1 Program Characteristics

SUMMARY

Minnesota funds and regulates a variety of child care and education-related programs that are targeted to prekindergarten children. The three largest early childhood education programs—Head Start, Early Childhood Family Education (ECFE), and School Readiness—all aim to foster the healthy development of young children. By design, however, these three programs differ in their approaches. For instance, Head Start primarily serves low-income children, while ECFE is open to all families with prekindergarten children, regardless of income. Head Start provides many direct services to children and their families, while ECFE's approach is more indirect—relying more on parent education and service referrals. Head Start has higher costs per participant than ECFE and School Readiness, reflecting its more intensive, comprehensive services and responsibility for facilities and other expenses that the other programs do not always bear. Head Start teacher salaries are about half those of teachers in ECFE and School Readiness.

Minnesota families make various arrangements for the care and education of their young children. Parents often rely on child care, preschools, or relatives to care for children while at work, and some parents choose not to work so they can stay home with their young children. Some families pay the full cost of their children's care and education before kindergarten, while others rely in whole or part on public subsidies.[1]

We focused our research on three of the largest state-funded programs that aim to foster healthy development and school readiness among prekindergarten children—Head Start, Early Childhood Family Education (ECFE), and School Readiness. In this chapter, we address the following questions:

- **What is state government's role in Minnesota's system of services for prekindergarten children and their families?**

- **What are the characteristics of Minnesota's three main early childhood education programs—Head Start, ECFE, and School Readiness? How do these programs compare in the services they provide, the types of people they serve, their costs per child, and their staffing arrangements?**

1 There is statewide information on the number of children in various state-funded early childhood services, but there is not reliable statewide information on the extent to which parents use privately- or locally-funded arrangements for their young children.

Throughout this chapter and the remainder of this report, we use the term "prekindergarten children" to refer to all children who have not yet started kindergarten—ranging from infants to children nearing kindergarten enrollment. Likewise, the term "prekindergarten programs" refers to all programs serving children in this age range.

OVERVIEW OF MINNESOTA'S EARLY CHILDHOOD SERVICE SYSTEM

In 1999, Minnesota had an estimated 322,000 children under age five, representing 6.7 percent of the state's total population.[2] The Minnesota state demographer projects that by 2025 the number of children under five will decline to 282,000, or 5.4 percent of the total population.[3]

State government regulates and funds a wide array of early childhood services.

The state plays two major roles in the care and education of preschool children. First, state licensing standards and laws regulate the way some early childhood services are provided. For instance, the state sets licensing standards for Minnesota's 1,600 child care centers (including 500 public and private preschools) and 14,000 family day care facilities.[4] Child care centers have more stringent standards than family day care facilities, such as requirements that license-holders (1) hire teachers with specified education and experience levels; (2) limit the size of groups in which children's activities occur; and (3) adopt program plans that outline strategies for promoting children's physical, intellectual, social, and emotional development.[5] In addition, service providers must comply with requirements in state law to qualify for state funding. For example, the law specifies the amount that school districts must levy in local taxes if they wish to receive the maximum amount of state aid for their Early Childhood Family Education programs.[6]

Second, the state provides financial support for the care and education of some preschool children. Table 1.1 shows the main programs that receive state funding. In programs such as Head Start, ECFE, and School Readiness, the state provides funds to *organizations* that provide services directly to children and families (or they contract with others to provide services). In child care programs, the state provides subsidies to eligible *families*, who then select the child care providers they wish to use. The programs in Table 1.1 that are operated on a statewide basis in Minnesota include:

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2 For July 1, 1999, see U.S. Census Bureau, http://www.census.gov/population/estimates/county/ca; accessed October 10, 2000. By comparison, 7.8 percent of Minnesota's population was under five in 1990.

3 http://www.mnplan.state.mn.us/datanetweb/prj.html; accessed November 15, 2000. However, the annual number of births in Minnesota has been rising since 1995, contrary to the demographer's projections.

4 State rules permit family day care facilities to serve up to ten children at a time, including up to six preschool children.

5 *Minn. Rules*, ch. 9503.

6 *Minn. Stat.* (2000) §124D.135, subds. 3-4.

Minnesota's early childhood programs receive more than $300 million per year in state and federal funds.

Table 1.1: State and Federal Funding for Minnesota's Early Childhood Programs, FY 2001

Program	(Millions of $) State	Federal
MFIP Child Care	$78.61	$35.24[a]
Basic Sliding Fee Child Care	22.38	58.35[a]
Early Childhood Family Education	21.11	0.00
Head Start	18.75	64.16
School Readiness	10.40	0.00
First Grade Preparedness	7.00	0.00
Early Childhood Health and Developmental Screening	2.65	0.00
Family Services Collaboratives	2.44	0.00
Way to Grow	0.49	0.00
Early Childhood Special Education	[b]	[b]

[a]Includes state appropriations of federal Temporary Assistance for Needy Families transfers. Includes Minnesota Department of Children, Families, and Learning allocations of federal Child Care and Development Fund grants to these programs.

[b]Districts receive state and federal funding for special education, but services for many prekindergarten children are funded through grants to districts that are not distinct from those used to serve older children.

SOURCES: *Minn. Laws* (1999), ch. 205, art. 1, secs. 71-72; ch. 241, art. 2, sec. 56, subd. 29; ch. 241, art. 2, sec. 60, subd. 25; *Minn. Laws* (2000), ch. 489, art. 1, secs. 27, 30, 45; and Minnesota House of Representatives Research Department, *Funding to Support Child Care Assistance* (St. Paul, November 2000).

