Many aspects of ECI—its theory of action, its administrative structure, the incentives it created, and its strategy for inducing the state to take over financial responsibility—suggest lessons for future large-scale private-public initiatives. This chapter discusses those lessons, presents some promising alternative models for the design of ECE initiatives, and addresses some of the public-policy implications of ECI’s successes and failures.

LESSONS FOR FUTURE LARGE-SCALE PRIVATE-PUBLIC INITIATIVES

Focus on Clear Goals and Well-Defined Services

ECI’s quality, scale, and community control goals often came into conflict with each other, especially when different stakeholders (e.g., ECIM, UW management, neighborhood leaders) prioritized these goals differently, or when different stakeholders (e.g., parents, neighborhood leaders, ECIM) defined quality differently. A narrower focus on a more limited number of goals may be a better approach, especially if goals are in tension with each other. A number of promising ECE initiatives in other communities (see next section) aim to provide high-quality ECE programs to children quickly by improving existing providers, rather than by promoting new centers through a community development effort involving substantial time and resources. This is not to say that an approach that places a high value
on community involvement cannot succeed, but any such approach must recognize that scale-up may be slow and fitful.

Tensions among the ECI goals contributed to considerable disappointment in the neighborhoods involved in the initiative. Neighborhood leaders took ECI’s encouragement to “dream big” seriously and were then frustrated when many of their dreams were constrained by the requirements of ECIM and UW. Real respect for the desires of local neighborhoods may require a less top-down approach to quality. Lead agencies were especially frustrated when financial constraints led UW to forbid them to enroll any further children who were ineligible for state subsidies. Many lead agencies had initiated ECE services with the specific intent of serving children who were poor but ineligible for subsidies. ECI leaders encouraged these expectations at the beginning and then found that they could not be fulfilled.

The desire to simultaneously serve multiple goals also contributed to a lack of clarity in ECI’s specification of the services it aimed to provide. ECI originally assumed that most children would be served in part-day, preschool programs, but it offered a menu of different services that varied widely in cost. Because ECI’s assumptions about the mix of services that would be wanted were incorrect, the cost-per-child estimates of its original business plan—which were critical for reaching the initiative’s intended scale—proved to be substantially lower than the actual per-child costs.

Establish an Independent Board and a Clear Administrative Structure

ECIM’s organizational structure was relatively straightforward below the level of the ECIM director, but the authority relationships above ECIM—among ECI’s managers, UW management, funders, and the various advisory committees—were complex and ambiguous. This labyrinthine leadership structure made it difficult to resolve conflicts over ECI’s goals and priorities, eventually leading to a power struggle between ECIM and UW, as well as frustration in the neighborhoods. An organizational structure must provide the opportunity for those within it to exercise strong leadership, both at the administrative level and the board level.
Lessons for the Future, Alternative Models, and Public-Policy Implications

Adopt a Clean, Direct Theory of Action That Promotes Intended Goals

Even if ECI’s administrative structure had functioned smoothly, it is not clear that ECI’s goals could have been achieved given the theory of action implicit in the initiative’s basic design. ECI’s design created a complicated set of relationships among ECIM, lead agencies, providers, and parents. The theory of action created considerable distance between the funders and the children they hoped to serve by putting two layers of bureaucracy between the funders and the provider-family relationship. This arrangement ensured that administrative costs would be high; they proved to be far higher than the optimistic projections in the original business plan. In addition, the combination of a top-down quality assurance structure with the establishment of lead agencies as an intermediate level of the organizational structure made it difficult for ECI to increase capacity quickly and respond effectively to parental demand. An initiative that seeks to serve large numbers of children in a short period may require a less cumbersome structure that focuses more on the ultimate consumers of services.

Consider Demand, Supply, and Responses to Incentives

ECI’s planners failed to appreciate that the ECE services demanded by parents and neighborhood agencies could be quite different from those envisioned in the original business plan. They seriously underestimated the demand for expensive, full-day services (rather than less-expensive, part-day programs) in the targeted communities. In part, this was because planners did not foresee the impact of welfare reform, which, in combination with a booming economy, put more low-income mothers in the workforce, thereby increasing the need for full-day services. But the demand for full-day services in new child-care centers probably would have occurred even in the absence of welfare reform, because parents and community agencies had every reason to ask for the most-comprehensive services when they were offered a range of choices, fully subsidized by ECI, and told to “dream big.” This applied to capital improvements as well as the service mix: After ECIM and UW approved $800,000 to build a new center in one neighborhood, they should not have been surprised
that most other community planning groups took notice and requested similar amounts.

