This chapter provides a narrative history of ECI from the time it was first conceived through the 18-month planning period that led to its launch at UW in 1996, the creation of plans in participating neighborhoods, the implementation of ECE services, and the initiative’s ultimate scale-down in 2000. The narrative is derived both from an extensive examination of ECI’s documentary archives and from our interviews with stakeholders on all sides. It chronicles the major steps in planning ECI, identifies the key individuals involved in planning and implementation, summarizes the original business plan and the two revisions that followed, discusses experiences in a number of neighborhoods, and describes the identification of implementation problems and responses to those problems. For readers unfamiliar with ECI, this chapter provides useful background information that should make it easier to follow the analysis in Chapters Three through Six. For ECI’s stakeholders, who are familiar with much of the story, this narrative may help to clarify ECI’s history from a global, retrospective perspective.

Before beginning the narrative history, we present, in Figure 2.1, a rough timeline of some of the key events in ECI’s history. Readers may wish to use this timeline as a reference throughout the report.

GENESIS

The original inspiration for a major ECE initiative in the Pittsburgh region came in the fall of 1994 from Margaret Petruska, then director...
of programs in health and human services at the Heinz Endowments. After years of funding local demonstration projects in child care and early education, Petruska decided that Allegheny County needed a large-scale effort to expand ECE services for low-income, at-risk children. She discussed the idea with two people with whom she had worked in the past and who she believed could provide useful input and criticism. One was Victor Papale, then vice president for resource management at the UW of Allegheny County. Papale had much experience working with UW-funded community agencies and service providers. He also had considerable program administration experience, having previously served as administrator for two different county agencies. The second person was Jerlean Daniel, professor of child development at the University of Pittsburgh and a highly regarded expert in child development who was at the time

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1The reconstruction of the genesis and initiation of ECI relies on information derived from our interviews with various stakeholders, as well as on the transcript of a meeting held between a group of the original planners and staff at the University of Pittsburgh’s Office of Child Development in the fall of 1996. The purpose of the meeting was to document the details of how ECI was conceived and planned.
president of the National Association for the Education of Young Children (NAEYC). Papale and Daniel supported and helped to refine the idea of establishing a large-scale ECE initiative for Allegheny County.

The early planners felt such an effort was needed for two primary reasons. First, small-scale programs in Allegheny County had been insufficient to reach substantial numbers of disadvantaged children, and there were significant gaps in the systems of existing services. In 1994, a study conducted by the University of Pittsburgh’s Office of Child Development identified over 18,000 children under age six in Allegheny County who were living in poverty (Farber, Williams, and Groark, 1994). A significant number of these children had been born to teenage mothers, were low-birthweight babies, or had received late prenatal care. Yet the University of Pittsburgh researchers estimated that only about 43 percent of these children were receiving any kind of family support, subsidized child care, or publicly funded early education services (Farber, Williams, and Groark, 1994).

Second, ECI’s initiators were impressed by the growing body of research indicating that high-quality ECE services lead to improved school performance and other long-term gains such as a reduced likelihood of juvenile delinquency. As noted in Chapter One, high-quality services are usually defined as those with developmentally appropriate curricula and play activities (i.e., activities tailored to the developmental capabilities of each child) and a high degree of parent involvement; they are generally expected to include structural elements such as small group sizes, high staff-to-child ratios, and a highly trained staff (see, e.g., Gormley, 1995).

The planners envisioned an initiative that would break new ground by implementing high-quality ECE on a large, countywide scale. In addition, they agreed that such an initiative should, to the extent possible, be community driven. In other words, neighborhoods should be given considerable discretion over the design and administration of their own high-quality ECE programs. Other initiatives to improve services in low-income communities in Allegheny County (such as the New Futures initiative of the Annie E. Casey Foundation) had met with resistance or ended in failure, and many of those involved believed that a lack of sufficient community input was a major source of the problems. Moreover, among foundation staff and so-
cial service planners across the nation, there was (and continues to be) a growing interest in pursuing social interventions that are community based or community driven (see, e.g., Center for the Study of Social Policy, 1996; Schorr, 1997; and Zigler, Kagan, and Hall, 1996).

Petruska also consulted Robert Haigh in the Pennsylvania Department of Public Welfare (DPW) to get a sense of whether the state might commit funding to a large-scale ECE effort. Haigh had worked for several years in state government, and part of his job was to be a liaison between Pennsylvania foundations and DPW. Although he made no guarantees, he told Petruska that state policymakers might eventually be persuaded to support ECI with state funds if it could demonstrate favorable results for children.

The planners’ hopes about the prospect of getting state support were encouraged by the growing interest throughout the country in raising the quality of ECE programs, especially for at-risk children. Fueling this interest was recent research revealing the strong influence of early brain development on children’s abilities to achieve in school and as adults (see, e.g., Carnegie Corporation, 1994). This growing body of knowledge, combined with the research suggesting that high-quality ECE programs can significantly improve the school readiness and social development of young children, motivated policymakers in several states to begin investing more in early education programs. ECI’s planners could see the growing interest in ECE among policymakers across the country and were optimistic that Pennsylvania would join the other states that were increasing their investments.2

The planners agreed that UW was an appropriate organization to launch ECI and house it temporarily until a more permanent home could be found. Although they recognized that UW did not have extensive experience in the direct operation of large-scale programs, the organization was well known and highly regarded within the

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2 Across the country, public funding for ECE continued to increase through the late 1990s. Between 1998 and 2000, overall state spending on ECE programs (including family support programs) for preschool-age children (ages three and four) increased from $1.7 billion to $2.1 billion. Over the same period, state spending on programs for infants and toddlers climbed from $108 million to $226 million (National Center for Children in Poverty, 2000).
community and had the capability to raise the large amount of money that would be needed. In addition, the planners thought that ECE providers would see UW as a neutral agency. Moreover, there was no other obvious candidate to launch the initiative. Enlisting the support of UW Executive Director William Meyer and Heinz Endowments President Frank Tugwell, the planners convinced the boards of both the Heinz Endowments and UW of the importance of ECI. In October 1994, the Heinz Endowments board of trustees agreed to give the UW a $1 million “challenge grant” to begin the ECI planning phase. Four months later, the full UW board agreed to begin the planning process.

