

Colorado's New Agency for Early Childhood

*Business Community Recommendations for Innovation,
Agility and Impact through Agency Design*



October 2021

Dear Policymakers,

High quality early childhood care and education is critical to the success of Colorado's workforce, businesses, and economy. As such, we take great interest in the work you're doing to establish both a new state agency for early childhood programs and a new universal pre-kindergarten program. In this brief, which is based on best practices from the private sector and case studies of other state early childhood systems, we offer actionable and specific recommendations related to the establishment of the new state agency.

The business case for investing in early care and education has been well documented through the work of Nobel Prize-winning economist James Heckman (heckmanequation.org), Harvard University's [Center for the Developing Child](#), and others over the last two decades. It is also consistent with the more general business principle of efficiency achieved through prevention rather than remediation. Recent local studies underscore the urgency to invest here in Colorado. According to analysis completed in December 2019, gaps in Colorado's child care system are resulting in an annual economic cost of \$2.2 billion in lost earnings, productivity and revenue.¹

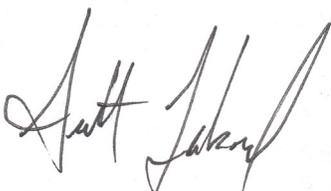
By building a stronger early childhood system and expanding access for all families, we are benefitting our businesses by reducing absenteeism, employee turn-over and disruptions in operations, which are costly for employers. We are supporting our workforce of today, ensuring parents of young children continue to engage and contribute to Colorado's economy and grow in their careers. And, at the same time, we are investing in our workforce of tomorrow by ensuring our youngest learners have access to quality programs that set them up for success in school. Investing in early childhood is the foundation of the "grow our own" talent strategy that Colorado is establishing.

Over the past 18 months, the COVID-19 crisis and resulting economic disruption has put the need for smart public investment in early care and education into focus. Thanks to the leadership of Governor Jared Polis, Colorado's General Assembly and the Early Childhood Leadership Commission, work to strengthen Colorado's early childhood education sector and expand access to quality programs and services was underway before the on-set of COVID-19. Those efforts are being aided by new state and federal investments.

Over the next 18 months, Colorado's policy leaders will make critical decisions regarding a new state agency for early childhood and a new state-funded pre-kindergarten program that will shape the state's early childhood system for decades to come. More importantly, that system will then shape the educational and life opportunities and trajectories of hundreds of thousands of Colorado's kids. ***We urge you to put those children front of mind as you make these critical policy choices. Be bold on their behalf. Embrace innovation, agility and accountability. Avoid the urge to simply reorganize bureaucracy and instead build new structures and systems that will better serve children, families and educators.***

Colorado's business community actively supported the full-day Kindergarten expansion. We invested in the YES on Prop EE campaign to secure funding for universal pre-k. We advocated for the passage of House Bill 21-1304 to start this implementation work. We are currently participating in the various state task forces and work groups to inform implementation strategy. This brief, and a forthcoming companion piece specific to the new universal pre-k program, are offered in the spirit of continuing constructive collaboration toward a stronger, more effective early care and education system for Colorado.

With appreciation for your leadership,



Scott Laband
Colorado Succeeds



Nicole Riehl
EPIC



Michael Cooke
Council for a Strong America/
ReadyNation

1. *Want to Grow Colorado's Economy? Fix The Child Care Crisis*, Ready Nation / Council for a Strong America Colorado, March 2020, retrieved from: <https://www.strongnation.org/articles/1153-want-to-grow-colorado-s-economy-fix-the-child-care-crisis>

Background: Policymakers should approach the establishment of the new state agency with these three key points in mind:

(1) This agency is being created to better serve children, families and early educators and so it should be designed and built for them. While building a new agency is essentially an exercise in bureaucracy, the result does not need to be a large bureaucracy. *This is a unique opportunity to build a nimble and responsive government agency from the ground up, with the end-users at the center of its design and operations.* Every decision about the structure, leadership and financing of this new agency should put children, families and educators' interests ahead of all else. Policymakers should be asking themselves:

- How will the leadership of the agency stay connected and accountable to the community?
- Are divisions, program policies and technology systems being designed based on front-end user input and continuous user feedback, particularly those users historically farthest from power?

- How will policymakers, taxpayers and voters know if this new agency is meeting the needs of kids and families?

