

Early Childhood Districts: A New Model for a New Era

by Elliot Haspel
August 2021

Discussion Draft: Please submit comments to
Elliot Haspel (ehaspel@gmail.com)

IDEA IN BRIEF

- The lack of an easily understandable local government entity, like school districts or city/county government, holds child care back from becoming a public good and hinders efforts to create an effective system
- Creating a new type of local infrastructure – early childhood districts – can unlock an entirely new way of delivering and financing child care, as well as other early childhood services. All child care programs within the district boundaries would have the option to join, and the district would combine existing assets with new offerings to create a proactive system designed to help both parents and programs, all while learning from the inequities that plague K-12 public education
- There are concrete steps advocates and policymakers can take now to begin the process of developing enabling conditions and piloting early childhood districts in their states and communities.

capita

The current child care¹ system works for no one involved. It simultaneously fails parents, practitioners, providers, businesses, and most importantly children.ⁱ Identifying and accessing child care is often a terrible experience for parents, who face a “Wild West” of scattered, isolated programs. For child care programs themselves, this isolation, combined with inadequate funding, makes it exceptionally difficult to maintain high quality and leads to frequent burnout of teachers and administrators.

There is a near-consensus within the child care sector—and among a large majority of the publicⁱⁱ—that child care should be considered a public or common good. The momentum and opportunity for change is greater than arguably any time since 1971.ⁱⁱⁱ Still, child care remains an almost entirely private parental responsibility, with government’s assistance limited to inadequate, work-linked welfare subsidies.^{iv}

Compare K-12 education. Access to education from Kindergarten through high school is an affirmative right. Essentially all residents of a jurisdiction, whether or not they have children, know which school district they live in (and, of course, which city or county). Residents expect these familiar governmental entities to provide accessible educational services. They expect them to create connectivity between individual schools in a way that creates a clear pathway for their children as they move from grade to grade and building to building. To put a fine point on it, Kindergarten finds you: school districts welcome new families with enrollment fairs full of food and balloons.

Child care is not yet a right, and it lacks this kind of easily recognized governmental entity to oversee and provide services. If Kindergarten finds you, child care requires you to find it hidden within a deep, dark forest. From a parent perspective, it is confusing at best to attempt and interface with the current child care system. Creating an interfacing entity is therefore a prerequisite for an effective child care system – and importantly, there is an opportunity to craft an entity that takes the best parts of the school district model without replicating its serious inequities and inefficiencies. A new form of local infrastructure is thus proposed: early childhood districts.

***In a sentence: Early childhood districts are like school districts
but for children five and under***

¹In this paper, “child care” is used to mean regular non-parental care of children between the ages of birth and five

Early childhood districts: the basics

Early childhood districts, or ECDs, would layer onto the boundaries of public school districts, cities, or counties either by one-to-one layering or layering across multiple adjacent jurisdictions.² A parent living in, say, Richmond, Virginia, would know, “From the time my child is born until they turn five, they’re part of the Richmond Early Childhood District; from five to seventeen, they’re part of the

Richmond Public School District.” ECDs do not have to start from scratch: they can and should merge services offered by other infrastructure assets such as Child Care Resource and Referral Agencies, shared service alliances, staffed family child care networks, and existing hub organizations.

ECDs would bring all child care programs within their boundaries under the district umbrella, including all types of child care centers and family child care programs.³ Districts would have a lean staff and be governed by either an elected or appointed board. Ideally, districts would be governmental units authorized by new state laws; as an interim step, a new nonprofit agency could be created and designated as a district.

Early childhood districts would do more than child care. Home visiting, child welfare, maternal and child health, WIC—eventually, these districts become the umbrella for any number of programs that improve the flourishing of families with young children.

Benefits to providers: Joining would be voluntary but would provide enormous benefits. Programs would retain their independence and autonomy

DISTRICT PRINCIPLES IN ACTION

Denver Preschool Program

First approved by Denver voters in 2006, the [Denver Preschool Program](#) (DPP) is a city nonprofit that funds and increases access to quality preschool programs for 4-year-olds (and some 3-year-olds) in Denver, CO. Families can view a directory of participating programs and fill out a simple application to receive tuition credits from DPP. As a universal preschool program, all families are eligible to receive a credit. The credit amounts are paid directly to programs and are on a sliding scale determined by income, program quality and length of day the child will attend. Credits can cover up to 100% of tuition costs, and can be as generous as \$15,000 per year for families with the highest financial need. Participating programs—which can be public or private preschool centers or family child care homes—also receive support in the form of professional training, marketing, scholarships for teachers to advance their education and quality improvement grants. The program, funded by a dedicated local tax, serves around 4,800 children each year.