THE PLANNING PERIOD

An 18-month planning process ensued. Based on the research that had been conducted by the University of Pittsburgh’s Office of Child Development (Farber, Williams, and Groark, 1994) and on indicators of child well-being developed by the Annie E. Casey Foundation, planners identified 80 county neighborhoods with high rates of poverty and unemployment, large numbers of female-headed families and families receiving public assistance, and large numbers of high school dropouts. UW staff recruited community members from the neighborhoods, ECE providers, other social service providers, and local business leaders (approximately 80 total members) to participate in the planning process, which was led by Jerlean Daniel. The group was divided into various subcommittees, which met regularly from May to October 1995. At the end of this process, Daniel produced a preliminary plan based on the agreed-upon principles of the planning group members. The plan set a target of serving 80 percent of the “unserved” children (as defined in the earlier, University of Pittsburgh study) in the identified neighborhoods, ultimately aiming to reach 7,600 at-risk children.

In February 1996, the UW board accepted the preliminary plan but decided that ECI’s feasibility needed to be explored further. The board had three primary concerns. First, could UW raise the requisite funds for ECI without diverting donations from other UW pro-
grams? Three, was there a reasonable probability of getting the state to assume funding for ECI after a five-year period? And third, was ECI logistically feasible? That is, could the initiative really be expected to deliver services to 7,600 children in 80 neighborhoods across the county within five years?

UW convened committees of volunteer members from the UW board—including some of the skeptics who had raised questions about feasibility—and ECI consultants to address each concern. Several committees investigated the potential for raising funds from particular sources (corporations, foundations, or individuals); a committee chaired by Richard P. Simmons, chief executive officer (CEO) of Allegheny Technologies, examined the strategy for acquiring state support; and a committee chaired by Charles J. Queenan, Jr., a prominent local attorney, developed a business plan. The business plan committee was charged with estimating how much ECI services would cost, what kinds of ECE services would be provided (e.g., part-day preschool programs, full-day center-based or family child-care programs), who would administer the services, and which neighborhoods and children would be eligible.

The committees met periodically from February through May 1996 and presented their findings and recommendations at a meeting of the full board on June 4, 1996. The committees concluded that the fundraising plan was realistic and that a demonstrably successful initiative could impress state policymakers enough to induce a funding commitment within five years. The business plan, meanwhile, spelled out how high-quality ECE services would be provided to unserved children in distressed neighborhoods. Satisfied with the committees’ findings, the UW board, which represented a wide swath of Pittsburgh’s corporate leadership, unanimously approved the ECI business plan at the June 4 meeting and agreed to launch the initiative. In our interviews, a few stakeholders told us that they had had serious concerns about ECI (notably the prospects for inducing state buy-in) at the time, but, as friends and colleagues of ECI’s planners, had felt pressure not to voice their concerns. In any case, the

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3 An earlier study commissioned by UW had concluded that funds could be raised without jeopardizing UW’s existing fundraising efforts, but several board members were skeptical of the study’s results.
dissenters at this point were few and silent: It was clear that ECI had earned the support of key leaders in the business community.

The public-policy context in which ECI would operate changed substantially just as ECI was launched. One month prior to the UW board’s decision to launch ECI, the state of Pennsylvania passed a welfare-to-work law. The federal welfare-reform law was passed shortly thereafter, in August 1996. These laws created major changes to the primary welfare program for Pennsylvania families (Aid to Families with Dependent Children, or AFDC, which became Temporary Assistance for Needy Families, or TANF). Most significantly, the new laws imposed mandatory time limits and work requirements on the receipt of welfare benefits. As we describe later, these would ultimately have implications for ECI.

**THE ECI BUSINESS PLAN**

The person who took the lead in putting together ECI’s original business plan was Martha Isler, who had previously served as director of the Bureau of Child Development Programs at Pennsylvania’s DPW and as director of the YWCA’s Child Care Partnerships program (which administers state child-care subsidies to low-income parents in Allegheny County and provides other child-care services). Isler first became involved in the ECI planning process in March 1996, when she was retained by UW as a consultant to the project. In developing the plan, Isler worked with Papale and with Queenan and the other business leaders who were volunteer members of the committee. The planners also received pro bono assistance from professionals at McKinsey & Co. and Ernst & Young (who lacked specific experience in the business of ECE but had substantial general expertise in business planning and management).

The business plan set the goals and objectives of ECI, articulating the quality, scale, community, and sustainability aims. In addition, it laid out a specific administrative structure for delivering high-quality ECE services. An ECI management (ECIM) staff, housed within the UW, would have day-to-day management responsibilities. ECIM was to define the standards that would constitute high quality (e.g., minimum training and education requirements for provider staff, maximum staff-to-child ratios, and the kinds of curricula, play activities, and equipment that participating programs must have), create a
system for monitoring the quality of existing programs to ensure that they met these standards, oversee the allocation of ECI funds to participating communities, and provide community agencies and providers with technical assistance. ECIM staff were to develop a management information system for tracking enrollment and expenditures, and they were to work with a team of evaluators to monitor the quality of services provided and the outcomes for children and communities.