The original planners also overestimated the extent to which existing providers would participate in ECI. Some existing providers were left out because the quality of their service was considered too low; in other cases, neighborhood agencies preferred to launch new providers, under their own control, rather than use existing providers. Others opted out because extra funding for quality improvements and training did not provide a strong enough incentive for them to participate. These providers were not receptive to monitoring and evaluation, nor did they wish to surrender control over program content, staffing, deciding which children to serve (e.g., infants/toddlers versus preschoolers), and other aspects of their operation. This was the case for several center-based providers that chose not to participate. It was the case for even more family child-care providers, who constitute a major part of the child-care market in low-income neighborhoods. Family child-care providers participated in ECI in only very small numbers.

In contrast, ECI was successful in working with existing Head Start providers. ECI provided the funding (which it secured through a state grant) and technical assistance necessary to get several Head Start centers licensed to provide full-day child care. It is important to note, however, that ECI did not consider most of these centers to be part of its system. They were not part of any community’s plan, nor were they subject to ECI’s quality monitoring system.

Include All Stakeholders

Although ECI’s planners made efforts to include large numbers of stakeholders at some point in the process, they were less thorough in soliciting and appreciating the advice, concerns, and needs of three key groups: existing ECE service providers, parents, and state government officials. That is, ECI was extremely careful to listen to the perspectives of people from each geographic area (neighborhood) but was less effective in giving equal consideration to the interests of all stakeholders (see Table 4.1 for a description of stakeholder interests). More attention to existing service providers might have reduced costs and increased the pace of scale-up and the number of children served. More attention to parents might have provided
early signals that the services demanded differed from those ECI sought to offer. More attention to state officials might have avoided some of ECI’s conflicts with state policy and improved its prospects for long-term sustainability.

For planners of a major initiative, the key is to identify the stakeholders whose participation is critical and then ensure that they are included in relevant aspects of the initiative. In ECI’s case, state policymakers were critical to long-term sustainability, so they should have been fully involved in the initial design of the initiative and its sustainability strategy. Similarly, existing ECE service providers were important, in this case because large numbers of children were already receiving their services. ECI would have had much better prospects for reaching its ambitious enrollment targets if it had sought to include these providers.

**Start with an Independent Review**

Foundation officers typically serve as independent reviewers for proposals that come from outside the foundation. When a foundation plays a large role in initiating a proposal, however, it should seek outside review by someone who (1) can identify flaws without fear of retribution, (2) is not a member of the original advocacy group, (3) has appropriate substantive expertise, and (4) will invest time and energy in the review commensurate with the importance of the project.

In ECI’s case, the planners should be commended for their efforts to gain critical feedback from several directions. These efforts included the formation of a number of volunteer committees to ask hard questions, the pro bono use of expert consultants (from McKinsey & Co. and Ernst & Young) to assist with the business plan, and the commitment to an evaluation of outcomes (ultimately assigned to the SPECS team). Unfortunately, these efforts were not enough to identify and remedy a number of flaws in the business plan. The committees consisted largely of volunteers who were talented but very busy people lacking the time and (in most cases) the substantive expertise in ECE to conduct a thorough examination. Moreover, as friends and colleagues of ECI’s planners, some of these people felt considerable social pressure to support ECI despite any misgivings they may have had. Indeed, extensive reliance on committees may
be problematic if it diffuses responsibility, leaving no individual feeling responsible for ensuring the quality of the result. In contrast, ECI’s pro bono consultants lacked specific expertise in ECE, community development, or philanthropy. And even expert consultants providing pro bono assistance may not be able to devote the same amount of time and attention they provide to their paying clients.1 And as for the SPECS evaluation of outcomes, it was commissioned well after ECI’s launch and thus could not serve to identify and remedy flaws in the original plan.

All in all, our interviews suggest that the ECI planning process created an atmosphere that explicitly discouraged or set aside objections, promoting uncritical optimism and an attitude of “if we build it, they will come.” For example, some stakeholders told us that they recognized problems with the strategy for gaining state buy-in but felt pressured not to voice their concerns or had their concerns ignored. More than one interviewee described ECI as a “steamroller” that silenced all objections.

