The Consolidated Child Care Pilot Projects were established by the Colorado General Assembly in 1997, and designed to help local communities to address critical needs for full-day, full-year child care services in partnership with welfare reform. This report describes the context for the project, details the pilot programs, and profiles the 12 pilot communities. In addition, the report describes existing state-level funding systems, and presents assessment results related to combining funding sources, collaboration among stakeholders, identification of barriers, and program impact on children and families. Findings indicated that pilot communities developed community-specific implementation plans and pursued a wide variety of waivers and other solutions to consolidate or coordinate funding and services. Although none of the pilot communities reached the goal of creating a community-wide system of care, they reported significant accomplishments and benefits in the areas of collaboration, consolidated funding, and program quality. In addition, benefits were identified for the more than 7,800 young children participating in the pilots. Among the recommendations obtained from pilot projects were these: that the waivers communities requested continue and that the program be strengthened. The report's appendix includes a copy of Colorado Senate Bill 97-174 and a socioeconomic comparison of the pilot counties. (KB)
Assessment of Community Consolidated Child Care Pilot Program

TECHNICAL REPORT

Submitted to:
THE COLORADO GENERAL ASSEMBLY

By:
THE COLORADO DEPARTMENT OF HUMAN SERVICES
IN CONJUNCTION WITH
THE COLORADO DEPARTMENT OF EDUCATION

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SECTION 1.  DESCRIBING THE CONTEXT;  INTRODUCTION AND BACKGROUND

Senate Bill 97-174 provided for the designation of not more than twelve pilot communities to deliver services for up to two thousand children statewide. Pilots were asked to design "consolidated programs of comprehensive early childhood care and education services intended to serve children in low-income families with a special emphasis on families participating in work activities related to welfare reform." Pilots could serve children from six weeks through five years of age. As a pilot site, a community would have the opportunity to consolidate or coordinate funding and services to create a seamless, collaborative system among public and private stakeholders. Program components were expected to include:

- full-day and full-year programs;
- educationally enriched programs;
- health screenings;
- parent involvement;
- nutritionally sound meals and snacks;
- special needs services;
- staff development;
- family support services;
- involvement of volunteers and extended family members.

Pilots were required, at a minimum, to consolidate funding from the Colorado Preschool Program operated under the authority of local school districts and child care subsidy moneys administered by local Boards of County Commissioners. The legislation also strongly encouraged local pilots to utilize federal funding available through Head Start grantees and other school district funding for preschool services within applicable federal laws and regulations in achieving the goals of the pilot program.

The legislation did not allocate any additional funds to assist communities in developing and implementing their consolidated systems; however the Colorado Department of Human Services was authorized to issue local pilot project waivers of any state laws or rules that would prevent pilot site agencies from implementing the pilot projects. Pilot communities were required to demonstrate support and collaboration of key stakeholders which included, at a minimum, the Board of County Commissioners, local School District Boards, county Department of Social Services, the local Head Start grantee, and private for-profit and nonprofit licensed child care providers.

Finally, SB 97-174 required that the Colorado Department of Human Services prepare an assessment of the pilots by March 1, 1999. The purpose of the assessment was to determine the pilot programs' effectiveness in serving children in communities. The assessment was to include consideration of the following factors:
the feasibility of combining the funding sources under the article;
the barriers to delivery of quality child care services;
monitoring systems for overseeing the delivery of services under a system of community consolidated child care services.

This report describes the findings of that assessment. Following is a brief description of each section of the report:

Section 1. describes the legislation and the state and national context for the creation of the pilot program;

Section 2. describes the pilot program at the state level and the selection of pilot communities;

Section 3. identifies the early care and education needs of the pilot communities from parents' perspectives as well as from other stakeholders' perspectives;

Section 4. characterizes the supply of early childhood care and education and summarizes the major public funding streams;

Section 5. describes the feasibility of blending (consolidating) various funding sources to create a seamless delivery system of early childhood care and education services;

Section 6. discusses collaboration among stakeholders as a means to achieve the purpose and goals of the consolidated pilot program;

Section 7. identifies the impact of using waivers and other problem-solving approaches to removing barriers to the delivery of quality early childhood services;

Section 8. describes the short-term effects of the pilot on children and their families and on providers of early childhood care and education services;

Section 9. summarizes the lessons learned through the pilot and makes recommendations to build on the success of the program.

BUILDING ON A CLIMATE OF SUPPORT FOR FAMILIES WITH YOUNG CHILDREN

Passage of SB97-174 added an important block in a growing foundation of support for Colorado’s young children – particularly those children at risk of long-term failure due to an array of social and economic factors. As Colorado began designing its welfare reform program (Colorado Works), several factors informed lawmakers’ thinking: national research on the
impact of early childhood experiences on brain development; the implications of inadequate early care and education for the future of children at risk; and the linkages between child care and getting off public assistance. As a result, this pilot legislation targeted low-income families and families receiving public assistance.

Quality early care and education programs are imperative for low-income families and families transitioning off welfare. Early care and education is a workforce necessity that allows parents to be employed outside of the home, to care responsibly for their families and to contribute to society. Furthermore, parents whose children are enrolled in quality early care and education are able to focus on employment and/or training responsibilities. National studies have found that the odds of dropping out of a welfare-to-work program during the first year were doubled for mothers who were using lower-quality care where the arrangements did not meet established guidelines regarding child-staff ratios, or where the parent did not trust the practitioner or the safety of the program.¹

Quality early care and education matters to parents and to the success of Colorado’s welfare reform efforts. Quality early childhood care and education provides profound and persistent benefits to high-risk, low-income children and their parents. Unfortunately, children from low-income families are the least likely to attend early care and education programs.² Quality early childhood care and education is not only a developmental advantage for children – it is also a foundation for school success, giving young children the skills and knowledge that will help them to learn in kindergarten and beyond.

Quality programs contribute significantly to children’s development. High quality early care and education programs offer this good start in life by helping children engage in relatively complex play; socialize comfortably with adults and other children; and develop important physical, language, and cognitive skills. There is a growing body of research that shows that early care and education programs are important precursors of children’s cognitive development, learning behaviors, school success, and even long-term social and economic self-sufficiency.³

In contrast, children attending lower-quality programs are more likely to encounter difficulties with academic and social development and are less likely to reach expected levels of development. Children in poorer quality programs – regardless of family income – demonstrate

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poorer language and pre-mathematics ability and less positive self-perception than children in higher-quality classrooms.4

**BUILDING ON WELFARE REFORM**

The Federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PL-104-193) ended the Aid to Families with Dependent Children Program and created TANF - Temporary Assistance to Needy Families. This reform shifted welfare from an entitlement program that guaranteed support for eligible families to a block grant to states, with defined appropriations, that could be used to support families for limited time periods.

The Colorado Works program was passed by the legislature to implement welfare reform. Key features of the program that are marked changes from the old regime include:

- A five year lifetime limit on receipt of public assistance;
- Requirements that an increasing percentage of those on welfare are engaged in work or related activities;
- No exemptions from work requirements based on the age of children;
- Increased sanctions for failure to cooperate including loss (rather than reductions) in grant amounts;
- Discretion at the county level regarding key aspects of program design.

The net effect of these changes is to reduce dependence on welfare and increase the labor force participation rates of single parents. As parents enter the workforce, their children must also have someplace to go. Without an adequate supply of quality child care, either welfare reform will fail and/or children will be seriously harmed. The change in welfare created a window of opportunity to seriously address issues of child care.

Colorado has a significantly devolved approach to welfare reform, where counties make decisions about the most effective strategies and funding patterns. At the same time, the state yielded significant authority over the child care assistance program to counties. In this context, the consolidated child care pilot promises to be a powerful mechanism for further helping families become self-sufficient and at the same time ensuring that low-income children can participate in high quality early childhood care and education.

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EXPANDING A HISTORY OF STATE-LEVEL COLLABORATION ON BEHALF OF CHILDREN

Since 1990, Colorado has focused substantial efforts on the issues of child care and early education. Colorado has established a number of collaborative initiatives aimed at creating mechanisms whereby state agencies worked more closely to integrate decision-making, priority-setting, and services for young children and their families. Most of these efforts emerged, in part, as a result of careful attention to local community needs to work with a more responsive, less fragmented state government. These efforts were crucial in that they set a framework at the state and local level for working in collaborative modes. Following are brief descriptions of several of the most relevant efforts.

- A cross-agency Children's Cabinet was established. The Children's Cabinet is the locus of state planning and shared decision-making for young children. The Cabinet is comprised of leaders in state agencies that address early childhood services – the Colorado Departments of Education, Health Care Policy and Financing, Human Services, and Public Health and Environment; the Governor's Office; the Office of State Planning and Budgeting; and the Head Start-State Collaboration office. The Cabinet works to ensure that Colorado communities get the leadership, cooperation, and technical assistance they need to ensure that service integration can actually happen at the local level.

- Based on over two years of input from communities, the Colorado Quality Standards for Early Childhood Care and Education Services have been developed. These standards are based on and incorporate elements of Head Start Performance Standards and NAEYC Accreditation Standards. They provide a mechanism to standardize criteria by which all early childhood programs may be measured.

- A community-based system of Early Childhood Learning Clusters has been established. This initiative brings together all of the early childhood practitioners in a community and assists them in conducting an assessment of their own learning needs, developing a plan to meet those needs, and implementing the plan. Pooled funds, which draw on a variety of state and federal funds, are made available to the local training clusters to help implement the plan.

- The 13 largest early childhood professional associations in Colorado have come together to form the Early Childhood Summit to address policy issues and to advocate collectively on behalf of children. The Summit's members also collaborate on issues related to child care regulation, standards, funding and practices.

- A community-based system of Child Care Resource and Referral Agencies has been established. Thirteen community-based agencies across the state help over 42,000 parents find care annually. In addition, the resource and referral agencies recruit new
providers into the system, connect providers with early childhood training opportunities, and collect supply and demand data.

- The Colorado Commission on Early Childhood Care and Education – a bi-partisan group of leaders from business, faith, philanthropy, media, policy, child development, senior citizens, and local government – held public hearings across the state to identify barriers that communities face in providing services for young children. The Commission produced a comprehensive plan for improving the quality of care for young children, decreasing cost to parents, increasing the number of programs, and streamlining their delivery.

- Begun in Colorado seven years ago and federally funded by the Administration for Children and Families, the Head Start-State Collaboration Office heralded a change in the long-held Head Start tradition of federal to local connection. This collaborative effort bridges that tradition by facilitating federal, state, and local partnerships.

The upshot of these efforts – among many others – is that the state is at a level of readiness to support communities’ efforts to work together for young children. State and federal agencies have collaborated on funding decisions and disbursements, training and technical assistance, program monitoring and evaluation, competitive grant awards, and statewide governance strategies. In essence, a context and an attitude have been created whereby requests for waivers to remove barriers and create consolidated systems of care at the local community will not fall on deaf and resistant ears.

RECOGNIZING THE SYSTEMIC BARRIERS

A powerful aspect of SB97-174 is the opportunity afforded to the pilot communities to request waivers from state laws, rules, regulations, and policies in any arena which inhibit their ability to help families get quality, reliable, and responsive child care so they can go to work. In order to maximize the opportunities possible under the legislation, it is important to understand the nature of the barriers which prevent parents, and especially low-income parents, from getting access to programs that are responsive to their need to work and to care for their children. This section briefly describes several of the systemic barriers which impact the pilot community’s ability to fulfill the challenge.

Early care and education is supported mainly through parent fee for service, but government, at all levels, also pays a portion of the cost of care for children from low-income families. There are inflexible requirements under each specific funding authority that parents and programs must navigate. Most publically funded early care and education programs are largely categorical in nature, meaning that access to services is determined by a particular characteristic of the family (e.g., poverty, disability). As a result, each federal and state funding source has its own
eligibility guidelines, staff qualifications, monitoring, standards, governing board, rules and regulations, and reporting requirements.

Because of the prescriptive nature of eligibility and funding for early care and education programs, most of the public money available in Colorado to pay for these programs is directed at specific children, with specific needs, for specific periods of time. The resources are not always "in sync" with the family’s needs. For instance, most working parents work full time - 35 hours or more a week - year-round.5 However, programs like Head Start and the Colorado Preschool Program that target low-income and/or educationally at-risk children operate primarily as part-day, part-year programs. As a parent’s financial status changes, the children may become ineligible for some programs. Further compounding the problem, neither Head Start nor Colorado Preschool Program funds can be used for children under the age of three, and only a few communities have Early Head Start dollars to fund three year olds.

Another significant barrier is the lack of early care and education governance structures at the state and local levels. While both the K-12 and Higher Education systems in Colorado have public/private sector oversight bodies, no similar body exists for early childhood. There is no division within state government that serves as an umbrella for early childhood issues. In addition, more often than not, there are no existing institutions or policies at the county and local levels to set priorities, policies, and budgets for early care and education. Consequently, funding decisions are often made without a comprehensive understanding of the needs of families and children in a given community.

Perhaps the greatest barrier to delivering a quality system of early care and education is that there are simply not enough resources. Unlike the K-12 system which is publically financed to ensure a level of equity for children from all walks of life, early childhood care and education is largely financed by parents and the providers of those services (through low wages and lack of fringe benefits). In Colorado, government funding accounts for only 23 percent of the total revenues paid for child care.6 Even poor to mediocre quality child care is expensive. In Colorado, the average cost of full-day care in a less than optimum setting was $4,774 per child per year in 1996,7 and is undoubtedly higher today. However, the actual cost of child care is higher than the price charged to parents but is offset by in-kind donations (i.e. donated space and goods, volunteer hours, foregone wages and benefits of staff).

The cost of quality care is even higher. Recent economic calculations in Colorado indicate that the annual cost of full-day/full-year high-quality center-based care for an infant is $12,300 and

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6 Colorado Cost, Quality and Child Outcomes Study Team, Cost, Quality and Child Outcomes in Child Care Centers - Colorado Report (1996).

7 Ibid.
for a preschooler is $7,800. For the low-income child, the costs may be partially paid by a government program such as Head Start or the Child Care Assistance Program, yet never at a rate which equals the true cost of the care. For example, the average Colorado Preschool Program reimbursement per child, for part-day services, is $2,352. Among the ten largest Colorado counties, the average child care assistance reimbursement for full-time care of a preschooler is $4,615, which is only 59 percent of the cost of quality care. For infants, the situation is worse. The average child care assistance reimbursement is $6,035 – just 49% of the cost of quality infant care.

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9 These estimates are the average market reimbursement rates of the Colorado Child Care Assistance Program paid to child care centers by the ten largest counties in the state. The reimbursement rate is the maximum a county will pay for a given type of care.
The Colorado Department of Human Services, with input and support from the Colorado Department of Education, formed a collaborative team of representatives from state agencies to implement, monitor and support the Consolidated Child Care Pilot Program. Despite a long history of state collaboration, the Consolidated Child Care Pilot Program required a state structure that would give communities the resources, support, and flexibility they needed to succeed in building comprehensive, local early childhood care and education systems. With this understanding, a state-level technical assistance team (t.a. team) was formed which included representatives from:

Colorado Department of Human Services
Division of Child Care
Colorado Department of Education
Colorado Preschool Program
Special Education
Even Start
Learning Clusters
Part C - Infants and Toddlers with Disabilities
First Impressions, Governor Romer’s Early Childhood Initiative
Head Start-State Collaboration Office

In addition to the representatives from state agencies, representatives were included on the state technical assistance team from the United States Department of Health and Human Services’ Administration for Children and Families, Region VIII – Child Care Division and the Head Start Division. Because the legislation strongly encouraged pilot communities to consolidate federal funding when possible, the state decided that representation from the federal office was critical to removing barriers at the local level. This state-federal level partnership provided new opportunities for the Regional Office of the Administration for Children and Families to work with the broader early childhood community in Colorado.

As the pilot program evolved and changed, it became apparent that other agencies with a statewide focus needed to be involved in the technical assistance team. These agencies needed to be involved because of their relationships with the pilot communities. Much like the agencies already involved at the state level, these new partners provide funding, monitor some aspect of early care and education services, and/or provide technical assistance related to quality of early care and education. New partners on the technical assistance team include the Colorado Department of Public Health and Environment, Colorado Office of Resource and Referral Agencies (CORRA), and Community Development Institute (CDI – Head Start’s technical assistance partner).
The state technical assistance team performed five functions:

- assisted the Colorado Department of Human Services in the pilot selection process;
- designed a waiver process and assisted local communities in navigating this cross-agency process;
- provided technical assistance as needed to the communities;
- monitored the progress of the communities relative to the purpose and goals of the legislation;
- identified potential funding sources to assist the pilots in carrying out their plans.

The Colorado Department of Human Services provided funding through the federal Child Care and Development Fund for the overall coordination of the pilot project and individual agencies covered the individual staff costs associated with providing technical assistance to the local communities.

This section describes the selection process, the role of the state in the program, and the assessment process.

**SELECTING THE PILOT COMMUNITIES**

In response to SB97-174, the Colorado Department of Human Services, with input from the Colorado Department of Education, developed and issued a request for applications (RFA) in June 1997. The RFA was sent statewide to superintendents of schools, county commissioners, Head Start grantees, municipal governments, child care provider organizations, Colorado Preschool Program contacts, county directors of social services, child care resource and referral agencies, family development centers, and members of the Colorado Department of Education's Early Childhood Advisory Council.

The application process was intended to be simple and was premised on an expectation that communities would be in varying stages of readiness to create a consolidated system of child care services. Therefore, applicants were asked to define their pilot community (e.g., a community could be a county, a city, a school district, a neighborhood or any other geographic area) and to demonstrate support and collaboration of key stakeholders as described in the legislation. Further, applicants were asked to outline the programs and partnerships already in place around early care and education, to describe how the private child care community would be involved, and to define the most compelling early childhood needs in the community. Twenty-seven community applications were received from across the state. All regions of the state, except one, were represented in the applicant pool.

Selection of the twelve pilot communities occurred in September 1997. As required by the legislation, the consolidated child care pilots are dispersed geographically. Collectively, the
pilots represent 59 percent of the state’s population and comprise thirteen counties. Among the pilots are:

- three on the Eastern Plains (Logan and Morgan in the northeast and Prowers in the southeast);
- two in the Denver metropolitan area including Denver and Arapahoe;
- two urbanized Front Range communities including Larimer and El Paso;
- one (Fremont) in a rural community along the Front Range;
- one (Routt) in the northwestern part of the state that includes a major ski resort;
- one (Triad) that is a collaborative effort on the part of three contiguous counties along the Front Range;
- two in one county (La Plata) in the far southwestern part of the state – one is focused on a community with a tourism-based economy; the other is on the Southern Ute Indian Reservation.

Table 1 describes the location of each pilot community, the county population, and the scope of the pilot:
Table 1. Scope of Pilot Projects

<table>
<thead>
<tr>
<th>Pilot Community</th>
<th>County</th>
<th>County Population 1999 (est)</th>
<th>Scope of Pilot</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denver</td>
<td>Denver</td>
<td>511,487</td>
<td>Countywide, but selected providers. All pilot sites are in low-income neighborhoods.</td>
</tr>
<tr>
<td>Durango</td>
<td>La Plata</td>
<td>44,556</td>
<td>Durango and outlying communities</td>
</tr>
<tr>
<td>El Paso</td>
<td>El Paso</td>
<td>508,870</td>
<td>Countywide, but selected providers.</td>
</tr>
<tr>
<td>Fremont</td>
<td>Fremont</td>
<td>43,895</td>
<td>Countywide</td>
</tr>
<tr>
<td>Ignacio</td>
<td>La Plata</td>
<td>44,556</td>
<td>Town of Ignacio and Southern Ute Reservation</td>
</tr>
<tr>
<td>Lamar</td>
<td>Prowers</td>
<td>14,279</td>
<td>Lamar</td>
</tr>
<tr>
<td>Larimer</td>
<td>Larimer</td>
<td>243,411</td>
<td>Countywide</td>
</tr>
<tr>
<td>Morgan</td>
<td>Morgan</td>
<td>28,120</td>
<td>Brush, Wiggins, Weldona and Fort Morgan</td>
</tr>
<tr>
<td>Routt</td>
<td>Routt</td>
<td>18,891</td>
<td>Countywide</td>
</tr>
<tr>
<td>Triad</td>
<td>Jefferson</td>
<td>520,712</td>
<td>Countywide – three counties</td>
</tr>
<tr>
<td></td>
<td>Clear Creek</td>
<td>9,411</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Gilpin</td>
<td>4,325</td>
<td></td>
</tr>
<tr>
<td>Valley School District</td>
<td>Logan</td>
<td>21,163</td>
<td>Sterling</td>
</tr>
<tr>
<td>Western Arapahoe</td>
<td>Arapahoe</td>
<td>486,389</td>
<td>Englewood, Littleton and Sheridan</td>
</tr>
</tbody>
</table>

As shown in Appendix B, the pilot communities are diverse in terms of social needs and economic base.