In the view of the planners, the monitoring system was essential for ensuring the maintenance of high quality across an extensive system of service providers. They believed that state licensing inspections were too infrequent to promote consistent quality. Even the higher standards of NAEYC accreditation did not, in the view of the ECI planners, guarantee that high quality would be maintained once the accreditation process was completed. Regular quality monitoring was intended to ensure that high quality was both achieved and maintained by participating providers.

The business plan also addressed the role of the individual communities. Community groups in the targeted neighborhoods would be invited to convene meetings to begin discussing the kinds of services appropriate for their neighborhoods. These meetings were to be open to the public and to involve as many interested community members or organizations as possible. Groups were to survey residents in their neighborhoods about their needs and preferences for ECE services, and to identify existing providers and other community organizations that could potentially contribute to ECI programs. In addition, each community planning group was expected to draft a service delivery plan. Groups could decide to use existing ECE providers in or near their neighborhoods, to establish new providers, or to rely on a mix of the two. They could also decide on the mix of specific services to offer, based on what parents said they wanted: part-day preschool classes (similar to Head Start), full-day child-care centers, family child-care homes, or early literacy programs.

In addition, community planning groups were expected to identify an organization to serve as "lead agency" for the community. (Lead agencies could be involved in the drafting of community plans.) The lead agency would manage ECI programs at the community level, conduct the first level of quality monitoring, and serve as a fiscal
conduit, receiving ECI funds and allocating them to participating providers. Lead agencies could also operate their own ECE programs. In sum, communities were intended to have the authority not only to select the array of services they deemed appropriate locally, but also to have direct operational control over the establishment and operation of ECE services, under the supervision of ECIM.

Operationally, the structure suggested by the plan was as illustrated in Figure 2.2.

The business plan also called for the creation of an ECI advisory board, which was to constitute the volunteer leadership of ECI, to represent the larger community of Allegheny County as a whole. It would be expected to determine the criteria by which to judge community plans, review and suggest revisions to the plans submitted, and recommend plans to the UW executive committee for approval. The advisory board was to consist of UW board members, ECE practitioners, other business leaders, and residents from the targeted communities.

The plan stressed the importance of carefully evaluating the performance of the initiative, as measured not only by service quality, but ultimately by outcomes for children and, secondarily, parents and communities. Staff at McKinsey & Co. developed a list of “key performance indicators” by which ECI should be judged. These included performance targets for children, parents, and communities—for example, a promotion rate of at least 95 percent for former ECI children going from first to second grade, increases in the
amount of educational materials in the home, and increases in the
number of accredited centers and family child-care homes. The plan
called for hiring an independent research team to conduct the eval-
uation. Following a competitive bidding process, the SPECS team,
consisting of researchers from the University of Pittsburgh and Chil-
dren’s Hospital of Pittsburgh, was ultimately selected (in December
1997). The findings to date of the SPECS team with respect to pro-
gram quality, community results, and child welfare outcomes are
reported in Bagnato, 2002.

The plan concluded that ECI would cost approximately $59 million
over five years. This cost estimate was based on a number of as-
sumptions about enrollment rates, administrative costs, and the mix
of services that would be chosen by the communities. Different
kinds of services in the plan (part-day preschool and early literacy
programs, and full-day family and center-based child care) varied in
cost from an estimated $1,728 to $8,560 per child per year. The busi-
ness plan assumed that most of the services would be relatively low-
cost, part-day services, and thus that the average cost per child
would be $4,000 to $5,000 annually.4

The plan also declared that securing state funding to cover most of
the costs of the initiative after five years was crucial to the initiative’s
long-term sustainability. At the insistence of the UW board, the plan
included a strategy to phase out the initiative if the state had not
made a financial commitment by the end of the third year of imple-
mentation (1999). Gradual phase-out would occur over years four
and five of implementation: No new children would be enrolled in
ECI programs, and those already being served would continue to at-
tend programs only until the end of year five (2001), at which point
the initiative would end. Under this phase-out contingency plan, the
total five-year cost of the initiative was estimated to be approxi-
mately $21 million, or just over a third of the total five-year cost if
scale-up were to proceed beyond year three.

4The lower- and upper-bound costs reported here refer to the total cost per child per
year for year three of the initiative, including all capital, operating, and administrative
costs. The range of the average cost per child per year reported refers to the five years
of the initiative. In our calculations (but not in the original business plan), capital
costs were amortized over a 15-year period at a 7 percent discount rate. More details
on our cost calculations can be found in the Appendix.
LAUNCH

From June through December 1996, UW staff and ECI consultants worked to get the initiative off the ground. Three people performed much of this work and were regarded as the key staff who would be responsible for operating ECI: Victor Papale, Martha Isler, and Joyce Wilbur, UW vice president for development. Papale had left his staff position at UW in December 1995 and was now serving as a consultant to ECI. Papale and Isler both reported to Joyce Wilbur, who in turn reported to William Meyer, UW CEO. Papale, who had extensive connections with many community groups and agencies throughout the county, especially UW-funded agencies, was responsible for engaging the support and participation of community organizations and existing ECE providers. Isler was in charge of developing eligibility criteria for children and quality standards for ECI programs, writing the Request for Neighborhood Plans (RFNP), overseeing the drafting of a policy and operations manual for lead agencies, establishing provider staff education and training requirements, and supervising the development of a quality monitoring process. Wilbur led the ECI fundraising effort, identifying select groups of local foundations, corporations, and individual UW donors that would be most likely to contribute to ECI and arranging, with the help of UW board members, a variety of fundraising dinners and related events.

The Heinz Endowments and Richard King Mellon Foundation were the first and largest contributors to ECI, committing a total of $22 million ($12 million from Heinz and $10 million from R.K. Mellon). In September 1996, the U.S. Department of Housing and Urban Development (HUD) awarded ECI a $1 million grant to provide ECE services in four local public housing communities.