- **MFIP child care subsidies:** Families enrolled in the state's main welfare program—the Minnesota Family Investment Program (MFIP)—are eligible for child care subsidies. In addition, families remain eligible for up to 12 months of MFIP "transition year" child care after they stop receiving MFIP cash assistance.[7]

- **Basic Sliding Fee child care subsidies:** Families who are not eligible for MFIP child care subsidies may be eligible for Basic Sliding Fee child care subsidies.[8] The state allocates Basic Sliding Fee funds to counties, which award subsidies to eligible families based on priorities set in state law. The amount of a family's subsidy depends on its income. Up to 7 percent of the Basic Sliding Fee appropriations may be used for the **At-Home Infant Child Care Program**—which allows eligible families to receive a portion of their basic sliding fee subsidy while staying at home with an infant.[9]

7 *Minn. Stat.* (2000) §119B.05.

8 *Minn. Stat.* (2000) §119B.03.

9 *Minn. Stat.* (2000) §119B.061.

- **Early Childhood Family Education:** Local school districts receive state aid to operate programs open to all families with "children in the period of life from birth to kindergarten."[10] The programs promote healthy child development, mainly through parent education and parent-child activities.

- **Head Start:** This program mainly serves low-income families. Using federal and state funds, Head Start promotes children's cognitive, physical, emotional, and social development. It also helps participating families obtain the social services they need. Most of the enrolled children are ages three to five, but Head Start also serves some children under age three.[11]

- **School Readiness:** Local school districts receive state aid for child development programs that promote success in school. Targeted toward "developmentally disadvantaged" and "at-risk" prekindergarten children over age 3½, School Readiness programs try to build on existing resources to meet children's health, nutrition, education, and social services needs.[12]

All Minnesota children receive developmental and health screening before entering kindergarten.

- **Early childhood screening:** State law requires that all school districts screen children before they enter school, targeting children between 3½ and 4 years old. At a minimum, the screening must include a developmental assessment, hearing and vision screening, immunization review, measurement of height and weight, identification of potential risk factors, an interview with a parent about the child, and appropriate referrals.[13]

- **Special education services:** State law requires school districts to provide special instruction and services to preschool children with disabilities.[14]

The state also has a role in various other early childhood programs that are provided at a limited number of locations. For instance:

- **First Grade Preparedness:** In the 2000-2001 school year, 33 school districts are receiving state aid to give children opportunities to develop skills before first grade that will help them succeed in school.[15] Eligible school sites (determined based on their percentage of children receiving free and reduced-price lunch) must offer full-day kindergarten for five-year-olds, programs for four-year-olds, or both.

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10 Minn. Stat. (2000) §124D.13, subd. 1.

11 Minn. Stat. (2000) §§119A.50-119A.53.

12 Minn. Stat. (2000) §124D.15.

13 Minn. Stat. (2000) §121A.17.

14 Minn. Stat. (2000) §125A.03.

15 Minn. Stat. (2000) §124D.081. In addition, school districts can use a portion of their federal Title I funds to provide early childhood programs to low-income children, but the Department of Children, Families, and Learning estimates that only about 20 districts do so.

- **Way to Grow:** In 2000-2001, the state is providing grants to public or private organizations in five cities to help pregnant women and families with children under age six meet the health and developmental needs of their children "at the earliest possible age."[16]

- **Even Start:** The state administers a site selection process for federal family literacy grants. In 2000-2001, programs at ten sites are offering adult education, parenting education, and early childhood education services for families with children under age eight.[17]

- **Family Service Collaborative Grants:** The state awards grants for up to five years to local "collaboratives," which must include a school district, county, public health agency, and community action agency.[18] These collaboratives design and implement integrated local service delivery systems for children and their families. There are collaboratives in 80 Minnesota counties, and about half of them receive state funds.

Child care and early childhood education programs generally have separate sources of funding, but their services are often similar.

Nationally and in Minnesota, child care has often been funded separately from other early childhood programs, and some people have categorized individual early childhood programs as either providing "custodial care" or "education." But, in practice, the differences among programs are often not as clear as such labels might suggest. Increasingly, various sorts of providers have implemented developmentally appropriate curricula and hired staff with child development training. In addition, some programs now combine traditional child care and supplemental services. For example, a Minneapolis program called Strong Beginnings subsidizes "regular" child care providers so they can add child development activities and family support services.

DESCRIPTION OF MINNESOTA'S THREE MAJOR PROGRAMS

In this section, we briefly describe each of the three early childhood education programs that are the focus of this study: Head Start, ECFE, and School Readiness. Later in this chapter, we directly compare these programs' designs, participants, costs, and staffing arrangements.

Head Start

In 1964, at the request of President Johnson's administration, a panel of child development experts developed a blueprint to "help communities overcome the handicap of disadvantaged preschool children."[19] Project Head Start, an

16 Minn. Stat. (2000) §124D.17. The cities are Minneapolis, St. Paul, Columbia Heights, St. Cloud, and Winona. Four of the five grantees are ECFE programs.

17 All current grantees are ECFE programs.

18 Minn. Stat. (2000) §124D.23.

19 U.S. Department of Health and Human Services, Head Start Bureau, "Head Start Celebrating 35 Years, 1965-2000: The Head Start Story" (2000); http://www.hskids-tmsc.org/text/recruitment2/35thanniversary2/35history2.htm; accessed October 18, 2000.

eight-week summer demonstration program, was introduced the following year and became part of the government's "war on poverty." Today, Head Start operates as a 9 to 12 month program in all 50 states and several U.S. territories. In general,

- **Head Start provides or arranges for a variety of education, health, and social services—primarily for families in poverty with children ages three to five.**

At least 90 percent of Head Start participants must have family incomes below the federal poverty line.

Head Start programs are required to reserve 90 percent of their "slots" for children whose family income falls below the federal poverty line.[20] (Slots are the number of children that can be served at a given time by a Head Start program.) In addition, programs must reserve 10 percent of their slots for children with disabilities. Each Head Start program must develop criteria based on local assessments that define the types of children and families who will be given priority for services. Head Start children, once enrolled, must be allowed to remain in the program until they enter kindergarten.