DEVELOPING A WAIVER APPROVAL PROCESS

SB97-174 authorized the Colorado Department of Human Services to "issue local pilot project waivers of any state laws or rules that would prevent pilot site agencies from implementing the pilot projects." However, the exact process for conditions under which waivers could be issued was not further described in the law. The technical assistance team was charged with fleshing out this process and then with facilitating the submission and consideration of waiver requests.

The waiver request and approval process evolved over time. In an effort to compel pilot communities to define their waiver proposals clearly, the technical assistance team created a waiver request form to be used by the communities. On the form, communities were asked to: define the specific rule, regulation or law from which they were requesting a waiver; describe the specific changes they were requesting; describe how the waiver would enhance program quality; and outline how those results would be tracked.
While the Colorado Department of Human Services had ultimate authority to grant waivers, the technical assistance team served as an advisory board. The team discussed the legitimacy of the waiver request, determined if the community's expected outcomes actually required a waiver, and researched the feasibility of granting the waiver. In addition, the team carefully considered each request to ensure that program quality and basic health and safety of children would not be adversely affected by the waiver. In some instances, if a community requested a waiver that had already been granted to another pilot, the t.a. team would not renegotiate. Rather, the waiver request would move directly from the pilot program coordinator to the managing director of the Colorado Department of Human Services.

**PROVIDING TECHNICAL ASSISTANCE**

The t.a. team worked with communities as they examined the issues around building comprehensive, local early childhood care and education systems. Each community was assigned a "lead" technical assistance team member - someone to serve as liaison between the community and the state technical assistance team. The rationale behind this was to streamline the communication process and to give each community a single point of contact.

The state team, and its liaisons to each community, did not set community agendas, but did provide assistance and information. The primary role the lead t.a. person played in each community was information broker - sharing information from other pilot communities and from the state technical assistance team. In many instances, the lead t.a. person served as a group facilitator/intermediary to help the local community change the dynamics of a particular situation. For example, technical assistance has been given in most communities to help local stakeholders get past a blockage such as a lack of trust or misunderstanding in communication among stakeholders.

The assistance given to each community was highly individualized to address local needs, questions, or barriers. Each community took the lead in identifying its specific technical assistance needs. Technical assistance provided to pilot communities included:

- help with planning, including conducting High-Impact Planning sessions;
- clarification regarding existing rules and regulations;
- information on models of local collaboration based on the experiences of other communities from around the state and the country;
- meeting facilitation.

The Colorado Department of Human Services allocated funding through the state's federal Child Care and Development Fund to assist communities. The state provided funding for two people from each pilot community to attend the Family Resource Coalition of America conference. As reported by community stakeholders, one of the most effective forms of technical assistance provided were the four all-day work sessions in Denver where pilot representatives and the
technical assistance team met to exchange information, problem-solve, and share energy and enthusiasm.

**ASSESSING THE CONSOLIDATED PILOT PROGRAM**

SB 97-174 required that an assessment of the pilot program to determine effectiveness in serving children in community consolidated child care programs be submitted to the General Assembly by March 1, 1999. Specifically, the assessment would need to address the feasibility of combining funding sources, the barriers to delivery of quality child care services, and monitoring systems for overseeing delivery of services under a system of community consolidated child care services.

The Colorado Departments of Human Services and Education issued a call for proposals from interested parties to conduct the assessment and to carry out a process evaluation of the pilot program. In addition to the three issues identified by the legislation, the partnering Departments requested that the assessment/evaluation address the following:

- descriptions of pilot communities and key stakeholders;
- documentation and evaluation of collaboration among public and private stakeholders;
- compilation of evaluation methods being used by pilot communities to assess child progress;
- analysis of pilot program progress.

Through a competitive selection process, the Center for Human Investment Policy, with the Center for Public-Private Sector Cooperation, at the University of Colorado at Denver was selected to conduct the year-long assessment and evaluation process.

The assessment/evaluation design included:

- periodic reviews of all case files maintained by technical assistance team members;
- interviews with t.a. team and other key state and federal agency staff;
- reviews of waiver requests;
- analysis of pertinent demographic and administrative data from the Colorado Department of Human Services, Colorado Department of Education, and Head Start;
- observations of t.a. team meetings;
- two site visits each in all twelve pilot communities;
- stakeholder interviews in all twelve communities;
- discussions with parent focus groups;
- year-end key informant interviews;
- documentation of activities at four all-day work sessions;
- surveys with local Head Start representatives;
- surveys on waiver activity with local stakeholders;
- analysis of baseline sample on quality of child care in two pilot communities;
DETERMINING THE NUMBER OF CHILDREN TO BE IMPACTED

SB97-174 created a pilot program intended to deliver community consolidated child care services for up to two thousand children statewide. Communities were asked to identify the scope of their pilot and the number of children who were projected to be impacted. This proved to be a more difficult task for the communities than might have been expected. Initially, communities were averse to limiting the pilot’s impact to a relatively small number of children. However, as the realities of testing out new approaches of working together and in the interest of being able to actually effect change, most communities determined a target number of children to be impacted by the pilot. All totaled the number of children impacted across the pilots is 7,810. It is important to note though that not all of these children are covered under some form of blended funding.

In 1998, the twelve pilot communities submitted a joint proposal to the Youth Crime Prevention and Intervention board for a grant to implement portions of each community’s plan. One YCPI grant was given to the pilot communities. Each pilot community was required to submit a plan for using its share of the larger grant.

During state fiscal year 1998-99, a percentage of the Child Care Development Fund, administered by the Colorado Department of Human Services, was set aside to address program quality. These dollars were made available through a competitive grant process – the Child Care Quality/Availability Improvement Project – offered statewide. These funds were available, but not limited, to pilots. Nine pilot counties took advantage of this funding source to begin to implement pieces of their comprehensive plans.
SECTION 3. DEFINING THE NEED: PROFILES OF THE PILOT COMMUNITIES

SB97-174's legislative declaration described the critical need to increase full-year, full-day child care services for children whose parents are entering the workforce under Colorado Works, transitioning off welfare, or needing child care assistance to avoid the welfare system. The legislative declaration also identified the need for quality child care services (which implies the provision of a certain level of early educational enrichment in addition to the provision of a safe and nurturing environment) to improve outcomes for children in low-income families. Projections during the development of Colorado Works indicated that an existing gap in quality child care services and, especially, in services for children age 0 - 3, would be further magnified as more parents came off welfare and entered the workforce. This section describes both the perceptions among community stakeholders (including parents) and the administrative data which validates those perceptions.

MAPPING PERCEIVED COMMUNITY NEEDS AT THE LOCAL LEVEL

Colorado has a long tradition of recognizing that local communities have the best and most reliable sense of what is needed by the citizens of that community. The assessment process attempted to capture the essence of individual community need in several ways. First, the initial applications submitted by the communities were reviewed. Applicants were requested to identify the most compelling early childhood needs of that community. Second, extensive key informant interviews were conducted with stakeholders early in the assessment process. Stakeholders were predominantly representatives from the various sectors which provide care and education to young children. In all communities, parent representatives were included in the stakeholder group. Interviewees were asked to describe the circumstances within the community which prompted the submission of an application to become a pilot community. Approximately 150 community stakeholders were interviewed.

Finally, focus groups and interviews were conducted with a broader group of parents in each of the communities to ascertain the degree to which stakeholders and decision-makers were in step with parents’ views with what was needed. In all, approximately 250 parents participated in the focus groups with representation from parents in rural, suburban, and urban communities. Poor parents, as well as middle-income parents, participated, as did parents coming off welfare, parents holding down two or more jobs, parents attending school, and parents working both full time and part time.

From these three sources a composite picture of perceived needs relative to child care and early education can be compiled and is described below. No attempt was made at the community level to prioritize needs or quantify level of need. Rather, as described here, the needs discussed were
more a reflection of the aggregated perception of needs within each community. Those needs identified across the greatest number of communities are discussed first.

Stakeholders and parents from all twelve communities identified the shortage of care for infants and toddlers up to the age of three as the most compelling need. All but three communities identified a shortage in comprehensive early care and education for three year olds, and all but two communities identified the lack of care at nontraditional times (i.e. evenings and weekends while parents are working) as a major need. Parents were especially concerned about the fact that their young children were in two, even three, different settings each day because so few full-day options are available.

Other areas of concern identified by stakeholders included: lack of quality care within the community, the high cost of child care, and poor compensation of and high turnover rate among child care providers. Parents echoed these concerns but in different ways. They talked most eloquently about their desires for their children to participate in high quality early educational programs. They were highly concerned about the low level of supervision and monitoring of child care programs and wanted the state and the county to be more vigilant on their behalf in screening out people who are not appropriate for working with young children. They wanted to see more training and education required of the people who care for their children every day. On the one hand, parents felt that early childhood professionals are severely underpaid. On the other hand, most parents felt they were paying about all that they could afford for child care.

<table>
<thead>
<tr>
<th>Perceived Community Needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Shortage of infant and toddler care;</td>
</tr>
<tr>
<td>✓ Shortage of comprehensive, full-day/full-year care for three, four, and five year olds;</td>
</tr>
<tr>
<td>✓ Lack of care at non-traditional hours while parents are working (i.e., evenings and weekends);</td>
</tr>
<tr>
<td>✓ Shortage of quality care;</td>
</tr>
<tr>
<td>✓ High cost of early care and education;</td>
</tr>
<tr>
<td>✓ High turnover rate among child care providers;</td>
</tr>
<tr>
<td>✓ Insufficient monitoring of child care programs;</td>
</tr>
<tr>
<td>✓ Insufficient training/education required of child care providers;</td>
</tr>
<tr>
<td>✓ Low wages and compensation of providers.</td>
</tr>
</tbody>
</table>
EARLY CHILDHOOD CARE AND EDUCATION NEEDS
FROM THE PARENTS' POINT OF VIEW

Parents in all twelve pilot communities describe complicated patchworks of care arrangements. Most rely upon a primary care arrangement, but many need to augment this with an array of other arrangements. Parents describe situations in which their young children attend an education program in one setting, but are transported to another setting for care during the other hours of the day. Arrangements which work during the more traditional school year are replaced by different arrangements during the summer months. In a surprisingly large number of families, mom and dad work opposite shifts in order to balance caring for the children.

Parents describe scenarios in which they take their infant to one setting, their toddler to another, and their preschooler and school-age child to yet another child care setting. In the rural communities, especially, parents rely heavily on unlicensed forms of care. In all communities, transportation is an issue which complicates child care arrangements. Parents in mountain communities talk about driving great distances to get their children to the provider (sometimes in the opposite direction of their job), while parents in Denver talk about trying to take the bus with three young children to get to three different child care arrangements and still get to work on time. Certainly, low-income parents with no personal form of transportation are impacted, but middle income families with one or more vehicles describe transportation nightmares in which they have to hurry on their lunch break to pick up a child at one location (such as a preschool or kindergarten program) and get them to the afternoon child care arrangement (such as a center, a home provider, or relative). In short, parents go through complicated machinations to construct a workable set of child care arrangements. Any change or breakdown in the system can set off a chain reaction which ends either with parents hastily trying to construct something for the day or in missing a day of work altogether.

In addition to having child care arrangements that mesh with their work responsibilities, parents want a high quality environment for their children. Parents, at all income levels, want their children to be safe and happy and to have a good education. Parents view the early start their children get as imperative to having a lifetime of choices. They want their young children to have a sense of values which includes being able to tell right from wrong and to be responsible. Parents were very clear that a good early education sets a foundation for all later learning, and many expressed their belief that the child’s entire educational career was impacted by the quality of early education received. Some poor parents expressed a great concern that their children are not getting a quality early education experience because they cannot afford it. Other poor families expressed gratitude that their children were in high quality programs through Head Start, CPP, and school district early childhood education programs. Parents at all financial levels wanted more training and education required of child care providers, more resources to ensure better pay for the “good” caregiver/teachers, and more monitoring by government to weed out the “bad” ones. Beyond having better qualified and nurturing caregivers, parents thought the other keys to quality early care and education were high quality learning materials, exposure to multicultural experiences, and safe but enticing playgrounds.

An issue raised in all communities -- but specific to families who were struggling to reach and sustain self-sufficiency -- was the lack of involvement in child care matters by most employers. The “cliff effect” was brought home by several moms striving to stay off welfare. These women described heart-wrenching situations in which they had struggled to get training and to hold down a job to get to a point where they were offered a pay raise and/or a promotion. The excitement and pride associated with these steps quickly melted when the realization hit that to accept such an increase would spell loss of child care assistance and other benefits. Financially, families ended up losing more income than was gained. More financially stable families spoke less about having actual child care subsidy from their employers and more about their need for more flexible work schedules and workplace policies which would enable them to balance their parenting and child care responsibilities.
In a few communities, stakeholders identified lack of space or adequate facilities to address gaps in child care, lack of child care and early education options for low-income families, lack of transportation to and from child care arrangements, lack of programs for mono-lingual families new to the area, lack of local training for providers, and lack of special needs care as other compelling needs. Interestingly, only a few stakeholder groups saw transportation as a huge need. Yet, parents in all communities – urban, suburban, and rural – noted transportation issues as a critical need.

**QUANTIFYING THE PERCEIVED NEEDS FOR CHILD CARE AND EARLY EDUCATION**

The thirteen counties included in the twelve pilot projects are home to 211,507 children five and under, 61 percent of all children in this age bracket statewide. Young children account for 8.5 percent of the population within these counties. There is considerable variation among the counties in the size of the child population, both absolutely and as a percentage of all residents.

While child care needs are largely determined by the number of young children, another important factor is the labor force participation of women. Many more women work outside of the home today than was true in the past. Even women with young children maintain their presence in the labor force. According to recent national data, 65 percent of mothers with children under age six are in the workforce, up 54 percent since 1948. The likelihood of mothers working varies somewhat from place to place. Unfortunately no current information exists for local areas within Colorado regarding the labor force participation of mothers. However, 1990 census data indicates that work participation rates of mothers varied among the pilot counties from a low of 54 percent in Logan county to a high of 75 percent in Routt county. The proportions shown probably understate the degree to which mothers are presently in the workforce for three reasons. First, there has been a general upward trend overtime. Second, the economy has strengthened in Colorado increasing work opportunities. Third, welfare reform is limiting the options for low-income mothers to stay at home.

Taking into account the number of children and the workforce participation of mothers, it is possible to estimate the need for child care. Not all working mothers, however, will seek child care in the marketplace. Some mothers can take their young children to work with them. Others will juggle schedules so that one parent is at home at all times. Others can turn to grandparents or other relatives for child care. National data suggest that 45 percent of working mothers rely on relatives to provide care to their preschoolers while they work. Another 5 percent are able

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12 This is based on estimates prepared by the State Demographer for 1999.

13 These are county-wide data. Not all of these children are served by the pilot projects.

to care for the children themselves while they work\textsuperscript{15}. Poor mothers are somewhat more likely to rely on these arrangements. In generating estimates of need for child care in the pilot counties, it is assumed that one-third to one-half of children of working parents will not need to enter the marketplace for care.

Using the most conservative estimates of need, the pilot counties have 16,817 infants, 16,781 toddlers and 34,100 pre-schoolers (three, four and five year olds) who need child care. A higher range estimate is also included in Tables 2, 3, and 4. Also, many school-age children need before and after school care.

Whenever children are in child care on a regular basis, it is important that the program offers activities that stimulate their development. Child care can have adverse effects on children if programs are not of high quality\textsuperscript{16}. Particularly for low-income children, quality child care that includes an educational component can be advantageous. Hence the need for early childhood education includes all the children needing child care.

The need for early childhood education, therefore, is broader than the need for out-of-home child care. Even when parents are able to care for their children full-time, many would want to enroll their children in early childhood education programs, usually on a part-day basis. Different communities have different goals with respect to the public provision of preschool.

- The Colorado Preschool Program primarily serves four year old children who, for a variety of reasons, may be deemed at-risk of low performance in school. Given the range of factors currently considered, it is hard to estimate the size of the target population. One approach is to use the proportion of school-aged children enrolled in the free lunch program as a gauge to determine the proportion of four year olds who might benefit from the program. This results in an estimate of 8,565 children in the pilot communities needing preschool.

- Head Start primarily serves three and four year olds in families with incomes below the federal poverty line. Using county-level poverty rates for young children from the 1990 census and the state demographer’s estimates of the size of the age group, the pilot counties combined have a Head Start eligible population of 10,258 children.

- Some communities may set as a goal making preschool universally available, similar to kindergarten, for four year olds. With this goal, the pilot communities would need to provide services to 35,435 children.

\textsuperscript{15} Washington, DC: U.S. Census Bureau, 1994.

\textsuperscript{16} University of Colorado at Denver et. al., \textit{Cost, Quality and Child Outcomes in Child Care Centers - Colorado Report} (1996).
Characterizing the supply of care is also a challenge. Early childhood care and education is provided in many different settings: large child care centers, small centers, family child care homes, full-day preschool programs, and part-day preschool programs. A starting point for analysis is the database of licensed care providers maintained by the Colorado Department of Human Services. It very likely overstates supply since many providers are licensed to serve more children than they actually serve. Furthermore, while the licensing database can be expected to include all providers obtaining licenses, the procedure to eliminate providers that go out of business is not timely. There is relatively rapid turnover among home child care providers which is only captured with some delay in the state’s database. Data provided by CORRA, the Colorado Office of Resource and Referral Agencies, suggest that approximately 75 percent of the home providers included in the state’s database are actually providing care.

The size and makeup of the provider community varies greatly among the pilots. Denver has the largest number of child care centers – 160 followed by Jefferson at 150 and Arapahoe at 142. Relatively speaking, Denver has fewer family child care homes – only 488 in all. There are more licensed home providers in Jefferson (752), El Paso (687) and Arapahoe (642). Even Larimer, with its much smaller total population, has almost as many home providers (486) as Denver.

The number of licensed providers is very small in several of the rural counties. Gilpin, for example, has only one licensed center and 2 licensed homes. The role played by child care centers varies. Centers account for over 80 percent of total licensed capacity in Denver and Gilpin, between 70 percent and 80 percent of total capacity in Arapahoe, Jefferson, Routt and Clear Creek; between 60 percent and 70 percent in La Plata, El Paso, and Prowers.

Estimates of the need for and supply of child care are shown in Tables 2, 3, and 4. The estimates are based on several sources of information and assumptions. From these, the areas of greatest need became evident:

- Infant care poses the biggest problem in terms of availability. Across all the pilot counties, licensed providers have the capacity to serve only one-fourth to one-third of all infants needing care. The worst shortfalls appear in Morgan, Denver, El Paso and Fremont Counties.

17 The State Demographer’s estimate of children under age three is used as a beginning point. Then, 1990 county-level census data on the proportion of mothers with children under six who are in the workforce is used to estimate the proportion of infants and toddlers with some need for child care. National level data on child care arrangements for preschoolers suggests that one-third to one-half of all child care needs can be met by parents themselves or through relatives. It is therefore assumed that only one-half to two-thirds of children with mothers in the workforce will require care from licensed child care providers.
• Toddler care is also in short supply. Across all the pilot counties, licensed providers (if they provide service up to full licensed capacity) can meet between 48 percent and 63 percent of the need for toddler care.

