



Early Childhood Programs

2018
EVALUATION REPORT

Program Evaluation Division
OFFICE OF THE LEGISLATIVE AUDITOR
STATE OF MINNESOTA

Program Evaluation Division

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Evaluation Staff

James Nobles, *Legislative Auditor*
Judy Randall, *Deputy Legislative Auditor*

Joel Alter
Caitlin Badger
Ellen Dehmer
Sarah Delacueva
Kristina Doan
Will Harrison
Jody Hauer
David Kirchner
Carrie Meyerhoff
Ryan Moltz
Jessica Obidike
Jodi Munson Rodriguez
Laura Schwartz
Katherine Theisen
Jo Vos
Madeline Welter

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OFFICE OF THE LEGISLATIVE AUDITOR

STATE OF MINNESOTA • James Nobles, Legislative Auditor

April 2018

Members of the Legislative Audit Commission:

Early childhood programs offer services and funding to young children and their families. Three state agencies oversee the programs—the Minnesota Department of Education (MDE), the Minnesota Department of Health (MDH), and the Minnesota Department of Human Services (DHS).

We examined nine of Minnesota's many early childhood programs and found them to be complex and fragmented. Even quite similar programs have different eligibility and program requirements. We also found that the lack of important data prevents Minnesota from measuring the statewide effectiveness of most early childhood programs.

We recommend several legislative actions. For example, we recommend that the Legislature consider aligning funding and eligibility requirements of certain early childhood programs. We also recommend that the Legislature consider requiring assessments of children's readiness for school when they complete certain early childhood programs. In addition, we recommend that the Legislature require MDE, MDH, and DHS to plan comprehensive, ongoing evaluations of early childhood programs' impact.

Our evaluation was conducted by Jody Hauer (project manager), Ellen Dehmer, and Will Harrison. We received the full cooperation of MDE, MDH, and DHS.

Sincerely,

James Nobles
Legislative Auditor

Judy Randall
Deputy Legislative Auditor



Summary

Key Facts and Findings:

- Early childhood programs offer varied services for young children and families, such as preparing children for school, offering parenting education, and helping pay for child care. (p. 3)
- Minnesota has numerous early childhood programs overseen mostly by the Minnesota departments of Education (MDE), Health (MDH), and Human Services (DHS). Of the nine programs we evaluated, six provide direct services to children and families, two provide funding rather than services, and one rates provider quality. (pp. 3, 4, 15)
- The array of early childhood programs is complex and fragmented, due in part to differences in the way programs are funded and variation in their eligibility and other requirements. For example, although the programs are primarily aimed at low-income families, they define income eligibility differently. (pp. 20, 23)
- Complexities in certain programs create burdens for families, which may result in lower access to needed services. They also create difficulties for program providers. (p. 30)
- It is not possible to determine the extent of potential duplication among program funding or services. One reason is the lack of a unique number to identify children enrolled in multiple programs overseen by different agencies. Missing and incomplete data also inhibit assessing duplication. (p. 36)
- Some children received services funded by more than one program, but this does not necessarily indicate duplicative services. (p. 39)
- The lack of important data prevents measuring program effectiveness

statewide. State law gives priority to meeting goals on school readiness, but the number of children prepared for school is unknown. (pp. 54, 62)

- State and federal laws limit state agencies' ability to share data even when they oversee related programs. (p. 84)
- MDE does not have data on whether all children underwent required health and development screening. (p. 73)

Key Recommendations:

- The Legislature should consider aligning funding and eligibility requirements of certain early childhood programs to make them more understandable and efficient. (p. 31)
- MDE, MDH, and DHS should jointly identify what is needed to use a universal identification number for children participating in early childhood programs. (p. 41)
- The Legislature should consider requiring assessments of children's school readiness as they complete certain early childhood programs; it should consider assessments for children entering kindergarten. It should also direct MDE, MDH, and DHS to plan a comprehensive evaluation of early childhood programs' impacts. (pp. 69-72)
- The Legislature should consider broadening authority for MDE, MDH, and DHS to share individual-level data from early childhood programs to improve program coordination. (p. 86)
- MDE should collect (1) attendance rates and dates of participation for children in early childhood programs and (2) data on the number of children who are not screened. (pp. 42, 74)

Minnesota's key early childhood programs are complex and fragmented, and their statewide effectiveness is unknown.

Even among early childhood programs with similar functions, eligibility requirements differ.

Report Summary

Early childhood programs offer services to help young children and their families in a variety of ways. The intent of some programs is to help prepare children for school. Some focus on children's health, others on parenting education, and still others on paying for child care.

Certain Minnesota early childhood programs have been in place for decades. One is new as of 2017.

For this evaluation, we examined nine key programs, based on their stated purposes. Most share common purposes, such as preparing children for school or supporting children's development. The six programs below provide direct services to children and their families.

Programs Offering Direct Services

- Early Childhood Family Education
- Early Childhood Health and Development Screening
- Family Home Visiting
- Head Start and Early Head Start
- School Readiness Program
- Voluntary Prekindergarten

This evaluation did not include all relevant programs. As an example, we did not review Early Childhood Special Education, even though many of the programs above operate with it.

Two programs provide funding, rather than services, and they are listed below.

Programs that Provide Funding Rather than Services

- Child Care Assistance Program
- Early Learning Scholarships

One is the Child Care Assistance Program, which provides low-income parents with help to cover the costs of child care while they work, look for jobs, or receive education or training to become employed.

The second program that offers funding is Early Learning Scholarships. It helps low-income families afford to send their children to high-quality early learning programs or child care programs.

The final program we reviewed is the Parent Aware Quality Rating and Improvement System. It does not provide funding or services to children, but both the Child Care Assistance Program and Early Learning Scholarships have connections to it. It rates the quality of child care providers and early education programs that voluntarily agree to meet standards of high quality, which qualifies them to accept scholarships and receive higher reimbursements for child care assistance.

Waiting lists for Head Start, Early Learning Scholarships, and one component of the Child Care Assistance Program indicate that not all low-income families interested in early childhood programs can enroll their children. Some programs do not maintain waiting lists but have other indications that demand for the programs exceeds the supply.

Differences in funding and program requirements have created a complex, fragmented set of early childhood programs.

Even among early childhood programs with similar functions, eligibility requirements on income and age differ. For example, a family of four would qualify for the School Readiness program if its yearly income is less than \$45,510. By contrast, families at any income level could qualify for Voluntary Prekindergarten.

Comparing eligibility by age, children at age 3 qualify for the School Readiness program. Children must be 4 years old, however, to attend Voluntary Prekindergarten free of charge.

Funding requirements also vary between the two programs. The School Readiness program is fee-based, although school districts must waive fees for families

unable to pay. By contrast, Voluntary Prekindergarten is offered at no charge. However, school districts have a limited number of slots for which they receive Voluntary Prekindergarten state aid; if more children enroll, school districts could use fees or other revenue.

Additional differences exist, including that Voluntary Prekindergarten programs are required to transport to school those children who live two or more miles away. The requirement does not apply to the School Readiness program. Another difference is that teachers in Voluntary Prekindergarten must be paid salaries comparable to those paid to other instructors in the school district, but this is not the case for School Readiness programs.

The Legislature should consider aligning the funding and program requirements of certain early childhood programs. This could simplify the use of the programs for families and improve efficiency for administrators of programs that rely on multiple funding streams from the state.

It is not possible to determine the extent of potential duplication in early childhood programs.

Potential duplication is hard to detect because state agencies differ in how they collect data. Currently, MDE, MDH, and DHS use different identifying numbers when they identify the individual children who receive services from their programs.

State agencies developed an “Early Childhood Longitudinal Data System” to track participants across programs, among other functions. The data system, however, was not designed to identify potential duplication, and it lacks key data for that purpose. As of early 2018, it had no enrollment data for three early childhood programs and incomplete data for five others. Further, neither the data system nor certain early childhood programs themselves have data on the time periods during which a child received services.

Some children received services funded by more than one early childhood program, but this does not necessarily indicate duplication.

Of children using Early Learning Scholarships in Fiscal Year 2016, about 15 percent also used child care assistance to pay for the same program. However, this does not indicate duplicative funding. Programs first bill the Child Care Assistance Program and then bill the scholarship program to cover remaining charges. For some families, even those two sources combined are insufficient to cover costs.

In Fiscal Year 2017, 27 percent of children enrolled in Voluntary Prekindergarten were also enrolled in a School Readiness program. Whether these children received overlapping services is unknown, as the data do not show dates of service. Also, MDE reported that school districts commonly combine these two funding streams to enhance a single preschool program, such as expanding it to a full day.

MDE, MDH, and DHS should jointly identify what is needed to use a universal identification number for individual children in early childhood programs the agencies oversee. MDE should also collect students’ dates of participation. A universal ID number and other missing data are needed to track children who are in more than one program at a time. They are also needed to evaluate program effectiveness.

Statewide data on the effectiveness of early childhood programs are inadequate or do not exist.

MDE collects student participation and demographic data for Early Learning Scholarships, Voluntary Prekindergarten, and the School Readiness program. However, MDE does not analyze program outcomes.

The Legislature should consider aligning the funding and program requirements among certain early childhood programs.

Assessing children as they complete certain early childhood programs is important if Minnesota is to know whether these children are prepared to begin school.

MDH is required to evaluate Family Home Visiting every other year, but the reports have been insufficient to evaluate program impacts. For other early childhood programs we evaluated, statutes do not require evaluations of effectiveness.

The number of children ready for school as they enter kindergarten is unknown.

State law places a priority on children's readiness for school. One of the goals in the state's "World's Best Workforce" statute is to "meet school readiness goals." However, the state does not currently measure whether children statewide are prepared for school.

Many early childhood programs overseen by MDE require providers to assess each child's skills and plan instruction accordingly. However, standards for the assessments vary by program, and assessment results are not reported to MDE.

MDE has provided guidance on (1) assessing readiness for school when children enter kindergarten and (2) using the results to plan instruction around what students know and are able to do. We surveyed school districts and charter schools, and 81 percent reported assessing all of their kindergarten pupils in 2016-2017; 3 percent reported having assessed none. Of those assessing some or all students, 49 percent reported using assessment tools that MDE has not approved for validity or alignment with Minnesota early learning standards.

The Legislature should consider requiring assessments of school readiness for all children who complete education-related early childhood programs. This is important if Minnesota is to know whether children completing programs are prepared for school. Program providers would have to use state-approved assessment tools, and they would have to report results to MDE, if statewide results remain a goal.

Moreover, the Legislature should consider requiring assessments of school readiness as children enter kindergarten. This would expand assessments of school readiness to include all children enrolled in kindergarten, with the possible exception of students recently assessed after completing early childhood programs. If the statutory requirement on striving toward all children meeting school readiness goals remains a priority, the assessments are needed. Additional assessments would add costs for school districts and MDE.

The Legislature should also direct MDE, MDH, and DHS to plan a comprehensive approach for evaluating impacts of early childhood programs. Results from assessments of children's school readiness should be part of it, but such results alone are not sufficient.

It is unclear whether all children undergo Early Childhood Health and Development Screening, but the law requires it.

State law requires children to undergo health and development screening before or within their first 30 days of kindergarten, unless a parent files a conscientious objection. MDE collects screening data from school districts but does not require data on the number of children who were *not* screened. MDE should collect such data.

Laws limit the sharing of data among agencies overseeing early childhood programs.

Due to laws that protect the identity of individual children, state agencies cannot readily share child-level data with each other. This inhibits the departments' abilities to coordinate related programs and services to families. The Legislature should consider broadening authority for MDE, MDH, and DHS to share with each other individual-level data from early childhood programs.

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Introduction

Early childhood programs help young children in terms of their health, development, and academic preparation. The programs can also assist children's families, such as with parenting education, help with child care costs, or connections with community services.

In 2017, the Legislative Audit Commission directed the Office of the Legislative Auditor to evaluate Minnesota's early childhood programs. In particular, legislators raised concerns about the possibility of overlapping services or duplicative funding among programs. Minnesota has many early childhood programs, but we focused on nine of them, which we chose based on their shared purposes of preparing children for school or supporting children's development. Our evaluation addresses the following questions:

- **What are Minnesota's early childhood programs, who uses them, and what do they cost?**
- **To the extent that children attend more than one key early childhood program, how much do services duplicate or augment each other?**
- **To what extent do the responsible state agencies determine whether key early childhood programs achieve their objectives?**
- **How well do the various entities involved with early childhood programs collaborate and coordinate their efforts?**

To answer these questions, we undertook an extensive review of legal and other program requirements for the key early childhood programs. We also reviewed academic research literature on the short- and long-term effects of early childhood programs.

We conducted interviews with representatives of many agencies and organizations. This included interviews with staff at the Minnesota Department of Education (MDE), the Minnesota Department of Health (MDH), and the Minnesota Department of Human Services (DHS). We held a joint meeting with the commissioners of those three departments. In addition, we attended a meeting of the Children's Cabinet (which coordinates state agencies' actions related to early childhood programs) and engaged members in a discussion of pertinent issues.

We interviewed people who implement early childhood programs, such as directors and staff of public health agencies and Head Start agencies. We interviewed representatives of the Minnesota Rural Education Association and spoke about the evaluation at a board meeting of the Association of Metropolitan School Districts. In addition, we interviewed representatives of child care providers and nonprofit organizations that help deliver services or advocate on behalf of program participants. We also spoke with four academicians researching early childhood topics.

We analyzed dozens of data sets provided by MDE, MDH, and DHS. Some data included demographic information on individual program participants, such as age and race. We also analyzed data on service providers, program costs, and programs' revenue sources. To the extent data were available over time, we examined trends in participation and expenditures.

Because public schools are involved with many early childhood programs, we surveyed school districts and charter schools that offered prekindergarten or kindergarten programs during the 2016-2017 school year. About 81 percent of school districts and 45 percent of charter schools responded.

We visited three areas of the state to learn more about their early childhood programs: St. Paul, Itasca County, and Douglas and Grant counties in west central Minnesota. While visiting, we spoke with program administrators, Head Start agencies, public health officials, early childhood teachers, and small groups of parents. We also observed early childhood classrooms and Early Childhood Health and Development Screening of young children.

Chapter 1 provides brief background information on Minnesota's key early childhood programs. We also present information on the population of young children in Minnesota and describe agencies and stakeholders involved in the programs. In Chapter 2, we examine the complexity of early childhood programs and the challenges this presents. We also analyze the potential for overlapping services or duplicative funding.

In Chapter 3, we describe what is known about the effectiveness of Minnesota's early childhood programs. We include a summary of results from academic research on program effectiveness. Chapter 4 contains summaries of collaborations among agencies involved with early childhood programs. We also discuss issues connected with sharing data across the state agencies that oversee early childhood programs.

The report has two appendices. One provides additional details on the key programs we examined. The second briefly describes some of the collaborations that we learned about during our site visits.

Chapter 1: Background

Early childhood programs provide publicly funded services to help young children and their families. Nothing in Minnesota law specifically defines the elements that all early childhood programs should share, but the Legislature has established many programs that affect young children. The intent of some programs is to enhance child health, others focus on improving children’s academic readiness, and still others support parenting education. Minnesota’s early childhood programs offer services ranging from prenatal care to financial support for child care. Some people suggest that early childhood programs broadly encompass everything from reproductive health to adequate nutrition to stable housing.

No policy, regulation, or funding stream connects all of the state’s programs that affect young children. A 2018 inventory of the state’s services for young children and families included 42 separate programs.¹

For this evaluation, we examined nine key early childhood programs among the many available in Minnesota. We selected programs based on their scope and stated purposes.² Because of limited resources, we were unable to include all relevant programs. For example, we did not specifically evaluate Early Childhood Special Education, despite it being a program that affects school districts statewide. In addition, a new program in 2017, called School Readiness Plus, is not among the nine key programs we analyzed because it had not been implemented at the time of our analysis. However, we refer to the new program where it is relevant in sections of this report.

Eight of the nine programs we examined fall into one of two broad categories. The first category includes programs that offer direct services to young children. These are listed in the box to the right. The second category has programs that offer financial assistance—instead of direct services—to help eligible families pay for their children’s participation in certain early childhood programs, including programs operating in the private market. These programs are listed below.

Programs Offering Direct Services
<ul style="list-style-type: none">• Early Childhood Family Education• Early Childhood Health and Development Screening• Family Home Visiting• Head Start and Early Head Start• School Readiness Program• Voluntary Prekindergarten

Programs that Provide Funding Rather than Services
<ul style="list-style-type: none">• Child Care Assistance Program• Early Learning Scholarships

The ninth and final program is linked to the two programs that provide funding rather than services. It is the Parent Aware Quality Rating and Improvement System, which rates providers of early learning programs and child care programs based on standards of high quality. Its connection to other early childhood programs is explained later in this chapter.

¹ Minnesota Children’s Cabinet, Early Childhood Systems Reform, *Minnesota Services and Supports for Families with Young Children* (St. Paul, January 2018), 5. The inventory’s broad definition of services included some programs, such as the Working Family Tax Credit, that are available to others beyond those with young children.

² We tended to focus on services for children from birth up to age 5, at which point children become eligible to attend kindergarten.

Most of the key early childhood programs share common purposes, such as preparing children for school or supporting children's development, as Exhibit 1.1 shows. For example, the statutory purpose of the School Readiness program is to prepare children to enter kindergarten. While Family Home Visiting has multiple purposes, one is to promote school readiness.

In the next section, we briefly describe the key programs selected for this evaluation. Later in the chapter, we give a short history of Minnesota's early childhood programs and explain what distinguishes them today. We analyze the population of young children in Minnesota, followed by a short description of the state agencies that oversee the programs as well as other entities involved with early childhood programs.

Key Early Childhood Programs

In this section, we provide a brief overview of the nine early childhood programs included in our evaluation. Appendix A at the back of the report provides additional detail about each program.



Early Childhood Family Education (ECFE). School districts across the state offer ECFE, which provides parenting education to support children's learning and development. Expectant parents and families with children from birth to kindergarten age are eligible to participate. In Fiscal Year 2016, at least 18,900 children were enrolled in the program.³ In Fiscal Year 2016, more than \$53 million was spent on ECFE, through a combination of local school district and state revenues.

Early Childhood Health and Development Screening. School districts must provide, or contract to provide, Early Childhood Health and Development Screening, with the purpose of improving children's health and planning educational and health programs. Screenings assess children's height, weight, vision, hearing, speech, development, and social and emotional well-being, at no cost to families. Screeners also review risk factors that may influence learning, immunization records, and the status of children's health care coverage. The screening is mandatory for children enrolling in kindergarten or first grade in a Minnesota public school. However, it is not required if parents submit a statement of their conscientiously held objections to the screening. State laws require the screening within 90 days of children participating in certain early childhood programs, such as School Readiness. In Fiscal Year 2016, more than 63,670 children were screened; more than 80 percent of children who underwent screening did so before they turned age 5. In that year, the state spent \$3.7 million to reimburse school districts for the screenings. School districts spent an additional \$1.3 million in supplemental sources on screenings.

Family Home Visiting. Family Home Visiting is a voluntary, home-based service in which public health nurses or other professionals provide support and information to low-income families from pregnancy through early childhood. Local public health agencies (counties, cities, or tribal governments) administer family home visiting services. They provide families with information regarding parenting, healthy living, support services, and social and emotional well-being. In Fiscal Year 2016, there were more than 11,000 participants. Local public health agencies in the state spent more than \$16.7 million from state and federal sources on the program in Fiscal Year 2017.

³ In Fiscal Year 2017, at least 17,000 children were enrolled in Early Childhood Family Education. Final Fiscal Year 2017 expenditure and revenue data were not available on a timely basis for our analysis.

Exhibit 1.1: Most of the key early childhood programs share a common purpose of supporting young children’s learning or development.

	Program	Purpose
	Child Care Assistance Program ^a	To reduce costs of child care services for eligible families to enable them to seek or retain employment, or to participate in education or training to obtain employment, and to provide eligible families with the financial resources to find and afford quality child care; to improve child care and development of participating children; to deliver high quality, coordinated early childhood care and education services to maximize parents' options and support parents trying to achieve independence from public assistance
	Early Childhood Family Education	To provide parenting education to support children's learning and development
	Early Childhood Health and Development Screening	To assist parents and communities in improving the health of children and plan educational and health programs
	Early Learning Scholarships ^a	To close the opportunity gap by increasing access to high-quality early childhood programs
	Family Home Visiting	To foster healthy beginnings, improve pregnancy outcomes, promote school readiness, prevent child abuse and neglect, reduce juvenile delinquency, promote positive parenting and resiliency in children, and promote family health and economic self-sufficiency
	Head Start and Early Head Start	To promote school readiness of low-income children by enhancing their cognitive, social, and emotional development; Early Head Start: to promote child development and assist parents in fulfilling their parental roles and moving toward self-sufficiency
	School Readiness Program	To prepare children to enter kindergarten
	Voluntary Prekindergarten	To prepare children for success as they enter kindergarten in the following year

NOTE: In addition, the 2017 Legislature established “School Readiness Plus” to “prepare children for success as they enter kindergarten in the following year.” We refer to School Readiness Plus in this report but did not include it among our key programs because it had not yet been implemented when this evaluation began.

^a In connection with the Child Care Assistance Program and Early Learning Scholarships, the Parent Aware Quality Rating and Improvement System rates child care providers and early learning programs, in part to help families eligible for financial assistance identify high-quality providers. The quality ratings are required of providers before they can accept Early Learning Scholarship funding. The statutory purpose of Parent Aware is to ensure access to high-quality early learning and child care programs in a range of settings so that children are fully ready for kindergarten by 2020.

SOURCE: Office of the Legislative Auditor, analysis of *Minnesota Statutes* 2017, 119B.08, subd. 3(1); 121A.16; 124D.13, subd. 1; 124D.142 (a); 124D.15, subd. 1; 124D.151, subd. 1; 124D.165, subd. 1; 145A.17, subd. 1; 42 *U.S. Code*, secs. 9831 and 9840a (2007); Child Care and Development Fund Program, 81 *Federal Register*, p. 67573 (September 30, 2016); and *Minnesota Rules*, 3400.0010, subp. 1, published electronically October 29, 2008.

Head Start and Early Head Start. Thirty-two nonprofit, tribal government, or school district grantees—most of which are community action agencies—provide Head Start and Early Head Start programs. This federal program promotes the school readiness of low-income children by enhancing their cognitive, social, and emotional development. In addition, Head Start provides assistance to meet a child’s family’s needs in health, education, and other areas. To be eligible, families must have income at or below the poverty line. Children from age 3 up to 5 years may attend Head Start; pregnant women and children from infancy up to age 3 may attend Early Head Start. In Fiscal Year 2017, there were about 11,880 “slots” in Head Start and 2,880 “slots” in Early Head Start. In that year, the state allocated \$25.3 million to the program; state and federal funding totaled \$131.6 million.

School Readiness Program. All Minnesota school districts offer School Readiness programs, whose purpose is to prepare children to enter kindergarten. To participate free of charge, a child must be at least 3 years old, have completed Early Childhood Health and Development Screening within 90 days of enrolling, and have one of six risk factors, such as qualifying for free or reduced-price lunch, being an English language learner, or having a potential risk factor that may influence learning. Other children may participate on a fee-for-service basis. In Fiscal Year 2016, at least 21,100 children enrolled in a School Readiness program.⁴ In Fiscal Year 2016, School Readiness programs spent almost \$49 million; funding sources included state aid, local tuition and fees, and other local sources.

Voluntary Prekindergarten. The purpose of Voluntary Prekindergarten is to prepare children for kindergarten using instruction and curriculum aligned with Minnesota’s early learning standards. School districts and charter schools must apply to the Minnesota Department of Education (MDE) to be able to offer Voluntary Prekindergarten. Among other factors in selecting school sites, MDE prioritizes sites that serve higher concentrations of children eligible for free or reduced-price lunch. Voluntary Prekindergarten programs must use curriculum aligned with Minnesota’s early learning standards. To participate free of charge, a child must be 4-years-old and have completed an Early Childhood Health and Development Screening within 90 days of enrolling. In Fiscal Year 2017, 86 school districts and charter schools provided Voluntary Prekindergarten, and 4,300 children participated.⁵ The programs received about \$22.2 million in revenues that year.⁶

Parent Aware Quality Rating and Improvement System. The purpose of the Parent Aware System is to ensure that Minnesota’s children have access to high-quality early learning and child care programs in a range of settings so that they are fully ready for kindergarten by 2020. Parent Aware rates child care providers and early learning providers on five separate categories, including teaching and relationships with children, relationships with families, and health and well-being. Within each category, earning 3 or 4 stars requires a provider to meet higher standards than earning a 1- or 2-star rating. Child care providers or early education programs voluntarily agree to participate in the program and meet certain quality standards. In Fiscal Year 2016 alone, more than 1,220 providers earned a rating. The state spent \$9 million of federal and state funding on the rating system in Fiscal Year 2016.

⁴ For Fiscal Year 2017, at least 20,900 children were enrolled in a School Readiness program. Final Fiscal Year 2017 expenditure and revenue data were not available on a timely basis for our analysis.

⁵ Participants include children whose enrollment in Voluntary Prekindergarten was funded with sources other than funding dedicated for Voluntary Prekindergarten; this includes children who did not meet eligibility requirements. It may include children who enrolled but never attended. We included only children enrolled for at least a week; children’s length of enrollment ranged from less than one month to more than nine months.

⁶ This amount is MDE’s estimate for Voluntary Prekindergarten revenues. It was calculated using funding formulas and data, such as number of students, reported by school districts and charter schools.

Child Care Assistance Program. This program offers financial help to low-income parents to pay for qualifying child care. To be eligible, parents must work, seek jobs, or attain education or training that leads to employment. In Fiscal Year 2016, more than 4,350 child care providers received Child Care Assistance to serve children up to 5 years of age. Generally, children up to age 12 are eligible. About 26,000 children from birth up to 5 years of age participated in Fiscal Year 2016. The state spent almost \$240 million on this program in Fiscal Year 2016, \$124.9 million of which was for children from birth up to age 5.

Early Learning Scholarships. The purpose of Early Learning Scholarships is to close the opportunity gap by increasing access to high-quality early childhood programs. Eligible families must have income at or below 185 percent of the federal poverty level, and participating children must be from 3- up to 5-years-old. Children may be younger than 3 if they meet other criteria, such as being homeless or having a sibling with a scholarship. A child must have completed an Early Childhood Health and Development Screening within 90 days of attending a program. In Fiscal Year 2016, more than 11,250 children were awarded a scholarship. The state spent almost \$40 million on scholarships awarded that year.⁷

There are two ways to access Early Learning Scholarships: Pathway I and Pathway II. Under Pathway I, scholarships are awarded to an individual child to pay for high-quality child care or early learning programs; providers must participate in the Parent Aware program. Under Pathway II, scholarships are awarded to a child care program or early learning program with a 4-star Parent Aware rating; the provider awards scholarships to eligible children in families interested in the program. Additional information on the differences between the two pathways is in Exhibit 1.2.

Status of Early Childhood Programs in Minnesota

Minnesota's early childhood programs go beyond education programs run by school districts. In fact, some of Minnesota's programs are structured to include multiple types of providers—child care providers operating in the private market, school districts, and Head Start programs—to provide services to children, in what is called a “mixed-delivery” system.⁸

For example, in the state's Voluntary Prekindergarten program, school districts must apply to the state for funding, and the Minnesota Department of Education ranks their applications in part by whether they have implemented a mixed-delivery system with Head Start, child care programs, or others in the area. As another example, Minnesota law requires Head Start programs to work together with full-day child care programs, in part to offer more in-depth programs of longer duration and in part to improve outcomes for children and family participants.⁹ A third example is the use of Child Care Assistance Program subsidies to help pay for children in full-day Head Start programs.

⁷ This value is based on local program administrators' total expenditures as calculated by MDE. Since children can use scholarships for up to a year from the date they were awarded, expenditures include those made in fiscal years 2016 and 2017.

⁸ As defined in statute, a mixed-delivery system is one in which a school district or charter school contracts with a Head Start program, child care provider, charter school, or community-based organization to provide services that are developmentally appropriate for young children. *Minnesota Statutes* 2017, 124D.151, subd. 3. Mixed delivery can occur only in areas with multiple types of providers.

⁹ *Minnesota Statutes* 2017, 119A.535 (4). “Programs of longer duration” refer to those that meet for a full day instead of a half day or for a full week instead of a few days per week.

Exhibit 1.2: Fiscal Year 2018 Pathway I and Pathway II Early Learning Scholarships differ in how they are administered.

Characteristic	Pathway I	Pathway II
Program Administrators	Twelve area administrators serving 18 geographic areas of the state	Certain Parent Aware-rated programs receiving Pathway II funding and a contracted organization that helps child care programs administer Pathway II scholarships ^a
Award Process	Awarded by area administrators to families for use at an eligible program of their choice	Awarded by programs to eligible families interested in attending their program
Programs Eligible to Use Scholarships	Programs participating in the Parent Aware rating system	Programs with a 4-star Parent Aware rating
Maximum Annual Award Amount ^b	<ul style="list-style-type: none"> • \$7,500 for 4-star rated programs^c • \$5,000 for 3-star rated programs • \$4,000 for 1- and 2-star rated programs • \$3,000 for programs in the process of being rated 	<ul style="list-style-type: none"> • \$7,500 for 850 or more hours of instruction^d • \$5,000 for 510 to 849 hours of instruction • \$3,750 for less than 510 hours of instruction

^a The Minnesota Department of Education refers to programs that receive Pathway II funding as “scholarship administrators.”

^b Children awarded “Race to the Top-Early Learning Challenge Scholarships” were transitioned to Early Learning Scholarships starting in Fiscal Year 2016. Early Learning Scholarships awarded to these children could be for the same amount as their Race to the Top-Early Learning Challenge Scholarship.

^c This maximum amount became effective in July 2015. Before this, the maximum amount was \$5,000. Private providers must charge families with scholarships the same rate charged to other families.

^d The Minnesota Department of Education set these values as guidance for programs. Programs wishing to award scholarships greater than these values must demonstrate that program costs exceed these limits.

SOURCE: Office of the Legislative Auditor, analysis of *Minnesota Statutes* 2017, 124D.165; Minnesota Department of Education, *Early Learning Scholarships Guide for Early Learning Programs* (St. Paul, 2017); and Minnesota Department of Education, *State Early Learning Scholarships: Policy Manual* (St. Paul, 2017).

Voluntary versus Required Programs

Most of Minnesota’s early childhood programs are voluntary. For instance, young children are not required to attend school districts’ preschool programs. This contrasts with the state’s compulsory attendance law that requires children between the ages of 7 and 17 to attend school.¹⁰ As another example, families enrolled in the Minnesota Family Investment Program (MFIP) are not required to use the Child Care Assistance Program. We also examined whether school districts or charter schools and other program providers are required to provide early childhood programs.

¹⁰ *Minnesota Statutes* 2017, 120A.22, subd. 5.

State law does not require some early childhood programs, such as preschool offered by school districts and charter schools, but it does require other early childhood programs.

School Readiness programs and Voluntary Prekindergarten are optional, and it is up to school districts (and charter schools in the case of the latter program) to decide whether to offer them. At the same time, school districts that want state funding to offer these classes must meet legal requirements such as providing program content that is aligned with the state's early learning standards.¹¹

In contrast, certain early childhood programs are required by law. For example, state law requires children to undergo an Early Childhood Health and Development Screening to continue attending kindergarten or first grade in a public school; it also requires children enrolling in certain preschool programs to be screened.¹² As another example, state law requires the Department of Human Services to provide financial assistance for child care to help families who qualify for public assistance, such as MFIP.¹³ Other low-income families may also qualify for public child care assistance, but the assistance is limited by the amounts of state and federal assistance appropriated.

Evolving Programs

A few of Minnesota's early childhood programs have been in place for many years. Others were established as recently as within the past year.

Minnesota's array of early childhood programs has evolved over a period of more than 40 years.

Early Childhood Health and Development Screening started in 1977. Other programs are more recent, as shown in Exhibit 1.3. The most recent addition was in 2017 when the Legislature enacted School Readiness Plus, described briefly below.¹⁴ The 2016 Legislature established Voluntary Prekindergarten, with the program starting in the 2016-2017 school year.¹⁵ Three years earlier, the 2013 Legislature established Early Learning Scholarships.¹⁶

¹¹ *Minnesota Statutes* 2017, 124D.151, subd. 2(a)(3), requires Voluntary Prekindergarten programs to align their curriculum and instructional strategies with the state's early learning standards.

¹² *Minnesota Statutes* 2017, 121A.17, subd. 1. Children must undergo the screening within 30 days of kindergarten enrollment; 90 days of enrolling in a School Readiness program, School Readiness Plus, or Voluntary Prekindergarten; or 90 days of attending a program for which families use an Early Learning Scholarship. Screening is not required if parents file a conscientious objection. See *Minnesota Statutes* 2017, 124D.15, subd. 15(2), and 124D.151, subd. 4; and *Laws of Minnesota* 2017, chapter 5, art. 8, sec. 9, subd. 4.

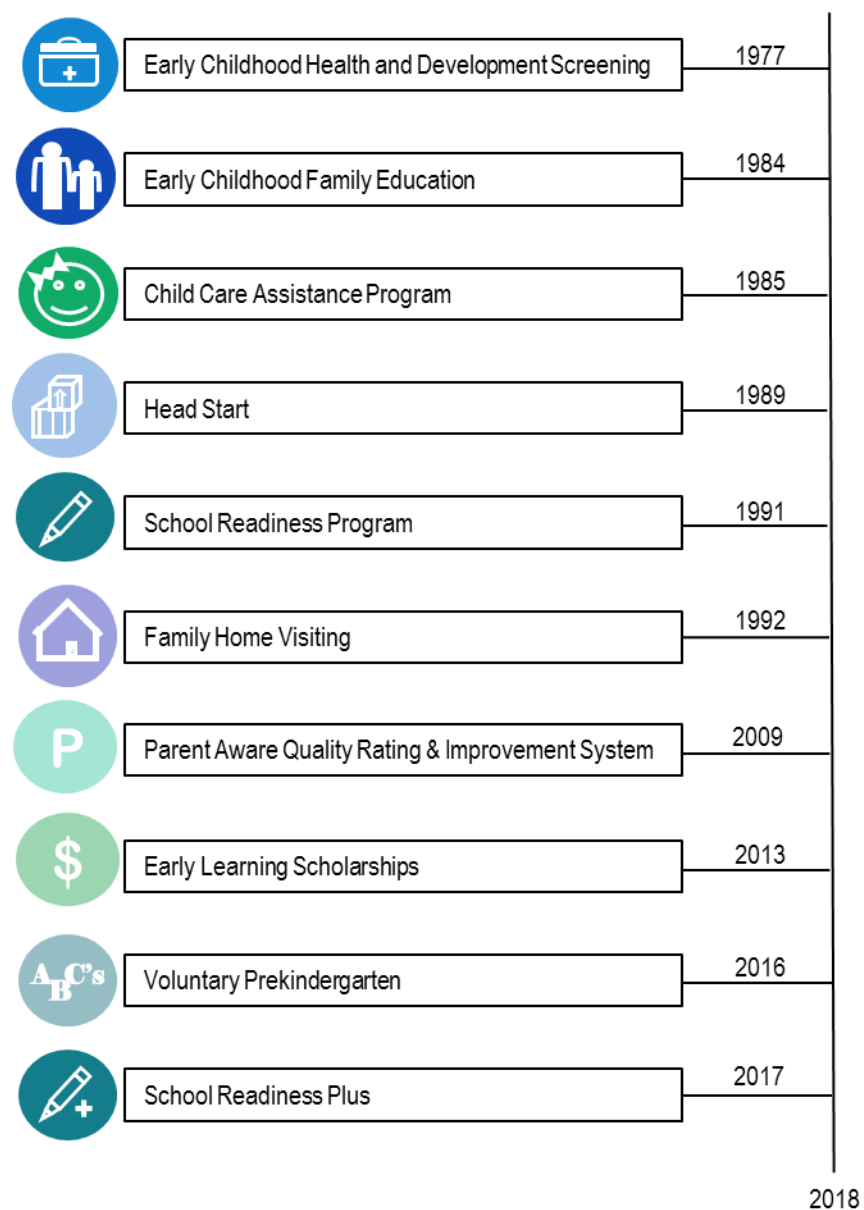
¹³ *Minnesota Statutes* 2017, 119B.02, subd. 1.

