

## SYSTEMS ISSUE BRIEF

To: Members of the Blue Ribbon Panel on Child Care

Prepared by: Systems Workgroup

### Executive Summary: Systems Improvements

The OEC's success in implementing recommendations from the Equity and Access and Workforce and Quality workgroups is contingent on the strength of the system that holds these recommendations.

**A more centralized and streamlined system will help families and providers access care and support more easily, and better assess and enhance children's development.** Families will know what care is available to them, how much it will cost, how to apply for support, and how to engage locally to advocate for what they need. Providers will efficiently access state funding, operational support, and professional development opportunities. Local communities will have the governance structures and supporting data to build programming and opportunities to help their communities thrive. These systems will support and augment the great work of providers and families in ensuring children's well-being and development.

The Systems workgroup focused on four key systems components: enrollment and operations, funding systems, governance, and data and outcomes. For each component, the workgroup has identified challenges and recommendations that impact the child care systems as a whole. In building these recommendations the workgroup has not reinvented the wheel. Its recommendations are grounded in existing systems such as NAEYC's Unifying Framework and existing Head Start standards and processes.

**Enrollment and Operations:** Currently, a decentralized information system makes it difficult for families to find care and providers to fill empty seats in their programs. Twenty six percent of the 5,747 Connecticut families the OEC surveyed stated that they rarely or never have reliable child care options.<sup>1</sup> Meanwhile, 33% of surveyed family child care providers (FCCs) said one of their biggest challenges was recruiting new families.<sup>2</sup> Though there are multiple contributing factors that help explain this mis-match in supply and demand, a more transparent, centralized, user-friendly early childhood information system would help families find care that meets their needs and would help providers fill open spots. The OEC has a roadmap of how to build such a system because some states have already successfully aligned their information systems for families and providers.

- **Key Recommendations:**

- The Systems workgroup recommends centralizing and enhancing enrollment and operation systems to allow for one access point that is easily accessible to families and providers.
  - A one-stop shop would allow families to find child care and financial support to pay for care; it would enable providers to advertise open seats, provide information about program operations and accreditation status, better manage child and family files, registration, transfers, and medical forms. It would also link to subsidy reimbursement systems seamlessly.

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<sup>1</sup>CT OEC Parent Survey. 2022.

<sup>2</sup>CT OEC Survey of Family child care Providers. 2022.

- Providers could use a centralized system to find quality technical assistance (TA) and professional development, scholarship, and accreditation support opportunities.
  - OEC's newly launched ELEVATE quality improvement system can be promoted to increase professional development support to the field.
  - OEC can incentivize the use of business supports.
  - OEC can leverage the technology and program use of its ECE Registry.

**Funding Systems:** Connecticut has a complex funding landscape, which includes federal, state, and local funding sources. This increases administrative and fiscal burdens for providers and is confusing for parents trying to know what programs are available to them. It also hinders OEC's ability to efficiently manage programs and allocate resources based on community need. These inefficiencies can lead to delayed or changing payments and instability for providers. State funded programs need to adapt to match changing family and community needs.

- **Key Recommendations:**

- Consolidate state funding streams: State funded programs can be more responsive and flexible to the needs of children and families, can increase fiscal stability of providers and can reduce the complexity of multiple eligibility and reporting systems.
  - Align state rules, when feasible, with federal and local ECE guidelines to reduce the administrative burden. This may also include enrollment systems with a single point of entry.
  - Funding and enrollment systems will allow more flexibility in reimbursement for expanded space types (e.g part week, school day, wraparound).
  - Incentives can be built into the system for full enrollment, meeting high quality standards, and workforce compensation and credentials.

**Governance:** To move toward a more equitable ECE system, it is critical to establish a governance structure to help communities organize ECE plans locally, make decisions, and adapt to changing families' needs. Currently, the state's governance is neither uniform nor comprehensive. The current mix of local and regional governance entities results in uneven capacity and quality that may not represent the needs of communities, families, and providers.

- **Key Recommendations:**

- Create and fund a cohesive governance system with support and guidelines that cover all towns and provides for local partnership and collaboration to leverage and allocate ECE funding (local, state, federal).
- Design and fund an intermediary regional governance structure to support local bodies
- Implement a common community ECE needs assessment of child care/early education needs to be used for state funding requests and prioritization.

**Data and Outcomes:** Because OEC's funding and enrollment systems are decentralized and incomplete, the data systems are fragmented and incomplete as well. The lack of accurate, up to date, and granular data makes it difficult to serve families equitably and match funding and resources to community needs. Ongoing ECE system improvements depend on having an improved data system.

- **Key Recommendations:**

- Develop a responsive and consistent data and outcome system that collects and links key data sources. The system must be designed to connect to the State Departments of Education, Health, and Labor to fully assess ECE impact on children's educational and family economic success. With these changes, the OEC can create a holistic picture of early care and education and its impact for the state.

- Adopt and support a uniform child assessment system that will be linked to the State Department of Education (SDE) and local school kindergarten enrollment processes.
  - Implement a single child identifier to track children across OEC programs and with SDE data systems for long term impact information. To date, OEC has been unable to get unduplicated counts of children in various programs despite years of grant funding to do so.

As the BRP reviews these recommendations, it's important to honor those individuals already providing critical care to our families. Any approaches towards a holistic and centralized system must preserve investments and the long-standing knowledge of existing networks and state-funded programs.

