

In order to achieve high quality infant and toddler child care, funding needs to come from private and public sources, including parents, employers, civic groups, government, and foundations. Federal, State, and community leaders are challenged to find, allocate, and effectively use funds for early childhood services. They face competing interests and priorities for limited resources. In order to make effective decisions, leaders need to know how funds are currently allocated and whether those allocations support high-quality care across ages and settings. There are key considerations for policy-makers when examining efforts to finance quality infant/toddler child care services. They include:

- Integration of funding for 0-3 services into other early childhood initiatives,
- Strategic and effective use of infant and toddler earmark funds and other investments to meet the developmental needs of infants and toddlers,
- Information for parents about the available supports (tax deductions, credits, subsidies) to help pay for the cost of care by the parent and other caregivers, and
- Development of public/private partnerships to improve services for infants/toddlers and their families.

Integration of Funding for 0–3 Services into Other Early Childhood Initiatives

Policy-makers are considering ways funds from Federal and State early childhood programs and initiatives can fund quality services for infants and toddlers. States are using:

Children’s Trust Funds

The Michigan Zero To Three Secondary Prevention Initiative is a statewide, collaborative, community-based initiative aimed at developing an integrated system of services for Michigan families with children birth to 3 who are at risk of child abuse and neglect. The Zero To Three Secondary Prevention Initiative is supported by pooled funds from the Department of Community Health, Education, and the Family Independence Agency. The Michigan’s Children’s Trust Fund serves as the administering agency over these funds. Between FY 1998 and FY 2001, the State increased the number of 0–3 Secondary

Prevention Grants from 24 to 64 and funding grew from an initial appropriation of \$2 million to \$7.75 million. Funded services include home visiting, parenting classes and child care.

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Children’s Trust Fund
The Michigan Family Independence Agency
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Georgia Standards of Care Initiative

During the early years of pre-kindergarten implementation in Georgia, there was a recognition that additional funds were needed to improve the quality of infant and toddler classrooms in those programs served by the Pre-K program. In 1999, the Georgia Early Learning Initiative (GELI), a public–private partnership, now known as Smart Start Georgia, was formed to ensure that every child in the State is prepared to start kindergarten ready to succeed. In the 14 Smart Start Plus counties, all child care centers are now eligible to participate in Standards of Care (not just those in the Pre-K programs).

Standards of Care is a voluntary program that provides training and technical assistance, grants to improve the quality of classrooms, and provides recognition when centers receive a special score in the ITERS and ECERS evaluation

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————— *Illinois Early Childhood Block Grant* —————

The Illinois Early Childhood Block Grant consists of (1) the Pre-Kindergarten Program for Children At Risk of Academic Failure a program that serves three- and four-year olds (and five year olds not eligible for kindergarten entry) who have more than one risk factor for academic failure, and (2) several programs for at-risk children birth to age three. Established in 1997, the Early Childhood Block Grant is funded with state general revenue funds. The Illinois General Assembly borrowed a precedent established by the federal government when the Early Head Start program was created and established a funding set-aside within the Early Childhood Block Grant for programs serving infants, toddlers and their parents. Currently, this set-aside is 11 percent of the Block Grant and funds programs serving thousands of

Illinois' youngest children and their families. The current Governor of Illinois, Rod Blagojevich, has increased funding for the Early Childhood Block Grant by \$90 million over the last three years, bringing the total block grant to \$273 million.

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————— *First Five California Funds* —————

California passed The Children and Families Act (1998) or Proposition 10, which created a State Children and Families Commission and 58 county Children and Families Commissions, collectively known as First Five California. Proposition 10 supports children from the prenatal period to age 5 by creating a comprehensive and integrated system of services to promote early childhood development. Approximately \$700 million each year is collected from the tobacco tax. The State Commission uses 20 percent of the funds for statewide education and research, and 80 percent of the funds go to the county commissions to fund local programs. All California children from birth to age 5 and their families are eligible for services, regardless of residency status or income level. Fresno and Los Angeles Counties have recently significantly increased First Five funding for infant and toddler services. Fresno County has made quality infant/toddler child care a priority while Los Angeles is developing a prenatal through 3 focus area with a program to provide universal early developmental screening.