The UW executive committee and UW staff and consultants identified a group of business leaders, ECE providers, and community leaders to serve on the ECI advisory board. This board met for the first time in October 1996 to begin determining the criteria that community plans would have to meet. For example, plans had to identify existing providers who would participate, identify building space for new programs and provide estimates of renovation costs, identify the number of lead agency and provider staff who would be hired, and estimate the number of infants, toddlers, and preschool-age children who would likely be served. These criteria were final-
ized by the end of the month, as Isler and Papale were completing the RFNP.

In November 1996, the RFNP was mailed to over 600 community organizations in the 80 targeted neighborhoods. At the same time, UW staff and consultants (primarily Isler and Papale) began holding public meetings at local libraries to spread the word about ECI, persuade community residents and leaders of the importance of high-quality ECE and of the opportunity that ECI represented, answer questions about the RFNP, and encourage community leaders to begin mobilizing residents and convening community meetings.

In the following month, December 1996, UW management hired several staff members who would constitute ECI management (ECIM). These included a director of quality assurance, who was responsible for assisting with the development and implementation of a quality monitoring system; a director of policy and operations, primarily responsible for drafting a policy and operations manual for lead agencies, which would include contracting, budgeting, enrollment, and funding guidelines; and a director of community relations, who was to provide technical assistance to planning groups and lead agencies, mainly by attending community meetings to provide information about the requirements that community plans had to meet. In addition, Papale and Isler provided assistance and information to community groups interested in participating in ECI.

In March 1997, Meyer hired Isler, formerly a consultant to the project, to manage the initiative within ECIM. As ECIM director, Isler oversaw the directors of quality assurance, policy and operations, and community relations. She continued to report to Wilbur, the UW manager responsible for ECIM.

**PLANNING IN THE NEIGHBORHOODS**

Throughout this time and extending well into the next three years in some communities, community groups and nonprofit agencies in targeted neighborhoods announced and convened public meetings to plan ECI programs. In general, each local planning group included representatives of several contiguous neighborhoods, and each group chose a lead agency to represent these neighborhoods. For example, a planning group in the economically depressed
Monongahela Valley suburb of Braddock included representatives from six neighborhoods: Braddock, North Braddock, East Pittsburgh, Swissvale, Rankin, and the Hawkins Village public housing community (Hawkins Village started with its own community plan and later joined the larger, Braddock-area group). The group elected to have Heritage Health Foundation, Inc., a community foundation in Braddock that had been created through a hospital merger, serve as the lead agency for all six neighborhoods. ECIM allowed local planning groups and lead agencies considerable discretion in defining community boundaries (i.e., in deciding which neighborhoods or municipalities would be included in a given community).

ECIM decided to accept only one service delivery plan from each community. This led to conflict in some communities, as different groups and agencies competed over which would represent the community and submit a community plan. Conflict occurred even in communities where a dominant group and/or lead agency stepped to the fore, as different community leaders advocated their own visions for ECI. Although ECIM community relations staff (two people—the director of community relations and a community outreach specialist who supported the director) attended many of these meetings, informing participants of ECI requirements and answering questions, they generally did not attempt to resolve these conflicts, according to interviewees who attended the meetings. To avoid imposing on the communities’ desires, their role was defined primarily in terms of information provision. The community relations staff informed planners about the kinds of services they could choose to offer, the qualifications that ECE program staff and lead agency staff needed, and other ECI requirements.

Each community planning group drafted and distributed surveys to residents to assess their needs for ECE services. The questionnaires generally inquired about number of children, children’s ages, current use of ECE services, need for ECE services, and types of services desired (e.g., part-day versus full-day care, evening or nighttime care, and center-based or family child care). According to our interviewees, survey design and administration varied across communities but generally involved informal methods. Some planning groups distributed surveys to parents who happened to attend planning meetings. Others sent teenagers door-to-door to canvass parents. Communities were not expected to use formal procedures, such as
drawing a random sample of households to survey. Typically, about one hundred parents completed questionnaires in response to a community survey.

Most local planners were interested in establishing new child-care centers. Planning groups and lead agency staff therefore surveyed their neighborhoods for vacant buildings that might be usable for new ECE programs. Several planners also invited existing providers, both center based and home based, to participate in planning meetings. In some communities, such as the Hill District, existing ECE providers were heavily involved in the planning process and were quite interested in serving ECI children. In others, such as Homewood/East Hills, existing providers were much less involved. (Chapter Four discusses the reasons that existing providers were not more involved in many neighborhoods.) A few existing providers, such as those located in the former mill town of Homestead and the communities of Highlands and Brackenridge, were Head Start centers that were interested in becoming state licensed and adding child-care wrap-around components to their programs, enabling them to offer full-day care.

The first community service delivery plan was submitted to ECIM in early 1997 by a group of residents in a public housing community. The ECI advisory board did not accept it. According to our interviewees, the plan lacked detail in a number of areas, including identification of a lead agency. In fact, the inability to decide on a lead agency proved to be a major problem (among others) in this community. Members of the residents’ council were unable to reach consensus on a lead agency and on what types of services should be provided. Two agencies were interested in assuming the lead agency role, and the council was split over which was the better choice. This is an example of the kinds of conflicts within communities that sometimes developed around ECI.

The first community group to receive approval for a service delivery plan was the residents’ council at the Hawkins Village public housing community in Rankin (prior to its affiliation with the Braddock-area group). The plan, submitted in February 1997, was developed with assistance from the Allegheny County Housing Authority and from an established ECE provider, Louise Child Care, which the residents’ council chose to be the lead agency. Planned services included es-
establishing a new child-care center within the public housing community, as well as recruiting several residents to be family child-care providers. The plan worked its way through the proposal review process the following month, obtaining the approval of ECIM, the ECI advisory board, and, finally, the UW executive committee.

