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Keeping Innovation Alive in Minnesota

Christina Satkowski - June 9, 2009 - 12:30pm

Yesterday we wrote about how private organizations in Minnesota -- namely business groups and non-profit foundations -- have spearheaded a campaign for more public investment in early education in the state. In addition to advocating for policy, several non-profit organizations actively operate or finance programs to improve children's school readiness and overall well-being. Today we look at how these organizations can continue to play an innovative role in future early childhood policy.

While there are many private sector groups that advocate for an expanded, better-coordinated system of early childhood care and education in Minnesota, several of them practice what they preach. For example, the Minnesota Early Learning Foundation (MELF) and Invest Early, a program in rural Itasca County, operate programs directly, including early childhood health programs and preschools. But these private organizations know that they will not be able to achieve their goals unless the state substantially increases investment in early education.



Why? First, the amount of funding required to meet Minnesota's needs for early childhood services is far more than private philanthropy can provide. Current philanthropic investments amount to about \$34 million, according a report by the Wilder Foundation. State investments in young children are about 10 times that much -- \$399 million. And those investments still fall far short of meeting the needs of the state's young children and their families.

According to the National Institute for Early Education Research, Minnesota ranks 38th among the states in terms of providing access to pre-k for four-year-olds -- besting only those states that don't fund any state pre-k program at all. Minnesota does invest \$20 million for Head Start in addition to federal funds for the program (many states do not make an additional contribution). But even with that added investment, more than two-thirds of Head Start-eligible children in Minnesota remained unserved in 2008, according to the Minnesota Head Start Association. For Minnesota to improve its children's access to high-quality early education, the state is going to have to spend more than the 1 percent of its budget that currently goes to early childhood programs.

Only states can develop the statewide infrastructure needed to effectively coordinate among the wide variety of programs that serve young children and their families and move from the current patchwork non-system of early childhood care and education to a true early childhood system. Regionally oriented philanthropists, such as the Blandin Foundation, can build strong early childhood infrastructure at a local level, but lack the capacity or mission to take such efforts statewide. States are the ones that must develop early learning guidelines, align them with the state's K-12 standards, set uniform quality standards for publicly funded early childhood programs, and ensure equitable distribution of resources. Private philanthropy can support and inform such efforts, but it can't lead them.

States can also provide a more steady source of funding for early childhood programs. That reality has become painfully clear during the current economic downturn. Like many non-profits, Invest Early's principal funder, the Blandin Foundation, has lost a significant portion of its endowment. This spring MELF had to make deep cuts to some of its projects due to budget shortfalls.

Local leaders know they can't rely on philanthropy forever. Non-profit foundations may reorient their missions -- and their funds -- in response to emerging concerns. In the case of MELF, the state is running against the clock. Since its creation, MELF was intended to be a short-term project, and it will close its doors in 2011.

Buckets into the sea?

Despite these limitations of financing, timetables and geography, private organizations can continue to be fruitful partners in early education, as long as the state assumes more leadership in the field. University of Arkansas professor Jay Greene points out the critical importance of government funding in his analysis of the impact of philanthropy on education. He calculates that contributions from the country's 30 largest foundations that invest in K-12 education amount to only 0.15 percent of what is spent on each student's schooling -- what he characterizes as "buckets into the sea" -- and that much of it goes to "low leverage" activities that do not make significant impacts on education.

In early education, the private sector has been able to make a big impact in part because the relative "sea" of public support is still very small. But private organizations have some important "high leverage" characteristics that can make them important -- and even invaluable -- partners in early education, even as the state-funded "sea" grows bigger.

Private-Sector Impact

Already, organizations like MELF and Invest Early have made a big impact on future policy by providing research-validated experience that could be scaled up to the state level. State governments, including Minnesota, already do program evaluations on a routine basis, often partnering with non-profits to complete the research. But there is always more to learn. In a field like early education, where policy experience and research is relatively limited, philanthropy can continue to play an important role in developing and testing *new* ideas and ultimately providing better information to help guide scarce public dollars towards programs that work.

Private organizations also play another subtle, though important, role in ongoing policy: as relationship-builders. The Minnesota Early Childhood Initiative (MECI) takes this role very seriously. Sara Carlson, program officer at the Southwest Initiative Foundation, which is part of the MECI, says that the biggest

impact of the MECI has been to provide a regular vehicle for early childhood stakeholders to convene and discuss how to improve the well-being of children in their communities. "Sounds crazy that they weren't doing that before, but they weren't," she says.

As policymakers work to coordinate and enhance early childhood services across the state, as we expect they will do, they will be able to tap into these networks for local knowledge and coordination. Non-profits and other independent groups will have an ongoing role to play to maintain these relationships and to offer a neutral space for stakeholders to convene and discuss issues.

Private groups also play a powerful role as flashlights onto previously ignored needs of the community. Once problems are identified, philanthropic foundations and non-profit organizations can put the weight of their private dollars behind new initiatives or initiate collaboration with public programs to address the issue. Private organizations are typically more nimble than government agencies, with funding and decision-making structures that can react quickly to the complex and changing needs of the early childhood community.

For example, one issue that came up frequently among stakeholders convened by MECI was that many young children required mental health services but did not receive them either because they were not diagnosed or because parents did not know how to access services. This concern led to the development of the Minnesota Thrive Initiative, a \$2.5 million program that coordinates local child development services to improve mental health services for young

In order for states to take advantage of the assets that philanthropic organizations can bring to the table, state officials must have strong collaborative relationships with these groups and their leaders. The good news is that both philanthropists and Barbara O'Sullivan, supervisor of Early Learning Services at the state Department of Education, report that the state already has a good relationship with many of the state's philanthropic initiatives, albeit an informal

Next Step: Building Partnerships

More good news for Minnesota is that, should the state choose to continue a strong relationship with non-profit and charity groups, it won't be going it alone. Several other states have successfully incorporated private organizations into publicly-managed early childhood systems. In some cases, this means making for-profit and community-based preschool providers eligible for state funds if they meet certain quality guidelines, an idea that preserves the existing contours of the early childhood market and fits nicely with the scholarship idea.

North Carolina's Smart Start program, for example, uses state dollars to fund 79 non-profit Partnerships for Children, mostly at the county-level. Each local board is made up of a diverse group of early childhood stakeholders in the community and is responsible for disbursing funds, primarily for the states childcare subsidy program and health and family support services. North Carolina's pre-kindergarten program, More at Four, is technically a separate program but it works closely with -- and in many cases is directly administered by -- the local boards. Smart Start boards are also required to levy at least 10 percent of their funds from non-public sources, including individuals, foundations and business.

Now it is up to advocates and policymakers in Minnesota to design a system that works best to meet the needs and coordinate the existing kaleidoscope of early education services in the state. There is still a lot of work to do. But if the last decade of increased innovation spurred by the private sector is any indication, Minnesota could end up with a unique and creative early childhood system.

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