

Universal Pre-Kindergarten in Colorado

*Business Community Recommendations for Building
a Child-Centered, High Quality Program*



Dear Policymakers,

The students of today are the workforce of tomorrow. Through Colorado's new universal pre-kindergarten program, we have the opportunity to ensure our youngest learners get a strong start to their educational careers and are prepared to compete and succeed in school, work and life. In this brief, we offer actionable and specific recommendations for structuring the new pre-kindergarten program to maximize benefits for children, families, and educators. Taken together with recommendations from our previous brief regarding the establishment of the new state agency for early childhood, we see tremendous opportunity for Colorado to build a brighter future for all students.

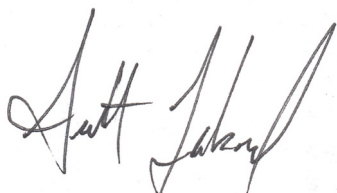
Many Colorado families currently lack access to high quality, reliable early care and education opportunities for their children. For many, this critical service is either not available, not affordable, and/or not accessible. As a result, too many kids start their formal education in kindergarten, already lagging behind their peers, and too many working parents - particularly working women - are hindered in their professional growth and contributions to Colorado's economy. Thanks to the new state investment in universal preschool, approved by Colorado voters through Proposition EE in 2020, we have an historic opportunity to dramatically expand access to quality early learning in the year before kindergarten. If we invest those preschool dollars wisely, we can simultaneously benefit the child care system that serves our younger children.

While voters approved the funding for universal pre-kindergarten, many critical decisions about program design, structure, and implementation are still to be made. ***It is imperative that children, families, and educators be at the center of this new program. Through policy choices you make in the coming months, you can empower families to find the provider that works best for them and build simple, effective structures to maximize access and opportunity. You can align program standards to reduce the bureaucratic burden on families and providers, and support quality improvement and capacity expansion so we maximize the reach and benefit of this new public investment.*** You will set the course for this new program and impact the educational opportunities and life trajectories of hundreds of thousands of Colorado's kids through the choices you make.

The estimated \$230 million per year of new funding generated for pre-kindergarten by the state's new tax on tobacco and nicotine products is significant, but not sufficient. Colorado is facing substantial structural challenges in our early care and education system, including workforce shortages, capacity limitations, and inconsistencies in defining quality. As such, we must ensure that the establishment of the new program stabilizes and strengthens our early childhood systems serving children from birth to age five, while at the same time expanding access to opportunity for our youngest learners.

This is a tall order, but we, Colorado's business community leaders, will continue to partner with you to make it happen. We actively supported the full-day kindergarten expansion. We invested in the YES on Prop EE campaign to secure funding for universal pre-kindergarten. We advocated for the passage of House Bill 21-1304 to start this implementation work. We are currently participating in the various state task forces and work groups to inform implementation strategy. This brief, and the previously-released companion piece specific to the new state agency, are offered in the spirit of continuing constructive collaboration toward a stronger, more effective early care and education system for Colorado.

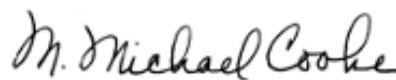
With appreciation for your leadership,



Scott Laband
Colorado Succeeds



Nicole Riehl
EPIC



Michael Cooke
Council for a Strong America/
ReadyNation



GUIDING PRINCIPLES

After voter approval of Proposition EE in November 2020, the business community came together around a set of shared principles to guide implementation of new state investments. They are:

Support Colorado’s future workforce and economic development by ensuring all children have access to quality preschool experiences.

- To ensure all children can reach their highest educational and career aspirations, quality investments must be made into programs providing preschool in all parts of the state and in communities furthest from opportunity to achieve access to high quality early learning experiences.

Empower family choice and individualized funding to meet unique child needs and streamline with other community investments.

- Two-thirds of Colorado families with children under age six have all adults in the workforce. Families should be able to choose the preschool program that works best for their child and their schedules. This requires structuring the funding model so financial supports can be layered and follow the child to the state-licensed preschool of their choice, regardless of geography, school type, or program design.