Make a Substantial Investment in Planning and Management

ECI was a large investment. Any decision to invest philanthropic funds on behalf of the community ought to be accompanied by a level of planning commensurate with the scale of the investment. Venture capitalists investing $59 million would probably expect a more rigorous business plan, which itself might involve a substantial investment. A large-scale philanthropic initiative might similarly be viewed as a staged investment that begins with a substantial business plan, proceeds with development of pilot programs, and only then moves on to large-scale investment and implementation.

An ambitious plan should have a sufficiently tested model to emulate. The original planners thought that they were planning and implementing something that had been tested on a small scale—high-quality ECE programs, such as Perry Preschool, had been implemented in various places over the preceding 35 years. But rather

1Indeed, UW may have recognized this when they chose not to rely on pro bono assistance for revisions to the business plan, instead contracting with Dickerson & Mangus, Ink.
than simply attempting to recreate the Perry Preschool Project (or any other pre-existing ECE program), ECI was attempting to create a new system for high-quality ECE, directed by neighborhood agencies under the supervision of an intensive quality assurance process. Neither the effectiveness and efficiency of the quality monitoring system nor the ability of community groups to plan, establish, and operate ECE programs (in a short, three-to-five year timeframe) had been demonstrated. In sum, ECI attempted to implement a new system on a large scale that had not been piloted on a smaller scale.

As mentioned above, an initiative on this scale should be expected to have its own empowered board to exercise ultimate leadership over major policy decisions (and especially to resolve conflicts among competing goals). Venture capitalists making an investment of comparable scale might insist on a leadership team that includes a CEO with entrepreneurial experience as well as general management experience. ECI would not have passed this test. It did not have its own board, nor did it ever have a leader who was given the authority of a CEO to make operational decisions for ECI. Moreover, as a result of personnel changes, some of ECI’s administrators were given responsibilities that extended beyond their experience and expertise. Those involved in managing ECI (both ECIM and UW management) were talented people with expertise in a number of areas, but ECI lacked a CEO who had experience in managing large endeavors and in starting them from scratch (as well as an administrative structure that permitted the exercise of strong leadership).

**Make Sure Bold Visions Are Backed Up by Hardheaded Plans That Acknowledge Political and Policy Realities**

We do not wish to discourage big dreams, but those who dream big will need careful, hardheaded plans to bring those dreams to fruition.

Planners should recognize that the existence of a strong societal benefit/cost ratio (in ECI’s case, inferred from the Perry Preschool results) often is not enough to induce policymakers and politicians to support an initiative. Moreover, the mere creation of high-quality programs does not ensure that consumers will recognize them as being of high quality. Planners should acknowledge the existing politi-
al and policy landscape and should include key policymakers (e.g., state officials) in the development of the vision and plan, recognizing that the plan may need to change to meet the demands of competing policies. This is not to say that planners must endorse existing policies with which they disagree; but, if their initiative requires political support, they should avoid unnecessary conflicts with competing policies.

Planners and funders should also carefully consider the match between their goals and those of the intermediaries they choose to house their initiatives. In ECI’s case, UW had important advantages in terms of its fundraising ability and its credibility across the community. Its institutional weaknesses were a relative inexperience in operating programs (versus distributing funds) and a culture that did not encourage risk-taking. While the original planners and UW board members realized that UW would not be an ideal permanent home for ECI, they thought that it would suffice as a temporary home until the initiative could be spun off as an independent organization. Indeed, there were no other obvious candidates to house ECI during its inaugural period. Despite its weaknesses, UW might have been a successful incubator of ECI if it had established a stronger administrative structure and if ECIM had been more happily integrated into UW. In practice, UW did not work well for ECI because the administrative structure was complex and because UW management and ECIM did not work well together.

ALTERNATIVE MODELS FOR THE DESIGN OF ECE INITIATIVES

Whereas the lessons discussed above should be generally useful for large-scale privately led initiatives in the future, questions remain about the specific design of ECE initiatives. How might a future initiative, in Pittsburgh or elsewhere, be designed to effectively achieve the implementation of high-quality ECE services on a large scale? Here we briefly describe four promising ECE initiatives operating in other communities. These descriptions are intended to illustrate alternative programs designed to increase the quality and quantity of ECE services for low-income children. Formal evaluation results are as yet available for only one of these programs, but we believe that
each program represents a promising approach that funders, policymakers, and ECE practitioners may wish to consider.²

**The Chicago Child-Parent Center Program**

Like the Perry Preschool Project, the Chicago Child-Parent Center (CPC) program is a high-quality ECE effort with a rigorous evaluation component that has followed participating children into their post-high school years and has found lasting positive impacts. What sets the CPC program apart from other model programs, however, is that it is a relatively large-scale effort, serving between 3,000 and 5,000 children each year.³ Launched in 1967 and funded primarily with federal Title I grants, the program is administered by the Chicago Public Schools. It consists of 24 early education centers, each serving 130 to 210 low-income, largely minority children. The average cost per child for one year of preschool services is an estimated $4,520 (in 1998 dollars) (Karoly et al., 2001).

