
ALEXANDRIA EARLY CARE AND EDUCATION WORKGROUP
FISCAL MAPPING OF EARLY CHILDHOOD RESOURCES
IN THE CITY OF ALEXANDRIA



Report prepared by:
Dr. Lisa Karlisch, Sparkfire Strategy
Andrea Fuller, MindFarm

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Acknowledgements

Alexandria's Early Care & Education Workgroup (ECEW) is grateful for the many contributions and perspectives that made this study and report of findings possible. A wide array of community service providers, funding partners, and stakeholders added their voices and experiences to ensure the accuracy and applicability of the findings. The ECEW participants were instrumental in shaping the objectives and process for the study. The Fiscal Mapping Steering Committee—Tammy Mann (The Campagna Center), Kate Garvey (Alexandria Department of Community and Human Services), Dr. Terri Mazingo (Alexandria City Public Schools), and Lissette Bishens (formerly of Child and Family Network Centers)—provided important guidance to the consultants around both collecting the data and using it to inform how we might improve our existing systems of care. Our City partners—the Alexandria Health Department, Alexandria City Public Schools, the Alexandria Department of Community and Human Services, and the Department of Recreation Services—gave important insight into local funding streams and how public-private partnerships work. Mary Beth Salomone Testa of Voices for Virginia's Children contributed essential information on the State of Virginia funding streams and plans. Finally, this report would not have been possible without the generosity of the Bruhn-Morris Family Foundation. Bruhn-Morris has continued to provide both financial support and leadership to ensure Alexandria City's early childhood system has the capacity and skills to effectively serve our youngest residents. Thanks to this impressive group, we will continue to progress towards an early childhood system that is responsive, coordinated, efficient, and effective in its service to children and families.

EXECUTIVE SUMMARY

Project

The purpose of this project was to collect and analyze the data around what and how resources are currently being invested in Alexandria's 0-5 year olds so that it is possible to understand where the gaps are, how those gaps might be filled most efficiently with existing or new resources, and where advocacy is needed for additional funding or policy changes. Specifically, the project was designed to answer three questions:

- What federal, state, local, and private funds are currently being invested in early childhood (ages 0-5) in the City of Alexandria and how are these funds currently being allocated?
- Are these funds adequate to meet the needs and the goals of the Children and Youth Master Plan and the quality and access goals of the Common Agenda?
- How can we grow and/or optimize those resources to achieve our goals?

Findings

Early childhood investments in Alexandria total more than \$19 million. Government is the leading source of early childhood services funding. Federal, state, and local governments combined are responsible for 80 percent of all funds, with the remaining 20 percent coming from various other sources such as private philanthropy and fees. The Federal government, at 43 percent of total funding, is by far the leading source, with local government second at 23 percent, and state government next at 14 percent of the total.

Although there are significant resources being invested in early childhood in Alexandria, there is still notable unmet need. A majority of the funds invested are concentrated on Pre-Kindergarten (Pre-K) with less focus on the crucial 0-3 years. Waiting lists for programs such as Head Start and Child Care Subsidy persist. In some programs where funds are available, they are not fully utilized because of matching requirements, parental lack of awareness, or hesitancy to apply for programs due to immigration status or other factors. While additional investment is necessary, some improvements can be made in how current resources are allocated and managed to benefit more families. Alexandria's public, private, and nonprofit sectors are already working together (locally and regionally) to address a number of the recommendations below and the City should continue to support that work.

A Word About Definitions of Early Care and Education Services

During the past several years, Alexandria's conversation about preschool services has largely focused on Pre-K access for four year olds. The ECEW has worked the past two years to shift this frame to focus on the range of supports that are available for families with children under five in addition to examining alignment into elementary school for children through third grade. This is consistent with research that defines early childhood development as a child's first eight years of life where rapid growth and development unfolds and sets the foundation for future learning. In this report we have included data from city, schools, and nonprofit organizations that make up the network of early care and education services in Alexandria. That network includes a focus on the following services and supports:

- Prenatal and health-related services that include a focus on health and nutrition through the Alexandria Health Department.
- Education in center-based programs (including a limited number of family child care homes as supported through Early Head Start) and our schools for children under 5 that fosters cognitive, language, social, physical, and emotional development.
- Home visiting programs that focus on health and education services for mothers with young children.
- Prevention services through the Center for Alexandria's Children that include parent education delivered through playgroups.
- Family support services that help ensure families can connect to other city services that may include housing, education, and employment-related needs.

- Targeted learning and enrichment services that families access for their children through Recreation and Parks services and other nonprofit organizations and funders.

Because we are looking at an array of services targeting different ages and outcomes, it is important to remember what it takes to deliver different services is not equivalent. For example, providing a swim class for toddlers is much less intensive than providing comprehensive wraparound services for children and families. It will be tempting to do a simple calculation of dollars spent per child 0-5 in the City, but that would lead to a false conclusion of what it takes to run different programs with quality and fidelity. Second, it is important to keep in mind that we are reporting on programs for all 0-5 year olds and not just those specifically for low-income families. What we are investing across all children may be quite different than what we should be investing in children with the greatest needs.

Overview of Recommendations

STATE LEVEL:

- 1 • Review current interpretations of state program eligibility requirements to ensure that programs are maximizing access to funds and streamlining processes.
- 2 • Advocate for Virginia Preschool Initiative (VPI) funds that are not drawn down to be distributed to early childhood programs rather than returned to the General Fund.

ALL LEVELS:

- 3 • Advocate for more funds for 0-3 populations.