²Given the discriminatory history behind why many school district boundaries are drawn as they are, the use of regional early childhood districts may be the most equitable choice in many – but not all – communities

³In the far future, it may be worth considering the status of for-profit chain programs; however, this point is moot until there is a functional system

while gaining much easier access to families. ECDs could provide centrally-hired (or the funds for programs to hire) support personnel such as operations managers; access to professional development, credential/degree pathways, and communities of practice; bulk purchasing; a common substitute pool; help with meeting physical facility needs; and other offerings, potentially including group health insurance or a retirement plan.

Benefits to families: All families would have an unconditional right to access early childhood care within their district, just as they have the right to access K-12 education.⁴ ECDs would offer a centralized system for choosing child care that prioritizes parents' preferences and needs. Districts would also provide streamlined, low-barrier access to financial support; for instance, they would be responsible for administering the child care subsidy program for families in their boundary area. Districts would increase access by identifying and remedying child care deserts at a granular, neighborhood level. Districts could even offer programming or facility space to support 'stay-at-home' parents who provide primary care, as well as caregivers who are friends, relatives, or neighbors.⁵

Core principles: While early childhood districts are extremely adaptable into different state and local contexts, there are certain core bedrock principles that underlie the concept. Specifically, early childhood districts should be:

- Designated as "official" and layered onto existing, extremely well-known governmental boundaries
- Oriented towards affirmatively and actively supporting the parent "user" experience
- Focused on the entire birth-to-five continuum
- Designed to maintain both a pluralistic set of types of programs and the autonomy of those programs
- Aware of and responsive to historical and current inequities in the early childhood (and K-12) system
- Built with an explicit eye toward raising practitioner compensation and lowering parent costs by leveraging new state and federal dollars
- Relatively simple, streamlined entities that reduce barriers to entry and engagement for parents and programs wherever feasible

⁴Eventually, this right to early childhood care & education could be enshrined in state constitutions as the right to K-12 education currently is; in the meantime, this right would be de facto.

⁵For instance, Finland has a number of "open centers" which are free drop-in sites for informal caregivers designed with the materials one would find in a child care center and often offering activities and classes

The promise of early childhood districts: unlocking new funding and benefits

Above are the benefits of establishing an early childhood district under the constraints of our current, failed system. But early childhood districts could also

DISTRICT PRINCIPLES IN ACTION

Neighborhood Villages

The nonprofit [Neighborhood Villages](#) serves as the unofficial umbrella infrastructure for a group of five child care centers in Boston, MA, called The Neighborhood. The nonprofit operates as a quasi-central office, and educators, parents, and programs in The Neighborhood benefit from centralized resources. The nonprofit provides each participating program with funding to support the hiring of an operations manager to provide directors/senior administrators with logistical and technical support (scheduling, attendance, building operations, etc.), as well as a family navigator to assist families with accessing needed supports outside child care (housing, food, etc.). Programs in The Neighborhood can also access centralized hiring help, joint professional development, instructional coaching, sourcing of nutrition supports and essential items, behavioral health supports, and communities of practice which offer an opportunity for collaborative problem solving and quality improvement.

act as a key that unlocks an entirely new way of funding child care. By devolving most child care funds to the district level, early childhood districts could implement and leverage both federal and state dollars, including those that may come from any upcoming federal early care and education legislation.