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## I. How to Use This Brief

This brief aims to prepare the Blue Ribbon Panel (BRP) to make recommendations on ECE Systems. Sections II and III outline the existing systems landscape while Section IV describes the System workgroup's goals and recommendations. This section outlines considerations to keep in mind:

**A Centralized System:** A key part of this brief's recommendations focus on centralizing disparate funding, operational, and data collection systems. CT has multiple programs, each designed to make high quality ECE accessible for families and each with its own statutory and regulatory provisions. **The goal is to develop a centralized system that works for children's development,** for families, for programs, and for OEC administration.

- **Funding Systems:** The OEC systems related to funding are tied with state and federal statutory requirements and legacy OEC practices and requirements. The goal is to build a more uniform system that is more adaptable to the needs of communities and programs while still being in alignment with federal regulations.
- **Governance:** The goal is to design a uniform and efficient governance system that allows localities to build programming that best meets family needs, supports child development, and leverages local community funding structures (e.g. if town has public school preschool, that is part of the mix). The new structure will have to balance creating a uniform system while allowing decisions to be locally driven.
- **Enrollment and Operations:** A centralized enrollment system will be more useful to families and providers by decreasing burdens on programs and maximizing provider and family utilization and engagement. It will be important to consider how to support families and providers in making the transition to the centralized system.
- **Data and Outcomes:** By building a more complete and accurate data landscape, the OEC and local governance structures will be able to clearly understand Connecticut's state of care. The new structure will have to weigh the need for accurate and granular data with who has to potentially take up the increased work of data collection.

The workgroup is grateful for the thoughtful and diligent contributions workgroup members gave to formulating the following recommendations. The recommendations are very **preliminary and in need of external socialization and feedback**. They are an important first step to creating a high-quality, sustainable, and equitable early childhood education system.

## II. The Four Components

Recommendations are focused on four systems components: enrollment and operations, funding systems, governance, and data and outcomes. These are interrelated.

The definitions below help ensure the Systems workgroup best aligns with the Blue Ribbon Panel's other workgroups' areas of focus:

**Enrollment and Operations:** Enrollment and operations involves the enrollment and business operational infrastructure that OEC offers to programs and families. For families, this includes how they find information on available care options, enroll their children, and access state-funded programs and/or subsidies to support the cost of care. The Equity and Access Workgroup underscored the need for improved demand and supply tracking and parent navigation systems to support the full range of family needs. For programs, operations include OEC's provided professional development, reimbursement, and subsidy access, licensing attainment and compliance, and accreditation. The Workforce workgroup outlined the content of what some of these operations, specifically professional development, could look like. The Systems workgroup is focused on how OEC can help providers access this content, enroll families in their programs, and provide business operations supports to ensure programs remain financially stable.

**Funding Systems:** This component focuses on the mechanisms for current ECE funding, how different funding sources interact with one another, and how these interactions affect programs and families. The Funding workgroup will discuss costs of care and what capital the OEC needs to build an equitable, high-quality, and sustainable system of child care.

**Governance:** Governance includes the bodies who make decisions on system components, such as funding allocation, needs assessments, and operational priorities. These governing bodies exist at the local, regional, and state level, and are one of the core levers to ensure communities are empowered to determine and access needed resources. Governance bodies currently exist in several forms in Connecticut, such as School Readiness Councils, Local Early Childhood Collaboratives, and Head Start's Policy Council. .

**Early Care and Education Data:** Data includes the set of information the OEC will collect in order to build a holistic understanding of the current state of early childhood care and education. For example, key data may include the number of licensed care programs, demographics of providers, the amount of open and filled child care spots, assessment data, and the type of child care families are looking to access. Data also includes qualitative data from surveys and focus groups with families, programs, and other key stakeholders in the early childhood space.

**Early Care and Education Outcomes:** The OEC aims to use data to track outcomes for children, families, and programs. By following data over time, the OEC could track outcomes such as provider financial security and professional development growth, increased availability of infant-toddler child care seats, and learning and development outcomes for children. These outcomes will align with state priorities and help guide governance bodies in their decision making.

### III. Problems and Opportunities in Systems

Connecticut has made a series of significant investments in early childhood care and education. This includes the expansion of key programs like School Readiness, Smart Start, Child Day Care and Staffed Family Child Care Networks. The BRP process has allowed the OEC to think holistically about how the different supports and opportunities can work together to best support children, families, and programs. This section outlines the current state of the four components, their challenges and opportunities, and work the OEC is already involved in to build a better system of early childhood care and education.

#### 1. Program Enrollment & Operations

##### **Enrollment:**

Families currently navigate a decentralized system with opaque information and confusing processes. The OEC has created several systems to assist parents and families, yet it does not meet the goal of helping parents make easy and informed decisions about care for their loved ones. For instance, parents still do not have an easy or complete picture of their eligibility for different programs.

The decentralized enrollment systems also impacts providers. They too reckon with different sources to complete basic tasks such as subsidy reimbursement and effectively advertising openings to families. It can take hours to support families in applying for all subsidies and programs they may be eligible for. These difficulties are part of the reason that, in a survey of 148 FCCs, 31% said it was a very big challenge to recruit new families.<sup>3</sup>

These information challenges impact a programs' financial sustainability. Like all small business owners, providers have many responsibilities and tasks that require their immediate attention. These can take precedence over recruiting and managing waitlists, which are crucial to meeting projected enrollment and maximizing revenue. An improved enrollment system would help.

Key OEC systems currently offered to families for enrollment:

- [2-1-1 Childcare](#): Through an online portal and phone service, 2-1-1 helps families find child care to best meet their needs. It maintains current listings of licensed and license exempt child care programs, accreditation status, and resources to help pay for care.
- [Care 4 Kids Parent Portal](#): This online portal helps families determine if they are eligible for Care 4 Kids and allows them to apply for the subsidy if they are eligible.