Originally, the Head Start program exclusively served children ages three to five and their families. Today, there are state and federal competitive grant programs for Head Start services targeted at younger children, although Head Start continues to primarily serve children between the ages of three and five.[21]

20 The U.S. Department of Health and Human Services issues poverty guidelines each year. In 2000, a family of four met the poverty guidelines if their annual income fell below $17,050. For further information, see http://pr.aoa.dhhs.gov/network/FR-2000PovGuidelines.html.

21 In 1999, nearly 1,000 (7 percent) of the children served in Minnesota's Head Start programs were under three years old.

Most of Minnesota's Head Start programs are operated by community action agencies (CAA). CAAs are private, non-profit agencies that provide various services to low-income families. Compared with the country as a whole, a greater percentage of Minnesota's Head Start programs are operated by CAAs and tribal governments, while a smaller percentage are operated by school districts or other public agencies.[22] In 1998-99, Head Start programs in Minnesota served about 15,000 children.

A typical Head Start program provides at least 14 hours of preschool and other child services per week.

The federal government has established Head Start performance standards that outline the types of services programs must provide. For example, the standards require programs to individually assess children, implement a culturally-sensitive curriculum appropriate to the child's developmental level, and make time for both adult-led and child-driven activities. Programs must provide activities such as art, music, physical education, and speech, and they must support emerging reading and math skills.[23] A typical Minnesota Head Start program provides children ages three to five with 14 or more hours of preschool and other services per week.

In addition to child development activities, the federal standards require programs to provide health, nutrition, and family services. For example, Head Start programs must ensure that children have had medical and dental screenings and received all recommended immunizations within 90 days of entering the program.[24] We found that:

- **More than 90 percent of Minnesota's Head Start children received medical screenings and all recommended immunizations in fiscal year 1999. However, only 72 percent received dental screenings, down from 82 percent in 1995.**

Table 1.2 shows how Minnesota compared with Head Start programs nationally on selected service-related measures in fiscal year 1999. Minnesota's rates of medical screenings and immunizations exceeded the national rates, but the state had a lower than average rate of dental screenings. Several Minnesota Head Start programs have expressed concern about the lack of dental providers willing to accept Medical Assistance reimbursements, the distance families must travel to dental providers, and strict policies regarding late or missed appointments that make it difficult for families to obtain services.[25]

In addition to services to children, Head Start programs provide services and support to families. For example, Head Start programs identify the need for crisis intervention, mental health services, and family literacy services, and they work to

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22 Of Minnesota's 34 programs for three- to five-year-olds, 23 (68 percent) are operated by CAAs, 7 (21 percent) by tribal governments, 3 (9 percent) by non-profit agencies, and 1 (3 percent) by a school district. In the U.S. as a whole, 32 percent are operated by CAAs, 6 percent by tribal governments, 38 percent by non-profits, 17 percent by school districts, and 7 percent by other government agencies.

23 U.S. Department of Health and Human Services, Head Start Bureau, *Head Start Program Performance Standards and Other Regulations* (Washington, D.C., 1996), 60-71 (45 CFR 1304.21).

24 *Ibid.*, 42 (45 CFR 1304.20).

25 Office of the Legislative Auditor's analysis of the 1999 Department of Children, Families, and Learning survey of Head Start programs.

Minnesota trails the national average in Head Start dental screenings.

Table 1.2: Selected Measures of Head Start Services in Minnesota and U.S., FY 1999

	Minnesota	U.S.
Percentage of children with:		
Medical screenings	91	87
Dental screenings	72	84
All recommended immunizations	96	95
Medicaid enrollment[a]	67	62
More than one year of Head Start	33	25
Percentage of children who left after beginning the program	20	16
Percentage of open slots that were filled mid-year	82	84
Percentage of classes regularly assisted by volunteers	62	73
Number of slots per staff person	4.6	4.8

[a]Although both Head Start and Medicaid are federal poverty programs, many Head Start children are not enrolled in Medicaid because: (1) they have other insurance coverage, (2) their Medicaid coverage lapsed due to non-compliance with payment policies, or (3) they are non-citizens who are eligible for Head Start but ineligible for Medicaid.

SOURCE: Office of the Legislative Auditor's analysis of federal Head Start Program Information Report data.

secure those services for families.[26] Head Start programs also work with parents to assist with job training and employment; federal guidelines encourage Head Start programs to train and hire parents as Head Start staff. In Minnesota, nearly one-third of all Head Start staff are current or former parents of Head Start children.

Head Start services are provided in several ways. **Center-based** services are provided in a classroom setting. Programs may choose to provide half-day or full-day services either four or five days per week. Families receive two home visits per year, typically conducted by the classroom teacher. Participating children receive at least 56 hours of service each month. In **home-based** services, program staff visit participating families once per week for at least 1½ hours and provide all Head Start components in the home. Families attend "group socialization" activities twice per month. Participants receive at least ten hours of service each month. Home-based services are more common in rural Minnesota counties than urban counties. **Combination** programs provide a blend of home- and center-based services to families; programs must meet minimum service requirements of the home-based service option.

In addition to these options, programs may implement **locally designed** services if approved by the federal Head Start Bureau. Locally designed services vary in

26 In 1999, Head Start implemented a family partnership agreement system which identifies family strengths, supports, and needs. In Minnesota, 85 percent of families have entered into a family partnership agreement with their Head Start program.

setting, duration, and method of service delivery; in one example, trained family day care providers offer Head Start services in their homes.[27] As shown in Table 1.3,

- **Fifty-seven percent of Minnesota's Head Start slots were provided in center-based settings in fiscal year 1999.**

- **Full-day, center-based services accounted for 14 percent of Minnesota's Head Start slots in fiscal year 1999; grantees had more difficulty filling full-day slots than part-day slots.**

A majority of Head Start services are provided in center-based settings.