LOCAL LEVEL:

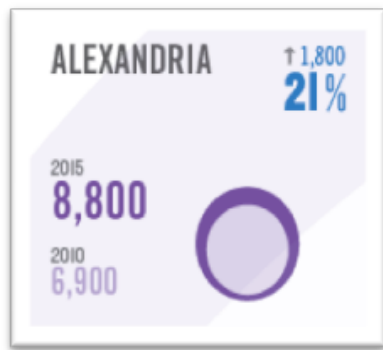
- 4 • Expand outreach, education, and support to fully enroll eligible participants in funded programs.
- 5 • Continue to support a systems approach to provision of early care and education, as outlined in the Common Agenda, ensuring aligned definitions and procedures across programs, and administer funds accordingly. Continue to look across all funding streams to make sure priorities are being fulfilled.
- 6 • Develop and share clear formulas for how local government funding for early childhood, such as Scholarship for 4's and related investments, are to be distributed.
- 7 • Continue the Glass Doors Initiative, which is working to make it a practice among all service providers to consider all potential services a child could be eligible for when they present for that particular program.
- 8 • Evaluate the effectiveness of the mixed delivery preschool model on a regular basis to ensure the equity and quality of services that are offered and to ensure that programs meet the diverse needs of children and families. Continue to support and incentivize alignment and collaboration among the providers.

RATIONALE, METHODOLOGY, LIMITATIONS

Project Rationale

The higher the quality of the care and education children receive in their earliest years, the more likely they will develop the intellectual and social-emotional skills needed to succeed both today and tomorrow.¹ For some children, this care and education happens seemingly effortlessly, as they are continuously surrounded by a rich set of family and community resources. But not all children are this lucky.

In 2015, 10.4% of Alexandria's children ages 0-5 were living in households below the federal poverty level and even more are hovering just above this level. Life can be a struggle even for those families at 200% of poverty level (\$47,100 annual income assuming a family of four), as the Washington, DC area has one of the highest costs of living in the nation. Their children are frequently exposed to multiple and compounding poverty-related risk factors that can compromise early development and hamper school readiness. Between 2010 and 2015, the number of children in economically disadvantaged families (200% FPL) rose by 21%.²



It is critical for these potentially vulnerable children to have access to a system of health, developmental, and educational resources that enable them to establish the early foundation necessary for success later in life. As Alexandria's Children and Youth Master Plan acknowledges, achieving this requires that systems be "responsive, coordinated, efficient, and effective in service to children and families". However, anecdotally, we know that this is not yet the case. Eligibility requirements for programs are difficult for parents to understand, potentially discouraging them from applying. Funding streams are fragmented, not fully transparent, and can vary both by total and by how much programs receive from year to year,

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leaving programs with uncertainty and potentially under-resourced. Capacity is not matched to need, leading to some children being unserved. There is growing recognition that it will take better analytics and strategic community investment (from both public and private sources) to fully address this challenge. It is critical that the approaches be based on targeted root-cause problem-solving strategies that strengthen community networks and anchor institutions to help ensure that Alexandria's families and children can thrive.

The purpose of this Fiscal Mapping Project was to collect and analyze the data around what and how resources are currently being invested in our 0-5 year olds so that it is possible to understand where the gaps are, how those gaps might be filled most efficiently with existing or new resources, and where advocacy is needed for additional funding or policy changes.

The project was designed to answer three primary questions:

- 1 • What federal, state, local and private funds are currently being invested in early childhood (ages 0-5) in the City of Alexandria and how are these funds currently being allocated?
- 2 • Are those funds adequate to meet the needs and the goals of the Children and Youth Master Plan and the quality and access goals of the Common Agenda?
- 3 • How can we grow and/or optimize those resources to achieve our goals?

Identifying the funding sources, totals, and gaps provides a common understanding of the resource landscape so that we can begin to identify how we improve the system to better serve our children.

1. Moore, K. A., Murphey, D., Beltz, M., Martin, M. C., Bartlett, J., & Caal, S. (2016). Child well-being: Constructs to measure child well-being and risk and protective factors that affect the development of young children. Bethesda, MD: Child Trends.

2. The Future of Virginia Starts Today: Economic Success Depends on Children's Economic Security. Voices for Virginia's Children (2017)

Methodology

The Fiscal Mapping Steering Committee worked with the consultants to identify and engage all the organizations involved in early childhood efforts in Alexandria. This process yielded a list of 18 potential participants; 14 of these were successfully recruited to participate and provide fiscal data (See Appendix A for participants). Four were departments of city government, 7 were not-for-profit service delivery organizations, and 3 were funders who support direct services to children ages 0-5 and/or invest in strengthening the early childhood resources system.

Following a briefing to explain project rationale and procedures, fiscal information was sought from each organization via a survey instrument (Appendix B) that asked for program staffing and budget data. Most of those surveyed responded in the first wave of data collection; in the few exceptions, follow-up emails or phone calls yielded the requested information, providing an ultimate response rate of 100 percent of those receiving the survey. The consultants conducted follow-up inquiries as needed to clarify participant responses and in some cases to suggest revisions or additions to ensure completeness and accuracy.

Based on the organizations that participated, the data collected likely represents greater than 90% of the services/funding directed towards children ages 0-5. The organizations that chose not to participate have only a small portion of their programming directed toward ages 0-5.

Data Qualifications and Limitations

- Private pre-school and in-home and private child care providers are an important part of the City early childhood delivery system but were not asked to participate in this study. Those that receive subsidy dollars were included in other line items provided by the City and those who participate in Early Head Start were accounted for in The Campagna Center data. Those who do not participate in either program were considered outside the scope of this study.
- Some programs included in survey data do not exclusively serve either Alexandria residents or 0-5 year olds. For these programs, we asked respondents to give the percent of the target population that comprised their program and then we applied this percentage to the funding streams and staffing levels to get an allocation of resources directed towards 0-5 year olds in Alexandria.
- All survey data submitted is from the organization's last completed fiscal year. Thus, comparing across organizations will not necessarily be an apples-to-apples comparison regarding the time frame. However, we do not expect that the funding environment dramatically differed for organizations based on these differences in timing.