Imagine the results: with adequate public money flowing, ECDs could raise wages for educators and lower costs for parents, all while maintaining a pluralistic set of providers that meet families' diverse needs. ECDs could easily ensure that no family pays more than a certain percentage of its income or per-day dollar amount by acting as an enrollment hub. They could give child care programs baseline operating funding to ensure their stability (much like base aid in the higher education model). And they could set a wage scale or use other means to ensure that all child care practitioners achieve a family-sustaining wage. *[for more on these possibilities, see appendices]*

In the short term, early childhood districts could be designed to receive Child Care and Development Block Grant (CCDBG) funding, as

that is the primary source of child care funding. Much as state departments of education currently pass through the majority of federal and state K-12 revenue down to local school districts, so too would the lead state agency for child care begin passing down the CCDBG funding (and relevant state revenues) to early childhood districts. In the medium-to-long term, the ECD model would allow the United States to shift away from the welfare-style CCDBG subsidy model to an equitable formula-based, dedicated funding model.

Finally, early childhood districts are politically palatable. ECDs would once and for all put to rest the artificial schism between the zero-to-three and four-to-five age bands. They would sidestep supply-side versus demand-side debates by combining the best of both worlds.^v ECDs are broadly applicable and adaptable—they can support urban, suburban, and rural communities. By syncing with the

already established and popular construct of school districts, ECDs should find support across the ideological spectrum. The frank fact is that policy makers tend to prefer investing large sums in systems they know versus jumping into a radical unknown.

The cost of operating early childhood districts

The actual cost of running early childhood districts depends on the suite of services a state or community decides to put under the ECD umbrella, as well as how many existing assets – and staff – are brought under the umbrella versus new services initiated. With the goal of not replicating K-12 education’s overly bureaucratic nature, ECDs should be staffed leanly.

Cost modeling conducted by early childhood finance expert Simon Workman has shown that a medium-sized district – serving around 10,000 young children – that employed one executive director, one mid-level director, one

administrative assistant, and five program support roles would cost roughly \$800,000 per year to staff.^{vi} Professional development and other technical assistance offerings would modestly increase the cost.⁶

The other major bucket of costs relate to how ECDs finance child care programs and assistance for families. As noted above, early childhood districts would ideally receive pass-through funding from state and federal sources. A small local contribution might be reasonable, to ensure that communities have “skin in the game.” But experience with K-12 funding teaches that state and federal sources

DISTRICT PRINCIPLES IN ACTION

The “Prime Sponsor” Model

In some ways, early childhood districts are an evolution and adaptation of a much older, unrealized idea: the “prime sponsor” model.

This model was originally proposed in the 1971 Comprehensive Child Development Act that was passed on a bipartisan basis but vetoed by President Nixon. It was recently resurrected in the Universal Child Care and Early Learning Act that has been introduced in the current Congress. Under this model, states, localities, and nonprofit agencies can apply to be the prime sponsor of early care and education in a given jurisdiction. Prime sponsors are set up to receive and pass through public funding. They must submit comprehensive plans about how they will ensure child care access, affordability, and quality in ways that respond to parental preferences and needs, as well as a holistic set of supports for children and families.

⁶ If family support staff are also centrally employed (or funded for programs to hire directly), a district of this size would need 17 navigators – at a caseload of 100 families – for an additional cost of \$1.2 million per year

should make up the overwhelming share of funding (likely 90 percent or more), or else large inequities quickly appear.^{7.vii} A design decision point is whether or not districts will be given taxation authority, and if so, what the scope or scale of that authority will be.

How early childhood districts would be paid for

The cost of core district operations – the “central office” operations – would be paid for utilizing a combination of state and federal funds, and possibly including small local contributions. Many existing funding streams can be leveraged, so a good chunk of the annual cost does not require new revenue. These include current state general funds and Child Care Development Block Grant administrative dollars. The American Rescue Plan Act (ARPA) money provides a ready source for kickstarting district development. Since operational costs are not overly expensive, state budgets can be adjusted to absorb these outlays from 2024 onward, once the ARPA money expires. While private dollars may be accessed at the earliest phase of district planning and launch, they should not be relied upon as a long-term funding source.

The extent to which districts can be used to raise wages and reduce parent costs depends on the federal and state dollars that are flowing. Districts themselves may be empowered with minor taxation and bonding authority, but local jurisdictions ultimately do not contain the tax base to raise enough revenue to sustainably – or, in many cases, equitably – solve these challenges. Instead, districts are a vehicle that ensures revenues raised through increased taxation at the state level and/or increases in federal funds are able to flow effectively and with fiscal responsibility.

