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This Practice Brief is the third in a periodic series published by the National Center on Afterschool and Summer Enrichment (NCASE) to build awareness of promising practices in the field of school-age child care.

The goal of NCASE is to ensure that school-age children in families of low income have increased access to quality afterschool and summer learning experiences that contribute to their overall development and academic achievement. For more information, contact us at ncase@ecetta.info.

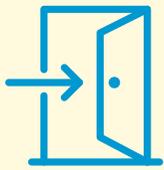


Combining Resources to Support Quality Out-of-School Time Programs

Working parents often use out-of-school time (OST) learning and enrichment programs to help meet their need for child care, and these programs are incredibly diverse. Over the summer and during afterschool hours, thousands of programs are run by child care centers, public and private schools, universities, community-based organizations, libraries, parks, recreation centers, faith-based organizations, housing authorities, police athletic leagues, families, friends, neighbors, and others. These programs offer valuable learning and enrichment experiences to millions of children and youth. A variety of program topics spark excitement and learning, including arts, music, sports, literacy, STEM (science, technology, engineering, and math), character development, and community service.

The Child Care and Development Fund (CCDF) is the largest national child care subsidy program used to support low-income families, yet these subsidies are only one part of the funding picture. In fact, more than 100 federal funding sources can be used to support out-of-school-time care. Families and programs often rely on a

variety of different public and private funds to make ends meet. In this brief, we will compare general methods for using multiple funds at the program and state levels and explore models for effectively combining CCDF with other frequently used funding sources to better support and sustain child care programs.



ACCESS

The OST funding picture

In a study conducted by the Wallace Foundation of 111 OST programs in six U.S. cities, public funds only represented 32 percent of the funding portfolio of the programs. Other funding sources included private funds (39%), in-kind resources (19%), and parent fees (9%).¹

Many families find that the fees they are charged for care present a barrier to accessing high-quality services. In a 2014 report from the Afterschool Alliance, families report paying an average of \$113 per week for afterschool programs and \$250 per week for summer activities.² In a 2016 national report prepared by Child Care Aware® of America, the fees for before and afterschool child care ranged from \$1,939 to \$12,064 for nine months of service, and fees ranged from \$1,057 to \$6,986 for full-time summer child care for school-age children.³

The actual cost of providing care is, in fact, most often higher than the fees parents pay. The Wallace Foundation study looked at the cost of providing quality OST care in six U.S. cities and noted that costs vary widely depending on the program's focus (academic, recreational, or both); age of participants; provider settings; size of program; geographic location; and program quality. The Wallace Foundation also publishes the [Wallace Cost Calculator](#) that stakeholders can use to determine their actual costs.

Program operators have limited funding options available, and those that exist often have scarce resources. Providers commonly use multiple public and private funding streams, along with parent fees, to help cover the costs of program operation. While a single funding source may serve

as the base, other funding streams are typically needed to expand services, improve quality, and maintain sustainability.

Why is funding so complex? Governments at all levels have dual purposes of supporting working families and fostering success of low-income youth with supports outside of the school day. Private funders also have specific populations they choose to serve and specific outcome goals for their grantees. Philanthropic grants are usually time-bound. The result is the rise of discrete funding streams and programs, serving similar or overlapping populations. Each of these funding streams or programs has a specific purpose and funding approach and different requirements for eligibility, participation, reporting, and quality. In light of this funding picture, programs must seek multiple funding sources to support their overall goals and activities long term.



1 Grossman, J. B., Lind, C., Hayes, C., McMaken, J., & Gersick, A. (2009). The cost of quality out-of-school-time programs. Retrieved from <http://www.wallacefoundation.org/knowledge-center/Documents/The-Cost-of-Quality-of-Out-of-School-Time-Programs.pdf>.

2 Afterschool Alliance. (2014). America after 3PM: Afterschool programs in demand. Retrieved from http://www.afterschoolalliance.org/documents/AA3PM-2014/AA3PM_National_Report.pdf.

3 Child Care Aware® of America. (2017). Parents and the high cost of child care. Retrieved from https://usa.childcareaware.org/wp-content/uploads/2017/12/2017_CCA_High_Cost_Report_FINAL.pdf.