¹⁴ *Laws of Minnesota* 2017, First Special Session, chapter 5, art. 8, sec. 9.

¹⁵ *Laws of Minnesota* 2016, chapter 189, art. 27, sec. 6, codified as *Minnesota Statutes* 2017, 124D.151.

¹⁶ *Laws of Minnesota* 2013, chapter 116, art. 8, sec. 2, codified as *Minnesota Statutes* 2017, 124D.165. The 2011 Legislature funded an earlier, smaller version of the program, called Early Childhood Education Scholarships. See *Laws of Minnesota* 2011, First Special Session, chapter 11, art. 8, subd. 8.

Exhibit 1.3: The Legislature has established early childhood programs over the years and has recently added new programs.



NOTE: Some of the programs in this list had earlier incarnations or pilot projects prior to their establishment in state law, and some were first established at the federal level.

SOURCE: Office of the Legislative Auditor, analysis of *Minnesota Laws* 1977, chapter 437, sec. 1; 1984, chapter 463, art. 4, sec. 1; 1985, First Special Session, chapter 14, art. 9, sec. 72; 1989, chapter 282, art. 2, sec. 171; 1991, chapter 265, art. 7, sec. 6; 1992, chapter 571, art. 10, sec. 9; 2013, chapter 116, art. 8, sec. 2; and 2016, chapter 189, art. 27, sec. 6.



School Readiness Plus

Established in 2017, School Readiness Plus is intended to prepare 4-year-olds for success in kindergarten the following year. Program content must align with the state's early childhood learning guidelines. The program must work with parents and kindergarten teachers on children's transition into kindergarten.

Four-year-olds participate at no charge if they have one of six risk factors: (1) Qualify for free or reduced-price lunch, (2) be an English language learner, (3) be homeless, (4) have an individualized education program, (5) have a potential risk factor that may influence learning, or (6) be in foster care. Other children may participate on a fee basis.

Unlike the original School Readiness program, school districts or charter schools must apply to the Minnesota Department of Education for School Readiness Plus funding. Their applications are selected based on how they meet selection criteria, such as having high concentrations of kindergarten children in families with low incomes. They must use School Readiness Plus revenue to supplement other state, federal, and local revenue and must not take the place of those other revenues.

While new early childhood programs have been added, older programs continue to evolve. As an example, a 2014 law change required Minnesota's Head Start agencies to expand their work by helping parents of English-language learners to develop their children's English proficiency.¹⁷ As a second example, in 2015, Minnesota expanded statewide its practice of higher reimbursement rates for child care providers that met certain quality standards. Minnesota has also implemented changes required by the federal Child Care and Development Block Grant Act of 2014 and subsequent rules, including new training requirements for child care providers and health and safety requirements for all programs serving children receiving child care assistance.¹⁸

Minnesota Compared with Preschool Programs Elsewhere

Most states across the country, including Minnesota, had prekindergarten programs in the 2016-2017 fiscal year, according to the Education Commission of the States.¹⁹ About 68 percent of those states reportedly increased their 2016-2017 spending on prekindergarten programs (with an average increase of nearly 7 percent over the prior year), according to the commission. Six states had no state spending on prekindergarten in 2016-2017, including Minnesota's western neighbors, North Dakota and South Dakota.

Minnesota does not offer "universal" preschool—where all children of a certain age are eligible to enroll regardless of income level, and nearly all children who can enroll do so. Few states do, according to one analysis, which reported in 2016 that only Florida,

¹⁷ *Laws of Minnesota* 2014, chapter 272, art. 1, secs. 1-2, codified as *Minnesota Statutes* 2017, 119A.50, subd. 3(a)-(b) and 119A.535(6).

¹⁸ Minnesota Department of Human Services, *Bulletin Number 17-68-19 Federal and State Changes to the Child Care Assistance Program-Phase 1* (St. Paul, September 6, 2017), 2-8.

¹⁹ Education Commission of the States, *50 State Review - State Pre-K Funding 2016-17 Fiscal Year: Trends and Opportunities*, January 2017, 1.

Vermont, and Washington DC could be considered to have universal preschool programs, with Oklahoma having a nearly universal program.²⁰

Young Children in Minnesota

Statewide population data for young children from birth through age 4 provide context for who may enroll in early childhood programs. While statewide data are not available to indicate the total number of children enrolled across Minnesota's early childhood programs, we present in Appendix A enrollment for the key early childhood programs discussed in this report.

The number of children from birth through age 4 as a share of the state's population has remained fairly constant over the past ten years, while the racial makeup of this group has changed slightly statewide.

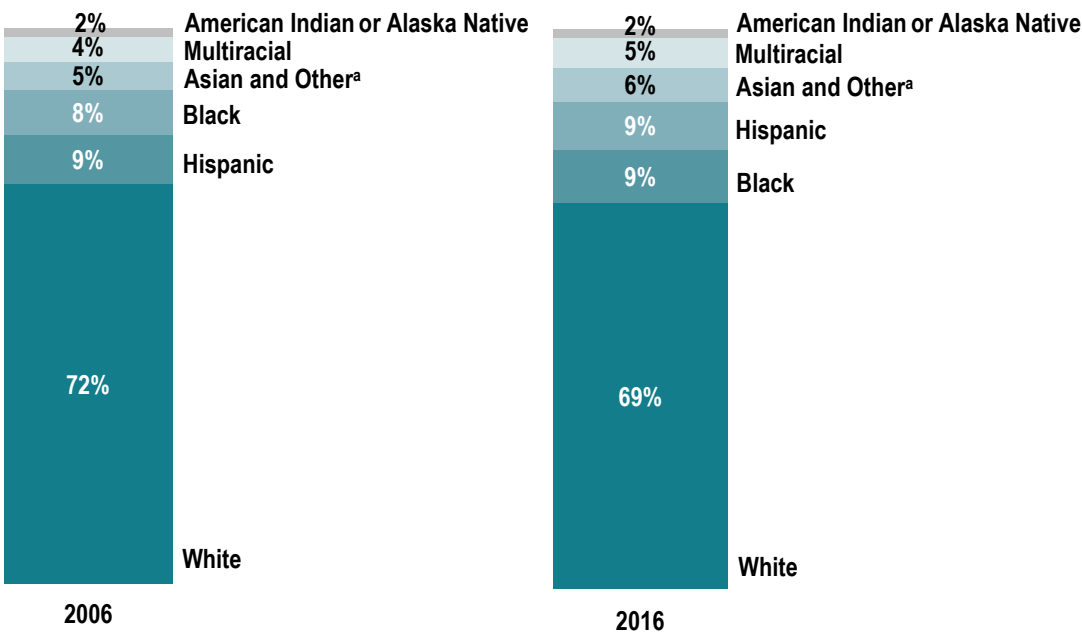
In 2016, 352,504 children from birth through age 4 lived in Minnesota, which is 6 percent of the total population, according to data from the Minnesota State Demographic Center. Children from birth through age 4 made up a slightly larger share (7 percent) of the state's population in 2006.

The racial makeup of Minnesota children from birth through age 4 changed slightly from 2006 through 2016. The number of children from birth through age 4 who were children of color increased by three percentage points in the past decade, as Exhibit 1.4 shows.

Children's racial backgrounds varied by economic development region. In 2016, children from birth to age 4 living in Economic Development Region 2 (north central Minnesota) and Economic Development Region 11 (Twin Cities metropolitan area) exhibited the greatest diversity; a breakdown is shown below. In other regions, 70 percent or more of children were white.

²⁰ National Institute for Early Education Research, Rutgers Graduate School of Education, "Universal Pre-K: What does it mean and who provides it?" *Preschool Matters Today*, January 6, 2016, <http://nieer.org/2016/01/06/universal-pre-k-what-does-it-mean-and-who-provides-it>, accessed January 16, 2018. The authors defined "universal" preschool to include states where any child of a certain age can enroll and enrollment is near to 100 percent. Oklahoma and West Virginia were in various stages of attaining universal preschool. Five additional states (Georgia, Illinois, Iowa, New York, and Wisconsin) had policies for universal preschool, but enrollment had lagged for various reasons, including limited funding. The article's authors acknowledged that states with universal or near universal preschool have very different programs in terms of items such as teaching practices, funding, length of school day, and number of days that preschool is in session.

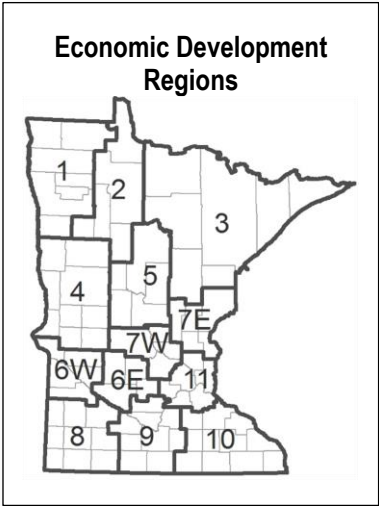
Exhibit 1.4: Slightly more Minnesota children from birth through age 4 were children of color in 2016 as compared with 2006.



^a The “Asian and Other” category also includes Native Hawaiians and Other Pacific Islanders, who made up less than 1 percent of the population of children from birth through age 4.

SOURCE: Office of the Legislative Auditor, analysis of data from the Minnesota State Demographic Center.

Children from Birth through Age 4 in 2016		
Race	Region 2 North Central	Region 11 Twin Cities Metro
White	62%	60%
American Indian/Alaska Native	25	1
Multiracial	6	6
Hispanic	5	9
Asian	1	9
Black	1	14
Native Hawaiian/Other Pacific Islander	<1	<1



State Agencies and Stakeholders

State agencies oversee Minnesota's early childhood programs. Beyond state government, many additional organizations are involved in implementing the programs or advocating for young children.

State Agencies

Primarily, three Minnesota state agencies have authority for early childhood programs.²¹ Education-related programs fall under the jurisdiction of the Minnesota Department of Education. The Minnesota Department of Health oversees programs that are more health oriented, such as certain Family Home Visiting programs. The Minnesota Department of Human Services is responsible for others, such as assistance for child care. In some cases, multiple state agencies share oversight and divide responsibilities between themselves. Exhibit 1.5 depicts agencies' oversight of the different early childhood programs.

The three departments also participate in two advisory councils that guide Minnesota's early childhood programs.²² One is the Children's Cabinet, and the other is the Minnesota Early Learning Council.

The Legislature established the Children's Cabinet in 1993.²³ Commissioners from the three departments are members of the cabinet; staff from the departments serve on a Children's Sub-Cabinet and other interagency teams.²⁴ The purpose of the Children's Cabinet is to coordinate state agencies' efforts to better serve children and families, as shown at right. For example, cabinet members participate in the Minnesota "2-Generation Policy Network," through which state agencies and community partners collaborate to provide services for children and parents together.

Children's Cabinet Activities

- Build and advance a plan for public investments and supports for children and families using a two-generational approach
- Engage stakeholders to inform state agencies' work
- Identify and pursue opportunities for greater alignment and coordination across agencies

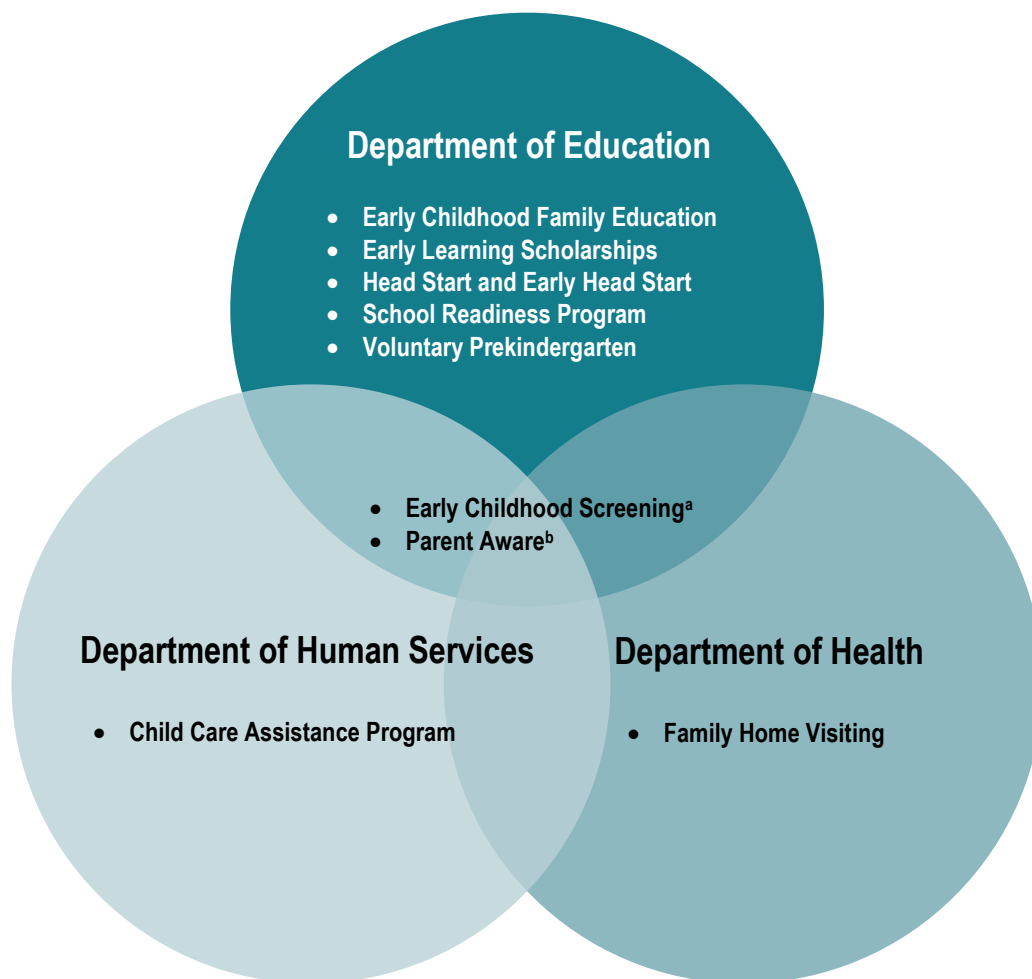
²¹ Generally, local jurisdictions, including school districts, charter schools, public health departments, and county human service departments, implement the programs.

²² A third council, the State Interagency Coordinating Council, is responsible for recommending policies to ensure a comprehensive and coordinated system of services for children (under age 5) with disabilities and their families. The Governor appoints council members, including one member of the House of Representatives; one member of the Senate; one representative each from the Minnesota departments of Education, Health, and Human Services; parents of children (under age 12) with disabilities; and providers of services for children with disabilities under age 5; among others.

²³ *Laws of Minnesota* 1993, chapter 224, art. 4, sec. 6.

²⁴ As of January 2018, the Governor expanded the cabinet to include the Metropolitan Council chair and the commissioners of Employment and Economic Development, Housing Finance, and Transportation. The cabinet also expanded its focus to include early childhood workforce development and access to housing for families.

Exhibit 1.5: The Minnesota departments of Education, Health, and Human Services oversee key early childhood programs and share responsibilities for some of them.



^a Early Childhood Screening refers to Early Childhood Health and Development Screening. The Minnesota Department of Education oversees this program, but shares some responsibilities with the Minnesota departments of Health and Human Services.

^b Parent Aware refers to the Parent Aware Quality Rating and Improvement System. The Minnesota Department of Human Services oversees this program, but shares some responsibilities with the Minnesota departments of Education and Health.

The second advisory council is the Minnesota Early Learning Council.²⁵ Governor Dayton created the current Early Learning Council in 2011 to fulfill functions required by state and federal laws.²⁶ Examples of the council's functions are listed at right. The council makes recommendations to the Legislature, Governor, and Children's Cabinet regarding how to improve Minnesota's early childhood programs to attain high-quality services and advance children's educational outcomes.

Sample Functions of the Early Learning Council

- Develop recommendations for increasing participation in early childhood programs
- Develop recommendations regarding professional development plans for early childhood providers
- Develop recommendations regarding the establishment of a statewide data system for early childhood programs
- Identify opportunities for, and barriers to, collaboration and coordination among early childhood programs

The council may have up to 30 members, 22 of whom are appointed by the Governor. Required council members are listed below.

Stakeholders

Numerous nonprofit organizations help implement Minnesota's early childhood programs. We describe a sample here. As an example, the nonprofit organization Think Small is one of 12 area administrators for the Early Learning Scholarship program, and it administers scholarships in the Twin Cities metropolitan area. Additionally, Think Small administers part of the Child Care Assistance Program for Ramsey County and provides Parent Aware coaching, technical assistance, grants, and professional training and support to licensed child care providers in the metro area through a child care resource and referral grant contract with DHS. It also advocates for early childhood policies, refers families for services, and provides community outreach. For example, Think Small is a referral agency of early childhood services for underserved families, including those with low incomes, families of color, and immigrant and refugee families. For early childhood professionals, Think Small publishes books and provides professional development opportunities.

Early Learning Council Members

- Commissioners or designees from DHS, MDE, and MDH
- Early childhood program providers
- Head Start State Collaboration Director
- Higher education representatives
- Individuals whose families participate in early childhood programs
- Individuals with Head Start expertise
- Legislators: two Representatives and two Senators
- Local government representatives
- Members of the business community
- Nonprofit organization representatives
- Parents of children younger than age 6
- Philanthropic community representatives
- School district representatives

²⁵ The federal Improving Head Start for School Readiness Act of 2007 required the Governor to designate or establish a state advisory council for early childhood programs. Earlier councils preceded the current council. The Improving Head Start for School Readiness Act of 2007, Public Law 110-134, codified as 42 *U.S. Code*, sec. 9837b (2012). *Laws of Minnesota* 2008, chapter 363, art. 2, sec. 13, codified as *Minnesota Statutes* 2017, 124D.141.

²⁶ State of Minnesota Executive Order 11-05, "Creating the Early Learning Council," March 17, 2011.

Other nonprofit organizations also provide resources for families and early childhood providers. One is Families First of Minnesota, which is a Head Start and Early Head Start grantee and administrator of Early Learning Scholarships in southern and eastern Minnesota. Families First offers resources to (1) families looking for early childhood programs and (2) early childhood providers seeking professional development opportunities and business guidance.²⁷ Another is Child Care Aware of Minnesota. It offers an online search tool and phone consultations to help parents find quality child care and early childhood services using Parent Aware ratings and other information. In addition, Child Care Aware provides professional development opportunities, scholarships, and grants to child care professionals.

The “Early Childhood Initiative” connects nonprofit organizations and government agencies in rural parts of the state. The Minnesota Initiative Foundations formed the Early Childhood Initiative in 2003 with the goal of providing children in Greater Minnesota the best possible start to a healthy and successful life.²⁸ More than 90 Early Childhood Initiative coalitions have formed around Minnesota with members from school districts, public health agencies, social service agencies, Head Start, health care providers, and public libraries. The coalitions advocate for Greater Minnesota’s early childhood child care and education needs.

Numerous local agencies are involved in delivering early childhood services. They include school districts, charter schools, county social service agencies, local public health agencies, and joint powers arrangements.

²⁷ Families First offers these resources through a child care resource and referral grant contract with DHS.

²⁸ The Minnesota Initiative Foundations are six regional foundations that provide resources such as grants, business loans, and programs to businesses and communities in rural Minnesota.



Chapter 2: Fragmentation and Potential Duplication

Minnesota law does not explicitly lay out a vision for a system of early childhood programs, as Chapter 1 explained. Instead of a network of coordinated programs that seamlessly provide services, Minnesota has, over the years, accumulated a set of piecemeal programs, each with its own complexities.

In this chapter, we analyze the complexity of early childhood programs and their services. We also examine the potential for early childhood programs to overlap or duplicate funding. Finally, we review school district responsibilities related to Early Childhood Health and Development Screening when children are screened by more than one type of screening provider.

Program Complexity

In some ways, early childhood programs are similar. First, although some have multiple purposes, the key programs also share common purposes, such as preparing children for school or supporting children's development, as Chapter 1 described.

Second, the Legislature has created many of the programs to target certain populations, such as families with low incomes or facing other risk factors. An example is the Basic Sliding Fee subprogram of the Child Care Assistance Program. Each of the more recent programs, Early Learning Scholarships program (created in 2013), Voluntary Prekindergarten program (2016), and the School Readiness Plus program (2017), also targets children in low-income families. In the latter program, as an example, one of the six risk factors used to define eligibility is whether children qualify for a free or reduced-price lunch, as shown at right.



Six Risk Factors Defining Child Eligibility in School Readiness Plus Program of 2017

- Qualifies for free or reduced-price lunch
- English language learner
- Homelessness
- Has individualized education program
- Identified with a potential health or developmental risk factor that may influence learning
- In foster care

A third example of similarities among programs, especially recent ones, is that the Legislature has structured them to work within a mixed-delivery system, instead of relying solely on the traditional public school model. This means providers of many types can participate in providing services when school districts or charter schools contract with them to do so. For instance, a school district might contract with a Head Start center and together provide Voluntary Prekindergarten in the morning and Head Start classes in the afternoon. As another example, families with children awarded Early Learning Scholarships could use their scholarships to help pay for Parent Aware rated programs, including school-based programs, Head Start programs, or privately operated child care programs. Despite these similarities, early childhood programs have many differences.

Variation among early childhood programs' funding and program requirements has created a highly complex and fragmented set of programs.

We analyze differences in three main areas. The first is programs' eligibility requirements, the second is program requirements, and the third is funding and limits on enrollment or allocations.

Eligibility Requirements

We reviewed the key early childhood programs' eligibility requirements on income and age.

Even among similar early childhood programs, eligibility requirements on income and age differ.

Regarding income, families applying for Early Learning Scholarships are eligible if (1) their income is a maximum of 185 percent of federal poverty guidelines or (2) family members participate in one of several programs, including the free or reduced-price lunch program. Eligibility for the School Readiness program is defined by children having any one of six risk factors, one of which is qualifying for free or reduced-price lunch. At the same time, Voluntary Prekindergarten has no income threshold for a child's eligibility.¹ Exhibit 2.1 shows eligibility differences among the early childhood programs.

The age of eligible children also varies somewhat by program. For example, children must be 4 years of age to enroll at no charge in Voluntary Prekindergarten. Children of other ages may enroll, but they will not qualify for Voluntary Prekindergarten funding. In contrast, School Readiness program participants must be from age 3 to kindergarten entrance to attend free-of-charge.² Family Home Visiting provides services prenatally, and other early childhood programs serve children as young as newborns or expectant parents, as Exhibit 2.1 illustrates.









Program Requirements

We reviewed legal requirements related to provider eligibility for the Pathway I and Pathway II components of the Early Learning Scholarships program. We also compared staffing requirements for certain school-district based early childhood programs.

¹ However, school district and charter school applications for the Voluntary Prekindergarten program are ranked in part by the concentration of kindergarten students eligible for free or reduced-price lunches in the previous year.

² In addition, although the *School Readiness Plus* program is not one of the programs evaluated in this report, it offers additional contrasts in eligibility. For School Readiness Plus, children may participate free of charge at 4 years of age, not 3 years, as is the case for the original School Readiness program. Both programs require children to have one of six risk factors, but not all six factors are the same. For School Readiness Plus, the sixth risk factor is being "in foster care." In contrast, for the School Readiness program, the sixth risk factor is being "defined at risk by the school district."

Exhibit 2.1: Eligibility requirements on income and age vary across eight key early childhood programs.

	Program	Income Eligibility	Annual Income Limit for Family of Four in 2017	Earliest Age for Eligibility
	Child Care Assistance Program	At application, no more than 67 percent of state median income for families in MFIP, or no more than 47 percent of state median income for other families ^a	\$64,423 (MFIP) \$45,192 (Other families)	Birth
	Early Childhood Family Education	None	None	Birth ^b
	Early Childhood Health and Development Screening	None	None	3
	Early Learning Scholarships	At or less than 185 percent of federal poverty level ^c	\$45,510	Birth ^d
	Family Home Visiting	For one program, at or less than 200 percent of federal poverty guideline ^e	\$49,200	Prenatal
	Head Start	At or less than the federal poverty line	\$24,600	Birth (Early Head Start) ^b 3 (Head Start)
	School Readiness Program	Qualifying for free or reduced-price lunch ^f	\$31,980 (free lunch) \$45,510 (reduced price)	3 ^g
	Voluntary Prekindergarten	None. However, school district applications for the program are ranked in part by their concentration of kindergarteners eligible for free or reduced-price lunch the previous year.	Limit does not apply to family of an individual child	4 ^g

^a“MFIP” is the Minnesota Family Investment Program. Families in the Diversionary Work Program, or in a transition year after leaving either this program or MFIP, are also included in the MFIP subprogram of the Child Care Assistance Program.

^b Early Childhood Family Education also offers services to expectant parents. Head Start also offers services to pregnant women.

^c As alternatives, eligibility is granted for children in the free or reduced-price lunch program, Head Start, the Minnesota Family Investment Program, the Food Distribution Program on Indian Reservations, Child Care Assistance Program, Supplemental Nutrition Assistance Program, or foster care.

^d Low-income children age 3 up to 5 are eligible. Plus, low-income children from *birth* up to 5 years are eligible if they (1) have a sibling with a scholarship, (2) have a parent under age 21 pursuing a high school diploma, (3) are homeless, (4) are in foster care, or (5) are in need of child protective services.

^e The one program is under *Minnesota Statutes* 2017, 145A.17, subd. 1, and includes families at risk of factors such as child abuse or neglect. Eligibility for other Family Home Visiting programs is based on risk factors, such as families with pregnant women under age 21 or families with a history of substance abuse. In addition, Community Health Boards could offer other family home visiting services that may have different eligibility criteria.

^f Income is one of six possible risk factors for eligibility; others are being an English Language Learner, homeless, identified through screening with a risk factor that may influence learning, identified by the school district as at risk, or having an individualized education plan (for a special education disability). For School Readiness Plus, created in 2017, eligibility is similar except it is for 4-year-olds with a risk factor and has one different risk factor: being in foster care.

^g Ineligible children may participate on a fee-for-service basis. In addition, for Voluntary Prekindergarten, children who are *not* 4 years of age can be funded with other sources, such as School Readiness program funding, if the child qualifies for the other program. The same is true when more children apply than the number of available Voluntary Prekindergarten slots for which a school has been approved. For School Readiness Plus, the eligible child must be age 4.

SOURCES: Office of the Legislative Auditor, analysis of *Minnesota Statutes* 2017, 119B.09, subd. 1(a)(1)-(2); 124DF.13, subd. 2(a)(6); 124D.165, subd. 2(a)(2); 145A.17, subd. 1; 121A.17, subd. 2; 124D.15, subds. 15(3)(i)-(vi); 124D.151, subd. 5(c)(1); and 45 *CFR*, sec. 1302.12(c)(1) (2016).

Program requirements differ among school-district-based early childhood programs.

A requirement for the Early Learning Scholarships program distinguishes providers for Pathway I scholarships from providers for Pathway II scholarships. To be eligible to accept Pathway I scholarships as of 2017, a provider must participate in the Parent Aware Quality Rating and Improvement System.³ In contrast, to receive Pathway II scholarship funding, providers must have a 4-star rating.⁴

Staffing Requirements

Some requirements for instructors are the same across the school-district-based early childhood programs, while others vary. Statutes require instructors for the Voluntary Prekindergarten, School Readiness, and School Readiness Plus programs to be “knowledgeable in” early childhood curriculum, assessments, native- and English-language development, and instruction.⁵ For all three programs, the maximum class size is 20 children, and the maximum staff-to-children ratio is one to ten.⁶ However, teacher licensure differs, as shown below. In School Readiness Plus, the law requires at least one licensed teacher in the classroom.⁷ Teachers need not be licensed in either the School Readiness program or Voluntary Prekindergarten. However, school districts with Voluntary Prekindergarten are to pay teacher salaries that are comparable to those paid for other instructors in the district.⁸ Legal requirements for the School Readiness program and School Readiness Plus do not have a comparable salary requirement.

Statutory Staffing Requirements, by Program				
	Early Childhood Family Education	School Readiness Program	School Readiness Plus	Voluntary Prekindergarten
Maximum class size		√	√	√
Staff-child ratio		√	√	√
Salary requirement				√
Teacher licensure	√		√	
Program supervisor licensure	√	√		

³ *Minnesota Statutes* 2017, 124D.165, subd. 4(a)(1). Statutes previously required that Pathway I providers have a 3- or 4-star rating; this applied as of July 2016. However, the 2017 Legislature broadened that to require Pathway I providers to participate in the Parent Aware Rating and Quality Improvement System. At the same time, the requirement reverts back to a 3- or 4-star rating in July 2020. See *Laws of Minnesota* 2017, First Special Session, chapter 5, art. 8, sec. 6.

⁴ *Minnesota Statutes* 2017, 124D.165, subd. 3(c).

⁵ *Minnesota Statutes* 2017, 124D.151, subd. 2(b); and 124D.15, subd. 3(8). *Laws of Minnesota* 2017, First Special Session, chapter 5, art. 8, sec. 9, subd. 2(8).

⁶ *Minnesota Statutes* 2017, 124D.151, subd. 2(a)(10); and 124D.15, subd. 3(7). *Laws of Minnesota* 2017, First Special Session, chapter 5, art. 8, sec. 9, subd. 2(7).

⁷ *Laws of Minnesota* 2017, First Special Session, chapter 5, art. 8, sec. 9, subd. 2(7).

⁸ *Minnesota Statutes* 2017, 124D.151, subd. 2(a)(5).

The supervisor of a School Readiness program must be licensed as an early childhood teacher or parent educator or be certified as an early childhood educator.⁹ No such requirement exists for the Voluntary Prekindergarten program.

Licensure is required for instructors and supervisors in the Early Childhood Family Education program. Statutes require the programs to “employ necessary licensed teachers” and have supervisors who are licensed as either an early childhood teacher or parent educator.¹⁰

Funding and Limits on Enrollment or Spending

Sources of funding and limits on enrollment or spending vary among early childhood programs. Three programs—Child Care Assistance, Head Start, and Family Home Visiting—receive substantial federal funding supplemented with state dollars. Because these programs must meet federal requirements and are accountable to federal agencies, we focus here instead on the other five programs, which the Minnesota Department of Education (MDE) oversees.

Differences in program funding, and in requirements related to funding, add to the fragmented nature of Minnesota’s early childhood programs.

Each of five programs that MDE oversees—Early Childhood Family Education, Early Childhood Health and Development Screening, Early Learning Scholarships, the School Readiness program, and Voluntary Prekindergarten—receives substantial state funding. However, each receives a separate stream of revenue with its own requirements. In the next sections, we analyze requirements on local school district funding, applications for funding, user fees, and calculations of state aid. We also analyze differences between programs in allowable uses of funding and limits on enrollment and funding allocations.

Local School District Funding

Statutes for four of five programs overseen by MDE specifically authorize funding generated locally by property tax levies at the school district level, as Exhibit 2.2 shows. Of the four programs, two are funded as part of school districts’ community education revenues: Early Childhood Family Education and the School Readiness program.































Early Childhood Family Education receives revenue through local school district tax levies combined with state aid in two ways. First, the combination of a local levy and state aid generates “community education revenue,” and a school district may spend that revenue in part on Early Childhood Family Education (along with other community education programs).¹¹ Second, school districts use the combination of local levies and state aid for revenue that is specific to Early Childhood Family Education itself. By law, school districts may levy each fiscal year a statewide total of \$22.1 million for the program, based on a tax




⁹ *Minnesota Statutes* 2017, 124D.15, subd. 10.

¹⁰ *Minnesota Statutes* 2017, 124D.13, subds. 11 and 14.

¹¹ *Minnesota Statutes* 2017, 124D.20, subd. 8(a)(7). Other community education programs include adult basic education and recreational programs.

Exhibit 2.2: Five early childhood programs overseen by the Minnesota Department of Education have varying funding streams and requirements.

	Program	Local District Funding Required or Allowed	User Fees Allowed ^a	Enrollment Limits or Allocation Restrictions ^b	Responsibility to Transport Children ^c	School Districts Compete for Funding ^d
	Early Childhood Family Education					
	Early Childhood Health and Development Screening					
	Early Learning Scholarships					
	School Readiness Program					
	Voluntary Prekindergarten					

 Program has the characteristic
 Program partially has the characteristic
 Program does not have the characteristic

^a The law allows school districts to establish a sliding-fee scale to charge Early Childhood Family Education participants, and it requires school districts to establish a sliding-fee scale for School Readiness programs, but districts can waive the fees for families unable to pay. For Early Childhood Health and Development Screening, school districts that offer optional screening components may charge families that choose those options. For Voluntary Prekindergarten, if more 4-year-olds want to enroll than there are available slots, a school district can charge fees or use other funding sources.

^b The restriction for Early Learning Scholarships limits the amount of money that may be designated for Pathway II Scholarships in Fiscal Year 2018 to an amount not to exceed the Fiscal Year 2017 level. The restriction could limit the number of children receiving Pathway II Scholarships.

^c A school district must provide transportation for 4-year-olds in Voluntary Prekindergarten if the children live at least two miles from school, which is the same requirement that applies to students in kindergarten through 12th grade. School districts may use School Readiness program aid from the state for transportation, but they are not required to transport students. Early Learning Scholarships may be used to transport a child to a program, but this is not required.

^d The "School Readiness Plus" program, newly established in 2017, also requires school districts to apply and compete for funding.

SOURCE: Office of the Legislative Auditor, analysis of *Minnesota Statutes* 2017, 121A.19; 124D.15, subd. 12; 124D.151, subds. 5 and 6; 124D.135, subds. 3 and 6; and 124D.165, subd. 3(c).

rate set by the MDE commissioner.¹² This levy and the state aid that comes with it are (1) specific to the program and (2) must be spent only on purposes related to Early Childhood Family Education programs (and not other community education programs).

A second program that relies on local levies combined with state aid is the School Readiness program. School districts may spend part of their community education revenue on School Readiness.¹³ They also receive School Readiness state aid for revenue that is (1) specific to the School Readiness program and (2) must be spent only on purposes related to this program. (The amount of state aid a district receives depends on two elements, including the number of 4-year-olds in the district the previous year; the calculation is described later in this chapter.)

For Voluntary Prekindergarten, school districts and charter schools receive general education revenue, which is based on student counts; it is also the revenue that school districts customarily receive for students in grades kindergarten through 12th grade. General education revenue is part local tax levy and part state aid.

The fourth program with a statutory reference on local school district funding is Early Childhood Health and Development Screening, but in this case, the reference is to school districts' General Funds. The state partially reimburses school districts for each child screened by certain dates. In addition, statutes allow districts to supplement state aid for screening with transfers from their own General Funds.¹⁴ School districts' General Fund money is a mix of local levies and state aid used for general education purposes.

School District Applications for Funding

In two of the five programs that MDE oversees, school districts must apply to MDE if they wish to receive state funding. One is the Voluntary Prekindergarten program, and the other is Pathway II of Early Learning Scholarships, as Exhibit 2.2 illustrates.

The Voluntary Prekindergarten program requires school districts and charter schools to apply to MDE for funding.¹⁵ Statutes prescribe information required in the application, such as an estimate of the number of children to be served.¹⁶ They also prescribe the procedures, briefly described below, that the department is to follow when reviewing applications to allocate program funding to school districts or charter schools.