Making early childhood districts a reality: steps for advocates and policy makers

Districts do not have to be started whole cloth. Piloting districts in a few eager communities may allow states to work out the kinks and provide a localized proof of concept before wider adoption occurs. Similarly, district services can be brought online in phases, for instance beginning with child care and then moving on to home visiting, then maternal & child health, and so forth.

⁷ Currently in K-12, localities are on average responsible for roughly 45 percent of funding, states for 45 percent and the federal government for 10 percent.

Early childhood districts are a new concept, so advocates must educate parents, practitioners, and policy makers. They should convene conversations to introduce the model and get buy-in. They should also consider conducting a local cost-modeling project.

Policymakers, too, should convene stakeholders to begin conversations about establishing early childhood districts. They should also draft and pass enabling legislation for creating early childhood districts⁸ and ensure that regulations and other policy documents (e.g., state Child Care and Development Fund plans) allow for and align with the ECD model.

In sum, our current patchwork system of child care is failing all parties. Early childhood districts offer a practical and effective way to deliver better services and provide better jobs and wages – simply put, they offer a path forward to operationalize child care as a common good.

⁸Colorado's [HB19-1052](#) is one existing example.

APPENDIX A: Partial Menu of Potential Roles for Early Childhood Districts

- Operating as a one-stop centralized access point for parents, including providing financial assistance as needed directly to the chosen provider.
- Providing substantial funding within the district at levels that ensure that practitioners are well compensated and that programs have sustainable financing.
- Conducting analyses of family needs and preferences, as well as the supply of child care, and taking steps to fill gaps at a granular level (i.e., addressing not only geographic access needs, but also such needs as more overnight care, care offered in different languages, etc.; these analyses can include disaggregation of data by race and socioeconomic status).
- Creating alignment and feedback loops between child care programs and the K-12 public schools in order to maximize school readiness.
- Creating links between different types of providers (centers, public pre-K, faith-based programs, family child care, and friends, family, and neighbor caregivers, as well as parent caregivers).
- Coordinating other supports for families with young children (e.g., home visiting, maternal & child health, special education services, access to public assistance programs).
- Ensuring that child care facilities are adequate in number, type, and quality, possibly including working with social benefit-driven financial institutions and/or offering bond measures.
- Offering economies of scale for bulk purchasing of food, diapers, etc.
- Working with the state to conduct any required observations as well as provide effective professional development opportunities and other operational supports.
- Ensuring fiscal accountability for public dollars and equitable treatment among providers of different types (public school-affiliated programs, private centers, family child care programs, etc.)
- Offering opportunities for meaningful input from parents and practitioners, particularly those from historically disenfranchised communities.

APPENDIX B: How Early Childhood Districts Can Ensure Parent Access and Affordability

Parents will have an unconditional—and explicitly noncompulsory—right to access care within the early childhood district. Ideally, establishing a cap on fees will rein in costs, but many families will still require financial assistance. Districts can provide this assistance through direct payments to programs, in essence an automatic scholarship system.

Models exist that may be used as exemplars. Parents could, for instance, fill out a simple form with limited required documentation (e.g., the child’s birth certificate, proof of address, and the previous year’s income tax return), and the name of the program at which their child is enrolled. The district will then calculate the public portion of the parent fee and remit the payment directly to the chosen program.

Alternatively or in parallel, the district itself can operate as a common enrollment portal. In this system, parents rank-choice their preferences from a list of eligible programs and are offered a slot based on availability and potentially other weighting factors (similar to a K-12 lottery system). Similarly, districts can act as a one-stop shop or ‘no wrong door’ for families to access – either directly or through streamlined referrals – other vital services such as parenting supports and housing assistance.

Importantly, parent fees should be covered at a high level and for at least both lower- and middle-class families, and ideally all families within a district. In this way, early childhood districts would offer a means by which to implement proposals such as the Child Care For Working Families Act or other major state or federal child legislation. Districts could provide enough funding that no parent pays more than 7 percent of their income (the federal government’s standard for “affordable” child care), a sliding scale of set daily costs with a hard cap (like Canada’s emerging \$10 a day system), or some other metric.⁹ For those making beneath a certain income (e.g., those at or below the federal poverty line), all costs could be covered.¹⁰

In addition, districts will be positioned to conduct detailed analyses of where access gaps exist (along multiple dimensions of family need and preference, not the mere existence or lack of slots) and ensure that the supply of child care slots fully meets demand.