The centers provide three hours of preschool daily for three- and four-year-old children, as well as kindergarten services. They provide children with intensive learning activities with a focus on language development and the acquisition of pre-reading skills. In addition, children receive health and nutrition services (Reynolds, 2000). Like ECI centers, each center has a highly trained staff, keeps class sizes small (a maximum of 17 per preschool classroom), and has high staff-to-child ratios (like ECI, about one staff member per eight children in preschool classrooms, and one per 12 children in kindergarten classrooms). Staff receive regular in-service training. In addition, the CPC program requires substantial parent participation. Many of the participating children receive follow-up services (at a lower level of intensity and cost) during their first several years of elementary school (Reynolds, 2000).

²The description of the Chicago Child-Parent Center program is based on published reports; the descriptions of the other three programs are based primarily on interviews with program directors and funders.

³The prototypical large-scale ECE program, of course, is Head Start. However, Head Start’s impact on children over the long term has not been well studied. Moreover, while Head Start programs vary widely in their level of quality (U.S. General Accounting Office, 1997; Zigler and Muenchow, 1992), the CPC program has maintained a high level of quality across all 24 of its centers.
Program evaluators have tracked samples of participating and non-participating children who completed kindergarten in 1986, finding lasting positive program effects. Program participants spent significantly fewer years in special education than did children in the comparison group; they also were more likely to have graduated from high school and had obtained more total years of education by age 20. Their rates of petition to juvenile court were also significantly lower (Karoly et al., 2001; Reynolds et al., 2001; Reynolds, 2000). In addition, a recent cost-benefit analysis suggests that the benefits of the CPC program to government and society exceed its costs by a substantial margin: Researchers estimate that each $1 spent has produced almost $4 in benefits to government, society, and program participants, a ratio comparable to that demonstrated by Perry Preschool (Karoly et al., 2001).

While the CPC program shares many goals with ECI, there are significant differences. First, CPC does not employ the community-driven approach that was central to ECI. It is operated by the city school district and was designed by school administrators and teachers. Although the centers have close links with their respective communities, community representatives play a minimal role in program design and operation. Getting centers operational and scaled up (in the late 1960s, when the program was initiated) took relatively little time, and the program did not become embroiled in neighborhood politics.

Because the centers are operated by the school district, programs are more closely connected to the elementary schools than are most ECI programs. (A strong connection was made between the Braddock ECI programs and the local school district, but not elsewhere.) While largely dependent on federal funding, the centers benefit substantially from the administrative experience, educational expertise, and resources that the schools can offer, including the availability of suitable physical facilities. In addition, CPC is clearly identified as an educational program (rather than child care) and therefore can avoid some of the political conflicts and eligibility disputes associated with child care under welfare reform.
Child Care Matters in Southeastern Pennsylvania

The Child Care Matters (CCM) initiative in Southeastern Pennsylvania is based at United Way of Southeastern Pennsylvania (UWSEPA) in partnership with four other local nonprofit organizations.4 CCM’s major goal is to expand the availability of high-quality ECE services for children in Philadelphia and surrounding communities, with special attention to services for low-income families. The William Penn Foundation provided $14 million for the first six years of the initiative, which began in July 1997. UWSEPA raised an additional $3 million and intends to raise an additional $750,000.

A management team consisting of a top administrator from each of the five partner agencies is responsible for operational and strategic decisions. The director of CCM, who is on the staff at UWSEPA, leads the management team and oversees day-to-day management of the initiative. CCM also has a 25-member governing committee that includes representatives from UWSEPA’s board, the local business community, various social service agencies, area school districts, churches, community colleges, and similar organizations.