Community Demographics and Risk Factors

Exhibit 1 displays selected demographic data and early childhood risk factor indicators describing Alexandria City's 0-5 population. Most salient are the indicators around the number of children needing academic support upon entering the school system. Thirty-two percent of Kindergartners require ELL (Early Language Learners) support as compared to only 15% needing these supports statewide. The percentage of children with disabilities is also higher for Alexandria than Virginia indicating that there is a greater need for the school system to provide support than in other jurisdictions. It should be noted that this might also be due to more proactive and effective early identification of children with disabilities within Alexandria. These statistics point to the need for a strong early education system with specialized supports as early identification and support provide greater benefits over time.

In examining other indicators, at first glance, it appears that Alexandria's children fare well in comparison to the state as a whole. However, digging deeper into these numbers reveals that there are pockets of children who have a host of risks. For example, although only 10% of children under five live in households under the federal poverty level, specific zip codes have a much higher rate. In one West End zip code, 23% of children 0-5 are in poverty and an additional 31% are considered low income (less than 200% of federal poverty limits).

The concentration of risk factors also varies significantly by race. Eighty-five percent of the children 0-5 living in poverty

are minorities even though they make up only 56% of this population. Alexandria's Black and Hispanic children are much more likely to be born to a teen mother and/or a single parent household. Additionally, Black children are more likely to start life as low birth weight infants putting them at risk for medical issues later in life. It is clear these children who manifest multiple risk factors would benefit from a strong early childhood intervention system that integrates health, education, social/emotional development, and parental support to help mitigate these risks.

Exhibit 1: Early Childhood Risk Indicators³

Indicator	Alexandria	Virginia
Number of Children 0-5	11,667	511,363
Poverty Rate 0-5 (<100% FPL)	10.0%	17.2%
Number of Low Income Children 0-5 (<200% FPL)	28.8%	36.5%
Children 0-5 Uninsured	4.6%	4.4%
Percentage Low-birth weight newborns	7.3%	8.0%
Percent of births to mothers not receiving prenatal care	17%	17%
Percent of births to single mothers	23%	35%
Percent of births to teen mothers	3%	5%
Births to Mothers with less than 12th Grade education	13%	12%
Number/Percent of eligible 4 year olds in VPI	75%	71%
Number/Percent of 3-4 year olds not attending preschool (SY 16-17)	24% ⁴	65% ⁵
Percent of children under five with disabilities	1%	.7%
% of Kindergartners requiring ELL support	32%	15%

3. Based on most recent data available from the American Community Survey, the Virginia Department of Health, and the Virginia Department of Education.

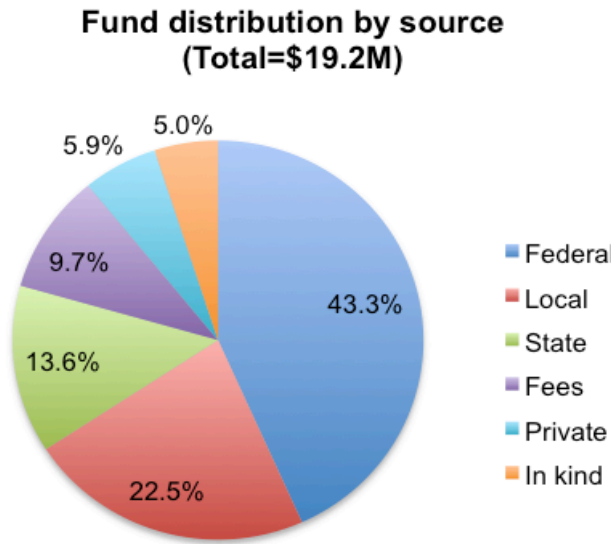
4. This is the percentage of ACPS kindergarteners (2017-18) reporting no prior preschool experience.

5. This is the percentage of LOW INCOME children in VA NOT attending preschool, which compares to 55% of their higher income peers.

ANNUAL FUNDING SOURCES AND AMOUNTS

Early childhood investments in Alexandria total more than \$19 million. The amount and proportion invested by each major funding source are shown in Exhibit 2.

Exhibit 2: Sources of Early Childhood Funding



Government is the leading source of early childhood services funding. Federal, state, and local governments combined are responsible for 80 percent of all funds, with the remaining 20 percent coming from various other sources. The Federal government, at 43 percent of total funding, is the leading source, with local government second at 23 percent, and state government next at 14 percent of the total.

Exhibit 3 breaks out funding by source for each of the twelve organizations providing or supporting Alexandria's early childhood efforts. Clearly there are multiple organizations with a major investment, and therefore a substantial stake, in the early childhood domain.

(VPI), is fully 34 percent of the total investment. Alexandria's City agency funding includes the Health Department (\$3.2 million; which includes WIC and Maternal and Child Health Services), the Department of Community and Human Services (\$2.4M; which includes Part C, early intervention, Preschool Prevention team, Child Care Subsidy, Scholarship for 4s, and ID/DD Youth Case Management), and Alexandria Public Schools (\$2.1M for VPI). These four organizations collectively account for 75% of the dollars being directed towards 0-5 year olds.