(2) While consolidation and alignment are worthy goals, continued collaboration among state agencies will remain essential. By bringing many of the state's early care and education programs together under one roof, we hope to bring new focus and attention to critical early care and education programs and create a more aligned and efficient set of services to benefit children and families. However, we must also acknowledge that complete consolidation is not possible, nor desirable. Inevitably, programs serving young children and their caregivers will continue to operate out of multiple state agencies. There will continue to be critical connection and transition points—such as the administration of health prevention and promotion programs that ensure kids are developing appropriately and the successful transition point from preschool to kindergarten—that will continue requiring careful coordination among





agencies. To this end, ***this new state agency should be designed as a linchpin for collaboration, serving as a connector, integrator and accountability partner.***

(3) The goal is to strengthen and scale programs and services, not recreate, duplicate or own them. Colorado's early childhood system has many strong elements in place—building blocks for the comprehensive, coordinated system we are seeking to establish. The greatest challenge we face today is that too many of our kids cannot access the services they need and those that do access services face inefficiencies and bureaucratic barriers in getting them. In creating a new agency, ***we should seek to strengthen the elements that are working and take them to scale so that all Colorado families can benefit***

from quality early care and education programs. This new agency should be designed to strengthen and support:

- **A robust mixed delivery system that empowers family choice**—to meet the goal of supporting all families, including full-time working families, we need child care and preschool providers of all types and in all settings, including: home-based, community-based, school-based (public, private & charter schools) and employer-based; licensed and license-exempt; public, private, nonprofit and for-profit.
- **Commitment to quality and accountability**—Colorado has a strong foundation for quality rating and transparency in place through the Colorado Shines licensing and rating system, which should continue to evolve and improve.
- **Local and regional leadership**—through school districts, counties, voter-approved local funding streams, statutorily enabled early childhood councils, and early childhood special districts, we have several local structures that facilitate local investments and administer programs. Many of those entities have developed effective regional partnerships and secured local public investments that are adding real value to the early childhood system at the community level. However, some communities may have duplicative, unnecessary or ineffective structures. This new agency should support communities in evaluating and strengthening their local early childhood ecosystem, sharing best practices and supporting replication of models that work.

Learning from Business Leaders & Other State Experiences

We interviewed business leaders in Colorado to garner insight into best practices from the private sector that should inform agency design, and we spoke to business advocacy stakeholders in Georgia, New Mexico and Washington State about lessons learned from the experiences of early childhood agencies in their states. The learnings from that research are incorporated throughout this report and reflected in the specific recommendations.



Recommendations **SIZE & SCOPE**

In studying early childhood agencies in other states, we found that size and scope matters. A critical mass of programs and services within the agency is needed to reach the goal of aligning historically fractured and siloed programs and services. However, if the new agency gets too big, the very programs and services you are seeking to elevate and focus on will get lost.

While Colorado's early childhood framework is multi-domain and inclusive of prenatal to age eight—appropriately so—we encourage the primary funding streams and programs of the new agency to be those in the early care and learning domain, focused on the birth to five age range.

Allow the major public health, health care, family formation and child welfare programs that also serve older children and adults—those that do not have exclusive or primary focus on children birth to age five—to stay in their respective agencies. Recognizing that high quality early care and education programs nurture whole child development and include components of health, hygiene and social-emotional development, continued collaboration with agencies responsible for funding streams and programs focused on those elements will be essential. Regular review of program placement within agencies is appropriate as this new state department matures.

The establishment of this new department is a watershed moment in Colorado. It is imperative that our focus be squarely on our children as our future workforce.

Burnie Zercher, Founder, Industrial Constructors/Managers, Inc

The following programs should be included within the new agency:

- Child Care Licensing
- Early Childhood Professional Development and Credentialing
- State Head Start Collaboration Office
- Colorado Child Care Assistance Program
- Colorado Preschool Program

- New State Universal Pre-Kindergarten Program
- Home Visitation Programs
- Early Intervention

Careful exploration and consideration should be given to the placement of, or coordination with, other early childhood health, nutrition, special education and prevention programs.





Recommendations

TRANSPARENCY & ACCOUNTABILITY

Just as successful private sector businesses use data to stay competitive, this new agency should ***be relentless about collecting data, evaluating programs and measuring impact, so it can proactively refine programs and make course corrections, as needed, to maximize benefits*** for children, families and early educators. Data should be approached as a tool for learning and improving programs and systems, not as a punitive tool. The agency must be transparent with policymakers, voters and taxpayers about whether and how public investments are impacting children's success. To accomplish this, the new agency should:

Build a robust data collection and analysis function and explore opportunities for facilitating cross-agency data sharing. The [Georgia Cross Agency Child Data System \(CACDS\)](#) is an impressive model worth learning from. This resource is particularly valuable because of the public-facing portal that enables external stakeholders to access data and information necessary to hold the state accountable. Additionally, Washington State has established an [Office of Innovation, Alignment and Accountability](#) within their Department of Children, Youth and Families.