Ensure all children have access to preschool and prioritize those with the greatest need.

- Preschool is an effective way to reduce disparities in academic achievement and life outcomes. To realize the promise of preschool as a tool for equity, the program should be structured to provide the greatest support to those who lack sufficient access to economic and community resources.

Ensure participation and public funding is equally accessible to all licensed preschool providers.

- All state-licensed preschool providers should be eligible and encouraged to participate equally in state-funded programs.

Address long-term capacity needs and reduce barriers to entry for individuals seeking opportunities to open child care and preschool programs.

- Infrastructure investments and resources to support the creation and expansion of child care and preschool should be made available with a priority placed on investments in communities with limited or no preschool access, and for preschool businesses run by women and people of color.

Design processes and systems with simplicity, efficiency, and ease of use for families and preschool providers.

- Universal preschool should be part of a coordinated model with a single access point and a universal application for families, which is designed with Colorado children, families, and preschool providers at the center and with the greatest value placed on easy navigation, customer service, and access.

Implement program administration with agility, innovation, and transparency.

- The universal preschool program should be implemented in a way that allows for iterative and rapid adaptation in response to external conditions.
- Information on the universal preschool program finances and results should be open for review by taxpayers and policymakers to assess return on investment.
- Bureaucratic processes and program administration expenses should be limited to maximize the value to children, families, and preschool providers.





RECOMMENDATIONS

Building off the guiding principles established last winter, we offer the following policy recommendations for implementing the new pre-kindergarten program:

Proposition EE funds must supplement, not supplant, existing investments in early care and education.

It is estimated that the new tax on tobacco and nicotine products, approved by voters through Proposition EE in 2020, will generate \$230 million per year for this new pre-kindergarten program. This is a substantial new investment that will make a critical difference in expanding access to educational opportunities for Colorado's youngest students. However, the minimum universal benefit estimated to provide 10-hours-per-week of preschool for all four-year-olds is not sufficient to support most families or prepare children to be kindergarten ready. While the law requires an additional benefit above the 10-hours-per-week for children and families with the greatest need, the details of that additional benefit and who will receive it are yet to be determined. Even with this undetermined additional benefit,

it is unlikely that this program alone will meet the needs of most children. As such, this new investment must be added to existing funding streams – public and private – to put preschool in reach of most families. ***This new public funding must build upon, not replace, existing federal, state and local investments***, including current funding for the Colorado Preschool Program, the Colorado Child Care Assistance Program, Head Start and local, publicly funded benefits.

Empower families to choose the program that works best for them and structure the funds to follow the child.

Working families make decisions about where to enroll their children in preschool based on a variety of factors, including, but not limited to:

- Cost
- Geography – proximity to home or work
- Care needs for siblings and other children in the family
- Hours of care and schedule
- Word of mouth
- Program quality and / or curriculum

While preschool programs operated by schools (public, private, and charter) tend to offer a nine or ten-month program with most operating between typical school hours of 8 a.m. and 3 p.m., many community-based providers offer year-round programs and extended-hour formats that are essential to supporting working parents. The new state-funded pre-kindergarten program should be structured so families have full-range of choice of provider types:

- In-home
- Center-based
- School-based, including public, charter & private schools
- Other community-based programs, including those offered by employers and faith institutions
- For-profit and nonprofit programs
- Licensed and license-exempt providers

Funding should follow the child to the program of the family's choosing. Families should not be limited in that choice by artificial political boundaries such as county or school district lines or restricted by the number of "slots" a provider has available to accept under a specific program's contract.

