

# Colorado Early Childhood Councils Quarterly Report: FY2008-2009—Fourth Quarter



FY2008-2009, Fourth Quarter (April 1-June 30, 2009)

November 2009

## Fiscal Agency Structure — Does It Make a Difference?

Colorado's legislation creating and governing the work of its Early Childhood Councils does not specify what kind of legal structure those Councils have to take. Unlike other states (e.g., North Carolina), the Councils themselves can choose whether to operate under the legal structure of a fiscal agent or whether to become their own, independent non-profit organizations.

During the fourth quarter of the State Fiscal Year 2008-2009, the 31 Councils in operation in Colorado included 6 with their own non-profit status and the following distribution among various types of fiscal agents:

- 12 non-profit organizations,
- 8 local government agencies,
- 3 school districts
- 2 community colleges.
- Funding diversification; and
- Council membership.

Which begs the question: does legal structure make a difference? Using data collected by the Colorado Department of Education from all 31 Councils during the fourth quarter of the SFY2008-2009, we looked at two factors that might be affected by legal or fiscal agency structure and that also indicate Councils' ability to effectively build local systems:

### Funding Diversification

The graph below shows the average percentage of funding by source that Councils with each type of legal structure/fiscal agent had as of the fourth quarter. While other factors may also be contributing, graph suggests that legal structure does seem to have a relationship to funding diversification.

Councils that are their own non-profit organizations seem to have the most diverse funding, followed by those Councils that have non-profit organizations that serve as fiscal agents. One of the most probable reasons for this trend is that the non-profit structure is specifically designed to allow organizations to apply for and accept foundation — or philanthropic — funding.

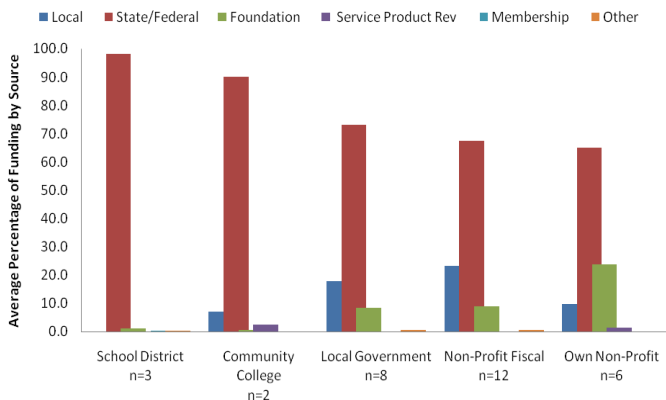
The legal structures that have the least funding diversification are school districts and community colleges. Councils with these two fiscal agent structures are currently relying primarily on state/federal funds rather

### Special points of interest:

#### As of the fourth quarter:

- THE MAXIMUM NUMBER OF MEMBERS IN ANY ONE COUNCIL WAS 71.
- THE SMALLEST NUMBER OF MEMBERS IN A COUNCIL WAS 13.
- OVER HALF OF THE COUNCILS THAT WERE FIRST FUNDED IN 2007 HAVE NON-PROFIT ORGANIZATIONS AS FISCAL AGENTS.

**Comparative Funding**  
by Fiscal Agency Structure



Graph 1:

The more colored bars a fiscal agency structure has, the more diverse its funding.

(Continued on page 2)

### Inside this issue:

FISCAL AGENCY STRUCTURE — DOES IT MATTER? **1**

STAGES OF DEVELOPMENT **2**

# Colorado Early Childhood Councils

## Fiscal Agency Structure (continued)

(Continued from page 1)

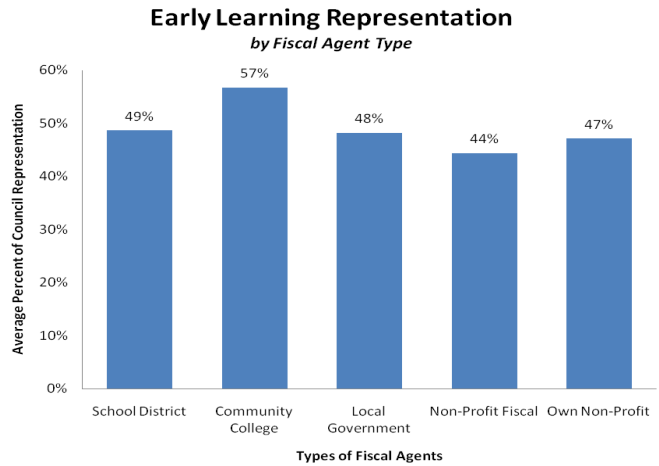
than other potential sources.

### Council Membership

Because one of the key functions of Early Childhood Councils is to build and support collaborative partnerships across domains, the organizational and domain diversity of membership is meaningful.