<table>
<thead>
<tr>
<th>County</th>
<th>Total Infants</th>
<th># in Need of Child Care</th>
<th>Estimated Capacity</th>
<th>Coverage Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denver</td>
<td>13,706</td>
<td>4,249</td>
<td>5,608</td>
<td>1,085</td>
</tr>
<tr>
<td>La Plata</td>
<td>678</td>
<td>237</td>
<td>313</td>
<td>98</td>
</tr>
<tr>
<td>El Paso</td>
<td>11,587</td>
<td>3,534</td>
<td>4,665</td>
<td>1,095</td>
</tr>
<tr>
<td>Fremont</td>
<td>691</td>
<td>225</td>
<td>296</td>
<td>68</td>
</tr>
<tr>
<td>Prowers</td>
<td>333</td>
<td>93</td>
<td>123</td>
<td>39</td>
</tr>
<tr>
<td>Larimer</td>
<td>4,264</td>
<td>1,364</td>
<td>1,801</td>
<td>680</td>
</tr>
<tr>
<td>Morgan</td>
<td>739</td>
<td>251</td>
<td>331</td>
<td>57</td>
</tr>
<tr>
<td>Routt</td>
<td>295</td>
<td>111</td>
<td>146</td>
<td>46</td>
</tr>
<tr>
<td>Clear Creek</td>
<td>154</td>
<td>45</td>
<td>59</td>
<td>22</td>
</tr>
<tr>
<td>Gilpin</td>
<td>69</td>
<td>20</td>
<td>27</td>
<td>12</td>
</tr>
<tr>
<td>Jefferson</td>
<td>9,653</td>
<td>3,427</td>
<td>4,523</td>
<td>1,187</td>
</tr>
<tr>
<td>Logan</td>
<td>363</td>
<td>98</td>
<td>129</td>
<td>69</td>
</tr>
<tr>
<td>Arapahoe</td>
<td>9,303</td>
<td>3,163</td>
<td>4,175</td>
<td>1,218</td>
</tr>
<tr>
<td>Sum</td>
<td>51,835</td>
<td>16,817</td>
<td>22,196</td>
<td>5,676</td>
</tr>
</tbody>
</table>

Capacity is estimated on the licensed capacity within centers for infants plus one-sixth of the licensed capacity in child care homes and large child care homes plus one-half of the licensed capacity of infant and toddler homes. These estimates probably overstate supply.
Table 3. Estimates of Supply and Demand for Toddler Care

<table>
<thead>
<tr>
<th>County</th>
<th>Total toddlers (age 18 months to 35 months)</th>
<th># in Need of Child Care</th>
<th>Estimated Capacity</th>
<th>Coverage Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denver</td>
<td>13,488</td>
<td>4,181</td>
<td>5,519</td>
<td>2,026</td>
</tr>
<tr>
<td>La Plata</td>
<td>721</td>
<td>252</td>
<td>333</td>
<td>141</td>
</tr>
<tr>
<td>El Paso</td>
<td>11,346</td>
<td>3,460</td>
<td>4,568</td>
<td>1,782</td>
</tr>
<tr>
<td>Fremont</td>
<td>691</td>
<td>225</td>
<td>296</td>
<td>68</td>
</tr>
<tr>
<td>Prowers</td>
<td>330</td>
<td>92</td>
<td>122</td>
<td>46</td>
</tr>
<tr>
<td>Larimer</td>
<td>4,394</td>
<td>1,406</td>
<td>1,856</td>
<td>1,094</td>
</tr>
<tr>
<td>Morgan</td>
<td>748</td>
<td>254</td>
<td>335</td>
<td>57</td>
</tr>
<tr>
<td>Routt</td>
<td>302</td>
<td>113</td>
<td>149</td>
<td>66</td>
</tr>
<tr>
<td>Clear Creek</td>
<td>150</td>
<td>43</td>
<td>57</td>
<td>29</td>
</tr>
<tr>
<td>Gilpin</td>
<td>72</td>
<td>21</td>
<td>28</td>
<td>22</td>
</tr>
<tr>
<td>Jefferson</td>
<td>9,638</td>
<td>3,421</td>
<td>4,516</td>
<td>2,591</td>
</tr>
<tr>
<td>Logan</td>
<td>383</td>
<td>103</td>
<td>137</td>
<td>72</td>
</tr>
<tr>
<td>Arapahoe</td>
<td>9,444</td>
<td>3,210</td>
<td>4,238</td>
<td>2,570</td>
</tr>
<tr>
<td>Sum</td>
<td>51,707</td>
<td>16,781</td>
<td>22,154</td>
<td>10,564</td>
</tr>
</tbody>
</table>

Capacity is estimated on the licensed capacity within centers for toddlers plus one-sixth of the licensed capacity in child care homes and large child care homes plus one-half of the licensed capacity of infant and toddler homes. These estimates probably overstate supply.
Table 4. Estimates of Supply and Demand for Three, Four and Five Year Olds

<table>
<thead>
<tr>
<th>County</th>
<th>Total Three, Four and Five Year Old Children</th>
<th># in Need of Child Care</th>
<th>Estimated Licensed Center &amp; Home Capacity</th>
<th>Part Day Preschool Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Low Est.</td>
<td>High Est.</td>
<td></td>
</tr>
<tr>
<td>Denver</td>
<td>25,847</td>
<td>8,013</td>
<td>10,577</td>
<td>10,988</td>
</tr>
<tr>
<td>La Plata</td>
<td>1,616</td>
<td>566</td>
<td>747</td>
<td>569</td>
</tr>
<tr>
<td>El Paso</td>
<td>23,201</td>
<td>7,076</td>
<td>9,341</td>
<td>10,557</td>
</tr>
<tr>
<td>Fremont</td>
<td>1,463</td>
<td>475</td>
<td>628</td>
<td>464</td>
</tr>
<tr>
<td>Prowers</td>
<td>694</td>
<td>194</td>
<td>257</td>
<td>244</td>
</tr>
<tr>
<td>Larimer</td>
<td>9,236</td>
<td>2,956</td>
<td>3,901</td>
<td>5,234</td>
</tr>
<tr>
<td>Morgan</td>
<td>1,477</td>
<td>502</td>
<td>663</td>
<td>227</td>
</tr>
<tr>
<td>Routt</td>
<td>646</td>
<td>242</td>
<td>320</td>
<td>510</td>
</tr>
<tr>
<td>Clear Creek</td>
<td>375</td>
<td>109</td>
<td>144</td>
<td>145</td>
</tr>
<tr>
<td>Gilpin</td>
<td>163</td>
<td>48</td>
<td>63</td>
<td>38</td>
</tr>
<tr>
<td>Jefferson</td>
<td>19,832</td>
<td>7,040</td>
<td>9,293</td>
<td>14,430</td>
</tr>
<tr>
<td>Logan</td>
<td>843</td>
<td>228</td>
<td>300</td>
<td>403</td>
</tr>
<tr>
<td>Arapahoe</td>
<td>19,564</td>
<td>6,651</td>
<td>8,780</td>
<td>13,194</td>
</tr>
<tr>
<td>Sum</td>
<td>104,957</td>
<td>34,100</td>
<td>45,014</td>
<td>57,003</td>
</tr>
</tbody>
</table>

Capacity is estimated assuming all licensed capacity within centers for other than infants and toddlers is available for this age group. It also assumes two-thirds of licensed capacity within child care homes is available to this age group.

Capacity generally does not appear to be an issue for preschoolers although it is harder to interpret the data. Providers are separately licensed for infants and toddlers. For older children, no distinction is made by age level so the same capacity might be used for several age groups. While programs licensed in the school-age child category are not included, regular centers and homes use some of their capacity to cover the needs of older children for before and after-school care.

In pilot counties, if licensed centers and homes use their full capacity to accommodate preschoolers, they could serve approximately 57,000 children. It is estimated that there are 104,957 three, four and five year old children, of whom 34,100 to 45,014 would have need for

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child care due to their mothers' employment. In addition to this capacity, there are an additional 10,133 slots in licensed preschool programs including CPP and Head Start.

Therefore, at the preschool level, it is reasonable for communities to conclude, as most did, that there is little reason to increase the overall supply. In the more densely populated counties, licensed capacity typically exceeds our estimates of need. In several of the smaller counties, including La Plata, Fremont, Prowers, Morgan and Gilpin, licensed supply in centers and homes is less than our higher-range estimate of need.

Given these supply-demand relationships, the more pressing issue is to better align supply with families' needs. That means providing more of the care during non-traditional hours and adjusting the structure of programs so publicly supported preschool programs are accessible to low-income families who have a need for more than part-day programming. To accomplish this typically requires blending funds to create full-day, full-year program opportunities.

Furthermore, the apparent excess supply of care for preschoolers in general does not equate to an excess of high quality supply. It should also be noted that an across-the-board comparison of need to supply does not reflect the reality that there is a shortage of care available for families who need low-cost or no-cost care for their preschoolers. Many providers of early care and education will not accept low-income children. Primarily, this is a factor of the low reimbursement rates paid to providers by the Colorado Child Care Assistance Program.

An important goal of the pilot program was for communities to examine the range of programs currently supporting early childhood care and education and restructure them so as to provide a higher quality system responsive to the needs of families, particularly those with low incomes and moving into the work world due to welfare reform. The programs that pilot projects are seeking to align include several publicly funded early childhood education programs as well as child care assistance. The role and structure of each of these is discussed in this section.

**DESCRIPTING THE EXISTING STATE-LEVEL FUNDING STREAMS**

**The Colorado Preschool Program** – The Colorado Preschool Program provides school districts with funds to provide half-day early childhood education to four and five year old children who have significant family risk factors that relate to child development. The legislature specifies the number of children to be served statewide and school districts apply to the state to serve preschoolers. Participating districts receive funds under the School Finance Act for each child served in CPP in an amount equal to one-half of a PPOR (per pupil operating revenue). Among the districts in pilot communities, the amount received annually per child varies from $2,210 to $4,318. Most of the districts received $2,600 per child or less in fiscal year 1997-1998. See Table 5.
Districts have the option of delivering the preschool program themselves using district staff in school buildings or they may contract with other non-profit or for-profit entities to provide the service. Statewide, 123 districts participate in the CPP program, of which a little less than half contract with other entities to deliver services. Among the participating school districts in pilot counties, 57 percent contract for CPP services. This means that the pilot counties have somewhat greater experience delivering programs on a collaborative basis than counties statewide.

School districts within the pilot counties had 4,843 CPP slots in 1998-99. Across the pilot counties, CPP can serve 14 percent of all four year olds. The coverage ratio is as low as 6 percent in Larimer and as high as 52 percent in Prowers.

In the 21 districts serving the areas within counties participating in the pilot project:

- Three districts rely totally on community-based providers. There are no CPP programs in the public schools in Ignacio, Fremont County, or in Lamar RE-2.

- Public schools play a major role in delivery in the Denver, El Paso, Morgan, Routt, Triad, and Western Arapahoe pilot communities.
<table>
<thead>
<tr>
<th>County</th>
<th>School Districts</th>
<th>CPP slots 1998-1999</th>
<th>Total # of Four Year Olds in County</th>
<th>Coverage CPP slots as % of Four Year Olds</th>
<th>Average State Funding Per CPP slot*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total # Serving county</td>
<td>Total # with CPP slots</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denver</td>
<td>1</td>
<td>1</td>
<td>1,864</td>
<td>8,543</td>
<td>22%</td>
</tr>
<tr>
<td>La Plata</td>
<td>3</td>
<td>3</td>
<td>177</td>
<td>541</td>
<td>33%</td>
</tr>
<tr>
<td>El Paso</td>
<td>15</td>
<td>4</td>
<td>809</td>
<td>7,745</td>
<td>10%</td>
</tr>
<tr>
<td>Fremont</td>
<td>3</td>
<td>1</td>
<td>79</td>
<td>486</td>
<td>16%</td>
</tr>
<tr>
<td>Prowers</td>
<td>4</td>
<td>3</td>
<td>121</td>
<td>233</td>
<td>52%</td>
</tr>
<tr>
<td>Larimer</td>
<td>3</td>
<td>3</td>
<td>172</td>
<td>3,086</td>
<td>6%</td>
</tr>
<tr>
<td>Morgan</td>
<td>4</td>
<td>4</td>
<td>99</td>
<td>491</td>
<td>20%</td>
</tr>
<tr>
<td>Routt</td>
<td>3</td>
<td>3</td>
<td>43</td>
<td>212</td>
<td>20%</td>
</tr>
<tr>
<td>Clear Creek</td>
<td>1</td>
<td>1</td>
<td>20</td>
<td>126</td>
<td>16%</td>
</tr>
<tr>
<td>Gilpin</td>
<td>1</td>
<td>1</td>
<td>5</td>
<td>55</td>
<td>9%</td>
</tr>
<tr>
<td>Jefferson</td>
<td>1</td>
<td>1</td>
<td>690</td>
<td>6,599</td>
<td>10%</td>
</tr>
<tr>
<td>Logan</td>
<td>4</td>
<td>3</td>
<td>102</td>
<td>281</td>
<td>36%</td>
</tr>
<tr>
<td>Arapahoe</td>
<td>7</td>
<td>7</td>
<td>662</td>
<td>6,496</td>
<td>10%</td>
</tr>
<tr>
<td>Pilot Counties Combined</td>
<td>50</td>
<td>35</td>
<td>4,843</td>
<td>34,894</td>
<td>14%</td>
</tr>
</tbody>
</table>

*This figure is one-half of the average PPOR for 1997-1998 for districts within the county that participate in CPP.

**This is an unweighted average of county figures reported.

The Colorado Child Care Assistance Program – The Colorado Child Care Assistance Program (CCCAP) has been administered by county departments of social services since 1992. Prior to welfare reform, families on welfare who were employed or enrolled in school or training programs could qualify for child care subsidies. In addition, families not on public assistance but whose earnings resulted in low incomes could qualify for help. The families would select a child care arrangement for their child. The state Department of Human Services would pay all or a portion of child care costs directly to the provider. The family would be obligated to pay charges not paid by Human Services. In May 1997, prior to welfare reform and the implementation of the consolidated child care pilot program, 8,631 children in the pilot counties had all or a portion of their child care costs paid by CCCAP.
At the same time that the welfare program was restructured, changes were made to child care assistance as well, both at the federal and state levels. Child care assistance was all put into a block grant format. Whereas in the past some families received child care assistance as an entitlement, under the new federal law no one has entitlement status. However, at least in the short run, the federal appropriation for child care was generous relative to recent past spending. Demand for child care assistance is expected to increase over time as greater proportions of those receiving welfare are required to work. Whether appropriations will keep up with demand is unknown.

The state maintains the automated system, Child Automated Tracking System (CHATS), which is used in administration of the child care assistance program. Its limitations are a factor as counties consider their options for restructuring the program. If the desired change is not supported by the automated system, then county level staff are forced to track rates and numbers manually, which can be a daunting task.

**County Child Care Assistance Options** – As part of its welfare reform deliberations, the state opted to give more authority regarding the structure of CCCAP to counties than had been the case in the past. This authority translates into additional resources to be considered for consolidation to bring about a continuum of quality care that is responsive to working parents. Key decisions made by counties, which in the past had been a matter of state regulation, include:

- deciding whether to extend eligibility for child care assistance to families earning up to 185 percent of poverty. State law specifies that families with incomes up to 130 percent of the federal poverty level are eligible for assistance and precludes eligibility for those with incomes greater than 185 percent of the federal poverty level;

- determining the maximum rate that can be paid to providers for different types of service;

- deciding whether to restructure contractual arrangements with providers paying for "slots" rather than specific services delivered;

- defining what activities qualify parents who receive TANF to obtain subsidized child care.\(^\text{18}\)

Counties were given the authority to determine who was eligible for assistance (within the allowable range) and the maximum amount that a provider could be paid for caring for eligible children. The state continues to determine the co-pay requirement – the contribution that families must make to cover the cost of child care. A rate schedule is published that details the amount

\(^{18}\) The state retained the authority to determine qualifying activities for low-income parents who are not receiving TANF.
families must contribute based on their income and family size. Since this authority remained with the state, any change at the county level required a waiver.

**Head Start** – Head Start is the longest established of the programs serving young children in Colorado. Started by the federal government during the War on Poverty, funds are given directly to local public or non-profit agencies to deliver early childhood education and a range of other services to families with incomes below the poverty level who have children aged three or four. In addition to the regular Head Start program, there is a much smaller Early Head Start program which serves families with infants and toddlers up to the age of three.

All of the pilot communities have federally funded Head Start programs except Routt county. Three communities also have Early Head Start programs -- Denver, Fremont, and El Paso. Applications are pending for an upcoming expansion of the Early Head Start program and some of the pilots have a chance at being designated.

Only rarely does the service area of a Head Start grantee mesh perfectly with the service area defined by the pilot: Ignacio is the only pilot which defines its scope in exactly the same way as the corresponding Head Start service provider. In seven cases, the Head Start grantee is serving a bigger geographic territory than is the pilot. In all cases, there are Head Start centers in the pilot community, but senior level grantee staff are not always physically located there. This can be an impediment to full participation by Head Start in the pilot. In three cases, there is more than one Head Start grantee serving the territory defined by the pilot (Denver, Larimer, and Morgan).

Among the Head Start grantees serving the pilot communities, five are non-profit agencies, three are local school districts, and four are other governmental or quasi-governmental entities.

In all sites, Head Start programming is either exclusively or primarily center-based. Home-based programs – to the extent they exist – are relatively small or offered in combination with classroom-based programming.

Almost all of the children are served on a part-day basis although the schedule differs substantially. Some programs serve children on a two day per week basis for more hours while others offer a shorter program four days per week. Most programs are only offered during the regular school year. Considering Head Start programs in pilot communities, seven (Denver, Durango, El Paso, Fremont, Ignacio, Triad, Western Arapahoe) have any provision for full-day programming or on-site wrap-around child care.

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"It is my opinion that Head Start and Early Head Start programs are critical to designing a seamless system of quality early childhood care and education at the local community and state levels. The opportunity afforded to us through SB97-174, the pilot demonstration, is so exciting and encouraging. This opportunity is helping us to create high quality early childhood care and education programs that meet the individual needs of children and that are accessible and affordable for families."

–Lee Taylor, Tri-County Head Start, Durango Pilot
The emphasis on part-day programming makes it difficult for working families to access the Head Start program. Some working parents have been able to make the part-day program work, depending on their work schedule, their ability to leave work to transport children, and/or the strength of their support systems. Several programs and a number of parents, however, pointed out the hardships involved. It is difficult for them to juggle work schedules with short program days and multiple care arrangements. Similarly, it is difficult for a child to make several transitions during the course of the day.

**Special Education** – School districts are mandated to serve three and four year old children identified as having disabilities. Two state statutes and one federal statute govern services for preschool children with disabilities: the Colorado School Finance Act, the Exceptional Children’s Educational Act (ECEA) and the Individuals with Disabilities Education Act (IDEA). Under these laws, an Individual Education Plan (IEP) must be developed to address the child’s needs and services are to be provided in accord with the plan. Children with IEPs prepared prior to the October 1 count date qualify for financial support under the state School Finance Act. These children, plus any additional children for whom an IEP is completed between October and December, qualify for federal funding support.

The School Finance Act specifies a minimum number of service hours required to qualify a child for funding – 90 hours of instructional contact per semester. Under federal law, there is no minimum number of service hours. In all cases, the specific services to be provided to a child depend on his/her needs as outlined in the IEP. Children are often provided specific interventions such as physical therapy, occupational therapy, or speech services. They may also be enrolled in preschool programs. As with CPP, special education services are often provided in a school setting, but may also be contracted to a non-public school provider.
MAJOR FINDING: Nine of the twelve communities expanded or broadened their use of consolidated funds to design and implement more comprehensive early childhood care and education services.

A major assumption of Senate Bill 97-174 was that providers of half-day preschools and full-day child care services have to overcome barriers and inflexible requirements of the various sources of funding in order to design and implement programs that are more responsive to the needs of working families. On that premise, the legislation stated that, at a minimum, pilots must “consolidate funding from the Colorado Preschool Program (CPP) that operates under the authority of local school districts and child care subsidy moneys that are administered by local Boards of County Commissioners.” In addition, pilot communities were encouraged to utilize federal funding available through Head Start grantees and other school district federal funding for preschool services within applicable federal laws and regulations. The assessment included tracking spending levels and accompanying policy and programmatic changes through review of state and local data. It also included interviews with pilot contacts and other key program representatives. This section delineates the experiences of the pilots with regard to combining funds.