The Campagna Center's total early childhood funding of approximately \$6.6 million, which includes Early Head Start, Head Start and the Virginia Preschool Initiative

Exhibit 3: Organizations Ranked by Total Early Childhood Funding

Organization	Funding Amount	% of Funding
The Campagna Center	\$6,569,222	34%
Alexandria Health Department ⁶	\$3,235,258	17%
DCHS	\$3,235,258	13%
ACPS	\$2,082,642	11%
Child and Family Network Centers (CFNC)	\$1,812,389	9%
Hopkins House	\$1,386,262	7%
Northern Virginia Family Services (NVFS)	\$613,768	3%
Alexandria Department of Recreation	\$421,463	2%
ALIVE!	\$417,478	2%
Center for Alexandria's Children (CAC)	\$99,503	1%
Reading Connection ⁷	\$97,957	1%
Kathy Wilson Foundation	\$9,500	0%

Exhibit 4: Organization Early Childhood Funding by Source

Organization	Federal	State	Local	Fee	Private	In Kind	Total
The Campagna Center	\$5,212,252 ⁸	\$102,000	\$290,593	\$68,483	\$58,068	\$837,856	\$6,569,222
Alexandria Health Dept.	\$2,627,710	\$240,439	\$367,109				\$3,235,258
DCHS	\$347,133	\$861,174	\$1,178,831		\$59,297	\$5,238	\$2,451,673
ACPS		\$588,000	\$1,494,642				\$2,082,642
CNFC	\$104,073	\$445,672	\$468,579	\$52,387	\$669,678	\$72,000	\$1,812,389
Hopkins House		\$23,860	\$54,188	\$1,287,818	\$13,657	\$6,739	\$1,386,262
NVFS		\$279,466	\$279,302		\$45,000	\$10,000	\$613,768
ALIVE!	\$75,084	\$30,000	\$100,475	\$86,755	\$125,164		\$417,478
Alexandria Dept. of Rec.				\$356,046			\$356,046
CAC			\$13,500		\$60,500	\$25,503	\$99,503
Reading Conn.			\$14,957		\$83,000		\$97,957
K. Wilson Fdn.					\$9,500		\$9,500

Exhibit 4 displays funding-by-source for the major services or programs offered by the various agencies and organizations. Not surprisingly, the largest organizations are those that receive significant funding from federal, state, and/or local government sources.

It is also noteworthy that a few large initiatives, each government programs, constitute a huge proportion of total early childhood funding. Exhibit 5 shows the costs for 0-5 year old services for the four largest programs and the cumulative proportion of resources they consume, which collectively is close to 50% of total funding. For two of these programs, Head Start and WIC, a single provider delivers all associated services. For the other two programs, Child Care Subsidy and VPI, funding is dispersed to a number of different public and private providers.

Exhibit 5: Early Childhood Funding for Largest Programs

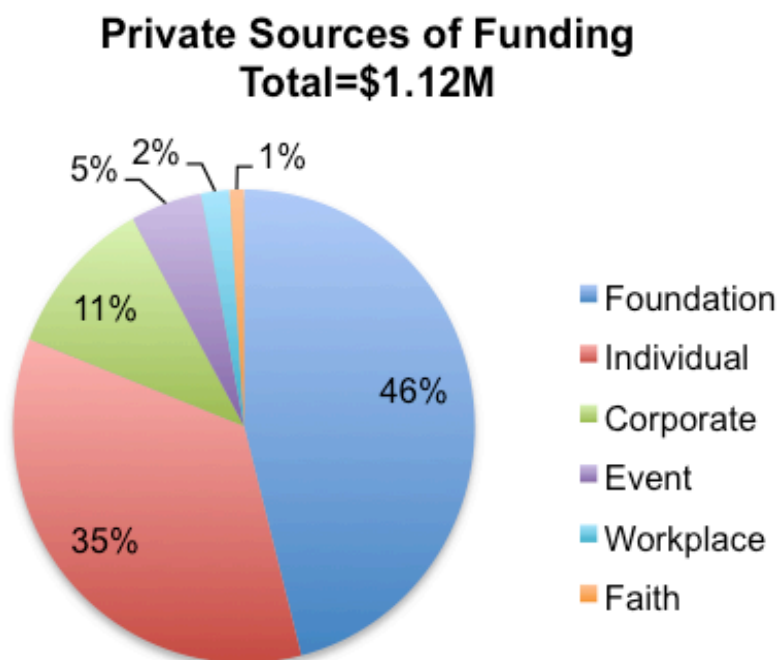
Program	\$ Funded	Funding %	Cumulative %	Recipient
Head Start / Early Head Start	\$4,741,501	25%	19%	The Campagna Center
WIC	\$2,527,710	13%	32%	Dept. of Health
Child Care Subsidy	\$2,062,711	11%	43%	Multiple
VPI	\$1,189,532	6%	49%	Multiple

6. Total amount likely to be greater than this figure as not all of the costs for staff indirectly involved in the program were able to be isolated.

7. The Reading Connection closed its doors on 7/31/17 after 28 years of service when the Board deemed it to be no longer financially viable.

8. Head Start is a City grant but programs are run by The Campagna Center.

Exhibit 6: Private Early Childhood Funds by Source



Exhibits 6 and 7 display the amount of revenue from contributed sources. Foundations and individual giving comprise the bulk of contributed revenue for 0-5 year old services. Together these two sources comprise 81% of contributed funds. Although private funding is an important funding supplement, particularly to non-government organizations, it is typically not a large enough funding stream to drive programming.

Only two of the provider organizations, CNFC and ALIVE! rely on private funds for a significant portion of their budget (greater than 25%). CNFC is the most successful private fundraiser for 0-5 year olds as it accounts for over 60% of the funds raised. It is important to note that these organizations may raise additional funds that are unrestricted or support other programming in the organization. These figures only reflect those contributions that are directed specifically to 0-5 programming.