ECIM and UW management were eager to begin providing services in Hawkins Village. Hawkins Village was to be one of the four public housing communities where services were to be funded with the $1 million grant received from HUD in September 1996, and none of that money had been spent yet. ECIM also needed to test its pre-service training curriculum, which had been drafted by a career development committee (consisting mainly of several local academics and ECE practitioners) with assistance from ECIM. Shortly after the plan was approved, a group of residents seeking to become ECI family child-care providers completed the two-week, 50-hour pre-service training program. Trainees learned about ECI policies and procedures; state child-care regulations; best practices for providing learning activities for infants, toddlers, and preschool-age children; and the developmental stages of children in each age group. They also received training in CPR and first aid. The training was provided by a number of different trainers with whom ECIM had contracted, including staff from Louise Child Care.

In addition, ECI staff inspected the apartment of each prospective provider, identifying equipment, materials, and capital improvements that would be needed to meet state regulations and NAFCC standards. After funding improvements in several apartments, ECI began funding operations for these family child-care providers in July 1997. Meanwhile, the lead agency began negotiating with the county’s public housing authority to find space for the new center.

QUALITY ASSURANCE

Once a community’s plan was approved by ECI, each provider (whether a family child-care provider or a child-care center) had to meet a variety of standards to become eligible for ECI funding. ECI’s quality assurance director, working with quality assurance monitors hired by each lead agency, was responsible for ensuring that providers met these standards. Martha Isler also performed a number of inspections. She and her staff were interested, first of all, in
whether programs met a basic level of health and safety, such as having smoke detectors installed and stairways with gates to prevent children from falling. To be licensed to operate in Pennsylvania, centers were required by the state to meet these standards and substantially more, including staffing and professional development. In the view of ECIM, the state licensing standards represented a “foundation” for building high-quality services. If programs met these standards, and if program directors and staff expressed an enthusiasm for pursuing NAEYC accreditation and complying with ECI quality standards, they were usually deemed ECI eligible. In practice, most communities decided to establish new providers rather than rely on existing ones. Both new and existing providers were inspected.

Once ECI-eligible, the provider could receive ECI subsidies for eligible children and funding to assist with meeting ECI standards and becoming NAEYC accredited. In general, ECI quality standards were based on NAEYC standards regarding staff-to-child ratios, minimum staff training and education requirements, and curricula. In addition, ECIM expected that lead agencies and providers would attempt to hire staff from within their communities (to ensure the integrity of community control) and conform to a compensation package of pay and benefits that was more generous than the minimal pay and lack of benefits typical in the industry. And in the view of ECI’s planners, ECI’s most important addition to NAEYC requirements was the ongoing quality monitoring system. The quality assurance director and quality monitors not only inspected prospective providers for their compliance with minimal standards, but also regularly inspected participating providers to ensure that they met the more rigorous standards of ECI and NAEYC.

TRANSITIONS IN ECI MANAGEMENT

Victor Papale left his position as a consultant to ECI in September 1997 in order to be a consultant to another ECE initiative in Colorado. Martha Isler took over most of Papale’s work with community planning groups and potential ECI service providers. For ECI, losing Papale meant losing a key link to these agencies.

Approximately five months after Papale left, John Sava, former superintendent of a high-poverty, rural school district, was hired as
the UW vice president for early care and education services. Although Sava was not hired specifically to replace Papale, UW management hoped that he could fill the role Papale had previously filled by working closely with community groups and service providers. Sava had a reputation for this kind of work, especially for bringing disparate agencies and constituencies together in support of a common mission.

In January 1998, ECI staff completed their first draft of a policy and operations manual, which was distributed to lead agencies. A further revised version of the manual was given to lead agencies two months later. In February 1998, UW management hired several additional ECI staff. In addition to John Sava, these included a community outreach specialist, who worked with and reported to the community relations director; a family child-care specialist, who provided technical assistance to family child-care providers and reported to the quality assurance director; and a collaboration specialist, who managed contracts with state government and relations with other agencies, such as the YWCA (which administers the state’s primary child-care subsidy program).

By the end of the year, ECI was hit with a second key departure. In November 1998, Joyce Wilbur left her position at UW of Allegheny County to take a fundraising position at UW’s national office. As a result, Sava assumed a greater role. Isler, who had been reporting to Wilbur, now reported to Sava (who in turn reported to Meyer). The departure of Wilbur left ECI without its key fundraiser and its key intermediary between ECIM and UW management. With Papale and Wilbur out of the picture, Isler was the only one remaining of the three individuals who had been expected to lead ECI’s operations.

EARLY PROBLEMS

Physical Infrastructure Challenges

In November 1997, the second community plan, submitted by the Homewood Collaborative community group, was approved. The Collaborative, which represented six neighborhoods in the Homewood/East Hills area of the city of Pittsburgh, planned to establish several new child-care centers and to recruit new family
child-care providers. Not long after approval of the plan, ECI staff realized that a lack of code-ready space for new centers in the Homewood area would pose a major challenge. Members of the Collaborative, their selected lead agency (Primary Care Health Services, Inc., a local community health clinic), and ECI staff spent many months trying to identify available space that could be converted to a center at reasonable cost. While family child-care services became operational eight months after plan approval, the first ECI center-based services in the area did not become operational until almost a year and a half after the plan had been approved.