DESCRIBING THE POSSIBILITIES AND THE REALITIES OF CONSOLIDATING FUNDING

The notion of “consolidated funding” is based on several assumptions and can be interpreted in a variety of ways. A basic assumption about consolidated funding is that enough resources exist within and across systems to actually pay for the early care and education services of all young children who need those services. It is assumed that the reason this is not happening is due to bureaucratic red tape and restrictions associated with each funding stream. These have the net effect of creating a series of expensive inefficiencies and preventing entities from working together collaboratively to deliver the best array of services for the young child.

In reality, these assumptions are, in part, true. Some inefficiencies do exist as a factor of red tape and spending and accounting restrictions. However, the reality is that even when most of these are removed, there is still not enough money to pay for a full day of quality, comprehensive early care and education services. Further, some level of bureaucracy exists that discourages entities from working more effectively together, but the reality is that organizational “turfism” and lack of trust account for much of this situation.

Outstanding examples of consolidated funding have existed in Colorado for nearly a decade. However, these examples have evolved over time under the extraordinary patience and vigilance...
of a handful of program directors willing to exert a superhuman level of effort to make it happen. The benefits of these efforts have paid off for young children and their families in terms of ensuring that services were responsive to the needs of working families and that children were exposed to the highest quality of care and early education in the most stable setting possible. The underlying goal of SB 97-174 is to make this the rule in all pilot communities and not just the exception in a few instances.

Communities generally interpret consolidated funding in two ways. First, funding can be combined at the agency level or, second, funding can be combined on behalf of a particular child to create a comprehensive package of services consistent with the family’s needs.

Blending funds at the agency level means that children whose services are paid for through a variety of funding streams (e.g., CPP, CCCAP, Head Start, parental fees, Special Education, Title I, United Way, etc.) are all served by a single agency within a single classroom. While this strategy has been employed for a number of years in some communities, it has had some perverse ramifications for children. For example, some funding is limited to providing services fewer than five days per week so that unless the parent can afford to pay the difference, the child will only get services part of the week. In some cases, the funding stream will only pay for a part-day and/or part-year program (e.g., CPP and Head Start). Even though CCCAP funds can be accessed to pay for the remainder of the day, many programs have not wanted to engage in providing full-day services so the child has to be transported to other programs which will accept a lower CCCAP reimbursement. Alternatively, programs which do use CCCAP view child care in a different light from preschool and actually split the day in such a way that preschool (with a slightly better paid staff) occurs in the morning and child care (with more poorly paid workers) occurs in the afternoon.

There have been situations in which Head Start children and other children were served in the same classroom but children could only use equipment, materials, and supplies in accordance with the funding stream under which they were covered. For example, stories abound in which young children were not allowed to touch certain materials because they were not in Head Start or Title I. Fortunately, these practices have been virtually eliminated by changes in public policies and the unwillingness of early childhood professionals to allow such practices to affect young children.

The more contemporary approach to consolidating funds has become one of combining resources on behalf of the child so that his/her child care and early education needs are met. In this interpretation an array of funding sources are tapped in order to pay for what is needed. For example, a child who is eligible for Head Start is likely to be eligible for CCCAP. These two pots of money together can pay for full-day, full-year child care and early education. In the event the child exhibits certain risk factors for language development or has particular special learning needs, either CPP or Special Education funds can be used to complement the service plan for that child. Creative, persistent program directors can find ways to bridge the combined funding streams when one source ends for a family due to a change in family income or other eligibility...
factor. Some funding streams have greater restrictions than others and require inordinate amounts of accounting and tracking measures. Also, program directors have been extremely limited in their ability to tap multiple funding streams to meet the needs of the child age three and under.

**TRACKING THE PILOTS’ EXPERIENCE**

The pilot communities began with varying degrees of past experience combining funding sources. The school districts within the pilots that offer CPP reported blending funds from different sources to support their early childhood education programs. Currently, all of the pilots draw on multiple funding sources, although the mix of programs and sources combined varies by district:

- 20 percent of the districts within pilot boundaries use Title I;
- 95 percent use state special education funds and 75 percent use federal special education funds;
- 85 percent use tuition revenues;
- 55 percent draw on Head Start funds;
- 40 percent get an allocation from the General Fund of the school district;
- 25 percent report using private grant funds.\(^\text{19}\)

In addition, some districts reported using Even Start or Family Center funding as part of their overall early childhood education program.

The Head Start grantees differed in their experience in blending funding. The most common experience was that the Head Start grantee also received some Colorado Preschool Program dollars, allowing non-Head Start eligible children to access programming offered by the Head Start grantee agency, sometimes in the same classroom as Head Start eligible children and sometimes in different classrooms. A number of Head Start agencies also served special needs children and received some funding support from their school districts. Experience among the Head Start grantees with the child care assistance program was very limited since few have attempted full-day or wrap-around programming.

As noted earlier, the Head Start program is in transition with its federal sponsors supporting grantees in shifting from traditional part-day programming to a broader set of program designs that may work better as more parents join the work force. Also, whereas once Head Start was the only program available for young children, there are now several available in most communities. The federal government has encouraged grantees to work cooperatively with other entities serving children and families.

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\(^{19}\) These numbers were self-reported by districts on their CPP applications. It is not clear whether every district reported the blending of the funds in a uniform manner. Consequently, these numbers are not statistically sound, but are meant to give a general impression of districts’ experience.
HEAD START – A CHANGING CULTURE

Initially created as a mechanism for ensuring that young, poor, and frequently disenfranchised children would get a good start in education, Head Start has been criticized in recent years as operating outside the early childhood system in local communities. Most often Head Start grantees strictly adhered to a tradition of half-day, part-year programs where children were segregated into Head Start classrooms. In some cases, Head Start programs were co-located in facilities where children funded by other means were also in attendance. Yet, the resources of these programs were never mingled and children were sometimes shuttled from one room to another when the half day Head Start program ended.

Gradually, some communities began making changes. Head Start slots were contracted out to other providers of early care and education, thereby setting the stage for later blending of funds to achieve more comprehensive services for kids. Some creative program directors even began combining Head Start resources with other funding streams to create a higher quality experience for all children in a program – while carefully tracking and allocating costs in accordance with federal guidelines.

The new federal guidelines under the 1998 Head Start Reauthorization Act builds on these experiences and presses local grantees to create even more collaborative partnerships with other early childhood care and education service providers in the community. The Act describes the federal position on expansion of full-day, full-year programs; collaboration, and removal of barriers to consolidation at the local level:

"For the purpose of expanding Head Start programs...the Secretary shall take into consideration...the extent to which the family and community needs assessment of the applicant reflects a need to provide full-working-day or full-calendar-year services and the extent to which, and manner in which, the applicant demonstrates the ability to collaborate and participate with other local community providers of child care or preschool services to provide full-working-day full calendar year services....[and] the extent to which the applicant proposes to foster partnerships with other service providers in a manner that will enhance the resource capacity of the applicant."

[Section 640 (g) (2)]

"A State that receives a [collaboration] grant shall: ...ensure that the collaboration involves coordination of Head Start services with health care, welfare, child care, education, and community service activities, family literacy services, services with those State officials who are responsible for administering part C and section 619 of the Individuals with Disabilities Education Act and services for homeless children; include representatives of the State Head Start Association and local Head Start agencies in unified planning regarding early care and education services at both the State and local levels, including collaborative efforts to plan for the provision of full-working-day, full calendar year early care and education services for children."

[Section 640 (a) (5)(C)]

"The Secretary shall:
• review on an ongoing basis evidence of barriers to effective collaboration between Head Start programs and other Federal, State, and local child care and early childhood education programs and resources;
• develop initiatives, including providing additional training and technical assistance and making regulatory changes, in necessary cases, to eliminate barriers to the collaboration; and
• develop a mechanism to resolve administrative and programmatic conflicts between programs...that would be a barrier to service providers, parents, or children related to the provision of unified services and the consolidation of funding for child care services."

[Section 640 (a) (5)(E)(i)]

Beverly Turnbo, Regional Administrator for the Administration for Children and Families, comments that Head Start is changing. "Head Start can be a bridge to developing a more comprehensive continuum of care for young children," she says. "The message is getting out that not only is it okay to collaborate and create new models with others, it is expected."
Despite the shift in policy, some programs that attempted to blend funds or coordinate programming in the past reported difficulties in handling separate reporting and cost allocation requirements. Stories circulate of programs being accused of allowing Head Start funds to be used for the benefit of non-Head Start children. Since Head Start was often better funded than other programs paying for children’s attendance, this could translate into separate cabinets of materials only available to certain children in the classroom. While this kind of approach to ensuring cost allocation is almost certainly not necessary, there is some fear among grantees that until more models have been developed and accepted, blended funding will introduce more headaches than it is worth. In addition, there is fear among grantees of losing what they already have if they collaborate.

Since Head Start is a federal rather than a state program, pilot communities could not request waivers of regulations governing the program. They did receive technical assistance from both state and federal representatives to help work out any problems that might arise as programs sought to coordinate Head Start with other programs offering services to young children.

Some important steps forward regarding blending Head Start with other funds are summarized in Table 6.

<table>
<thead>
<tr>
<th>Pilot</th>
<th>Head Start Grantee</th>
<th>Territory of HS relative to Pilot</th>
<th>Program Configuration</th>
<th>Any Blended Funding or other Collaboration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denver</td>
<td>City and County of Denver</td>
<td>Covers northeast, southeast and southwest parts of city</td>
<td>Delegate agency model – offers part-day, full-school-day/school-year, full-day/full-year and home-based models. Program size is 1,015.</td>
<td>Several of the delegates are blending funds - CCCAP, CPP and Head Start; actively involved in the pilot.</td>
</tr>
<tr>
<td></td>
<td>Rocky Mountain SER</td>
<td>Covers northwest</td>
<td>Mostly part-day, some home-based. Capacity is 695 children.</td>
<td>Not involved.</td>
</tr>
<tr>
<td>Durango</td>
<td>Durango 4C (Community Coordinated Child Care Council, Inc. - a private non-profit)</td>
<td>Service area includes LaPlata, Archuleta and Montezuma Counties. Only Durango School District 9R participates in pilot.</td>
<td>212 Head Start-funded children, 69 CPP slots, and 62 children are in the partner-funded full-day, full-year programs. There are 13 different configurations including full day/full year.</td>
<td>History of blending funds; pilot has strengthened and extended blending; Head Start is the lead agency in the pilot.</td>
</tr>
<tr>
<td>Pilot</td>
<td>Head Start Grantee</td>
<td>Territory of HS relative to Pilot</td>
<td>Program Configuration</td>
<td>Any Blended Funding or other Collaboration</td>
</tr>
<tr>
<td>-------------</td>
<td>-----------------------------------------------------------------------------------</td>
<td>-----------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>El Paso</td>
<td>Community Partnership for Child Development - (non-profit)</td>
<td>Covers 7 school districts in county so scope is broader than the pilot which focuses on District 11</td>
<td>1,270 children served of which 831 are Head Start; there are 314 Head Start children in District 11; all programs are delivered in schools; program is 6 hours per day, 2 days per week.</td>
<td>Grantee blends funds from several sources; Head Start and CPP funds have been blended, supporting different children in same classroom. Pre-pilot no attempt to blend funds to create full-day/full-year. Head Start is involved in pilot and extending use of blended funding.</td>
</tr>
<tr>
<td>Fremont</td>
<td>Upper Arkansas Area Council of Governments- quasi-governmental non profit</td>
<td>Agency covers four-county area but Head Start is only in Fremont. Centers in Canon City and Cotopaxi</td>
<td>Program has increased in size over last six years; expect further expansion. 145 children in 9 classrooms, mostly in Canon City. Program is 4 days per week; 5 hours per day but transportation takes additional time.</td>
<td>Grantee blends funds from CPP and Head Start, supporting different children. Coordinate with private providers by doing pickup and drop off.</td>
</tr>
<tr>
<td>Ignacio</td>
<td>Southern Ute Community Action Program - non profit agency</td>
<td>Covers same area as pilot</td>
<td>Head Start covers 75 part-day and 20 full-day children. An additional 35 full-day slots are supported through blended funding.</td>
<td>History of blending funding from CPP, Head Start and United Way; Head Start grantee is lead on the pilot; Pilot has increased blended funding (adding CCCAP).</td>
</tr>
<tr>
<td>Lamar</td>
<td>Otero Junior College</td>
<td>Covers seven counties</td>
<td>Overall serves 365 3-5 year olds in Head Start and 425 birth to 5 year olds in Migrant Head Start. Total of 68 served in Lamar--all in center-based; 2 day per week program.</td>
<td>There is history of coordinated delivery with CPP in some counties but not in pilot area.</td>
</tr>
<tr>
<td>Larimer</td>
<td>Poudre Valley School District</td>
<td>Northern part of the county</td>
<td>Serves 223 children at 20 sites.</td>
<td>History of blending funds.</td>
</tr>
<tr>
<td></td>
<td>Thompson School District</td>
<td>Covers part of county</td>
<td>132 children served at six sites either in school or on school grounds. All children are part-day and during school year only.</td>
<td>Children funded through Head Start, CPP and Special Ed are in the same classroom; no blending to get full-day/full-year.</td>
</tr>
<tr>
<td>Morgan</td>
<td>Ft. Morgan RE-3</td>
<td>Covers part of county</td>
<td>95 children served in Sherman Early Childhood Center; Part-day program.</td>
<td>Same facility houses other programs; no attempt to blend funds or create full-day/full-year.</td>
</tr>
<tr>
<td></td>
<td>Brush RE-2(J)</td>
<td>Covers eastern part of county</td>
<td>63 children served in part-day program during the school year.</td>
<td>CPP and Head Start conduct joint recruitment and enrollment; no full-time or wrap-around care options.</td>
</tr>
<tr>
<td>Routt</td>
<td>No Head Start program provides service to Routt County</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 6. Head Start in Pilot Communities

<table>
<thead>
<tr>
<th>Pilot</th>
<th>Head Start Grantee</th>
<th>Territory of HS relative to Pilot</th>
<th>Program Configuration</th>
<th>Any Blended Funding or other Collaboration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Triad</td>
<td>Jefferson County</td>
<td>Serves Park County as well as Triad counties</td>
<td>560 children served; mostly part-day. Some full-day/wrap-around in metro area.</td>
<td>Some blending with CCCAP and private funds. One Head Start site, serving 35 children, is part of the pilot.</td>
</tr>
<tr>
<td>Valley School District</td>
<td>Iliff Community Center, a non-profit agency</td>
<td>Tries to serve Logan County; somewhat broader than pilot area.</td>
<td>68 children served - all in center in Iliff. All are part-day programs.</td>
<td>Program receives some resources from the school district, but no history of blending funding from different programs.</td>
</tr>
<tr>
<td>Western Arapahoe</td>
<td>Sheridan School District</td>
<td>Englewood, Littleton and Cherry Creek School Districts are all delegates; only first two involved in pilot</td>
<td>278 children; all center-based.</td>
<td>They have always blended CPP and Head Start funding; some children are double-funded to allow full-day.</td>
</tr>
</tbody>
</table>

BEST COPY AVAILABLE
MAJOR FINDING: Eleven of the twelve community stakeholder groups identified increased collaboration and improved communication as the most important outcome of the pilot process.

SB97-174 required that pilot communities ensure collaboration among public and private stakeholders in the delivery of early childhood care and education services. Projects were mandated to demonstrate the support and collaboration of key stakeholders including, at a minimum, the Board of County Commissioners, local School District Board, the county Department of Social Services, the local Head Start grantee, and private for-profit and nonprofit licensed child care providers. All community applications were required to have letters of support from the Superintendent of schools and the Chair of the Board of County Commissioners. Selection of pilot sites was made, in part, on the basis of key players being at the table.

An essential element of the assessment was the focus on collaboration. Generally, collaboration was viewed as an end as well as a means to an end. Several qualitative approaches were used to ascertain the level and quality of collaboration in each of the pilot communities. The approaches included reviewing the initial applications which required the community to describe current collaborative efforts. Also included were a series of interviews with key stakeholders near the beginning of the program and again near the end of the year-long assessment. More than 150 individuals were interviewed in the early round of interviews and around 50 were interviewed at the end. Focus groups were also held at the end of the assessment year with key stakeholders. Approximately 180 people participated.

Interviewees cited the collaborative relationship at the local level and at the state level as a significant factor in a community’s ability to use the pilot opportunity to benefit children and...
families. Yet, an array of barriers to collaboration were evident in all communities. Among those barriers most often noted were:

- **A history of distrust among agencies, organizations, and/or individuals.** For example, the level of distrust in one community related to a single organization; in another it related to a distrust of the school district; while in another a long history of distrust and competition between towns in the county played out in the pilot. In several communities, long-held enmity between the private provider community and the public and nonprofit provider communities had a dramatic impact on the pilot.

- **The sheer inadequacy of resources to meet the needs of children and families.** Too few dollars overall means that those entities which have control over certain funding streams (e.g., CPP or Head Start) are reluctant, if not completely unwilling, to allow those resources to be used in a comprehensive way to meet child and family needs for full-day, full-time care and early education.

- **A lack of support and buy-in from key leaders and decision-makers.** In some communities stakeholders expressed concern that the school district was absent from the process, while in others the lack of substantive involvement by county social services was a problem. In some instances, this situation had improved between the first and the last site visits.

- **A lack of information, knowledge, and awareness about the variety of early childhood care and education services and programs provided within the community.** In some communities, the stakeholders who came together for purposes of the pilot had not worked together before. School district personnel had little or no knowledge about CCCAP and how it works and social services personnel had little or no knowledge about CPP and how that program works.

- **The limited time in which people have to work on collaborative efforts.** In every community stakeholders noted that all the people involved in the pilot were busy people working full time at their jobs with very little time to follow through with all that needs to be done to make the pilot successful.

- **Ineffective means of communication across agencies or, in some cases, breakdowns in communication among specific agencies or individuals.** This barrier existed due to problems at a personal level as well as at an organizational level.
a long-standing dichotomy between child care and early education. Where this split was evidenced in a community it created a barrier to effective collaboration. Most early childhood experts agree that the young child learns in both settings and that all programs must focus on the social and emotional needs of young children. A continued lack of understanding about the importance of integrating programs to better address the comprehensive needs of young children prevented some communities from planning for a consolidated service delivery system. These communities were the least likely to engage in creative ways of blending funding streams in a way that met the child’s comprehensive needs. These views were most often observed in some school districts, BOCES, and Head Start settings.

Creating Mechanisms for Collaborating

Communities described a variety of ways in which collaboration worked in the pilot. For example, several communities put in place a collaborative structure which included a steering or working committee comprised of a few key stakeholders who were empowered to make decisions and take action on behalf of a larger advisory group of stakeholders. In these instances, the steering committee met frequently while the advisory group came together periodically and offered direction and support. In some other communities, a single individual appeared to have most of the authority (either by design or default) and, ultimately did much of the work and assumed most of the credit (or blame, as the case might be) for how the pilot was proceeding. A third model of collaboration was evident in some of the communities—one in which a large group of stakeholders met frequently (once a month or more) and decisions were made by consensus. As needs of the pilot dictated, subcommittees formed and acted in order to get the work done.

Describing the Elements of Successful Collaboration

When asked to describe their view of the one major success of the consolidated pilot, stakeholders in eleven of the twelve communities resoundingly identified the forging of collaborative partnerships and improved communication as the major success. Even though ten of the communities already had a long history of working together on children’s issues, people in those communities nevertheless felt that the pilot had given them the impetus to develop new partnerships and build trust in a

"An individual or business will rarely willingly give up their livelihood to support a social cause. Nor should they be asked to. Persons dedicated to social change will rarely give up their visions of bettering publicly supported systems. Nor should they be asked to. The Pilot Community designation has given us the ability to confront fundamental philosophical differences among public and private entities and individuals, agree on courses of action that respect differing needs, and ultimately make our community a better place for families.

—Larry Neal, Seven Oaks Academy, Larimer Pilot"
way that had never been possible before.

The fact that the legislation mandated certain sectors be represented was a catalyst for inclusion. In virtually all of the communities, the inclusion of private providers (home and center, for-profit as well as nonprofit) was viewed as one of the greatest accomplishments of the pilot. Providers had an opportunity to inform the discussion about barriers to creating a consolidated system of early care and education. They also helped shape waiver requests, set priorities for new sources of funding, and had input into revisions of certain social services and school district policies and practices.