Common sources of funding

OST programs that serve low-income youth typically meet their budgets by combining resources from multiple funding sources, which may include the following:

- » CCDF child care subsidies
- » 21st Century Community Learning Center (21st CCLC) funds from the U.S. Department of Education
- » Subsidized meals from the U.S. Department of Agriculture
- » Temporary Assistance for Needy Families (TANF)

- » State and local public funding
- » School district allocations
- » Individual giving and private philanthropy
- » Parent fees

These funds share a common purpose, which is to improve access to quality services for low-income children and families. Thus, the pool of children and youth served by a program is likely to be eligible for multiple sources of funding with similar guidelines and eligibility requirements (whether at the program or the individual level). Understanding the opportunities for alignment among funding guidelines can help programs access a broader range of funds.

Spotlight on a Massachusetts program

Multiple funds are combined to support nearly 1,400 school-age children enrolled in 19 out-of-school time program sites operated by *For Kids Only Afterschool* (FKO) in six communities in the Boston suburbs.

The vision of the 35-year old nonprofit is to ensure that all children, regardless of their eligibility for various programs that are differently funded, are served with all services offered in an integrated funding stream program. FKO's afterschool sites are licensed year-round school-age child care programs and ten also receive funds from 21st CCLC grants, either as partners to school district grantees or as grantees themselves. Other program funds include a CCDF-funded child care contract, state child care vouchers, parent fees and co-payments, private scholarships, a state afterschool grant, private foundation grants, United Way funding, and the Child and Adult Care Food Program.

Through close partnerships with local school districts and community partners, FKO uses 21st CCLC funds to enhance the programming offered to meet the partnership's goals. These funds cover the costs of specialists that infuse

academic enrichment, project-based learning, and behavioral and therapeutic supports, with goals to close proficiency gaps, increase engagement in learning, and improve social-emotional skills. Skilled full-time, year-round OST site directors are employed by FKO, and also work closely with public school leadership and faculty to share data, set outcomes, prepare for the daily program, mentor and coach the afterschool teachers, and communicate with the officials on school and district-wide improvement plans.

FKO leaders report that the funding available through child care subsidy and parent fee revenues only covers 60 percent of the cost of their quality, comprehensive programs, with other sources paying for enhanced services. 21st CCLC grants are critical to this funding mix but time-limited. They are awarded for three years, with the possibility of limited renewals. Without a variety of sustainable resources to cover the costs of enhancements, programs may be forced to reduce the numbers of children served, compromise the quality of programs, and lay off critical staff.



CARE

Combining funds at the program level

Combining funds at the program level can be complicated. Public and private funders may have different eligibility, funding management, and reporting requirements, which means providers must carefully track and allocate funds to the appropriate children and services. This coordination of funding may be described using a variety of terminology, such as *blending*, *braiding*, *cost allocation*, *layering*, *cost sharing*, or *coordination of resources*.

Blending

The Ounce of Prevention Fund (the Ounce) explains *blending* as pooling multiple funding sources to cover total costs for a program, without necessarily allocating or tracking funds by source. According to the Ounce, blending is commonly used when funds are combined at the state level, enabling government entities working in partnership to encourage use of multiple sources and giving local programs greater flexibility. This eases the administrative burden of tracking expenses and reporting funds for program managers. Blending becomes more difficult when programs have different eligibility requirements for clients.

Braiding

According to the Ounce, two or more funding sources are coordinated, or considered “braided,” to cover the total cost of services when expenditures for individual children are tied to specific funding sources. Braiding requires precise accounting to ensure that each dollar is used only for eligible activities or children. To manage braided funds, programs may need detailed fiscal accounting and/or time-tracking for staff to ensure that costs for eligible children or activities are correctly allocated. Unfortunately, providers often lack the administrative capacity to manage sophisticated tracking of funds.