To help parents enroll children in care, the OEC is currently upgrading this Parent Portal to include renewal applications and allow families to view any and all correspondence sent between Care 4 Kids and families. It will also have a messaging system to notify families of missing information and process updates.

##### **Operations**

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<sup>3</sup> FCC child care survey

After enrollment, programs continue to interact with the OEC to complete a variety of operational tasks necessary to their business's financial health and the quality of care they provide. These connections can be critical to a provider's financial health.

These financial difficulties are exacerbated because providers operate as small businesses that lack the buying power to make it affordable to access quality health care, retirement benefits, payroll processing, and bulk purchasing. While these financial difficulties impact both private and publicly funded programs, their situations differ. State funded providers accept below market rates, and so have financial stresses privately funded programs do not have. However, they receive multiple incentive and support payments and resources from the State that privately funded centers cannot receive.

The OEC has created the following systems to help better support program operations. Some are available to all programs and some are only for publicly funded programs. These provide both business operational support and training and professional development for providers. The OEC can build upon these foundational systems:

- [ECE Reporter](#): Providers use the ECE Reporter to submit state-funded child enrollment data. It also includes a fee calculator for providers and an online helpdesk ticket system to request support.
- [Care 4 Kids Provider Portal](#): Providers use this portal to manage their electronic payment information, submit monthly invoices, and manage electronic delivery of Care 4 Kids notices.
- [Elevate](#): Elevate is the OEC's quality improvement system for licensed and license-exempt child care programs in family, group, and center-based settings. Elevate is a system of support for providers that includes service navigation, accreditation support, Staffed Family Child Care Networks, and OEC-supported professional development.
- [Early Childhood Professional Registry](#): The Registry is the repository for workforce data including demographics, wages, and employment information. It also serves as an application portal for [OEC scholarship](#), Head Teacher licensing, Early Childhood Teacher Credentials (ECTC), Qualified Workforce Incentives (QWI), and technical assistance providers, and provides access to free unlimited online training.
- [Connecticut's Documentation & Observation for Teaching System \(CTDOTS\)](#): CTDOTS is a framework to guide providers in a process of monitoring children's progress on their skills, abilities, and behaviors in the Connecticut Early Learning and Development Standards (CT ELDS).
- **Business Supports**: The OEC provides funding to offer a comprehensive suite of no cost business development services for home- and center-based providers to launch, sustain, and grow their businesses. Activities include group training, 1:1 advising, grants, and community connections.
- **Background Checks Information System**: A tool for providers to check the background check status of an employee or prospective employee, find when an employee is due for a new background check, and add or remove current staff.
- [Sparkler](#): Sparkler is a mobile app that helps parents to check in on how their child is doing against key milestones — and provides activities to spark their early learning.

For more information on these existing systems, see Appendix A: Table of Operational Systems and Data Collection Mechanisms.

To support providers in using these systems, the OEC offers TA, 1:1 coaching, and service navigation through Elevate, SFCCNS, and the Women's Business Development Council. The OEC is also planning to launch:



- **The Provider Portal 360:** This portal will serve as a one-stop-shop for providers to see their enrollment across OEC funded programs (i.e., ECE, Care 4 Kids, Birth To Three, Home Visiting, etc.), payments made to them, background check information for staff, and some registry details at both the program and staff levels.
- **Elevate Service Navigation Center:** Within Elevate, The OEC is establishing a service navigation center that will use Salesforce to document interactions with providers and programs.

The Provider Portal 360 and the updated Parent Portal are promising developments for providers and families. In the recommendations, we outline next steps to build off of these existing systems. As the BRP makes recommendations, ensuring it takes into account the lessons learned from these processes to date will ensure greater success in future stages of the work.

## 2. Funding Systems

The OEC's multiple funding streams create a complex operational structure. Each funding stream has a unique set of rules, waivers, administrative funding, quality assurance, and staff qualifications.<sup>4</sup> These independent funding structures create substantial time costs and administrative burdens for programs who have to engage with various funding sources, and for OEC. The complexity also hurts equitable access to programs for families.

The state's key funding streams for 2022 include:<sup>5</sup>

- **School Readiness (\$93M):** The School Readiness Preschool Program (SR) provides affordable, high-quality early care and education services in high-need communities that help support families with child care and support young children's wellness and school readiness.
- **Child Day Care (\$35M):** OEC contracts with child day care (CDC) programs to serve working families who meet income eligibility guidelines in high-quality early care and education programs.
- **State Head Start Supplement (\$5M):** The State Head Start Supplement grant provides additional state funding to federal Head Start programs to offer extended day programming.<sup>6</sup>
- **Smart Start (\$3.5M):** Smart Start (SS) provides funding to establish or expand preschool programs in public schools. It is a model of shared costs with OEC paying \$75,000 per classroom and public school funding the balance. Smart Start for Recovery was supplementary funding available through ARPA funding to support 16 additional classrooms for FY 22 and 23 through.
- **Care 4 Kids (\$40M):** Care 4 Kids (C4K) is the state's Child Care Development Fund (CCDF) and is the primary federal funding stream for low-income families who are working or participating in education and training to help pay for child care. C4K allows eligible families to select a provider anywhere in the state. \$58M is the state's portion of the funding. The federal government provides an additional \$204 million (2023) for C4K.

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<sup>4</sup> These funding streams support 30% of child care programs for the state. The other approximate 70% of child care programs are privately funded.

