# Governor's Task Force on Early Childhood Education and Care in Texas

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# There are four main state and federal **funding sources** intended to provide access to high-quality early childhood education.

| | |
|---|---|
| **CCDBG** | The Child Care and Development Block Grant represents **$11.27B in federal and $1.6B in state matching funds** for child-care subsidy and system supports; block granted to **lead agencies in states,** who have wide discretion over funds. |
| **Head Start Early Head Start** | Head Start and Early Head Start invest **$10.25B in federal funds** directly to **local grantees** to deliver early learning, health, and family support services for low-income children birth to five. |
| **State Preschool Funds** | State preschool programs represent **$11.7B in state funds**, administered through state education or early childhood agencies to expand access for 3- and 4-year-olds; program standards and eligibility **vary widely by state.** |
| **IDEA part B and C** | IDEA Part B (Section 619) and Part C provide **nearly $1B in federal funds** to states for early intervention and special education services for children birth to five with developmental delays or disabilities, administered through **state agencies with local implementation.** |

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# Children access publicly-funded early care and education across a variety of **settings** in the mixed delivery early childhood system.

**Head Start Centers** are community-based programs that offer classroom settings for young children along with wraparound supports for families, typically fully or primarily funded through Head Start.

- **Head Start Centers**

**Licensed Child Care Centers** are formal, facility-based programs that provide care and early learning for groups of children, overseen by state licensing standards.

- **Licensed Child Care Centers**

**Public, Non-public, and Charter Schools** house pre-K and early learning classrooms within elementary school settings, often serving 3- and 4-year-olds alongside older students.

In some states, state pre-k is awarded through formula funds, and in others it is awarded through a competitive process.

- **Public Schools**
- **Non-public Schools**
- **Charter Schools**

**Licensed and Unlicensed Family Child Care Homes** are home-based settings where providers care for small groups of children; licensed homes meet state regulatory requirements, while unlicensed homes vary in oversight and structure.

- **Licensed Family Child Care Homes**
- **Unlicensed Family Child Care Homes**

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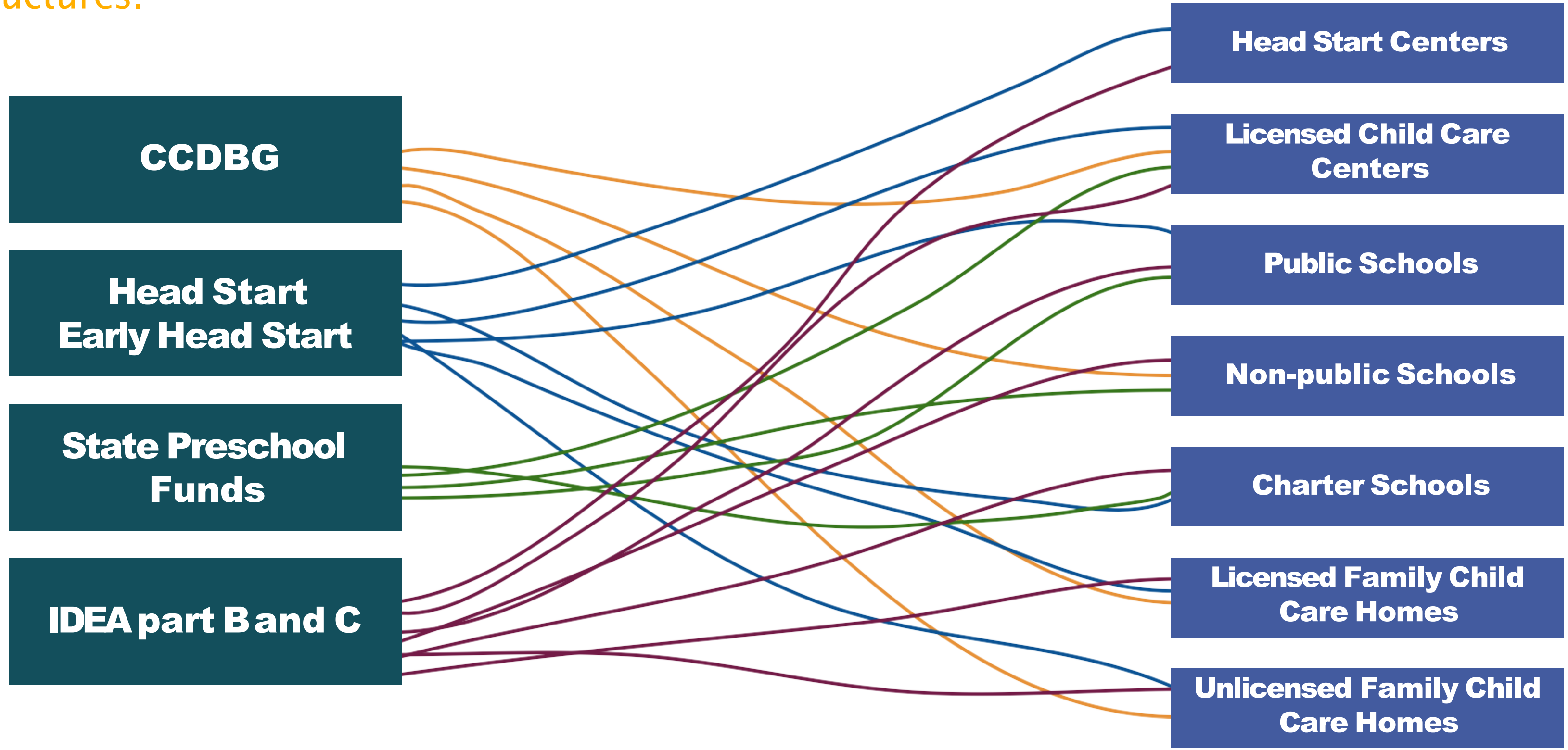