Layering

Layering is a method of adding funds from different sources to pay for different services for the same child. For example, a mixed-income elementary school might use 21st CCLC funds to create an after-school program for all youth and add a layer of specific support programming for targeted low-income children using Title I funds. Another example of layering is adding funds from an Early Head Start-Child Care Partnership (EHS-CC Partnership) grant to subsidized childcare to provide full-day/year comprehensive Early Head Start services to infants and toddlers in a child care setting. The first layer is the standard CCDF child care subsidy and covers the initial costs of child care. The EHS-CC Partnership grant adds two additional layers. The second layer is used to enhance the quality of child care services to meet Head Start Program Performance Standards. These “quality” funds benefit all children enrolled in the classroom, and it is not necessary to allocate the costs by individual child. The third layer covers the costs of individual Early Head Start comprehensive services for specific EHS-CC children. Being able to use EHS-CC Partnership grant funds (layer two) to enhance the quality of services for **all** children is what sets this model apart from other methods of braiding or blending funds.





Combining funds at the state level

The above strategies are mostly employed at the individual program level to manage revenue and expenses from multiple public (and private) sources. The Ounce of Prevention Fund illustrates how complex funding strategies can negatively affect programs and families:

At the individual program level, these financing strategies are inefficient and costly because significant staff time and resources are necessary to manage the different, and often conflicting, program eligibility requirements, quality standards, and funding mechanisms required by each funding stream. These resources would be better spent on enhancing program quality and service continuity... At the child and family level, the loss of one funding source destabilizes a low-in-

come child's ability to benefit from quality... learning experiences, as well as her parents' ability to work. These challenges also create disincentives for many providers to serve the highest need children who depend on public funding to access [learning experiences outside of the regular K–12 day and year].⁴

A more effective method is to combine funds at the state level, which means programs receive funds from a single source, and the funds are managed according to the guidelines of a single agency. If agencies targeting services to similar categories of children are able to integrate policies and procedures “upstream” at the government agency administrative level, the result is greater efficiency and lighter administrative burden at the program provider or “downstream” level. Combining funds across state agencies also allows states to streamline common training and technical assistance resources for programs.

4 Wallen, M., & Hubbard, A. (2013). Blending and braiding early childhood program funding streams toolkit: Enhancing financing for high-quality early learning programs. Retrieved from <https://www.theounce.org/wp-content/uploads/2017/03/NPT-Blended-Funding-Toolkit.pdf>.

Spotlight on Utah

The Utah Department of Workforce Services created a summer youth grant program to “expand services for currently operating after-school/out-of-school time programs to include summer youth programs and to reduce the impact of ‘summer learning loss’ among youth participants.”⁵ The program, which was administered by the Utah Office of Child Care (OCC), received \$1 million of funding from CCDF

and TANF each. By combining these funding streams at the state level, the program was able to serve a greater age range of children (CCDF funds target children ages 5–12, and TANF funds target children ages 13–18). The responsibility of allocating the two funding streams was placed on the OCC staff, who drew from both pools for each grant awarded, based on the characteristics of each grantee.⁶

5 Utah Department of Workforce Services. (2015). Office of Child Care summer youth program grant announcement. Retrieved from <https://jobs.utah.gov/edo/rfg/occsommeryouth/index.html>.

6 Utah Department of Workforce Services. (2015). Summer youth program grant Q&A. Retrieved from <https://docs.google.com/document/d/1TEGQGxeF60ttQcBF-wK5GXOb6FG3tRnMkxVqJxvOVObs/edit>.

Spotlight on Vermont

Vermont Afterschool combines funding from contractual and grant agreements with Vermont's Child Development Division, which manages CCDF, and the Vermont Agency of Education. This funding supports high-quality professional development opportunities for afterschool program leaders and staff who provide programming for youth under either or both agencies. By braiding these (and other) funding streams, Vermont Afterschool creates ways to build the capacity of programs. These activities are further supported with additional funding from foundations, membership fees, conference income, and other non-public sources. Activities offered by Vermont Afterschool include professional development (coaching, youth development conferences, webinars, workshops, learning strands, train-the-trainers, credentialing programs, and certificates) and technical assistance for program quality (evaluation and assessment, youth ambassador training, small grants to licensed programs, summer learning, STEM, behavior management, and social emotional learning).