Under its Accreditation Project, CCM works with child-care centers and family child-care homes in two Philadelphia neighborhoods, its ultimate goal being to achieve NAEYC accreditation (or NAFCC accreditation for family child-care providers). Both neighborhoods have large numbers of young children, and both have providers with close ties to some of CCM’s partner agencies. Interested providers in these neighborhoods receive intensive technical assistance and funding to improve the quality of their programs. Technical assistance is provided by “cluster leaders,” experienced child-care professionals with a thorough understanding of the accreditation process. Each cluster leader works intensely with up to five providers. Funding for quality improvements, including facility renovations, equipment, and supplies, ranges from $40,000 to $60,000 per center.

4These are the Delaware Valley Association for the Education of Young Children, the Philadelphia Early Childhood Collaborative, the Delaware Valley Child Care Council, and Philadelphia Citizens for Children and Youth.
and is approximately $5,000 per family child-care home. Sixteen centers and 25 homes are currently participating in the project.\textsuperscript{5}

CCM leaders have realized that many providers in these two neighborhoods are a long way from offering a level of care sufficient for accreditation. For providers for which accreditation is not yet a realistic goal, CCM staff provide technical assistance and funding for more-basic quality improvements. Beginning with the licensing standards they must meet, these providers work on taking incremental steps to improving their quality of care. Twelve centers and 35 homes are currently participating in this part of the initiative.

In addition, CCM has helped 45 family child-care homes become registered with the state and licensed with the city of Philadelphia. Several of these providers are included among the 35 family child-care homes that are making basic quality improvements, and some are working toward NAFCC accreditation.

All of the providers involved with CCM in these neighborhoods are eligible to participate in the T.E.A.C.H. (Teacher Education and Compensation Helps) Early Childhood Project. Through T.E.A.C.H., CCM provides scholarships to child-care workers who further their education in child development. Many use the scholarship to obtain a Child Development Associate credential. Participating child-care workers receive a salary increase or bonus, funded through T.E.A.C.H., with each year of course work they complete.

CCM also provides a “quality supplement”—a funding supplement for each child enrolled who is receiving a public subsidy—to any center or family child-care provider in the four-county region\textsuperscript{6} that is or becomes NAEYC or NAFCC accredited. The objective is to assist providers who attain this level of quality and to provide an incentive for others who are accredited to accept low-income children. CCM staff estimate that these quality supplements enable 250 to 300 low-income children per quarter to receive high-quality care.

\textsuperscript{5}Impressed with CCM’s accomplishments in this area, UWSEPA is now urging all ECE providers that receive UWSEPA funding (separate from the CCM initiative) to begin working toward accreditation. Beginning next year, UWSEPA funding will be contingent on these agencies being able to demonstrate that they are taking steps to become NAEYC or NAFCC accredited.

\textsuperscript{6}These include Philadelphia, Chester, Delaware, and Montgomery counties.
CCM differs from ECI in several important respects. First, it focuses on improving the quality of care offered by existing providers and has not attempted to create a new system of services or build new child-care centers. To a much greater extent than ECI, CCM has “gone where the kids are.” Second, in providing technical assistance and funding to specific providers interested in improving their quality, CCM started on a smaller scale, targeting only two neighborhoods. Third, CCM’s administrative structure and theory of action are simpler than ECI’s, because CCM works directly with providers. And like the CPC program, CCM has not attempted to join its model of high-quality care and education with community-driven program design and administration.

Focus on Our Future in York County, Pennsylvania

A third promising model is the Focus on Our Future (FOF) initiative in York County. Like Philadelphia’s CCM, FOF has focused primarily on improving the quality of care in existing child-care centers and family child-care homes, as well as on increasing the number of slots in these programs.

The seeds for FOF were planted in the mid-1990s, when the Heinz Endowments and Pew Charitable Trusts gave grants to the Community Commonwealth Foundation to fund initiatives throughout Pennsylvania to improve services for children. The York Foundation successfully secured funding to serve children in York County. Three years of planning ensued, as the York Foundation worked with UW of York County and other interested organizations to develop a plan for action.

The result of this process was FOF, which formally began in January 1997. FOF is an initiative of UW of York County, but UW has partnered with the Penn State–York campus and Child Care Consultants, Inc. (the Child Care Information Service for York County) to administer the initiative. Overseeing FOF staff at UW is a steering committee consisting of area business leaders, philanthropists, educators, child-care advocates, and others.