<sup>5</sup> The following information is pulled from OEC's 2022 Report on The State of Early Care and Education in Connecticut (Accessed [here](#))

<sup>6</sup> Only federally-funded Head Start programs are eligible to apply for this grant. Early Head Start (EHS) is funded directly by the U.S. Department of HHS to community-based organizations to provide year-round comprehensive child and family support services to low-income pregnant women and families with children birth to 3 years old. EHS settings include child care centers, family child homes, and family home visiting.

- **Educational Cost Sharing: Public school preschool** serves 18,521. Data systems do not allow for the OEC to access a total cost for these children served.

See Appendix B for a table that identifies key information on these funding streams, including children served, eligibility, and funding mechanism.

Also, importantly, CT public schools provide early childhood education to more than 15,000 children each year. Local school districts fund these programs and they also leverage multiple funding sources including IDEA Part B (federal funds for early childhood special education students), Title I, ECS, and local tax dollars. Some districts also apply School Readiness funds to public school spaces.

The multiple funding streams, with each of their unique requirements and reporting systems, create challenges for programs, including:

- **Increasing the administrative burden for providers:** 75 of the state's providers operate from more than one funding stream, increasing their time spent reporting and meeting compliance rules.
- **Delays and variability in funding increase providers' financial instability:** Providers that use School Readiness funds are funded through a reimbursement formula based on child attendance and not by classrooms. The funds also come through the town or city and can be delayed for months. Monthly variation in funding by child and delays in payments put financial strains on providers whose cash flow can be precarious. Care4Kids funding is layered on top of SR and CDC to meet the full cost of care. These payments are based on hours (instead of days or classrooms) and can also be greatly delayed, which again increases variability in monthly income. Some programs wait 2-3 months for funds.
- **Hindering access of funding for FCCs:** Family Child Care (FCC) is a critical element of the ECE system. These providers often provide more flexible hours and culturally competent care, both of which are of critical importance to many families of color who are disproportionately likely to work non-traditional hours. However, FCCs do not have easy access to state funded CDC and SR funds. New laws now make this possible, but up until now, FCC providers have only had access to Care4Kids funding.<sup>7</sup>

In addition to burdening providers, the inflexibility of funding streams makes it difficult to address care shortages in the state. The funding system:

- **Exacerbates the infant and toddler supply shortage:** SR funding was designed to support only preschool seats. Thus, communities struggle to respond to the severe infant and toddler care shortage caused by changing trends in demographics and parents' workforce participation.
- **Sustains child care deserts:** The siloed set up of how state funding is disbursed makes it difficult for OEC to shift capital to meet the changing needs of communities' children and families. For example, OEC procured new state funded spaces in 2022 for the first time since the late 1990s. It is illustrative that Connecticut has enough preschool slots across the state for the number of preschool children, but 38% of towns lack sufficient preschool slots.<sup>8</sup>

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<sup>7</sup> Additionally, the recent Infant and toddler funded spaces included FCC programs that were able to apply for the spaces under a fiduciary. Using a fiduciary is another time and administrative burden that creates unique obstacles for FCCs

<sup>8</sup> OEC's Unmet Need Report. The most recent data is primarily from 2016.

To address the complexity of funding streams and the implications on the system, the OEC has taken the following actions:

- Public Act 23-160 Section 35 revised the eligibility of School Readiness to include children birth to four years of age and children who are 5 years of age and not eligible to attend school.
- OEC provided \$25M in three phases of funding to existing CDC contractors, School Readiness programs - who typically did not serve infants and toddlers (I/T) - and to new contractors for the expansion of I/T slots. The OEC also expanded these funds to FCCs through the use of intermediaries.

### 3. Governance

Local governance bodies play an important role in creating a structure for elevating parent and community voice, articulating local needs, sharing resources, and helping with equitable access to information and services. The OEC has an opportunity to understand where thoughtful standardization of the activities of governance bodies across the state can more effectively and equitably support all communities, children, and families.

Local governance structures are not uniform and not all communities have access to local support. Not all funding streams are subject to local oversight. Where there are regional efforts, they execute the same tasks differently. These varied processes increase the complexity for programs who work across different cities, towns, and regions. This can lead to inequities.

There are two local governance bodies that currently inform local funding allocations and support community early childhood planning:

	School Readiness Councils (SRC)	Local Early Childhood Collaboratives (LECC)
<b>Overview</b>	SRCs are municipality-based governance bodies responsible for recommending how SR grants are allocated in high-need communities. Eligible programs include public schools, for profit and non-profit early childhood programs, Head Start, and state-funded child day care programs. SRCs are the main body focused on young children in many cities and towns.	LECCs were created with the purpose of convening their communities around early childhood issues to assure that all children have their developmental, health, and early learning needs met and their families are engaged and supported as leaders.
<b>Key Functions</b>	<ul style="list-style-type: none"> <li>• Grant Allocation: The SRC issues a request for proposals to fund high-quality local early care and education programs. The SRC allocates spaces for low-income families' children.</li> <li>• <a href="#">School Readiness Liaison</a>: Supports SRCs in grant allocation, coordination with OEC, reporting, monitor compliance, and site visits</li> <li>• <a href="#">Key responsibilities</a>: <ul style="list-style-type: none"> <li>• Managing child care slots</li> <li>• Needs assessments and community planning</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Local Community Coordination: LECCs are the central point of contact in a community. They develop relationships with community leaders and policy makers, provide outreach to families and partners, collect and share data, assist with child transition planning, and coordinate and share resources and information</li> <li>• Data Collection and Analysis: Support the distribution of and data collection for OEC surveys such as the Parent Survey and conduct focus groups for statewide impact</li> <li>• Parent Voice and Leadership: Through the work of local parent ambassadors, the LECCs</li> </ul>