¹² *Minnesota Statutes* 2017, 124D.135, subd. 3. School districts that offer home visits through Early Childhood Family Education can levy an additional amount. See *Minnesota Statutes* 2017, 124D.135, subds. 6-6b.

¹³ *Minnesota Statutes* 2017, 124D.20, subd. 8(a)(8).

¹⁴ *Minnesota Statutes* 2017, 121A.19. School districts have also supplemented screening costs with funding from School Readiness and Early Childhood Family Education programs, among other sources.

¹⁵ The School Readiness Plus program, established by the 2017 Legislature, also requires school districts to apply for funding. *Laws of Minnesota* 2017, First Special Session, chapter 5, art. 8, sec. 10, subd. 5(a).

¹⁶ *Minnesota Statutes* 2017, 124D.151, subd. 5(a)(2).

The department ranks the applications and awards funding to the high-ranking applications.¹⁷ For Fiscal Year 2018, the department received applications for new Voluntary Prekindergarten programming from 242 school sites and allocated funding to 81 of them (33 percent). Those sites are in addition to the 102 school sites that had Voluntary Preschool funding in Fiscal Year 2017 and were renewed for 2018.¹⁸ (Sites receiving funding in Fiscal Year 2017 were guaranteed to receive future funding provided that they met all program requirements.)



Procedures for Ranking Applications for Voluntary Prekindergarten Program Funding

The Minnesota Department of Education:

- Divides all applications into four groups; three are by geographic area and one is for charter schools
- Ranks applications in each group by:
 1. Concentration of kindergarten students eligible for free or reduced-price lunch
 2. Absence of a 3- or 4-star-rated early childhood program in districts with high concentrations of low-income kindergarten students
 3. Whether the district has implemented a “mixed-delivery system” involving Head Start, child care providers, and others

Applications for funding are also required of 4-star Parent Aware-rated school districts and other providers that want to use Pathway II Early Learning Scholarships. In addition to the requirement for a 4-star quality rating, the department has ranked providers on other criteria, such as a count of kindergarten children from families in poverty living within the economic development region where the applying provider is located.

User Fees

Statutes allow three programs—School Readiness, Voluntary Prekindergarten, and Early Childhood Family Education—to charge user fees but under different conditions, as Exhibit 2.2 shows; other early childhood programs do not have authority to charge such fees.¹⁹ The box below briefly describes the conditions. First, state law requires school districts with School Readiness programs to establish a sliding-fee schedule and allows them to charge participants; districts must waive the fee for participants unable to pay.²⁰ This allows children who do not meet the age and risk-factor criteria for School Readiness eligibility to still participate but on a fee basis.²¹

The second example is a bit more complicated. For Voluntary Prekindergarten programs, school districts and charter schools cannot charge fees of eligible children—these children must be allowed to participate at no cost. One exception is that, if more 4-year-olds want to enroll than there are available slots, a school district can charge fees or use other funding

¹⁷ The same competitive process developed for funding school district applications for the Voluntary Prekindergarten program is also now in place for the School Readiness Plus program. *Laws of Minnesota* 2017, First Special Session, chapter 5, art. 8, sec. 10, subd. 5(d).

¹⁸ MDE reallocated some of the Fiscal Year 2017 funding from the original 102 sites to an additional number of sites by the end of that year; those additional sites are not reflected in this discussion.

¹⁹ In addition, while school districts provide the required components of the Early Childhood Health and Development screening at no charge to all children, school districts that offer *optional* screening components may charge for them.

²⁰ *Minnesota Statutes* 2017, 124D.15, subd. 12.

²¹ *Ibid.*

sources to pay for them. A second exception allows school districts to charge fees for children who do not meet the age eligibility requirement, if space permits.

The third example for which statutes allow user fees is Early Childhood Family Education. School districts must establish a sliding-fee scale to charge program participants but shall waive the fee for those unable to pay.²²

Calculation of State Aid

The formula for calculating amounts of state aid to school districts for Voluntary Prekindergarten varies considerably from the state aid formula for the School Readiness program. When Voluntary Prekindergarten was established, it was initially viewed as extending school districts’ kindergarten through 12th grades by adding on a prekindergarten grade, according to MDE. Thus, funding is calculated through the general education formula and is based on pupil units (a weighted measure of enrollment), just as for kindergarten through 12th grades.

By contrast, state aid for the School Readiness program is part of community education revenue (separate from general education revenue) and depends on two elements, as shown below.²³ One is the product of the number of 4-year-olds in the district from the previous year and a ratio of half of the previous year’s state aid to total number of 4-year-olds in the state



Charging User Fees

School Readiness programs—School districts are required to set a sliding fee schedule and can charge fees to families of participating children. They must waive the fee for participants unable to pay.

Voluntary Prekindergarten—School districts may *not* charge fees to eligible children unless there are more eligible children than slots available. If space allows, they may charge participants who do not meet eligibility criteria.

Early Childhood Family Education—School districts must establish a sliding-fee scale to charge users but shall waive the fee for participants unable to pay.

Two Elements to Calculate State Aid for the School Readiness Program

- | | | |
|---|---|--|
| 1. Number of 4-year-olds in the school district the previous year | X | $\frac{50\% \text{ of statewide School Readiness aid in previous year}}{\text{Total number of 4-year-olds statewide the previous year}}$ |
| 2. Number of enrolled pupils in the district eligible for free or reduced-price lunch the previous year | X | $\frac{50\% \text{ of statewide School Readiness aid in previous year}}{\text{Total number of pupils statewide eligible for free or reduced-price lunch the previous year}}$ |

from that previous year. The second element is the product of the number of the previous year’s students enrolled in the district from families eligible for free or reduced-price lunch and a ratio of half of the previous year’s state aid to number of all students statewide eligible for free or reduced-price lunch from the previous year. Thus, the higher the number of 4-year-olds and students from low-income families, the more of the appropriated state aid a district will receive.

Another complexity related to state aid lies in how school districts pay for Voluntary Prekindergarten students when the number of students exceeds the number of slots allocated to a school district for the program. If a school district received funding for 15 seats but had 20 4-year-olds enrolled, it would have to pay for the additional 5 students using sources other than Voluntary Prekindergarten state

²² Minnesota Statutes 2017, 124D.13, subd. 6.

²³ Minnesota Statutes 2017, 124D.16, subds. 2(b)(1)-(2).

aid. Other sources include general education revenue that the school district is not using for other purposes. Another source could be School Readiness program revenue, but only for those children who met eligibility for that program by having one of the six risk factors described earlier. A third possibility would be Early Learning Scholarships, but only for those children who were in low-income families and met other eligibility requirements of the scholarship program. The same would be true for Child Care Assistance Program subsidies. Beyond that, the district could require families of the additional children to pay user fees.

Allowable Uses of Funding

Among the school district-related early childhood programs, statutorily allowable uses of state funding vary, which adds complexity. One such variation is how school districts spend program funding on children with Individual Education Plans (IEPs, which are developed for children receiving special education services).

The School Readiness program is fee-based and receives funding based in part on the population of 4-year-olds in the community, as stated earlier.²⁴ The funding gives school districts a pot of money to provide programming to however many children the district deems eligible. For children in special education who want to participate in School Readiness, school districts most often use their funding to “purchase” or reserve slots for children with IEPs, according to MDE.

The same does not apply to the Voluntary Prekindergarten program. Unlike the School Readiness program, the source of funding for Voluntary Prekindergarten is general education revenue. The allotted funding is based on covering costs for the number of preschool children specified in the school district’s application that was approved by MDE. However, children with IEPs (and served by special education staff) generate their own general fund revenue, separate and beyond that of the Voluntary Prekindergarten program. For children with IEPs, the department instructs school districts and charter schools to use that separate general education revenue to fund Voluntary Prekindergarten for these particular children. That way, school districts need not reduce their Voluntary Prekindergarten allotment to cover the costs of children with IEPs.

The outcome is similar for Early Learning Scholarships. MDE does not automatically allow school districts to use Early Learning Scholarship dollars to pay for children with IEPs—such use first requires approval by the department’s Early Childhood Special Education staff. The department requires this to help districts use their limited scholarship funds in ways that offer the greatest number of scholarships. Requiring approval allows districts to avoid spending scarce scholarship dollars on funding children with IEPs, because the enrollment of such children already generates nonscholarship funding (i.e., general education revenue).

A second statutory use of state funding is transportation of preschool children, and this is required only of Voluntary Prekindergarten programs, as Exhibit 2.2 shows. For Voluntary Prekindergarten, school districts must provide transportation for children that live at least two miles from school, as is the case for children in kindergarten through 12th grade. This is because general education revenue pays for Voluntary Prekindergarten (as well as

²⁴ *Minnesota Statutes* 2017, 124D.16, subds. 2(b)(1)–(2).

kindergarten through 12th grades), and one component of that revenue funds transportation of students who meet the distance criterion.

At the same time, certain other early childhood programs are not required to pay for transportation. School districts may use School Readiness program funding for transportation, but the law does not require them to transport students. Using funding from Early Learning Scholarships to transport children to and from the program in which they are enrolled is allowed, but it is not required.

Limits on Enrollment and Allocations

Two of the five school district-related programs have enrollment limits or allocation restrictions. First, the 2017 Legislature limited enrollment in the Voluntary Prekindergarten program to 3,160 funded participants statewide for Fiscal Year 2018.²⁵ Furthermore, within an individual school district, the number of Voluntary Prekindergarten pupil units (a weighted measure of enrollment) cannot exceed 60 percent of that district's kindergarten pupil units.

Second, for the Early Learning Scholarship program, statutes limit the amount that may be designated for Pathway II scholarships in Fiscal Year 2018 (and later) to no more than the amount designated in Fiscal Year 2017.²⁶ This sets a ceiling for the amount of scholarship allocations that may be used as Pathway II scholarships. Theoretically, Pathway II Scholarship program funding could be divided among more children if the average scholarship amount were to be reduced—or fewer children if the average amount were to be increased.²⁷

Effects of Complexity

As part of this evaluation, we conducted interviews with a number of local officials from counties, school districts, and Head Start agencies, as well as a small number of representatives of child care providers and parents whose children were enrolled in early childhood programs. We visited three areas of the state, as listed to the right, to observe and learn about early childhood programs there. We heard a sample of local perspectives on the programs, and while the perspectives are not necessarily representative of views statewide, they offer valuable insights.

Areas Visited for the Evaluation

Itasca County

- Invest Early collaboration of four school districts in the county

St. Paul Public Schools

West Central Minnesota

- Alexandria Public Schools
- Brandon-Evansville Public Schools
- West Central Area Schools

²⁵ *Laws of Minnesota* 2017, First Special Session, chapter 5, art. 8, sec. 2. In addition, combined enrollment for Voluntary Prekindergarten and School Readiness Plus may not exceed 6,160 in Fiscal Year 2018 or 7,160 the following year.

²⁶ *Minnesota Statutes* 2017, 124D.165, subd. 3(c).

²⁷ Two other education-related early childhood programs expressly *prohibit* certain participation limitations. Statutes on Early Childhood Family Education and the School Readiness program state that school districts must not limit participation to school district residents, meaning they could serve children who reside in other districts. *Minnesota Statutes* 2017, 124D.13, subd. 2; and 124D.15, subd. 5.

Complexity in early childhood programs creates difficulties for users and providers that may lead to lower use or higher costs for families or inefficiencies for providers.

We summarize difficulties that we learned about from local officials in the areas we visited. We discuss difficulties that families experienced, followed by difficulties for program providers.

Difficulties for Families

One challenge arising from multiple, stand-alone programs is exemplified by families' difficulties managing multiple, lengthy application forms. In our discussions with parents in one school district, two of four parents who applied to programs for which they were required to document their incomes told us they had difficulties completing application forms. In another school district we visited, school officials reported that staff fill out as



It was a struggle to get through all of the paperwork and turn it in.

—Parent

much as they can on application forms for Early Learning Scholarships before distributing them to families. They have found this is one way to lower the barriers that families face while completing program applications.

Some child care providers we interviewed spoke of the complexities of certain application forms and program requirements. One said registering and enrolling in Child Care Assistance can be “overwhelming” for families. Another said she has worked with families who “end up crying” due to the complexities of the Child Care Assistance Program. She explained that families do not necessarily understand all components of the program. She cited an example of families that are eligible for Child Care Assistance at the *weekly* rate for 36 hours of care but end up charged at a higher *hourly* rate that they must pay. She said this happened because families did not know that the higher rate takes effect when a child attends for fewer than 36 hours per week.

Representatives of child care providers said families that receive financial subsidies from both the Child Care Assistance Program and Early Learning Scholarships do not necessarily understand how the programs differ or operate. One said that, while families want services for their children and want assurances that funding is available to pay for the services, many do not necessarily understand the different funding streams. One provider described how some families were caught unaware that their temporary loss of eligibility for the Child Care Assistance Program resulted in the depletion of their scholarship award, which had been used to cover costs previously paid by Child Care Assistance. She also talked about



Families want [child care] services and funding to help them afford the services. They do not necessarily understand the different funding streams.

—Child Care Provider

families losing their child care altogether when their scholarship was used up and the Child Care Assistance was insufficient by itself to cover program costs. A different provider described a family who unknowingly depleted its scholarship award, which ended up costing the provider because the family could not afford the payment on its own.

Difficulties for Providers

Local school officials we spoke with said the lack of consistency among programs' funding streams adds complexity. School district representatives in Itasca County and St. Paul said that, while some early childhood programs are quite similar in nature, the funding requirements present challenges. They said it can be difficult to keep straight how one child can be funded via one of the funding streams but another child cannot, even though both children are from low-income families.

School officials said that districts have to piece together funding so that they use the correct funding streams for each child. They find it difficult to track and ensure that one child in the classroom is funded with Early Learning Scholarship dollars, for instance, when another child has funding from different sources. One school administrator said that, in classrooms that contain children of multiple ages or children with IEPs, program differences require school officials to take extra steps to ensure they use, for example, Voluntary



It is difficult for someone, especially someone coordinating a small program, to figure out how to piece the funding together.

—Early Childhood Program Administrator

Prekindergarten funding only on 4-year-olds that do not have IEPs. In addition, school representatives reported that the confusing and fragmented funding requirements prevented some school districts from even applying for certain early childhood funding.

Some child care providers we interviewed described challenges of working with multiple early childhood programs. For example, one provider said that the administrative difficulties of the Child Care Assistance Program and Early Learning Scholarships force providers into a case management role for low-income families—something that the providers might not be prepared to do. A second said that the Pathway I and Pathway II Scholarship programs each had different local supervisors, which made communication challenging for her.

Another difficulty a provider described is that the billing cycle for Child Care Assistance differs from that for Early Learning Scholarships. She said that, at the end of a billing cycle, she has to wait up to two weeks to bill Child Care Assistance and then wait another two weeks to receive payment. She then bills the Scholarship program for remaining costs and waits another two weeks for that payment.²⁸ She added that the payment delays force some providers into financial hardship and can be “catastrophic” for a small business.

RECOMMENDATION

The Legislature should consider aligning funding and eligibility requirements of certain early childhood programs.

Aligning eligibility and funding requirements among certain early childhood programs could be beneficial to both users and program providers. It could lead to a more understandable set of programs and more transparent and efficient ways of funding programs for children in low-income families.

²⁸ MDE staff reported that, in early 2018, the department began offering an optional payment calendar, which area administrators of Early Learning Scholarships could use to coordinate billing cycles with child care programs.

A primary objective is to simplify the process for families using the programs. As a potential benefit, aligning eligibility requirements on age and income thresholds could lead to a single, common application form. The ideal would be to have families complete a single form and have program administrators determine families' eligibility for multiple programs at one time.

A common application could conceivably identify eligibility for the School Readiness program, both pathways of the Early Learning Scholarships, School Readiness Plus, Voluntary Prekindergarten, and possibly Head Start or Early Childhood Family Education. Because eligibility requirements extend beyond age and income for other programs, we suggest that the Children's Cabinet study the extent to which a version of the application form is feasible for additional programs, such as the Basic Sliding Fee subprogram of Child Care Assistance.

Current standards on income eligibility for Early Learning Scholarships are a possible model. As stated earlier, one measure of income eligibility for scholarships is 185 percent of federal poverty guidelines, but statutes specifically allow other measures, including participation in Head Start or the free and reduced-price lunch program. It would be important to determine how well this same menu of eligibility standards would work for the other early childhood programs.

Changes to eligibility criteria would require amending statutes. They would also require additional collaboration among programs and administrative work. Administrators would have to be equipped to potentially determine families' eligibility for multiple programs. They would also have to collaborate to ensure that, when an application is for multiple programs, they transmit it to the appropriate program after determining eligibility. A common application form would also have to contain language to obtain parental consent for sharing protected data.

A second objective of aligning funding requirements is to improve the efficiency of paying for programs that rely on multiple funding streams from the state. In part, this means making program funding requirements more uniform from one program to the next. The complexity of current programs' eligibility and program requirements could make the alignment task quite challenging. The intent is to allow school districts to blend revenue streams to the maximum extent, recognizing that many of the programs are targeted to children in low-income families. Doing so would allow school districts to enhance their early childhood programs in ways to best fit local needs without the burden of ensuring that only certain state funding streams fund specific children.

We suggest aligning funding requirements for at least the School Readiness program, School Readiness Plus, Early Learning Scholarships, and Voluntary Prekindergarten. User fees, transportation responsibility, the use of program funding for children with special education, and enrollment limits are examples of current differences that could be aligned to minimize complexity.

Aligning funding arrangements would involve statutory changes. At a minimum, it would require modifying statutes that distinguish between programs funded through community education revenue, such as the School Readiness program, and programs funded through general education revenue, such as Voluntary Prekindergarten.

Improving efficiency also should involve examining the pairing of funding that occurs when families jointly use Early Learning Scholarships and Child Care Assistance. It is

important to determine in what ways the state might modify the two separate programs to reduce existing inefficiencies for providers. Aligning the billing cycles for the two programs is one example. As mentioned, MDE took steps earlier this year to allow scholarship administrators to better coordinate billing calendars with child care providers.

Aligning programs' eligibility and funding requirements would require thoughtful dialogue along with expertise in program funding, education finance, and federal requirements that affect Minnesota programs. The Legislature would have to reconsider policies and amend statutes to make the programs conform to more uniform requirements for eligibility and funding.

A possible approach would have the Legislature convene a working group to list and discuss the changes needed to align funding and program requirements. The working group could be charged with identifying the ramifications of aligning the programs and making recommendations to the Legislature. Based on those recommendations, the Legislature could make informed decisions about the extent of desirable alignment. It is possible that Minnesota's Children's Cabinet could comprise at least part of the working group, as it would be important to include on the working group knowledgeable representatives from at least MDE and DHS. These staff are in a position to identify what is needed to develop a workable alignment of program eligibility and funding requirements. Also important would be local representatives, such as school officials, who could speak to the hurdles they face in using the current set of funding streams.

Service Availability

It is difficult for early childhood programs to sufficiently help young children when only some of the eligible children who need the services actually receive them. Waiting lists of children eligible for early childhood programs represent one measure of whether the need for services is met. Another measure is the number of service providers planning to begin or expand early childhood programs for children in their areas.

Waiting lists and unmet requests to expand services indicate that not all low-income families interested in early childhood programs can enroll their children.

Data from waiting lists exist for certain early childhood programs. In the Child Care Assistance Program, the Basic Sliding Fee subprogram had an average of 5,076 families on monthly waiting lists statewide in Fiscal Year 2017. Exhibit 2.3 shows waiting list data for that program, Head Start and Early Head Start, and for the Pathway I Early Learning Scholarships.²⁹

²⁹ Data are also available on Pathway II Early Learning Scholarships, however, eligibility of children on these lists had not been verified. Applications from school districts and child care providers statewide for Fiscal Year 2017 showed 6,516 children on waiting lists for schools or Head Start agencies and 585 for child care providers.

Exhibit 2.3: Waiting lists of eligible children are available for three early childhood programs in 2017.

	Number on Waiting List	Change Over Time
Child Care Assistance Program, Basic Sliding Fee subprogram	5,076 monthly average families in Fiscal Year 2017	21 percent decline from fiscal years 2013 to 2017
Head Start and Early Head Start	5,919 as of March 2017	7 percent increase from fiscal years 2014 to 2017 ^a
Early Learning Scholarships, Pathway I	1,595 as of November 2017	Unknown

NOTE: Waiting lists exist for Early Learning Scholarships, Pathway II, but the data are not included here because eligibility of children on these lists had not been verified.

^a Numbers on Early Head Start waiting lists increased 34 percent over those four fiscal years, while numbers on Head Start waiting lists decreased 6 percent, for an overall 7 percent increase across both programs.

SOURCE: Office of the Legislative Auditor, analysis of data from the Minnesota Department of Education and the Minnesota Department of Human Services.

Although Head Start agencies retain waiting lists of eligible, potential participants, as Exhibit 2.3 summarizes, the lists do not measure the total number of unserved people. When comparing population estimates of children under age 5 and in poverty with the children that Head Start serves, the Minnesota Head Start Association estimated that Head Start served about 49 percent of statewide need in the 2015-2016 school year.³⁰

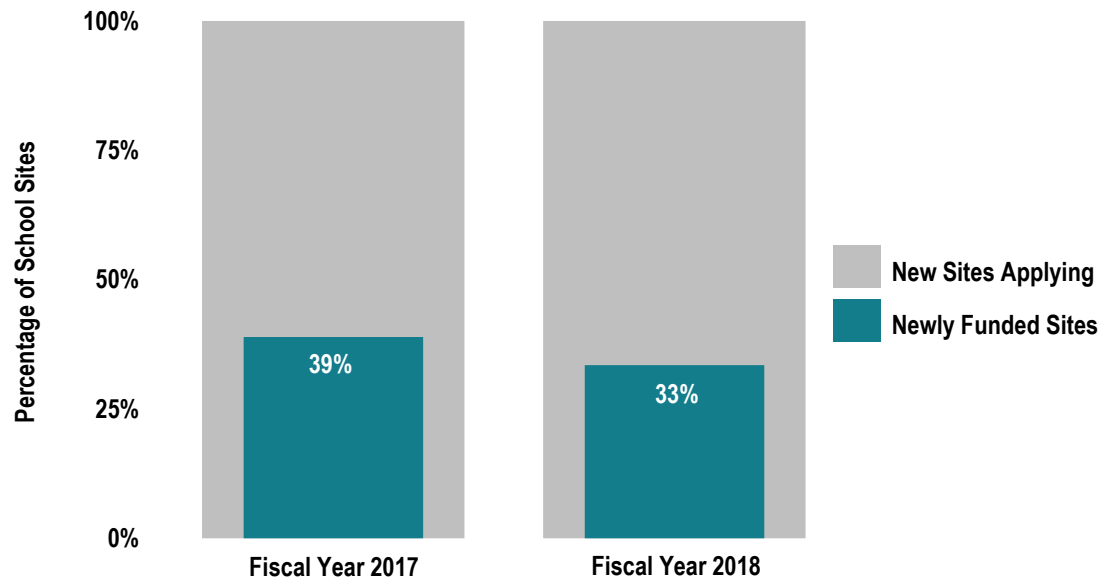
For Voluntary Prekindergarten, data are available on the number of school site applications for funding, even though the state does not keep waiting lists of individual children. For the only two years to date that Voluntary Prekindergarten has existed, far more school sites applied for funding than received it, as Exhibit 2.4 demonstrates. In Fiscal Year 2017, just 39 percent of the applying school sites received funding.

While visiting school sites during this evaluation, we learned of waiting lists for entry into local preschool programs. For example, waiting lists for prekindergarten in St. Paul Public Schools as of September 2017 totaled 476 children; it varied from 1 or 2 students in five elementary schools to 25 or more students in four elementary schools. In addition, we interviewed small groups of parents of children enrolled in early childhood programs, many of whom suggested increasing the availability of early childhood classes so that other families could participate. Some advocated adding more full-day programs in place of half-day programs.

A lack of waiting lists for some programs does not necessarily mean that the programs are meeting the needs of eligible populations. A representative of the Local Public Health Association said few local public health agencies maintain waiting lists, primarily because they have limited capacity to offer services. Staff at local public health agencies we interviewed verified that some areas of the state do not have funding to offer sufficient Family Home Visiting services to meet the demand, and others have enough funding for only a few visits per family.

³⁰ Minnesota Head Start Association, Inc., *Minnesota Head Start Facts 2017* (Duluth: Minnesota Head Start Association, Inc., 2017), 1.

Exhibit 2.4: More school sites applied for Voluntary Prekindergarten funding than received it, an indication of demand for the program.



NOTES: Of 242 sites (in school districts and charter schools) submitting applications for Fiscal Year 2018, 81 (33 percent) received funding. In addition, sites funded in Fiscal Year 2017 were guaranteed funding the following year provided that they met all program requirements; because all 102 renewed, a total of 183 Voluntary Prekindergarten school sites received funding for Fiscal Year 2018.

Funded school sites represented an initial 74 school districts in Fiscal Year 2017 and an additional 43 school districts in 2018.

SOURCE: Office of the Legislative Auditor, analysis of data from the Minnesota Department of Education.

Potential Duplication

Legislators have raised questions about interactions among Minnesota's different early childhood programs. First, they asked whether the many programs' services overlap. We interpreted this as two or more programs that offered the same services to a child. Second, they asked about the number of children enrolled in multiple programs and whether those cases involve duplicative funding. We understood this to mean children receiving services in programs paid for unnecessarily with more than one funding stream.

In this section, we address the state's capacity to identify potential overlap of services or duplication of funding. From among select programs, we analyze the number of children receiving services from more than one program, and we examine how the structure of key early childhood programs affects the potential for duplication. Finally, we analyze other issues that could affect program efficiencies.

Identifying Possible Duplication

We reviewed three aspects of Minnesota’s capacity to identify children who might receive duplicative services or be enrolled in programs paid for with multiple funding streams. The three are: (1) the extent to which state agencies uniquely identify children who receive services from early childhood programs, (2) the possibility of using the Early Childhood Longitudinal Data System to identify children receiving services from multiple programs, and (3) the sufficiency of existing data to determine whether children receive services from multiple programs during the same period of time.

It is not possible to determine the extent of potential duplication in early childhood funding or services due in part to differences in how state agencies collect data.

A statewide effort to systematically identify children enrolled in multiple early childhood programs would require having an accurate way of identifying individual children across the different programs. Currently, the Minnesota departments of Education, Health, and Human Services do not use the same system for identifying children who receive services from their programs. MDE assigns each child enrolled in any of its programs a State Student Identification number, sometimes referred to as an SSID.³¹ The Minnesota Department of Human Services (DHS) identifies children who participate in its programs using its Person Master Index identification number, which is wholly different from MDE’s identification number.

Unlike the other departments, the Minnesota Department of Health (MDH) does not have a consistent way to identify children who participate in its programs. For example, families participating in Family Home Visiting may or may not consent to share their data, which affects local governments’ ability to provide the department with identifying information on participants. As a result, any attempt by MDH to assign a unique identification number would be incomplete because the department does not receive enough information to uniquely identify all children. Another challenge to assigning identification numbers to children is that MDH’s Family Home Visiting programs are designed to start prenatally.

Identifying unique children across programs that use different identification numbers requires matching child-level data from different programs using personal identifying information. The accuracy of this matching process depends on the personal identifying information collected by both programs. For example, if children’s first names, last names, and dates of birth are the only personal identifying information common to both programs, an effort to match records for both programs would rely only on these data. This approach could lead to “matching” the records of two different people. Alternatively, records for the same child may be incorrectly determined to be for different children if the programs’ databases have different variations of the same child’s name (e.g., if one database has the child’s nickname or middle name while the other uses the child’s full first name). Having access to additional, accurately assigned personal identifying information, such as a common identification number, would improve this process.

As an example, the state has used the “Early Childhood Longitudinal Data System” to match records for individual children across different agencies’ data. With funding from a

³¹ State Student Identification numbers are also sometimes referred to as MARSS (Minnesota Automated Reporting Student System) numbers.

federal “Race to the Top-Early Learning Challenge” grant, state agencies developed the longitudinal data system. MDE has worked with MDH and DHS to combine each agency’s early childhood program data into the system. The data system is intended to analyze child performance across different early childhood programs to determine each early childhood program’s effectiveness.³² It presents summary data through an online interactive tool meant to show children’s achievement as it relates to their participation in early childhood programs over time.³³

A potential source of information on duplication across early childhood programs, the Early Childhood Longitudinal Data System lacks key data.

The data system uses a complex matching process to identify children across multiple programs and to link children’s program-participation data.³⁴ While MDE staff reported that the data system’s matching process is effective, they also told us that having an accurately assigned universal identification number for all children is one way to improve its accuracy.

Systematically determining whether children receive duplicative services would first require identifying children who receive services from multiple early childhood programs. Since the data system is state agencies’ only effort to systematically identify children in multiple early childhood programs, it would make sense to consider using it as a first step in identifying children who potentially receive duplicated services. However, this is not the system’s intended purpose, and it does not have all the data needed to perform this function.³⁵

Determining whether children receive duplicative services could include examining enrollment data for at least five programs: the Child Care Assistance Program, Early Learning Scholarships, Head Start, the School Readiness program, and Voluntary Prekindergarten. However, the Early Childhood Longitudinal Data System in its current state would not be an effective tool for identifying children who received services from more than one of these programs, because it does not have complete program participation data for all five programs.

As of early 2018, the Early Childhood Longitudinal Data System had program-participant data for only four of the five programs; it did not have Voluntary Prekindergarten enrollment data, as shown below.³⁶ Additionally, data for these four programs were incomplete.

³² Minnesota Early Childhood Longitudinal Data System, *About the Early Childhood Longitudinal Data System* (St. Paul, 2017), <http://eclds.mn.gov/#about>, accessed April 5, 2018; and Minnesota Early Childhood Longitudinal Data System, *Minnesota Early Childhood Longitudinal Data System (ECLDS) Data Guide* (St. Paul, January 2016), 3, <http://eclds.mn.gov/#data>, accessed April 11, 2018.

³³ As we discuss in Chapter 3, the data system is currently limited in its ability to meet this intended purpose.

³⁴ Note that this matching process also uses children’s social security numbers or state student identification numbers. However the data system does not have these numbers for all children. This means, for some children the system relies on matching using children’s first name, last name, and date of birth.

³⁵ In addition to the limitations discussed in this section, few people have access to child-level data in the Early Childhood Longitudinal Data System, which also limits its usefulness.

³⁶ MDE staff said the department intends to add Voluntary Prekindergarten enrollment data to the data system in spring of 2018.

2018 Status of Program Data for the Early Childhood Longitudinal Data System

Program	Status
Child Care Assistance Program	In system, but does not have dates of enrollment.
Early Learning Scholarships	In system, but does not distinguish children who were awarded scholarships from those who used their scholarships. Dates children attended programs using scholarships are incomplete.
Head Start	In system, but incomplete; a little over half of Head Start agencies have agreements to include data in system. Does not have dates of enrollment.
School Readiness Program	In system, but missing data for some programs and does not identify children who attended. Does not have dates of enrollment.
Voluntary Prekindergarten	Not in system (expected spring of 2018).

In some instances, the system's data are incomplete because it does not have child participation data from all local programs. For instance, the data system does not include data for all Head Start agencies because MDE has entered into data-sharing agreements with only a little over half of all agencies. Additionally, the data system's School Readiness program participation data do not include data for programs that met fewer than six times per school year.³⁷ Therefore, using the data system to identify children who received services from multiple programs would fail to identify children who received services from those programs that did not report data.

In other instances, data are incomplete in that they do not distinguish children who actually received services from children who intended to receive services. For example, the data system's School

Readiness program data identify only children who enrolled in a School Readiness program; it does not identify those children who actually attended.³⁸ Additionally, the data system does not distinguish between children who were awarded Early Learning Scholarships and children who actually used those scholarships. We estimated that about 10 percent of children who were awarded scholarships in Fiscal Year 2016 did not actually use them.³⁹

Elements missing from some data sets for early childhood programs prohibit using the data to identify children enrolled in multiple programs.

Some limitations affecting the Early Childhood Longitudinal Data System extend beyond the system itself. In some instances, determining whether a child received duplicative services would require information on the period of time during which the child received services. It may also require having data on the days and hours the child attended each program. Additionally, it would require information on the services each program provides and how local service delivery varies.

³⁷ This is a limitation of MDE's School Readiness program enrollment data generally and is not specific to the Early Childhood Longitudinal Data System.

³⁸ The lack of data on children who actually attended a School Readiness program is due to MDE's data collection in general and is not specific to the Early Childhood Longitudinal Data System.

³⁹ Because of limitations with data from Regions 9 and 10, this estimate excludes children who received Pathway II scholarships in those regions.

The Early Childhood Longitudinal Data System does not have for all programs data on the time periods during which a child received services. This limitation is a result of MDE not collecting data on the dates during which children received program services. For example, the department does not collect data on the start or end date for children receiving services from the School Readiness program; it collects only data indicating that children enrolled in these programs for a specific fiscal year.

Similarly, MDE did not collect complete data before Fiscal Year 2017 on the dates children received services through Early Learning Scholarships. The department collected data on the date children were awarded scholarships and the date children started attending programs, but these data were not reported consistently. Consequently, these MDE data cannot be used to reliably determine whether children received services simultaneously from more than one early childhood program.

Identifying whether children receive duplicative services goes beyond identifying whether children received services from multiple programs during the same period of time. It also requires information about the specific services provided by the program. For example, Early Childhood Health and Development Screening is generally a one-time service meant to identify whether a child has a health or development concern. It is not a concern that children receive screening services during the same time period as they receive School Readiness program services since the services they offer are completely different. The same might not be true for programs that provide services of a more similar nature.

It is also necessary to know how programs are delivered locally to determine whether children receive duplicated services. As discussed below, some school districts combine School Readiness program funding with Voluntary Prekindergarten funding to offer a single program. In such instances, children are not receiving duplicative services from the two programs; instead, it is a matter of school districts combining the two funding streams to enhance and provide one program. Knowing which school districts do this and which do not would help researchers distinguish possible instances of duplicative services from instances that simply reflect the way a program is funded.

Children in Multiple Programs

Given the data limitations discussed above, we were unable to comprehensively determine the extent to which children receive services from multiple programs, which would be a first step in determining whether children received duplicative services. However, we were able to review some instances in which children received services from more than one program during the same fiscal year and, in some instances, during the same time period.

Some children received services funded by more than one early childhood program, but this does not necessarily indicate that they received duplicative services.

Next, we examine the data on children who received funding from Early Learning Scholarships and the Child Care Assistance Program. Following that, we analyze data on children who were enrolled in both a School Readiness program and Voluntary Prekindergarten.

Early Learning Scholarships and Child Care Assistance

Some children used funding from both Early Learning Scholarships and the Child Care Assistance Program. We analyzed MDE data on children who were awarded Early Learning Scholarships in Fiscal Year 2016. These data included information on whether children who used scholarship funding also used Child Care Assistance Program funding to attend the same program.

Of the children who used an Early Learning Scholarship, approximately 15 percent (about 1,270 children) billed services provided by the same program in part to their Early Learning Scholarship and in part to the Child Care Assistance Program.⁴⁰ Grouped by the type of scholarship, about 24 percent of children (835 children) who used a Pathway I scholarship awarded in Fiscal Year 2016 to pay for a program also used Child Care Assistance Program funding to pay for the same program. Among Pathway II scholarships, the same was true for 9 percent of children (431 children) who used a Pathway II scholarship awarded in Fiscal Year 2016.

Families' use of two sources of funding does not indicate that these children received duplicative funding. For children receiving both Child Care Assistance and scholarship funding, programs first bill the Child Care Assistance Program and use Early Learning Scholarships to cover remaining charges. Representatives of state agencies and child care programs told us that some families need to combine Early Learning Scholarships and Child Care Assistance Program funding to cover (or partially cover) program costs.