The poor condition of the physical infrastructure in virtually all targeted neighborhoods turned out to be a significant problem for ECIM and local planners. In addition to existing in Homewood, this problem was especially great in the former mill towns of Stowe Township, McKees Rocks (known collectively as Sto-Rox), and Duquesne, and in the Hill District and Oakland neighborhoods in the city of Pittsburgh. Finding adequate space for centers led to delays in getting new services operational. Other factors, such as internal conflicts among community planners, also inhibited programs from getting off the ground in some communities. In some neighborhoods, planned services never became operational.

Expansion of the Committee Oversight Structure

UW management became increasingly concerned with the funding amounts being requested for new child-care centers in response to the facilities problems, as well as with the perceived quality of some of the neighborhood plans. To add an additional layer of quality control to the plan review and approval process, Meyer and the UW executive committee convened a preliminary review committee (PRC) in late 1997. After the ECI advisory board had reviewed and approved a community plan, the PRC would review it; if the committee approved the plan, it would go to the UW executive committee for final approval. The PRC focused on ensuring that community planners had identified space for programs, specified in detail the renovations that would be needed to get the space up to code, and projected how many children they expected to serve and at what cost.
In January 1998, the third community plan was approved, this one for Braddock and several surrounding neighborhoods. In surveying Braddock and its surrounding neighborhoods, local planners found no licensed child-care facilities. Not unlike planners in the other communities, local planners in Braddock hoped to establish several new child-care centers and family day-care homes.

UW management remained concerned about the level of funding being requested in community plans. By early 1998, it had become evident to ECIM and UW staff that all communities were overwhelmingly planning for full-day ECE services. Local planners had found that most parents needed full-day care for their children while they worked. Many of these parents were welfare recipients seeking employment as a result of recently enacted welfare-reform policies (which imposed time limits on benefits). Yet the original business plan had projected that 71 percent of ECI services would be part-day, Head Start–like programs. Full-day, center-based care (with some full-day, family child care) would be much more expensive than Head Start–like programs providing care for 3 to 3.5 hours per day, and these higher costs were reflected in community plans.

In March 1998, unsatisfied that the existing structure was producing well-designed neighborhood plans at a reasonable level of cost, Meyer and the UW executive committee convened an ECI management committee to add another layer of quality control to the community plan review and approval process and to provide ECIM with additional guidance. With this addition, community plans approved by the PRC were vetted further by the ECI management committee before being referred to the UW executive committee. The ECI management committee consisted of three members: Jerlean Daniel, the ECE expert who had been involved in ECI’s early planning; James Roddye, a prominent business leader (who was later elected to the office of county executive); and Karen Shapira, a leading philanthropist. The ECI management committee focused largely on reviewing and requesting revisions to community plans.

**Neighborhood Planning and Approval Delays**

Over the remainder of 1998, several more community plans were approved. But with plans under greater scrutiny, the approval process
naturally took longer. For example, local planners in the working-class suburban towns of Stowe Township and McKees Rocks (Sto-Rox) submitted their first formal plan to ECIM in March 1998, after about 15 months of planning. Over the next five months, they were required to revise the plan four times, until the plan was approved in August 1998. Yet ECI services did not become operational in Sto-Rox until 10 months later, in June 1999, when three family child-care providers opened.

The main goal of planners in Sto-Rox was to open an early learning center that not only would provide center-based ECE, but also would offer a variety of additional social services from several community-based providers (Early Head Start services for children under age three, after-school care for school-age children, adult education services, etc.). They spent many months searching for a site for the new center, a difficult task given the quality of the building stock in Sto-Rox. Once a site was identified, local officials told planners that they could not build the center because it could place too much of a burden on the local sewerage system. Planners ended up discarding their plans for the early learning center, eventually finding available space at an existing building (formerly a Catholic elementary school) for a new child-care center. ECI funded renovations to the building during the fall of 1999, and the center opened its doors in December 1999—approximately three years after initial planning had begun in Sto-Rox, 20 months after the first plan had been submitted, and 15 months after plan approval. (And while the center has the capacity to provide ECE services for 54 children, it does not offer the comprehensive set of services that local planners had originally envisioned.)

A variety of factors account for Sto-Rox’s long road to getting services operational: the lack of available space in the community, zoning problems, and the need to revise the community plan several times in response to the demands of ECIM and the review committees.

The experience of local planners in Sto-Rox was by no means unique. Planners in several other communities, such as Pittsburgh’s South Side and the city of Duquesne, experienced many of the same problems in developing community plans that met the approval of ECIM and the review committees, finding adequate space for new centers, and getting programs off the ground. In most communities, these challenges exacerbated the problem of reaching consensus among various constituencies and neighborhood groups.
Nonetheless, throughout 1998, ECI programs became operational in several communities. Some of these were family child-care homes, but most were new centers and classrooms. In Wilkinsburg, a new center opened in late August 1998. Shortly afterward, a new center with the capacity to serve 111 children opened in Braddock. ECI also began to fund renovations to and purchase services from a few existing child-care centers, most notably in the Hill District.

Table 2.1 charts the time from approval to the beginning of operation of centers and family child-care providers. It does not indicate how much time went into the neighborhood planning process prior to ECI’s approval of the plan. Systematic data on the time spent in neighborhood planning and negotiation with ECI over the plan, unfortunately, are unavailable for most neighborhoods. Our interviews

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<th>Community Plan Approvals and Program Start Dates</th>
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<td>Hawkins Village&lt;sup&gt;a&lt;/sup&gt;</td>
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<td>East Hills/Homewood</td>
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<td>Bedford Dwellings</td>
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<sup>a</sup>Eventually folded into the Braddock plan.

NOTE: NA = not applicable.
indicate, however, that a number of neighborhoods experienced lengthy periods of community planning and multiple submissions to ECI.