No matter what type of fiscal agent Councils had at the end of the fourth quarter of SFY 2008-2009, members categorized as “early care and education” or other similar early learning categories were the top representation across the board. For purposes of this analysis, other early learning categories include Head Start, kindergarten programs, resource and referral agencies, local school board members, school districts, Part C and Part B, Colorado Preschool Program and school age representatives.

NO ONE LEGAL STRUCTURE WILL BE RIGHT FOR ALL OF COLORADO'S EARLY CHILDHOOD COUNCILS.



Graph 2: The early learning domain makes up the largest single membership category for all Early Childhood Councils, regardless of fiscal agency type.

Early learning representation is displayed in Graph 2, which shows that the early learning domain makes up between an average 44% of membership for Councils with non-profit fiscal agents to an average 57% of membership for Councils with community college fiscal agents.

Beyond a clear emphasis on

early learning for all Councils, representation from other domains and categories also varies somewhat by fiscal agent type. Councils that are their own non-profits or that have a non-profit or local government fiscal agent tend to have somewhat higher levels of general community repre-

(Continued on page 4)

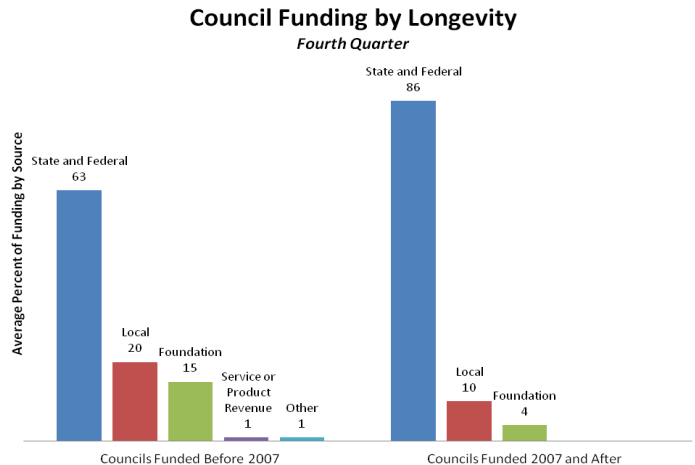
## Stages of Development

In early childhood, the fact that young children move through different stages development is an important concept. In many ways, Early Childhood Councils (or any community organizations) also go through similar stages of development. What is possible and reasonable for a collaborative that has been at the work for many years may be quite different than what works for a newer Council.

Because some of the Early Childhood Councils in Colorado began over a decade ago under the Consolidated Early

Childhood Pilot Program — while others launched just over

two years ago after the passage of HB07-1062 — it is



Graph 1: Early Childhood Councils first funded prior to HB07-1062 are able to leverage other funding sources to support systems development.

OVER TIME, COUNCILS ARE INCREASINGLY ABLE TO LEVERAGE DOLLARS FROM A VARIETY OF SOURCES TO BUILD A SYSTEM OF COORDINATED EARLY CHILDHOOD SERVICES.

## Stages of Development (continued)

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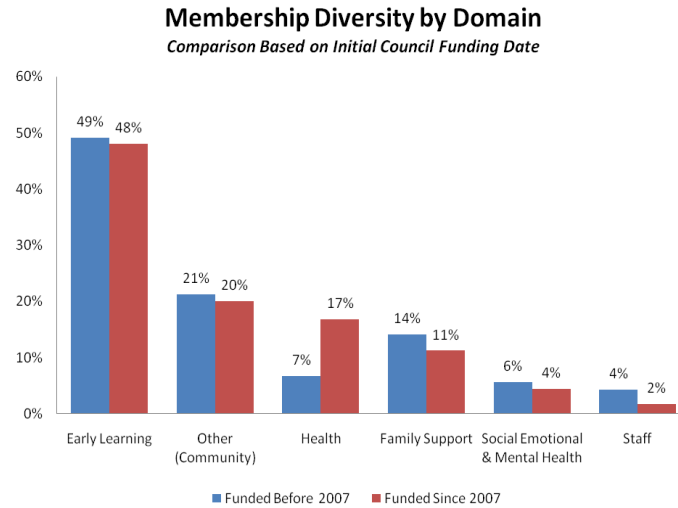
possible to look at the differences in systems building capacity based on years of funding as a Council. And these differences can help to better understand differences in approaches and strategies across Councils.

In the fourth quarter of SFY2008-2009, there were 18 Councils that had been previously funded as Consolidated Early Childhood Pilots. Another 13 were newly funded by the State as Early Childhood Councils beginning in July 2007.

Because membership and funding can both be indicators of Council development and growth, this analysis looks at these two factors based on Council longevity (i.e., how long the Council has been funded by the State under HB07-1062). The most noticeable finding from this analysis are that:

- Councils that have been in existence longer have greater funding diversity than the newer Councils (Graph 1); and
- The newer Councils have a higher percentage of members from the health domain than do those that began as Consolidated Child Care Pilots (Graph 2).