One example of how this combined funding strategy works is through the implementation of the Youth Program Quality Intervention (YPQI), where braided funds from multiple state agencies promote and support the adoption and use of a common definition of quality. This shapes training conferences and workshops

and individual program technical assistance in support of that definition. Instead of different agencies and funders expecting different levels or aspects of quality programming in the sites that they support, programs across the state are held to similar high-level expectations. This common and shared definition of quality also makes it possible for site leaders, directors, and staff from different programs to support each other, exchange ideas and strategies, and share a common language. Use of the YPQI assessment is required annually at all 21st CCLC sites and is also an assessment option in Vermont's quality rating system (QRIS), which is required for all licensed programs.

Vermont Afterschool also braids funds to support quality through an ongoing social-emotional learning initiative. This is an area in which all programs, regardless of whether they are licensed as a child care or 21st CCLC program, need additional coaching, training, and support. By braiding funding from multiple agencies, Vermont Afterschool is able to support a full-time position focused on social-emotional learning and to meet the needs of more programs. This approach reduces inequities in access to high-quality training and support across program sites in Vermont, helps to unify and professionalize the afterschool field, and advances the level of quality across the whole state.





Careful management of combined funds

Funding streams often have specific guidelines regarding combining funds. While CCDF and other agencies encourage combining, they require lead agencies to ensure that funds are not supplanting other funding sources.

Managing the fees charged to families for summer learning and enrichment or child care services is an important element of combining funds. Parent co-payments

are a common expectation for families who access CCDF subsidies. 21st CCLC programs may also charge a fee, but programs must be equally accessible to all children targeted for services, regardless of a family's ability to pay. In both cases, a sliding scale may be used to set fees according to family income level. For 21st CCLC programs, these fees must be used to fund the program activities specified in the grant application.⁷ Thus, a 21st CCLC program's fee structure must be carefully coordinated with the program's collection of child care subsidies.

Learn more about CCDF and 21st CCLC funding at the Early Childhood Training and Technical Assistance System [website](#), [School-Age Data Profiles Database](#), or on your state education agency and child care websites.

Innovative strategies for efficient use of combined funds

Because of new CCDF requirements, state legislatures and agencies are looking at ways to streamline education and child care funding to improve access to and quality of programs for school-age children. New, innovative strategies could further ease the burden for providers that rely on multiple funding sources and ultimately make programs more accessible to families. Ideas under consideration include the following:

- » **Streamlining the child care licensing process** by exempting entities such as public schools with similar safety procedures or by sharing information on background checks across youth-serving agencies
- » **Making it easier to transfer funds** from other related programs and agencies to ensure that consistent child care funding is available for subsidies
- » **Improving the quality** of OST and child care programs by employing more sophisticated program evaluation processes linked to enhanced reimbursement rates for programs that achieve certain quality standards

⁷ U.S. Department of Education. (2003, February). *21st Century Community Learning Centers: Non-regulatory guidance*. Retrieved from <https://www2.ed.gov/programs/21stcclc/guidance2003.pdf>.



COLLABORATION

Conclusion

Learning, enrichment, and child care programs come in many forms, but they all serve a common purpose. They provide a safe and enriching environment for children when school is out of session, support the needs of working families, and help children and youth develop new skills and interests. However, the supply of funding for these programs does not match the demand, and states and programs must get creative in combining public and private funding streams to ensure consistent accessibility

and quality. Though expense and service tracking may be necessary to ensure responsible management of public funds, states are finding ways to leverage resources aimed at similar populations and service goals by combining funds at the agency level, simplifying the process and lightening the burden on providers.

State guidance and assistance to programs on how to combine and manage public funds helps ensure that more programs are available to the children and youth who need them most.

Resources

Afterschool Alliance. (2014). *America after 3PM: Afterschool programs in demand*. Retrieved from <https://childcareta.acf.hhs.gov/ncase-resource-library/america-after-3-pm-afterschool-programs-demand>.

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For more resources, see the NCASE Resource Library at <https://childcareta.acf.hhs.gov/ncase-resource-library>.

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