Additionally, according to a Fiscal Year 2016 MDE evaluation of the Early Learning Scholarship program, scholarships do not provide enough funding to cover the costs of some full-day, full-week programs.⁴¹ Furthermore, our analysis of the department's data shows that, of the children who used both Early Learning Scholarships awarded in Fiscal Year 2016 and Child Care Assistance, approximately 18 percent (almost 225 children) used additional funding sources, such as family copayments, to cover program costs.

School Readiness and Voluntary Prekindergarten

Some children benefited from both School Readiness and Voluntary Prekindergarten funding in Fiscal Year 2017. Based on our analysis of Fiscal Year 2017 enrollment data, we found that about 27 percent of children (1,177 children) enrolled in Voluntary Prekindergarten were also enrolled in a School Readiness program.⁴²

⁴⁰ Numbers provided in this section are our best estimate given the available data. Our analysis is not representative of Minnesota as a whole because it did not include children awarded scholarships in Economic Development Regions 9 and 10, due to data limitations for these regions.

⁴¹ Minnesota Department of Education, *Early Learning Scholarships Program Evaluation Report* (St. Paul, January 15, 2016). The report does not specify the number of programs for which scholarships were insufficient to cover costs.

⁴² Numbers in this section represent our best estimates given the available data. These data show only children who were enrolled in these programs; it is possible that some of these children enrolled in one or both of the programs but never attended. Additionally, we could not determine whether children were enrolled in the two programs during the same time period. It was not possible to know, for example, whether a child enrolled in Voluntary Prekindergarten had moved and enrolled in a School Readiness program that same year.

We were unable to determine whether these children received duplicative services. This is in part because the data did not show whether children were enrolled in both programs during the same period of Fiscal Year 2017.

Additionally, some of these children attended programs that relied on funding from both the School Readiness and Voluntary Prekindergarten programs. MDE staff reported that school districts commonly combine funding from the two programs to enhance a preschool program to better meet families' needs. Enhancements might mean expanding from half-day to full-day programs or increasing program frequency, such as offering the program for five days each week instead of four. From our site visits, we learned that St. Paul Public Schools combines these funding streams to enhance the preschool programs it offers.

Recommendations

We have two recommendations related to identifying potential duplication of funding or possible overlapping services.

RECOMMENDATION

The Minnesota departments of Education, Health, and Human Services should jointly identify what would be needed to use a universal identification number for children participating in their early childhood programs.

If the state is to be in a position to track potential duplication either in young children's services or among funding streams, it is necessary to identify the specific children who participated in more than one early childhood program over a given period. This is not a simple task.

To start, we suggest that the three departments jointly list (1) possible alternatives, (2) the challenges to universal identification numbers (IDs) that the state would have to overcome with each alternative, and (3) the funding and time needed to develop each alternative. As an example, one alternative is to expand the use of the State Student Identification numbers that MDE now assigns to children.

The departments would have to identify potential changes to laws that might be needed if universal ID numbers enabled them to share data on children who were enrolled in each other's programs. Another consideration is how federal requirements imposed upon Head Start, Child Care Assistance Program, and Family Home Visiting could still be met with universal ID numbers.

Developing a new system of ID numbers could require a transition period to phase out existing IDs or to assign a second ID to each child that would be used for comparison across programs. Additional funding would be needed for technical expertise and staff time, at a minimum.

Part of the departments' consideration should be the role of the Early Childhood Longitudinal Data System in the context of universal ID numbers. Universal ID numbers would help that data system in tracking children across programs. At the same time, the data system has other deficiencies, such as incomplete data, as described earlier. Because initial funding for the data system came from a now-expired federal grant, making the data

system fully usable would require state dollars or other funding sources not yet identified. MDE staff reported that new funding is needed for ongoing maintenance of the current data, as well as for any future expansion of program data and analytics.

MDE, MDH, and DHS should jointly prioritize the functions they expect the longitudinal data system to perform once the system's data are more complete. They should consider the potential impacts that a universal ID number for each child would have. They should also take into account whether those IDs would be sufficient to allow evaluating early childhood programs in lieu of a longitudinal data system. After that review, the departments would be in a better position to decide the possible future of the data system. At that point, if they conclude that preserving the longitudinal data system is important, they should detail the improvements and costs needed to, first, make the data system fully functional and, second, provide ongoing maintenance.

Information from the departments' review should provide a full understanding of the costs and benefits (both in the short- and long-term future) of universal ID numbers and the longitudinal data system. This is needed to allow the Legislature to make informed decisions about data investments.

RECOMMENDATION

The Minnesota Department of Education should collect attendance rates and dates of participation for children who receive services from all early childhood programs under its jurisdiction.

The department already collects data on children who enroll in Early Childhood Family Education and the School Readiness program and on children who use Early Learning Scholarships. While it will take additional resources to also collect the dates of actual participation, the impact should be relatively minimal. Only with that information will it be possible to take the first step in identifying whether children received overlapping services.

Once the dates are available, it would also be necessary to determine whether the overlap actually represents duplicative services. For instance, a child using a scholarship while simultaneously participating in a School Readiness program is not an example of duplication. It means only that the family used the scholarship to pay for the child's attendance in the School Readiness program. Identifying duplication would require analysts to examine program delivery differences. As stated earlier, local implementation of programs differs, and it is not clear to what extent those differences reflect services that augment or duplicate each other.

Program Structure

We looked at the structure of select early childhood programs to identify controls to prevent overlapping services or unnecessary duplication of funding streams. During the site visits we conducted, we also discussed with local officials the potential for duplication.

The structure of early childhood programs that provide financial assistance to pay for child care or early learning programs helps limit the possible duplication of funding or services.

Child Care Assistance and Early Learning Scholarship programs are structured in ways to reduce the possibility of duplicative funding. As stated earlier, children who receive funding from both Child Care Assistance and Scholarships do so because they qualify for both forms of assistance, and they can use both sources only when the cost of services exceeds what one source alone will cover.

In addition, a family awarded a scholarship may use it for only the amount that Child Care Assistance does not cover, as described previously. Statutes prohibit using scholarships to supplant federal funding.⁴³ Families are not required to apply for Child Care Assistance before applying for scholarships. However, MDE has grant agreements with “area administrators,” who work directly with eligible families to administer scholarships. The agreements require administrators to encourage families to apply for Child Care Assistance and offer referrals for such assistance, according to the department.

Certain procedures followed in the Early Learning Scholarship program can help control spending.⁴⁴ For instance, child care providers must charge the same rate for Pathway I scholarship recipients as they charge to their other clients for like services. The amount of the Pathway I scholarship is capped (no more than \$7,500 per child), and the capped amount is reduced for children receiving services from providers with lower Parent Aware quality ratings. Before notifying recipients of the award, program administrators must verify in a state database that the child does not already have an active scholarship and that funds are available to make the award. Exhibit 2.5 lists procedures that help control program costs.

In addition, third-party program administrators pay the providers on behalf of families, based on invoices for services rendered. (This is true for both Child Care Assistance and Early Learning Scholarships). Families are awarded a Pathway I scholarship or Child Care Assistance but do not themselves receive the scholarship money or subsidy. This is more efficient and a guard against potential misuse of the funding.

Other Factors Related to Potential Duplication

During our site visits, we spoke with local officials who administer early childhood programs and work with the people enrolled. We summarize below the perspectives of several program administrators on segments of the populations they served. We also review the potential for duplication among programs that offer home visits to certain families.

High-Need Families

Program administrators we interviewed described a need for services from multiple programs to assist high-need, at-risk families. They reported that numerous children in their programs are members of low-income families lacking basic necessities, such as adequate food or housing, or they have other risk factors, such as having a single parent or a teenage parent.

⁴³ *Minnesota Statutes* 2017, 124D.165, subd. 4(b).

⁴⁴ We describe here the controls built into the two programs’ structures, but testing the efficacy of the controls was outside the scope of this evaluation.

Exhibit 2.5: Procedures in place for the Early Learning Scholarships program can help control program costs.

Select Procedures for Early Learning Scholarships Program

- Scholarship Pathway I amounts are capped at \$7,500 per child; the cap is less for children receiving services from providers with lower Parent Aware quality ratings^a
- Providers must charge their typical rates and cannot increase rates for children with scholarships
- Scholarships are cancelled if families move and cannot be reached after three attempts
- Families use the scholarship to pay only a single provider at any given time
- A child may receive only one scholarship in a 12-month period
- Before awarding the scholarship, administrators verify in a state database that a child does not already have an active scholarship and that funding is available
- Payments to providers on days when a child is absent are limited to 25 days per 12 months
- Scholarships may not be used for disallowed costs, such as capital improvements or fees imposed for late payments

^a The cap is \$7,500 for 4-star-rated providers, \$5,000 for 3-star providers, and \$4,000 for 1- and 2-star providers.

SOURCE: Office of the Legislative Auditor, analysis of Minnesota Department of Education, *State Early Learning Scholarships Policy Manual* (St. Paul, July 2017), 7, 12, 14, 17, 18, and 23; and Minnesota Department of Education, *Early Learning Scholarship Administration System (ELSA) User Manual: FY2018* (St. Paul, July 2017), 10.

Based on interviews with school officials, we learned that it is common for children to receive early childhood services through multiple programs. This can occur when children need services to supplement programs that are available only half a day or part of a week.

For instance, in one school district we visited, a 4-year-old girl, from a low-income family and living in foster care, attended half-day Head Start classes that were offered four days a week. On the fifth weekday, Head Start was not in session, and the girl attended the school district's half-day School Readiness program, for which she received a Pathway II scholarship of \$3,750. She also participated in the Early Childhood Family Education program with her foster parents, and underwent a health and developmental screening through the school district's contract for health screening.

Home Visits

Three of the early childhood programs we evaluated offer home visits to eligible families. They are Head Start, Early Childhood Family Education, and the Family Home Visiting programs.

The fact that the three programs offer home visits does not necessarily mean that services they provide are duplicative, because the purpose and nature of the programs' home visits differ. For instance, in Early Head Start, home visits are one delivery option for providing Head Start's comprehensive set of services for young children—including education, child development, nutrition, and mental health, among other services. Visits occur weekly and are at least 90 minutes in duration, which differs from other programs, as described below.

In Family Home Visiting, the purpose of home visits is to address numerous goals—improving pregnancy outcomes, improving child health and development, preventing child abuse and neglect, and promoting school readiness, among others. One of the models in use in Minnesota offers initial visits weekly to an eligible pregnant woman for the first month after enrollment and then every other week until the baby is born.⁴⁵ Visits continue weekly for the baby's first six weeks, every other week until baby is 20-months-old, and monthly until baby turns 2-years-old.

For Early Childhood Family Education, home visits focus on parenting education and include parent and child interactions, child development, and other aims. The frequency varies from multiple visits per week to monthly, depending on the needs of a family; one site we visited indicated the visits last about an hour.

Intensity of Home Visits

Early Head Start—Weekly visits of at least 90 minutes, for at least 46 visits per year. Additional group socializations are also required. Home visits may occur until the child is 3-years-old.

Family Home Visiting—Duration varies by the model used, but one is the Nurse-Family Partnership model, offering weekly visits when the mother-to-be enrolls (required before the end of the 28th week of pregnancy) and every-other-week visits until the baby is born. Visits are weekly for the first six weeks after birth, every other week up to 20 months of age, and monthly up to age 2. Visit duration is between 60 and 75 minutes.

Early Childhood Family Education—Number of visits varies based on families' needs; the frequency can range from monthly to multiple times a week for families at high risk. Visit duration varies, but one source estimated an hour. Focus is on children from birth to age 3 but may include children up to kindergarten age.

We discussed home visits when interviewing local officials during our site visits. We learned of local agencies that reduce the potential for duplication by coordinating the home visits offered by different programs in their region. While the examples show the value of these efforts, we did not have data to explain how extensively such coordination exists elsewhere in the state.

In Itasca County, representatives of Head Start and the county Public Health Division are members of a local collaborative on early education called “Invest Early.” They described how they worked jointly to understand each other's home visiting curriculum and schedules. They also said that they coordinated the actual home visits. Because Early Head Start had a home visiting program for a small number of teenage parents, the county determined it did not have to use its intensive home visiting program to serve these teen parents. Further, the county's public health nurses meet with teen parents from the Early Head Start program for monthly discussions of various public health topics. The county and Head Start coordinate their home visit schedules to avoid overlapping visits. At the same time, some families have intense needs that require both agencies' services, and the agencies have conducted joint visits when warranted.

⁴⁵ This is the “Nurse-Family Partnership” model. We selected this model for comparison because the state began providing \$575,000 in Nurse-Family Partnership Grants in Fiscal Year 2016 and \$2 million annually thereafter. *Laws of Minnesota 2015*, First Special Session, chapter 6, sec. 2.

A second example is of a “joint powers organization” called Horizon Public Health that provides county public health services.⁴⁶ It involves five counties in west central Minnesota and is headquartered in Douglas County. Horizon Public Health has a home visiting program that covers all five counties; Early Head Start provides home visits in some of the counties. Visits from the public health program focus on the child-parent relationship and interrelationships among family members; Horizon Public Health staff characterized the Early Head Start home visits as more education-related. When families need home visits from more than one agency, staff told us that Horizon Public Health’s home visiting program works with the families to determine how much home visiting is appropriate. Horizon Public Health staff may decide they will provide home visits every other week instead of weekly to accommodate other programs’ home visitors in cases where this is appropriate for the families.

Rescreening Children

As part of identifying potential duplication, we reviewed the process followed in Early Childhood Health and Developmental Screening. Specifically, we examined the need to conduct multiple screenings of a single child. As described in Chapter 1, children must receive an early childhood screening to enroll in kindergarten or first grade at a public school.⁴⁷ State law describes the screening components that must be met to fulfill requirements, as shown in the box to the right.⁴⁸ School districts, public or private health care organizations, or other providers may conduct screenings, which will be accepted as complete provided that they include all required components.

Early Childhood Screening Components

- Developmental assessment
- Follow-up and referral process if results indicate need for diagnosis or treatment
- Hearing and vision screening
- Height and weight measurement
- Immunization review
- Interview with parent to discuss child and referrals for assessment, diagnosis, or treatment when potential needs are identified
- Review of health coverage status for possible referrals
- Identification of risk factors that may affect learning

School districts need to rescreen children when initial screenings done by nonschool providers lack required components.

Children screened outside of a school setting, such as in a medical clinic, can receive screenings that lack one or more of the components of the developmental screening required in law. One MDE representative and one screening supervisor said school districts sometimes have to rescreen children who were screened by medical providers. MDE staff said some medical providers focus on only the medical components of early childhood screenings, meaning that school districts must complete the other required components. However, some school districts fully rescreen children, including the components that

⁴⁶ In Minnesota, a joint powers organization is a legal agreement between two or more local government units (cities, counties, school districts, and other political subdivisions) to cooperatively provide services.

⁴⁷ *Minnesota Statutes* 2017, 121A.17, subds. 1 and 2.

⁴⁸ *Minnesota Statutes* 2017, 121A.17, subd. 3(a).

children had successfully completed, which department staff said can result in duplicative screenings.

Some of the school districts that participated in our survey reported that they needed to rescreen children who were previously screened elsewhere.⁴⁹ Twenty-eight percent of school districts reported that they occasionally, if not more frequently, need to *fully* rescreen children who received screenings outside of a school setting. One-third of school districts reported that they occasionally, if not more frequently, need to *partially* rescreen children who received screenings outside of a school setting.

St. Paul Public Schools is an example of a district that fully rescreens all children who had previously undergone partial screenings by medical providers. During our site visits, staff from St. Paul Public Schools said medical providers sometimes provide incomplete screenings or use screening tools that are not approved for early childhood screening. Staff said it takes less time for the district to rescreen children who previously went to medical providers than it does to wait for information from the medical providers.

⁴⁹ We surveyed 329 school districts and 110 charter schools that offered prekindergarten or kindergarten programs during the 2016-2017 school year. We received responses from 265 school districts (an 81 percent response rate) and 50 charter schools (a 45 percent response rate).



Chapter 3: Effectiveness

A fundamental question about Minnesota’s evolving set of early childhood programs is how well they work. The purposes of most of the nine key early childhood programs in this report center around preparing children for kindergarten or supporting their development. This chapter explains our analyses of how the state has measured and reported these programs’ success in fulfilling their purposes.

Statewide data on the effectiveness of early childhood programs are inadequate or do not exist.

The chapter starts with a summary of conclusions made by researchers regarding the effectiveness of early childhood programs. Following that, we review Minnesota’s legal requirements on reporting the results of early childhood programs. We analyze how Minnesota determines whether early childhood programs are preparing children for school. We then examine how well Minnesota is meeting the goals of Early Childhood Health and Development Screening. Finally, we review a set of factors that affect the state’s ability to measure program effectiveness.

Academic Research on Early Childhood Programs

Existing literature shows that participation in early childhood programs benefit some children, but outcomes are not always consistent. We reviewed numerous academic research studies that measured the effects of participation in early childhood programs on short- and long-term outcomes.

Research has reported mixed findings regarding the effects of early childhood programs on short- and long-term outcomes.

Overall, research concludes it is difficult to apply findings from one program to another program, because programs can vary significantly in length, teacher requirements, curriculum, and overall quality. We present some research findings to show the potential effects of early childhood programs on school readiness and subsequent school and life outcomes. We divide the findings between short-term and long-term outcomes of programs. For this report, we define short-term outcomes as those that occur following children’s completion of an early childhood program up through third grade. Long-term outcomes are those that occur in middle school, high school, and through adulthood.

Short-Term Outcomes of Early Childhood Programs

Some studies report that children who participate in early childhood programs have better short-term outcomes than children who do not participate in those programs. For example, research on some family home visiting and preschool programs concluded that children exhibit better short-term cognitive outcomes than children who did not participate in those

programs.¹ Of particular interest, a meta-analysis of preschool programs by Camilli et al. assessed cognitive outcomes, as measured by children's intelligence and reading skills, and found that preschool participants had significantly better outcomes than children who did not participate in those programs.²

Some studies indicate that children who participate in early childhood programs are more prepared for kindergarten than nonparticipants. Researchers at Vanderbilt University found that kindergarten teachers in Tennessee rated students who participated in the state's voluntary prekindergarten program as more prepared for kindergarten than children who did not participate in the program.³ Analyses of some state- and private-funded prekindergarten programs showed that after completing the programs, participants exhibited stronger literacy skills than nonparticipants.⁴ For instance, children who completed Georgia's prekindergarten program had significantly higher scores on letter knowledge, letter-word identification, phonological awareness, and phonemic awareness than children who did not participate in the program.⁵

In contrast, some studies report varying findings regarding early childhood programs' impact on math skills at the conclusion of the programs. Two studies found that, at the conclusion of the program, children who participated in early childhood programs excelled in math, when compared with nonparticipants.⁶ However, two other studies found mixed results when they evaluated the short-term effects of participation in Head Start and state prekindergarten. A national study of Head Start programs found that one cohort of participants had greater math skills than nonparticipants, while another cohort of participants and nonparticipants had similar skills.⁷ An analysis of state prekindergarten programs found that children who participated in New Jersey and Michigan's

¹ Gregory Camilli, Sadako Vargas, Sharon Ryan, and W. Steven Barnett, "Meta-Analysis of the Effects of Early Education Interventions on Cognitive and Social Development," *Teachers College Record* 112, no. 3 (March 2010): 602; and Monica A. Sweet and Mark I. Appelbaum, "Is Home Visiting an Effective Strategy? A Meta-Analytic Review of Home Visiting Programs for Families with Young Children," *Child Development* 75, no. 5 (September/October 2004): 1445.

² Camilli et al., "Meta-Analysis of the Effects of Early Education Interventions," 602.

³ Mark W. Lipsey, Dale C. Farran, and Kerry G. Hofer, *A Randomized Control Trial of a Statewide Voluntary Prekindergarten Program on Children's Skills and Behaviors through Third Grade* (Nashville: Vanderbilt University, Peabody Research Institute, 2015), 27.

⁴ The Connecticut Academy of Science and Engineering, *Early Childhood Regression Discontinuity Study* (Rocky Hill, CT: 2016), vii; Ellen S. Peisner-Feinberg, Jennifer M. Schaaf, Dore R. LaForett, Lisa M. Hildebrandt, and John Sideris, *Effects of Georgia's Pre-K Program on Children's School Readiness Skills: Findings from the 2012-2013 Evaluation Study* (Chapel Hill: The University of North Carolina, 2014), 10; Katherine A. Magnuson, Christopher Ruhm, and Jane Waldfogel, "Does Prekindergarten Improve School Preparation and Performance?," *Economics of Education Review* 26 (2007): 48; and Vivian C. Wong, Thomas D. Cook, W. Steven Barnett, and Kwanghee Jung, "An Effectiveness-Based Evaluation of Five State Pre-Kindergarten Programs," *Journal of Policy Analysis and Management* 27, no. 1 (2008): 147.

⁵ Peisner-Feinberg et al., *Effects of Georgia's Pre-K Program on Children's School Readiness Skills*, 10.

⁶ Magnuson et al., "Does Prekindergarten Improve School Preparation and Performance?," 40; and Peisner-Feinberg et al., *Effects of Georgia's Pre-K Program on Children's School Readiness Skills*, 10.

⁷ Mike Puma, Stephen Bell, Ronna Cook, Camilla Heid, Pam Broene, Frank Jenkins, Andrew Mashburn, and Jason Downer, *Third Grade Follow-up to the Head Start Impact Study Final Report* (Washington, DC: 2012), XXI-XXII.

prekindergarten programs had higher math scores than nonparticipants, while participants in West Virginia's did not score significantly differently than nonparticipants.⁸

Studies also report mixed results on the short-term effects of early childhood program participation on vocabulary skills. One study found that participants in New Jersey and Oklahoma's prekindergarten programs outperformed nonparticipants in those states, while Michigan and South Carolina's participants and nonparticipants scored similarly.⁹ In a separate study, researchers found Georgia's prekindergarten program was similar to Michigan's and South Carolina's in that, after the program, participants had similar vocabulary skills as nonparticipants.¹⁰ Yet another study showed that, at the end of a Head Start program, children who participated exhibited better vocabulary skills than nonparticipants.¹¹

Studies have shown varying results in regards to social behaviors and social-emotional well-being, with some finding positive, short-term effects, and others finding no effects. Two meta-analyses found positive, short-term effects. The first found that children who participated in preschool had better social skills, when compared with nonparticipants.¹² The second found that children who participated in home visiting programs exhibited better social-emotional well-being than their peers who did not participate in those programs.¹³ Similarly, children who participated in one state-funded prekindergarten program in Tennessee had better social behaviors than nonparticipants.¹⁴ However, in a different study, children who participated in a state-funded preschool program in Georgia exhibited similar social skills and behavior problems as nonparticipants.¹⁵ A national analysis of Head Start programs found that, at the end of the programs, some children had better social-emotional behaviors, while others acted similarly to their nonparticipant peers.¹⁶

Results from two studies of kindergarten and first-grade students show that children who participated in early childhood programs and their nonparticipant peers performed similarly. The first study from researchers at the Peabody Research Institute at Vanderbilt University found that participants in Tennessee's voluntary prekindergarten program shared a similar level of literacy, language, and math skills at the end of kindergarten and first grade as their nonparticipant peers.¹⁷ Researchers from the Peabody Research Institute suggested that the effects of early childhood programs may fade if elementary school teachers do not focus on helping program participants continue to grow, but rather focus on nonparticipants who

⁸ Wong et al., "An Effectiveness-Based Evaluation of Five State Pre-Kindergarten Programs," 145-146.

⁹ *Ibid.*

¹⁰ Peisner-Feinberg et al., *Effects of Georgia's Pre-K Program on Children's School Readiness Skills*, 10.

¹¹ Puma et al., *Third Grade Follow-up to the Head Start Impact Study*, XXI-XXII.

¹² Camilli et al., "Meta-Analysis of the Effects of Early Education Interventions," 602.

¹³ Sweet and Appelbaum, "Is Home Visiting an Effective Strategy?," 1445.

¹⁴ Lipsey et al., *A Randomized Control Trial of the Effects of a Statewide Voluntary Prekindergarten Program*, 27-28.

¹⁵ Peisner-Feinberg et al., *Effects of Georgia's Pre-K Program on Children's School Readiness Skills*, 10-11.

¹⁶ U.S. Department of Health and Human Services, *Third Grade Follow-up to the Head Start Impact Study*, XXV-XXVI.

¹⁷ Lipsey et al., *A Randomized Control Trial of the Effects of a Statewide Voluntary Prekindergarten Program*, 31-32.

need to catch up.¹⁸ The second study, which analyzed data from multiple states, found that preschool participants and nonparticipants had similar reading skills at the end of first grade.¹⁹

Research regarding second- and third-grade outcomes present varying results. Researchers from the Peabody Research Institute found that children who did not participate in Tennessee's prekindergarten program had higher composite literacy, language, and math scores than participants at the end of second and third grade.²⁰ In contrast, Magnuson et al. found that program participants performed better than nonparticipants in math and reading in third grade.²¹ In some instances, Magnuson et al. found that elementary school performance varied for nonparticipants based on classroom experiences, such as type of instruction.

Long-Term Outcomes of Early Childhood Programs

The current literature regarding the long-term impacts of early childhood programs is somewhat limited and sometimes presents conflicting results. More studies need to be completed before conclusions can be drawn about early childhood programs' long-term effects, according to RAND researchers.²²

Preschool and Head Start participants in Oklahoma performed better than their nonparticipant peers on some middle-school performance measures, according to researchers at Georgetown University.²³ Both preschool and Head Start participants scored significantly higher on standardized math scores in middle school than their peers who did not participate in those programs, and participants were less likely to have repeated a grade. The study found that preschool participants enrolled in more honors classes and Head Start students were less likely to be chronically absent in middle school than nonparticipants. At the same time, preschool and Head Start participants did not differ from their nonparticipant peers in regards to the following middle-school measures: standardized reading test scores, grade point average, special education status, recognition as a gifted student, and suspensions.

A different study compared long-term outcomes of children whose mothers participated in a Nurse-Family Partnership family home visiting program (described in Chapter 2) with

¹⁸ Lipsey et al., *A Randomized Control Trial of the Effects of a Statewide Voluntary Prekindergarten Program*, 41.

¹⁹ Katherine A. Magnuson, Christopher Ruhm, and Jane Waldfogel, "The Persistence of Preschool Effects: Do Subsequent Classroom Experiences Matter?," *Early Childhood Research Quarterly* 22, no. 1 (2007): 26.

²⁰ Lipsey et al., *A Randomized Control Trial of the Effects of a Statewide Voluntary Prekindergarten Program*, 31-32.

²¹ Magnuson et al., "The Persistence of Preschool Effects," 26.

²² Jill S. Cannon, M. Rebecca Kilburn, Lynn A. Karoly, Teryn Mattox, Ashley N. Muchow, and Maya Buenaventura, *Investing Early: Taking Stock of Outcomes and Economic Returns from Early Childhood Programs* (Santa Monica, CA: RAND Corporation, 2017), 157.

²³ Deborah Phillips, William Gormley, and Sarah Anderson, "The Effects of Tulsa's CAP Head Start Program on Middle-School Academic Outcomes and Progress," *Developmental Psychology* 52, no. 8 (2016): 1254-1255; and William Gormley, Deborah Phillips, and Sara Anderson, "The Effects of Tulsa's Pre-K Program on Middle School Student Performance," *Journal of Policy Analysis and Management* 37, no. 1 (2018): 75.

children whose mothers did not participate.²⁴ The children in both groups were the first-born child of primarily low-income, black mothers from Memphis. At age 12, children of mothers with low psychological resources who participated in the family home visiting program scored higher on standardized math and reading tests than their peers whose families did not participate in the program.²⁵ Twelve-year-old children whose mothers participated in home visiting were less likely to have used certain drugs in the 30 days prior to the study's assessment and exhibited fewer internal problems, such as anxiety and depression, when compared with children whose mothers did not participate. However, children of both participants and nonparticipants were similar in regards to rates of overall behavior problems.

The benefits of early childhood programs may continue into high school. Meta-analysis results indicate that, on average, participation in early childhood programs significantly reduced special education placement and grade retention, and it increased high-school graduation rates.²⁶ Researchers at Georgetown University and West Virginia University suggested that programs that produced long-term effects may be of a higher quality than programs that produced no or negative short-term effects.²⁷

Few studies have measured the long-term effects of early childhood programs into adulthood. One of the studies that did was of two comprehensive programs providing education, health care, and other resources to disadvantaged African American children living in North Carolina during the 1970s.²⁸ Female participants were more likely than nonparticipants to graduate from high school and participate in postsecondary education. As adults, female participants had higher incomes and better employment outcomes than nonparticipants. Male participants were less likely to use drugs and have hypertension than nonparticipants. In addition, male participants had better employment outcomes and incomes as adults.

A second study measured long-term outcomes for a program that provided comprehensive services to children and their families from preschool to third grade.²⁹ The study compared

²⁴ Although this study also cited short-term outcomes, we focused on its findings related to long-term outcomes. Harriet J. Kitzman, David L. Olds, Robert E. Cole, Carole A. Hanks, Elizabeth A. Anson, Kimberly J. Arcoleo, Dennis W. Luckey, Michael D. Knudtson, Charles R. Henderson Jr., and John R. Holmberg, "Enduring Effects of Prenatal and Infancy Home Visiting by Nurses on Children: Follow-Up of a Randomized Trial Among Children at Age 12 Years," *Archives of Pediatrics and Adolescent Medicine* 164, no. 5 (May 2010): 412.

²⁵ Psychological resources reflected the average score of the mother's sense of mastery/self-efficacy, mental health, and intellectual functioning.

²⁶ Dana Charles McCoy, Hirokazu Yoshikawa, Kathleen M. Ziol-Guest, Greg J. Duncan, Holly S. Schindler, Katherine Magnuson, Rui Yang, Andrew Koepp, and Jack P. Schonkoff, "Impacts of Early Childhood Education on Medium- and Long-Term Educational Outcomes," *Educational Researcher* 46, no. 8 (2017): 474-475.

²⁷ Gormley et al., "The Effects of Tulsa's Pre-K Program on Middle School Student Performance," 82.

²⁸ Jorge Luis Garcia, James J. Heckman, Duncan Ermini Leaf, and Maria Jose Prados, *The Life-Cycle Benefits of an Influential Early Childhood Program* (Cambridge, MA: National Bureau of Economic Research, 2016), 1; and *Research Summary: The Lifecycle Benefits of an Influential Early Childhood Program* (The Heckman Equation), <https://heckmanequation.org/resource/research-summary-lifecycle-benefits-influential-early-childhood-program/>, accessed December 21, 2017.

²⁹ The program provided support services to families, such as workshops and home visits. Children had the opportunity to participate in small, school-based classes and nutritional and health services, such as health screening and speech therapy. Arthur J. Reynolds, Suh-Ruu Ou, and Judy A. Temple, "A Multicomponent, Preschool to Third Grade Preventive Intervention and Educational Attainment at 35 Years of Age," *JAMA Pediatrics* 172, no. 3 (March 2018): 247 and 249.

outcomes for low-income, minority children who started the comprehensive program during preschool with children who participated in more traditional early childhood programs or who entered the comprehensive program in kindergarten or later. Adults who had participated as young children in the comprehensive preschool program had higher rates of postsecondary degree completion at age 35 than their peers who did not participate.

Reporting Program Effectiveness

As part of our evaluation, we examined statutory requirements on reporting early childhood programs' effectiveness. We also surveyed school districts and charter schools around the state, and asked survey respondents about measuring program effectiveness.³⁰

Statutes require certain early childhood programs to report on aspects of program effectiveness, but existing data are inadequate to evaluate performance statewide.

State statutes require four of the nine key early childhood programs in this evaluation to report information on program results, as Exhibit 3.1 summarizes. While Head Start is among the programs for which state statutes do not require reporting on effectiveness, federal regulations require extensive reporting of Head Start agencies.

Requirements for Reporting on Effectiveness

We analyze below four programs that have statutory requirements for reporting effectiveness, along with Head Start, which reports on outcomes required by the federal government. We also discuss the Parent Aware Quality Rating and Improvement System. We then review requirements for the remaining programs.

Early Learning Scholarships









State statutes required an evaluation of Early Learning Scholarships, and a report released in January 2016 examined kindergarten readiness outcomes at the end of enrolled children's prekindergarten year.³¹ The report concluded that children receiving scholarships showed growth at the end of the prekindergarten year, but in our view the research was flawed because it failed to compare the use of scholarships between representative groups of children.³²

³⁰ We surveyed 329 school districts and 110 charter schools that offered prekindergarten or kindergarten programs during the 2016-2017 school year. We received responses from 265 school districts (an 81 percent response rate) and 50 charter schools (a 45 percent response rate).

³¹ *Minnesota Statutes* 2017, 124D.165, subd. 5; and Minnesota Department of Education, *Early Learning Scholarships Program Evaluation Report* (St. Paul, January 15, 2016).

³² One group was children with scholarships in early childhood programs with 3- or 4-star ratings. The second was children without scholarships but in 1- or 2-star-rated programs. The former group is not representative of all children with scholarships, because children may use scholarships for 1- and 2-star-rated programs as well as for programs with 3- and 4-star ratings. The difference in outcomes between the groups studied was limited, but any difference is not clearly attributable to the scholarships; a better comparison group would have been similar children in no early childhood program or in a program that did not meet any Parent Aware requirements.

Exhibit 3.1: State statutes require reports on effectiveness for four of nine key early childhood programs.

	Program	Requirement for Reporting on Effectiveness
	Child Care Assistance Program	None
	Early Childhood Family Education	None
	Early Childhood Health and Development Screening	None
	Early Learning Scholarships	Statutes require a one-time report (by January 2016) evaluating the Scholarship Program. They require that the report include recommendations on appropriate scholarship amounts, efficiency, effectiveness of the administration, and impact on kindergarten readiness.
	Family Home Visiting	Statutes require the Minnesota Department of Health to report to the Legislature every other year on Family Home Visiting programs and the results of ongoing evaluations to rate those programs' impacts on ten measures, such as participant satisfaction and rates of children who pass early childhood screening or access early care and education services. ^a
	Head Start	None from the state, but federal regulations require extensive reporting. ^b
	School Readiness Program	Statutes require school districts that receive funding to annually submit a report to the Minnesota Department of Education (MDE), but they do not specify its contents. They require school districts to submit a biennial plan (as part of the "World's Best Workforce" plan) on how their program meets eight requirements, including parental involvement in program planning, maximum staff/child ratios, and assessment of each child's cognitive and language skills upon entering and leaving the program. ^c
	Voluntary Prekindergarten	Statutes require school districts and charter schools to develop a strategy for implementing and measuring the impact of Voluntary Prekindergarten, as part of reporting for the World's Best Workforce. ^c Results are to be provided in the World's Best Workforce annual summary to MDE.

NOTES: Statutes do not require reports on effectiveness for the Parent Aware Quality Rating and Improvement System, but other reports on Parent Aware are available, including a series of evaluations in 2013-2016. Certain programs may be required to report data, even if they do not report on effectiveness. For example, school districts with Early Childhood Family Education must submit to MDE annual reports on program participation and other data.

^a In addition, the U.S. Department of Health and Human Services' Health Resources and Services Administration requires Family Home Visiting programs that receive certain federal funding (Maternal, Infant, and Early Childhood Home Visiting funding) to report annually on 19 performance indicators, including four related to school readiness and achievement.

^b Federal rules require Head Start agencies to oversee program performance standards covering numerous aspects of program operations, including services for the education and development of the child. They require agencies to measure progress toward meeting goals, including on children's school readiness.

^c The World's Best Workforce refers to a statutory, statewide effort to create a top quality workforce. It has five goals for students from preschool age through high school graduation, and it requires evaluating each student's progress toward meeting state and local academic standards, among other things. The law does not require school districts to submit their biennial World's Best Workforce Plan to MDE.