	<ul style="list-style-type: none"> <li>• Partnering with local leaders</li> <li>• Additional Functions: Additional functions are SRC dependent because they range in scope, size, and funding</li> </ul>	<p>bring a focus to strengthening partnerships with families and having their voices at the table</p> <ul style="list-style-type: none"> <li>• Additional Functions: Each LECC develops its own strategic priorities and goals.</li> </ul>
<b>Focus Population</b>	<ul style="list-style-type: none"> <li>• Programs for children ages 3-4</li> <li>• Communities served must have at least 60% of households with incomes under 75% of the State Median Income and must be a:             <ul style="list-style-type: none"> <li>• Community designated as a priority school district — either currently or in the past</li> <li>• Community in the lowest 50 towns ranked by wealth</li> </ul> </li> </ul>	<p>LECCs are locally designed with target populations that vary across communities.</p> <ul style="list-style-type: none"> <li>• Governance Support: The <a href="#">Children’s Collective</a> is a network of local partnerships, whose goal is to strengthen local partnerships; create a statewide intermediary management agency; and design supports for the local partnerships within the OEC and other child-serving government agencies. As of 2022, the Collective currently includes 34 local collaborative partners, representing 59 towns across the state.<sup>9</sup> The LECCs operate under the Children’s collective.</li> </ul>

In addition to SRCs and LECCs, the following statewide governance and advisory bodies have important advisory roles in child care decision making:

- [Advisory] [Parent cabinet](#): The OEC Parent Cabinet is a diverse, parent-led advisory group to OEC that meets regularly to help make improvements in the lives of children and families across the state. The mission of the Parent Cabinet is to build strong connections, listen intentionally, and partner with Connecticut families of young children, communities, and OEC to incorporate the expertise of all parents throughout the early childhood system to ensure family-driven equitable policies and programs.
- [Advisory] [Early Childhood Cabinet](#): The Cabinet’s purpose is to develop a high-quality, comprehensive system of early childhood education among the wide array of early childhood programs in the state (including Head Start, child care and School Readiness). It plays a key role in advancing the integration of services to young children and families. It is an advisory body.
- [Governance] **Head Start’s Policy Councils**: As a federally funded program, councils provide leadership, governance, and strategic direction for Head Start programs. Councils are composed of Head Start parents and community members.<sup>10</sup> They have a voice in how the program spends money, collaborates with community partners, and cares for children in their classrooms. There are 18 Policy Councils throughout Connecticut embedded within the federally recognized Head Start grant recipients.

#### 4. Data & Outcomes

Gathering consistent and reliable data is essential to creating and maintaining programs and services that meet the needs of children, families, providers, and communities. For instance, data helps identify where the child care supply does not meet demand, if a child is reaching key development milestones, and the quality of care families can access.

<sup>9</sup>“Building a Strong Local-State Early Childhood System Data Report.” Connecticut Children’s Collective. 2022. (Accessed [here](#))

<sup>10</sup> Each Council is required to be made up of at least 51% current Head Start families with members elected by the parents of children enrolled in the program.

Data quality is also directly related to equity and access. Good data explains who the state is and is not serving and which policies may be exacerbating or ameliorating the discrepancies.

Data collection is embedded in operational systems. Table A in the Appendix highlights data providers and the OEC collect. These disparate data systems create the following challenges and opportunities:

- Because funding and operational systems are decentralized, so too is the data. This decentralization makes it very difficult for the OEC to have a clear sense of who they are serving, how they are serving them, and what outcomes they are obtaining.
- ECE applications collect children's race, ethnicity, gender, home address, annual household income, and household size. These elements are a good foundation for further tracking of child outcomes across demographics.
- The OEC does not currently have the capacity to collect unduplicated data of children due to multiple reporting structures.
- Within OEC there are advanced data systems for Individuals with Disabilities Education Act (IDEA), home visiting services, Child Care Resource and Referral Agencies (CCR&R), child care e-license system, and data systems for state pre-k. Outside of the OEC, CT has some robust early childhood data systems in place such as IMPACT for TANF and CCDF data, advanced Medicaid data systems, data about federal Head Start services, and robust primary K-3 data systems. Currently, the OEC does not have ways to integrate key data across state departments.
- In 2022, the OEC asked parents and guardians to describe their experiences with child care, employment, and concerns about their young children's social and emotional well-being as affected by the COVID-19 pandemic. While this parent survey was helpful, the OEC does not have systematic ways to collect qualitative feedback from providers and families.

To better support these data systems, the OEC is currently working on:

- OEC 360 Provider Portal: As this the OEC builds the centralized portal, it will allow for data on enrollment information across funded programs (e.g. C4K, B23 enrollment, etc.) as well as payments form multiple systems (eGrants Management System Home (EGMS) & CORE (the state's HR, payroll, and financial system)).
- The OEC is working on a unique identifier for each child that connects to any OEC program, and stays with them through public school.
- The OEC uses an outcomes based contract for home visiting services that carefully defines outcomes metrics for the state's contracts with service providers and rewards providers with additional funding when families achieve these metrics. The OEC is also planning to use a similar outcomes based contract for SFCCNs.