Exhibit 7: Recipients of Private Childhood Funds for 0-5 by Source

Organization	Foundation	Individual	Corporate	Other
CNFC	\$288,133	\$271,739	\$77,261	\$32,545
ALIVE	\$50,563	\$6,835	\$7,628	\$60,138
The Reading Connection	\$48,000		\$35,000	
Center for Alexandria's Children	\$25,500	\$35,000		
DCHS	\$59,297			
The Campagna Center	\$45,000	\$11,268		
NVFS	\$45,000			
Hopkins House		\$13,657		
Kathy Wilson Foundation		\$9,500		

Exhibit 8: Funding by Type of Service

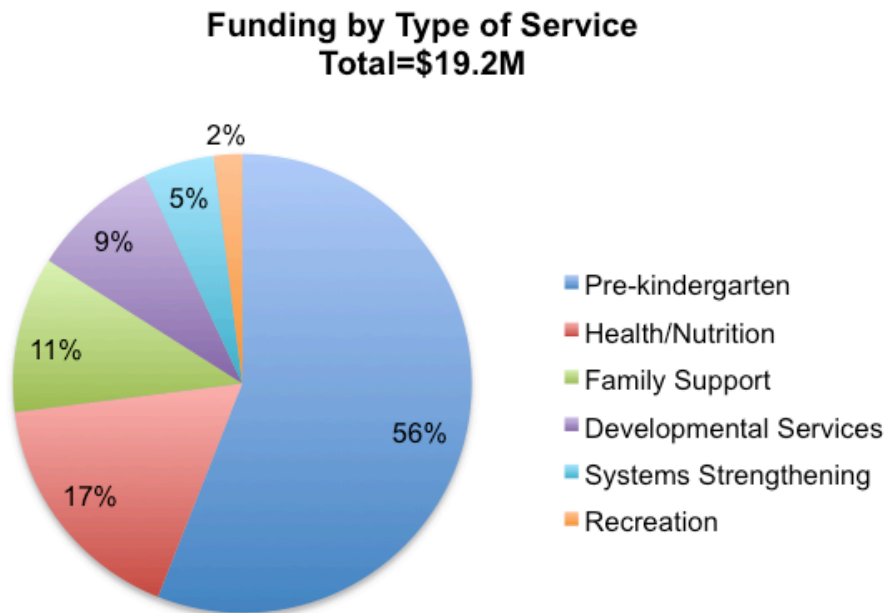
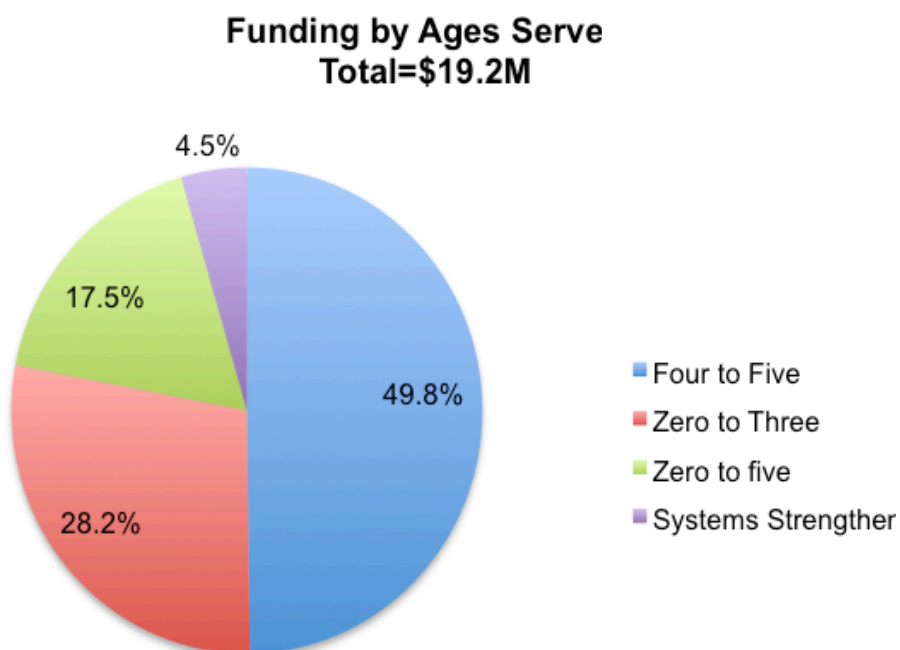


Exhibit 8 displays funding levels for major early childhood services: Pre-K, health/nutrition, family support, recreation, developmental/therapeutic services, and system-building/quality improvement. The assignment of programs to service system is based on “best fit” but the fit is not always perfect; e.g. Head Start is placed in the “Pre-Kindergarten” domain even though Head Start also delivers some health services and family support. It is clear that the biggest area of investment is in Pre-K programs, which start at age 3 but are largely concentrated for 4 year olds. Fifty-six percent of all of the dollars invested are going toward Pre-K education.

Similarly, when looking at the distribution of services based on ages served, it is clear that the majority of resources are targeted toward four and five year olds (over 50% of total). Only a small percentage of resources (28%) are specifically directed to children under the ages of three. When you look at this funding differential on a per child basis, it suggests that we are investing somewhere between two and a half to five times more on four to five year olds than we are on the zero to three year old age band. This is not to suggest that funds should be redistributed—indeed, the funding streams for preschool programs (e.g. VPI, Head Start) are designated solely for those purposes. However, it does raise questions around how to expand funding for interventions targeted toward younger children and, if we had flexible investment dollars, where would they would be best directed.