SOURCE: Office of the Legislative Auditor, analysis of *Minnesota Statutes* 2017, 124D.15, subds. 3a and 3(1)-(8); 124D.151, subd. 2(c); 124D.165, subd. 5; 120B.11, subd. 2(2); and 145A.17, subds. 6-8.

Beyond that one-time evaluation, the law does not require the Minnesota Department of Education (MDE) to evaluate the Early Learning Scholarships program. MDE collects ongoing data on the Early Learning Scholarships program but has no legal obligation to measure the program's effectiveness in meeting its objectives. The department maintains a database on the Scholarship program, but the database is not designed to measure student outcomes, and the department does not collect outcomes data on these students.³³

Family Home Visiting

Statutes require the Minnesota Department of Health (MDH) to evaluate one of its Family Home Visiting programs and publish a report to the Legislature every other year.³⁴ The most recent report available at the time of our analysis was from 2016 and contained baseline data only; therefore, it could not report on the programs' impact. In addition, the 2014 and 2012 reports contained little data on the programs' effectiveness; they described the Family Home Visiting programs and included information on the number of participants and their demographic characteristics, among other information.

Looking specifically at the 2016 report, the department used 35 evaluation benchmarks to analyze outcomes of Family Home Visiting.³⁵ One of the benchmark plan's six focus areas is "improvements in school readiness and achievement." This focus area has nine benchmarks to measure outcomes, and the 2016 report included data on all nine.³⁶ However, because the report contained baseline data that could not be compared against a target or past performance, it could not sufficiently evaluate program impact. For example, one performance indicator in the area of improvements in school readiness and achievement is the percentage of parents "referred to relevant community resources" after receiving a positive screen for postpartum depression symptoms.³⁷ MDH had defined improvement on this indicator as increasing or maintaining the percentage of parents who received such referrals. The report showed that 58 percent of parents had received relevant referrals, but it did not have data to show whether that represented improvement.

School Readiness Program

Statutes on the School Readiness program require school districts to submit an annual report to the department, but they neither define the report's contents nor require a statewide analysis.³⁸ MDE collects from school districts basic information on counts of students in

³³ MDE first used the database in Fiscal Year 2015 to track newly awarded scholarships and manage existing ones. In Fiscal Year 2017, the department began using the database as a payment system for the scholarships.

³⁴ *Minnesota Statutes* 2017, 145A.17, subds. 7 and 8. The requirement applies specifically to one Family Home Visiting program that MDH oversees, which is funded by federal Temporary Assistance to Needy Families revenue. In its required report to the Legislature, MDH covers additional Family Home Visiting programs, including those funded by federal Maternal, Infant, and Early Childhood Home Visiting funding. The statute does not apply to other home visiting programs, such as those that local public health agencies implement on their own or those that Head Start or Early Childhood Family Education conduct.

³⁵ Starting in October 2016, new federal requirements required those home visiting programs receiving Maternal, Infant, and Early Childhood Home Visiting funding to report on 19 different performance measures. The new 19 measures replace the 35 measures used in the 2016 report. For its upcoming 2018 report to the Legislature, MDH plans to report on a subset of performance measures for which data were available across all Family Home Visiting programs that MDH oversees, regardless of their funding sources.

³⁶ MDH's 2014 report contained the same nine benchmarks but had no data on their outcomes.

³⁷ Minnesota Department of Health, *Minnesota Family Home Visiting Program: Report to the Minnesota Legislature* (St. Paul, 2016), 18, 47. Parents receiving referrals to community resources may refuse them.

³⁸ *Minnesota Statutes* 2017, 124D.15, subd. 3a(b).

the School Readiness program. The department also maintains a database with child-level data, however, the data are limited largely to demographic and family characteristics. The department's database does not contain outcomes data.

Statutes also require school districts with School Readiness program funding to include a biennial plan as part of the school district's "World's Best Workforce" plan.³⁹ The World's Best Workforce refers to a statewide effort to create a top-quality workforce; it has five statutory goals for students from preschool age through high school graduation, as Exhibit 3.2 shows. The required biennial plan requires school districts to describe how the School Readiness program meets statutory requirements, such as assessing children's cognitive and language skills and aligning the program with the state's early childhood learning guidelines. However, school districts are not required to submit the biennial plan to MDE.

Exhibit 3.2: The "World's Best Workforce" statute includes a school readiness goal.

World's Best Workforce

Statutes lay out a process for striving to create the world's best workforce in Minnesota. The intent is to keep Minnesota competitive by having students ready for college and careers.

The World's Best Workforce law requires every school board in the state to develop a long-term strategic plan and report regularly on addressing five goals:

1. All children meet school readiness goals.
2. All third-grade students can read at their grade level.
3. The academic achievement gaps by race and poverty level are closed.
4. All students are ready for careers or college upon high school graduation.
5. All students graduate from high school.

SOURCE: Office of the Legislative Auditor, analysis of *Minnesota Statutes* 2017, 120B.11, subd. 1(c).

The department reported that it reviews school districts' World's Best Workforce plan *summaries* and provides feedback and technical assistance, when warranted. However, MDE staff said that the summaries do not include information on School Readiness programs.

Most school districts with School Readiness programs reported in our survey that they collected at least some program performance data in 2016-2017, but MDE does not collect or analyze those data. Regarding program performance data, 79 percent of school districts that offered School Readiness programs responded that they collected information on students' performance of language, literacy, or communication skills. Seventy percent collected performance information on math skills.

³⁹ *Minnesota Statutes* 2017, 124D.15, subd. 3a(a). The World's Best Workforce law requires school districts to publish a report and hold an annual public meeting to discuss their plans for improving curriculum and instruction, among other things, and plans leading to the world's best workforce. See *Minnesota Statutes* 2017, 120B.11, subd. 5.

Voluntary Prekindergarten

State statutes require that school districts provide results of the impacts of the Voluntary Prekindergarten program, but statewide data are not analyzed.⁴⁰ An MDE staff person stated that the department collects data on program participation, but it does not currently measure outcomes. Even though the department does not collect such data, most school districts and charter schools with Voluntary Prekindergarten programs that responded to our survey said they collected some types of outcomes data in the 2016-2017 school year. For instance, more than 80 percent reported that they collect performance information on outcomes for skills in math and for skills in language, literacy, or communication.

Head Start

Federal rules require Head Start agencies to conduct extensive evaluation and reporting, including evaluating the agencies' progress in meeting program goals.⁴¹ Head Start agencies report this information to the federal government. By contrast, the state does not require reports on Head Start effectiveness. State statutes require Head Start agencies to submit a plan for approval by MDE, but they do not require the agencies to report on effectiveness.⁴² Data required in the plan include the number of low-income children to be served, a description of how the program design meets the needs of low-income working families, and a plan to offer Head Start services in conjunction with child care providers.

Parent Aware

State statutes do not require the Parent Aware Quality Rating and Improvement System to report on its effectiveness. However, a series of studies resulted in annual evaluation reports on Parent Aware, or components of it, from 2012 through 2016. Another study released in 2016 evaluated the effectiveness of Parent Aware ratings and how children's development is related to the ratings.⁴³ One of its research questions was on whether children in Parent Aware-rated programs improved their skills during their prekindergarten year. The study found that children, including children in low-income families, demonstrated gains in math skills, literacy skills, and other skills deemed critical for school readiness.⁴⁴

⁴⁰ *Minnesota Statutes* 2017, 124D.151, subd. 2(c).

⁴¹ 45 *CFR*, sec. 1302.102(c) (2016), requires Head Start agencies to identify their program strengths and needs, develop and implement plans that address those needs, and continually evaluate (1) compliance with program performance standards and (2) progress towards achieving program goals.

⁴² *Minnesota Statutes* 2017, 119A.535.

⁴³ Kathryn Tout, Jennifer Cleveland, Weilin Li, Rebecca Starr, Margaret Soli, and Erin Bultinck, *The Parent Aware Evaluation: Initial Validation Report* (Minneapolis: Child Trends, 2016).

⁴⁴ *Ibid.*, 5, 48-52.

Programs Lacking Requirements for Reporting Results

Statutes for three of nine key early childhood programs do not require reports on program effectiveness, and statewide data on those programs' outcomes do not exist.

While requirements for three of the nine key early childhood programs require providers to report certain data, the data tend to be counts, such as number of participants. These data are insufficient to draw conclusions on statewide program effectiveness. We describe the requirements next.

Child Care Assistance Program

Statutes on the Child Care Assistance Program do not require evaluations of the program.⁴⁵ At the same time, the Minnesota Department of Human Services (DHS) has tracked a measure of the program's performance in relationship with Parent Aware ratings. In the Governor's budget recommendations of 2017, DHS reported increases in the percentage of children receiving Child Care Assistance in high-quality child care settings. It showed that children with Child Care Assistance in child care settings where the providers were accredited, credentialed, or had earned a 3- or 4-star rating increased from 23 percent in 2012 to 38 percent in 2016. DHS has other documents that describe the Child Care Assistance Program without explicitly evaluating its effectiveness. As an example, the department issued reports in 2017 and 2018 describing the children and families using Child Care Assistance, including children's ages and other demographic information.⁴⁶ The department also has produced reports that provide useful background information, but they do not address the program's effectiveness at meeting its purposes.

Statutes require counties and other designated administrators to submit to the department every two years a "child care-fund plan," but the requirement does not extend to reporting on effectiveness.⁴⁷ The required plans are to include prescribed information, including strategies to coordinate with school districts, neighborhood organizations, child care providers, Head Start, and others. The intent is to foster collaboration among these public agencies and private-sector organizations and facilitate children's transition into kindergarten. Required information does not include data on how well the program works.⁴⁸

⁴⁵ *Minnesota Statutes* 2017, Chapter 119B.

⁴⁶ Minnesota Department of Human Services, *Minnesota Child Care Assistance Program: State Fiscal Year 2017 Family Profile* (St. Paul, January 2018), 3-8; and Minnesota Department of Human Services, *Minnesota Child Care Assistance Program: State Fiscal Year 2016 Family Profile* (St. Paul, March 2017), 3-6. The reports also list average program costs, users by type of provider, and the program's reimbursement rates relative to provider prices.

⁴⁷ *Minnesota Statutes* 2017, 119B.08, subd. 3.

⁴⁸ The Minnesota Department of Human Services has published multiple reports on the Parent Aware Quality Rating and Improvement System as it relates to the Child Care Assistance Program. For example, see Minnesota Department of Human Services, *Parent Aware Rated Child Care Programs Across Minnesota* (St. Paul, March 2017); and Minnesota Department of Human Services, *The Parent Aware Quality Rating and Improvement System: Increasing Accessibility for Families and Early Care and Education Programs, a Legislative Report* (St. Paul, February 2015). In addition, there have been external evaluations of Parent Aware's interactions with the Child Care Assistance Program. One of the most recent is Child Trends, *Parent Aware-Minnesota's Quality Rating and Improvement System, Year Four Evaluation Report* (Minneapolis: Child Trends, June 2016).

Early Childhood Family Education

Statutes require school districts to report to MDE on the Early Childhood and Family Education program, but the reports largely contain only counts of outputs.⁴⁹ The report includes counts of classes, participants, hours of service, referrals, and events; it also includes information on school districts' required community needs assessments and how the districts tailored programming to those needs. It does not report on effectiveness in meeting statutory purposes. According to our survey, about two-thirds of school districts that offered Early Childhood Family Education reported that they collected performance information in 2016-2017 on how well parenting education helped parents support their children's learning and development.

Early Childhood Health and Development Screening

Statutes require school districts to report to MDE on Early Childhood Health and Development Screening, however the reports do not evaluate program effectiveness.⁵⁰ As shown in Exhibit 3.3, school districts are required to annually report data, including children screened by age, children screened by other providers, and referrals made. Most of the requested data are counts, such as numbers of children and referrals. The specific counts (such as number of children screened at age 3) are not compared against a target or with past years, which is needed to indicate whether or not a program is improving. At the same time, one component of the required data could help school districts make a self-assessment of their screening programs. If overall participation in screening has changed from the prior year, the required report asks school districts to review their screening program and identify potential needed changes, such as in registration procedures or outreach strategies. These steps could be useful to school districts that are interested in activities to improve their programs, but they do not result in a report on the effectiveness of screening.

The department makes available online a downloadable report on Early Childhood Health and Development Screening by school district, but it does not discuss how well screening programs have met their objectives. It provides a participant count by age group, percentages of children screened by age group, and the number of screenings completed within or after 30 days of kindergarten entrance. These are important data points that could form the foundation of a report on effectiveness by comparing change over time or analyzing how well percentages met preset targets.

The state developed guidance on indicators of screening program quality, but less than one-third of school districts offering screening reported in our survey that they collected data in 2016-2017 on the performance of their screening program.⁵¹ MDE joined with MDH and DHS to provide the guidance, which offers possible indicators of performance for each of three components of the screening process: (1) outreach, (2) the actual screening, and (3) referral and follow-up. As an example, the guidance says an indicator of successful outreach is that school districts inform all families of eligible children about screening services. It suggests that districts use a wide variety of approaches to reach the eligible populations and use tools that reflect different cultures and income levels.

⁴⁹ *Minnesota Statutes* 2017, 124D.13, subd. 13.

⁵⁰ *Minnesota Statutes* 2017, 121A.17, subd. 1.

⁵¹ Minnesota Department of Education, Minnesota Department of Health, and Minnesota Department of Human Services, *Minnesota Quality Indicators for Child Health and Developmental Screening: A Comprehensive Framework to Build and Evaluate Community-Based Screening Systems* (St. Paul, 2004).

Exhibit 3.3: School districts report on many items related to their Early Childhood Health and Development Screening program but not on program effectiveness.

Information Required in Annual Reports on Early Childhood Health and Development Screening

- Number of children screened, by age
- Number of children screened before or within and after 30 days of kindergarten entrance
- Number of children not screened due to parents' conscientious objections to screening
- Number of children screened by other health care providers or public health agencies
- Referrals made, such as for a vision examination, and status of follow-up on the referrals
- Referrals made to Head Start, School Readiness, and other programs due to risk factors that influence children's learning
- A checklist of changes that the school district needs to make to the screening program
- Whether screenings are coordinated with other providers
- Whether interpreters are used during screening
- Information on the screening instrument
- Report on program costs, by screening component (such as vision screening or developmental screening)
- Program funding sources, by components required in all screenings and by optional components

NOTE: School districts submit reports to the Minnesota Department of Education.

SOURCE: Office of the Legislative Auditor, analysis of Minnesota Department of Education, *Early Childhood Screening Annual Report (Worksheet)* (St. Paul, March 2017), 2-15.

The guidance describes characteristics of effective screening, but using the guidance is not mandatory, and school districts are not required to report to MDE any data on whether they met its performance indicators. For instance, looking at the outreach indicator cited above, school districts do not report on the percentage of families that were informed of screening requirements through districts' outreach activities. In response to our survey, just 28 percent of school districts that indicated they offer Early Childhood Health and Development Screening reported that they collected information on the performance of their early childhood screening programs during the 2016-2017 school year.

Measuring Readiness for School

One indicator of early childhood programs' effectiveness is how well the programs have prepared children for school. In this section, we focus on Minnesota's capacity to determine whether early childhood programs meet this objective.

Statewide Data

We look first at state law related to school readiness. We also review efforts at the state level to measure whether children come to school prepared to learn.

State law places a priority on children’s readiness for school, but the state does not know the extent to which Minnesota children entering kindergarten are ready for school.

Minnesota statutes specify a goal for young children statewide to be ready for school.⁵² One of five goals in the state’s World’s Best Workforce statute is that school districts “meet school readiness goals,” as Exhibit 3.2 described earlier. The interagency collaboration that is leading the World’s Best Workforce effort has interpreted this as “all children are ready for school.”

Despite this goal, data do not currently exist to measure whether children statewide are ready for school. Information from Minnesota’s World’s Best Workforce effort concluded that Minnesota cannot currently (as of April 2018) estimate the proportion of children entering kindergarten who are ready for school.⁵³ This is due to data on school readiness that are insufficient and not representative of the state, according to the state’s World’s Best Workforce website.

MDE has provided guidance to help school districts record progress toward meeting the “school readiness” goal for the World’s Best Workforce, but it has not published data on school readiness. Regional data files on the World’s Best Workforce, which the department published online for 2016 (the most recent year that data were available), contain no data on how well the school readiness goal is met.

Local Data

For school districts and charter schools, requirements on assessing children differ between children in early childhood programs and children in kindergarten. We discuss first the requirements for early childhood programs.

Early Childhood Assessments of Kindergarten Readiness

We reviewed statutory requirements on assessing readiness for school among children participating in education-related early childhood programs. Then we compared the requirements to identify differences by program. We do not include Early Childhood Health and Development Screening in this analysis.

Most but not all early childhood programs overseen by the Minnesota Department of Education require providers to assess each child’s skills and plan instruction accordingly, but the number of children assessed statewide is unknown.

Three of five early childhood programs that MDE oversees require assessing children’s skills, often including readiness for kindergarten, before children leave preschool programs. A fourth program, Early Learning Scholarships, provides funding, not direct services. We include it here because children awarded scholarships may use them for certain early childhood programs that do require assessments for school readiness, as we explain below.

⁵² *Minnesota Statutes* 2017, 120B.11, subd. 1(c).

⁵³ Minnesota Management and Budget, “World’s Best Workforce, Kindergarten Readiness” (St. Paul, 2018), <https://mn.gov/mmb/worlds-best-workforce/key-goals/kindergarten-readiness.jsp>, accessed February 5, 2018.

State law does not require programs to report results to the state; consequently, statewide outcomes of the assessments are unknown.

West Central Minnesota Community Action Head Start Prekindergarten Assessments

A spring 2016-2017 Head Start assessment shows that between 84 percent and 98 percent of the 4-year-old children at 12 west central Minnesota sites were meeting or exceeding benchmarks for their age in seven domains of skills.

Further, among 3-year-olds and 4-year-olds in 2016-2017, the percentages of children meeting or exceeding expectations on school-readiness outcomes were higher in the spring across all seven skill domains than in the preceding fall. West Central Head Start had developed goals for school readiness by age group (birth to 9 months, 8 to 18 months, 16 to 36 months, and 3- to 5-year-olds); and it aligned its indicators of school readiness with the Minnesota Early Childhood Indicators of Progress.

Head Start and Early Head Start

Federal regulations require Head Start agencies to assess their children on an ongoing basis to inform decisions on curriculum, teaching practices, and program design and to measure children's progress toward school-readiness goals.⁵⁴ The assessment tools must align with Head Start's own framework of early learning outcomes, which are grounded in research on what young children should know and be able to do to succeed in school.⁵⁵

During one of our site visits, we learned about results of assessments that the West Central Minnesota Community Action Head Start conducted, as described at left.

Voluntary Prekindergarten

State law requires the Voluntary Prekindergarten program to measure children's cognitive and social skills twice—when children enter the program and again when they leave.⁵⁶ The statute further requires aligning the assessment to the state's "early learning standards," which Exhibit 3.4 summarizes. Additionally, it requires programs to use an assessment tool from a state-approved set of kindergarten-entry profile tools.

Statutes require school districts and charter schools with Voluntary Prekindergarten to include their strategy for measuring the impact of their program and provide results in their annual World's Best Workforce summary to MDE.⁵⁷ MDE reported that school districts and charter schools do not have to report assessment data to MDE, but the department is developing a protocol on measuring impact that some Voluntary Prekindergarten sites are using on a pilot project basis. It said that school sites can use data from the protocol to monitor their progress on the World's Best Workforce goal on school readiness.

⁵⁴ 45 *CFR*, secs. 1302.102 (b)(2)(i) and (c)(2)(ii) (2016).

⁵⁵ U.S. Department of Health and Human Services, Administration for Children and Families, Office of Head Start, *Head Start Early Learning Outcomes Framework: Ages Birth to Five* (Washington DC: Office of Head Start, 2015), 2.

⁵⁶ *Minnesota Statutes* 2017, 124D.151, subd. 2(a)(2).

⁵⁷ *Minnesota Statutes* 2017, 124D.151, subd. 2(c).

Exhibit 3.4: Minnesota’s “Early Childhood Indicators of Progress” show what young children are expected to know and do at different ages.

Early Childhood Indicators of Progress

The indicators describe what young children are expected to know and do at each age. Indicators are grouped into six domains and reflect increasingly complex learning for children from birth to 5-years-old (which is the typical age at entrance to kindergarten). Examples within each domain are below.

Domain: Sample Learning Area	Indicators of Progress, by Age Group				
	Birth to 1 Year	1 to 2 Years	2 to 3 Years	3 to 4 Years	4 to 5 Years
1. Approaches to Learning: Inquisitiveness	Responds to people by looking, kicking legs, vocalizing	Uses senses to explore their environment	Approaches new materials in the environment with interest	Asks questions	Eager to investigate new things
2. Language, Literacy, and Communications: Language comprehension ^a	Watches caregivers' actions and gestures	Responds to verbal and nonverbal cues	Places an object over or under, when asked	Follows simple directions	Follows directions involving two or more steps
3. Creativity and the Arts: Patterns in artistic media	Imitates sounds, motions, and gestures	Shows preference for familiar sounds, motions, and gestures	Begins to duplicate artistic patterns	Extends artistic patterns with sounds, motion, and materials	Creates their own artistic patterns
4. Math, Science, and Social Systems: Rote counting	Releases one item to reach for another	Imitates counting	Names familiar numerals	Recites numbers correctly up to 10	Reads and writes numerals 0 to 10
5. Social and Emotional Development: Confidence	Uses voice or body to show likes and dislikes	Attempts new activities, with or without success	Demonstrates personal skills, likes or dislikes	Demonstrates confidence in range of abilities	Engages in increasingly independent, self-directed activities
6. Physical and Movement Development: Dexterity	Reaches for toy, grasps and releases it	Turns pages of a board book	Turns pages of a book	Draws freely on paper	Draws stick people and some objects

NOTE: Each of the six domains has multiple areas of learning, each of which contains one or more indicators of progress.

^a Age ranges differ slightly in the domain of “Language, Literacy, and Communications” because research has shown that different age ranges are important in language development. For instance, instead of “Birth to 1 Year,” the first age group in this domain is “Birth to 6 months.” Instead of “1 to 2 Years,” the age group is divided between “6 to 15 months” and “15 to 24 months.”

SOURCE: Office of the Legislative Auditor, analysis of Minnesota Department of Education, Minnesota Department of Health, and Minnesota Department of Human Services, *Early Childhood Indicators of Progress, Minnesota’s Early Learning Standards: Birth to Kindergarten* (St. Paul, 2017), 11-59.

School Readiness Program

Statutes for the School Readiness program require an assessment of children's skills when they enter and leave the program, but the requirements are somewhat less prescriptive than those for Voluntary Prekindergarten, as Exhibit 3.5 shows.⁵⁸ Statutes do not require aligning assessments with the state's early learning standards, nor do they require use of assessment tools that are state-approved.⁵⁹

On the other hand, to the extent that School Readiness programs achieve Parent Aware quality ratings, they have to meet Parent Aware standards on assessing children's skills and planning instruction around assessment results. An example of results from one prekindergarten assessment is at right. Most, but not all, schools with School Readiness programs carry Parent Aware ratings; as of February 2018, 11 school districts with School Readiness program funding were not Parent Aware-rated, according to MDE. Those 11 school districts would have less stringent assessment requirements than others with School Readiness programs that are Parent Aware-rated.

St. Paul Public Schools Prekindergarten Assessments for School Readiness

The assessments indicate whether a child is proficient, developing, or beginning on indicators of math and literacy, which helps teachers plan for instruction.

As an example, in the spring of 2017, one literacy assessment was of how well students wrote their names; students meeting that target ranged from 64 percent of students in one school to 100 percent of students in seven other schools.

Early Learning Scholarships






Even though statutory language on Early Learning Scholarships does not require assessments of children with scholarships, certain standards in the Parent Aware rating system do. Children who use scholarships to attend Head Start, School Readiness programs, or Voluntary Prekindergarten would undergo an assessment due to those programs' requirements.

However, children who use scholarships to attend Parent Aware-rated child care may or may not have a provider who is required to assess enrolled children and use the results to plan instruction for each child. The Parent Aware quality rating system includes two standards related to assessing and planning for each individual child. The first standard is learning about each child through regular observation and formal assessment. One indicator for this standard is observing and documenting children's growth and development, which applies to the 1- and 2-star providers. In contrast, the 3-star provider is to assess all children in at least one age group at least once yearly using an approved assessment tool. The 4-star-rated provider has to meet an even higher bar—assessing all children within each age group twice yearly, using an approved assessment tool. Whether 1- and 2-star providers' documentation of children's development aligns with state early learning standards is unknown, because Parent Aware does not require them to use an approved assessment tool.

⁵⁸ *Minnesota Statutes* 2017, 124D.15, subd. 3(1). The statutory purpose of the School Readiness program assessments is threefold: (1) improve program planning and implementation, (2) communicate with parents, and (3) promote kindergarten readiness.

⁵⁹ *Ibid.* The assessment requirement for the School Readiness program mirrors the requirement for the new *School Readiness Plus* program (established in 2017). See *Laws of Minnesota* 2017, First Special Session, chapter 5, art. 8, sec. 9, subd. 2(1).

Exhibit 3.5: Requirements on assessing preschool children's readiness for kindergarten vary by program.

	Program	Assessments of Children are Required	Skills Measured	Assessment Tool Must Align with Early Learning Standards ^a	Assessment Tool Must be State Approved	State Statutes Specify Purpose for the Assessment
	Early Childhood Family Education	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Early Learning Scholarships ^b	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	Head Start and Early Head Start ^c	<input checked="" type="radio"/>	Literacy, cognition, motor development, social and emotional development	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
	School Readiness Program ^d	<input checked="" type="radio"/>	Cognitive and language skills	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
	Voluntary Prekindergarten	<input checked="" type="radio"/>	Cognitive and social skills	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

☒ Program has the characteristic
☐ Program does not have the characteristic

^a Minnesota's early learning standards are indicators that describe expectations of what children should know and do at each age.

^b Statutes on Early Learning Scholarships do not require assessments of children, but if children use a scholarship to attend Head Start, School Readiness programs, Voluntary Prekindergarten, or 3- or 4-star Parent Aware-rated child care, they will undergo assessments based on those programs' requirements.

^c The federal government requires that Head Start agencies select assessments aligned with Head Start's own framework of early learning outcomes. The outcomes are grounded in research on what young children should know and be able to do to succeed in school. See U.S. Department of Health and Human Services, Office of Head Start, *Head Start Early Learning Outcomes Framework: Ages Birth to Five* (Washington DC: Office of Head Start, 2015). Although federal regulations do not require assessment tools to be state approved, they require that assessments are valid; reliable; and age-, culturally, and developmentally appropriate.

^d In addition, if a School Readiness program has a 3- or 4-star Parent Aware rating, Parent Aware standards require schools to use an approved assessment tool. The stated purposes for assessing children in the School Readiness program are to (1) improve program planning and implementation, (2) communicate with parents, and (3) promote kindergarten readiness. Requirements for assessing children in this program mirror the requirements for the School Readiness Plus program, which the 2017 Legislature established.

SOURCE: Office of the Legislative Auditor, analysis of *Minnesota Statutes* 2017, 124D.13; 124D.15, subd. 3(1); 124D.151, subd. 2(a)(2); 124D.65; and 45 *CFR*, secs. 1302.102c(2)(ii) and 1302.33(c) (2016).

The second Parent Aware standard is using the assessments to plan group and individual-child instruction. The 1- and 2-star-rated providers do not meet this requirement. The licensed but nonaccredited 3- and 4-star-rated providers, on the other hand, are encouraged to use the assessment information to plan instruction for each child while also planning for the needs of the entire group. Providers seeking a 3- or 4-star rating qualify to receive additional points during the rating process if they demonstrate that they use assessment information when planning instruction.

Early Childhood Family Education

Requirements for the Early Childhood Family Education program do not include assessing children for school readiness. This is presumably because that program focuses on parenting education. Although statutes require the program to include learning experiences that promote children's early literacy, they do not require assessing literacy skills.⁶⁰

Kindergarten Assessments of School Readiness

We reviewed statutes for requirements on assessing kindergarten children to determine their readiness for school. We also analyzed MDE's efforts to encourage school districts and charter schools to assess children's kindergarten readiness.

Not all school districts and charter schools assess children entering kindergarten on their readiness for school, and results for those who are assessed are not available on a statewide basis.

Minnesota does not require school districts or charter schools to assess whether children are ready for school as they enter kindergarten or first grade (when school enrollment generally becomes mandatory). While MDE can advise school districts on assessing children's readiness for kindergarten, the decision on whether and how to assess children is a local one.

While most school districts and charter schools we surveyed reported that they do assess school readiness for at least some children in kindergarten, some did not. Of school districts and charter schools responding to the survey and offering kindergarten, a combined 81 percent reported assessing all of their kindergarten pupils in 2016-2017, while 3 percent reported assessing none.

Somewhat smaller shares of school districts than charter schools offering kindergarten reported that they assessed school readiness for no kindergarten pupils in 2016-2017, as Exhibit 3.6 shows. Six percent of charter schools and 2 percent of school districts with kindergarten reported that they did not assess school readiness of any kindergarten children that year. Of the 25 school districts or charter schools offering kindergarten that reported they assessed only some kindergarteners or none at all, many reported that kindergarteners who move into and out of their school district or charter school affected their ability to assess all children. One school official reported on difficulties of administering the assessment to children with limited English skills.

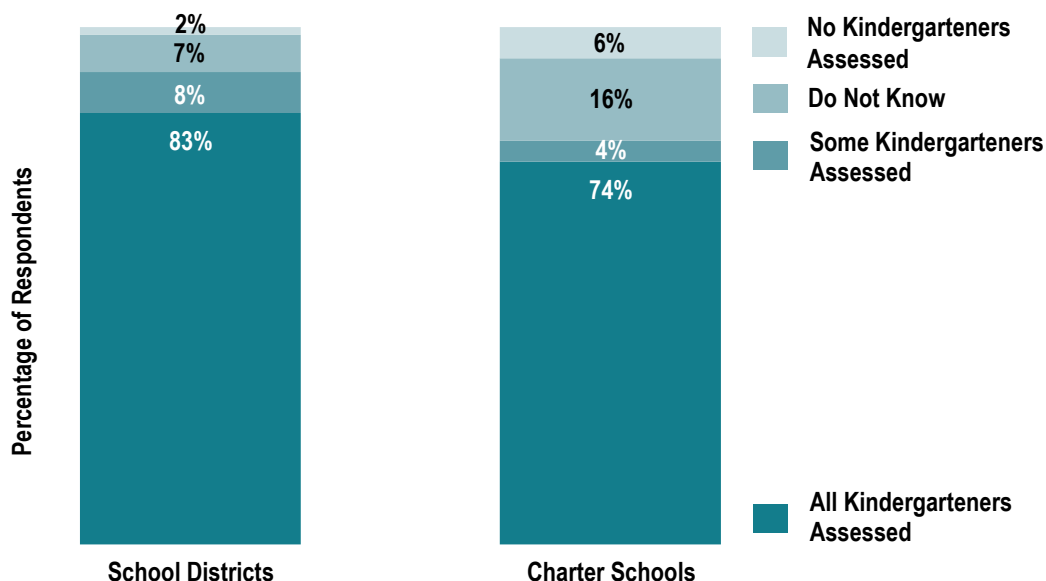
Among school districts and charter schools combined,

81%

reported that they assessed school readiness for all children enrolled in kindergarten in 2016-2017.

⁶⁰ *Minnesota Statutes* 2017, 124D.13, subd. 2(a)(8).

Exhibit 3.6: Somewhat larger shares of school districts than charter schools reported that they assessed the school readiness of all of their kindergarten students in 2016-2017.



NOTES: The survey question was worded as follows: “Did your district or charter school complete assessments of children who entered kindergarten as of October 1, 2016, regardless of when the assessment was done?” N=265 school districts and 49 charter schools.

SOURCE: Office of the Legislative Auditor, survey of school districts and charter schools, September 2017.

Kindergarten Entry Profile

MDE has been improving its process of helping school districts and charter schools measure children’s status when they enter kindergarten. The department advocates that teachers use assessment tools that will help them observe and document students’ learning progress. It emphasizes that assessments enable teachers to frame teaching practices and programs around what students know and are able to do.

Statutes state that the department “may implement a kindergarten readiness assessment” and, in the past, the department assessed school readiness of children using a limited sample of up to 10 percent of schools with kindergarteners.⁶¹ Participation in the assessment has been voluntary for school districts. The department’s current effort is referred to as the “Kindergarten Entry Profile,” and school-district participation continues to be voluntary. The department has been encouraging more school districts to participate.

School districts that assess students’ readiness for kindergarten use one or more of many available assessment tools to measure children’s cognitive, literacy, and physical development, among other characteristics. Some schools and teachers have developed their

⁶¹ *Minnesota Statutes* 2017, 124D.162. A department staff person reported that participation in the sample during the 2016-2017 school year was 5.7 percent of schools, which was less than needed to be representative of the state as a whole.

own tools. As part of its Kindergarten Entry Profile, the department tested eight tools for assessing kindergarten readiness. It was looking for tools that were valid and reliable and that align with Minnesota's early learning standards. Department staff identified four assessment tools that met its requirements and produce comparable results.⁶²

Based on our survey, nearly half of school districts and charter schools that assessed students' readiness for kindergarten reported using tools other than those the department has approved for validity and reliability. Thus, whether these school districts' tools are valid and align with Minnesota's early learning standards is unknown.

Of school districts and charter schools reporting that they assessed kindergarten students in 2016-2017,

49%

said they used assessment tools other than one of the department's recommended tools.

RECOMMENDATION

The Legislature should consider requiring assessments of all children's school readiness as they complete certain early childhood programs.

Minnesota's current requirements bring the state only part way to knowing how many children enrolled in education-related early childhood programs are prepared to begin school.⁶³ If the Legislature continues to believe this is an important objective, it should take additional steps.

The first step is to require that children in all publicly funded early childhood programs, including child care at all four Parent Aware rating levels, are assessed for kindergarten readiness. Because children do not always remain in a given program for its duration, this requirement would be useful only for children who participate for an appropriate amount of time. MDE, in consultation with program providers, would have to set a threshold for the appropriate length of time.

Step 1: Require assessing school readiness for all children in early childhood programs.

A second step is to require programs and school districts conducting assessments to select their assessment tools from among valid and reliable measurement tools that are aligned with the state's early learning standards. Without this, the state could not be confident that the assessment tools appropriately capture what children know and can do relative to succeeding in kindergarten. Further, results from one provider using an untested assessment tool would not necessarily be comparable with results from others that used valid and reliable tools based on early learning standards. In effect, representative statewide results would not be possible.

Step 2: Require program providers to use an approved assessment tool.

⁶² The four tools are called: Desired Results Developmental Profile-Kindergarten, Formative Assessment System for Teachers, Teaching Strategies GOLD, and the Work Sampling System-Minnesota Version.

⁶³ This discussion affects only the early childhood programs where children's school readiness is assessed or potentially could be. It does not affect four of the programs we reviewed: Child Care Assistance Program, Early Childhood Family Education, Early Childhood Health and Development Screening, and Family Home Visiting.

To assist with this step, MDE could test additional assessment tools from among those in wide use around the state or those specific tools it deems to be likely candidates. Such testing could potentially expand the set of tools known to align with Minnesota's early learning standards. This would make local implementation of the new requirement easier.

These first two recommended steps are a substantial undertaking and would likely meet resistance. First, the 1- and 2-star-rated child care providers have not previously been required to assess children with approved assessment tools and then plan instruction around the assessments. Moreover, this means that they may lack the knowledge, skills, and tools to carry out the assessments, as well as the experience needed to do that effectively. Second, the requirement would mean additional expense for child care providers and for school districts that do not currently use an approved assessment tool. Such providers would have to purchase an approved assessment tool and undergo training to learn how to appropriately use it. Plus, it would be an additional responsibility that these child care providers would have to fulfill. Implementation should be phased in to lessen these potential issues.

