

STRATEGY SPOTLIGHT SERIES

From Mixed Delivery Patchwork to Mixed Delivery System



SPOTLIGHT 1

Fragmented Funding = Fragmented Results

Fragmented public financing, built over decades of needed but uncoordinated growth, has left communities with a patchwork of early childhood education and care (ECEC) services that frustrates all who encounter it. Among those poorly served: families left out by traditional program models, teachers seeking the flexibility and resources to meet children's needs, and administrators struggling to navigate a labyrinth of funding sources and administrative rules.

Meet Melissa and Joshua



Four-year-old Melissa loves to sort and organize things, and she's ready to expand these early math skills, but the public funding that supports her child care center wasn't designed to enhance school readiness.



At the same time, four-year-old Joshua's language and math skills have blossomed at his publicly funded preschool, but to continue that growth, his single father had to turn down a good, full-time job because the preschool was only half-day.

Public funding sources cover both needs—child care and early education—but not for the same child.

This Strategy Spotlight Series envisions a financing structure that is *simpler* for programs, *better* for children, and *fairer* to communities. It builds on the National Academies' report, [*Transforming the Financing of Early Care and Education*](#),¹ and recommends next steps in alignment with the federal agencies' 2024 "[Dear Colleague](#)" [letter](#)² urging states and communities to develop more robust mixed delivery systems. A more responsive financing structure will not eliminate the need for additional funds to achieve universal access to high quality services. It will, however, serve as the infrastructure for informed, effective use of existing funds and for future growth.

IN THIS SERIES

Spotlight 1

Fragmented Funding =
Fragmented Results

Spotlight 2

Building the Structure for a
Unified Funding Strategy

Spotlight 3

Using the Structure to Reveal
Community Strengths and Needs

Spotlight 4

Braiding and Coordinating Funds
for Strategic Impact

1 National Academies of Sciences, Engineering, and Medicine. 2018. *Transforming the Financing of Early Care and Education*. Washington, DC: The National Academies Press.

2 Issued by the U.S. Dept. of Education and U.S. Dept of Health and Human Services, Feb. 26, 2024.

This problem is rooted in history. Over time, federal and state legislatures have established several early childhood education and care (ECEC) “programs,” each addressing an important but narrow child or family need, each with its own budget appropriation, its own funding mechanism, its own administrative structure, and its own set of service providers. The child care subsidy program was designed to support parent employment, and it achieves that goal, but its funding on a *per-child* basis fails to support the stable and well-qualified staffing that children need.³ State prekindergarten (PreK) programs, using grant or contract funding mechanisms that support well-trained staff, achieve their goal of enhancing school readiness, but their funding is not designed to meet family access needs or address the infant and toddler years when brain development is at its peak.⁴



The federal Head Start and Early Head Start programs, which support a comprehensive two-generation approach,⁵ come closer to aligning their funding mechanism, budgeting criteria, and funding amounts with demonstrated child and family needs. However, these federally funded resources are often ignored when states distribute similar or complimentary funding. In fact, each of the three major ECEC funding streams operates in its own bureaucratic universe. Some families and providers manage to patch together different funding to meet all of their needs, while others are left out completely.

Redesigning Systems with Children and Families at the Center

Planning a well-designed financing system starts with an up-to-date understanding of child, family, and community needs. We now know that healthy child development requires a secure, predictable, and stimulating environment where adults guide children’s learning and build school readiness. We know that the foundation for school readiness begins at birth, not at age 4. We have learned that some demographic groups tend to be left out of early education and care programs, including families with unusual or unpredictable work hours, teen parents, homeless families, and more. Some entire communities have been left out and become “child care deserts.”

States⁶ can respond to this updated knowledge and escape the world of fragmented funding by strategically deploying each federal or state program as a “funding stream” that provides part of the revenue for a comprehensive system. Each funding stream will continue to support its legislatively defined goals (such as work support, school readiness, etc.), but by working in conjunction with other funding, will also support improved program models and better family access.

³ For more on the limitations of per-child payments, see the CELFE video at <https://celfe.org/resources/foundational-investments-in-child-care/> or the Foundational Funding Strategy Spotlight at https://celfe.org/wp-content/uploads/2024/06/CEL24-004_National-Picture-Spotlight_FIN.pdf.

⁴ State PreK program structures vary by state and this general summary might not be applicable for some states.

⁵ The Head Start two-generation approach helps young children learn and grow while strengthening their families by building community, sharing knowledge, and making connections to health and social services.

⁶ References to states in this Spotlight can apply to other government units, such as cities or counties, if they administer funding.

Leading with the Mixed Delivery Vision

This Strategy Spotlight Series outlines steps for building a mixed delivery system that responds to current knowledge and real-time needs. State leaders need to ground the work in a clear commitment to weave the funding streams into a unified system-wide financing strategy that:

- Is informed by dialogue with communities
- Supports diverse program models each designed to meet real-time family needs, and *all designed to support child development and learning*
- Serves children and families in all ECEC settings, drawing on resources from all ECEC funding streams
- Reaches communities and groups that have previously been left out or poorly served

The Work

Planning a unified strategy starts by asking two questions: (1) What are the unmet ECEC needs of children, families, and communities, and (2) What funding streams can address any of those needs? This approach reverses the usual planning processes, in which each publicly funded “program” starts with the needs it was designed to meet and looks for children or families likely to have those needs.

The next three Spotlights describe initiatives already underway in various states and how they can be woven into a unified strategy. Every state’s work toward a unified financing strategy will be different, based on its existing funding streams, governance structures, data systems, and community relationships. It is encouraging that so many states have already put in place one or more of the required elements of a mixed delivery system. Ultimately, all of the elements described in this series will need to work together to achieve the responsive early care and education system children and families need.

NEXT UP

Spotlight **2**
Building the Structure for a Unified Funding Strategy

LEARN MORE

For further guidance or to share your experience on building a mixed delivery system, email info@celfe.org.

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