Exhibit 9: Funding by Ages Served



ACCESS TO SERVICES

Although there are significant resources being invested in early childhood in Alexandria, there is still notable unmet need. Exhibit 10 details the number of children currently being served in various early childhood programs relative to the estimated need. Assessing unmet need is a difficult task and has traditionally been done using waitlists – which fluctuate and do not account for families that could be potentially served but have not sought out services for a multitude of reasons. While not perfect by any means, Exhibit 10 estimates unmet need by using the age distribution from the 2010 Census and applying it to the poverty estimates from 2015.

Exhibit 10: Estimated Unmet Need in Early Childhood Programs

Program	Poverty Level Eligibility	Ages	Est. Eligible Kids*	Currently Served**	% Unmet Need
Head Start	100%	3-5	415	309	25.5%
Early Head Start	100%	0-3	783	160	79.6%
VPI	200%	4-5	525	396	24.6%
Scholar. for 4's	200%	4-5	396	45	91.4%
WIC	185%	0-5	2983	600	79.9%
Child Care Subsidy	250%	0-13	6721	363	94.8%

*This reflects the number of children who meet the income eligibility, however there are other factors that determine eligibility, which would potentially reduce this number.

**Children served in FY 2016

Even in programs where funding exists, there are still children who are not receiving services for which they are eligible. For instance, WIC is fully funded and is able to serve every eligible applicant, however it is estimated that 45% of those eligible are not currently receiving services. Anecdotally, the reasons for this include lack of awareness about the program and concerns about applying for services due to family immigration status or other issues. Fear of deportation may also impede parents from seeking out other early childhood interventions such as prenatal care and potentially even Medicaid for their children. Indeed, the top two challenges for families with children ages 0-3 in a recent Alexandria survey were access to health care and access to mental health services

For VPI, the full amount of funds allocated to the program is not utilized because providers either are unable to meet the match requirements or do not have the physical space to expand the number of children served. In FY 2016, Alexandria had an allocation of \$1,581,000 and was able to draw down \$1,188,000. Here, Alexandria is not alone—across the state only 70% of the allocated slots are used by participating VPI jurisdictions. Of the 121 participating divisions, nearly 50% are unable to fully maximize their VPI enrollment both because of lack of matching funds and space constraints. Other jurisdictions choose not to participate at all because of the economics of the program. Of the 119 divisions utilizing VPI in 2016, 63 used 100 percent of their slot allocation.

In a recent survey, families of children 0-3 listed access to health care and access to mental health services as their top 2 challenges.

ADEQUACY OF FUNDING

For those children who receive services, the funding programs receive is not typically substantial enough to cover the cost of providing those services. For example, VPI providers receive \$3,063 per child from the state with a 100% match requirement from local dollars. However, using ACPS's VPI program as a benchmark, the cost of providing pre-school education is over \$10,000 per child. Thus, even larger programs that are able to achieve certain financial efficiencies at scale need to heavily supplement the dollars provided by VPI. This leaves a substantial funding gap for programs to cover from other sources, and can create a disincentive for expanding enrollment. Chronic resource deprivation can force programs to make difficult decisions that can ultimately impact quality and service capacity. Ultimately, underfunding of services can threaten an organization's very existence, leaving fewer options for children and families.

For other programs, new initiatives may need to be funded in order to increase participation. For example, for services like prenatal care, WIC, and child health care, more outreach may need to be done with potential recipients, with a particular focus on overcoming barriers for applying for services for undocumented immigrants. Additionally, more coordination across providers would be beneficial so that every system is reinforcing the benefits of these important health services. It should be noted that Alexandria is currently engaging in efforts to increase both awareness and coordination.

VPI funding does not cover the cost of providing services and substantial private funds need to be raised to cover the delta.

The funding picture is likely to get worse in coming years as the funding environment is projected to get tighter. The loss of private sector supporters like Freddie Mac has created a hole for providers that will be difficult to fill. Unpredictability of local funding from year to year makes it difficult for providers to determine the scale at which their programs are sustainable. Uncertainty around the Federal government's stance towards funding social programs like Head Start could put whole programs in jeopardy.

EFFICIENCY OF CURRENT RESOURCES

To create a comprehensive program offering, service providers must often cobble together a number of different funding streams from disparate sources. Nowhere is this more evident than in the Pre-Kindergarten space. Virginia Preschool Initiative (VPI) funds contribute to covering the cost of preschool services, but the \$3K per child amount provided by the State comes nowhere near the full cost of care (using ACPS and Boston Public Schools as benchmarks, the cost is likely in the \$10-12K per child range). As a result, providers must rely on other local funding sources to fill the gap, including local government funding, foundations, and individuals. Local government funding designed to supplement VPI, like Scholarships for 4's and certain Alexandria Fund for Human Services grants help bridge the gap, but the lack of certainty about the total funds available in these programs from year to year as well as the rationale for how those funds are distributed have made it difficult for providers to plan and to develop a sustainable business model for VPI services. If attracting more VPI providers and/or maximizing current capacity is a goal for Alexandria, the delta between what VPI pays and the cost of providing services coupled with the lack of additional funding consistency will likely be a large deterrent to participation and expansion. Physical space constraints are also an obstacle to VPI expansion.