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Contact Information (2):

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Strategic and Effective Use of Funding

States and Territories are increasingly concerned with determining whether the allocation and use of funds are aligned with goals and outcomes for infant/toddler services. States are reporting taking steps to link all of their infant/toddler initiatives into a comprehensive effort, often linking planning and evaluation, program supports, and direct services with a focus on systemic change. They are planning the use of:

————— *The Child Care and Development Fund (CCDF)* —————

The Child Care and Development Fund administered by the Child Care Bureau, Administration for Children and Families, U.S. Department of Health and Human Services, supports infant and toddler child care quality improvement through the use of the infant/toddler earmark (\$100 million annually) and other quality set-aside funds. In 2002 the Child Care Bureau funded the National Infant & Toddler Child Care Initiative at ZERO TO THREE to support State and Territory CCDF administrators in

their efforts to effect system-wide improvements in infant and toddler child care. To date, 20 States and Territories participating in the National Infant & Toddler Child Care Initiative have used a strategic planning process to determine system improvement goals. Key to system progress is the alignment of infant/toddler earmark and other funding with goals in order to improve services for infants and toddlers. For more information on the National Infant & Toddler Child Care Initiative go to <http://nccic.org/itcc>.

————— *Early Head Start (EHS)* —————

The 1994 reauthorization of the Head Start Act established the Early Head Start program for low-income families with infants and toddlers. In FY 2004, nearly \$677 million was used to support more than 650 programs to provide Early Head Start child development and family support services in all 50 States and in the District of Columbia and Puerto Rico. These programs served nearly 62,000 children under the age of 3. Early Head Start routinely partners with child care centers and family child care homes to provide comprehensive early

childhood services to meet the developmental needs of babies and toddlers and support families' ability to work and achieve educational goals. States and communities are collaborating with EHS to blend funding and services to achieve maximum impact on the quality of care. Research results have shown that EHS is enhancing the quality of child care in community settings. For more information on the research on EHS/child care partnerships go to:
http://www.acf.hhs.gov/programs/opre/ehs/ehs_resrch/index.html.

————— *IDEA Part C Funding* —————

Some States are bringing early intervention services and funding to infants and toddlers in their child care settings while providing training and supports to the caregivers. Project HELP is a program of North Hills Services Child Development Center in Arkansas that provides early intervention services to children birth to three years within the child's natural environment, often the child care setting. Services available include developmental therapy, occupational therapy, physical therapy, speech therapy, and audiology services. Additional services include consultation with teachers and caregivers providing

special assistance to meet the child's needs within the group setting. The Arkansas Infant & Toddler Child Care Initiative used their flexible funds to develop a manual to help child care settings provide quality services to children with special needs.

Contact Information:

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North Hills Children's Development Center
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Information and Supports for Families With Infants and Toddlers

States are exploring ways to assist families who want to stay at home to care for their very young children as well as parents who are in the workforce. Efforts are underway to offer:

————— *Paid Parental Leave* —————

California leads the country with paid parental leave policy and law. It provides partial income replacement for up to 6 weeks per year to care for a new baby. As of July 2004, families are able to get 55 percent of the income for 6 weeks. The law covers over 13 million workers in California, about 10 percent of the private workforce in the United States. New York, Rhode Island, Hawaii, and New Jersey have short-term disability insurance funds that can be used to fund maternity leave. In these States, pregnancy and childbirth are considered disabilities; mothers who give birth can take time off with income replacement of usually 6–8

weeks. Fathers, adoptive parents or persons serving as foster care parents are not eligible to receive paid family leave under a short-term disability insurance plan.

Contact Information:

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————— *At-Home Infant Care Programs* —————

At-home infant care programs provide parents who are eligible for the child care subsidy program and have very young children the option to stay home with their children. The parents receive a subsidy up to the amount that the State would pay a child care provider to provide care. The programs also include a parent education component. Programs are currently in place in Missouri and Minnesota. A bill proposing a stay-at-home program was passed in Montana, but was repealed in 2004. A pilot program is currently being conducted in New Mexico. For more information on at-home child care, see the NCCIC publication *At-Home Infant Care Initiatives Sponsored By States* at <http://nccic.org/poptopics/stateathome.pdf>

Contact Information (1):

Minnesota Department of Human Services
444 Lafayette Road, Roseville, MN 55155-3834
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Web Site: <http://www.dhs.state.mn.us>

Contact Information (2):

Missouri Department of Social Services
221 West High Street, P.O. Box 1527
Jefferson City, MO 65102-1527
Phone: (573) 751-4815
Web Site: <http://www.dss.mo.gov/index.htm>

Web Sites To Estimate Child Care Benefits

Minnesota has established an online, one-stop destination to help parents pay for child care. The Web site (www.childcarefinancialaid.org) includes an online financial aid estimator and was launched in March 15, 2005, by the Greater Minneapolis Day Care Association (GMDCA). The site includes:

- Immediate results for a family's eligibility for subsidies, scholarships, and tax credits
- Contact and application information for local, State, and Federal financial aid options

- Help finding a child care provider and parenting education programs
- Additional information for employers and child care providers

Contact Information:

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Public/Private Partnerships

States, communities, and foundations are creating public/private partnerships across agencies and programs to increase investment in infant and toddler child care and related services. Leaders in partnerships and funding support include:

Training and Consultation

The Archibald Bush Foundation has supported improving care and healthy development of infant and toddlers in Minnesota, North Dakota, and South Dakota for more than 10 years. They have worked in partnership with all three State Governments

and the respective Tribal Communities to strengthen the capacity of child care professionals working with infants and toddlers. Web site: <http://www.bushfoundation.org/>

Grants and Funding

In 1998, the A.L. Mailman Family Foundation launched a multiyear initiative to improve the quality of care for infants and toddlers. The Foundation continues to make national

grants that build and strengthen training systems, strengthen connections with parents, find funding, and build State and national constituencies. Web site: <http://www.mailman.org/>

Other Financing Efforts

In addition to CCDF funds, some States, communities, and Tribes have used revenues from traditional and nontraditional sources to fund infant and toddler child care and related services. They include:

- License tags
- Tax check-off
- Tobacco Settlement
- Pre-K State funds
- Lottery/Gambling
- Tax incentives
- Tobacco tax
- Foundations

Tribal Economic Development

Many Tribes have been able to increase investments in early care and education efforts, including infant and toddler care, through various enterprises such as lumber mills, tourism and

casino gambling. The Mississippi Choctaw tribe has significantly increased its funding for early care and education beyond their CCDF allocation.

Financing Resources

There is a broad range of research papers, reports, and publications that are available from The Finance Project and other groups that can help in the development of comprehensive financing plans for infant/toddler child care.

The Finance Project
1401 New York Avenue, N.W., Suite 800
Washington, DC 20005
Phone: (202) 587-1000
Web Site: <http://www.financeproject.org>

A Stitch in Time: Calculating the Costs of School Readiness, Charles Bruner, Washington, DC: The Finance Project (2002).

Financing Child Care in the United States: An Illustrative Catalog of Current Strategies by Anne Mitchell, Louise Stoney, and Harriet Dichter. The Ewing Marion Kauffman Foundation and the Pew Charitable Trusts. (1997)

Looking Into New Mirrors: Lessons for Early Childhood Finance and System-Building by Louise Stoney. Boston, MA: The Horizons Initiative (1998)

Making Space for Children: A Toolkit for Starting a Child Care Facilities Fund. Washington, DC: The Finance Project and Carnegie Corporation of New York (2000).

Strategic Financing: Making the Most of the State Early Childhood Comprehensive Systems Initiative by Cheryl Hayes, Margaret Flynn, and Helene Stebbins: National Center for Infant and Early Childhood Health Policy: Building State Early Childhood Comprehensive Systems Series, No. (2004)

Ounce of Prevention Fund
122 S. Michigan Avenue, Suite 2050
Chicago, IL 60603-6198
Phone: (312) 922-3863
Fax: (312) 922-3337
Web Site: www.ounceofprevention.org

Ready for School: The Case for Including Babies and Toddlers As We Expand Preschool Opportunities by Julie Rubins Wilen, Chicago, IL: Ounce of Prevention Fund

Other Organizations

Center for Law and Social Policy
1015 15th Street, N.W., Suite 400, Washington, DC 20005
Phone: (202) 906-8000
Web Site: <http://www.clasp.org>

Child and Family Policy Center
218 Sixth Avenue, Suite 1021,
Fleming Building, Des Moines, IA 50309
Phone: (515) 280-9027
Web Site: <http://www.cfpciowa.org>

National Center for Children in Poverty
215 West 125th Street, 3rd Floor, New York, NY 10027
Web Site: <http://www.nccp.org>

National Infant & Toddler Child Care Initiative
@ ZERO TO THREE
2000 M Street, N.W., Suite 200, Washington, DC 20036
Phone: (202) 638-1144
Web Site: <http://www.nccic.org/itcc>

The National Child Care Information Center (NCCIC)
301 Maple Avenue West, Vienna, VA 22180
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Web Site: <http://www.nccic.org>

References

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National Child Care Information Center. (2003). Infant/toddler activities in the states that use funds from the Child Care and Development Fund, Washington, DC. Retrieved May 2, 2005 at <http://nccic.org>.

National Child Care Information Center (2005). At-home infant care initiatives sponsored by states. Washington, DC. Retrieved May 5, 2005 at <http://nccic.org>.

National Infant & Toddler Child Care Initiative (2004). Fact Sheet: Keys to high quality child care for babies and toddlers: CCDF quality infant/toddler earmark. Washington, DC. Retrieved April 17, 2005 at www.nccic.org/itcc

Voices for America's Children. (2005). Early Learning Left Out: Closing the investment gap for America's youngest children, 2nd Edition. Washington, DC. Author.