⁹ Districts also offer an easy means by which states could, if desired, implement ‘home care stipends,’ essentially payments for stay-at-home parents who opt out of using publicly supported external care; this is a common model in northern Europe that has occasionally been proposed in the United States..

¹⁰ Illinois recently permanently reduced the cost of care for families below the poverty line who receive child care assistance to \$1 a month.

APPENDIX C: How Early Childhood Districts Can Transform Funding of Child Care Programs

With enough state and federal funds in hand, early childhood districts will provide robust, annual funding to their providers. There are three main options for how this funding could flow. Each setup includes two assumptions. First, participating providers agree to a hard cap on parent fees.¹¹ Second, wages and benefits will rise to a family-sustaining level for lead teachers (\$20-25+/hour, if not full pay parity with public school teachers) and a livable wage for all employees (as determined by the local living wage index). Districts may consider establishing wage scales, or implementing recommended statewide scales. In addition, benefits for full-time staff should include, at a minimum, reasonable paid time off, health care, and retirement. The options, in no particular order, are:

Option 1: The government will pay 100 percent of employee wages and benefits at the given floor level, if the program agrees to keep wages and benefits at or above the floor.¹²

Option 2: All staff become employees of the early childhood district instead of their individual programs. Programs hire from the pool and retain firing power (like in principal-empowered K-12 districts).

Option 3: The government provides a large annual baseline operating grant to each program, equivalent to the average personnel costs at the new levels (personnel costs are generally 55 to 70 percent of a program's budget^{viii}), with no restrictions as to use; again, the program must agree to abide by the wage and benefit floors.

There are pros and cons to each of these approaches, but any of them would accomplish the goal of tremendously increasing compensation while lowering parents' costs. Additionally, in any of the models, programs will be able to healthily absorb normal variances in enrollment because such a significant percentage of their budget will be covered. Maximizing reasonable simplicity in design and implementation of the funding scheme should be a guiding principle.

¹¹ The hard cap can be either be determined via a formula that takes into account local variations in cost of living, or through a general statewide figure.

¹² This decoupling of wages and programmatic operations is currently being pursued in Ireland.

APPENDIX D: How Early Childhood Districts Can Coordinate with Other Child and Family Services

Early childhood districts offer a new opportunity to break down the siloing of child and family services that plagues the current system and harms both family stability and child development. There are different viable degrees of integration, including:

Option 1: An early childhood district acts in a coordinating role, serving as a highly visible single point of entry for families with young children, where they can be connected to other services such as home visiting, parenting support and child abuse prevention programs, and public assistance programs (WIC, SNAP, diaper banks, etc.).

Option 2: An early childhood district actively integrates child and family services, pushing for and helping fund co-location and expansion of services, as well as working with the child care programs within the district to be service delivery nodes.

Option 3: An early childhood district assumes governing ownership over several other child and family support functions (for instance, early childhood special education services or home visiting services).

In the limited number of communities that already have a coordinating body (e.g., an office of children and families), early childhood districts can work with that body's leadership to integrate as seamlessly as possible into the existing system.

Early childhood districts also offer a new opportunity to align early childhood with the K-12 system. ECDs will vastly increase knowledge of and access to the child care programs operating within a given school district, providing data that can establish the equivalent of feeder patterns: which child care programs are attended by most students who enroll at a given elementary school. It will be possible to create school readiness feedback loops (schools can see in what academic or socioemotional areas children are coming in strong, and where they need additional preparatory support), joint professional development between early elementary teachers and child care teachers, smoother Kindergarten transitions, and earlier parental engagement.

To facilitate this connection, regular meetings can be set between an early childhood district board and school district board, and a dedicated liaison can be identified on both sides.