Layered on top are **additional initiatives, grants, and supports** that fund both seats and services within and outside of the mixed delivery system.

**Family Supports:** *MIECHV, Medicaid*

**State Supports:** *PDG*

**Workforce Supports:** *TANF, CHIPS, CCAMPIS*

**District Supports:** *Title I, REAP, EEF*

**Food Supports:** *WIC, CACFP*

**Additional State and Local Initiatives**

To ensure families can access the supports and services their kids need to thrive, someone has to take responsibility for making sense of the

# To ensure families can access the supports and services their kids need to thrive, someone has to take responsibility for making sense of the fragmentation.

- **CCDBG**
- **Head Start Early Head Start**
- **State Preschool Funds**
- **IDEA part B and C**

Funding streams and program types may differ, but **children's needs across those funding streams and program types do not**.

The disjointed mixed delivery early childhood system is inherently complex.

State leaders are charged with realizing a vision of what should be true for all children on their pathway to kindergarten. That requires assuming the responsibility for reconciling the fragmentation.

- **Head Start Centers**
- **Licensed Child Care Centers**
- **Public Schools**
- **Non-public Schools**
- **Charter Schools**
- **Licensed Family Child Care Homes**
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# Leading a coherent early childhood system is hard—because the system wasn’t designed that way. Achieving coherence requires disciplined, intentional system leadership.

| Current State: An Incoherent System | Ideal State: Coherent User Experience |
| --- | --- |
| Leaders are focused on individual funding source administration | Leaders are focused on the experience of children and families |
| No one reconciles funding across streams, leading to duplication, inefficiencies, and missed opportunities | Leadership ensures alignment across funding streams, reducing inefficiencies and maximizing resources |
| Complexity is passed down to providers and families to navigate | Leaders take responsibility for reducing complexity, streamlining user experience |
| Lack of clear accountability across the system — no one is ultimately responsible for outcomes for children and families | There is clear accountability for outcomes, and leaders are on the hook for demonstrating improvement and progress |

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# Louisiana **unified ECE governance**, which in turn **unlocked what its funding could do** for children and families**.**

In 2012, Louisiana passed Act 3, which unified early childhood programs and funding under the Louisiana Department of Education. This **restructuring provided system-wide visibility,** enabling better alignment and coordination for families with young children through **three critical funding shifts**.

### Quality
*Aligned Funds to a North Star*

Dollars were intentionally repurposed to strategies that would drive the most improvement. After reviewing all existing contracts and funding, Louisiana prioritized funding for job-embedded coaching, which was identified as a top lever for improving adult-child interactions, the state's Quality North Star.