Create specific and timely accountability metrics and use those to help align programs for improved outcomes. Governor Polis' [Education & Workforce cabinet](#) workgroup sets Wildly Important Goals (WIGs) on an annual basis and the Colorado General Assembly's SMART Act requires state agencies to establish and report annually on performance plans and goals. These performance management tools should:

- be an integrated part of the agency's strategy, not an after-thought, and driven by stakeholder needs,
- draw on data sources that provide information in a timely way to inform future-looking, proactive goals to improve consumer experience and student performance outcomes, and
- be used to align efforts across agencies, including the Colorado Departments of Education, Health Care Policy and Financing, Human Services and Public Health and Environment. They should share responsibility for metrics of key importance that they and the new agency both impact.



Recommendations

LEADERSHIP & CULTURE

While leadership and culture are difficult to set by policy, they are essential ingredients in any successful organization—public or private sector—and can be shaped by the systems and structures of the organization. The founding leadership of this new agency will have a particularly profound impact in establishing organizational culture. We encourage policymakers, particularly Governor Polis, to:

Hire an innovator with early childhood expertise—not a career politician or bureaucrat—to serve as the first Executive Director of the new agency.

A technocrat who brings a detailed understanding of early childhood funding streams and programs, as well as a strong commitment to successfully serving children, families and educators, is needed to establish and lead this agency through its inception. The first leader of this agency should bring:

- Commitment to innovate and willingness to take smart, calculated risks to build a more rational system
- Expertise in early childhood federal funding and programs
- Understanding of best practices and successful models

- Experience with state budgeting and legislative processes
- Familiarity with local leadership structures and understanding of the most constructive role the state can play in the federal / state / local dynamic

It is essential that this first leader be:

- Humble and curious, two qualities critical to effective leadership of user-centered organizations
- A doer and executor with a strong bias toward action
- Focused on defining clear, core competencies for the new department
- An effective communicator
- A collaborator and trust builder

Strong leadership from early childhood experts with a deep commitment to serving children and families well have been a key to the successes of the Georgia and New Mexico agencies. Colorado would do well to find similar leaders.



Foster collaborative leadership and create space for community voice in the leadership of the agency. The Early Childhood Leadership Commission (ECLC) has been an invaluable asset in advancing early childhood policy in a multi-sector, multi-domain manner. They provide important connections between the public and private sectors and sustained leadership through changing administrations and legislative leaders. Their continued leadership

will be essential to the success of this agency and early childhood work in Colorado more broadly. In addition to the ECLC, we urge the leadership of the new agency to build formal and informal structures for collaborating with peer agencies through mechanisms such as the Education & Workforce and Health cabinet workgroups, the Education Leadership Council and with local community and industry leaders.



Recommendations

INNOVATION & RESPONSIVENESS

The success of this agency will be judged largely on its ability to align and integrate historically siloed programs, build strong partnerships and react and adapt quickly to changing customer needs in order to expand access to and improve quality of early care and education services in the state. ***A nimble, responsive structure that is incented and supported to innovate is required.***

Establish and maintain real-time feedback loops to inform program design and revision. The most innovative, transformative, and successful businesses and service providers are obsessively focused on customer experience and committed to rapid-cycle learning and continuous improvement. To facilitate their success, they have built effective mechanisms to seek, collect and analyze consumer feedback in real-time. The agency should be resourced to gather on-going feedback from families and providers. The agency should consider how it can partner with and leverage Early Childhood Councils around the state to accomplish this. Additionally, look to and learn from the experience of the Denver Preschool Program, which established an Advisory Board of parents and preschool school providers to offer on-going input and feedback to the Board of Directors and staff leaders during its first 10 years

of operations. The federal Head Start and Medicaid programs also have robust and effective structures for engaging consumers in program governance. The private sector can also offer models to learn from whether it be point-of-service customer satisfaction surveys, net promoter scores or other tools. The data collected through these feedback loops should be tied to agency performance metrics and WIGs. As noted above, collaborative leadership will be important to the success of this agency, but the community voice cannot be carried by leaders alone—end-users should continue to inform and shape the work of this agency.

Cultivate private sector partnerships to develop and implement dynamic customer service solutions. Making high quality early care and education ubiquitous will require significant scaling of programs and services, with particular attention paid to engaging populations hesitant to use public benefits. Highly responsive technology solutions will be needed, but technology alone will be insufficient. Some form of soft-touch customer service support or case management will also be critical. Historically, government has established and prescribed very specific parameters for technology platforms and has held vendors accountable for delivering on those requirements via contract

Families in our community cannot find access to, or bear the high cost of child care, and providers and teachers struggle with less than livable wages.