Exhibit 11: Local Government Funding for 4 year-old Pre-K programs by Organization

Organization	# of VPI Kids Served	VPI (State Investment)	Scholarship For 4's	Family Support Project	Other Local Government Investment ¹¹	Total Govt. Investment per Child
ACPS	192	\$588,096			\$1,494,642	\$10,848
ALIVE!	16	\$49,008	\$49,289	\$31,013	\$9,121	\$8,653
The Campagna Ctr.	36	\$110,268	\$27,980			\$3,840
CFNC	136	\$416,568	\$169,316	\$178,500	\$225,250	\$7,277
Creative Play School	18	\$55,134	\$85,470	\$25,243		\$9,214

Another potential challenge is the structure of the providers themselves, which varies considerably in Alexandria's mixed-delivery system. In order to preserve family choice, multiple public, nonprofit, and private providers run VPI-funded programs at widely different scales and program models. ACPS has the largest VPI program, with 192 children served. The size of this program, as well as the size of the organization more broadly, enables it to access a much broader array of supports including social workers, school nurses, technology specialists, and other related services. Additionally, it is run as a school day program with children attending 10 months a year from 8:00am-2:35pm. At the other end of the spectrum, ALIVE!, which serves 16 children through the VPI program and others on a sliding fee scale, has few staff beyond those directly working with the children and most staff must play multiple roles. Its program is targeted to the needs of working parents, and runs from 7:00am-6:00pm, 51 weeks per year. The smaller scale programs not embedded in a much larger organization have struggled to raise private funds for the difference between state and local government support and the true cost of the program, while still providing high quality services to children and their families. It should be noted that these smaller organizations have undertaken individual work to ensure their programs are running as efficiently as possible. Additionally, progress is being made to standardize certain program elements, such as curriculum, so that children are receiving a consistent experience across programs and providers can partner on professional development. However, other forces such as changing licensure regulations and increased degree requirements for teachers in the classroom may strain budgets even further.

The final hitch in efficiency is the process by which funds are distributed. There is no single point of accountability within

11. For ACPS, "Other Local Government Investment" is general funds earmarked for provision of VPI services.

administering organizations to ensure that the various funding streams are optimally coordinated for the individual child and the organizations that serve them. For example, Scholarships for 4's have historically been awarded on a first come, first served basis for only a limited number of VPI eligible children. The varying degree of accounting sophistication among providers coupled with the varying degree of funding each year makes it difficult to accurately project cash flows and potential deficits. State and Local Child Care Subsidy funding is tied to the family, not the organization, so it can be difficult to project how much Subsidy funding a program will receive during the year. The application process for the Child Care Subsidy can also be cumbersome, leaving organizations underfunded while eligibility is being determined. Finally, state eligibility requirements can change over time and there should be a process to periodically review requirements to determine impact on local processes. In certain instances the state gives leeway to localities, and there may be opportunities to broaden local eligibility definitions in ways that potentially increase access to services or funding. Also, this latitude could be used to relieve administrative burden and pressures on families. The ECEW is currently examining ways to rationalize and memorialize funding allocation and to make it easier for families to access funds by developing common processes.

RECOMMENDATIONS

As we look at the overall landscape of services for Alexandria's 0-5 children, there are indeed some bright spots. A fair amount of money is already being directed toward serving the most vulnerable 0-5 year olds, particularly in the area of Pre-Kindergarten. There is a robust public-private partnership that provides parents with choice of service providers and meets a broad array of needs. And, there is a dedicated group of early childhood professionals willing to have difficult conversations about how to design the system writ large to better serve families. That being said, all agree we can do better. There is opportunity to advocate at the state level and make direct changes at the local level to improve the system of care.

State-level recommendations

- 1 • Review current interpretations of state program eligibility requirements to ensure that programs are maximizing access to funds and streamlining processes.**

Where states grant localities flexibility in administering funds, make certain that local approaches to administering funds streamline processes for parents and providers and allow for maximum access to funds. Some of Alexandria's non-profit providers may be raising funds that could count as local matches but are not currently being counted.

- 2 • Advocate for VPI funds that are not drawn down to still be distributed to early childhood programs.**

In 2016, nearly \$600K of VPI state funding was not used because of space and resource constraints. Other localities are in similar positions of not fully using their allocated VPI allotment. All unused funds are returned to the state General Fund. Alexandria should advocate along with other jurisdictions for the VPI requirements to either be redefined so that these funds could be fully used, or that unused funds are re-directed in other ways toward early childhood.

- 3 • Advocate for more funds for 0-3 populations.**

Many of the resources at the state and local level are focused on early childhood education, particularly for 4 year olds. However, it is well known that targeting interventions toward even younger children helps put them on the right track. Currently there is only one Medicaid provider in the City for pre-natal care and the City is the only safety net. Advocating for funding for programs targeting Alexandria's youngest children and pregnant mothers would be beneficial to ensure that vulnerable children have consistent supports from 0-5 rather than interventions being most heavily concentrated at 4-5.

Local-level recommendations

- 4 • Expand outreach, education, and support to enroll eligible participants in funded programs.**

In most programs, the idea of significantly growing the size of the funding pie is a pipe dream. However, for programs such as WIC and Medicaid that are currently being underutilized there are more opportunities to draw down additional funds. The challenge here is to ensure that eligible participants are aware of the programs and they feel safe to apply for funds.

- 5 • Continue to support a systems approach to provision of early care and education, as outlined in the Common Agenda, ensuring aligned definitions and procedures across programs, and administer funds accordingly. Continue to look across all funding streams to make sure priorities are being fulfilled.**

As outlined in this report, Alexandria does not have the resources to serve all families who qualify for the publicly funded preschool options currently provided. The phrase "universal Pre-K" is mentioned regularly in Alexandria, but it's unclear what that means at the local level. While certain states have implemented universal Pre-K using public funding to ensure Pre-K is available to all families regardless of income, Virginia is not one of them. As such, there is no state-level funding

to support universal expansion at the local level, and providers lack space and funding to further expand VPI. This creates confusion about the goals and priorities surrounding preschool provision, and with that an opportunity to develop a shared understanding and approach. In the world of limited resources, tradeoffs between breadth and depth of services, prioritization of need, and determining how to best support continued access to quality programming, have real implications for how local funds are invested and allocated amongst providers.