Table 1.3: Enrollment in Minnesota Head Start Programs, FY 1999

	Percentage of Funded Slots	Percentage of Slots Filled[a]
Center-based slots	**57%**	**104%**
Full-week, full-day	14%	84%
Full-week, part-day	2	104
Part-week, part-day	40	112
Home-based slots	**15**	**111**
Combination program slots	**13**	**110**
Locally designed option slots	**15**	**96**
TOTAL	**100%**	**105%**

[a]Percentages may exceed 100 if children leave the program mid-year and are replaced by other children or if a program over-enrolls for that program option.

SOURCE: Office of the Legislative Auditor's analysis of federal Head Start Program Information Report data.

Between 1995 and 1999, Head Start programs increasingly offered center-based services, while the number of home-based services declined somewhat. However, Minnesota still has proportionately more home-based services than do Head Start programs nationally; only 5 percent of Head Start slots nationwide are home-based, compared with 15 percent in Minnesota.

Early Childhood Family Education (ECFE)

Most states have targeted their prekindergarten programs to selected populations of children—typically, children from low-income families or children believed to be at risk of learning problems when they begin school. In contrast,

- **Minnesota's Early Childhood Family Education (ECFE) program is one of relatively few early childhood programs nationally that are open to all families, not just families with low incomes or at-risk children.**

27 In 1999, 177 (1 percent) of Minnesota's slots were family child care slots.

ECFE is a statewide program open to all Minnesota families with children who have not yet started kindergarten—ranging from infants to five-year-olds. Parents usually enroll in ECFE voluntarily, although some families involved in child protection or child custody cases are court-ordered to participate. As we discuss in Chapter 3, ECFE programs are available in nearly every school district. Districts provide ECFE services in a variety of locations—often in school buildings, but sometimes in homes, shopping centers, or other community sites.

ECFE emphasizes parent education and is open to all families with prekindergarten children.

ECFE aims to strengthen families by educating and supporting parents to help them provide the best possible environment for the healthy growth and development of their children.[28] While most nursery schools or day care programs focus primarily on direct services to children, the common denominator of ECFE programs throughout the state is what Minnesota law calls "parenting education" or "family education."[29] By law, parents must be present in ECFE classes with their children or in concurrent classes while their children participate in ECFE activities at the service site. In general, services offered by ECFE are less comprehensive and less targeted than those offered by Head Start, as discussed further below.

An ECFE program typically consists of weekly two-hour classes. Individual classes usually last for less than 16 weeks, but some districts offer a sequence of classes that last throughout the school year. Each class is usually divided into two periods: one of parent-child interaction and one in which children and parents are separated. When the groups are separated, children participate in group activities while parents have a facilitated discussion about parenting or child development. Most districts offer several types of classes, often for specific age groups (see Table 1.4) or special populations (such as single parents or immigrant families).

A typical ECFE class meets for two hours per week.

In fiscal year 1999, 31 school districts collaborated with other districts to provide services or share administrative costs. Most of these were relatively small, rural school districts, but they also included some larger districts such as Bloomington and Richfield. As we discuss later in this chapter, districts often collaborate with other community programs to address the needs of families with young children.

Districts reported that nearly 78,500 children and over 87,000 parents participated in classes or home visits during the 1998-99 school year. Table 1.4 shows that classes for children of mixed ages were offered by most districts and had high parent attendance. Most programs provided some non-classroom activities, and programs reported that more than 60,000 children participated in ECFE activities besides classes and home visits in 1998-99.[30]

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28 Marsha R. Mueller, *Immediate Outcomes of Lower-Income Participants in Minnesota's Universal Access Early Childhood Family Education* (St. Paul: Minnesota Department of Children, Families, and Learning, April 1996), 15.

29 Minn. Stat. (2000) §124D.13, subd. 3.

30 Staff in several districts told us that providing an exact unduplicated count of the number of participants in special activities is difficult. For example, districts do not always require persons attending an open house to sign in.

Table 1.4: ECFE Services, FY 1999

Type of Service	Percentage of Programs Offering Service *N = 311*	Average Number of Parents Participating Per Program	Average Number of Children Participating Per Program
Parent-child classes			
For children under 1 year	63%	48	44
For 1-year-olds	46	67	63
For 2-year-olds	47	71	66
For 3-year-olds	39	59	54
For 4-year-olds	40	59	61
For non-kindergarten 5-year-olds	25	63	66
For mixed-ages	82	181	208
Parent-only classes	**42**	**136**	**--**
Activities			
Field trips	81	72	96
Open houses	75	78	78
Speakers	45	93	40
Parent-child activities	92	259	353
Home visits	**59**	**54**	**71**

NOTE: For activities, all participating children under age 18 were reported, but only children under five were reported for class participation data. Districts said that providing an exact, unduplicated count is difficult, particularly for non-class activities.

SOURCE: Office of the Legislative Auditor's analysis of the Department of Children, Families, and Learning data from school districts' annual ECFE reports.

School Readiness

School Readiness gives priority to at-risk children.

School Readiness, originally called Learning Readiness, was established in 1991 by the Minnesota Legislature. School Readiness is designed to provide children "adequate opportunities to participate in child development programs that enable the children to enter school with the necessary skills and behavior and family stability and support to progress and flourish."[31] As described in Chapter 3, nearly all school districts in Minnesota operate School Readiness programs. In 1998-99, districts reported that about 49,000 children participated in School Readiness programs.

The School Readiness program targets children between the ages of 3½ and 5. Districts may choose to serve younger children if they identify a local need for early intervention services. Programs are encouraged by law to make substantial outreach efforts to ensure that families with the greatest need receive services, including families with income levels below the federal poverty guidelines. Programs must give priority to children with developmental disadvantages or potential learning problems.[32] In addition, districts assess local service availability to identify children who are not being served by other programs, such as Head Start.