Rosie Evans, Owner/Director, Evans Early Childhood Center

management and enforcement tactics that have proven to be minimally effective in delivering solutions that truly meet customer needs. If the agency is successful in building and using real-time feedback from end users, the technology platforms will need to be regularly changing and iterating to meet user needs. The state has also relied on local governments to deliver case management services, even though government partners are often not trusted by the communities that need the greatest support. Instead of the traditional approach, this new agency should cultivate mission-aligned private sector partnerships to develop more dynamic and responsive technology solutions and deliver customer support via trusted community sources. The agency should seek sophisticated technology vendors to partner and co-create, revise and refine technology solutions over time based on end-user feedback. Similarly, the agency should partner with private sector community entities that have built long-standing and trusted relationships, particularly with hard-to-reach populations, to deliver case management support.

Empower this agency to harness the unique resources of the State to solve systemic challenges in the field. The field of early childhood is facing human and physical infrastructure limitations that make it difficult to meet current demand and community needs. To build a system that has truly universal reach,

those challenges must be addressed. Further, new state investments in pre-kindergarten threaten to destabilize early care and learning services for younger children - those under age four - by creating financial incentives for child care providers to shift capacity to serve preschoolers, rather than infants and toddlers. This new agency should develop innovative approaches and strategies that leverage the full resources of the State to help address early childhood systems capacity needs. For example:

- How can the early childhood workforce benefit from the state's broader workforce development efforts?
- How can the State's vast real estate portfolio and debt capacity help address physical infrastructure challenges facing the early childhood sector?
- How can child care rules and regulations be streamlined and small-business start-up incentives put in place to encourage and support informal child care providers to become licensed or formally identified as license-exempt providers?
- How can the state use its expertise, resources and bully-pulpit to partner with businesses and expand employer-sponsored child care as an employee benefit, either by making on-site child care resources available or through other models?

Acknowledgements

This paper was collaboratively produced by Colorado's leading business organizations advocating for high quality early childhood programs and services.



Colorado Succeeds is a nonprofit, nonpartisan coalition of business leaders dedicated to ensuring the education system prepares students to tackle the challenges of tomorrow. Colorado Succeeds collaborates with businesses, government and educators to create, invest in and scale the solutions that get us there.



Executives Partnering to Invest in Children was founded by Colorado business leaders and serves as the business community's non-partisan voice for early childhood. EPIC leads efforts to build infrastructure and advance policies that support the workforce of today while developing the workforce of tomorrow.



ReadyNation Colorado promotes evidence-based policies and programs that enable kids to be healthy, well-educated and prepared for successful lives. The business leaders of ReadyNation make the bottom-line case for effective, bipartisan investments in children as the future workforce.

Cody Belzley of Common Good Consulting, LLC served as the principal researcher and author of this paper.

We wish to extend our sincere appreciation to the following people who contributed to this work through key informant interviews about business sector best practices, the experiences of other states with dedicated state agencies and/or served as expert reviewers of the content prior to publication:

Amanda Aragon, Executive Director, New Mexico Kids Can

Hannah Berman, Senior Manager, Sustainability and Philanthropy, Aspen Skiing Company

Sandra Bishop, PhD, Chief Research Officer, Council for a Strong America

Sarah Bridich, PhD, Education Researcher and Consultant

Tim Cairl, Senior Director, Education & Public Policy, Metro-Atlanta Chamber

Steffanie Clothier, Director, School Readiness, Gary Community Ventures

Scott Darnell, Senior Advisor for Policy, Planning & Operations, Greater Albuquerque Chamber of Commerce

Erica Hallock, Washington Project Director, Fight Crime: Invest in Kids, Council for a Strong America

Mara Holiday, Senior Program Officer, Delta Dental of Colorado Foundation

Jason D. Lewis, Financial Advisor, Raymond James & Associates, Inc

Robert Pew, Chair of the Board of Directors, Steelcase, Inc and President, MANAUS

Jesus Salazar, CEO, Prosono

Ellen Sanberg, Vice President, Client and Community Relations, PNC Bank

Cathy Shull, Executive Director, Pro15 Northeast Colorado

Rick Simms, Founder, WeeSchool/ParentPal

Sean VanBerschot, President, Prosono

Michael Weinberg, Early Childhood Education Policy Officer, Thornburg Foundation

Kristin Wiggins, Washington Project Director, Mission: Readiness and Ready Nation, Council for a Strong America

Burnie Zercher, Founder, Industrial Constructors/Managers, Inc. (ICM)