integrate the local.

Recruit and Engage Stakeholders – use a relationship-based approach and strategic communication to ensure stakeholders are engaged in system work and leverage a broader constituency focused around issues for children and families.

NEXT STEPS

We hope this evolving concept will lead Nebraska toward a more coherent and purpose-driven systems approach, but we need your help. First Five Nebraska⁵ now plans to engage stakeholders (families, early childhood providers, schools, community leaders, businesses, policymakers, etc.,) in discussions about this draft outlining a shared leadership structure and gather feedback and suggestions for fine-tuning and building out a truly collaborative approach for shared leadership of the early childhood system in Nebraska.

In addition to engaging stakeholders statewide, next steps include securing funding to:

- Conduct further analysis of early childhood funding streams, including a cost-of-quality study
- Carry out an equity analysis of existing policies, practices and funding streams
- Develop a Shared Leadership Purpose, Structure and Implementation Action Plan

⁵ First Five Nebraska is the entity responsible for staffing Nebraska's Early Childhood Governance & Financing Task Force, as well as the work groups that grew out of the Task Force.