31 Minn. Stat. (2000) §124D.15, subd. 1.

32 Minn. Stat. (2000) §124D.15, subd. 8. One way that districts identify children at risk is through a developmental screening, which children are required to receive within 90 days of entering the program.

State law requires School Readiness programs to address children's social, cognitive, physical, emotional, and nutritional needs through referrals or direct services. Parents must be referred to adult literacy services, when needed. The law requires each program to have a comprehensive plan for meeting the needs of families with young children.[33] We found that:

- **Half-day preschool is the most common School Readiness service, but the widely varying combination of services that districts offer in School Readiness makes it difficult to describe a typical program.**

Table 1.5 shows the percentage of School Readiness programs that offered various services in fiscal year 1999. Statewide, school districts reported offering an average of nine different services in 1998-99. The services ranged from daily

School districts use School Readiness funds for a wide variety of services.

Table 1.5: School Readiness Services, FY 1999

Service Description	Number of Programs Providing Service (*N*=321)	Percentage of Programs Providing Service
Half-day preschool program	254	79%
Collaboration with early childhood special education	244	76
Parent and child kindergarten preparation/transition	241	75
Life experience field trips	223	69
Transportation assistance	223	69
Contact with Head Start program	196	61
Take-home kits for children/parents	182	57
Consultants for children with specific needs in early childhood programs	143	45
Home visits with children and parents	142	44
One or more half-days of child-only time added to ECFE	126	39
Service for parents of children in existing programs	123	38
Collaboration with adult basic education/family literacy	122	38
Family resource center	110	34
Screening beyond basic early childhood screening	108	34
Special summer program	107	33
Supplementary services for children in preschools, child care centers, etc.	100	31
Programming with family child care providers	100	31
Story hour	77	24
Drop-in play times for children and parents	62	19
Interpreter assistance	53	17
Parent cooperative preschool	24	7
Other	101	31

SOURCE: Office of the Legislative Auditor's analysis of data reported to the Department of Children, Families, and Learning by school districts in their School Readiness annual reports.

33 Minn. Stat. (2000) §124D.15, subd. 3.

preschool programs throughout the school year to summer programs to one-time field trips. State law encourages districts to provide transportation services, and over two-thirds offered some transportation assistance to participants.[34]

State law encourages school districts to refer participating children to existing programs that can meet their needs. However, districts can establish new programs "where no existing, reasonably accessible program meets the program requirements."[35] Each district's School Readiness plan addresses how the district will collaborate with other agencies and early childhood programs to provide services.

DIFFERENCES AMONG HEAD START, ECFE, AND SCHOOL READINESS

Head Start, ECFE, and School Readiness overlap but are not interchangeable.

The previous sections summarized the Head Start, ECFE, and School Readiness programs. Although all of these programs are often described as early childhood education programs, they are not interchangeable. Specifically, as we discuss in the next sections,

- **Head Start, ECFE, and School Readiness vary considerably in program design, participant characteristics, cost per participant, and staffing arrangements.**

Program Design

In some respects, Head Start, ECFE, and School Readiness all work toward a common purpose: to foster healthy social, emotional, and cognitive development of young children and prepare them to achieve in school. However, their approaches vary considerably. In particular,

- **There are major differences in the design of Head Start and ECFE—with Head Start providing more intensive and comprehensive services to a more targeted population than ECFE.**

Federal law requires that at least 90 percent of the children served by Head Start come from families with incomes below the federal poverty level. In contrast, ECFE is a "universal access" program that is intended for families in all income categories. A majority of children in Head Start participate in Head Start programs for at least 14 hours per week throughout the full school year. By comparison, a typical ECFE class meets for only two hours per week, and classes typically last for less than 16 weeks (although parents finishing one class may choose to enroll in another). Head Start provides or arranges for a wide array of services for children, including preschool classes, immunizations, health care, transportation, and nutritious meals. It also helps parents obtain job training, social services, and literacy training. ECFE, meanwhile, has a narrower scope—focusing largely on activities intended to educate parents and facilitate

34 Minn. Stat. (2000) §124D.15, subd. 4.

35 Minn. Stat. (2000) §124D.15, subd. 5.

healthy parent-child interaction, and referring families to direct providers of other services.

School Readiness fills some of the service gaps between Head Start and ECFE.

School Readiness fills some gaps between the approaches of Head Start and ECFE. Although School Readiness programs vary widely, most offer some preschool experiences to children, often for half-days, two or three times a week throughout the school year. In general, School Readiness programs address unmet needs by fostering collaboration among existing service providers or developing new services.

Minnesota's early childhood education programs can also be distinguished by the extent to which they provide services directly to children (rather than indirectly, through their parents). ECFE is based on the notion that parents are children's primary teachers, so it provides parents with skills and resources they can use in their daily interactions with their children. In contrast, Head Start and School Readiness provide more services directly to children.

Participant Characteristics

To compare participant characteristics among these three programs, we analyzed data collected by the Minnesota Department of Children, Families, and Learning and the U.S. Department of Health and Human Services. The three programs do not collect exactly the same information on participants, which hinders cross-program comparisons. In addition, the Head Start program collects demographic information on every Head Start participant (as required by federal law), while there is information on less than half of the ECFE and School Readiness participants (there is no state requirement for this information to be collected). We analyzed data on 30,000 ECFE families and 16,000 School Readiness families who returned participant questionnaires during the 1998-99 year, but we cannot be certain that the families in these samples are representative of all families participating in the program. Nevertheless, the data we examined suggest that:

- **Children participating in Head Start are more likely to be poor, racial or ethnic minorities, and from one-parent families than are children in ECFE or School Readiness.**

Table 1.6 summarizes participant characteristics. In general, the available data indicate that School Readiness participants more closely resemble participants in ECFE than those in Head Start. Some key areas of difference among these three programs include:

- **Family income:** Head Start serves families with much lower average incomes than either School Readiness or ECFE. Families participating in ECFE are somewhat more likely than families in School Readiness to have annual incomes above $50,000.