Community stakeholders described several other factors which have contributed to the success of their pilot. These included:

- **powerful, energetic leadership from a single individual or a network of two or more leaders in the project.** In six of the communities, a single individual was credited with holding the vision, creating the momentum, doing the lion's share of the support work, and facilitating the effort. In six of the communities, stakeholders consistently identified two to six individuals who shared in the leadership of the pilot. Leadership emanated from a wide range of organizations. In one community the single leader represented Head Start, while in another it was a representative from the school district; in a third it was a representative from the local community college; and in a fourth it was a private child care provider. Where a network of leadership emerged, the leaders again represented an array of agencies. Both forms of leadership produced results. However, among those pilots where a single leader carried the ball, the level of burnout within that leader was much greater than in projects where the work was shared. Stakeholders in three of those communities also expressed some concern that the project might be somewhat constrained by the close association with a single person.

- **significant involvement by one or more key institutions – usually a school district or county department of social services – in the planning and implementation of the pilot strategies.** While all communities had some level of involvement of key agencies, those communities in which the school district and/or county social services department had a high level of involvement were the ones in which dramatic change was most likely to occur. High level of involvement was characterized by participating in the

"We have a group of gifted and highly committed individuals who have come together to share resources, jointly plan, overcome regulatory obstacles and learn from each other. I have watched this pilot project grow by leaps and bounds to form a cohesive, unified, talented and highly professional organization to the tremendous benefit of our children. Our project is a prime example of how we can deliver better quality and more quantity in child care at the local level with local control and local commitment."

Shirley Baty Garner, La Plata County Commissioner
identification and removal of barriers and providing significant financial resources (i.e., staff time, space or facilities, actual cash). Communities in which high level involvement was evidenced were more likely to have broadened their use of blended funds, built or remodeled facilities, improved conditions for providers, and established mechanisms for pilot input.

- **provision of part-time or full-time staff to carry out the work of the pilot.** Several communities had approached the state for a small amount of resources to hire an individual to coordinate the pilot activities, follow-up on action steps, document the process and progress of the community, and ensure good lines of communication among stakeholders. In these instances, community stakeholders (especially the leaders) felt that their progress had been accelerated and that communication lines were effective.

- **support, assistance, and guidance from the State.** Most communities identified the level of technical assistance provided to the pilot community by the state technical assistance team as being especially helpful. Through the team member assigned to them, communities had an avenue for access to a variety of state agencies. Many stakeholders across the communities noted the openness to change and experimentation and to consider pilot waiver requests as the most valuable form of support the State provided. Beyond that, stakeholders appreciated the increased access to additional funding and the opportunity to meet regularly with other pilots at the periodic State-sponsored technical assistance meetings in Denver. Several communities had received a very specific form of technical assistance known as High Impact Planning. In all cases, stakeholders who had participated in the training viewed it as very beneficial to their community.

- **infusion of additional resources to assist the consolidated pilots in implementing their plans.** At the outset of the pilot program, communities were apprised of the fact that the legislature had not allocated any funds to help them achieve the goals of the Act. In part, this lack of an allocation was based on an assumption that enough resources exist within the system, and that it is merely a function of removing barriers so that these can be pooled together to create a set of services so that all young children can be served. The salient factor in SB97-174 which created enough of an incentive for communities to compete to be one of the twelve pilots was the ability to get waivers of specific laws, rules or regulations. Even with these waivers, communities quickly found that their ability to address the needs for infant and toddler care, to increase quality as a means of

"The pilot initiative — both locally and statewide — is a huge project. A project of this size, and this importance, requires support and leadership at the state level. I am aware of the tremendous pressure on our state folks who have taken this project on because they care about families and children, not because their other job responsibilities lessened. The significance of the project is too great to not support it fully — with staff and other resources — at the state level."

—Libby Doles, Even Start Coordinator, Ignacio Pilot

Consolidated Child Care Services Pilot Program  
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Program Assessment
giving young at-risk children a fair chance at later school success, and to be responsive
to the needs of working parents – especially those newly off welfare – were compromised
by a lack of resources. Through the State’s efforts, several new (one-time only) pots of
money were identified and earmarked for the consolidated child care pilots. These
included state funds from the Youth Crime Prevention and Intervention (YCPI) initiative
and federal funds from the Child Care Development Fund administered through the
Colorado Department of Human Services.

In addition, pilot counties took advantage of other competitive grants not limited to pilot
communities. Nine of the thirteen counties in the pilot project were awarded funds from
the Child Care Quality/Availability Improvement Project. These competitive grants, also
funded by the federal Child Care Development Fund and administered through the
Colorado Department of Human Services, were offered to counties
statewide. The participating pilot
counties are using these funds for
several purposes including
increasing care for infants and
toddlers, expanding care during
non-traditional hours, and offering
mini-grants to providers to improve
the quality of programs.
Furthermore, in 1998, five of the
thirteen pilot counties received
funding from the Colorado
Department of Local Affairs
(DOLA), Community Development
Block Grant. DOLA earmarked $2
million for construction/remodeling
of child care centers in rural areas.

This infusion of resources will go a long way in making it possible for the communities
to accomplish the purpose and intent of the legislation. Ten of the twelve communities
identified this factor as critical to their ability to carry out their plans for consolidating
child care services. Without these funds, most of the communities would not have been
able to carry out many of their plans (i.e., construction and/or remodeling of infant and
toddler facilities, quality enhancements, caregiver training, etc.).
MAJOR FINDING: The most important impact of the waiver process was increased flexibility afforded to the community, making it possible for pilots to use funds to meet their prioritized needs.

MAJOR FINDING: Most communities maximized their pilot status by exercising specific decision-making options devolved to the counties under Colorado’s welfare reform program, Colorado Works.

MAJOR FINDING: The biggest barrier, as identified by the pilot communities, continues to be lack of resources to address the most compelling needs.

MAJOR FINDING: Overall, counties in which the pilots are located realized comparatively greater increases in use of child care assistance funds to working families than the state as a whole.

SB97-174 authorized the Colorado Department of Human Services to “issue local pilot project waivers of any state laws or rules that would prevent pilot site agencies from implementing the pilot projects.” The pilot communities identified this opportunity as the single most important feature of the legislation.

Ultimately, between September 1997 and January 1999, pilot communities submitted a total of 68 formal waiver requests. In several cases, more than one community submitted the same or a similar request. Of those requests submitted, seven were denied. Some denials were based upon the same request from multiple counties. If a waiver request was denied in one community, it was denied in all communities. In three cases the waiver request was neither approved nor denied because it was determined that a waiver was not actually needed because the decision was one in which local agencies had authority. Finally, there were at least 34 informal waiver discussions between communities and the t.a. team that pre-empted submission of a formal waiver request. During these discussions, communities decided to not pursue a formal waiver request because a) it would likely be denied; b) a waiver was not necessary to implement the change; or c) they tabled the idea until a later date.
The waiver process was intended to provide as much flexibility and opportunity for pilot communities to "explore new territory." As the number of waivers requested increased, and as the waivers became more complicated, the waiver approval system was not always effective. It was difficult to track the waiver requests and their status.

Communities reported, for example, that there was usually a long lag time between submission of the waiver and notification of approval or disapproval. In addition, there was some confusion in communities as to what "official" approval or denial meant. Often, if a waiver decision was made in a technical assistance team meeting, the liaison t.a. team member would give verbal notification to the community. With only verbal consent, many communities thought they had not yet received "official" notification or did not want to act on the waiver until they had written confirmation of approval from the Colorado Department of Human Services. The written confirmation sometimes arrived weeks after the verbal approval. Consequently, waivers were often not implemented as soon as they might have been.

There were several explanations for the long-turnaround time for waiver approval. First, there was no clear submission point for waivers. Some waiver requests were submitted to the liaison t.a. team member for the community; others were directed to the staff member coordinating the pilot project in the Colorado Department of Education; while others were sent directly to the Colorado Department of Human Services.

Second, the state Department of Human Services often had to clarify the community's intent for requesting the waiver and had to consult the relevant local people for their input and support of the waiver. Often, the person submitting the waiver was not the same person who would act upon the waiver. For example, if a waiver requested changes in the local Child Care Assistance Program, the department was compelled to ensure that the local department of social services was supportive of and willing to participate in the waiver request.

Third, in at least one case, the state Department of Human Services was delayed because the waiver required consultation with the division of child welfare – a division that was not a regular participant in the consolidated child care pilot project. Consequently, this division knew little about the intent and authority of the pilot legislation.

At the same time that the State struggled to create a process, the communities had to develop their own local process for determining a waiver request package. The collaborative nature of the pilot required that the stakeholder group submit the waiver requests either directly or through a local agency (e.g., Social Services, the school board, etc.). This worked well in communities where these agencies were actively engaged in the pilot, but, especially, in those communities where the involvement of those agencies was superfluous or where multiple communities were part of the pilot, this process did not work as well.
It is recommended that the waiver submission and approval process be improved. The state should clearly define the person to submit waivers, set explicit timelines for official response to waiver requests, and communicate these changes to all pilot communities and technical assistance team members in written form.

### Describing the Waivers Requested

Upon receiving designation as a pilot, most communities engaged in a planning process to identify/confirm their local child care needs. Inherent in this process was the identification of barriers that prevented or hindered communities from meeting their needs. As a result, waiver requests were tailored to remove the barriers. There were 34 waivers requested related to the Colorado Preschool Program. To impact the Colorado Child Care Assistance Program, 24 waivers were requested. Nine waivers related to rules and regulations were submitted, most of which impacted child care facility staffing patterns. A description of the impact of several key waivers follows.

<table>
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<tr>
<th>Identified Need</th>
<th>Barrier</th>
<th>Waiver Request</th>
<th>Frequency</th>
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<tbody>
<tr>
<td>Children under four – particularly three year olds – need quality preschool services. Funding for this age group is extremely limited and communities wanted the option of serving young children with real needs.</td>
<td>CPP regulations allow for provision of services to four-year olds who have significant family risk factors. Children are only eligible for one year of services.</td>
<td>Broaden the age eligibility for CPP funds and allow the same child to participate for more than one year.</td>
<td>Nine of the pilots requested to use CPP slots for children younger than four years old. One community asked to use CPP slots for infants/toddlers. Seven communities wanted children to be able to participate in CPP for more than one year.</td>
</tr>
<tr>
<td>A number of children need more than part-day preschool, to meet an educational need and/or to accommodate the work schedule of their parents.</td>
<td>CPP regulations provide funds to provide a half-day of early childhood education.</td>
<td>Use two slots to serve the same child for a full day.</td>
<td>Four communities requested this waiver.</td>
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Colorado Preschool Program: Approved Waivers

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<td>School districts do not have enough time to recruit families, assess children’s needs, and, when necessary, apply for CPP funding.</td>
<td>To receive CPP funding under the School Finance Act, school districts must enroll all of the children to be served prior to October 1.</td>
<td>Add an additional count date under School Finance for early childhood services.</td>
<td>Eight of the twelve communities requested to use December 1 as the official count date for children receiving CPP.</td>
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<td>Families whose children qualify for CPP sometimes prefer a home-based setting.</td>
<td>CPP slots may be contracted out to licensed centers only.</td>
<td>Allow CPP funds to serve children in licensed family child care homes.</td>
<td>One community requested this waiver.</td>
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Other recognized barriers in the state preschool program, that have not yet resulted in waiver requests, include the belief that CPP requires a higher level of funding than is provided through one-half of a Per Pupil Operating Revenue (PPOR). The quality standards for the program dictate small class sizes and intensive staffing relative to typical elementary school education. Hence even if CPP is delivered as a half-day program, it costs more to deliver than can be covered by one-half of a PPOR.

Fewer waiver requests were made related to the Colorado Child Care Assistance Program. It is likely that fewer waivers were needed in this area due to Colorado’s devolved welfare system. Under Colorado Works, more decisions related to the child care assistance program can be made at the local government level. For example, eleven of the thirteen counties took advantage of the discretion provided in state law to move the eligibility limit to the maximum allowed – 185 percent of the federal poverty limit. Among the pilot counties, the proportion (85 percent) choosing to maximize eligibility is somewhat higher than for the state as whole. Overall, two-thirds of all counties statewide initially chose this limit. Among the pilot counties, only El Paso and Fremont chose not to go the maximum. El Paso set eligibility at 160 percent of the federal poverty level and Fremont at 150 percent.

Despite these changes, some pilots chose to further address eligibility issues through the waiver process. Several communities developed strong communication linkages with local county departments of social services and county commissioners and were therefore able to effect

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20 While 30 counties pegged eligibility at 185 percent of the federal poverty level, 19 counties pegged it to a specific dollar amount. When pegged to an amount, the eligible income remains constant, but the eligible level fluctuates. The eligibility levels in those 19 counties is now at approximately 180 percent of the federal poverty level.
needed change through those mechanisms. The waiver most often requested was for the ability to pay providers on the first Friday for services in that month rather than in arrears as has long been the practice. Other waiver requests are outlined below.

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<td>Children receiving CCCAP often have more sporadic attendance and higher turnover rates. Providers who care for these children often bear a financial burden when they keep a slot open, and staff accordingly, but the child does not attend.</td>
<td>CCCAP payment policies depart from typical market practices. Full-pay families contract for child care services and pay at the beginning of each service period. Social Services usually pays only for the hours that a child actually receives care and it pays at the end of the service period.</td>
<td>Pay participating providers on the first Friday of each month for services that would be rendered.</td>
<td>Four of the twelve communities requested this waiver.</td>
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<tr>
<td>When a family's income rises above the maximum eligibility level, they are no longer eligible for CCCAP. With the loss of the subsidy, the family's child care costs typically rise by far more than their income increased, thereby causing financial hardships. This is often called the &quot;cliff effect.&quot;</td>
<td>Counties have the option of extending CCCAP eligibility only to a maximum of 185 percent of the federal poverty level. At the point just prior to losing eligibility, families may still qualify for a substantial subsidy.</td>
<td>Allow families to continue receiving CCCAP until their income reaches 225 percent of the federal poverty level.</td>
<td>Two counties have extended eligibility to 225 percent of the federal poverty level.</td>
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<td></td>
<td>Implement Sliding Fee Scales so that parents assume responsibility for a greater percentage of the cost of their children's care over time, even if their incomes remain stable.</td>
<td></td>
<td>One county has developed, but not yet implemented, its own parental co-pay fee schedule for CCCAP eligible families.</td>
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<td>Identified Need</td>
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<td>Few providers accept CCCAP-eligible toddlers. The reimbursement rate for toddlers is set at the same level as the rate for preschoolers even though different staff-child ratio requirements make toddler care more expensive.</td>
<td>CCCAP reimbursements reflect two payment rates: one for children under two and one for children over two. State licensing standards distinguish staff and programming requirements for three levels: infants, toddlers, and preschoolers.</td>
<td>Request aligning reimbursement rates with licensing standards (implement a three-tier payment system in line with licensing categories).</td>
<td>Two counties are implementing this waiver.</td>
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<tr>
<td>Many parents at or below the federal poverty line receive part-day Head Start. In order to receive full-day services, with a CCCAP supplement, parents are required to pay a portion of the costs. Many have difficulty doing so.</td>
<td>The state retained authority over parent co-pay requirements. The state specifies a schedule that determines the amount parents should pay for their child care. The amount varies based on income and family size. Federal regulations require that parents above the poverty level make a co-payment for services.</td>
<td>Waive parent fees for those at or below the federal poverty level. Durango and Ignacio requested that parents with incomes below poverty not be subject to any co-pay requirement. Implement Sliding Fee Scales so that parents assume responsibility for a greater percentage of the cost of their children's care over time, even if their incomes remain</td>
<td>Two communities have waived the co-pay for parents at or below the federal poverty level.</td>
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There have been some difficulties in implementing the three-tier system due to the design of the computer system. In effect, the county has agreed to work with providers to set an allowable rate for each age category. Since the county wants to rely on the state computer system for payments, it is requiring providers to agree to a specified contract amount per child served that is based on the age mix of children served at a moment in time. The county is reluctant to adjust the contract rate, however, as the age mix of children served changes. This can have serious financial repercussions for a provider if they end up serving more infants or toddlers than they did at the time the contract rate was fixed.
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<td>Families and children at or below the poverty level must go to multiple sites and fill out duplicative paperwork at each to determine eligibility for different early care and education funding sources.</td>
<td>Head Start has one application process. CCCAP has another application process. If a family is at or below the poverty level, it is eligible to receive both funding streams. Families must &quot;redetermine&quot; their eligibility every month for CCCAP.</td>
<td>Use Head Start application to determine CCCAP eligibility – with annual redetermination – thereby reducing the paperwork involved, promoting stability for the family and providing continuity of services.</td>
<td>Two pilots are implementing this waiver.</td>
</tr>
<tr>
<td>Foster parents often must attend mandatory training or counseling sessions related to their foster children. During these session, care for their children – both foster and biological – is necessary.</td>
<td>Families receiving subsidized care must be income-eligible. The foster children qualify, but the biological children often do not. However, paying for child care for their biological children is a financial hardship for foster families.</td>
<td>Provide child care and/or respite care for foster parents’ biological and foster children through the Child Welfare Special Circumstance Fund.</td>
<td>One pilot requested, and is implementing, this waiver.</td>
</tr>
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</table>

One pilot community submitted a waiver request for the authority to reimburse a provider, with CCCAP funds, as if a child were in full-time care when, in reality, the child might not be in the provider’s care for five hours due to participation in CPP or Head Start. The pilot contended that full-time payment was required or the provider might not be willing to hold open the slot needed to wrap-around the Head Start or CPP day. The state determined that a waiver was not necessary as the county could put in place this kind of payment policy without any special permission from the state.

Pilot communities also identified barriers related to special education funding. The first relates to the specified "count date" on October 1. School districts must identify special needs children by that date in order to access federal and state funding to provide services. Because preschool children typically do not come to the district’s attention until they enroll, this date presents an unrealistic situation. On average, the process of screening and assessing a child and developing an Individualized Education Plan (IEP) takes 90 days or more. This means that it is highly
unlikely that young children with special education needs are identified in the timeframe between the start of school and October 1. Districts cannot tap into the funding streams available to pay for services and must use other dollars to cover these services. Two pilot communities submitted waiver requests to change the state-set Special Education count date to December 1. Ultimately, the December 1 date was extended to all pilots.

In a second barrier, under current state law, if a child qualifies for special education services, that child cannot receive funding from the Colorado Preschool Program. The legislative intent was that the programs were to serve somewhat different groups of children. However, pilot communities contend that children identified as being developmentally delayed would benefit from both preschool and more individualized interventions. That way, the child could be counted for both CPP and Special Education, securing a funding apportionment for each purpose.

With the broad parameters to grant waivers inherent in the legislation, only a small number of waivers were actually disapproved by the Colorado Department of Human Services. Lack of state jurisdiction and the possibility of negative impacts on non-pilot communities led to denial of the following specific waivers. These are described below.

One of the larger pilot communities requested a waiver that would have changed the tax rates for child care centers from commercial to residential, thereby reducing the tax burden on centers. 

Rationale for disapproval: Colorado’s property tax structure is written into the state constitution. Approval of this waiver would require a constitutional amendment and, therefore, a vote by the people.

Another pilot community asked to waive parental CCCAP co-payments for families up to 185 percent of the federal poverty level.

Rationale for disapproval: Federal regulations, not state, require that families above 100 percent of federal poverty level make co-payments to their child care benefits. Consequently, the state Department of Human Services was unable to approve this waiver. However, federal regulations do not mandate how much the co-payments must be. In negotiations with the state, the pilot community created its own fee schedule, based on 8 percent of average gross monthly income, for families up to 160 percent of the federal poverty level. For families between 161 percent and 185 percent of federal poverty level, the published fee schedule is used as the basis of parental co-pay.

Several pilot communities requested the authority to rollover their unspent CCCAP funds into the next fiscal year. In at least one county, these dollars would have been used to fund pilot efforts to create alternative hours care, to increase slots for infants and to encourage providers to seek accreditation standards.