**Head Start Initiatives**

In addition to its work with community agencies, ECIM provided direct assistance to several Head Start programs in the county that wished to become licensed with the state to offer full-day care and collect state child-care subsidies. In April 1998, ECI received a one-year, $115,000 grant from the state DPW for this purpose. Beginning in mid-1998 and extending into the following year, ECI provided funding and technical assistance to 20 Head Start centers (with a total capacity for just over 300 children) that became licensed.5

**THE REVISED (1998) BUSINESS PLAN**

Concern among ECIM and UW management over higher-than-expected capital and operating costs (resulting from the emphasis on full-day services) ultimately led to the creation of a revised business plan. Work on the plan began in mid-1998 and was completed by November of that year. UW management and ECIM both made significant contributions to the revised plan with help from some of the same staff at Ernst & Young who had assisted with the original business plan.

The revised plan maintained the goal of attempting to serve 7,600 children by the end of year five (2001) and to do so using a community-driven process. But it recognized that the service mix would be drastically different from what had been originally anticipated. Under the revised plan, 95 percent of participating children were expected to enroll in full-day programs, as opposed to the original expectation of 29 percent. Welfare reform was cited as the major reason for this shift in the service mix.

The result was a much larger total projected five-year cost for the initiative: $104 million instead of $59 million. Yet the planners esti-

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5These were in addition to seven new Head Start classrooms (with a capacity to serve 110 children) that were established as part of the community planning process.
mated that about $49 million (47 percent) could be secured through existing state subsidy programs. Pennsylvania has two child-care subsidy programs, both managed by the state DPW. One program, administered in Allegheny County by the YWCA of Greater Pittsburgh (under contract to DPW), provides subsidies for the children of former welfare recipients and the working poor. The other, administered by county assistance offices, subsidizes care for the children of welfare recipients attending workfare or job training or education programs. Pennsylvania had recently begun increasing appropriations for these programs, and there were indications that the appropriations would rise further. To collect this subsidy revenue (which would offset program costs to ECI), the plan stated that all lead agencies would be urged to persuade parents to apply for subsidies and to ensure that as many children as possible were receiving subsidies. (Up to that point, lead agencies had collected very little subsidy revenue.) The remaining $55 million (53 percent) of the total five-year cost was to be covered by the fundraising process already under way. This amount represented only a slight increase over the amount ($51 million) that local, private funders were expected to meet in the original plan.

The revised plan also altered the strategy for securing long-term state funding for ECI. Rather than seek a new line item in the state budget, ECI advocates would attempt to persuade policymakers to raise subsidy reimbursement rates from the current 75 percent to 100 percent of the market rate for care, and preferably to raise them even higher to cover the full cost of high-quality care for subsidy-eligible children. Finally, the plan called for UW to examine progress in February 1999 to determine the extent to which the goals set forth in the revised plan were being met. Most importantly, this analysis would assess the degree to which lead agencies and providers were collecting state subsidy revenue.

FURTHER REASSESSMENT AND REVISION

ECI’s Status After Two Years

By the end of 1998 (year two of implementation), eight communities representing 24 neighborhoods had approved community plans. (The plan for one of these communities, Hawkins Village, would
eventually become folded into the Braddock plan.) In terms of the number of neighborhoods with approved plans, ECI was slightly ahead of what the original planners had expected (20 neighborhoods by the end of year two). Nevertheless, enrollment was significantly lower than originally projected. ECI served an estimated 233 children in 1998, compared with an original projection of 1,099. Low enrollment reflected many of the problems described above, in particular the time needed to start new services and the difficulties in identifying adequate space for new centers. As a result of these problems, services were not yet operational in all 24 neighborhoods, and several programs had only recently opened.

Fundraising for ECI largely ceased after Wilbur’s departure. While ECIM and other UW staff spent some time attempting to raise additional funds (mainly government grants), these efforts did not match the amount of time that Wilbur had spent on this task. UW management felt that large-scale fundraising could not proceed while ECI was far behind its enrollment target. By October 1998, ECI had raised approximately $34 million in donations, grants, and conditional commitments.

In February 1999, UW staff analyzed ECI’s progress toward the goals stated in the revised (1998) business plan. The analysis showed that few children were receiving state subsidies; subsidy revenue collected by lead agencies remained negligible—at least in part because the subsidy program was underfunded and parents were subjected to extended time on waiting lists. Subsidy revenue had accounted for only about 5 percent of total ECI program revenues through 1998. Virtually all ECI children were receiving full-day care, and costs per child served were high. In the same month, however, a major policy change infused the state’s main child-care subsidy program (which targets former welfare recipients and the working poor) with a substantial funding increase, resulting in shorter waiting lists. Thus, UW management remained hopeful that subsidies could be used to a much greater extent and began to stress the importance of seeking subsidy revenue to lead agencies.

The Third Business Plan

The strong support that ECI had previously held in Pittsburgh’s business community began to break down in the face of slower-than-
expected enrollment growth and higher-than-expected costs. Concerned about financial trends, the UW board voted on June 15, 1999, to have the business plan revised once again. A detailed draft plan was produced by UW management in July, finalized in early August (with assistance from staff at the consulting firm of Dickerson & Mangus, Inc.), and formally presented to various funders, agency directors, and other stakeholders at an August 2, 1999, meeting at UW. The plan called for (1) involving greater numbers of existing providers with a simplified process for deeming them ECI eligible, (2) prohibiting any new children from enrolling unless their parents had applied for state subsidies, (3) replacing line item funding for lead agencies with funding based on a capitated rate per child enrolled, and (4) aggressively marketing ECI to increase enrollment in ECI programs. The plan also called for the board to delay for one year its decision to either continue or scale down the initiative. Under the original plan, this decision was to be made at the end of 1999 (year three). Under the newly proposed plan, it would be made in November 2000 in order to give ECI, in its revised form, the chance to demonstrate success in reducing costs, increasing enrollment, and persuading the state to raise subsidy rates enough to fund the full cost of high-quality care.