Another option would be to exclude certain providers from a requirement to assess children's readiness for kindergarten. However, this creates tradeoffs. On one hand, the proposed requirement would be somewhat easier and less costly to implement. On the other hand, there could be an entire segment of children who attended early childhood programs for whom there is no information on readiness for school. We believe that, if the Legislature continues to affirm the importance of preparing children to be ready for school, assessments of each child's school readiness at the end of their attendance in an early childhood program is a standard that should eventually be required of all publicly funded programs.

The third step is requiring early childhood programs to submit data on assessment results to MDE. This is important if Minnesota is to analyze and report on a statewide basis the extent to which early childhood program participants are prepared for kindergarten. Assessment results from programs with Parent Aware ratings should also be shared with DHS. This would allow the department to work with MDE on possible program improvements that assessment results might reveal. Neither school districts nor other providers have previously been required to submit assessment results to the state. Because such work has not been done before, it would mean additional work for program providers and require additional staff resources for statewide analysis.

Step 3: Require program providers to submit assessment results to the state.

From the standpoint of understanding statewide impacts of early childhood programs, the three steps to our recommendation are incomplete. For optimal results, the method for measuring program effectiveness would require each provider of a given program to use the same assessment tool on all participants around the same time in the year. However, this is not what we are recommending. It would likely be impractical and costly to impose this method, given that multiple assessment tools have been deemed reliable, and Minnesota's early childhood programs do not operate on the same calendar. Moreover, this method would still not account for local variation in either how different providers implement their programs around the state or the level of knowledge and expertise in conducting assessments.

Furthermore, if the state were to use assessment results to measure the impact of early childhood programs, analysts would likely need individual child-level data. The state

would have to address the need to abide by data practices requirements to permit sharing classified child-level data.

RECOMMENDATION

The Legislature should consider requiring assessments of school readiness as children enter kindergarten.

This recommendation expands upon our prior recommendation and includes assessing kindergarten readiness for any child enrolled in kindergarten, with the possible exception of students recently assessed after completing early childhood programs. If the statutory requirements of striving for the World's Best Workforce remain a priority for the Legislature—including that “all children meet school readiness goals”—then the Legislature should consider for all school districts and charter schools the same three steps described above for expanding assessment requirements.

Because the recommendation is extensive, it may need to be implemented in phases. One possibility is to phase it in by levels of experience, such that the requirement would start in school districts with the most experience and familiarity with the state's approved assessment tools. School districts with the least experience would have additional time for learning about school-readiness assessments and participating in professional development on the topic.

Such a requirement would likely be costly. School districts use a wide variety of tools to assess school readiness, many of which have not been tested for alignment with Minnesota's early learning standards. MDE estimated that statewide participation in its Kindergarten Entry Profile, using currently approved assessment tools, would cost an additional \$1.5 million and could take up to two years to implement. Costs to the department would include those for online subscriptions to the menu of assessment tools, expanded training for teachers using the tools, a statewide evaluation of the new system, and staff time to administer the effort, provide technical assistance, and analyze data. Costs to the school districts would include the time needed for training teachers, assessing all students, and analyzing and reporting assessment results.

The requirement would likely encounter resistance from some school districts and charter schools. Even though most of them currently conduct assessments of children in kindergarten, doing so has been voluntary. This recommendation would require school districts and charter schools to assess all (or nearly all) children and to do so with an assessment tool that could be new to them. In addition, it would require submitting aggregate assessment results to MDE to allow reporting statewide results. If child-level data were necessary, the state would have to address the need to share classified data and meet data practices requirements.

RECOMMENDATION

The Legislature should direct the Minnesota departments of Education, Health, and Human Services to plan a comprehensive approach for evaluating the impact of early childhood programs.

To understand whether early childhood programs are effective, the state must collect and analyze appropriate information. An important piece of this information should come from assessing the school readiness of children completing early childhood programs, as we recommended earlier. Such assessments by themselves, however, are not sufficient. For instance, they would not fully measure the impacts of programs with multiple purposes or programs, such as Early Childhood Health and Development Screening, whose purposes only indirectly link to school readiness. The intent of this recommendation is to require the key state agencies to design a cohesive and comprehensive plan that will address effectiveness across the state's key early childhood programs.

The Legislature should specify the general outcomes it would expect to see from such an evaluation of program impacts. In response, MDE, MDH, and DHS should each identify appropriate indicators for analyzing how the early childhood programs under its jurisdiction are performing. At the same time, the agencies should work collectively to identify indicators of effectiveness that cut across more than one program. This is needed to analyze how well the set of early childhood programs as a whole is performing. The Children's Cabinet is one possibility for leading this collaborative effort. The recommended planning process would require funding and staff time, which would affect all three state agencies. The Legislature should ultimately decide whether to proceed with the resulting plan.

The recommended plan for evaluating program impacts should identify (1) indicators of successful performance, (2) targets or benchmarks to which programs would strive, and (3) data needed to measure how well programs meet the targets. The plan should provide for ongoing data collection, along with periodic evaluation of programs' effectiveness. It should also specify the resources needed to conduct the evaluations. Such resources might include funding for staff time or data infrastructure. They might also include external evaluation expertise needed to address factors discussed later in this chapter that affect measuring impacts on a statewide basis, such as local variation in implementing programs. State agencies already collect performance data on certain early childhood programs, as this chapter described earlier. These data could serve as a foundation on which a more comprehensive, statewide approach is built.

Measuring Effectiveness of Early Childhood Health and Development Screening

As Appendix A describes, state law requires children to undergo early childhood health and developmental screenings before or within their first 30 days of kindergarten, unless their parents or guardians sign statements asserting their conscientious objection to screening.⁶⁴ Similarly, children must be screened within 90 days of enrollment in the Early Learning

⁶⁴ *Minnesota Statutes* 2017, 121A.17, subds. 2 and 3(e).

Scholarships program, the School Readiness program, or Voluntary Prekindergarten or within 45 days of participating in Head Start.⁶⁵

MDE collects annual screening data from school districts and certain charter schools. Charter schools that elect to provide screening must submit such data to the department; otherwise, charter schools are not subject to reporting requirements, which is why we do not discuss them in the following section.⁶⁶

Although state law requires that children in public school undergo health and development screening, the state does not have information on whether all children undergo such screening.

MDE does not collect complete data on early childhood screening. The department does not require school districts to report the number of children who did *not* undergo early childhood screening (beyond those whose parents were conscientious objectors). The department requires school districts to report (in annual screening reports) the total number of children screened in their districts, among other information (as described previously in Exhibit 3.3).

In the 2016-2017 school year, not all kindergarteners who underwent health and development screening did so within the required timeline.

We evaluated the extent to which children in public school did not undergo early childhood screenings. We surveyed all school districts and asked whether they provided or contracted to provide early childhood screening. Seven school districts reported that at least 5 percent of their kindergarten children did not receive screening within the required timeline by any type of screening provider during the 2016-2017 school year, as Exhibit 3.7 shows.⁶⁷

In response to our survey, some school districts described barriers that prevented them from screening all children. Some districts said they were not able to screen all children because families moved into or out of their district. They cited difficulties with families not completing paperwork, failing to schedule appointments, or failing to show up to appointments. One school district also reported that families' lack of transportation to screening sites prevented it from screening all children. In addition, MDE reported several reasons why a child might not undergo screening, including: (1) a parent might not provide consent for screening or sign a statement of conscientious objection, (2) a child may already have received a screening through a special education evaluation or services, (3) a child may transfer from a charter school that does not require screening to a school district later in the kindergarten year, and (4) a school district may not have the capacity to screen every child.

⁶⁵ *Minnesota Statutes* 2017, 124D.15, subd. 15(2); 124D.151, subd. 4; and 124D.165, subd. 3(e).

⁶⁶ *Minnesota Statutes* 2017, 121A.16; and 121A.17, subd. 1.

⁶⁷ Forty-nine school districts (19 percent) that provided or contracted to provide screening either did not know the number of children not screened or did not respond to the survey question.

Exhibit 3.7: Seven school districts reported that 5 percent or more kindergarteners were not screened by the district or any other screener within the required timeline during the 2016-2017 school year.

School District	Kindergarteners Enrolled	Kindergarteners Not Screened	Percent of Kindergarteners Not Screened
Northland Community Schools	19	4	21%
Spring Lake Park Schools	434	60	14%
Anoka-Hennepin School District	2,617	341	13%
St. Paul Public Schools	3,104	300	10%
Stillwater Area Public Schools	551	35	6%
White Bear Lake Area Schools	640	41	6%
Rochester Public Schools	1,339	68	5%

NOTES: The survey question was worded as follows: "We acknowledge the difficulty of screening all children before kindergarten entry or within their first 30 days of kindergarten. Excluding children who were exempt because of their parents' conscientious objections, how many children who entered kindergarten in fall 2016 were not screened within their first 30 days of kindergarten?" Of the school districts that reported that they provided or contracted to provide screening, 46 school districts did not know the number of children who were not screened and 3 did not respond to the question. N=261 school districts.

We learned of some reasons why these children were not screened. Staff from St. Paul Public Schools said the district did not have the staff or capacity to screen all children, so it prioritized screening younger children rather than screening children who entered kindergarten where they were under the observation of licensed teachers.

SOURCE: Office of the Legislative Auditor, survey of Minnesota school districts and charter schools, September 2017.

During interviews with St. Paul Public Schools, early childhood screening staff said the district prioritizes screening children at age 3 and, therefore, not all children undergo screening upon kindergarten entry. Staff explained that they feel it is more important to screen children early rather than screen children who entered kindergarten, because those in kindergarten will be observed every day by their teachers. They added that they did not have the staff and capacity to screen all children who enrolled in kindergarten while still meeting their target of screening 3-year-olds.

RECOMMENDATION

The Minnesota Department of Education should collect data from school districts on the number of children who are not screened.

Collecting data on the number of children not screened should have a limited impact on the department. It would require the department to add a line to the form it uses to collect annual screening data. MDE would need to provide training for school districts to ensure they provide accurate data for this additional line item. In addition, the department would need to analyze the new data and possibly create new codes for its data system, which could require additional funding.

This recommendation also applies to any charter schools that elect to provide screening. As mentioned previously, charter schools that provide screening must report screening data to MDE.⁶⁸

The recommendation may pose some burdens for school districts (and applicable charter schools). If districts do not already track the number of children who do not undergo screening, they would need to change their data collection procedures. Collecting these data should not impose a significant time or cost burden; however, MDE should give school districts time to transition to a new requirement.

Statutory reimbursement rates for school districts' early childhood screening covered an average of nearly three-quarters of early childhood screening costs in Fiscal Year 2016 and have not been updated for ten years.

MDE staff said the state's screening reimbursement does not cover the actual costs of providing screening in all districts. The state's reimbursement covered on average 73 percent of screening costs statewide in Fiscal Year 2016.⁶⁹ Statewide, school districts spent an additional \$1.3 million that year beyond the state reimbursements allocated for their programs.

The state's reimbursement is insufficient to cover screening costs in at least some school districts. During a site visit, we learned that Horizon Public Health in west central Minnesota uses local funding sources to support its screening program. As stated in Chapter 2, Horizon Public Health is a joint powers organization that provides early childhood screenings for most school districts in Douglas, Grant, Pope, Stevens, and Traverse counties. Horizon Public Health staff described the screening reimbursement as being "woefully insufficient." In 2016, the state reimbursement for screening covered only 35 percent of Horizon Public Health's costs, requiring it to use more than \$93,000 in local tax revenue to make up the difference.

The Legislature last increased state reimbursements for early childhood screenings in 2008.⁷⁰ Reimbursements for screening 3-year-olds increased more than for other ages that year, as Exhibit 3.8 shows.⁷¹

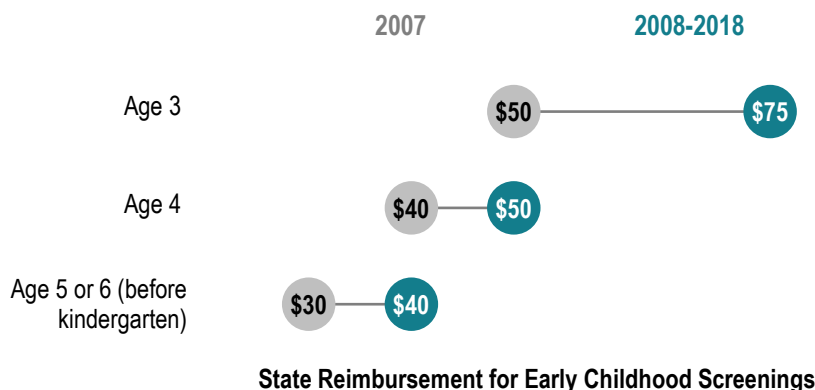
⁶⁸ *Minnesota Statutes* 2017, 121A.16; and 121A.17, subd. 1.

⁶⁹ Minnesota Department of Education, *2015-2016 Early Childhood Screening Report* (Roseville, undated), 3.

⁷⁰ *Laws of Minnesota* 2008, chapter 363, art. 2, sec. 1, codified as *Minnesota Statutes* 2017, 121A.19.

⁷¹ The state provides higher reimbursements for screenings at younger ages to encourage school districts to screen children earlier. Screening children at earlier ages provides additional time for health and development issues to be addressed before kindergarten entry.

Exhibit 3.8: The 2008 Legislature increased state reimbursements for Early Childhood Health and Development Screenings at age 3 more than at other ages.



NOTES: The 2008 law change did not affect state aid for children screened within the first 30 days of kindergarten; it remained at \$30. State aid is not paid for a screening completed after a child's first 30 days of kindergarten, unless he or she transferred from a different school district. If a child transferred, state aid is paid if the school district completes screening within 30 days of the transfer date.

SOURCE: Office of the Legislative Auditor, based on *Laws of Minnesota* 2008, chapter 363, art. 2, sec. 1; and *Minnesota Statutes* 2017, 121A.19.

RECOMMENDATION

The Legislature should consider reviewing the statutory reimbursement rates for Early Childhood Health and Development Screening.

As part of the recommended review, it would be useful to have a better understanding of differences around the state in costs for early childhood screening. The Legislature should consider requiring MDE to study market rates for screening in regions across the state.

If the review finds significant disparities in screening costs, the Legislature should consider undertaking possible changes. One option would be to change the statutory reimbursement rate to more closely reflect actual costs. This would increase the state's share of paying for early childhood screening. Another option would be to lessen the burden of screening costs for school districts with the greatest discrepancy between market rates for screening and state reimbursement rates. This option would increase the state's share of paying for screening but only in targeted school districts.

Factors that Affect Measuring Program Impact

We considered three factors that affect the state's ability to measure early childhood programs' impact on a statewide basis: (1) statewide data to measure children's kindergarten readiness, (2) identifying all programs from which children receive services, and (3) variation in how programs are implemented at the local level.

Overall, lack of important data prevents the state from measuring statewide impacts of multiple early childhood programs.

We first address the issues of statewide data on kindergarten readiness and data on children's program participation. We then discuss program variation at the local level.

Measuring Kindergarten Readiness and Identifying Program Participation

State agencies do not collect data that would allow them to measure early childhood program effectiveness on a statewide basis. Data limitations we discussed earlier in this report explain what is missing. First, as stated earlier in this chapter, Minnesota does not collect comprehensive data on how prepared children are for kindergarten. Second, state agencies do not have data that allow them to comprehensively determine whether children receive services from multiple programs. Third, state agencies do not collect data for all program participants.⁷²

The Early Childhood Longitudinal Data System was created as a means for determining which early childhood programs work.⁷³ However, it is currently unable to fulfill this function in part because it is affected by the data limitations described above. For example, the system does not have data on all children's readiness for kindergarten, which is important because the purpose of many early childhood programs is to prepare children for school. The system contains data on only a small sample of Minnesota children's readiness for kindergarten. As a result, it cannot link program participation to kindergarten readiness on a statewide basis.

As discussed in Chapter 2, for some programs, the data system does not include data for all program participants, meaning that it could not be used to measure statewide program effectiveness for those programs. Additionally, the system needs data to identify children who receive services from multiple programs during the same time period. However, it does not contain the necessary data for any of the key programs, as shown by Exhibit 3.9. This means efforts to measure the impact of one program may be influenced by effects caused by children participating in other programs without researchers' knowledge.⁷⁴

⁷² For example, MDE collects enrollment data on School Readiness programs and Early Childhood Family Education for only those classes that meet six or more times during a school year.

⁷³ Minnesota Early Childhood Longitudinal Data System, *About the Early Childhood Longitudinal Data System*, (St. Paul, 2017), <http://eclds.mn.gov/#about>, accessed April 5, 2018; and Minnesota Early Childhood Longitudinal Data System, *Minnesota Early Childhood Longitudinal Data System (ECLDS) Data Guide* (St. Paul, January 2016), 3, <http://eclds.mn.gov/#data>, accessed April 11, 2018.

⁷⁴ The data system's lack of information on the time period during which children participated in some programs would also affect its ability to account for differences in how long children participated in programs.

Exhibit 3.9: The Early Childhood Longitudinal Data System needs data to identify children who received services from multiple programs during the same time period.

Program	Status of Child Participation Data	Includes Dates of Participation?	Includes Data on Program Use or Attendance?
Child Care Assistance Program	In system	No	No
Early Childhood Family Education	In system, but missing data for some local programs and does not identify children who attended	No	No
Early Childhood Health and Development Screening	Not in system (expected spring or fall of 2018)	N/A	N/A
Early Learning Scholarships	In system, but does not distinguish children who used their scholarships	Incomplete ^a	No
Family Home Visiting	Not in system	N/A	N/A
Head Start and Early Head Start	In system, but incomplete; a little over half of Head Start agencies have agreed to include data in system	No	No
School Readiness Program	In system, but missing data for some local programs and does not identify children who attended	No	No
Voluntary Prekindergarten	Not in system (expected spring of 2018)	N/A	N/A

^a For years prior to Fiscal Year 2017, the data system did not have complete data on the time period children were enrolled in programs for which they used their Early Learning Scholarship. The Minnesota Department of Education collected data on the date children were awarded scholarships and the date children started attending programs, but these data were not reported consistently.

SOURCE: Office of the Legislative Auditor, review of Minnesota Department of Education, *Early Education Student User Manual* (St. Paul, August 2016); Minnesota Department of Education, *Early Learning Scholarship Administration System (ELSA) User Manual: FY2018* (St. Paul, July 2017); Minnesota Department of Education, *Minnesota ECLDS*, <http://eclds.mn.gov/#data>, accessed March 22, 2018; Minnesota Department of Education, *ECLDS MN Data Dictionary*, <http://eclds.mn.gov/dataDictionary/>, accessed March 22, 2018; and Office of the Legislative Auditor interviews and electronic communication with MDE staff.

Not knowing all programs from which a child receives services could lead to incorrectly attributing effects to the wrong program. For example, both School Readiness and Parent Aware-rated child care programs are meant to prepare children for kindergarten. Consider a researcher who wants to measure how the School Readiness program impacts children's readiness for kindergarten by assessing them using one of the state-approved tools. Let us assume that some children who attend School Readiness programs also attend Parent Aware-rated child care programs and that both programs do in fact impact children's readiness for school. If the researcher does not know that children attended both programs, he may attribute effects of both programs solely to the School Readiness program, resulting in an inaccurate measurement of the program's impact.

Variation in Program Implementation

Another factor that affects Minnesota's ability to measure statewide early childhood program impact is variation in how local agencies implement programs. Assessing the extent to which each program varies across the state was beyond the scope of this evaluation. However, we learned that implementation does vary. For example, some School Readiness programs offer full-day classes while others offer part-day classes. Additionally, some School Readiness programs offer classes for both children and their parents while others offer classes only for children. Similarly, local public health agencies' family home visiting programs vary in the number of times families are visited, duration of the visits, stages of child development during which families are visited, and types of the home visitors.

Variation in local program implementation may affect how participants experience programs and may result in differences in program impact on children's kindergarten readiness. A part-day School Readiness class offered three days per week may impact a child differently than a full-day School Readiness class offered five days per week. If this is true, a researcher would need to know this difference in hours of service to fully understand the difference in program impact. This may also affect the state's ability to measure program impact as such measurement would likely require researchers to account for local program variation.

While program variation may complicate the state's ability to measure program impact on a statewide basis, it is important to keep in mind that, in some instances, program variation may reflect an effort to meet the needs of specific communities. For example, some local entities offer home visiting programs specifically designed to meet the needs of Native American communities. To the extent that programs targeted toward specific communities are effective in meeting those communities' needs, program variation may be a necessary characteristic of Minnesota's early childhood programs.



Chapter 4: Collaborations

Leaders at the Minnesota departments of Education (MDE), Health (MDH), and Human Services (DHS) recognize the value of interagency collaboration for early childhood programs and acknowledge the need for that to continue. MDE, MDH, and DHS share some of the same goals and serve some of the same populations, making coordination a necessity. For example, as described previously, the Child Care Assistance Program, overseen by DHS, and the Early Learning Scholarships program, overseen by MDE, both offer financial assistance for child care to some of the same populations.

Collaborations among early childhood programs also occur at the school district and local government level. State law encourages such collaborations to ensure children and their families receive appropriate services.¹

In this chapter, we first discuss collaborations at the state level among MDE, MDH, and DHS. We next analyze issues related to sharing data between the agencies. Finally, we review examples of collaborations among local agencies.

State Agency Collaborations

As Chapter 1 described, oversight of early childhood programs is divided among MDE, MDH, and DHS. Consequently, we evaluated certain collaborative efforts among the three agencies. The agencies' participation in the Children's Cabinet, which we described in Chapter 1, helps drive these efforts.

Overall, the Minnesota departments of Education, Health, and Human Services have collaborated on important components of early childhood programs.

We identified three examples of state agency collaborations, which we describe in the following section. Those collaborations are on the Parent Aware Quality Rating and Improvement System, Help Me Grow, and the Early Childhood Systems Reform effort.²

Parent Aware Quality Rating and Improvement System

As Chapter 1 described, Parent Aware is Minnesota's quality rating and improvement system for child care providers and early learning programs. DHS has primary responsibility for administering Parent Aware, but it works with MDE in jointly administering the rating process. MDE staff provide technical assistance to Head Start programs and school district programs, while DHS calculates and issues the ratings for these programs and for child care providers. The two agencies coordinate to ensure that

¹ *Minnesota Statutes* 2017, 124D.13, subd. 15; 124D.151, subd. 3; and 145A.17, 3(b)(8).

² The three agencies also collaborate on the Early Childhood Longitudinal Data System. Because we reviewed that data system in previous chapters, we do not discuss it here.

providers meet state and federal requirements and have sometimes provided professional development opportunities.

Despite state agency collaborations on the Parent Aware quality ratings, some people have questions about the fairness and usefulness of the ratings.

MDE, MDH, and DHS collaborated to update the Parent Aware program standards and indicators. The agencies sought input from a variety of stakeholders, such as child care providers, early education providers, and parents in an effort to make the updated standards and indicators fair, accurate, and meaningful. However, agency staff acknowledged that some stakeholders still perceive aspects of the rating process as being unfair.

Differences in rating processes between MDE and DHS present some challenges. School districts' preschool programs and accredited child care programs undergo an accelerated rating process to attain high-quality ratings; Head Start and Early Head Start programs receive automatic high-quality ratings. According to staff from MDE and DHS, some child care providers perceive the accelerated and automatic rating decisions as unfair. One child care advocate said child care providers face different situations than school districts and Head Start programs when applying for Parent Aware ratings. Early learning providers and accredited child care providers must submit information about their lead teacher's qualifications and training to receive a rating. However, the advocate said this can be more difficult for child care providers who she believed experience greater staff turnover than school districts and Head Start programs.

Staff from DHS expressed support for the accelerated and automatic processes used to award Parent Aware ratings. DHS staff said the department expects that school districts that receive accelerated ratings meet high-quality standards, because they follow state requirements and are overseen by local school boards. Similarly, DHS staff said Head Start programs follow federal and state requirements, meaning that standards are already in place for those programs.

Help Me Grow

In Minnesota, "Help Me Grow" is a telephone help line and web-based platform that provides resources and referrals to parents who want information on their child's development. MDE oversees the Help Me Grow initiative.

The Children's Cabinet developed plans to potentially expand "Help Me Grow" into a broad-based referral service on children's developmental milestones.

The Help Me Grow help line currently refers families only to school district resources for special education services. However, referred children who do not qualify for special education services may be in need of other services.

Through the Children's Cabinet, MDE, MDH, and DHS are coordinating efforts to potentially expand Help Me Grow to a system that can refer families to all early childhood services instead of only those for early childhood special education. If the program is expanded, the Children's Cabinet envisions it having infrastructure to share information and

referrals for a comprehensive list of services, including education; housing assistance; and health, such as speech therapy. The intent is that families, care coordinators, and service professionals could use a searchable statewide database to access information about these resources. In his budget for fiscal years 2018 and 2019, Governor Dayton recommended an annual appropriation of \$1.5 million to fund the expansion.

Early Childhood Systems Reform

In 2017, the Children’s Cabinet initiated an early childhood systems reform project in collaboration with MDE, MDH, and DHS. The project was started to “ensure that children and families are receiving the supports they need in a manner that encourages their optimal growth and development and eliminates racial disparities in program access and outcomes.”³

An assistant commissioner and division directors from MDE, MDH, and DHS oversee the project’s staff. However, only DHS provides funding for the project staff.

The Minnesota departments of Education, Health, and Human Services are collaborating in a reform of Minnesota’s early childhood programs, but the effort is still in its early stages.

The early childhood systems reform project intends to focus on ensuring that all Minnesota children (1) “experience healthy development,” (2) “are cared for in safe, stable, nurturing environments,” and (3) “thrive in their families and communities and achieve their full potential.”⁴ In addition, the project intends to engage families and communities and work with stakeholders to support positive outcomes for families. The first phase of the project focuses on “pregnant women” and “families [of] infants and toddlers.”

The project has a steering committee that has been charged with developing a unified vision and action plan for the project. The committee consists of community organizations and other members who represent the state’s cultural and geographical diversity. Representatives from community organizations include, but are not limited to the Minnesota Minority Child Care Association, the Minnesota Initiative Foundations, and the Minnesota Indian Women’s Resource Center. In addition, state agency staff serve as ex officio members of the steering committee. The committee expects to develop recommendations with some input from agency staff.

The systems reform project began in mid-2017. The project team issued an interim progress report in February 2018, which included an inventory of state programs and services for young children and their families. The agencies expect to complete another report by the end of June 2018, which is intended to highlight a common vision and goals for Minnesota’s early childhood programs and provide broad-level recommendations. The project is funded through June 2019.

³ Children’s Cabinet, Early Childhood Systems Reform Project Team, *Early Childhood Systems Reform: Interim Report* (St. Paul, 2018), 1.

⁴ *Ibid.*

Data Sharing

Because a given child may need services from different programs overseen by different state departments, agency staff told us they need to share data across agencies. They said that data sharing is important for coordinating their related programs and families' services.

State and federal laws limit the sharing of data among agencies overseeing early childhood programs.

Due to laws that protect the identity of individual children, state agencies cannot readily share child-level data with each other. For example, state statutes classify educational data collected on a child in early childhood education programs, such as the School Readiness program, as private data.⁵ This classification means that agencies must not disclose the data except under specific circumstances, such as those described at right, including when the subject of the data has given informed consent to share the data.



Sample Circumstances when Private Educational Data May be Disclosed

- When the subjects of the data have given their informed consent to share the data
- In response to a valid court order
- When needed for health authorities to administer immunization programs
- When information is reasonably necessary to protect the health and safety of the student or others, it may be released to the juvenile justice system
- When the commissioner of education is investigating alleged maltreatment of a student

Similarly, data collected on individuals in the Child Care Assistance Program are protected as private and may not be disclosed except under specific situations.⁶ Statutes also protect information collected during Early Childhood Health and Development Screening as private, and health providers who screen children cannot release data to school districts without first obtaining parental consent.⁷ Statutes also protect data collected on individuals served by the Family Home Visiting program, unless the individual gives "specific informed written consent."⁸

Federal requirements also curtail the sharing of certain student data. As an example, with limited exceptions, the federal Family Educational Rights and Privacy Act protects student records for children enrolled in school-based early childhood programs, unless parents provide written permission to release information.⁹ Without parents' written consent, federal regulations also prohibit disclosure of personally identifiable information in children's Head Start records, with the exception of certain circumstances.¹⁰

Representatives of MDE, MDH, and DHS described the importance of sharing early childhood data. For example, DHS employees reported that current law prohibits them

⁵ *Minnesota Statutes* 2017, 13.32, subd. 3.

⁶ *Minnesota Statutes* 2017, 13.46, subds. 1(b) and 2.

⁷ *Minnesota Statutes* 2017, 121A.18.

⁸ *Minnesota Statutes* 2017, 145A.17, subd. 3(e).

⁹ 20 *U.S. Code*, sec. 1232g(b)(1) (2013).

¹⁰ 45 *CFR*, sec. 1303.22(a) (2016). As an example of an exception, parental consent is not required when an official audit or evaluation of the Head Start program is underway, as long as the Head Start agency oversees the use of the child-level data.

from sharing data with MDE for the purposes of administering Early Learning Scholarships, even though MDE could potentially use data on children receiving Child Care Assistance to determine income eligibility for the scholarships. They further suggested that, if such data sharing were allowed, it could help agencies operate more efficiently and reduce the paperwork burden that families now face when providing income information to multiple agencies.

Department officials stated that restrictions on data sharing have other negative effects. One is the inability to analyze the outcomes of children's participation in early childhood programs, which we discussed in Chapter 3. Certain agency officials said data sharing restrictions prevent the state from knowing whether children participated in multiple early childhood programs, how long they participated, or the impacts these programs have on children's readiness for school. They acknowledged that issues with the Early Childhood Longitudinal Data System—incomplete data, lack of funding for improving the data system, and inadequate definitions of what the outcomes ought to be—also contribute to the problem.

A second negative effect is inadequate coordination of services for families. DHS staff have data on children receiving Child Care Assistance, but they do not know whether those children are also receiving services from other programs, such as Family Home Visiting, for example. Another state official spoke of needed coordination that is missing, such as when children undergo health screening and need follow up; she said coordination is needed to ensure that families will actually be connected to services they need. She said making this connection requires screeners who identify issues to expressly transfer that information to the appropriate agency or health care provider.

Furthermore, several state agency officials said restrictions on data sharing reflect how Minnesota's early childhood programs work independently of each other instead of as a cohesive system that coordinates care. With each program operating in a "silo," one state official said Minnesota's early childhood programs lack the systemic approach that is necessary if children are to receive the full set of services they need for healthy development.

State agencies have proposed statutory changes to expand the circumstances for sharing data on individuals in ways to benefit early childhood programs, but the proposals have not passed. One example is a 2017 bill that would have allowed DHS to share Child Care Assistance Program data and Minnesota Family Investment Program (MFIP) data with MDE for the purpose of determining student eligibility for Early Learning Scholarships.¹¹ Although MDE already had authority to use MFIP and similar data to determine eligibility for the free and reduced-price lunch program, it did not have that authority for the Early Learning Scholarships program.

A second example is a 2015 MDE proposal that would have disallowed any child care provider from accepting Early Learning Scholarships when the provider had been disqualified from the Child Care Assistance Program due to wrongfully obtaining child care subsidies.¹² The proposal would have required DHS to exchange data with MDE on the disqualified providers.

¹¹ S.F. 1292, 2017 Leg., 90th Sess. (MN).

¹² S.F. 1495, 2015 Leg., 89th Sess. (MN).

RECOMMENDATION

The Legislature should consider broadening authority for the Minnesota departments of Education, Health, and Human Services to share individual-level data from early childhood programs.

With this recommendation, we do not envision the Legislature giving the three state agencies unlimited authority to share individual-level data among all early childhood programs. However, we think additional authority might improve efficiencies and enhance the three agencies' capacity to work together on the early childhood programs that require collaboration.¹³ The Child Care Assistance Program and Early Learning Scholarships program are an example.

Broader authority for disclosing data among state agencies would require changes to at least the statutes that protect educational data and welfare-program data.¹⁴ As a first step, we suggest that the Minnesota departments of Education, Health, and Human Services jointly identify the specific statutes that most affect their ability to share data in a manner that would benefit children. The analysis should examine whether federal restrictions on data sharing might supersede state attempts to make changes. The analysis should include recommendations with specific changes for the Legislature's consideration.

Recent legislative changes may indicate the Legislature's willingness to expand opportunities for disclosing private data under certain circumstances. For example, a 2017 law allows county health or human service personnel to request access to a student's protected educational data, when they need the data to coordinate services for that student.¹⁵ Data may be shared provided that the student's parent or guardian gives informed consent for the release. In addition, a 2017 law allows the disclosure of specific welfare-related data on a student to the chief administrative officer of a school, when the data are needed to coordinate services for the student.¹⁶

Local Collaborations

The Pew Center on the States completed a 2009 review in which it gathered feedback from school administrators across the country who found success through partnerships with local agencies, including Head Start, child care centers, and family child care providers.¹⁷ Through these collaborations, schools and their community partners shared resources to provide more comprehensive and higher-quality early childhood programs.

The Pew review discussed the benefits some school districts have found through coordinating with community partners to provide comprehensive, full-day programming.

¹³ In our interviews, some state agency representatives said their outdated information technology systems would affect their ability to coordinate services with other state agencies.

¹⁴ *Minnesota Statutes* 2017, 13.32 and 13.46.

¹⁵ *Laws of Minnesota* 2017, First Special Session, chapter 6, art. 7, sec. 1, codified as *Minnesota Statutes* 2017, 13.32, subd. 12.

¹⁶ *Laws of Minnesota* 2017, First Special Session, chapter 6, art. 7, sec. 3, codified as *Minnesota Statutes* 2017, 13.46, subd. 2(a)(32). The law limits the released data to the student's name, birthdate, gender, and address.

¹⁷ Albert Wat and Chrisanne Gayl, *Beyond the School Yard: Pre-K Collaborations with Community-Based Partners* (Washington, DC: The Pew Center on the States, 2009).

For example, one Tennessee school district collaborated with Head Start to share staff and classroom space to provide services to low-income children. Through this partnership, families received additional supports, including parent education, mental health, employment, and social services. Similarly, one Massachusetts school district collaborated with community partners to provide full-day, intensive services for children with special needs. Through this collaboration, children who did not receive special education services but were enrolled in prekindergarten could participate in before- and after-school care.

From our survey of school districts and our site visits, we learned that some Minnesota school districts have also collaborated with other early childhood providers.¹⁸ For example, some school districts have coordinated classroom space with other early childhood providers. Summaries of features from the three areas we visited are in Appendix B of this report.

State law encourages collaboration among school districts and other early childhood program providers, and most school districts we surveyed reported involvement in collaborations.

State law encourages coordination among early childhood program providers to ensure that children and their families receive appropriate services.¹⁹ In our survey, we asked school districts about the extent to which they collaborate with child care providers, Head Start or Early Head Start, and family home visiting programs. Strong majorities of school districts responding to our survey reported that they at least occasionally collaborate with these providers, as Exhibit 4.1 shows.

Child Care Provider Collaborations

State law encourages Voluntary Prekindergarten programs to contract with public and private early learning programs, including child care providers, among others, to provide eligible children with developmentally appropriate services.²⁰ Similarly, state law encourages Early Childhood Family Education programs to develop partnerships with public and private early learning programs, including child care providers, to provide parenting education.²¹ In our survey, school districts most frequently reported that they collaborated “greatly” with child care providers in 2016-2017 by assisting with transporting children to child care locations off school sites. This type of partnership utilizes transportation resources to provide full-day services to children. For example, we learned that “Invest Early” in Itasca County provides transportation for children who are enrolled in the Invest Early programs in the morning and child care in the afternoon.²²

¹⁸ We surveyed 329 school districts and 110 charter schools that offered prekindergarten or kindergarten programs during the 2016-2017 school year. We received responses from 265 school districts (an 81 percent response rate) and 50 charter schools (a 45 percent response rate).