Rationale for disapproval: According to State of Colorado appropriations procedures, any unspent funds in this fiscal year’s federal allocations would reduce next fiscal year’s allocation by an equal amount. Consequently, the state would need to distribute a
smaller amount of money to the same number of counties. As a result, non-Consolidated Pilot counties’ allocations would be proportionately reduced. Furthermore, the statewide accumulated rollover has already been depleted this year.

One pilot community requested a waiver that would have allowed the county to retain the licensing fees that the State of Colorado collects from child care homes and centers. The pilot county intended to use these dollars to fund a local staff person to license child care homes and centers. 

*Rationale for disapproval:* Revenue from licensing fees across the state is budgeted for state licensing staff. Often, one licensing agent serves multiple counties in the state. Approval of this waiver could have negatively impacted other counties by reducing the state dollars available to pay licensing staff in those communities. However, the Colorado Department of Human Services is aware that the current number of state licensing specialists is inadequate to meet the needs of many communities.

**Tracking the Financial Impact of CCCAP-related Waivers and Other County-Exercised Child Care Options**

It is difficult to separate out the specific impacts of welfare reform on child care assistance and specific impacts of the pilot. Since both are related and both seek to impact low-income families, trying to do so is irrelevant. Therefore, both are tracked below.

Welfare reform and CCCAP program changes have led to an increasing number of families and children statewide receiving help paying the costs of child care. This is the outcome anticipated by the designers of welfare reform. It was hoped that families would obtain jobs paying sufficient incomes to disqualify them for income assistance. On the other hand, it was recognized that many of the jobs obtained by these former welfare recipients would not initially pay enough for the family to afford quality child care as well as pay for the other basic costs of living.

The pilot counties, like most counties in the state, realized substantial reductions in the size of their welfare rolls. Across all of the pilots, the caseload reduced by 48 percent, compared to 52 percent statewide. Among the pilot counties, the lowest reduction was in Clear Creek (23 percent) and the biggest reduction, albeit from a small base, was in Routt (80 percent).

Statewide, during the same period that welfare rolls went down, child care assistance caseloads went up. In May 1997, just before TANF was implemented in Colorado, there were 14,760 children statewide receiving child care assistance, of which 26 percent were on AFDC. By December 1998, the number of children receiving assistance increased by 55 percent to 22,905. Of these, 23 percent were on TANF and 77 percent qualified based on low income.
### Table 7. Children Served in Child Care Assistance Program: May 1997 and December 1998
Comparison of pilot and non-pilot

<table>
<thead>
<tr>
<th>County</th>
<th>Aug. 1996</th>
<th>Dec. 1998</th>
<th>% reduction</th>
<th>CCCAP Caseload May 1997</th>
<th>CCCAP Caseload December 1998</th>
<th>% increase in number of children served</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCAP Caseload</td>
<td></td>
<td></td>
<td></td>
<td>AFDC</td>
<td>Low-income</td>
<td>TANF</td>
</tr>
<tr>
<td>Arapahoe</td>
<td>2,645</td>
<td>1,125</td>
<td>57%</td>
<td>544</td>
<td>813</td>
<td>288</td>
</tr>
<tr>
<td>Clear Creek</td>
<td>13</td>
<td>10</td>
<td>23%</td>
<td>0</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>Denver</td>
<td>9,194</td>
<td>4,297</td>
<td>53%</td>
<td>1,011</td>
<td>2,260</td>
<td>1,656</td>
</tr>
<tr>
<td>El Paso</td>
<td>4,033</td>
<td>2,797</td>
<td>31%</td>
<td>247</td>
<td>1,074</td>
<td>704</td>
</tr>
<tr>
<td>Fremont</td>
<td>439</td>
<td>292</td>
<td>33%</td>
<td>79</td>
<td>99</td>
<td>108</td>
</tr>
<tr>
<td>Gilpin</td>
<td>10</td>
<td>7</td>
<td>30%</td>
<td>0</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>Jefferson</td>
<td>1,953</td>
<td>1,008</td>
<td>48%</td>
<td>449</td>
<td>909</td>
<td>452</td>
</tr>
<tr>
<td>LaPlata</td>
<td>136</td>
<td>90</td>
<td>34%</td>
<td>11</td>
<td>43</td>
<td>26</td>
</tr>
<tr>
<td>Larimer</td>
<td>1,233</td>
<td>550</td>
<td>55%</td>
<td>166</td>
<td>653</td>
<td>154</td>
</tr>
<tr>
<td>Logan</td>
<td>157</td>
<td>77</td>
<td>51%</td>
<td>25</td>
<td>52</td>
<td>35</td>
</tr>
<tr>
<td>Morgan</td>
<td>235</td>
<td>118</td>
<td>50%</td>
<td>32</td>
<td>40</td>
<td>30</td>
</tr>
<tr>
<td>Prowers</td>
<td>193</td>
<td>83</td>
<td>57%</td>
<td>36</td>
<td>51</td>
<td>12</td>
</tr>
<tr>
<td>Routt</td>
<td>20</td>
<td>4</td>
<td>80%</td>
<td>4</td>
<td>18</td>
<td>0</td>
</tr>
<tr>
<td>Total, Pilot Counties</td>
<td>20,261</td>
<td>10,556</td>
<td>48%</td>
<td>2,604</td>
<td>6,027</td>
<td>3,465</td>
</tr>
<tr>
<td>Total, Other Counties</td>
<td>13,761</td>
<td>5,749</td>
<td>58%</td>
<td>1,230</td>
<td>4,899</td>
<td>1,787</td>
</tr>
</tbody>
</table>

In pilot counties, there was a larger increase in the number of children served than elsewhere in the state. There were 13,720 children receiving help through CCCAP in December 1998 compared to 8,631 in May 1997, an increase of 59 percent. In contrast, in non-pilot counties, the number of children served increased by 50 percent. Within the pilot counties, “low-income” child care increased at a much more rapid pace than did TANF child care assistance—70 percent versus 33 percent. In other counties, the caseload’s rate of increase was more comparable for the low-income (51 percent) and TANF (45 percent) groups.
Appropriations for child care were relatively generous in the first year of the welfare reform block grant. Through June 1998, only two counties statewide – Mesa and Dolores – spent more than the amount allocated to them by the state. Among the pilot counties, Denver came closest to spending its entire allocation – 92 percent. In general, the more urbanized pilot counties spent more than the less urbanized ones. There are exceptions, however; La Plata and Clear Creek both spent over 80 percent of their allocations.

In fiscal year 98-99, spending on child care has picked up. TANF recipients have moved to employment or are participating in employment and training activities and the public has gained some understanding of the new rules expanding eligibility. Six months into the fiscal year, nine of thirteen counties involved in the pilot spent more than fifty percent of their annual allocation, suggesting a likely shortfall of child care funds. Gilpin, Arapahoe and Larimer have spent more than 70 percent of their allocations; Denver, Jefferson, El Paso, and La Plata spent between 60 percent and 70 percent of their annual allocation. Pilot counties were substantially more likely to be over expended than other counties in the state: compare 69 percent of pilots to 29 percent of other counties in Colorado. Counties will need to look to other resources to meet the demand for child care assistance from eligible households, including transferring funds from TANF.

### REMOVING BARRIERS WITHOUT WAIVERS

While waivers were an important mechanism for removing barriers – or, more accurately, for providing flexibility for the pilots – they were not the only mechanism used. As previously discussed, pilots exercised several county-level decisions, devolved under welfare reform, to augment their overall plans. In some cases, counties and school districts had interpreted that a particular policy required a state waiver when, in reality, the decision to act was within local purvue. In addition, there is already an appeals process in the rules and regulations governing child care for the state, which likely minimized the number of waivers needed through special pilot designation.

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22 Section 7.701.13, General Rules for Child Care Facilities, Child Care Division, Colorado Department of Human Services.
MAJOR FINDING - Pilot communities in which providers are reimbursed at market, or near-market, rates reported a slight increase in the number of center and home providers willing to accept low-income children.

MAJOR FINDING - Eleven of the twelve communities tapped new, one-time-only sources of funds to help them carry out their plans for quality improvement and to assist them (at a small level) to increase the forms of care most needed in that community.

MAJOR FINDING - The pilot project has helped some communities overcome major barriers to providing care for infants and toddlers.

MAJOR FINDING - Across the communities, there was a slight increase in numbers of private providers who were able to access CPP and CCCAP funds to serve eligible children.

As is typical of community-wide prevention-oriented initiatives, the success of the Consolidated Child Care Pilot Program must be assessed on multiple dimensions. First, tracking and documenting the process of such an initiative is important. Second, determining the impact on the structure, function, and quality of the programs involved is paramount to continuing to improve the effectiveness and efficiency of those programs. Third, measuring and quantifying the impact of the program on the children and families within the pilot community is the ultimate test of success.

The Consolidated Child Care Pilot Program is similar to other community-wide efforts in that tracking the process is the simplest place to begin an assessment. Studies of similar efforts demonstrate that communities tend to proceed through a series of predictable steps throughout the process of planning and implementing a collaborative project. Communities are likely to spend six months or longer in the forming and planning phases in consolidating services. It is somewhat more difficult to assess program changes because, in general, program changes do not begin to emerge until the latter half of the first year of an initiative and may not be measurable until the second year. Measuring the impact on children and families is the most challenging
aspect of an assessment of a community-wide initiative because the actual program changes may not affect children and families until the second year of the project, and actual improved outcomes may not be evident for many more months. Therefore, it is important to understand the limitations inherent in such an assessment.

Most pilot communities began preliminary planning for the consolidation of funding streams between September and December 1997. Such pre-planning entailed engaging stakeholders, establishing an identity as a working collaborative, and identifying/confirming major child care needs within the community. Most pilot projects did not actively begin making changes and pursuing waivers until the first six months of 1998. Most community pilots only began implementing program changes in the latter half of 1998. Consequently, the impacts on children and families in terms of increased services were just beginning to unfold at the close of the assessment period. With a few rare exceptions, it is still too soon to assess changes in child and family outcomes.

Following are primary findings in each area of the assessment.

**MEASURING THE EFFORTS TO EXPAND STAKEHOLDER INVOLVEMENT**

Before designation as a pilot, all of the communities had a core group of stakeholders that included a subset of the required representatives as set out by SB97-174. This was due, in part, to the requirement that in order to receive state CPP funds, a community must have an early childhood advisory council in place. Most pilot communities started with this advisory group and expanded to include others not already represented. Most often this included adding representatives from county social services, Head Start, other early childhood programs, and family child care homes. In a few communities, elected officials and representatives from the business community were included. Parents were represented on all stakeholder groups. However, for most communities the level of parent involvement was somewhat superficial (i.e., maybe one or two parents who participated). There were three notable exceptions; parent involvement in these communities ranged from participating in regular stakeholder meetings to actively working on subcommittees to chairing the stakeholder group.

By the end of the assessment period, all of the pilot communities had expanded their early childhood councils with an expectation that these would act as a long-term mechanism for overseeing the implementation of a consolidated system of early childhood care and education. Communities that had been aggressive in identifying barriers and requesting waivers to address those barriers were anxious to sustain the energy generated through the pilot and saw their early childhood councils as the purveyor of those efforts. To maximize the potential, two of the pilots established formal by-laws to guide the work of their councils. Two communities were

establishing a process to have better communication with the county commissioners. Nine of the communities planned to use one-time grants through the Colorado Department of Human Services and YCPI to hire a person(s) to coordinate the local council activities.

**MEASURING PROGRAM IMPACTS ON SERVICES AND SERVICE PROVIDERS**

Through the pilot, early childhood care and education programs were able to increase services, especially to children in low-income families. Generally, increased services included:

- adding infant and/or toddler care;
- making full-day, expanded-year services available;
- increasing CPP for three-year olds;
- increasing the numbers of four and five year olds in CPP;
- increasing the numbers of family child care providers who will take CCCAP clients;
- increasing the numbers of children who were funded for full-day kindergarten;
- increasing the number of CPP slots made available to private providers.

It is important to note that while several communities were able to increase numbers of three, four, and five year old children, this was not as a result of a net increase in CPP slots. Rather, these increases were effected through the community’s re-allotment of slots or as a result of non-used slots from other school districts. In order to fully serve the numbers of three year olds who would benefit substantially by participating in an early childhood care and education program, the overall authorization of additional CPP slots needs to occur.

Perhaps the most impressive program changes in the pilot communities have been those which have produced better conditions for the providers of child care and early education services. Inclusion of private providers in the stakeholder group/council was identified in almost all communities as a major success of the pilot. Providers themselves spoke of greater inclusion in decision-making loops, decreased isolation from other child-serving agencies, increased respect for the field of early childhood care and education, stabilizing provider interface with the CCCAP system, and overall increase in resources as benefits of the pilot.

An issue that received prioritized attention in many pilots is the reimbursement to child care providers under the Colorado Child Care Assistance Program. First and foremost, providers believe that rates are too low to provide quality care. Second, the categories that define reimbursement rates are out of alignment with licensing requirements. Third, CCCAP pays at the end of the month for care actually provided rather than at the beginning of the month for an estimated amount of care. Fourth, the system for obtaining payments is cumbersome and often results in late payments. Over the course of the year, the pilot counties responded to a number of these concerns either using the discretion made available to them or by requesting waivers.
Many providers are reluctant to accept children whose care will be paid for in whole or in part by social services. Providers contend that reimbursement rates need to be equal to or perhaps even greater than market rates\textsuperscript{24} to ensure an adequate quality supply for children subsidized by social services since they often have greater needs (and hence are more costly to serve) than other children.

Twelve of the pilot counties adjusted reimbursement rates upward for all providers; and some of the adjustments were substantial. Table 8 shows the payment rate categories and the maximum payment allowed in each in July 1997 and February 1999. Three pilot counties chose to make increases in every provider category; six pilot counties made adjustments in six out of eight provider categories. One pilot county made reimbursement changes only for providers participating in the pilot; however, rates in that county were already relatively high.

Family child care providers benefitted from the largest increase in rates. Twelve of the thirteen pilot counties adjusted rates for these providers. The average rate increase was larger (28 percent) for children under two than for older children (25 percent rate increase). Eleven of the pilot counties also adjusted rates paid to child care centers. For children under two, the average rate increase was 23 percent and for older children it was 22 percent.

Legally-exempt providers were less likely to receive rate increases than licensed providers. Nine of the pilots adjusted rates in this category by an average of 14 percent for children under two and 13 percent for children over two.

To encourage providers to care for children during non-traditional hours, five of the pilot counties – La Plata, Arapahoe, Denver, Fremont and Larimer – set up an alternative rate structure. La Plata will pay up to $27 to a family child care provider for caring for a child under two and $22 for a child over two during weekends, evenings or overnight; these rates are almost one-third higher than daytime care rates. Denver has established an alternative rate for center-based care and the differential between traditional and non-traditional hours is substantial. Fremont, Arapahoe and Larimer have set alternative rates for all provider categories but the differentials are smaller – approximately $1 to $3 per day.

Rate increases were less common in the rest of the state. Among the 50 counties not participating in the pilot, 32 chose to adjust any of the rates they pay to providers. In every category, the rate increases were smaller. Furthermore, the pattern of rate changes differs. Whereas pilot counties raised rates paid to care for children under two, other counties made larger increases in the rates paid to providers caring for children over two.

\textsuperscript{24} The reimbursement levels in place prior to June 1997 were loosely tied to market rate surveys. Even so, the maximum rates on the payment schedule were typically substantially below the "market" rate, which in and of itself was defined as the 75\textsuperscript{th} percentile of what providers charge for a service.
Table 8. Reimbursement Rate Changes Among Colorado Counties
July 1997 through February 1999

<table>
<thead>
<tr>
<th>Provider Type</th>
<th>Licensed Child Care Centers</th>
<th>Licensed Family Child Care Homes</th>
<th>Legally Exempt</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Age of Child</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Under 2</td>
<td>2 and Over</td>
<td>B/A School</td>
</tr>
<tr>
<td>Pilot Counties (N=13)</td>
<td>10</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td># changing rates</td>
<td>18%</td>
<td>16%</td>
<td>1%</td>
</tr>
<tr>
<td>Other Counties N=50</td>
<td>26</td>
<td>24</td>
<td>16</td>
</tr>
<tr>
<td># changing rates</td>
<td>9%</td>
<td>13%</td>
<td>9%</td>
</tr>
<tr>
<td>Statewide Average</td>
<td>$21.69</td>
<td>$18.67</td>
<td>$9.54</td>
</tr>
</tbody>
</table>

Source: Compiled from county reports prepared by the CO Department of Human Services.

The pilots continue to pursue additional strategies aimed at improving conditions for providers, thereby improving quality of care for young children. For example, nine of twelve communities have earmarked resources from outside funding sources (YCPI and Quality/Availability Improvement Grants) to make mini-grants to providers for quality enhancement. Eight of the twelve communities set aside money to increase training opportunities for providers and seven of twelve communities allocated funds to recruit new providers and offer start-up funds and technical assistance. Seven communities will use some funds to provide assistance for participation in the collaborative efforts by paying for child care, mileage, substitutes, and per diem for participation in these activities.

While many private providers credit the pilot as having an overall positive effect on removing barriers to consolidating funding streams and providing quality services, those providers interviewed caution that many of these benefits are presently limited to the providers directly participating in the pilot initiative. In order to have a broader impact on early child care and education, the “barrier-busting” measures taken — such as waivers and increased resources — would have to be extended to the entire community.
MEASURING IMPACT ON CHILD AND FAMILY OUTCOMES

It is too soon to tell if each community’s notions of the impact on children and their families as a result of the pilots are true. It is too soon to tell whether involving young at-risk children three-years old and under in quality early care and education programs will lead to anything better for those youngsters (i.e., readiness to succeed in school). Likewise, it is premature to tell if families coming off welfare are able to generate enough income to pay fully for the costs of child care and sustain their families. By and large, the communities have yet to wrestle with the child and family outcomes they hope to impact through a consolidated system of early care and education. Even if communities had identified a list of priorities, very few programs have the appropriate mechanisms in place to monitor and track these desired outcomes.

Yet, even in the short term, parents from several of the communities have begun to tell their stories of the positive impact that program changes and community focus fostered by the pilot have produced for them. In the Routt and Triad pilots, families trying to make a leap off welfare to self-sufficiency can get a scholarship to help them transcend the “cliff effect.” Low-income families have greater access (i.e., choices) to childcare in many of the pilot communities because more providers have been persuaded (by increases to market or near market reimbursement rates) to accept these families.

Perhaps most significant, more families in the pilot communities have enrolled in CCCAP than had before the pilot. This news is ultimately encouraging because it may make the case that welfare reform in Colorado is working because more families are going to work: consequently they have a greater need for child care. Several of the pilots have endeavored to make it easier for families to sign up for CCCAP by exercising an option to allow applications to be taken at the child care site. While providers are not able to make eligibility determinations, they are apprised of the criteria and are thus better able to counsel parents as to their ability to be certified eligible. Parents report that they are more likely to sign up because of the convenience and the relatively friendly atmosphere of the center versus going to the social services office. Providers report that this opportunity has helped cut down “red tape” in getting families enrolled and ultimately has helped them save time and help families get appropriate services. Social services representatives report that they have seen significant time efficiencies because fewer people are showing up in their offices. The impact is that those resources can be better deployed on some other compelling child care issue.

Finally, three communities are experimenting with streamlining the intake process for families. An aspect of this effort is the use of a single application/intake form which multiple programs

"I am a full time student and my son is enrolled in child care. I know that this is good for both of us. I can attend my classes with ease knowing that he is in good hands, and he can continue to excel, learn and increase his self esteem. The full-day preschool program assists in helping those who are seeking a way to get back on their feet as well as helping children acquire skills that will place them ahead in the learning process.”

Anonymous parent, Western Arapahoes
would use and which could be transferred electronically or otherwise in the event that a family moves from one program to another.

Following are short profiles highlighting one innovative strategy from each pilot community.

**DENVER: Ready to Succeed**

The Ready to Succeed initiative is part of Denver’s pilot project. Ready to Succeed involves several inner-city Denver child care providers that are holding themselves accountable for meeting higher program standards than those set by the state, and have documented improvements in children’s development as a result. It consists of seven child care/early childhood programs and their partner elementary schools. They have made additional full-day, full-year programs available and have placed a high priority on improving the quality of these programs. Furthermore, they have developed a five-year comprehensive plan for early childhood care and education for the City of Denver.