- **Family structure:** A large majority of the families participating in ECFE and School Readiness are two-parent families, while about half of the families participating in Head Start are two-parent families.

Head Start serves more low-income families than ECFE and School Readiness.

Table 1.6: Participant Characteristics of Early Childhood Programs, FY 1999

	Head Start	ECFE[a]	School Readiness[a]
Percentage of families with:			
Annual income below $10,000	43%[b]	6%	8%
Annual income above $20,000	--[c]	86	81
Annual income above $50,000	--	43	30
Two parents	49	85	80
Percentage of parents:			
With bachelor's degree or higher	--	44	29
Not working[d]	29	40	28
Percentage of children who are:			
Under 3 years old	7	53[e]	--
Under 3½ years old	--	--	11[f]
Non-Hispanic white	50	87	83
Disabled	13	4	5

NOTE: Dashes indicate instances where data were not collected in participant questionnaires.

[a]Data were collected from less than 40 percent of ECFE and School Readiness participants, and it is unclear whether the respondents were representative of all participants.

[b]Forty-three percent of Head Start families reported incomes under $9,000. The Head Start questionnaire did not ask families whether their incomes were below $10,000.

[c]Twenty-six percent of Head Start families reported incomes above $15,000. The Head Start questionnaire did not ask families whether their incomes were above $20,000.

[d]Some "not working" parents are those who are not working by choice, such as stay-at-home parents. For ECFE, 88 percent of those who are not working are not working by choice; for School Readiness, 82 percent of these parents are not working by choice. Comparable data are not available for Head Start.

[e]Participating parents report the ages of all their children, including those in school. Among children under age six in ECFE families, we determined that 53 percent were under age three.

[f]Because the School Readiness program is targeted to children over three-and-one-half, districts are asked to report the number of participating children under this age.

SOURCE: Office of the Legislative Auditor's analysis of federal Head Start and Department of Children, Families, and Learning data.

- **Parent education:** Participants in ECFE have slightly higher levels of educational attainment than those in School Readiness. This information is not collected for Head Start.

- **Employment:** Less than one-third of parents in Head Start and School Readiness are not working. While 40 percent of parents participating in ECFE are not working, nearly all of these parents reported that they are not seeking employment, suggesting that many are stay-at-home parents.

- **Child's age:** Only 7 percent of Head Start participants during fiscal year 1999 were under age three, reflecting this program's emphasis on services for children ages three and older. In contrast, over half of the children whose parents attended ECFE were under age three—presumably because

the program is open to all parents with prekindergarten children, and its focus on parent education attracts parents of young children.[36]

- **Race/ethnicity:** Half of the children served by Head Start are racial or ethnic minorities. Both ECFE and School Readiness predominantly serve white, non-Hispanic participants.

- **Disabilities:** Head Start is required to reserve 10 percent of available slots for children that have been professionally diagnosed with a disability. In Minnesota, 13 percent of Head Start children have diagnosed disabilities. In contrast, 5 percent of the children served by School Readiness and 4 percent of the children served by ECFE are reported by school districts as having disabilities.

Cost Per Participant

Because Head Start, ECFE, and School Readiness are all early childhood education programs, legislators often compare the costs of these three programs. We found that:

- **While cost per participant differs significantly among the Head Start, ECFE, and School Readiness programs, the differences largely reflect variation in the services provided.**

To compare program costs, we examined available statewide data on state and local revenues for each program.[37] However, there are no reliable statewide data on the total amount of parent fees collected by districts for ECFE and School Readiness. As a result, the costs per participating child that we computed for ECFE and School Readiness somewhat understate the actual program costs—probably much more for School Readiness than for ECFE.[38]

Head Start's longer classes and more comprehensive services help explain its higher costs.

Largely reflecting differences in services provided, we found that statewide costs per child ranged from less than $500 for ECFE and School Readiness to just over $5,000 for Head Start. One reason for Head Start's higher costs is that it provides a more comprehensive array of services to its participants. For instance, Head Start routinely provides child health screening and family social services; in contrast, ECFE and School Readiness are more likely to refer families to other agencies for these services rather than providing them directly.

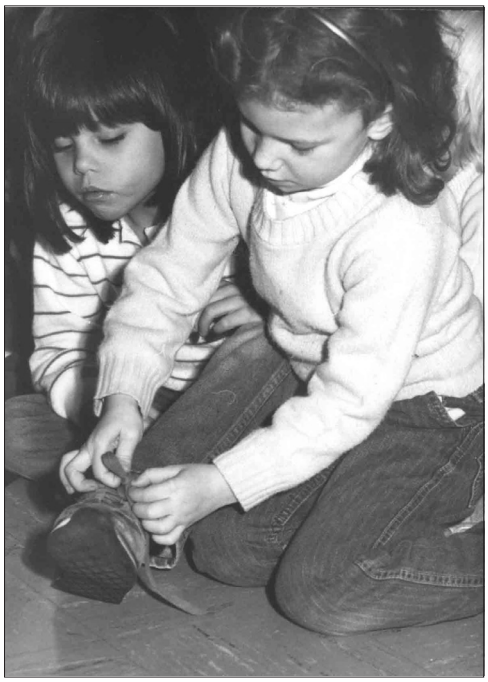
A second reason for cost differences is that Head Start services are typically longer and more intensive than ECFE and School Readiness services. Head Start

36 We determined the percentage of children under age three from surveys of parents participating in ECFE. The surveys simply asked parents to specify the ages of their children, so the results likely included information on some children who did not directly participate in ECFE classes.