One major effort of FOF has been to increase the number of local child-care workers who are trained in child development and education. FOF has sponsored various training and continuing education
opportunities. A second important goal has been to improve the quality of care offered by existing providers and to help these providers become accredited. In its first three years, FOF provided “quality enhancement funds” to 22 centers and 21 family child-care homes in York County. FOF staff have given priority to programs that are pursuing accreditation, and, as of this year, only programs that are either accredited or near the end of the accreditation process can receive grants. Also in its first three years, FOF provided technical assistance and funding that enabled six centers and four home-based providers in York County to become accredited.

The FOF experience has convinced the local UW board of the value of accreditation. The board recently decided that it will require all of its funded agencies that provide child care and early education services to be accredited with NAEYC or NAFCC by December 2002.

FOF mirrors CCM in its strategy to work with existing providers and other existing organizations. Unlike ECI, FOF has not emphasized the building of new centers. Nor has it employed the community-driven approach that was central to ECI. And like CCM, its administrative structure and theory of action are simpler than those of ECI.

Focus on Quality in Chicago

A final model worth considering is the Focus on Quality (FOQ) initiative in Chicago. Launched in 1994 by the Robert R. McCormick Tribune Foundation, FOQ aims to raise the quality of existing child-care providers, with an emphasis on those in Chicago’s low-income neighborhoods. FOQ aims to get existing providers accredited or on the path to accreditation. The foundation contracted with four established nonprofit organizations to help providers become NAEYC or NAFCC accredited: The Big Shoulders Fund of the Archdiocese of Chicago’s Office of Catholic Education, the Ecumenical Child Care Network, the Center for Early Education Leadership at National-Louis University, and the Chicago Metropolitan Association for the Education of Young Children (CMAEYC). All of these organizations have considerable experience providing training and technical assistance to child-care providers and their staff.

With funding from the foundation, these four organizations recruit existing providers in several Chicago neighborhoods. They work
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with centers and with some family child-care providers, although reaching this latter group of providers has proved to be difficult. An interested center applies for FOQ funding and technical assistance. FOQ staff from CMAEYC or one of the other agencies then visit the center to assess how much improvement it requires to meet NAEC standards. Next, staff sit down with the center’s director and develop a detailed plan for improvement. Needed improvements for accreditation can be new curricula and materials, new equipment, repairs, training of teachers and caregiving staff, or playground renovations. FOQ funds many of these improvements, offers technical assistance during each step of the accreditation process, and provides or arranges training.

Prior to FOQ, only 19 centers in the city were NAECYC accredited, and most of them did not serve low-income children. FOQ has helped 103 child-care centers in Chicago become accredited over a five-year period and is assisting another 62 centers that are in the accreditation process. Most of these centers are in low-income neighborhoods. FOQ staff have provided a smaller number of family child-care homes with accreditation assistance. CMAEYC and the other agencies are now focusing their efforts on providers that offer lower-quality services.

Over five years, the McCormick Tribune Foundation spent nearly $11 million on this effort and an additional $15 million on related activities to improve the quality of ECE services in Chicago. These related activities included expanded training opportunities for child-care workers, a public awareness campaign targeted to low-income parents (regarding the importance of high quality ECE), a program to help ECE advocacy groups build their organizational and management capacities, and a sustained effort to press city and state policymakers to increase funding for ECE programs (including the state’s child-care subsidy system). To implement these programs, the foundation has contracted with several other local nonprofit agencies.

Impressed by FOQ’s achievements in helping so many providers become accredited, the city of Chicago recently initiated the Chicago Accreditation Partnership (CAP). A partnership of the city, the McCormick Tribune Foundation, and other local funders, CAP aims to continue FOQ beyond its initial five years and broaden the reach
of its accreditation efforts. In total, the partners have pooled $16 million (including $5 million from the city) to fund the accreditation of more centers and family child-care homes.

Unlike ECI, FOQ focused on raising the quality of existing providers, thereby serving a large number of children in just five years. Like the other programs described here, FOQ did not use a community-driven approach. Rather, it relied heavily on nonprofit agencies with considerable experience serving ECE programs, and these agencies dealt directly with program directors and their staff.

Concluding Thoughts on Alternative Models

These programs by no means constitute the full array of promising ECE initiatives. Nevertheless, each suggests an alternative approach to scaling up high-quality ECE services. In contrast to ECI, each program has a narrower focus on a more limited number of goals. None places much emphasis on the goal of community control, and most focus on existing providers, thereby making the scale-up process more straightforward and usually faster.