Given the needs of the community and limitations of resources:

- Should every child attend formal pre-school or are we targeting certain populations?
- Is the goal to provide a school day program or to meet a broader set of needs?
- Should the City try to maximize the number of slots available by recruiting (and potentially subsidizing) new providers or should the City be investing more deeply in the current set of providers to ensure their ongoing sustainability?
- Are we able to serve all of these children at the level of quality we know they need?

To see where Virginia stacks up in preschool access in relation to other states, please see this report: <http://nieer.org/state-preschool-yearbooks/yearbook2016>

6 • Develop a clear formula for how local funding for early childhood should be distributed across organizations.

In gathering and analyzing data for this report, it became apparent that funding that is awarded on a per-child basis, while supportive of parent choice, can have a destabilizing effect on the providers of early childhood services. With Scholarship for 4's, which is awarded to children, there is not necessarily a link between the proportion of children with scholarships relative to the total number of children served. However, this is a critical piece of local funding that providers count on to close the gap of the cost of VPI, and fluctuations between years create significant financial instability. Additionally, all children receive the same amount of funding regardless of program structure (e.g. 10 month preschool programs vs. year round full day programs). Moving from a child-centric to a more program-centric funding process for certain local funding streams may increase stability for providers, ensuring that parents continue to have quality choices in Alexandria's mixed delivery model. Creating and communicating an easily understandable formula for how local funds are distributed would promote transparency and equity across programs.

7 • Continue the Glass Doors initiative.

Because funding decisions are made about an individual for a specific funding stream, it is difficult to assess whether the best decisions are being made across all of the children that need to be served. Right now, the coordination of funding streams works because of the excellent relationships among the agency heads that are managing these funding streams, but more work could be done to ensure that coordination occurs regardless of personal relationships. The Glass Doors initiative is making it a normalized practice for all providers who work with children 0-5 to be aware of all services that are available, eligibility requirements, and processes for ensuring that all families are aware of the services that could be potentially helpful to them and how to access them.

8 • Evaluate the benefits of the public/private model on an ongoing basis and promote quality and equity across programs by putting more standardization in place.

Other jurisdictions have public/private mixed delivery systems (which Alexandria is committed to), but have standardized the model somewhat from provider to provider. Some of this standardization is already occurring, for example around curriculum. Since Alexandria has such a small number of providers this may not yield additional efficiencies, but is worth a look. It is also important to work in coordination with the governance and leadership of the organizations in this public/private ecosystem about the broader system goals so that organizational decisions can be made with these broader goals in mind.

APPENDIX A: STUDY PARTICIPANTS

Organization Type	Organization	Contact Person
Government	Department of Community and Human Services	Kate Garvey, Robin Crawley
	Alexandria Health Department	Debbie Bowers, Dr. Stephen Haering
	Alexandria City Public Schools	Michelle Smith-Howard
	Department of Recreation Services	Laura Durham
Direct Service Providers	ALIVE!	Diane Charles
	The Campagna Center	Tammy Mann
	Center Alexandria's Children	Giselle Pelaez
	The Child & Family Network Centers	Lisa Carter
	Hopkins House	Glenn Hopkins
	Northern Virginia Family Services	Nancy Pedulla
	The Reading Connection	Stephanie Berman
Funders	ACT for Alexandria	Brandi Yee
	Bruhn-Morris Family Foundation	Ellen Kennedy Folts
	Kathy Wilson Foundation	Natalie Szemetylo
Did not participate	Public Library	City Government
	Community Lodgings	Direct Service Provider
	Neighborhood Health	Direct Service Provider
	The Community Found. for Northern Virginia	Funder

APPENDIX B: SURVEY TOOL

FISCAL MAPPING SURVEY FOR ALEXANDRIA EARLY CHILDHOOD ORGANIZATIONS

Organization Name:

Person Completing the Form:

Phone Number:

Email:

Fiscal year reported (mm/yy to mm/yy):

See instructions at the end of this document.

Program/Service Name and Description	# of Children Served	# of Direct Service FTE's (Role/FTE)	# of Indirect Service FTE's (Role/FTE)	Funding Sources
				<ul style="list-style-type: none"> • Federal Government * State Government • Local Government • Private Funders • Fees • In kind

DO YOU EXPECT MAJOR CHANGES IN ANY OF THESE FUNDING STREAMS IN THE NEXT YEAR? Y/N.

IF YES, PLEASE EXPLAIN:

INSTRUCTIONS

Program/Service Name: List any programs your organization runs that serve children 0-5 (e.g. Preschool Class, Home Visiting, Health services). Use a separate line for each distinct program. Write a brief description of each program.

of Children Served: Indicate the number of children ages 0-5 served by each program listed in your last completed fiscal year.

of Direct Service FTE's: List the roles providing direct service to children 0-5 and the number of FTE's per role.

of Indirect Service FTE's: List the roles supporting the programs serving children 0-5 (e.g. program supervisors, program administrators) and the number of FTE's per role. If indirect program staff are split across multiple programs, estimate the portion of time they spend with an individual program. Do not include indirect staff that support the overall operations of the organization (e.g. finance, development, HR).

Funding Sources: List specific funding sources within each category of funding (federal government, state government, local government, private funders, fees, and in kind) and the amount received from each source during the organization's last complete fiscal year. Only specify funding sources that are dedicated to that program (i.e. do not include unrestricted funds that your organization directs to the program).

FOR FUNDERS: Please list the early childhood programs you fund and the amount you gave each in the last fiscal year.

SURVEY DEADLINE: Wednesday, May 3rd

QUESTIONS ABOUT COMPLETING SURVEY: Contact Lisa Karlisch at lkarlisch@sparkfirestrategy.com, 571.294.532