Improving the system's and providers' data and technology infrastructure, can set Connecticut up for ongoing ECE system evaluation and improvements and enhance Connecticut's current work to link child and family services at OEC to other agencies like SDE, DCF, DSS, DOL, OHS, DPH. These ties have the potential to help the state understand the more complex pathways to family supports that improve families' health and economic stability – thus maximizing access to critical child and family development supports.



#### IV. Preliminary Draft Goals and Recommended Strategies to Achieve These Goals

These recommendations are **preliminary and without external socialization**; the workgroup will assimilate feedback from the public sharing session and BRP members as well as other stakeholders to prioritize the most promising high-impact recommendations, properly recognize ideas that overlap with other work groups, and suggest missing options. The workgroup will conduct additional analysis to confirm and refine these strategies, including detailing any required structural, programmatic, or regulatory changes, investments needed, expected timeline, and outcomes.

**Systems Goal:** Build an equitable, efficient ECE system that is informed by current data and that fosters the sustainable provision of high-quality programs and services for young children and their families in Connecticut.

#### Program Enrollment & Operations

##### Program Enrollment & Operations Goals:

- Identify processes to reduce barriers to enrollment for families and provide incentives and supports for high quality programs to increase enrollment and family engagement
- Improve business practices for programs, including shared services and technology supports to create more efficient and effective program operations

##### Recommendation

##### Steps to Achieve Recommendation

Create a unified navigation system that provides a central location for families and providers to access all necessary information for child care in Connecticut.

- Develop and support the marketing<sup>11</sup> of a navigation system for **parents and families** that leverages the current systems in place (2-1-1 Child Care, Help Me Grow, Parent Portal, Sparkler, live support, etc.) and enables the following functionality:
  - Provides a searchable database of available child care openings; centralizes eligibility determination for families
  - Creates one form for parents/guardians for eligibility, application, enrollment, and registration
  - Offers greater connection and access to child development screenings for early identification of developmental or behavioral problems in young children
- Design a 360 portal system for **providers** that creates a one-stop shop and leverages the current systems in place (ECE Reporter, CORE/EGMS Payment Systems, Elevate, Registry, etc.) as well as systems coming online (Provider Portal 360), and enables the following functionality:
  - A universal program application for providers to access streamlined state funding
  - Centralizes regulation forms needed for licensing and monitoring
  - Enables providers to invoice OEC electronically and directly and allows providers to track invoice payment history
  - Creates opportunities to standardize and simplify business processes for all providers including immunizations, child registration for programs, funding, and licensing
  - Offers quality technical assistance, professional development, scholarship and accreditation support

<sup>11</sup> The 2022 OEC Parent Survey indicated that only 25% of parents were aware of the 2-1-1 Child Care resources

	<ul style="list-style-type: none"> <li>● Utilize a unique State Assigned Student ID (SASID) for every child who enters the ECE system, regardless of whether they enter through a state-funded or private funded program.             <ul style="list-style-type: none"> <li>○ Incentivize private programs to participate because 70% of the ECE ecosystem in Connecticut consists of private (non-state funded) programs</li> </ul> </li> </ul>
<p>Provide incentives to programs that utilize state systems (i.e., navigation system, assessment system, business supports, and C4Kids) to improve business practices.</p>	<ul style="list-style-type: none"> <li>● Provide grants to advance business operations in programs and offer incentives for engaging in state systems such as Care 4 Kids or the Women’s Business Development Council</li> </ul>
<p>Provide resources and supports for providers (informed by provider feedback loops) such as a shared services plan and onboarding supports for newly licensed programs.</p>	<ul style="list-style-type: none"> <li>● Resources and supports could include:             <ul style="list-style-type: none"> <li>○ A shared services plan for FCCs (building on existing SFCCN supports) and early childhood programs to promote effective business operations that include support with break-even analysis, attendance, fee collection, accounts receivable, etc.</li> <li>○ Streamlined onboarding supports for newly licensed programs offered through Elevate during initial months of operation (building on existing Service Navigation and SFCCN supports for providers) including business support (break even analysis, attendance, fee collection, accounts receivable, etc.), check-ins for business, licensing, and registry, recruitment support especially in child care deserts</li> </ul> </li> </ul>
<p>Assess where changes can be made to group home regulations so more providers are attracted to opening them; thereby increasing the supply of childcare slots for families.</p>	<ul style="list-style-type: none"> <li>● Assess Group Home regulations to determine where there are barriers to providers opening and operating successful Group Homes (Group Homes are required to follow the child care center regulations, which are often too costly and inaccessible for Group Homes.)</li> <li>● Explore opportunities to incentivize Group Homes to be an alternative to families who are seeking shift work, have safe affordable options</li> </ul>
<p>Aggressively seek subsidized facilities with a focus on facility needs for programs.</p>	<ul style="list-style-type: none"> <li>● Incentivize regional or local governance hubs to create a mechanism to match those who want to provide community resources with the providers who need community resources to expand facilities</li> <li>● Incentivize communities that maximize community partnerships to meet the child care needs of their community (i.e. offering space for child care in community facilities, organizations that donate supplies and labor for facility changes to support early childhood, changing zoning laws to support Family Child Care Providers, Incubators, Co-Ops and child care centers, organizations that offer their employees child care subsidies)</li> </ul>

### Funding Systems

#### Funding Systems Goals:

- Streamline funding sources and optimize payment structure, to a clear set of criteria, to support provider stability, maximize family utilization and ensure system efficiency
- Build a funding system that can adapt with changing community needs in CT
- Move towards a funding system that reflects and supports the true cost of care and services rather than market rates