Future large-scale ECE initiatives might consider any of these possibilities, or might instead consider a parent-centered approach. For example, planners might choose to distribute funds as quality-focused supplements to the existing state subsidy system. Parents would be permitted to use “quality vouchers” at any provider that met a designated quality standard. If an existing standard, such as NAEYC accreditation, is considered insufficient, a separate quality monitoring system could be established to identify high-quality providers and enforce standards. Additional grants might be available to providers seeking to improve their quality in order to become eligible for the “quality vouchers.”

We do not mean to suggest that pursuing a community-driven approach is necessarily bad. But funders, program planners, and policymakers need to understand that community-driven processes inevitably take time. Moreover, communities may have desires and

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7 An approach that builds on the existing subsidy system, however, cannot address the quality of ECE for children who are ineligible for subsidies.
interests that differ from those of the planners; in consequence, an approach that takes the community’s desires seriously must be prepared to accept results that may differ from those the planners and funders originally intended. An approach that simultaneously aims to permit community control and to impose top-down bureaucratic control may well lead to disappointment on all sides.

Although we found no examples among the initiatives described above, there may be alternative models that would both take the community’s desires more seriously and provide more appropriate incentives, permitting communities to “dream big” while controlling costs and ensuring quality. In addition, it is worth pointing out that parent-centered models are implicitly community based, because they are driven by the desires of the parents of the community.

**IMPLICATIONS FOR PUBLIC POLICY**

As ECI’s planners recognized, inducing large and sustained changes in the ECE universe requires public action. State and federal policymakers have the ability to exercise substantial influence over conditions in the ECE market, if they choose to do so. Here we briefly address a few broad public-policy issues raised by ECI’s successes and failures. For example, what methods might policymakers use to promote quality in the existing system? Can policymakers address the problem that high-quality ECE may be underappreciated or not recognized by parents? How should policymakers think about public investments at different points in the life cycle, and should ECE be regarded as comparable to K–12 schooling? ECI may yet be able to make further important contributions to the public interest by raising these issues for public debate.

**Promoting the Demand for Quality**

Evidence suggests that parents do not have a high demand for high-quality ECE services, at least as understood by ECE experts (Blau, 2001). This may be because they do not know how to judge quality. Studies have found that parents tend to overestimate the quality of child-care providers (Walker, 1991; Cryer and Burchinal, 1995).
addition, parents may define quality differently than do the experts, placing a high value on familiarity and intimacy. Research has demonstrated that convenience, familiarity, and reliability are very important to parents (Sonenstein, 1991). Low-income parents are especially likely to choose unregulated care provided by neighbors and relatives (Blau, 2001). Some unregulated providers agree (illegally) to share a portion of the subsidy payments with parents, thereby supplementing the parents' incomes and giving them additional reason to choose unregulated care.

Because parents ultimately decide child-care arrangements for their children, their preferences are critical. Indeed, the success of any initiative that aims to deliver high-quality ECE requires some level of parental demand for quality.

But the preferences and knowledge base of parents are not set in stone. Policymakers (and local planners) may be able to increase the demand for high-quality services through public awareness campaigns and parent education efforts. Such efforts could include education about the long-term benefits of high-quality ECE, the characteristics of service that are good indicators of high quality, and the relevance of external quality certifications, such as NAEYC accreditation.

Pennsylvania may soon take a small step toward improving the information available to parents on the quality of ECE providers. Governor Schweiker’s proposed 2002–2003 state budget includes $6 million to fund a three-year pilot program called “Keystone Stars.” Under the program, the state DPW would develop and implement a voluntary quality-rating system for child-care providers. Participating providers would be assigned one of three levels of quality (based on levels of staff training and education, staff-to-child ratios, and related quality measures) and would be eligible for incentive funding and technical assistance to reach the next level. As of this writing, funding for the program has yet to be approved by the state legislature.

**Quality Supplements**

In addition to trying to influence parental demand, policymakers may seek to raise quality directly. One increasingly popular approach to raising the quality of ECE services is a tiered subsidy sys-
tem. Under such a system, each provider receives a per-child subsidy based on the provider’s level of quality. Higher-quality providers receive a higher subsidy rate. This approach is intended to give providers an incentive to improve their quality. Already, 26 states and the District of Columbia have instituted tiered subsidy systems (Education Week, 2002). The standards used to determine higher versus lower levels of quality vary, but several states have adopted NAEYC accreditation as evidence of the highest-quality care, with subsidy rates increasing as more NAEYC standards (in terms of group sizes, staff-to-child ratios, etc.) are achieved. To be effective, this approach requires a more rigorous monitoring system than most states, including Pennsylvania, have employed.