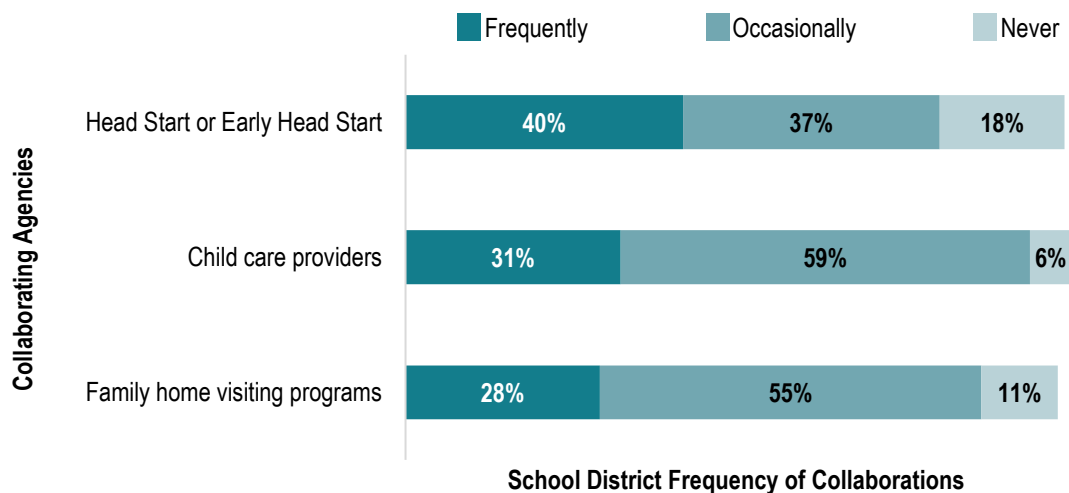
¹⁹ *Minnesota Statutes* 2017, 124D.13, subd. 15; 124D.151, subds. 2(a)(8) and 3; and 145A.17, subd. 3(b)(8).

²⁰ *Minnesota Statutes* 2017, 124D.151, subd. 3.

²¹ *Minnesota Statutes* 2017, 124D.13, subd. 15.

²² Invest Early is an early childhood collaborative in north central Minnesota that involves the four school districts in Itasca County, KOOTASCA Head Start, Itasca County Public Health, the Blandin Foundation, and others.

Exhibit 4.1: Most school districts reported that they collaborated with other early childhood programs at least occasionally during the 2016-2017 school year.



NOTES: The survey question was worded as follows: "How frequently does your district or charter school collaborate with the following to provide opportunities for children or their families to receive needed services?" N=265 school districts.

SOURCE: Office of the Legislative Auditor, survey of Minnesota school districts and charter schools, September 2017.

Head Start Collaborations

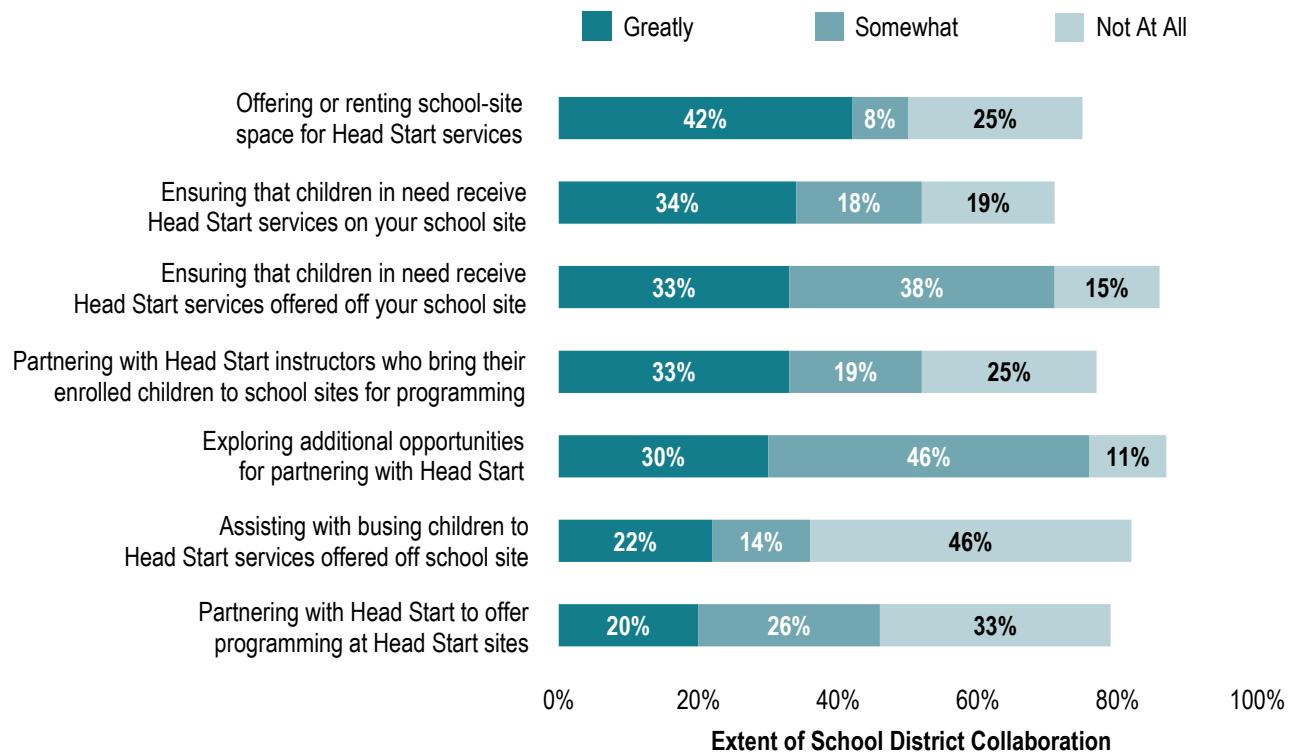
State law requires Voluntary Prekindergarten to collaborate with community-based services, such as Head Start, to ensure children have access to comprehensive services and to provide professional development, training, and coaching to teachers.²³ In response to our survey, school districts that reported having collaborated with Head Start most frequently reported that they collaborated to a great extent in 2016-2017 by offering or renting school-site space, as Exhibit 4.2 shows.

For example, during a site visit, we learned that Invest Early in Itasca County collaborates with KOOTASCA Head Start for both classroom space and programming. Invest Early and Head Start share eight blended classrooms in which children from both programs participate in the same classrooms. Regardless of which program they qualify for, children in Invest Early's blended classrooms have access to year-round services and before- and after-school child care.

As another example, two school districts we visited in west central Minnesota lease classroom space to Head Start, even though they do not provide joint programming with Head Start. The Brandon-Evansville School District leases classroom space to Head Start at low cost, according to one of the school district's staff. In exchange, Head Start shares some supplies, such as paper and paint, and training opportunities with Brandon-Evansville's teaching staff. The school district and Head Start use the same

²³ *Minnesota Statutes* 2017, 124D.151, subds. 2(a)(8), 2(a)(11), and 3.

Exhibit 4.2: School districts most frequently reported that they collaborated greatly in 2016-2017 with Head Start by offering or renting school space.



NOTES: The survey question was worded as follows: "To what extent, if at all, does your district collaborate with Head Start or Early Head Start regarding the following?" The figure does not include school districts that either did not respond or responded "Do Not Know" or "Does Not Apply." N=203 school districts.

SOURCE: Office of the Legislative Auditor, survey of Minnesota school districts and charter schools, September 2017.

classroom to provide services at different times during the day. The West Central Area School District also leases a classroom to Head Start.

However, some school districts described barriers that prevented them from coordinating programming with Head Start. Of the school district respondents who said they collaborated with Head Start, more than half reported that Head Start's regulations hindered further collaboration.

Family Home Visiting Program Collaborations

State law requires family home visiting programs to maximize resources and minimize duplication by coordinating with school districts and other local agencies.²⁴ In our survey, school districts most frequently reported that they collaborated with (nonschool) family home visiting programs in 2016-2017 by ensuring that families in local public health agencies' home visiting programs receive needed school-based preschool services.

²⁴ *Minnesota Statutes* 2017, 145A.17, subds. 3(a)(6)(iii), 3(b)(8), and 3(b)(10).

Collaborations on Early Childhood Health and Development Screening

As stated earlier, school districts or nonschool providers such as Head Start, Child and Teen Checkups, or medical providers conduct early childhood screenings.²⁵ While nonschool district providers cannot share screening results with school districts without first obtaining parental consent, we learned of school districts collaborating with providers in other ways to improve screening functions.

Certain school districts reported benefits from collaborations on early childhood health and development screening.

Based on our survey of school districts, few districts collaborate with screening providers outside the district. Of school districts that responded to our survey and said they provided screening, only 15 percent reported that they collaborated with other screening providers to a great extent on all of five possible early childhood screening functions listed in the survey. The functions are listed to the right. While most survey respondents did not coordinate across all screening functions, we found examples of collaboration for each function.

Early Childhood Screening Functions

- Providing outreach to families with children eligible for screening
- Ensuring all children are fully screened
- Making referrals when screening results warrant additional services
- Following up to assess whether families received referred services
- Sharing screening results with other screening providers (with parental consent)

For instance, state law requires school districts to provide outreach to families with children eligible for screening.²⁶ We learned of school districts that collaborate in their outreach efforts in part to avoid missing eligible children. For example, in both Dakota County and west central Minnesota, public health agencies have helped school districts identify children who were eligible for screening but who were not on the district's census of children. Similarly, Invest Early in Itasca County partners with school districts and Head Start to send screening notices to families in the area. Invest Early also provides information about screening with a common application form that is used jointly for four early childhood programs.

By law, children need not submit to school district screenings if their records show that they received comparable screenings elsewhere.²⁷ School districts must determine whether screenings provided by others are comparable to the district's own screening program.²⁸ This requires school districts to collaborate with nonschool screeners and have open

²⁵ Child and Teen Checkups provides dental, developmental, medical, social-emotional, and vision screenings to children (birth to age 20) enrolled in Medical Assistance or MinnesotaCare. In addition, the program provides health education and counseling, blood lead tests, tuberculosis tests, immunization reviews, screening for autism spectrum disorder in toddlers, and maternal depression screening.

²⁶ *Minnesota Statutes* 2017, 121A.17, subd. 5(a).

²⁷ *Minnesota Statutes* 2017, 121A.17, subd. 1.

²⁸ *Ibid.*

channels of communication to understand what the nonschool providers' screening includes. For instance, school districts within five counties in west central Minnesota contract with Horizon Public Health to provide screenings or certain components of screenings. Because Horizon Public Health also provides Head Start and Child and Teen Checkups screenings, it can submit results of those more comprehensive screenings to meet school districts' screening requirements.

State law requires school districts to have a referral and follow-up process available for children whose screening results indicate a need for diagnosis or treatment.²⁹ We learned about two examples of collaboration regarding screening referrals and follow-up. First, in Itasca County, school district nurses visit classrooms to observe children whose screening results indicate that they may need special education services. If needed, nurses make referrals and Invest Early follows up to see whether the children's families enrolled them in special education services. Second, during our site visit in west central Minnesota, staff at Horizon Public Health said one of its staff will follow up with families when their children receive referrals, based on screening results, for special education or some other intervention services. They said that when children referred for special education do not qualify, the children might instead qualify for Horizon Public Health's home visiting services.

State law requires medical providers to share screening results with school districts, provided they have parental consent.³⁰ Some public health departments that provided screenings in partnership with school districts collaborated with other screening programs to develop a release-of-information form. Parents sign the form at the time of their children's screenings, which ensures a smooth transfer of screening results. For example, Itasca County's public health department partnered with Head Start to develop forms for releases of information and to share health data. Horizon Public Health, in west central Minnesota, merged screenings for early childhood, Head Start, and Child and Teen Checkups, and it incorporated a release statement into its screening forms. With a signed release statement, Horizon Public Health can submit to a school district the screening results for children in Head Start or Child and Teen Checkups, and those results will fulfill the district's screening requirements.

²⁹ *Minnesota Statutes* 2017, 121A.17, subd. 4.

³⁰ *Minnesota Statutes* 2017, 121A.18.



List of Recommendations

- The Legislature should consider aligning funding and eligibility requirements of certain early childhood programs. (p. 31)
- The Minnesota departments of Education, Health, and Human Services should jointly identify what would be needed to use a universal identification number for children participating in their early childhood programs. (p. 41)
- The Minnesota Department of Education should collect attendance rates and dates of participation for children who receive services from all early childhood programs under its jurisdiction. (p. 42)
- The Legislature should consider requiring assessments of all children's school readiness as they complete certain early childhood programs. (p. 69)
- The Legislature should consider requiring assessments of school readiness as children enter kindergarten. (p. 71)
- The Legislature should direct the Minnesota departments of Education, Health, and Human Services to plan a comprehensive approach for evaluating the impact of early childhood programs. (p. 72)
- The Minnesota Department of Education should collect data from school districts on the number of children who are not screened. (p. 74)
- The Legislature should consider reviewing the statutory reimbursement rates for Early Childhood Health and Development Screening. (p. 76)
- The Legislature should consider broadening authority for the Minnesota departments of Education, Health, and Human Services to share individual-level data from early childhood programs. (p. 86)



Early Childhood Program Overviews

Appendix A

In this appendix, we provide additional information on the key early childhood programs selected for this evaluation. For each, we briefly explain the program purpose, eligibility requirements, the participants, and program costs. We also list highlights that describe each program. We start with the five programs that provide direct services to children and their families, as listed below.

Programs Offering Direct Services

- Early Childhood Family Education
- Early Childhood Health and Development Screening
- Family Home Visiting
- Head Start and Early Head Start
- School Readiness Program
- Voluntary Prekindergarten

We then describe the two programs that provide funding rather than services, listed below, and the Parent Aware Quality Rating and Improvement System that is linked to the two programs offering funding.

Programs that Provide Funding Rather than Services

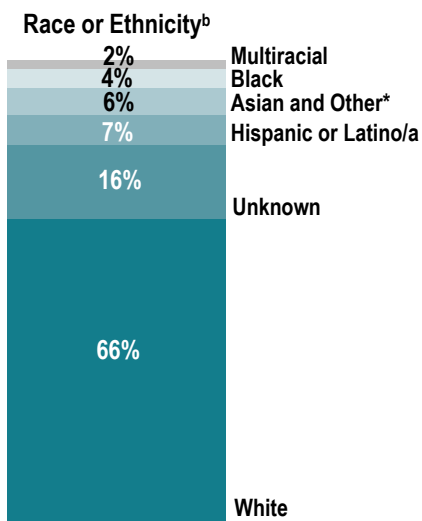
- Child Care Assistance Program
- Early Learning Scholarships

Early Childhood Family Education (ECFE)

Purpose: To provide parenting education to support children's learning and development.

Who Participated?

Fiscal Year 2016: At least 18,900 children enrolled^a



*Asians (5%), American Indian or Alaska Natives (<1%), and Native Hawaiians or Other Pacific Islanders (<1%).

Who Provides the Services?

School districts across the state offer ECFE, although the exact number of sites is unknown.

A licensed professional (early childhood teacher or parent educator) must supervise the ECFE program. Licensed teachers must be in the program's classrooms.

Who is Eligible?

Expectant parents and families with children from birth to kindergarten age.

Children's eligibility is extended up to third grade in certain school districts that have in place specific initiatives to enable continuing parent engagement in children's learning and development as part of transitions from prekindergarten to third grade.

How Much Does It Cost?

\$53.2 Million^c
In Fiscal Year 2016

Revenue Sources (FY 2016)

State revenues	48%
Local property tax levies	37%
Tuition and fees	11%
Other revenues	4%

School districts must levy local property taxes to receive state funding for ECFE.

School districts must establish sliding-fee scales for participant fees, but districts shall waive the fees for those unable to pay.

^a The Minnesota Department of Education (MDE) collects individual enrollment data for only those ECFE programs that meet six or more times during the same school year. School districts meeting this criterion may not have reported enrollment data for other reasons. Data reflect children who enrolled in an ECFE program; the department does not collect data on whether children actually attended programs. At least 17,000 children enrolled in ECFE programs in Fiscal Year 2017.

^b Percentages do not add to 100 due to rounding.

^c Final expenditure and revenue data for Fiscal Year 2017 were not available on a timely basis for our analysis.

Early Childhood Family Education (ECFE) (continued)

Oversight Agency

Minnesota Department of Education.

Program Highlights

ECFE combines parenting education with activities for child development.

- The program provides families with information on community resources and materials to support child safety.
- It assesses community needs for family or parent education and identifies child and family risk factors, especially those that affect children's learning and development.
- It identifies new or underserved populations and offers programming tailored to meet a community's needs.
- School boards must appoint advisory councils made up of parents and others in the community to help plan the program.
- Some programs offer a home visiting component to reach isolated or at-risk families.

Minnesota Statutes 2017, 124D.13 and 124D.135.

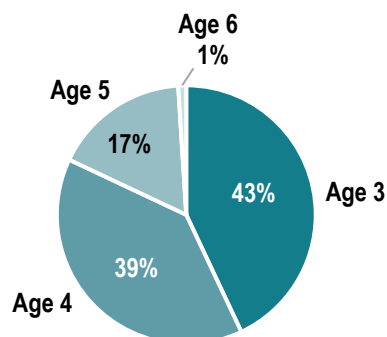
Early Childhood Health and Development Screening

Purpose: To improve children's health and to plan educational and health programs.

Who Participated?

Fiscal Year 2016: 63,678 screened^a

That year, 82 percent of children who underwent screening did so before they turned age 5.^b



Who is Eligible?

- Mandatory for children enrolling in kindergarten or first grade in a Minnesota public school.^c
- Required before or within the first 30 days of entering kindergarten.
- Required within the first 90 days of participating in Early Learning Scholarships, School Readiness, or Voluntary Prekindergarten.

How Much Does It Cost?

\$5 Million^d
In Fiscal Year 2016

State Reimbursements for Screenings

Child Age	Reimbursement
Age 3	\$75
Age 4	50
Age 5 or 6 (before kindergarten)	40
Within first 30 days of kindergarten	30
After 30 days of kindergarten ^e	0

Who Provides the Services?

School districts must provide screening, or contract to provide it, but other providers can also administer screenings. For example, Head Start programs provide comparable screenings.

School districts conducted the screenings for 95 percent of children screened during the 2016-2017 school year.

Screeners must be licensed or have training, such as being a kindergarten or prekindergarten teacher or a school nurse.

^a This is the number of children for whom all screening components were attempted. It may include some children for whom some screening components were attempted but not completed. This number includes children screened by school districts and children whose parents submitted records for comparable screenings from other providers.

^b Children not screened by school districts are reported by their age at the time their parents submitted screening records.

^c Charter schools do not require screening for enrollment like traditional public schools. Charter schools that elect to provide screening must follow the same requirements as traditional public schools.

^d Most spending (\$3.7 million) was from state reimbursements, while \$1.3 million came from other sources, including school districts' General Funds.

^e However, state reimbursements may be paid for a child screened after his or her first 30 days of kindergarten if he or she transferred to a different school district.

Early Childhood Health and Development Screening (continued)

Oversight Agencies

Minnesota Department of Education, in collaboration with the Minnesota Department of Health and the Minnesota Department of Human Services.

Program Highlights

- Screenings assess children's height, weight, vision, hearing, speech, development, and social and emotional well-being, at no cost to families. Screeners also review risk factors that may influence learning, immunization records, and the status of children's health care coverage.
- Screenings are not the same as a physical exam, and no lab tests are done.
- If screening results indicate that a child may have a health or developmental problem, he or she is to be referred to a medical or educational professional for further review. School districts must also ensure that a follow-up process is available.
- School districts must inform families of screening requirements when they have children under age 7.
- Children are not required to undergo screening if their parents submit a statement of their conscientiously held objections. Parents filed just 87 conscientious objections in Fiscal Year 2016, representing less than 1 percent of children on whom school districts reported that year.
- Screening is also intended to help connect families to resources, such as Head Start or Early Childhood Family Education.

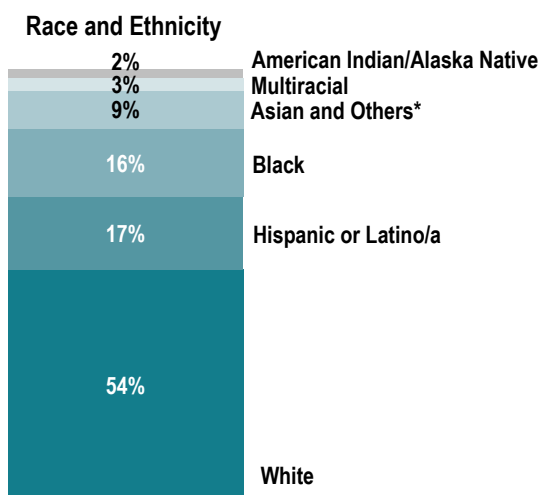
Minnesota Statutes 2017, 121A.16-121A.19.

Family Home Visiting

Purpose: To foster healthy beginnings, improve pregnancy outcomes, promote school readiness, prevent child abuse and neglect, reduce juvenile delinquency, promote positive parenting and resiliency in children, and promote family health and economic self-sufficiency for children and families.^a

Who Participated?

Fiscal Year 2016: 11,134 participants were reported;
99 percent were women^b



*Asian (6%), Unknown (2%), Other (1%), Native Hawaiian or Other Pacific Islander (<1%).

Who is Eligible?

Eligibility varies by program; however, programs prioritize families with the following characteristics:

- Low-income, first-time mothers
- Pregnant women under age 21
- A history of child abuse or neglect or previous interactions with child welfare services
- A history of substance abuse or in need of substance abuse treatment
- Children with developmental delays or disabilities

For programs funded under *Minnesota Statutes* 2017, 145A.17, participants must be at or below 200 percent of the federal poverty guidelines.

How Much Does It Cost?

More than \$16.7 Million^d
In Fiscal Year 2017

This reflects funding overseen by the
Minnesota Department of Health.

Who Provides the Services?

Local public health agencies (counties, cities, or tribal governments) administer Family Home Visiting services.

The majority of local public health agencies use public health nurses to provide Family Home Visiting services. Other providers include social workers, child development specialists, registered nurses, and paraprofessionals.^c

Expenditure data reflect spending of two sources of federal revenue plus state appropriations—they exclude other revenues, such as local property taxes, Medical Assistance reimbursements, and other smaller sources.

Sources of Revenue

Local property taxes
Maternal, Infant, and Early Childhood Home Visiting program
Medical Assistance
State appropriations
Temporary Assistance to Needy Families program
Other revenues

^a This purpose statement reflects Family Home Visiting programs funded under *Minnesota Statutes* 2017, 145A.17. Programs funded through other sources have different purpose statements.

^b This participant count does not include all mothers, fathers, and other guardians who participated in local public health agencies' family home visiting programs, which are not overseen by the Minnesota Department of Health (MDH). We took steps to clean data which resulted in a different participant count than MDH's count.

^c Home visitors who provide services for certain types of programs receive additional program-specific training and support.

^d A small, but unspecified expenditure amount could have been used for Women, Infants, and Children (WIC) services.

Family Home Visiting
(continued)

Oversight Agency

Minnesota Department of Health.

Program Highlights

Family Home Visiting is a voluntary service delivered prenatally through the early years of a child's life. Family Home Visiting services aim to:

- Connect women with prenatal care.
- Provide support to parents in their role as their child's first teacher.
- Ensure children grow up in safe and healthy environments.
- Provide support and teach parents skills that reduce the risk of child abuse.

Depending on their needs, families may participate in home visiting services for two or more years. Some agencies may provide a home visit after birth with additional visits as needed, while others provide regular, intensive visits.

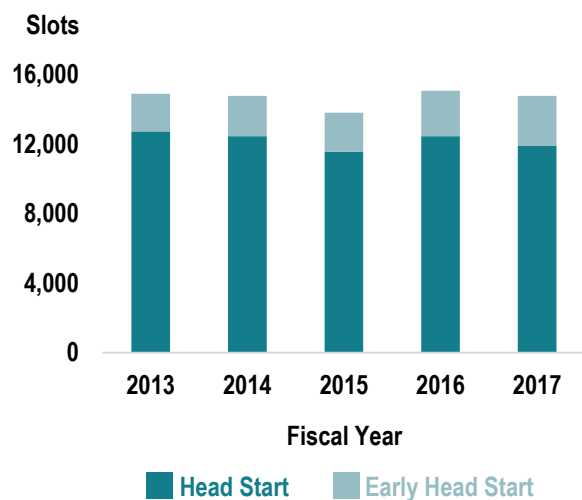
Minnesota Statutes 2017, 145A.17; and Social Security Act, Title V, 42 *U.S. Code*, sec. 711 (2018).

Head Start and Early Head Start

Purpose: To promote the school readiness of low-income children by enhancing their cognitive, social, and emotional development. Early Head Start's purpose is to promote child development and assist parents in fulfilling their parental roles and moving toward self-sufficiency.

Who Participated?

Fiscal Year 2017: 11,886 slots in Head Start
2,878 slots in Early Head Start



Who is Eligible?

- Family income at or below the poverty line.
- For Head Start, children from 3- up to 5-years-old.
- For Early Head Start, pregnant women and children from infancy up to age 3.

How Much Does It Cost?

\$131.6 Million
of federal and state funding in Fiscal Year 2017
State allocation alone was \$25.3 million (18 percent of total)

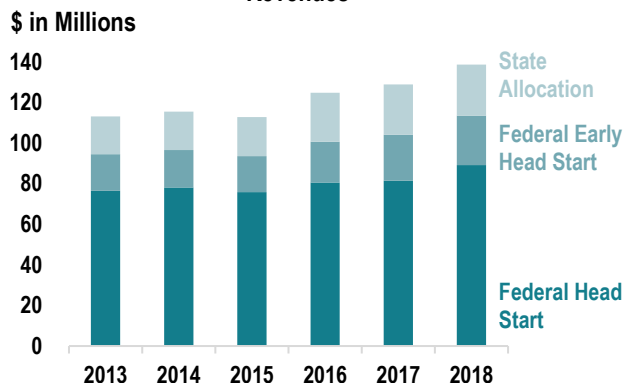
Who Provides the Services?

32 nonprofit, tribal government, or school district grantees, most of which are community action agencies.

Federal standards are set for Head Start worker qualifications and ongoing professional development:

- Associate's or bachelor's degree in child development or early childhood education (or equivalent coursework) and
- 15 hours of annual professional development.

Revenues



Head Start and Early Head Start (continued)

Oversight Agencies

Minnesota Department of Education and Office of Head Start in the U.S. Department of Health and Human Services.

Program Highlights

Head Start is a federal program that:

- Provides comprehensive services in support of school readiness for children in low-income families.
- Supports children's growth in literacy, math, and science as well as physical skills and social and emotional functioning.
- Combines learning programs for children with assistance to meet their families' health, education, nutrition, and other needs.
- Has a home visiting component for professional home visitors to meet the needs of eligible families in the families' own homes, in lieu of center-based, classroom instruction.
- Follows stringent federal performance standards as programs strive to ensure that all participating children are ready to start school.

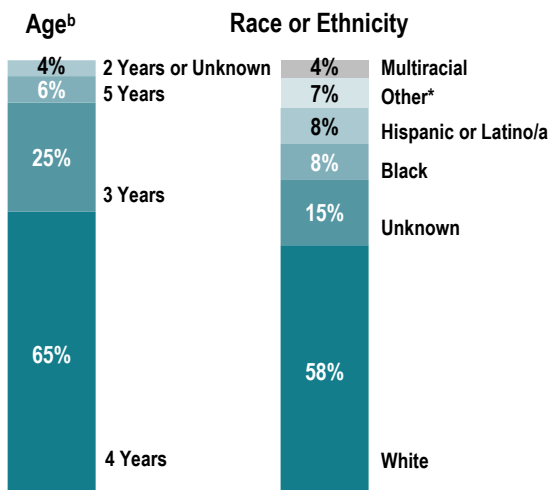
Minnesota Statutes 2017, 119A.50; and 42 *U.S. Code*, secs. 9831-9852c (2015).

School Readiness Program

Purpose: To prepare children to enter kindergarten.

Who Participated?

Fiscal Year 2016: At least 21,100 children enrolled^a



*Asian (6%), American Indian or Alaska Native (<1%), and Native Hawaiian or Other Pacific Islander (<1%).

Who Provides the Services?

MDE reported that all school districts offer School Readiness programs.

Teachers are not required by law to be licensed, however, the supervisor of the program must be a licensed early childhood teacher, certified early childhood educator, or licensed parent educator.

Who is Eligible?

To participate free of charge, a child must be at least 3 years of age, have completed a health and development screening within 90 days of enrolling, and have one of six risk factors:

1. Qualify for free or reduced-price lunch
2. Be an English language learner
3. Be homeless
4. Have an individualized education program
5. Have a potential risk factor that may influence learning
6. Be defined as at risk by the school district

Ineligible children may participate on a fee-for-service basis.^c

How Much Does It Cost?

\$48.8 Million^d
In Fiscal Year 2016

Revenue Sources (FY 2016)

School Readiness state aid	52%
Local tuition and fees	41%
Property tax and other local sources	6%
Other state aid and revenue	1%

^a MDE collects individual enrollment data only for those School Readiness programs that meet six or more times during the same school year. School districts meeting this criterion may not have reported enrollment data for other reasons. Data reflect children who enrolled in a School Readiness program; the department does not collect data on whether children actually attended programs. At least 20,900 children enrolled in School Readiness programs in Fiscal Year 2017.

^b The chart shows children's age as of September 1, 2015.

^c MDE has interpreted this to mean children who do not meet one of the risk factors but are at least 3 years old and not yet eligible for kindergarten.

^d Final expenditure and revenue data for Fiscal Year 2017 were not available on a timely basis for our analysis.

School Readiness Program (continued)

Oversight Agency

Minnesota Department of Education.

Program Highlights

School Readiness programs:

- Must work with parents and kindergarten teachers to prepare children for the transition to kindergarten.
- Focus on developing children's cognitive, social, emotional, and physical skills and offering instruction to prepare them for kindergarten.
- May offer full- or part-day classes that meet anywhere from one to five days per week, but the program has no requirement on annual number of instructional hours.
- Must have one staff for every 10 children, with the first staff required to be a teacher, and a maximum class size of 20 students.

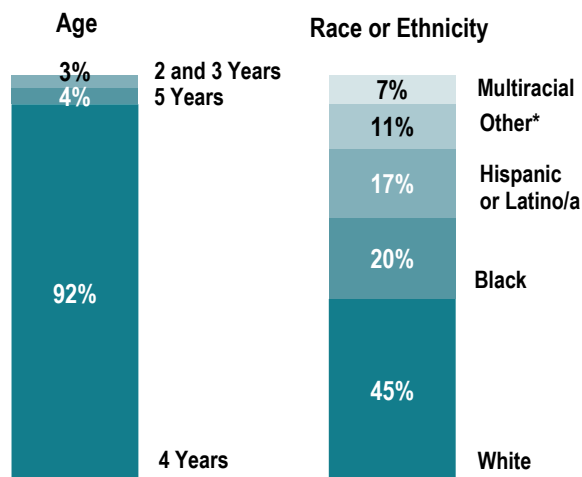
Minnesota Statutes 2017, 124D.15 and 124D.16.

Voluntary Prekindergarten

Purpose: To prepare children for success as they enter kindergarten in the following year.

Who Participated?

Fiscal Year 2017: About 4,300 children enrolled^a



*Asian (8%), American Indian or Alaska Native (3%), Native Hawaiian or Other Pacific Islander (<1%).

Who is Eligible?

To participate free of charge, a child must:

- Be 4-years-old and
- Have completed a health and development screening within 90 days of enrolling.

What are the Revenues?

About \$22.2 Million
In Fiscal Year 2017

Amount is MDE's estimate for Voluntary Prekindergarten revenues. It was calculated using funding formulas and data reported by school districts and charter schools, such as number of students. Fiscal Year 2017 revenue and expenditure data reported by school districts and charter schools were incomplete. MDE estimated that \$17.3 million of Voluntary Prekindergarten revenues were from state aid while \$4.8 million were from levies.

The Legislature set the maximum state aid entitlement at \$27.1 million statewide for the year.

Who Provides the Services?

86 school districts and charter schools in Fiscal Year 2017

School districts, charter schools, or groups of them must apply to MDE. MDE's selection process prioritizes sites that:

- Serve higher concentrations of children eligible for free or reduced-price lunch.
- Are not located near early learning programs or child care programs that have been rated as "high-quality" programs.
- Offer services in a mixed-delivery setting.

Teachers need not be licensed but must be paid salaries comparable to other instructors in the district.

^a This number includes children whose enrollment in Voluntary Prekindergarten was funded by sources other than those dedicated for Voluntary Prekindergarten, including children who did not meet eligibility requirements. It may include children who enrolled but never attended. We included only children enrolled for at least a week; children's length of enrollment ranged from less than one month to more than nine months.

**Voluntary Prekindergarten
(continued)**

Oversight Agency

Minnesota Department of Education.

Program Highlights

Voluntary Prekindergarten programs must:

- Use instruction and curriculum aligned with Minnesota’s early learning standards and kindergarten through third grade academic standards.
- Use play-based learning to develop children’s social, emotional, cognitive, physical, motor, language, and literacy skills.
- Work with parents, community-based programs, and kindergarten programs to facilitate children’s transition to kindergarten.
- Offer at least 350 hours of instruction per school year to children.
- Have one staff member for every 10 children, with a maximum class size of 20 children.

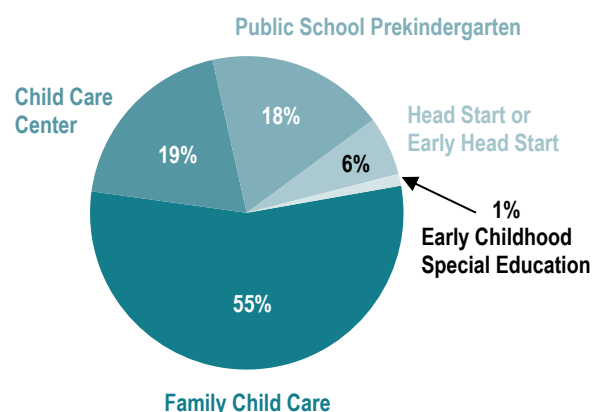
Minnesota Statutes 2017, 124D.151.

Parent Aware Quality Rating and Improvement System

Purpose: To ensure that Minnesota's children have access to high-quality early learning and care programs in a range of settings so that they are fully ready for kindergarten by 2020.

Who Participated?

Fiscal Year 2016: 1,228 providers earned a rating



Who is Eligible?

Child care providers or early education programs that voluntarily agree to meet certain standards of high quality.

Programs eligible for licensure must be licensed in good standing and meet standards set for one of four different quality levels. The following programs are eligible:

- School-based prekindergarten
- Head Start or Early Head Start
- Licensed child care centers
- Licensed family child care providers

How do Programs Earn a Rating?