Recommendation	Steps to Achieve Recommendation
<p>Consolidate the number of state funded ECE funding sources from five (School Readiness, Child Day Care, Smart Start &amp; Smart Start for Recovery, State Head Start Supplement, and Care4Kids) to one.</p>	<ul style="list-style-type: none"> <li>• Design a unified funding stream that is flexible across age groups, regions of the state, and settings/space types (funding will be available to family child care providers)</li> <li>• Align program standards for this unified funding system to streamline how potential funding amounts are determined</li> <li>• Consider more alignment with Head Start to reduce expansive requirements for providers in multiple systems</li> <li>• Ensure that any future state ECE funding sources become part of the unified funding stream</li> </ul>
<p>Fund programs by classroom, based on blocks of time (informed by local community needs).</p>	<ul style="list-style-type: none"> <li>• Create blocks of time OEC could fund based on local community needs (including school day, part day, full day, wrap-around (minimum 10 hours/day); school year, full year, summer, part week) based on community needs</li> <li>• Calculate funding rates per block of time. If a child care space is operated by a public school, require a 50/50 funding match with the school district to expand Smart Start model that costs 50% less, per child for the state</li> <li>• Develop criteria for programs to receive bonus payments for activities the OEC would like to incentivize (e.g. meeting the OEC’s new workforce wage scale, maintaining enrollment targets, meeting high quality standards, etc.)</li> </ul>
<p>Deploy unified state funding to programs through State of Connecticut Purchase of Service (POS) contracts, rather than the current mix of grants and POS contracts; distribute payments directly to programs, quarterly in advance of service provided, rather than through contractors/fiscal agents.</p>	<ul style="list-style-type: none"> <li>• For the next contracting period, maintain two-year contracts with option for programs to receive a one-year extension</li> <li>• For the following contracting period, shift to three-year contracts, with the option for programs to receive a two-year extension for meeting contract requirements</li> <li>• Paying programs directly will require additional OEC contracting and fiscal infrastructure, including tracking of state ECE funding by district</li> </ul>
<p>Appoint regional ECE governance bodies (aligned with intermediary regional governance structure in Governance below) to assess unmet needs for high quality ECE by community every three years and develop an annual plan for local disbursement of state funds allocated to communities in alignment with demonstrated needs and local assets.</p>	<ul style="list-style-type: none"> <li>• <b>Needs assessment:</b> Roll out a staged plan to transition to a regional needs assessment process to determine the allocation of ECE funding across Connecticut. Regional ECE governance bodies, in collaboration with local bodies, would assess child care needs by community, beginning in 2026 with completion by 2027.</li> <li>• <b>Procurement:</b> Roll out a staged plan to transition the procurement of ECE services from OEC to regional governance bodies. For new POS contracts, in 2025, OEC’s procurement will prioritize funding determination and allocation based on the following: current OEC ECE providers (FY23 and FY24); For future procurement cycles, funding will be allocated by OEC to the regional ECE governance body in alignment with demonstrated need and local assets (such as existing OEC-funded programs) of the community needs assessment. Utilizing OEC’s evaluation standards and priority considerations, child care services will be procured by the regional ECE governance body.</li> <li>• <b>Administrative Funds:</b> The ECE regional governance body will receive administration funds to manage the community RFP process.</li> </ul>
<p>Convert the funding structure to reflect the true cost of care rather than market rates.</p>	<ul style="list-style-type: none"> <li>• Conduct child care cost studies to assess true costs associated with the provision of early childhood care and services, across different locations, needs, settings, and other relevant scenarios, building upon previously completed UCONN Narrow Cost Analysis</li> </ul>

	<ul style="list-style-type: none"> <li>● Determine a process for regularly updating the true cost of care estimate over time and adjusting rates accordingly.             <ul style="list-style-type: none"> <li>○ Shifting to the true cost of care may result in a reduced number of children served to accommodate increased per child rates - depending on appropriations.</li> </ul> </li> </ul>
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### Governance

**Governance Goal:**

- Ensure an aligned and responsive state and local governance system that supports families, providers, and communities

Recommendation	Steps to Achieve Recommendation
Create and fund a cohesive governance system that covers all towns and provides an opportunity for local partnership and collaboration to allocate state funding.	<ul style="list-style-type: none"> <li>● Collaborate with existing local governance bodies to produce statewide guidance on: geographic boundaries, scope of focus and responsibility, composition / membership roles within the body, data collection and reporting requirements, and the use of state administrative funds</li> <li>● Design a 5-year plan to phase in new comprehensive governance structure in collaboration with local communities, considering successful models created in North Carolina and Michigan<sup>12</sup></li> </ul>
Design and fund an intermediary regional governance structure to support local bodies.	<ul style="list-style-type: none"> <li>● Define role and responsibility of an intermediary regional governance body to provide TA and support local bodies. Activities may include: providing assistance to local bodies to complete needs assessments and appropriately allocate funds, releasing RFPs to local bodies to distribute funding, reducing complexity for the OEC by distributing funds across the state, and creating feedback loops to ensure equitable access to information across local bodies and the OEC</li> <li>● Design regional governance bodies to align with regional coverage of existing Dept of Children and Families and Home Visiting regions</li> </ul>
Create supports at the state level to bolster capacity of local and regional governance bodies.	<ul style="list-style-type: none"> <li>● Assign and train staff at the OEC to oversee and support effective regional, functional governance - e.g. offer training, TA, etc. to local governance on needs assessments, ensure parent representation, coordination with Parent Cabinet</li> </ul>
Create a common needs assessment, with common data collection across local governance bodies.	<ul style="list-style-type: none"> <li>● Collaborate with existing governance bodies to clarify goals for needs assessment and simplify process for completion</li> <li>● Tie needs assessments directly to funding and ensure local requests for spaces aligns to data provided in community needs assessments</li> <li>● Create guidance related to staffing requirements for implementing the needs assessment</li> </ul>