Substantial increases in federal and state funding for child care have gone largely toward increasing the number of children who receive subsidized care. But states have the discretion to use these funds to raise subsidy amounts, thereby making high-quality care more affordable for low-income families. Currently, subsidies in Pennsylvania pay for approximately 75 percent of the average market price for child-care services in each county. This does not come close to covering the cost of the kinds of high-quality programs that ECI sought to establish. Over the past five years, the state substantially increased the amount of funding for subsidized care in order to serve many more children, but it only modestly increased the subsidy rates per child. Tied to quality, increases in subsidy levels could induce existing providers to improve quality and make high-quality ECE services available to larger numbers of low-income children.

In Pennsylvania, reimbursement rates vary based on the age of the child (with younger children receiving a higher subsidy because their care is more costly) and the type of care (with group care homes and centers receiving a higher subsidy than family child-care homes). Family child-care homes serving three or fewer children also receive a higher subsidy if they become registered. Subsidy rates do not vary according to any measure of the quality of ECE provided. Only recently has the state begun to appropriate some funding for quality improvements in child-care programs. So far, this funding has been relatively insignificant compared with that of other states. But Pennsylvania state policymakers are now considering a tiered reimbursement approach that would increase the state’s investment in high-quality ECE.
Professional Development for Providers

Greater public investments in the education and training of ECE workers might serve as a useful complement to a quality supplement policy. Policymakers could create incentives for providers to enroll their workers in continuing education programs in child development and early education. Pennsylvania (as well as many other states) has in fact increased funding for professional development opportunities in recent years. For example, Pennsylvania state policymakers recently decided to subsidize the T.E.A.C.H. program (described above, in the subsection on the Child Care Matters initiative). Under T.E.A.C.H., ECE workers across the state can apply for funding to help pay for tuition and other costs associated with college-level classes in child development or early education.

Education, Care, and Work Incentives

Converting the existing child-care subsidy system to a tiered system may induce an improvement in the quality of many existing providers, thereby providing long-term educational and social benefits to many low-income children. Unfortunately, however, it could leave unaffected a substantial number of low-income children who are ineligible for subsidies because their parents do not meet the requirements of state and federal welfare-reform laws. As a number of the neighborhood agencies affiliated with ECI recognized, some of the children who are most in need of high-quality services may be ineligible for welfare-related subsidies.

Head Start avoids this dilemma by making eligibility open to all low-income children, regardless of parental employment status. But Head Start is a part-day preschool program that has never been funded at levels sufficient to enroll all eligible children. As long as the primary method for subsidizing ECE for low-income children is subsidies tied to TANF eligibility, a substantial number of low-income children will be left out of the system. This is because in Pennsylvania and across the country, the primary objective of the child-care subsidy is to help welfare mothers obtain employment, rather than to provide high-quality services to at-risk children. Indeed, the fact that the primary objective is to create an employment incentive also explains why subsidies in Pennsylvania and elsewhere...
are available without regard to the quality of the ECE services provided. The federal welfare-reform law requires that states administer their child-care grants as vouchers that can be used at any licensed ECE provider or any provider that is exempt from licensing (including relatives and babysitters).

Indeed, the combination of the enduring popularity of Head Start and the ambivalence about public funding for full-day child care suggests a kind of schizophrenia in public policy related to ECE. Education is considered a public responsibility, whereas child care is not. For a program that combines both care and education, the label that is attached may determine political viability.

The economist David Blau (2001) argues that child-care subsidies should be divorced from employment policy and tied instead to child-care quality. Blau demonstrates empirically that child-care subsidies have only a small effect on the employment decisions of mothers, but he points out that they might be designed to have a substantial effect on the quality of services provided to children. He argues that the empirical evidence suggests that “using child care subsidies to address the employment problem is likely to worsen the child care problem by increasing the use of low-quality care” (Blau, 2001, p. 231).

Many policymakers and voters resist the idea of separating child-care subsidies from employment requirements. They often see employment requirements not only as a way to provide appropriate incentives to welfare mothers, but also as a way to distinguish between “deserving” and “undeserving” poor in the distribution of government benefits. Whether this latter purpose is appropriate is a matter of basic values, such as fairness and justice, and is not easily susceptible to empirical policy analysis. But policymakers may wish to consider the costs to society of a child-care policy that focuses on the deservingness of parents rather than the welfare of children.