Instead, funding should be paid directly to the provider on behalf of the enrolled child / family, as happens today in models like the Denver Preschool Program. For the sake of stability and predictability for both the family and the provider, the preschool provider should be paid for serving a child once they are enrolled in a program. There should be some reasonable provisions in place related to attendance to safeguard against fraud and to ensure that children derive the benefit, but those policies should also account for the providers' fixed operating costs and inevitable



“As we move forward on a mixed delivery system for pre-k in Colorado, it is imperative that there not be a local fiscal agent. In a community like ours, with more than a dozen school districts, we need to think about the inefficiencies this type of system causes, let alone the hardship on parents and providers.”

Diane Price, Early Connections Learning Centers, Colorado Springs

absences due to illness and other family circumstances. Families should be able to move their child to another preschool provider during the year, if they deem necessary, and upon satisfaction of reasonable notice. If a family chooses to move their child during the year, the funding should follow that child.

Establish state infrastructure that facilitates a true mixed-delivery system with consistent statewide policies regarding eligibility and participation.

Currently, with both the Colorado Preschool Program and the Colorado Child Care Assistance Program, money flows from the state to local intermediaries before making its way to community based child care providers. This structure leads to inefficiencies, bias toward public school district preschool programs, and significant program variation based on where a family lives. For the Colorado Preschool Program, the local fiscal intermediary is the school district. Funding flows to the school districts and the decision is left to the district to determine if and how it will contract out to community-based providers, thus limiting family choice in

some communities. For the Colorado Child Care Assistance Program, the local fiscal intermediary is the county government, which is empowered to set local eligibility and program administration rules that vary across the state.

This local fiscal intermediary structure can create challenges for families and community-based providers and lead to significant variation in program administration based on geography. For example, if/when families move, their eligibility for child care assistance or preschool tuition may change, but the families often don't know where those county or school district boundaries are and don't know that they risk losing their child care assistance or preschool spot when they move. Additionally, community-based preschool providers serving children in a regional way – e.g., those serving families across multiple school districts or multiple counties – must navigate differing policies and procedures, adding bureaucratic burden for providers. Further, this structure also creates an administrative burden for the local intermediary, whether it be a school district or a county.

To avoid these challenges, we recommend that the state contract directly with any and all licensed or license-exempt providers who are willing to comply with the administrative and quality requirements of the program. ***The direct financial relationship between the state and providers should be administered through a state-level eligibility and financing clearinghouse to ensure a consistent approach and common set of policies is implemented, so families have equitable program access regardless of where they live in the state and providers have less administrative burden.*** This new state infrastructure would benefit administration of publicly funded child care programs serving younger children, as well as the state's universal preschool

program, thus helping to strengthen and stabilize systems of care for a broader population of children and families.

Create a single application for multiple public funding streams.

Families should only need to complete one application that is simple and user-friendly with a standardized set of attachments sufficient to determine eligibility for multiple funding sources. This single application should, at a minimum, screen for eligibility for the Colorado Child Care Assistance program, the Colorado Preschool Program (should it continue to exist separate from the new state universal pre-kindergarten program), and the new





universal pre-kindergarten program. Ideally, the application should also screen for Head Start and any local public funding streams that support access to early care and education.

The single application should be accessible from and accepted at multiple points of entry, including, but not limited to, a direct online portal to the state's eligibility and financing clearinghouse entity, county human services offices, school districts, community-based child care providers, and family resource centers. The application should be

available in multiple languages. ***This approach, if implemented well, will save time and effort while reducing the burden for the family and the preschool provider, and enable more efficient program administration.***

Maximize funding per child by using a state-level eligibility clearinghouse for all programs, & partnering with trusted community-based organizations for outreach & application support.

The projected universal benefit of 10-hours-per-week will be insufficient to meet the early care and education needs of most children and families. While the law requires an additional benefit above the 10-hours-per-week for children and families with the greatest need, the details of that additional benefit and who will receive it are yet to be determined. Even with this undetermined additional benefit, it is unlikely that this program alone will meet the needs of most children. As such, the new state-funded benefit will need to be one piece of the funding puzzle that supports the cost of preschool for most children.