APPENDIX E: Outstanding Questions

While this brief lays out the basic concept and design principles of early childhood districts, many questions remain intentionally unanswered. The actual implementation of districts will require extensive stakeholder input, iteration, and adaptation to local contexts. Key questions include but are not limited to, in no particular order:

- *The relationship of educator qualifications to the wage & benefit floors.* There is an ongoing debate about what degree/credential should be required for child care practitioners at different levels of responsibility, and how to create a system that honors the long experience of many non-degreed practitioners. The raising of wages and benefits should not automatically imply raising qualification ‘gates’, given the high level of uncertainty in the research base about the correlation between degrees and impact on student outcomes
- *The design of district governance* in ways that ensure representation from historically disenfranchised voices. This may suggest, where state laws allow, reserving a certain percentage of governing board seats for parents and practitioners
- *If and how to adapt current licensing requirements and/or other regulations,* given that the districts will operate most effectively if they capture all child care programs within their boundaries, including those currently license-exempt or unregulated
- *Unionization.* Depending on the design model chosen and state laws, there may be more or fewer opportunities for unionization of employees who wish to pursue that action. For instance, an early childhood district could in some cases for the first time offer a true entity against which to collectively bargain¹³
- *Listening and responding to concerns of those whose roles and responsibilities would be impacted by this shift;* the planning process should involve a substantial listening tour where the early childhood district concept is presented to stakeholders for feedback, and priority should be given to utilizing existing assets when feasible
- *The most effective way to integrate existing public early childhood education programs into the districts,* specifically Head Start/Early Head Start and state pre-K programs (some of which may require regulatory and/or legislative adjustment in order to integrate fully)

¹³In states where family child care providers are currently unionized, they tend to “bargain” against the state for questions like subsidy reimbursement rates, but that model has significant limitations.

REFERENCES

- ⁱ Haspel, E. "Crawling Behind: America's Childcare Crisis and How to Fix It." Black Rose (2019)
- ⁱⁱ First Five Years Fund, "NEW POLL: Widespread Bipartisan Support for Early Learning and Child Care Policy Proposals," Jan. 29, 2021, <https://www.ffyf.org/2021-poll-press-release/>
- ⁱⁱⁱ Badger, E. "That one time America almost got universal child care." The Washington Post, June 23, 2014. <https://www.washingtonpost.com/news/wonk/wp/2014/06/23/that-one-time-america-almost-got-universal-child-care/>
- ^{iv} See, e.g., National Association for the Education of Young Children, "There's No Going Back: Child Care after COVID-19," May 6, 2020, <https://www.naeyc.org/resources/blog/theres-no-going-back-child-care-after-covid-19>
- ^v Cobb, G. "The Investment Our Youngest Learners Need," Governing, April 24, 2019, <https://www.governing.com/gov-institute/voices/col-investment-infants-toddlers-early-childhood-education.html>
- ^{vi} Internal documents; a cost modeling tool for early childhood districts is forthcoming
- ^{vii} Darling-Hammond, L. & Ralkes, J. "Why Our Education Funding Systems Are Derailing the American Dream," Learning Policy Institute, Feb. 18, 2019 <https://learningpolicyinstitute.org/blog/why-our-education-funding-systems-are-derailing-american-dream>
- ^{viii} Workman, S. "Where Does Your Child Care Dollar Go?" Center For American Progress, Feb. 14, 2018. <https://www.americanprogress.org/issues/early-childhood/reports/2018/02/14/446330/child-care-dollar-go/>

About the Author

Elliot Haspel

Author & Program Officer, Education Policy & Research

Email: ehaspel@gmail.com

Twitter: [@ehaspel](https://twitter.com/ehaspel)

Elliot Haspel, M.Ed., is a nationally-recognized early childhood policy expert and author of the book ["Crawling Behind: America's Childcare Crisis and How to Fix It"](#) as well as the semi-monthly newsletter ["The Parents Aren't Alright."](#) Elliot's work has been featured in The New York Times, The Atlantic, The Washington Post, and The PBS NewsHour, among other mediums. He currently works at the Robins Foundation in Richmond, VA.

Nancy Vorsanger

Editor

The policy recommendations and views expressed in this essay are those of the author and not necessarily the views of the organization, staff, Board of Directors, funders, or other stakeholders.

In the spirit of creativity and the free exploration of ideas, Capita commissions products from diverse viewpoints exploring how the great social and cultural transformations of our day affect young children, and to foster new ideas to ensure a future in which all children and families flourish. The products we commission are intended to contribute to a public dialogue and foster debate about securing a future in which all children and families flourish.