These results make sense. Councils that have been working at systems-building for nearly a decade or more have had time to develop funding relationships that have enabled them to leverage funds from a range of sources.



Graph 2: Early Childhood Councils that were first funded by the State after the passage of HB07-1062 tend to have greater health representation than those that were first funded as Consolidated Child Care Pilots in the late '90s.

These communities have had time to see and experience the valuable impact collaboration can have on the quality, access and equity of early childhood services.

The result has been a significant investment of local and foundation funds into the Early Childhood Council infrastructure. Over time, we would expect to see similar leveraging of funding happening in the newer Councils as well.

At the same time, membership trends seem to show some advantages for the newer Councils. In these organizations, the health domain is heavily represented as a percentage of total membership than in the Councils that were formerly Consolidated Child Care Pilots (17% vs. 7%).

There are probably two primary reasons for this. First of all, the original Consolidated Child Care Pilots were not originally set up around the four domains of early learn-

ing, health, mental health and family support. The emphasis in early legislation from 1997-2002 was primarily on child care and so this is how the former Consolidated Child Care Pilots initially organized. While other domains are becoming a vital piece of all Councils, there is some history around the previous child care focus that probably still affects representation at the Council tables.

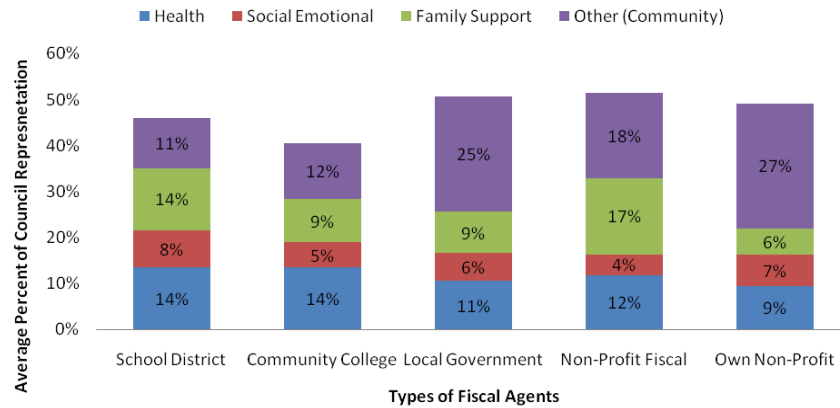
Secondly, The Colorado Trust introduced the Health Integration grants to support local systems-building for health outcomes around the same time as many of the newer Councils were in the very early stages of formation. The philosophical focus on four domains combined with real funding opportunities directed at health strategies gave health interests at the new Council tables a strong reason to join the collaboration from the beginning.

AFTER THE EARLY LEARNING DOMAIN, THE LARGEST SINGLE AREA OF REPRESENTATION IS COMMUNITY LEADERS: BUSINESS REPRESENTATIVES, ELECTED OFFICIALS AND HIGHER EDUCATION.

## Fiscal Agency Structure (continued)

COMMUNITY LEADERS, INCLUDING ELECTED OFFICIALS AND BUSINESS REPRESENTATIVES, MAKE UP BETWEEN 11-27% OF THE MEMBERSHIP FOR THE EARLY CHILDHOOD COUNCILS.

### Diversity of Membership by Fiscal Agent Type



Graph 3: Community leaders tend to have more representation on Councils that are their own non-profit organizations, or that have fiscal agents that are local governments or non-profit organizations.

(Continued from page 2)

sentation that is not specifically categorized by any one domain — shown in Graph 3 as “Other (Community)”. This category of representation includes local elected officials, business people, faith-based

representatives, and higher education interests.

There is probably not one single reason why community representation is higher in these types of organizational structures, although it is possible that the connection non-profit organizations and local government agencies have to community leaders may be

broader or stronger than in the other structures. This may allow these Councils access and involve elected and business leaders more easily than under legal structures focused on providing education services to the community.

Graph 3 also shows that there is some variation in the number of

Family Support representatives on Early Childhood Councils. Family support representation is defined here as parents, family resource centers, child welfare agencies, and libraries. This domain seems to see higher representation within Councils that have either non-profit organizations or school districts as fiscal agents.

**Learn more about Colorado’s Early Childhood Councils at:**  
[www.cde.state.co.us/early/ECC.htm](http://www.cde.state.co.us/early/ECC.htm)

Colorado’s Early Childhood Councils integrate services delivered through a comprehensive early childhood system that includes quality care and education, family support, health and mental health programs. Authorizing legislation calls on the Councils “To develop and ultimately implement a comprehensive system of early childhood services to ensure the school readiness of children five years of age or younger.” (HB 07-1062)

The Early Childhood Councils program is funded by Child Care Development Block Grant/Child Care Development Funds and is administered at the state level by a partnership between the Colorado Department of Human Services and the Colorado Department of Education.