The responsibility of sorting through program eligibility along with braiding, blending, and stacking funding, should sit with a single state administrative entity, rather than burdening families, providers, or local government entities.

To make that possible, the uniform application should be processed by a state-contracted and managed technology infrastructure provider, or clearinghouse, capable of determining the public funding streams for which each child is eligible. That technology

“Because the [determination] process took so long, I had a hard time finding work. I just looked unstable when I couldn’t commit to a schedule because I wasn’t sure if someone could take care of my child.”

Colorado Parent, 2021 Focus Group

platform should provide a funding award amount to be paid to the preschool provider on behalf of the child / family on some common basis, such as per day, per week, or per month.

An elegant technology solution to manage the back-end eligibility determination and financing is essential, but not sufficient. Many families will require outreach, encouragement, and support to navigate the application and enrollment processes, even with a simple and efficient technology solution in place. Responsibility for providing ***outreach, application assistance, and on-going case management support should be contracted out by the state or regional entities to trusted, private-sector community partners*** who have established working relationships with the communities and families that are most likely to need additional supports.

To be truly universal, the new program should be aggressively marketed and the state should consider implementing a presumptive eligibility policy.

Historically, the Colorado Child Care Assistance Program and other family support programs have been inconsistent about their desire to connect eligible populations with

services. In many cases, the bureaucratic barriers to enrollment are intentional to reduce, or manage to, limited budgets, and shrink government programs and services. ***Given the clear evidence of the strong return on investment and value of ensuring children have access to early learning programs, the new program and new agency should be unequivocal about its goal to enroll eligible kids and maximize available public funding on their behalf.***

Experience with the Denver Preschool Program and other “universal” preschool programs is that +/- 70 percent enrollment of eligible children is typical. We challenge the state to set an aggressive goal and dedicate resources to ensure ample outreach and marketing efforts, including incentive payments or other rewards to regions that meet or exceed enrollment goals.

If possible, the state should explore if and how it can implement a policy of presumptive eligibility so the family can be screened for “likely” eligibility and enroll in pre-kindergarten as quickly as possible. While there is some financial risk to this model that would need to be worked out, the advantages of connecting children and families to this benefit expeditiously are significant.

There is precedent for presumptive eligibility in Medicaid, which the new pre-kindergarten program could study and learn from.

Align quality standards across programs and funding streams, and support providers in their quality improvement efforts.

In order to be truly universal and reach all four-year-old children in Colorado, the state will need to engage with and support all providers, regardless of their current Colorado Shines quality rating level. Quality should not be compromised, but the state should commit to providing funding and technical assistance to support preschool providers in their quality improvement efforts. Further, the

state should streamline and simplify quality requirements to create clearer and more consistent standards. Today, preschool providers that accept and administer multiple public funding sources must navigate a variety of inconsistent standards across funding streams, creating administrative burdens and hassles for the provider, and an inconsistent definition of quality. Ratio and group size requirements, and differing teacher qualification standards are a few that are particularly vexing and have very practical impacts on program administration. To the extent possible, ***program quality standards should be aligned to create a clear standard of quality, acknowledge pragmatic solutions, and reduce the burden on providers.***



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This paper was collaboratively produced by Colorado's leading business organizations advocating for high quality early childhood programs and services.



Colorado Succeeds is a nonprofit, nonpartisan coalition of business leaders dedicated to ensuring the education system prepares students to tackle the challenges of tomorrow. We collaborate with businesses, government and educators to create, invest in and scale the solutions that get us there.



Executives Partnering to Invest in Children was founded in 2009 by Colorado business leaders and serves as the business community's non-partisan voice for early childhood. EPIC leads efforts to build infrastructure and advance policies that support the workforce of today while developing the workforce of tomorrow.



ReadyNation Colorado promotes evidence-based policies and programs that enable kids to be healthy, well-educated and prepared for successful lives. The business leaders of ReadyNation make the bottom-line case for effective, bipartisan investments in children as the future workforce.

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