**DURANGO: Streamlining the System**

Durango’s goals and objectives are based on a belief that all children have a right to quality early childhood care and education, that parents need quality child care options in order to work, and that providers need training and adequate wages. They are testing innovations in establishing a single point of entry for families -- one form will establish a family’s eligibility for child care assistance dollars and for Head Start. In addition, the Durango pilot is working to ease some financial burden on child care providers by making CCCAP payments in advance, on the first Friday of the month, for services.

**EL PASO COUNTY: Maximizing Unused Space**

El Paso county’s pilot team has joined forces with two other early childhood groups to form the “Alliance for Kids.” This group has become the early childhood hub for the county; they are combining resources and have designed seven model projects they would like to implement. One of the model projects is being implemented at a downtown elementary school where they have revamped unused school facilities to serve infants and toddlers. The school houses a family literacy program that helps parents gain self-sufficiency. The renovated child care space not only benefits parents attending literacy classes, but will soon open its doors to serve infants and toddlers from the broader community.
FREMONT COUNTY: Creating Substitute Pool
As part of its pilot effort, Fremont county is tackling the difficulty of finding and securing certified substitute teachers in early childhood care and education programs. The school district has donated the time of the substitute coordinator for K-12 schools to coordinate substitute services for early care and education. The school district will keep master files on potential early care and education substitutes that will be made available to child care providers. Funds from the pilot will help pay for the fingerprinting and Colorado Bureau of Investigation (CBI) checks for the substitutes. When a child care program needs to locate a substitute teacher, one phone call to the school district is all that will be needed. Provided to the entire county, this service will benefit child care homes and centers.

IGNACIO: Serving Infants and Toddlers
As in most communities, there is no place within Ignacio and the Souther Ute Indian Reservation for low-cost or no-cost child care for children under three years old. To address this need, under the leadership of the pilot, a licensed infant and toddler child care center has been established in a building owned by the school district. Teenage moms are an important part of the clientele. Nine children are currently being served.

LAMAR: Building an Early Care and Education Facility
A major priority for the pilot in Lamar is to build an early childhood center that will be open 24 hours a day, 7 days a week. The center will offer care for infants, toddlers, preschoolers, and school-age children. Land was donated by the county commissioners and the community has raised most of the money needed for the building. Plans are to break ground by April 1, 1999. Beyond the physical space for the center, the community is also collaborating around program design. The stakeholders are working to have Head Start, CPP, Special Ed, and CCCAP support children at the center.
LARIMER COUNTY: Coordinating a Joint On-Site Visit
In April 1999, the Colorado Department of Education and the Administration for Children and Families will conduct a joint on-site visit to Larimer County to monitor and evaluate early childhood programs. This will be the first time in the nation that a fully-integrated on-site visit has occurred. This effort came in response to the pilot’s focus on collaboration and integration. Traditionally, CDE would conduct one week-long monitoring visit using the Colorado Quality Standards as a basis for evaluation. Head Start would conduct another week-long on-site, using their own monitoring forms and process. A planning team, consisting of representatives from CDE and Head Start, has been meeting regularly to agree to a single monitoring process that will meet the needs of all involved parties. A collaborative team will jointly make site visits to programs and will conduct entrance and exit interviews.

LOGAN COUNTY: Helping Foster Parents
A social services caseworker brought an interesting barrier to the Logan county pilot stakeholders: while foster parents attend mandatory training sessions about foster care, they are able to access funds to pay for child care for their foster children, but not for their biological children. As a result of a waiver request, Logan County is now able to provide child care and/or respite care for foster parents’ biological children, in addition to the foster care children, through the Child Welfare Special Circumstance Fund.

MORGAN COUNTY: Localizing Resource and Referral
Early in their pilot process, Morgan county identified the need for a local source of information on child care availability and accessibility. Working with the Colorado Office of Resource and Referral Agencies, Colorado State University, and neighboring counties, Morgan county successfully placed a resource and referral specialist in the Morgan County Family Center.
**ROUTT COUNTY: Reducing the Cliff Effect**

In an effort to reduce the cliff effect, Routt county created a scholarship program for families between 186 percent and 225 percent of the federal poverty level. These families are considered low-income, yet do not qualify for support from the county department of social services. With the scholarship, families are offered a smoother transition towards financial independence; each month the scholarship amount decreases while the parental share increases incrementally. The success of this effort will be evaluated by determining the number of families who maintain their licensed child care arrangements throughout the year. The pilot is looking into fund raising and tapping into alternative local funding sources for this scholarship fund.

**TRIAD: Focusing on Quality**

Triad is a three-county pilot effort to coordinate child care and family support services. Eleven programs, including childcare centers and family child care homes, are participating. Triad has placed a strong emphasis on quality early care and education. To this end, the pilot has developed six Quality Child Care outcomes. Each site will be evaluated according to these outcomes and will then develop a plan toward achieving higher quality. These outcomes include: offer extended hour care; provide family advocacy services; implement a single-entry process; deliver comprehensive services; offer on-going staff training and professional development; and blend services. Quality observations, using the Early Childhood Environmental Rating Scale (ECERS), will be conducted in each of the participating programs.

**WESTERN ARAPAHOE: Creating a Seamless System for Families**

This Denver metro area pilot has focused much of its time and efforts on creating a seamless system for families. They are working on implementing changes in the Arapahoe County Department of Social Services’ computer system that would reduce the paperwork burden on families. Currently, when a child moves from Littleton to Englewood or Sheridan – all communities in the same county – his/her parent must fill out child care eligibility forms. The forms are different but usually require the same information. The pilot is working to make the paperwork exactly the same from site to site. Furthermore, the pilot hopes to be able to transfer the family’s information via computer, thereby eliminating the need for families to fill out similar paperwork at different sites. Not only would this simplify the process for families, it would also allow for statistical tracking of child care usage and trends of self-sufficiency.
Pilots proceeded at different rates in the development of their implementation plans and pursued a wide variety of waivers and other solutions to reach the goal of consolidating or coordinating funding and services. While none of the pilot communities have reached the ultimate goal of creating a community-wide system of care, the pilots have made huge strides in that direction. A major concern of the pilots is that the pilot program will end prematurely and the flexibility they secured through the waiver process will be lost.

The year-long assessment documented, in large part, the experience of the pilot communities in carrying out the purpose and goals of the legislation. Each community has its own stories of success and failure. Further, each community has extracted its own lessons learned. Overall, several impressive findings emerged from this experiment in consolidating funds to provide comprehensive child care and early education services. It is important to extract the salient lessons learned and to utilize that information as a building block for any continuation or expansion of the Community Consolidated Child Care Services Pilot Program.

This section addresses the central question inherent in each of the three assessment areas identified by the Colorado General Assembly in SB97-174, describes the lessons learned and makes recommendations for the future.

**ASSESSMENT AREA:** WHAT IS THE FEASIBILITY OF COMBINING THE FUNDING SOURCES UNDER THE ARTICLE?

**Lessons Learned**

To combine funding sources, systemic flexibility is critical. On the basis of the assessment of the Community Consolidated Child Care Services Pilot Program, the waiver process, in conjunction with other devolved child care assistance decisions, gives communities a measure of flexibility needed to more effectively combine state and locally-controlled resources. By having a state, and corresponding local, early childhood structure identifying the barriers to consolidation of funding sources and focusing on removing those barriers, some communities were able to go beyond their present experience in combining funds. Although the pilots are implementing waivers on a small scale and not enough time has passed to accurately assess the long-term effects, communities and families have experienced a number of benefits as a result of the pilot program.

However, many barriers still exist in a community’s ability to combine funding sources. There are funding sources and programmatic areas in which waivers have not yet been explored or...
tested (e.g., federal funding sources, state and federal health funding sources). In addition, in several of the pilots CPP funds are still tightly guarded by the school district. Likewise, in some of the communities a true integration of federal funds, such as Head Start, is just beginning but is strongly supported by language in the Head Start Reauthorization Act of 1998.

**Recommendation:**
Continue the waivers already granted to the pilots.

**Recommendation:**
Allow communities the systemic flexibility they need – at the local, state and federal levels – to use early childhood funds to meet their priorities.

**Recommendation:**
In recognition of the importance placed by the pilots on technical assistance from state and federal agencies, earmark resources to ensure that integral agencies continue providing a collaborative form of assistance.

**Recommendation:**
Building on the relationship already established between the State and the Region VIII Office, and building on language in the Head Start Reauthorization Act, establish a cooperative venture to consider waivers of certain Head Start restrictions within the pilot communities.

<table>
<thead>
<tr>
<th>ASSESSMENT AREA:</th>
<th>WHAT ARE THE BARRIERS TO DELIVERY OF QUALITY CHILD CARE SERVICES AND HAVE THOSE BEEN ADDRESSED?</th>
</tr>
</thead>
</table>

**Lessons Learned**
The barriers to the delivery of quality child care services are many and must be addressed from many directions. Despite the fact that some barriers were addressed successfully by the pilots, many of the community-identified barriers continue to be a major challenge. Among the most tenacious:

* Early childhood programs are still restricted by inflexible and conflicting eligibility requirements, staff qualifications, monitoring, standards, governing boards, rules and regulations, and reporting requirements.
* The real costs of care continue to exceed what low-income families can pay and what government-funded programs will pay.
* Almost no funding exists for programs for children ages three and under – despite compelling evidence about the lifetime value of providing quality early care and education.
Quality programs are not readily available in most communities and children in low-income families are the least likely to be in these programs.

For the most part, pilot communities have been able to move resources around to serve children not served previously. The waivers contributed to the pilots' ability to do this. Yet, moving money around did not result in any surplus that would allow communities to take their pilot efforts to "scale." Insufficient funding encourages program isolation and makes local partners unwilling to use their resources in a comprehensive way.

The capacity for pilots to actually address the need for quality child care services, as identified by working parents and the community stakeholders, was only made possible through the allocation of two small one-time-only pots of money to their efforts. These small amounts of funding (e.g., Youth Crime Prevention and Intervention, Child Care Development Fund) have gone a long way in providing a neutral ground for agencies to actually practice blending funds for a common purpose. Furthermore, the ability of pilot counties to apply for other competitive grants at the state level (e.g., Child Care Quality/Availability Improvement, Community Development Block Grant) to fund portions of their long-term plans has been critical to maintaining momentum and progress on pilot projects.

Beyond the issue of resources, the most important mechanisms for breaking down barriers were the collaborative partnerships established at the local and state levels. Stakeholders in all communities agree that participation of key leaders and decision-makers, as well as providers and parents, is essential to success. Specifically, significant involvement of the school district and the county department of social services is necessary. In several communities the dynamics of how these institutions work with other sectors had changed considerably.

Stakeholders recognize that strong local leadership is required to keep the momentum going and to use the waiver process most effectively. A collaborative form of leadership was evident in about half of the communities. While it is too soon to determine if this form of leadership leads to a more lasting impact, this "infrastructure of leadership," as one community described it, bears watching. The state must mirror this type of leadership across multiple agencies to further support and strengthen local efforts. The combination of local and state collaboration may provide the forum where larger systemic barriers can be effectively addressed.

**Recommendation:**
Increase child care assistance to working poor families by exercising the counties' ability to transfer dollars from TANF to CCCAP, as welfare roles continue to decline and more people work.

**Recommendation:**
Increase the amount of preschool funding (CPP) to serve more children.
**Recommendation:**
Allocate a “neutral” pot of money to be used by the pilot communities to address issues of quality improvement and collaboration.

**Recommendation:**
In partnership with the U.S. Department of Health and Human Services, the Head Start Bureau, and the Child Care Bureau, **design and implement** a process in three to five pilots to experiment with removing program barriers at the federal level related to eligibility requirements, staff qualifications, monitoring, standards, governing boards, rules and regulations, and reporting requirements.

**Recommendation:**
Earmark state resources to ensure that integral state agencies continue providing a collaborative form of assistance to the communities.

**Recommendation:**
Add an additional count date under School Finance for early childhood services.

**Recommendation:**
To make it possible for parents to work, **appropriate** state funding for full-day/full-year early child care and education programs.

**ASSESSMENT AREA:**
WHAT MONITORING SYSTEMS FOR OVERSEEING THE DELIVERY OF SERVICES UNDER A SYSTEM OF COMMUNITY CONSOLIDATED CHILD CARE SERVICES HAVE BEEN PUT IN PLACE.

**Lessons Learned**
Most of the pilots have begun developing a monitoring system for overseeing the delivery of services under community consolidated child care services. In most cases these have built on the initiating stakeholder group in each community. Some have formalized these structures and established communication avenues to all sectors potentially involved in the implementation of such a system of care. The cross-agency technical assistance team is a prototype of the type of governance and oversight structure long needed for early childhood care and education at the state level. Continuing and strengthening this structure is critical to ensure that the communities have an effective entre to the agencies that fund and administer programs and to ensure that systems-level barriers continue to be addressed in a timely and efficient manner.
Most of the communities have just begun discussing issues of quality in early childhood care and education at a broader community level. The pilot activity has been the catalyst for this level of discussion. Some of the questions being considered include:

- Can quality be measured in a reliable and consistent way?
- Should funding be tied to a certain level of quality performance of programs?
- What does it take to improve and sustain quality improvement?
- What difference will quality make in outcomes for young children?
- How will child outcomes be assessed and measured?

Communities intend to use varying portions of their YCPI grants to address these questions and begin developing a higher baseline of quality programs.

*Recommendation:* Evaluate the pilots for two more years with the intent of tracking the establishment of comprehensive systems of care and education, improvements in quality, and impact on children and families.

*Recommendation:* Recognize and reward communities that achieve a certain level of high quality and prepare young children to be ready to succeed in school.

*Recommendation:* Provide the resources and technical assistance needed for communities to reach the desired levels of quality.

In the final analysis, families and children are the true beneficiaries of the pilot efforts and their lives are immediately and positively affected when communities work together. This alone must be the incentive to continue the work of the pilots.
APPENDICES

Appendix A. The Act.
Appendix B. Socio-economic Comparison of Pilot Counties.
Appendix C. Waiver Matrix.
SENATE BILL 97-174

BY SENATORS Lacy, Arnold, Bishop, Dennis, Martinez, Norton, Pascoe, Reeves, Rupert, Tebedo, Thiebaut, and Weddig; also REPRESENTATIVES C. Berry, Alexander, Bacon, Hagedorn, Reeser, Saliman, and Schwarz.

CONCERNING COMMUNITY CONSOLIDATED CHILD CARE SERVICES, AND IN CONNECTION THEREWITH, ESTABLISHING A PILOT PROGRAM WITH A SPECIAL EMPHASIS ON MOVING FAMILIES FROM WELFARE TO WORK.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Title 26, Colorado Revised Statutes, 1989 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW ARTICLE to read:

ARTICLE 6.5
Consolidated Child Care Services

26-6.5-101. Legislative declaration. (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT THERE IS A CRITICAL NEED TO INCREASE FULL-YEAR, FULL-DAY CHILD CARE SERVICES FOR CHILDREN WHOSE PARENTS ARE ENTERING THE WORKFORCE DUE TO COLORADO’S REFORM OF THE WELFARE SYSTEM, TRANSITIONING OFF WELFARE, OR IN NEED OF CHILD CARE ASSISTANCE TO AVOID THE WELFARE SYSTEM.
(2) Research demonstrates that there are positive outcomes for children in low-income families who receive quality child care services in their early, preschool years.

(3) Providers of half-day preschool and full-day child care services have to overcome barriers and inflexible requirements of the various sources of funding in order to design and implement programs that are more responsive to the needs of working families.

(4) Consolidation of these various sources of funding from both state and federal sources would allow for an integrated delivery system of quality programs for children in low-income families in Colorado's communities.

(5) It is therefore in the state's best interest to establish a pilot program for community consolidated child care services, as provided in this article.

26-6.5-102. Pilot program established. There is hereby established a pilot program for community consolidated child care services that shall be implemented and monitored by the state department of human services, with input, cooperation, and support services from the state department of education.

26-6.5-103. Program scope. (1) On or before July 1, 1997, the state department of human services, with input from the state department of education, shall develop a request for proposals to be distributed to the governing bodies of municipalities, counties, and school districts throughout the state to design consolidated programs of comprehensive early childhood care and education services intended to serve children in low-income families with a special emphasis on families participating in work activities related to welfare reform.

(2) The request for proposals shall include but not be limited to the following criteria for selection of up to twelve pilot sites:

(a) Demonstration of support and collaboration of key stakeholders that must include, at a minimum, the board of county commissioners, local school district boards, the county
DEPARTMENT OF SOCIAL SERVICES, THE LOCAL HEAD START GRANTEE, AND PRIVATE FOR-PROFIT AND NONPROFIT LICENSED CHILD CARE PROVIDERS.

(b) A PLAN FOR THE CONSOLIDATION AND BLENDING OF FUNDING TO CREATE A SEAMLESS DELIVERY SYSTEM OF EARLY CHILDHOOD CARE AND EDUCATION SERVICES FOR CHILDREN FROM ONE OR MORE OF THE AGE GROUPS FROM SIX WEEKS THROUGH FIVE YEARS.

(3) ON OR BEFORE OCTOBER 1, 1997, THE STATE DEPARTMENT OF HUMAN SERVICES, WITH INPUT FROM THE STATE DEPARTMENT OF EDUCATION, SHALL DESIGNATE NOT MORE THAN TWELVE PILOT SITE AGENCIES TO DELIVER COMMUNITY CONSOLIDATED CHILD CARE SERVICES FOR UP TO TWO THOUSAND CHILDREN STATEWIDE. OF THE PILOT SITE AGENCIES DESIGNATED, NOT MORE THAN TWO MAY BE LOCATED IN THE DENVER METROPOLITAN AREA AND AT LEAST ONE SHALL BE LOCATED IN EACH OF THE FOLLOWING AREAS OF THE STATE TO ASSURE ADEQUATE GEOGRAPHIC DISTRIBUTION: A RURAL COMMUNITY, AN URBAN COMMUNITY OTHER THAN THE DENVER METROPOLITAN AREA, AND A WESTERN SLOPE COMMUNITY. THE PILOT SITE AGENCIES SHALL:

(a) CONSOLIDATE OR COORDINATE FUNDING TO CREATE A SEAMLESS SYSTEM;

(b) ENSURE COLLABORATION AMONG PUBLIC AND PRIVATE STAKEHOLDERS IN THE DELIVERY OF EARLY CHILDHOOD CARE;

(c) INCLUDE AS PROGRAM COMPONENTS:

(I) FULL-DAY AND FULL-YEAR PROGRAMS;

(II) EDUCATIONALLY ENRICHED PROGRAMS;

(III) HEALTH SCREENINGS AND FOLLOW-UPS;

(IV) PARENT EDUCATION AND HOME VISITS UPON THE SPECIFIC REQUEST OF THE PARENT OR LEGAL GUARDIAN OF THE CHILD;

(V) NUTRITIONALLY SOUND MEALS AND SNACKS;

(VI) SPECIAL NEEDS SERVICES;

(VII) STAFF DEVELOPMENT;
(VIII) FAMILY SUPPORT SERVICES; AND

(IX) OPPORTUNITIES FOR THE INVOLVEMENT OF VOLUNTEERS AND EXTENDED FAMILY MEMBERS IN THE DELIVERY OF CHILD CARE SERVICES IN BOTH TRADITIONAL PROGRAMS AND COOPERATIVE CHILD CARE PROGRAMS.

26-6.5-104. Funding. (1) APPLICANTS FOR THE PILOT SITE AGENCIES MUST AT A MINIMUM CONSOLIDATE FUNDING FROM THE COLORADO PRESCHOOL PROGRAM THAT OPERATES UNDER THE AUTHORITY OF LOCAL SCHOOL DISTRICTS AND CHILD CARE SUBSIDY MONEYS THAT ARE ADMINISTERED BY LOCAL BOARDS OF COUNTY COMMISSIONERS.

(2) APPLICANTS MAY UTILIZE FEDERAL FUNDING AVAILABLE THROUGH HEAD START GRANTEES AND OTHER SCHOOL DISTRICT FEDERAL FUNDING FOR PRESCHOOL SERVICES WITHIN APPLICABLE FEDERAL LAWS AND REGULATIONS.