37 Head Start costs were calculated using the fiscal year 1999 state Head Start appropriation and total number of funded state slots; ECFE costs were calculated using fiscal year 1999 state aid and local levy revenues and the unduplicated number of children in classes or home visits; School Readiness costs were calculated using fiscal year 1999 state aid revenue and the number of total participants as reported in the 1999 annual report fee data.

38 According to budgets submitted by districts to the Department of Children, Families, and Learning, fees were expected to augment School Readiness state aid by 22 percent statewide in fiscal year 2001.

provides a 9- to 12-month program for children, and its center-based program typically involves 14 to 30 hours of service per week. In contrast, ECFE classes are typically two hours per week, and parents may attend these classes from one to nine months during the year—although most individual classes are four months or less. School Readiness includes a wide variety of services, ranging from one-time consultations to half-day preschool services that last for the duration of the school year. Our discussions with program staff indicated that School Readiness' overall average funding level of $241 per child is well below the average cost of providing year-long preschool services—but data collected by the state have not permitted precise determination of the cost per child for specific types of School Readiness services. Average funding levels per child in School Readiness vary considerably among school districts, likely depending on the types of services they offer.[39]



Head Start programs are more likely than ECFE and School Readiness programs to cover transportation and facility costs.

A third reason for differences in cost per participant is that Head Start pays for some costs that ECFE and School Readiness typically do not. For instance, transportation costs accounted for up to 19 percent of the total costs of individual Minnesota Head Start providers in fiscal year 2000; in contrast, most ECFE programs have no transportation costs, and the availability of transportation services in School Readiness varies considerably from one district to the next.[40] Likewise, center-based Head Start programs are generally responsible for facilities costs, while school districts typically do not charge ECFE and School Readiness programs for the use of district facilities.

Overall, variation in services appears to explain most of the difference in cost per child between Head Start and the other two programs we examined. Unfortunately, data reported by school districts to the state have not permitted a comparison of the costs of providing specific service components among the three programs. The Minnesota Department of Children, Families, and Learning is compiling information on district-reported average costs for specific School Readiness services for 1999-2000, and this will be available in early 2001.

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39 For example, Howard Lake-Waverly-Winsted reported an average funding level of $56 per child, largely because it counts every family that receives a newsletter as a participant. In contrast, Osseo, which offers preschool and transportation to participants, spent approximately $1,400 per child in fees and other revenues.

40 Three Rivers Community Action Agency reported that Head Start transportation comprised 18.9 percent of overall costs per child and 19.1 percent of center-based costs per child for fiscal year 2000.

Staffing Arrangements

We examined data collected by the Department of Children, Families, and Learning (CFL) and the federal government to analyze program staffing and salaries. Information was available for all Head Start staff, but data were available for only a minority of districts with ECFE and School Readiness programs. In addition, CFL does not distinguish between teachers in ECFE or School Readiness. The department has information about parent and child educators but these teachers may be teaching in ECFE, School Readiness, or both.[41] Because the ECFE and School Readiness data are incomplete and may not be representative of staff in all school districts, our comparisons with Head Start data should be considered tentative.

Some differences in staffing and salary patterns emerged in the available data. Specifically:

- **Head Start teachers have lower educational attainment and lower average salaries than do ECFE and School Readiness teachers.**

Table 1.7 compares staff characteristics in Head Start, ECFE, and School Readiness. It shows that when compared with Head Start, teachers in ECFE and School Readiness have higher educational attainment and much higher salaries. According to guidelines issued by the Department of Children, Families, and Learning, all ECFE teachers working with parents and children must be licensed teachers.[42] State law requires that School Readiness programs be supervised by a licensed or certified teacher, except for those services offered through contracts with private organizations.[43] State law does not require Head Start teachers to be licensed, but a new federal requirement states that 50 percent of Head Start

On average, ECFE and School Readiness teacher salaries are twice those of Head Start teachers.

Table 1.7: Staff Characteristics of Early Childhood Programs, FY 1999

	Head Start	ECFE/School Readiness	
Teachers	Center-Based Teachers	Parent Educators	Child Educators
Average annual salary	$14,740	$29,733	$34,787
Percentage with associate's degree or higher	39%	100%	100%
Percentage with bachelor's degree or higher	33%	100%	100%

NOTE: Salaries for all staff are for full-time-equivalent positions. ECFE and School Readiness programs do not report educational attainment or salaries for all staff. Our analysis is based on salaries of 392 full-time-equivalent child educators reported by 139 districts and 143 full-time-equivalent parent educators reported by 110 districts. Percentages are based on staff for whom districts reported educational attainment. Our Head Start analysis is based on 535 teachers.

SOURCE: Office of the Legislative Auditor's analysis of federal Head Start and Department of Children, Families, and Learning data.

41 The number of districts reporting ECFE/School Readiness data totaled 139 for child educators, 110 for parent educators, 151 for ECFE coordinators, and 66 for School Readiness coordinators.

42 Department of Children, Families, and Learning, *Teacher Licensure Clarification: Early Childhood Family Education* (Roseville, MN, Fall 1999).

43 Minn. Stat. (2000) §124D.15, subd. 10.

teachers must have a child development or related degree by 2003.[44] In addition, Head Start programs give preference to current or former Head Start parents when hiring teachers.

Coordinators of ECFE and School Readiness programs often work part-time or combine coordination and teaching duties. In contrast, Head Start directors work full-time, usually for the entire year, and are responsible for administering the entire Head Start program. Likely due to this variation in responsibilities and job intensity, Head Start directors average higher full-time-equivalent salaries and educational attainment than ECFE or School Readiness coordinators.

Head Start, ECFE, and School Readiness have different emphases, intensity, participants, and costs.