### Data & Outcomes

**Data & Outcomes Goal:**

- Strengthen data, outcome, and technology systems to ensure system efficiency and continuous quality improvement and connection

Recommendation	Steps to Achieve Recommendation
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<sup>12</sup> “Local Governance for Early Childhood: Lessons from Leading States,” Strategies for Children. (Accessed [here](#))

<p>Enhance and integrate existing data systems (e.g. Provider 360 Portal, Registry, etc.) to support the creation of a comprehensive data system for programs that unifies program data entry and invoicing processes for state-funded programs.</p>	<ul style="list-style-type: none"> <li>● Create a data collection and reporting process to validate measures for program incentive initiatives (e.g. rate cards)</li> <li>● Create a data collection and reporting process to validate measures for regional governance incentive initiatives (e.g. rate cards) such as: local subsidization for child care facilities (e.g. providing free or low cost space), local policy changes to support child care facilities (e.g. zoning), completion of community engagement activities to inform needs assessments</li> </ul>
<p>Streamline process for families to access child care information and availability.</p>	<ul style="list-style-type: none"> <li>● Enhance and integrate existing data systems (e.g. 2-1-1 Child Care, ECE Reporter, Elevate, MyCT, etc.) to simplify families access to child care information and availability</li> <li>● Create a system for families to apply to “ALL” eligible OEC-funded programs in one place</li> <li>● Market the system</li> </ul>
<p>Collect common needs assessment data from local and regional governance bodies and provide data on OEC website.</p>	<ul style="list-style-type: none"> <li>● Collaborate with local and regional governance bodies to collect common needs assessment data</li> <li>● Ensure transparent access to local and regional needs assessment data locally and at the state level (e.g. on the OEC website)</li> </ul>
<p>Implement a statewide system to assess children’s early learning and development from birth to age 5 that will be linked to the State Department of Education and local school kindergarten enrollment processes, by leveraging an existing platform.</p>	<ul style="list-style-type: none"> <li>● Utilize a unique State Assigned Student ID (SASID) to track children across OEC programs and with SDE data systems for long term impact information</li> <li>● Review the existing platforms (e.g., CT DOTS, Teaching Strategies, High Scope) and choose one for statewide impact, information, and support</li> <li>● Suggest updates to improve system integration with Dept. of Education, Dept. of Children &amp; Families, Dept. of Health, and Dept. of Labor, in coordination with recommendations from the Equity and Access workgroup</li> </ul>
<p>Create a transparent statewide data dashboard to share aggregate operations data and outcome measures with the field.</p>	<ul style="list-style-type: none"> <li>● Data and outcome measures shared with the field should include: <ul style="list-style-type: none"> <li>○ Program enrollment and operations</li> <li>○ Family needs data</li> <li>○ Regional supply &amp; demand, including needs assessment results, and transiency</li> </ul> </li> <li>● Consider establishing an advisory board or CQI group with statewide representation to review systems data and suggest recommendations to the OEC</li> <li>● Consider funding to support providers and governance entities with additional data collection and entry</li> </ul>

## V. System Guide Posts

The OEC has completed thoughtful and insightful research on existing systems. The workgroup used the following reports to ground the recommendations outlined in the following section.

### Enrollment and Operations:

**OEC - Elevate Research Inputs Summary Report:** In April 2023, the OEC engaged education organizations, providers, and families to define “quality” and learned how they currently engaged with OEC systems such as CT-211, OEC Websites, ECE organization, and NAEYC. The report outlines how these organizations and systems engage with the word quality, the role they play in child care, and what common variables families consider when choosing child care for their children.

### Funding Systems:

**SVP - Connecticut’s Early Childhood Education System: Financial Modeling:** In February 2023, SVP built a financial model for OEC to better understand system funding costs and funding and investment opportunities. Relevant to this subgroup, their analysis included a mapping of federal, state, local, and private ECE funding sources. It also highlighted a few key levers for improvement, including: improving management systems for enrollment and parent navigation, increasing provider pay and benefits, increasing child subsidies, and improving training and apprenticeship opportunities. See Appendix C for more information.

### Governance:

**Third Sector - Local Governance Structure Report:** In 2022, Third Sector completed a landscape assessment of ECE local governance structures. Their assessment included a history of local governance in Connecticut, an analysis of the current ECE governance landscape, and challenges to equitable and consistent local governance. The report highlighted how, as of 2016, only a third of the state had a local governance council representing them. This incomplete map could be because some municipalities are ineligible for SR funding, funding for LECCs is limited, and smaller communities lack consistent staffing. In interviews, providers also expressed the need for greater consistency in local governance structures and difficulties they faced when providers, school systems, and local organizations had different priorities for the early childhood space. See Appendix C for additional information.

### Data and Outcomes:

**2022 CT OEC Parent Survey:** In 2022, the OEC completed an online survey that 5,757 parents of youth children participated in. Topics included child care access and preferences, employment impact, and concern about child developmental status.

**Annual Report on the Status of Early Care and Education in Connecticut:** This annual report reviews enrollment, program operations, provider licensing and accreditation, and funding allocations the the following programs: Child Day Care Contract Program, School Readiness Grant Program, Smart Start Grant Program, State Head Start Supplement Program, Early Head State, and the Child Care Development Fund (including Care 4 Kids Subsidy Program).