The release of the proposed plan made clear that rifts had opened in the coalition of business leaders, foundations, neighborhood leaders, and ECE advocates that had formed to launch ECI. The proposed plan met with resistance from several directions. One major rift was internal: The plan had been developed without substantial input from ECIM, which was increasingly in conflict with UW management over the direction of the initiative. ECIM and UW management placed different priorities on the initiative’s different goals. While maintaining high-quality standards was ECIM’s paramount objective, UW management was concerned about enrolling substantial numbers of children at a cost that would permit sustainability. With the initiative short of enrollment targets and costs far higher than expected, the goals held dear by ECIM and UW management seemed to be in tension, putting the leadership at odds. The most important human link between ECIM and UW management had been Wilbur, now departed for the national UW. The disagreements between ECIM and UW management developed into a power struggle for control of the initiative in 1999 and 2000.
Many community stakeholders were also upset with various elements of the plan and felt that they too had been given little opportunity to provide input. Other stakeholders, including the staff at the Heinz Endowments, were equally concerned about the lack of community input.

As a result of these concerns, the UW executive committee agreed to seek community input and further revise the plan. They contracted with Dickerson & Mangus, Inc., a prominent local consulting firm specializing in strategic management and crisis management, to interview a diverse group of stakeholders, including several community leaders. Based on the input provided by this process, UW management (with assistance from Dickerson & Mangus) modified the proposed plan, producing the Year 2000 Revised Business Plan. While differing somewhat from the previous version, the new plan retained most of the earlier version’s proposed changes to ECI. In January 2000, the UW executive committee voted to approve the plan. Shortly after approval, UW management and ECIM began to implement elements of the plan while giving lead agencies time to prepare for the remaining program changes.

The most significant change was the mandate that no new children could be enrolled unless their parents had applied for subsidies. Parents of children already enrolled in ECI who had not applied for subsidies were required to do so. Those children already enrolled but deemed to be subsidy-ineligible (i.e., whose applications had been denied) were permitted to remain in ECI under a grandfather clause. UW management instructed all lead agencies to work toward the goal of having at least 90 percent of participating children receiving state subsidies.

Like the plan proposed in July 1999, the 2000 plan called for the replacement of line item funding with funding based on a capitated rate (per child enrolled) and set stringent controls on the extent to which ECI would reimburse lead agencies for administrative expenses. At the request of the lead agencies and ECIM, UW management agreed to delay implementation of capitated funding until July 2000. All told, these were major policy changes for the lead agencies, which struggled to adapt to them.
The 2000 plan also stipulated that no new community plans would be accepted. Review and approval of plans already in the review process were to be completed by the end of June 2000. In addition, at several points throughout 1999 and early 2000, the UW executive committee mandated that no additional children could be enrolled in ECI programs. These decisions were motivated by concern over the initiative’s financial sustainability. But the committee later revoked these mandates, usually because lead agencies complained that some centers (especially those that had just recently opened) needed to build up their enrollments to levels approaching their capacity given the fixed costs associated with keeping a center open and staffed.

**SCALE-DOWN**

An ECI transition committee began meeting on a regular basis in December 1999. This committee consisted of representatives of major ECI funders (including the Heinz Endowments and R.K. Mellon Foundation), top-level UW management, and members of the UW board. The committee’s primary objective was to identify an organization that could serve as a new home for ECI. Even before the formation of the committee, UW management had been actively attempting to find an organization that could take over responsibility for ECI.

In the spring of 2000, the ECI transition committee also began to consider scaling the initiative down to a very limited number of communities. ECI reached its peak enrollment in May 2000, serving 686 children—one-fourth the number that the original business plan had expected to serve by that time. (Actual and intended enrollments in ECI are depicted in Figure 2.3.) In June 2000, convinced that ECI was no longer sustainable in its existing form, committee members agreed to convert ECI to a demonstration program, with services provided in just two of the 11 communities with approved plans, Wilkinsburg and Braddock. These sites were chosen because they were considered to be the most successful and enrolled the most children (about 40 percent of the total children enrolled at the time).

The conversion of ECI to a demonstration program serving only Wilkinsburg and Braddock took effect on July 5, 2000. At the same time, UW management laid off most of the ECI staff. UW continued
to fund the other nine lead agencies with lesser amounts (approximately $2,500 per child) through the end of 2001. (Some ECI funders agreed to allow their donations to be used for these and other non-ECI early care programs.) UW funding for former ECI agencies for 2002 and beyond is uncertain.

In late 2000, the University of Pittsburgh’s Office of Child Development (OCD) agreed to become the new host agency for what is now the ECI Demonstration Program (ECIDP). On April 1, 2001, management of ECIDP was transferred from UW to OCD. OCD receives funding from the Heinz Endowments and R.K. Mellon Foundation for ECIDP and is contracted to manage the two remaining sites for a three-year period, after which they are expected to be self-sustaining. With funding from the two foundations, the SPECS research team continues to track current and former ECI children in Wilkinsburg and Braddock, as well as in the former ECI sites.

CONCLUSION

When ECI was officially launched in the summer of 1996, it included a business plan that had been prepared under the scrutiny of key downtown business leaders and with the assistance of staff from
high-powered consulting firms. Despite the scrutiny, however, the business plan had several weaknesses that contributed to ECI’s difficulties. These weaknesses were compounded by problems in ECI’s operation and implementation. Chapters Three through Six discuss some of the weaknesses in ECI’s operational plan, administrative structure, and implementation that contributed to its failure to achieve its goals.