Summary of Program Differences

Table 1.8 highlights key differences in the Head Start, ECFE, and School Readiness programs. In particular, the table shows that the programs have different emphases, intensity, participants, and costs. Head Start typically provides the most intensive services, targeted toward a relatively small group of children and families in poverty. ECFE offers a more narrow set of services (primarily parent education) to a much broader population. The content of School Readiness services is more variable than ECFE and Head Start services from site to site because individual school districts design School Readiness programs to address gaps in local services.

SERVICE COORDINATION

As noted in the Introduction, our study did not focus on the coordination of Head Start, ECFE, School Readiness, and other early childhood programs because the Legislature asked the Department of Children, Families, and Learning to issue a report in January 2001 on coordination issues.[45] Nevertheless, we think it is important to state that:

- **Minnesota, like many states, has a fragmented early childhood service system—with multiple programs and complex funding systems—and coordination of these services is an ongoing challenge.**

In 1989, a report for the Governor's Council on Children, Youth, and Families concluded that "the present system offers a jumbled array of overlapping and sometimes competing services whose overall quality is severely compromised."[46] Likewise, a recent report by the Minnesota Early Care and Education Finance Commission concluded that "collaboration and communication between providers and programs need vast improvement."[47]

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44 *42 U.S. Code* 9843a (a) (2) (A) (1998).

45 *Minnesota Laws* (1999) ch. 205, art. 1, sec. 61.

46 Task Force on Early Education and Care of Young Children, *Putting It All Together: Building an Early Childhood System For Minnesota* (St. Paul: Governor's Council on Children, Youth, and Families, October 2, 1989), 4.

47 Early Care and Education Finance Commission, *The Action Plan For Early Care and Education in Minnesota* (Minneapolis, November 2000), 23.

Table 1.8: Program Differences Between Head Start, ECFE, and School Readiness

	Head Start	ECFE	School Readiness
Primary target population	Children ages three to five from families in poverty	Families with children under age five	Children ages three and four, with priority for "at risk" children
Number of children served in1998-99	15,000	78,500 (in classes or home visits)	49,000
Service provider	Federal grantees that are non-profit or tribal agencies	School districts	School districts
Emphasis of service	Provides comprehensive services to give disadvantaged children a "head start."	Supports parents as the primary caregivers of their children.	Provides a range of activities to prepare children for school.
Primary services	Preschool education, medical and dental referrals, immunization review, family crisis intervention and social services, and nutrition services.	Parent education, parent-child activities, referrals.	Varies from daily preschool to one-time workshops and referrals, depending on the district and participant.
Intensity of service	Services last 9 to 12 months per year, for one to two years. Services range from 10 hours per month (home-based) to 56 to 120 hours per month (center-based).	Classes typically last for less than 16 weeks, but participants may enroll in multiple classes throughout the year. Classes usually consist of weekly two-hour sessions.	Services range from one-time activities to nine months of preschool. Typically, preschool averages 60 hours per month.
Staff characteristics	Teachers are usually unlicensed. About one-third are current or former Head Start parents. Average salaries are about $15,000 per year.	Teachers must be licensed. They average salaries over $30,000 per year.	Teachers are usually licensed. They average salaries over $30,000 per year.
Funding per child[a]	$5,158	$ 474	$ 241
Total state funding, FY 2001 (in millions)[b]	$18.8	$21.1	$10.4

[a]Head Start funding includes administrative costs but excludes Birth to Three and Innovative Grants; ECFE funding includes state aid and local levy for children participating in classes or home visits. Does not include ECFE and School Readiness parent fees.

[b]ECFE funding includes state aid only.

SOURCE: Office of the Legislative Auditor, 2000.

Unlike many states, Minnesota has all of its major early childhood programs under a single state administrative umbrella: the Department of Children, Families, and Learning. This is a potential advantage as the state examines ways to improve service coordination. But we also agree with a recent report that noted that "collaborative efforts are rooted at the community level, where prekindergarten programs operate and where families they serve live, work, and raise their children."[48] In Minnesota,

- **Local programs have several mechanisms for coordinating services, such as referrals and shared services, space, and staff.**

For example, statewide surveys of Head Start agencies indicate that many Head Start programs collaborate with ECFE. Eleven of the state's 34 Head Start programs reported that ECFE provided some portion of Head Start services in 1999, such as the group socialization aspect of home-based services. In addition, 14 Head Start programs reported that at least some of their services are located in the same building as ECFE. Half of the state's Head Start programs reported that they refer all participants to ECFE.[49]

Service coordination among Head Start, ECFE, School Readiness, and other early childhood service providers is an ongoing challenge.

State law requires School Readiness programs to work with existing service providers and build collaborative relationships.[50] We reviewed 37 School Readiness 1999 annual plan updates and found that 33 programs shared an advisory council or coordinator with ECFE, while only one shared an advisory council with Head Start. Nine of the 37 School Readiness programs reported that ECFE provided parent training for School Readiness participants.

Despite these local efforts to coordinate services, several providers told us that there is room for improvement in the level of collaboration among early childhood programs. For example, some staff told us about instances in which waiting lists have not been shared and transportation services have not been coordinated among service providers in the same geographic areas. More generally, some providers expressed concern that child care services are often funded separately from Minnesota's other early childhood programs. We anticipate that the Department of Children, Families, and Learning will propose strategies to address problems such as these in its January 2001 service integration report to the Legislature.

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48 Karen Schulman, Helen Blank, and Danielle Ewen, *Seeds of Success: State Prekindergarten Initiatives*, *1998-1999* (Washington, D.C.: Children's Defense Fund, 1999), 157.

49 In addition, Head Start grantees usually work with other providers to secure medical, mental health, family literacy, and ancillary services for families because the grantees have limited resources to provide these directly.

50 *Minn. Stat.* (2000) §124D.15, subd. 6.