(3) THE STATE DEPARTMENT OF HUMAN SERVICES IS AUTHORIZED TO ISSUE LOCAL PILOT PROJECT WAIVERS OF ANY STATE LAWS OR RULES THAT WOULD PREVENT PILOT SITE AGENCIES FROM IMPLEMENTING THE PILOT PROJECTS.

26-6.5-105. Evaluation. (1) NO LATER THAN MARCH 1, 1999, THE STATE DEPARTMENT OF HUMAN SERVICES SHALL PREPARE AN ASSESSMENT OF THE PILOT PROGRAM TO DETERMINE ITS EFFECTIVENESS IN SERVING CHILDREN IN COMMUNITY CONSOLIDATED CHILD CARE PROGRAMS.

(2) THE ASSESSMENT SHALL INCLUDE CONSIDERATION OF THE FOLLOWING FACTORS:

(a) THE FEASIBILITY OF COMBINING THE FUNDING SOURCES UNDER THIS ARTICLE;

(b) THE BARRIERS TO DELIVERY OF QUALITY CHILD CARE SERVICES;

(c) MONITORING SYSTEMS FOR OVERSEEING THE DELIVERY OF SERVICES UNDER A SYSTEM OF COMMUNITY CONSOLIDATED CHILD CARE SERVICES.

SECTION 2. No appropriation. The general assembly has determined that this act can be implemented within existing appropriations, and therefore no separate appropriation of state moneys is necessary to carry out the purposes of this act.
SECTION 4. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Tom Norton
PRESIDENT OF THE SENATE

Joan M. Albi
SECRETARY OF THE SENATE

Judith M. Rodrigue
CHIEF CLERK OF THE HOUSE OF REPRESENTATIVES

Charles E. Berry
SPEAKER OF THE HOUSE OF REPRESENTATIVES

APPROVED May 28, 1997 at 12:44 p.m.

Roy Romer
GOVERNOR OF THE STATE OF COLORADO
## Socio-Economic Comparison of Pilot Counties

<table>
<thead>
<tr>
<th>Pilot</th>
<th>County</th>
<th>% of children living in poverty</th>
<th>% of children living in poverty</th>
<th>% of children qual. for free lunch</th>
<th>% of births to single moms</th>
<th>% unemployed</th>
<th>% change in unemployment rate</th>
<th>Per Capita income</th>
<th>% change in per capita income</th>
<th>Population</th>
<th>% Change Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denver</td>
<td>Denver</td>
<td>27.4</td>
<td>27.7</td>
<td>53%</td>
<td>36%</td>
<td>3.2</td>
<td>-40.7%</td>
<td>$32,167</td>
<td>38.6%</td>
<td>511,487</td>
<td>9.4</td>
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<tr>
<td>Durango and Ignacio</td>
<td>LaPlata</td>
<td>16.9</td>
<td>13.7</td>
<td>16%</td>
<td>24%</td>
<td>3.8</td>
<td>-24.0%</td>
<td>$22,012</td>
<td>38.0%</td>
<td>44,556</td>
<td>38.0</td>
</tr>
<tr>
<td>El Paso</td>
<td>El Paso</td>
<td>14.4</td>
<td>14.0</td>
<td>19%</td>
<td>23%</td>
<td>3.7</td>
<td>-30.2%</td>
<td>$22,520</td>
<td>32.2%</td>
<td>508,870</td>
<td>28.2</td>
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<tr>
<td>Fremont</td>
<td>Fremont</td>
<td>19.8</td>
<td>19.0</td>
<td>24%</td>
<td>32%</td>
<td>4.6</td>
<td>-24.6%</td>
<td>$15,293</td>
<td>24.1%</td>
<td>43,895</td>
<td>36.0</td>
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<tr>
<td>Lamar</td>
<td>Prowers</td>
<td>27.8</td>
<td>27.1</td>
<td>39%</td>
<td>32%</td>
<td>3.3</td>
<td>-31.2%</td>
<td>$18,473</td>
<td>19.7%</td>
<td>14,279</td>
<td>7.0</td>
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<tr>
<td>Larimer</td>
<td>Larimer</td>
<td>10.7</td>
<td>10.6</td>
<td>14%</td>
<td>20%</td>
<td>3.6</td>
<td>-14.3%</td>
<td>$24,028</td>
<td>38.9%</td>
<td>243,411</td>
<td>30.8</td>
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<tr>
<td>Morgan</td>
<td>Morgan</td>
<td>20.7</td>
<td>18.9</td>
<td>36%</td>
<td>33%</td>
<td>3.3</td>
<td>-25.0%</td>
<td>$18,772</td>
<td>15.1%</td>
<td>28,120</td>
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<td>Routt</td>
<td>Routt</td>
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<td>18,891</td>
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<td>Triad</td>
<td>Clear Creek</td>
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<td>6.3</td>
<td>13%</td>
<td>22%</td>
<td>2.3</td>
<td>-54.9%</td>
<td>$23,871</td>
<td>33.5%</td>
<td>9,411</td>
<td>23.5</td>
</tr>
<tr>
<td>Gilpin</td>
<td></td>
<td>12.7</td>
<td>6.8</td>
<td>10%</td>
<td>25%</td>
<td>2.5</td>
<td>-10.7%</td>
<td>$21,640</td>
<td>39.3%</td>
<td>4,325</td>
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<td>Jefferson</td>
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<td>7.4</td>
<td>7.2</td>
<td>10%</td>
<td>17%</td>
<td>2.3</td>
<td>-37.8%</td>
<td>$27,754</td>
<td>32.1%</td>
<td>520,712</td>
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<td>Valley School</td>
<td>Logan</td>
<td>19.0</td>
<td>17.3</td>
<td>26%</td>
<td>31%</td>
<td>4.4</td>
<td>15.8%</td>
<td>$21,517</td>
<td>23.0%</td>
<td>21,163</td>
<td>20.5</td>
</tr>
<tr>
<td>W. Arapahoe</td>
<td>Arapahoe</td>
<td>7.8</td>
<td>8.3</td>
<td>14%</td>
<td>22%</td>
<td>2.3</td>
<td>-39.5%</td>
<td>$32,746</td>
<td>35.0%</td>
<td>486,389</td>
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<tr>
<td>Colorado</td>
<td></td>
<td>15.3</td>
<td>14.2</td>
<td>22%</td>
<td>25%</td>
<td>3.2</td>
<td>-31.9%</td>
<td>$25,740</td>
<td>33.2%</td>
<td>4,175,003</td>
<td>126.7</td>
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</tbody>
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Appendix B
## Consolidated Child Care Pilot – Official Waiver Requests

<table>
<thead>
<tr>
<th>Waiver</th>
<th>Denver</th>
<th>Durango</th>
<th>El Paso</th>
<th>Fremont</th>
<th>Ignacio</th>
<th>Lamar</th>
<th>Larimer</th>
<th>Logan</th>
<th>Morgan</th>
<th>Routt</th>
<th>Triad</th>
<th>W. Arapahoe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use CPP funds to serve children younger than 4 years old</td>
<td>X^A</td>
<td>X^A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X^A</td>
<td></td>
<td></td>
<td></td>
<td>X^A</td>
</tr>
<tr>
<td>Use 2 CPP slots to serve the same child to cover costs of a full-day program</td>
<td>X^A</td>
<td></td>
<td>X^A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X^A</td>
</tr>
<tr>
<td>Serve children for more than one year if they start CPP younger than 4 years old</td>
<td>X^A</td>
<td></td>
<td></td>
<td>X^A</td>
<td></td>
<td></td>
<td></td>
<td>X^A</td>
<td></td>
<td></td>
<td></td>
<td>X^A</td>
</tr>
<tr>
<td>Use CPP funds to serve 5 year olds as a second half of their kindergarten day</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X^A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Use CPP funds to serve children in licensed family child care homes</td>
<td>X^A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Use either October 1, 1998 or December 1, 1998 as the official count date for the number of children receiving Spec. Ed. or CPP funding</td>
<td>X^A</td>
<td></td>
<td>X^A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X^A</td>
<td></td>
<td></td>
<td></td>
<td>X^A</td>
</tr>
<tr>
<td>Waive CPP limitation that doesn’t allow children with IEPs to participate.</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X^NN</td>
</tr>
<tr>
<td>Allow parents of 3 years olds in CPP to have an option to enroll their child for fewer hours a week, based on needs of that child</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X^A</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Provide 6 additional CPP slots</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X^A</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**Notes:**
- X^A = Waiver approved
- X^D = Waiver disapproved
- X^NN = Waiver not needed
<table>
<thead>
<tr>
<th>Rule/Regulations Waivers</th>
<th>Denver</th>
<th>Durango</th>
<th>El Paso</th>
<th>Fremont</th>
<th>Ignacio</th>
<th>Lamar</th>
<th>Larimer</th>
<th>Logan</th>
<th>Morgan</th>
<th>Routt</th>
<th>Triad</th>
<th>W. Arapahoe</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st, Allot 5 CPP slots to Gilpin County RE-1 school district</td>
<td></td>
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<tr>
<td>2nd, Allow a one-year waiver for child care directors to complete director qualifications</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X^A</td>
<td></td>
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<tr>
<td>3rd, Provide wrap-around services without a director-qualified staff member in a Head Start/CPP/CCCAP facility</td>
<td></td>
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<td></td>
<td></td>
<td>X^A</td>
<td></td>
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</tr>
<tr>
<td>4th, To staff evening and weekend care, waive the requirement that a director must be present 60% of the time</td>
<td></td>
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<td></td>
<td></td>
<td>X^A</td>
<td></td>
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</tr>
<tr>
<td>5th, Retain state licensing fees at county level in order to help fund a local licensing person</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>XD</td>
<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>6th, Allow a Colorado teacher's license to meet fingerprinting requirements for child care licensing</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>X^A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7th, Increase required annual on-going training to 18 hours for pilot providers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>X^NN</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

1. If 75% of coursework is complete and person is enrolled in state-approved educational program.
2. State Teacher’s Licensing Office verification required.

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Appendix C

BEST COPY AVAILABLE
<table>
<thead>
<tr>
<th>Waiver</th>
<th>Denver</th>
<th>Durango</th>
<th>El Paso</th>
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<th>Logan</th>
<th>Morgan</th>
<th>Routt</th>
<th>Triad</th>
<th>W. Arapahoe</th>
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</thead>
<tbody>
<tr>
<td>Waive requirement for toilet to be located in the toddler nursery for a specific child care center</td>
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<tr>
<td>Serve 18 month thru 3 year olds in one classroom not located on the ground floor</td>
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<tr>
<td>Combine preschoolers and toddlers in the afternoon and combine infants and toddlers outside on the playground</td>
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<td>Combine preschoolers with school-age children for a portion of the day</td>
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<tr>
<td>Provide child care for foster parents' biological children through Child Welfare Special Circumstance Fund.</td>
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<tr>
<td>Use Head Start application and annual redetermination for CCCAP families</td>
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<tr>
<td>Pay CCCAP reimbursements to pilot providers on the first Friday for services that month</td>
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</table>

3 Approved for one site only. Also, staff to child ratios must be maintained for the youngest child in attendance.

Appendix C
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<tr>
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<th>La Junta</th>
<th>La Plata</th>
<th>Logan</th>
<th>Morgan</th>
<th>Rout</th>
<th>Triad</th>
<th>W. Arapahoe</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implement a 3-tiered CCCAP payment rate structure: birth to 2 years old, 2 to 3 y.o., 3 years and older</td>
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<tr>
<td>Change CCCAP rates to under 2½ and over 2½ years old</td>
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<tr>
<td>Allow CCCAP families to continue in program up to 225% of poverty</td>
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<tr>
<td>Waive CCCAP parental co-payments for families at or below the poverty level</td>
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<tr>
<td>Waive CCCAP parental co-payments for first year of participation^4</td>
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<tr>
<td>Allow unspent CCCAP funds to rollover into the next fiscal year</td>
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<tr>
<td>Use remainder of CCCAP funds to create alternative hours in a licensed facility^3</td>
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<tr>
<td>Use remainder of CCCAP funds to finance pilot program to increase capacity by 40 infant slots^5</td>
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<tr>
<td>Use remainder of CCCAP funds to finance program to encourage providers to seek accreditation standards^5</td>
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</table>

^4 Approved for families at or below the federal poverty level only.

^5 Waiver denied if intend to carry-over unspent allocation. Waiver not needed to implement with current allocation.

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<tbody>
<tr>
<td>Use undispersed CCCAP funds to assist families up to 225% of federal poverty level for one year only (^6)</td>
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<td>Develop different CCCAP parental fee schedule to address the “cliff effect”</td>
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<tr>
<td>Pay for full-time CCCAP care if actual hours do not exceed 5 hours/day because of participation in CPP or Head Start</td>
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<td>Reduce property taxes from commercial to residential rates for pilot child care centers</td>
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<td>Make child support enforcement mandatory for CCCAP participants unless “good cause” exemptions exist</td>
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\(^6\) Funding limited to current year’s CCCAP allocation.
The Consolidated Child Care Pilots were established by the Colorado General Assembly during the 1997 session. The program was designed to help local communities begin to address their critical needs for full-day, full-year child care services as a partner to welfare reform. The pilot program also recognized the importance of quality, comprehensive services for low-income children and their working families. In September 1997, twelve communities were designated as pilots. The law asked the pilots to:

- Consolidate state funding sources and, where possible, local and federal sources to create a seamless system;
- Ensure collaboration among public and private stakeholders in the delivery of early childhood care and education;
- Include program components consistent with quality;
- Be responsive to the needs of working parents.

To assist with this process, pilot communities could request waivers that would remove barriers preventing them from implementing the pilot projects.
Parents and Communities Articulate their Concerns

Research verifies what parents already know: children benefit immeasurably from quality early childhood care and education. Benefits include improved performance in school, reduced delinquent and violent behavior, and increased earnings as adults. Pilot communities identified their concerns and needs about early care and education in Colorado:

- young children are shuffled from one place to another in a patchwork of care while their parents are working;
- transportation is complicated, if not impossible, as parents try to get their children from one early care and education setting to another during the course of the day;
- very few quality programs exist within communities;
- cost of care – even poor and mediocre care – is more than families can pay;
- early childhood providers absorb 25% or more of the costs of providing child care through lower wages and minimal benefits;
- poor compensation leads to high turnover rate among child care providers which means young children can be with multiple caregivers in a given year;
- parents worry about the lack of training and education required for adults that care for their children;
- licensed care for infants and toddlers up to age three is at a critical shortage level;
- care for children whose families must work at non-traditional times (evenings/weekends) is almost non-existent;
- many young children who are most at risk for later school failure are not getting a quality program that will prepare them for success.

Pilot Communities Respond

A total of 68 waivers were requested by the pilots. Only four were denied. Seven requested waivers were already allowed by current rules and regulations. All but one pilot requested at least one waiver and, on average, communities requested between 4 and 11 waivers. 34 requested waivers related to the Colorado Preschool Program (CPP). 24 requested waivers impacted Colorado Child Care Assistance Program (CCCAP) funding. Nine waivers related to rules and regulations were submitted, most of which impacted child care facility staffing patterns. Communities reported that the most significant impact of the waivers was increased local flexibility.

Communities have taken great strides toward consolidating funds to create comprehensive systems of quality child care services, learning many lessons along the way.

- Participation of key leaders and decision-makers, as well as providers and parents, is essential to the pilot’s success. Diverse teams are more effective.
- Significant involvement of the school district and the county department of social services is necessary for success.
- Strong local leadership is required to keep the momentum going and to use the waiver process most effectively.
- Waivers granted allow communities to use existing funds to meet their highest needs, but the use of waivers does not free-up enough money to put together a comprehensive system.
- Insufficient funding encourages program isolation and makes local partners unwilling to use their resources in a comprehensive way.
- A strong working relationship between the state and the pilots helps the communities achieve the goals of the program.
- Families and children are the true beneficiaries of the pilot efforts and their lives are immediately and positively affected when communities work together.
Pilots developed community-specific implementation plans and pursued a wide variety of waivers and other solutions to reach the goal of consolidating or coordinating funding and services. As a result, communities have accomplished much.

In the area of collaboration:
- Eleven of the twelve community stakeholder groups identified increased collaboration and improved communication as the most important outcome of the pilot process.
- All twelve pilots designated local early childhood councils or advisory groups to continue implementing the pilot plans and monitoring the impact of their waiver requests.
- All communities report an increase in public-private partnerships that resulted in increased participation in child care planning and decision-making.

In the area of consolidated funding:
- Nine of the twelve pilots expanded or broadened their use of consolidated funds to design and implement more comprehensive early childhood care and education services.
- Eleven of the twelve communities tapped new, one-time-only, funds for this year to help them carry out their plans for quality improvement and to assist in increasing the forms of care most needed in that community.
- All twelve communities exercised a county-determined option to raise provider reimbursement rates to at or near market level.

In the area of quality:
- Eleven of the twelve communities received Youth Crime Prevention and Intervention funding to enable them to raise the quality of early care and education in their communities.
- Five of the twelve communities have begun or will soon begin using a nationally-recognized tool to measure quality in an effort to help programs improve quality in early childhood care and education — three of these communities are considering using this measure as a basis for reimbursing quality programs at a higher rate.

Families Realize the Benefits

Through the pilot program, more than 7800 young children will potentially be impacted — considerably more than the 2000 originally anticipated. Immediately though, families have begun to benefit from:
- increased infant and toddler care;
- increased programming for three-year olds through CPP;
- increased numbers of licensed providers who will take CCCAP-eligible children;
- increased full-day programs for children;
- increased CPP slots in some of the pilot communities — many of which are made available through private providers;
- increased ability of parents to remain, and succeed, in the workforce;
- increased ability of children to succeed in school and decreased possibility of delinquent and violent behavior.

Overall, more families in the pilot communities have enrolled in CCCAP — a positive sign that families are going to work. All twelve communities raised the income level for families to qualify for child care assistance — all but two went to 185% of the federal poverty level. The federal poverty level for a family of four is an annual income of $16,450.
Recommendations

Communities are most interested that the momentum gained not be lost and, above all, that the waivers they requested continue. Other recommendations include:

- Increase child care assistance to working poor families by exercising the counties' ability to transfer dollars from TANF to CCCAP as welfare rolls continue to decline and more people work.
- Increase the amount of preschool funding (CPP) to serve more three-year olds.
- Strengthen the state and federal relationship in order to remove program barriers related to eligibility, governance, monitoring, and accountability.
- Hold communities accountable for achieving a certain level of quality and for preparing young children to succeed in school. Provide the resources and technical assistance needed for them to reach the desired levels of performance.
- Earmark state resources to ensure that integral state agencies continue providing a collaborative form of assistance to the communities.
- Evaluate the pilots for two more years with the intent of tracking the establishment of comprehensive systems of care and education, improvements in quality, and impact on children and families.
- Add an additional count date under School Finance for early childhood services.
- Increase the amount of state funding available for full-day/full-year programs.
- Give communities the flexibility they need to use early childhood funds to meet their priorities.
- Allocate a “neutral” pot of money to pilot communities to address issues of quality improvement and collaboration.

Stakeholders Comment

"Our project is a prime example of how we can deliver better quality and more quantity in child care at the local level with local control and local commitment."
Shirley Baty Garner
LaPlata County Commissioner

"Pilot designation has given us the ability to confront fundamental philosophical differences among public and private entities and individuals, agree on courses of action that respect differing needs, and ultimately make our community a better place for families."
Larry Neal
Seven Oaks Academy
Larimer Pilot

"The ability to seek waivers from bureaucratic barriers was an important incentive in bringing community members to the table on behalf of children. The most powerful outcome of our pilot has been the relationships that have been forged, and the resulting improved resource coordination across multiple organizations."
Joan Smith
Family Resources and Child Care Education
Triad Pilot

"I am a full-time student and my son is enrolled in child care. I know that this is good for both of us. I can attend my classes with ease knowing that he is in good hands, and he can continue to excel, learn and increase his self-esteem. The full-day preschool program assists in helping those who are seeking a way to get back on their feet as well as helping children acquire skills that will place them ahead in the learning process."
Anonymous Parent
Western Arapahoe Pilot

For Additional Information:
Sharon Triolo-Moloney
Colorado Department of Education
Prevention Initiatives
phone: 303.866.6781
fax: 303.866.6785
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