Licensed child care providers demonstrate meeting standards in five separate categories:

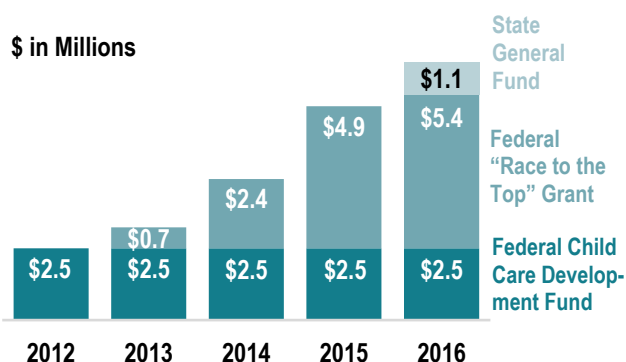
- Teaching and relationships with children
- Relationships with families
- Assessment and planning for each individual child
- Professionalism
- Health and well-being

Providers meeting more standards within each category achieve higher star ratings than those meeting fewer standards.

School-based programs and accredited child care programs are eligible for a 4-star rating by following an accelerated version of the rating process. Head Start programs are eligible for an automatic 4-star rating. This is because the programs demonstrate meeting the same standards through accreditation or state or federal regulations.

How Much Does It Cost?

\$9 Million
In Fiscal Year 2016



Parent Aware Quality Rating and Improvement System (continued)

Oversight Agencies

Minnesota Department of Human Services, in collaboration with the Minnesota Department of Education and the Minnesota Department of Health.

Program Highlights

Parent Aware Quality Rating and Improvement System:

- Parent Aware rates the quality of child care providers and early education programs that voluntarily agree to meet standards of high quality, which qualifies them to accept scholarships and receive higher reimbursements for child care assistance.
- A web-based Parent Aware search engine enables parents to learn about and select child care programs or early education programs in their area.
- Providers that seek a Parent Aware rating may receive from 1 to 4 stars, with 4 stars representing the highest quality provider.
- Higher-rated providers are qualified to receive larger amounts of Early Learning Scholarships and higher state reimbursements for Child Care Assistance.
- Fully rated child care providers receive access to coaching, individualized professional development, and grants for training, education, and other quality improvements.

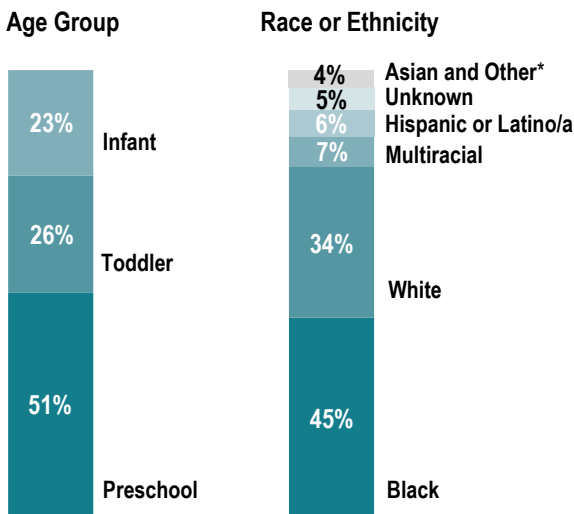
Minnesota Statutes 2017, 124D.142.

Child Care Assistance Program

Purpose: To reduce the cost of child care for eligible families to allow them to work, search for a job, or receive the education or training they need to become employed.

Who Participated?

Fiscal Year 2016: 25,900 children from birth up to age 5^a



*Asian (2%), Native American (2%), and Pacific Islanders (<1%).

Who is Eligible?

Low-income families that need help to pay for child care while they work, seek jobs, or attain education or training that leads to employment. Children are eligible through age 12 (or 14 if they have special needs).

Participants are in one of two subprograms:

1. Minnesota Family Investment Program (MFIP), which includes participants in MFIP, the Diversionary Work Program, and people transitioning off these programs.
2. Basic Sliding Fee is for families that are not receiving cash assistance but meet an income standard.

Income thresholds are percentages of state median income for each of the subprograms:

Maximum Percentage of State Median Income at Time of Application	
MFIP	67%
Basic Sliding Fee	47%

Who Provides the Services?

4,351 child care providers received Child Care Assistance in Fiscal Year 2016 for children up to 5 years of age:

- 2,666 licensed family care providers
- 1,017 child care centers
- 537 legal nonlicensed providers, which means care provided (1) by a relative to related children or (2) to children in one family not related to the provider
- 131 license-exempt centers, such as a YWCA

How Much Does It Cost?

\$239.8 Million^b
For All Children Receiving Services
In Fiscal Year 2016

Expenditures by Subprogram	
MFIP	\$143.6 million
Basic Sliding Fee	\$96.2 million

^a Includes children from birth up to age 5 who received services in Fiscal Year 2016, but excludes duplicates that occurred when children were assigned more than one identification number.

^b Includes expenditures for all children served in Fiscal Year 2016. Looking only at children from birth up to age 5 that year, expenditures were \$124.9 million.

Child Care Assistance Program (continued)

Oversight Agency

Minnesota Department of Human Services.

Program Highlights

- Child Care Assistance Program offers to low-income parents financial help to pay for qualifying child care.
- All families pay a portion of child care costs, unless their incomes are less than 75 percent of the federal poverty level.
- Providers that are accredited or meet Parent Aware high-quality standards receive higher child care reimbursements than the maximum subsidy otherwise allowed by law. A 3-star-rated or accredited provider receives a 15 percent higher reimbursement rate, and a 4-star provider receives a 20 percent higher rate.

Minnesota Statutes 2017, 119B.011-119B.16.

Early Learning Scholarships

Purpose: To close the opportunity gap by increasing access to high-quality early childhood programs.

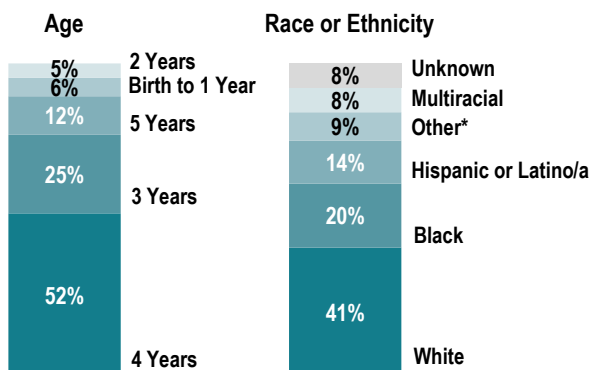
Who Participated?

Fiscal Year 2016: About 11,250 children were awarded a scholarship

Percentage Using the Awarded Scholarship^a

Pathway I Scholarship	85%
Pathway II Scholarship	93%

Children Using Awarded Scholarships



*Asian (6%), Native American or Alaska Native (3%), and Native Hawaiian or Pacific Islanders (<1%).

Who is Eligible?

- Family income at or below 185 percent of federal poverty level (or alternative measures of low income, such as eligibility for free or reduced-price lunch), and
- Children are either 3- to 5-years-old or
- Between birth and 5-years-old, if they:
 - ✓ Have a sibling with a scholarship
 - ✓ Have a parent under age 21 who is pursuing a high school degree or equivalent
 - ✓ Are homeless
 - ✓ Are in foster care
 - ✓ Are in need of protective services

All children must have completed a health and development screening within 90 days of attending a program.

How Much Does It Cost?

\$39.9 Million^b

For Scholarships Awarded In Fiscal Year 2016

Expenditures by Type

Pathway I Scholarship	\$17.7 million
Pathway II Scholarship	\$19.6 million
Administration ^c	\$2.5 million

Who Provides the Services?

Pathway I Scholarships are awarded to an individual child to pay for high-quality child care or early learning programs; if the family moves, they take the scholarship to a new provider of their choice. Providers must participate in the Parent Aware program.

Pathway II Scholarships are awarded to a child care program or early learning program with a 4-star Parent Aware rating. The provider awards scholarships to eligible children in families interested in the programs. Providers apply to MDE and must have children enrolled or on a waiting list for their program.

Additional information on differences between Pathway I and Pathway II Scholarships is in Exhibit 1.2.

^a Our analysis of children who used their scholarships excludes data on Pathway II scholarships awarded in 2 of the state's 13 economic development regions. Usable data were not available on whether children used Pathway II scholarships in Regions 9 and 10 in southern Minnesota.

^b These values are based on local program administrators' total expenditures as calculated by MDE. Since children can use scholarships for up to a year from the date they were awarded, this number includes expenditures made in fiscal years 2016 and 2017. This figure includes a small amount of funding that was advanced to one local administrator; whether the advance was used for administrative costs or as part of awarded scholarships is unclear.

^c This figure includes local administrators' costs; it does not include MDE's administrative costs.

Early Learning Scholarships (continued)

Oversight Agency

Minnesota Department of Education.

Program Highlights

- Early Learning Scholarships help families pay for their children to attend high-quality early childhood program, such as child care, school-district-based programs, and Head Start programs.
- Children remain eligible to receive a scholarship each year until they become eligible for kindergarten.
- Priorities among scholarship applications go to children who (1) have a parent age 21 or younger pursuing a high school degree, (2) are in foster care or are otherwise in need of protection, or (3) have recently experienced homelessness.
- In Fiscal Year 2016, the median amount for Pathway I scholarships was \$4,079, while the median for Pathway II was \$2,600.

NOTE: Data on users of Pathway II Scholarships exclude Economic Development Regions 9 and 10, due to data limitations.

Minnesota Statutes 2017, 124D.165.



Case Studies

Appendix B

While on site visits for this evaluation, we learned about examples of collaboration between school districts, local public health agencies, Head Start programs, child care providers, and other entities. The following examples represent just a small sample of local collaborations but help illustrate their value.

“Invest Early” Collaboration in Itasca County

Since 2005, Itasca County in north central Minnesota has had an early childhood collaborative, called Invest Early, that involves the four school districts in the county, the local Head Start agency (known as KOOTASCA), Itasca County Public Health, the Blandin Foundation, and others.¹ The collaborative offers early childhood services for young children (from six weeks up to kindergarten age) and their families. It serves families that are low income and slightly above the poverty guidelines. In August 2017, Invest Early had about 30 classrooms located within the four school districts around Itasca County; 8 of them had children in Head Start blended into the same classroom along with other Invest Early-enrolled children.

Part of the purpose of the collaborative is to offer services that encompass family support and health, in addition to educational services for the child. To this end, Invest Early employs professional family support staff who are in the classrooms and provide regularly scheduled visits to support families. As an example of the support, if a parent tells her child’s teacher that she is having trouble managing the child’s sleep schedule, the teacher might refer the parent to a parent educator/family support staff who could conduct a home visit or discuss the matter with the parent at Invest Early’s child care center. Invest Early also employs parent educators for its Early Childhood Family Education program, and while each of the four school districts offers the program, Invest Early coordinates it throughout the county. Invest Early requests all families with enrolled children to commit to 30 hours of parent involvement yearly, which ranges from reading with their child to volunteering in the classroom.

Invest Early developed a common application form used for school-based early childhood programs across the county. The form allows families to complete a single application for any of three programs (School Readiness, Invest Early, and Head Start). Administrators said a “one-stop application” for multiple programs provides continuity and is easier for families. They also said the arrangement requires additional administrative work that goes on behind the scenes. After applications come in, administrators determine the programs for which families are income-eligible. Invest Early also uses disclosure forms jointly created by its members to provide parental permission needed by participating school districts and other programs when they share information among members.

¹ The Blandin Foundation is a private foundation based in Grand Rapids, Minnesota.

West Central Minnesota

In west central Minnesota, several collaborations are in place; a summary list is below. One is for Early Childhood Health and Development Screening. The collaboration for screening occurs between school districts and Horizon Public Health, which is a joint powers arrangement of five county public health departments.² The school districts in the five counties have contracted with Horizon Public Health to provide Early Childhood Screening since the 1990s.³ Horizon Public Health hosts screenings at school sites and/or in the county public health offices. A consent and release-of-information form was created that parents sign when their children are screened; the form allows Horizon Public Health to refer families to other programs when their children need follow-up services.

School districts we visited noted several advantages to the screening. For example, officials at West Central Area Schools said that Horizon Public Health does a good job of contacting families to inform them of the availability of screening when children are 3- or 4-years-old. They said that Horizon Public Health has the advantage of having previously worked with certain families starting with the birth of their children.⁴ In addition, West Central Area Schools' officials said that when Horizon Public Health identifies a potential issue during a screening, it refers parents right away to the appropriate providers for follow up, such as for eye glasses or speech therapy.

Examples of Collaborations in West Central Minnesota

- Contracting with Horizon Public Health to provide Early Childhood Screenings in school districts across all five counties
- Visits by school district early childhood staff to local child care providers to discuss curriculum and indicators of progress for young children
- Events, monthly meetings, and training opportunities for local early childhood program staff

A second collaboration in the area is between certain school districts and nearby child care providers. In the Brandon-Evansville School District, for instance, the Early Childhood Family Education supervisor meets several times a year at family child care providers' homes in the area. During the visits, she encourages the provider to identify what would be most helpful for setting the agenda. Topics she often addresses include children's development, early indicators of progress, or early childhood curriculum.⁵ A child educator who joins in the visits demonstrates techniques that could be helpful in early childhood teaching practices, such as using songs, simple stories, and finger-puppet plays. In addition, Early Childhood Family Education and the providers with children under their care hold joint field trips, such as to a library or local museum.

² The five are Douglas, Grant, Pope, Stevens, and Traverse counties.

³ Starting in 2018, Alexandria Public Schools will share Early Childhood Screening duties with Horizon Public Health.

⁴ Horizon Public Health staff said that, while school districts have the primary responsibility to produce a census of families in the district, Horizon Public Health will often identify young children not on the census lists. This happens when families have recently moved to the area, and Horizon Public Health learns of them when a family contacts the county for other county public health programs.

⁵ Based on the topics of interest, she will later gather related materials to use during a return visit. As Chapter 3 explained, the early childhood indicators of progress describe what young children are expected to know and do at each age from birth up to 5 years of age.

In an interview, the Early Childhood Family Education supervisor said she sees many benefits to the collaboration with child care providers. For example, because she has been meeting with child care providers for many years now, the child care providers see her as a resource and approach her with questions on child development. She said that area parents have told her how glad they are that she is working with the child care providers because their children receive lessons from those providers during the hours when the school district's School Readiness program is not available. In addition, she sees the payoff when child care providers receive the training and have a connection with the school district. In one case, she worked together with a local provider to help a child who was not responding to age-appropriate activities. They were able to enroll him in a local Head Start program, where it was discovered he had lost much of his hearing. The child was able to receive the services he needed to eventually graduate from high school.

A third collaboration is called the "Early Childhood Initiative," which Chapter 1 briefly described. The six Minnesota Initiative Foundations around the state began the Early Childhood Initiative in 2003 with the intent of strengthening early care and education for young children in rural areas. One of the six is the West Central Initiative Foundation in Fergus Falls, which coordinates the West Central Minnesota Early Childhood Initiative in nine counties and the White Earth Nation. Each county and the White Earth Nation has an Early Childhood Initiative coalition led by a coordinator who is contracted by West Central Initiative.

The coalitions bring together staff from School Readiness programs, Early Childhood Family Education, Head Start, social services, public health, child care providers, and others. They hold monthly meetings and work collaboratively on projects. The projects vary somewhat in each coalition in response to local needs, and may include communitywide training sessions, family fun nights, and special events on topics such as a mental health awareness. Coordinators of the coalitions meet regularly and work together on regional projects such as an Early Childhood Dental Network and Early Childhood Mental Health Network.

School district officials in west central Minnesota described benefits of the Early Childhood Initiative in their region. For instance, staff at West Central Area Schools said the district received a grant from the West Central Initiative to support collaborative meetings of teachers from Head Start, preschool, and kindergarten. Teachers used that time to discuss curriculum and assessments and to align the preschool curriculum with kindergarten assessments.

As another example, multiple staff in Head Start and the Brandon-Evansville School District said they attend the Early Childhood Initiative monthly meetings and often exchange program materials there. They said they have found the West Central Initiative trainings to be useful, in part because the training covers helpful topics such as how to help children with adverse childhood experiences. The Early Childhood Initiative has also provided small grants to local early childhood programs. One grant allowed early childhood staff from the school district to visit local child care providers; while one school district employee worked with providers, the second worked directly with the children.

St. Paul Public Schools

In conjunction with St. Paul Public Schools' early childhood programs, the district is involved in multiple collaborations. First, the school district's Office of Early Learning has collaborated with Head Start and select child care providers. Second, the St. Paul Public Schools district operates schools that involve numerous collaborations with nearby community partners. In addition, the Office of Early Learning has aligned curriculum among all of the district's prekindergarten classes. Moreover, it coordinated with elementary schools to align the prekindergarten curricula with kindergarten curricula and, in some cases, with curricula in other elementary grades.⁶

St. Paul Public Schools collaborate with Head Start in the Community Action Partnership of Ramsey and Washington Counties. This takes several forms, as summarized below. One is visits by a parent educator from the district's Early Childhood Family Education program to St. Paul Head Start sites on their "Family Fun" nights to provide parenting education. A second is the co-location of certain of the district's Early Childhood Family Education classes in the same buildings that Head Start uses. As part of the collaboration, the school district has typically held these classes on Fridays, to give families an option on those days when Head Start does not hold class.

Examples of St. Paul Public Schools' Collaborations with Head Start

- St. Paul Public Schools offer parenting-education classes at Head Start locations.
- A data-sharing agreement allows results of children's Head Start health screenings to transfer to the school district when children enroll in district programs.
- St. Paul Public Schools provide paraprofessional support for children with individual learning plans when the children are in Head Start classrooms.

In 2017, St. Paul Public Schools' Early Childhood Family Education program undertook planning with Head Start for a program to focus on children in Head Start as they get ready for kindergarten. Staff said the program will be a six-week program that is to be co-taught in three Head Start centers located in St. Paul. They said the program will acquaint Head Start families with the district's kindergarten program and help the parents understand important components of the kindergarten curriculum that they as parents can reinforce with their children at home.

Another part of St. Paul Public Schools' partnership with Head Start pertains to Early Childhood Health and Development Screening. When children in Head Start later enroll in St. Paul Public Schools' programs, results from Head Start's screenings transfer to the district. Forms for obtaining parental consent for sharing the results are part of Head Start's application. The data sharing allows the district to avoid unnecessarily rescreening children.

In addition, the school district shares with its parents information on Head Start programs, and Head Start shares with its families information on the district's early childhood education programs. Furthermore, for Head Start children with Individual Education Plans (IEPs, which contain objectives individually developed for each child receiving special

⁶ In 2017, St. Paul Public Schools offered mostly half-day prekindergarten at 31 sites with 55 classes overall.

education services), St. Paul Public Schools' paraprofessionals support Head Start staff by working in the Head Start classroom with those children.

St. Paul Public Schools' Office of Early Learning collaborates with select child care providers around the city. District staff said their intent is to help children currently in child care to eventually ease into the district's kindergarten program. The school district and child care provider sign a collaborative agreement that is renewable for up to a three-year period. The agreement specifies what each child care operator expects to obtain from the partnership, such as on-site early childhood screening or professional development provided by the district for the child care director or teachers. As an example of professional development, the district has coached child care directors on using an observational tool that helps directors work on vocabulary development with children under their care.

St. Paul Public Schools also collaborate with child care providers by providing support for children with IEPs and in child care. The district's paraprofessionals work with these children in child care settings located within St. Paul.

St. Paul Public Schools operate early learning programs in several schools that collaborate extensively with community partners. Four such schools are part of the "St. Paul Promise Neighborhood," an initiative in the Frogtown, Rondo, and Summit-University neighborhoods in St. Paul. The initiative is intended to improve low-income children's readiness for school by focusing on early education for them and additional supports for their families. Family supports available through the schools' community partners are wide ranging, including rental housing assistance, on-site dental care and food shelves, and job search assistance.

At three "Achievement Plus" elementary schools, the school district operates prekindergarten and elementary grades in collaboration with other community services at the school sites. Besides classrooms, the Achievement Plus schools are home to supplementary services offered by community partners such as St. Mary's Health Clinics and Southern Minnesota Regional Legal Services. Services are open to families and neighborhood residents and include dental and medical clinics, mental health services, legal guidance, housing services, and employment assistance.

As a final example, staff in St. Paul Public Schools' Office of Early Learning said they coordinated with other district staff to develop a prekindergarten curriculum that has the same framework and routines as are built into the school district's kindergarten curriculum. The curriculum has seven distinct areas of study and is aligned with Minnesota's early childhood indicators of progress. District staff said they aligned the curriculum to help children smoothly transition into kindergarten based on what they learned in prekindergarten.





Minnesota Department of Education
1500 Highway 36 West
Roseville, MN 55113-4266

April 20, 2018

James Nobles, Legislative Auditor
Office of the Legislative Auditor
Room 140 Centennial Building
658 Cedar Street, St. Paul, MN 55155

Dear Mr. Nobles:

Thank you for the Office of the Legislative Auditor's (OLA) evaluation of several of Minnesota's *early childhood programs*. We can all agree on the importance of ensuring our investments in early care and education have the impact necessary to prepare every one of our state's young children for school and lifelong success.

The Minnesota Department of Education (MDE) appreciates your auditor's evaluation of the array of early learning programs and recognize the complexity of this evaluation. I commend the auditors who conducted the research recognizing it was a multi-agency project with numerous programs. I have reviewed and considered the recommendations and information contained in this report that speaks to or affects the work of MDE. Please find our comments below.

Recommendation #1

The Legislature should consider aligning funding and eligibility requirements of certain early childhood programs to make them more understandable and efficient.

MDE agrees with this recommendation and acknowledges the complexities and confusion that different funding and eligibility requirements can cause for families. As noted in the report, aligning funding and eligibility requirements could also simplify the application process for families by allowing for the creation of common application form for multiple programs.

Recommendation #2

The Minnesota departments of Education, Health, and Human Services should jointly identify what would be needed to use a universal identification number for children participating in their early childhood programs.

MDE agrees with this recommendation. We will work collaboratively with the departments of Health and Human Services to identify what would be needed including but not limited to technology needs, data sharing requirements and funding.

Recommendation #3

The Minnesota Department of Education should collect attendance rates and dates of participation for children who receive services from all early childhood programs under its jurisdiction.

MDE agrees with this recommendation. Currently, we have attendance data for all voluntary prekindergarten (VPK) and school readiness plus (SR+) sites, whether or not the participants are eligible to generate state funding. If additional funding was approved by the legislature, MDE could update the Minnesota Automated Reporting Student System (MARSS) to identify VPK/SR+ participants who are not eligible for funding but who are using scholarship funding to subcategorize their attendance. MDE would need to add a new State Aid Category to MARSS. That requires MDE to update programming at a cost, and requires Student Information System (SIS) vendors to update their software and train users to enter the new data on the district end. It would be more challenging to collect attendance data from the other programs such as School Readiness and Early Childhood Family Education. Collecting attendance rates and dates of participation for children enrolled in a Head Start program will require an agreement between MDE and each individual Head Start grantee. MDE does not have the authority to require Head Start grantees to submit data. Currently, each Head Start grantee collects their own attendance data and they have to report monthly average attendance to the federal office.

Recommendation #4

The Legislature should consider requiring assessments of all children's school readiness as they complete certain early childhood programs.

MDE supports collecting school readiness data for all kindergarten students. The recommendation goes beyond MDE's current efforts. It would be helpful if the OLA outlined exactly which early learning programs this recommendation includes due to the enormous scope and number of early learning programs. The OLA recommendation will require significant resources and training for not just early learning educators in public schools but for those in private early learning settings as well. Intensive professional development and trainings around the early learning indicators of progress (ECIPs) and use of school readiness tools aligned to the standards would be needed to ensure the fidelity of the results.

Recommendation #5

The Legislature should consider requiring assessments of school readiness as children enter kindergarten.

As stated above, MDE agrees with this recommendation. MDE has spent the last five years developing the Kindergarten Entry Profile (KEP) model for measuring kindergarten readiness. Statewide implementation will require additional funding of approximately \$1.5 million per year, and would need to be phased in order to properly train early learning educators on the use of the KEP tools.

Recommendation #6

The Legislature should direct the Minnesota departments of Education, Health, and Human Services to plan a comprehensive approach for evaluating the impact of early childhood programs.

MDE agrees with this recommendation. A comprehensive approach to evaluating the state's early childhood program is a multi-year, multi-system, and multi-million dollar project. We need to first consider what systems we currently have in place and how they work together, such as the Kindergarten Entry Profile and Parent Aware. We need to ensure we are collecting and analyzing the right data sets and are able to share data across agencies.

Recommendation #7

The Minnesota Department of Education should collect data from school districts on the number of children who are not screened.

MDE agrees with this recommendation. Currently, MDE is not authorized in statute to collect this data set on behalf of children not enrolled in public prekindergarten or kindergarten programs. If given the authority, MDE could compute the number of children not screened until after the 90-day requirement for public prekindergarten (VPK and SRP) programs. MDE also could use MARSS data to compute which public kindergarten students were not screened within the 30-day requirement or not screened at all.

MDE is in the process of transitioning to a new reporting system; this provides an opportunity to collect this information.

Recommendation #8

The Legislature should consider reviewing the statutory reimbursement rates for Early Childhood Health and Development Screening.

MDE agrees with this recommendation. Data from FY2016 year indicates that districts spent \$1.3 million of their own funds to cover screening costs due to the underfunding of reimbursement rates. Because health and development screening is a requirement of multiple early learning programs, we need to provide incentives and ensure all districts fully comply with these requirements. In addition, getting more children screened earlier will help identify children in need of early intervention in order to get them the services they need, and potentially save the state on later costs of intervention and special education services.

Recommendation #9

The Legislature should consider broadening authority for the Minnesota departments of Education, Health, and Human Services to share individual-level data from early childhood programs.

MDE agrees with this recommendation. In addition to broadening the authority for the three agencies to share data, the Legislature should also consider clarifying the authority that already exists in law.

MDE appreciates the work of the OLA in taking the time to understand and evaluate the many early learning programs and funding streams across the three agencies. We would like to highlight two areas we believe would provide readers and policy makers with useful information and important context.

First, the report does not include a summary of the Early Childhood Special Education (ECSE) program. During FY2017, 26,856 individual children received ECSE services for all or part of the year. ECSE programs participate in robust, ongoing program evaluation. Districts are required to report the development status of each child served by ECSE at the point of entry and exit. These data are used to determine which children made greater than expected developmental gains and which children exited demonstrated age-expected skills. Of the children who exited preschool special education during the 2016-2017 school year, 69.2 percent exited demonstrating age expected skills on one or more of three federally required child outcomes. We believe the evaluation system developed for this program could be used as a model to evaluate other early learning programs.

Second, we believe it important to clarify that the Early Childhood Longitudinal Data System (ECLDS) was designed to link child level data from multiple agencies to provide the broadest possible view of the status of young children participating in publicly-funded programs in Minnesota. The tool begins to answer long-awaited policy questions related to the characteristics of children served by public programs, their participation patterns in public programs, and outcomes of children as they enter the early elementary grades. All data on the site are aggregated (grouped), de-identified, and small numbers suppressed.

MDE appreciates the OLA's program evaluation of the state's early learning programs. I look forward to working with policymakers to address the issues outlined in this report in order to ensure that all children have access to high quality early learning experiences.

Sincerely,

A handwritten signature in black ink that reads "Brenda Cassellius". The signature is fluid and cursive, with the first name "Brenda" being more prominent than the last name "Cassellius".

Dr. Brenda Cassellius
Commissioner



Protecting, Maintaining and Improving the Health of All Minnesotans

April 20, 2018

Mr. James Nobles, Auditor
Minnesota Office of Legislative Auditor
Room 140 Centennial Building
658 Cedar Street
St. Paul, MN 55155-1603

Dear Mr. Nobles:

Thank you for the opportunity to review the Office of Legislative Auditor's (OLA) evaluation report on early childhood programs. The nine early childhood programs reviewed by the report cross three state agencies and collectively play a significant role in helping Minnesota's young children and their families be successful. The Minnesota Department of Health (MDH) agrees that the overall recommendations outlined in the report would strengthen, streamline and improve the state's early childhood programs, further benefiting the children and families served.

As described in this report, differences in eligibility requirements, program purpose and other program requirements can create a confusing, fragmented and challenging system for parents of young children to navigate. As recommended in the report, aligning certain early childhood program requirements, with an emphasis on adjunctive eligibility, will reduce overall system complexity, help families in obtaining available services, improve outcomes for children and significantly reduce provider burdens.

MDH welcomes the opportunity, as recommended by the OLA, to work with the Minnesota Department of Education (MDE) and the Department of Human Services (DHS) to identify the steps needed to share appropriate data across early childhood programs, including the need for a universal identification number for children served by early childhood programs. The report clearly outlines the significant impacts that restrictions on data sharing and the lack of a single (universal) identification number for children has had on our ability to both fully assess early childhood efforts and share real-time information across programs to facilitate service coordination. Effective data sharing requires innovative problem solving to address:

- federal and state data privacy laws and their interpretation;
- limitations of our current data systems;
- accurately matching children and families across programs; and
- the need for real time data at the local level as children are being served.

As the evaluation report identified, there are persistent challenges in understanding the effectiveness of Minnesota's early childhood programs. Data collected may be inadequate to fully evaluate a program's

performance statewide, some programs have no requirements for program evaluation, programs differ in their goals, and multiple factors impact programs' ability to report on effectiveness. Differences in data collection for measuring the statewide impact of early childhood programs and the variation in program implementation both contribute to the lack of a comprehensive approach to evaluation across and between programs.

MDH agrees with the recommendation of the Office of Legislative Auditor that MDH, MDE, and DHS should plan a comprehensive approach for evaluating the impact of early childhood programs.

Much can be learned from the local examples cited by the report, such as Itasca County's "Invest Early," an example of coordinated and collaborative efforts between multiple programs to best serve families with young children (pp. 45; 115). In addition, the collaboration between Horizon Public Health and local school districts within five counties in western Minnesota helps to inform families of the availability of Early Childhood Screening. The screenings provided by the public health department and held at school sites and in the county public health center makes access and referral easier for families (pp. 46; 116).

Moving forward, MDH is committed to continued participation on the Children's Cabinet and sees it as a strong forum for continued interagency coordination and the collaboration necessary to address the issues and recommendations highlighted in the OLA report. The work of the Early Childhood Reform project, under the direction of the Children's Cabinet, is an example of the way multiple agencies are working to assure programs work together for children. Another opportunity is expanded Help Me Grow, which was included in the 2018 Governor's Supplemental Budget. This initiative would assist pregnant women, families of young children and providers locate appropriate resources quickly and easily. In other states, this resource and referral system has been successful in facilitating early access to early childhood programs available within state and local communities.

MDH looks forward to the opportunity to work with our state partners to further address the recommendations in the report.

Sincerely,

A handwritten signature in black ink, appearing to read "Jan K. Malcolm". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jan K. Malcolm
Commissioner



April 20, 2018

James Nobles, Legislative Auditor
Office of the Legislative Auditor
Centennial Office Building
658 Cedar Street
St. Paul, MN 55155

Dear Mr. Nobles:

Thank you for the opportunity to review and comment on findings and recommendations from your office's evaluation of early childhood programs in Minnesota. We appreciated the thorough examination of the Department's early childhood programs, and of the key role they play in Minnesota's efforts to assure that every child in Minnesota has an opportunity for success. We also appreciated the opportunity to work with your professional and dedicated staff.

Overall, the Department supports the five key recommendations of the report on early childhood programs in Minnesota. We look forward to expanding our collaboration with the Minnesota Department of Education and the Minnesota Department of Health to include the creation of a universal identification number for children participating in early childhood programs, knowing that there will be challenges in implementation.

The report notes the importance of using child assessment tools aligned with Minnesota's early learning standards, whether during the time children are in an early childhood program or at kindergarten entry. Minnesota's early learning standards, known as the Early Childhood Indicators of Progress, as summarized on Page 64 of the report, provide a broad and comprehensive definition of children's school readiness. The Department affirms that this comprehensive definition of school readiness is critical to use in designing and implementing such assessments. In addition, child assessment data of these types can only be best understood and used in the context of other important demographic data such as children's health status, parent employment, education and income, family mobility and language.

The Department of Human Services will continue to work in partnership with the Department of Health and the Department of Education to ensure that Minnesota has effective early childhood programs that assist the growth and development of young children and their families. The Department's policy is to follow up on all audit findings to evaluate the progress being made to resolve them. Progress is monitored until full resolution has occurred. If you have any further questions, please contact Gary L. Johnson, internal audit director, at 651-431-3623.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. E. Johnson'.

Charles E. Johnson
Acting Commissioner



Recent OLA Evaluations

Agriculture

Agricultural Utilization Research Institute (AURI), May 2016
Agricultural Commodity Councils, March 2014
“Green Acres” and Agricultural Land Preservation Programs, February 2008
Pesticide Regulation, March 2006

Criminal Justice and the Judicial System

Guardian ad Litem Program, March 2018
Mental Health Services in County Jails, March 2016
Health Services in State Correctional Facilities, February 2014
Law Enforcement’s Use of State Databases, February 2013
Public Defender System, February 2010
MINNCOR Industries, February 2009
Substance Abuse Treatment, February 2006

Economic Development

Minnesota Investment Fund, February 2018
Minnesota Research Tax Credit, February 2017
Iron Range Resources and Rehabilitation Board (IRRRB), March 2016
JOBZ Program, February 2008

Education, K-12 and Preschool

Early Childhood Programs, April 2018
Minnesota State High School League, April 2017
Standardized Student Testing, March 2017
Perpich Center for Arts Education, January 2017
Minnesota Teacher Licensure, March 2016
Special Education, February 2013
K-12 Online Learning, September 2011
Alternative Education Programs, February 2010

Education, Postsecondary

Preventive Maintenance for University of Minnesota Buildings, June 2012
MnSCU System Office, February 2010
MnSCU Occupational Programs, March 2009

Energy

Renewable Energy Development Fund, October 2010
Biofuel Policies and Programs, April 2009
Energy Conservation Improvement Program, January 2005

Environment and Natural Resources

Clean Water Fund Outcomes, March 2017
Department of Natural Resources: Deer Population Management, May 2016
Recycling and Waste Reduction, February 2015
DNR Forest Management, August 2014
Conservation Easements, February 2013
Sustainable Forest Incentive Program, November 2013
Environmental Review and Permitting, March 2011

Government Operations

Mineral Taxation, April 2015
Minnesota Board of Nursing: Complaint Resolution Process, March 2015
Councils on Asian-Pacific Minnesotans, Black Minnesotans, Chicano/Latino People, and Indian Affairs, March 2014
Helping Communities Recover from Natural Disasters, March 2012
Fiscal Notes, February 2012

Health

Office of Health Facility Complaints, March 2018
Minnesota Department of Health Oversight of HMO Complaint Resolution, February 2016
Minnesota Health Insurance Exchange (MNsure), February 2015
Financial Management of Health Care Programs, February 2008

Human Services

Home- and Community-Based Services: Financial Oversight, February 2017
Managed Care Organizations’ Administrative Expenses, March 2015
Medical Assistance Payment Rates for Dental Services, March 2013
State-Operated Human Services, February 2013
Child Protection Screening, February 2012
Civil Commitment of Sex Offenders, March 2011

Housing and Local Government

Consolidation of Local Governments, April 2012

Jobs, Training, and Labor

State Protections for Meatpacking Workers, 2015
State Employee Union Fair Share Fee Calculations, July 2013
Workforce Programs, February 2010
E-Verify, June 2009
Oversight of Workers’ Compensation, February 2009

Miscellaneous

Board of Animal Health’s Oversight of Deer and Elk Farms, April 2018
Voter Registration, March 2018
Minnesota Film and TV Board, April 2015
The Legacy Amendment, November 2011
Public Libraries, March 2010
Economic Impact of Immigrants, May 2006
Liquor Regulation, March 2006

Transportation

MnDOT Highway Project Selection, March 2016
MnDOT Selection of Pavement Surface for Road Preservation, March 2014
MnDOT Noise Barriers, October 2013
Governance of Transit in the Twin Cities Region, January 2011



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CENTENNIAL OFFICE BUILDING – SUITE 140
658 CEDAR STREET – SAINT PAUL, MN 55155