### Efficiency
*Coordinated Funding Requests*

State-designated local ECE lead organizations request quality dollars and funding for publicly funded seats in their community, alongside demand, supply, and access data. With these requests, the state more efficiently sends funds to the field, since decisions are data-driven across the system rather than siloed by program.

### Access
*Match Dollars to Support Target Populations*

In 2017, the state established the Louisiana ECE Fund to match locally driven investments dollar for dollar for children from birth to age three. Leveraging the governance structure, Louisiana incentivized increased non-state funding toward serving the state's prioritized populations.

# **To reach their potential, funding streams should work together**, not compete, create undue burdens for providers and families, or sit idle.

Managing each funding stream on its own leaves dollars underused, duplicative, or contradictory. A stronger approach asks three things of every dollar, no matter the source:

| Maximize | Align | Leverage |
| --- | --- | --- |
| use all of it, minimize waste and inefficiency | coordinate streams so they build on each other, making each dollar deliver more | prioritize highest-impact actions for funding, especially given limited resources |

**What this looks like in practice:**

- Connect every budget to the state's overarching early childhood plan
- Break down silos between finance and program teams
- Align requirements across funding sources to streamline provider and family experience
- Restructure reimbursement rates to maximize the strategic impact of spending
- Add incentives for highest-priority reforms and services
- Use federal funds strategically first, then layer state funds and capture local funds
- Pursue innovative fiscal strategies, like public-private partnerships, for longer-term stability

Funding stream consolidation continues to enable states across the country to more effectively use dollars to support early childhood goals.

# Funding stream consolidation continues to enable **states across the country to more effectively use dollars to support early childhood goals.**

Recent examples show how states are aligning funding streams to a single plan, leveraging dollars toward these priorities rather than single programs, and using innovative efforts to support target populations.

### Colorado

*Consolidation + Expanded Access*

Brought programs and funding from various agencies into one Department. Specifically, this **consolidated multiple pre-k funding streams into one program with one statewide application**. Colorado is now third in the nation in state funded pre-k access.

### Arkansas

*Aligned Vendor Standards*

Requires **all professional services funded by the state,** such as training, coaching, and technical assistance from contracted vendors, **to align with the state's vision for quality**. This approach keeps the focus on child outcomes across contracted providers.

### New Mexico

*System-wide Budget Development*

The agency's fiscal strategy ensures the greatest coverage by layering streams through **a single system-wide multi-year ECE finance plan.** In particular, New Mexico has taken steps to align child care and pre-k funding to serve more children across the mixed-delivery system.

### Georgia

*Targeted Contracted Slots*

When funding was available, utilized dollars to offer **guaranteed, full-time ECE slots for infants and toddlers**—an age group for whom care is systematically most difficult to find—providing more stable funding for providers and reliable seats for working families.

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# A final note: **system leaders have choices and flexibility** to leverage funding streams toward goals for children, families, and the state at large.

Funding streams each have their own requirements. Understanding those requirements is important when determining how to bring them together, but they are only part of the puzzle.

- **Federal and state requirements are one input, not the only factor:** Constraints may shape how a state organizes, but a critical first step is deciding what matters most, then solving for the mechanics in order to improve coherence.
- **Funding flow and policy authority are not the same thing:** Where a dollar flows is a matter of administration; who decides what it does and how it aligns with other investments is often a policy decision.
- **Governance structures are flexible:** Most federal programs give states latitude in designating lead agencies, and the current configuration is a choice, not a fixed requirement. States have used tools like MOUs or executive orders to restructure who holds decision-making authority and oversight, without changing formal funding flows.

Appendix

# Appendix

# Overview of Louisiana Governance Unification

| Funding Source | Pre-Act 3 | Post-Act 3 |
|---|---|---|
| LA 4 (State-funded public preschool) | LDOE | LDOE |
| NSECD (State-funded non-public preschool) | Gov Office | LDOE |
| Head Start Collab | LDH | LDOE |
| CCDF | DCFS | LDOE |
| CACFP | DCFS | LDOE |
| IDEA Part B (3-4 year olds) | LDOE | LDOE |
| IDEA Part C (0-3 year olds) | LDH | LDH |
| Home visiting | LDH | LDH |
| Foster care | DCFS | DCFS |
| TANF | DCFS | DCFS |