

(A)(4) Developing a budget to implement and sustain the work of this grant. (15 points)

The extent to which the State Plan--

(a) Demonstrates how the State will use existing funds that support early learning and development from Federal, State, private, and local sources (*e.g.*, CCDF; Title I and II of ESEA; IDEA; Striving Readers Comprehensive Literacy Program; State preschool; Head Start Collaboration and State Advisory Council funding; Maternal, Infant, and Early Childhood Home Visiting Program; Title V MCH Block Grant; TANF; Medicaid; child welfare services under Title IV (B) and (E) of the Social Security Act; Statewide Longitudinal Data System; foundation; other private funding sources) for activities and services that help achieve the outcomes in the State Plan, including how the quality set-asides in CCDF will be used;

(b) Describes, in both the budget tables and budget narratives, how the State will effectively and efficiently use funding from this grant to achieve the outcomes in the State Plan, in a manner that--

(1) Is adequate to support the activities described in the State Plan;

(2) Includes costs that are reasonable and necessary in relation to the objectives, design, and significance of the activities described in the State Plan and the number of children to be served; and

(3) Details the amount of funds budgeted for Participating State Agencies, localities, Early Learning Intermediary Organizations, Participating Programs, or other partners, and the specific activities to be implemented with these funds consistent with the State Plan, and demonstrates that a significant amount of funding will be devoted to the local implementation of the State Plan; and

(c) Demonstrates that it can be sustained after the grant period ends to ensure that the number and percentage of Children with High Needs served by Early Learning and Development Programs in the State will be maintained or expanded.

The State's response to (A)(4)(b) will be addressed in the Budget Section (section VIII of the application) and reviewers will evaluate the State's Budget Section response when scoring (A)(4). In the text box below, the State shall write its full response to (A)(4)(a) and (A)(4)(c) and may also include any additional information it believes will be helpful to peer reviewers. If the State has included relevant attachments in the Appendix, these should be described in the narrative below and clearly cross-referenced to allow the reviewers to locate them easily.

Evidence for (A)(4)(a):

- The completed table listing the existing funds to be used to achieve the outcomes in the State Plan (see Table (A)(4)-1).
- Description of how these existing funds will be used for activities and services that help achieve the outcomes in the State Plan.

Evidence for (A)(4)(b):

- The State's budget (completed in section VIII).

- The narratives that accompany and explain the budget, and describes how it connects to the State Plan (also completed in section VIII).

(A)(4) Developing a budget to implement and sustain the work of this grant.

Minnesota's Early Learning Challenge State Plan builds on our \$354 million annual state investment (SFY11; see Table A1-4) in Early Learning and Development (ELD) programs. The additional \$44.9 million requested in Early Learning Challenge funds over the four year grant period will accelerate the strong initiatives currently underway, as well as build long-term infrastructure. Our investments focus on accelerating statewide improvements to quality and access to that quality for Children with High Needs, we also enable parents, Early Childhood Educators, program administrators, and policymakers to access information at multiple levels (child, Early Childhood Educator, ELD Program, and system) and to use that information to make decisions, from day-to-day instruction of children to targeting future investments in early learning, both during and long beyond the grant period. The Early Learning Challenge grant provides less than half of the total \$105 million budget for this four-year Plan.

To accomplish our State Plan we will leverage existing public and private investments, most of which are documented in the budget materials included with this application (VIII). There are also, there are substantial public and private investments in our Target Communities for which it is difficult to provide a full, detailed accounting at the appropriate geographic level (e.g. the Promise Neighborhoods operate on the scale of city blocks) and to avoid "double counting" of resources that are part of statewide figures. The following budget information related to those efforts can help to provide context for the investments that will help us accomplish our State Plan in our Target Communities. The Itasca County Invest Early project's annual budget is \$3.2 million (public and private sources). The Northside Achievement Zone, Minneapolis' Promise Neighborhood applicant, included more than \$700,000 in annual investment for early childhood related initiatives in its recent application for funding. They also documented nearly \$1.7 million in ongoing, existing early childhood investments in the area. The St. Paul Promise Neighborhood requested just over \$1.8 million for early childhood initiatives over the five years of the Promise Neighborhood grant. The White Earth Band of Chippewa invests federal and tribal resources in early childhood education and development services, including recent funding in the amount of \$526,000 from the federal Tribal Maternal, Infant and Early Childhood Home Visiting Program.

By the end of 2015, statewide participation in Parent Aware Tiered Quality Rating and Improvement System (TQRIS) will increase dramatically (B1, B2, B3, B5, and for performance targets see Table B4c1), with participating ELD Programs of all types receiving quality improvement support (B2) aligned with Parent Aware and the Early Learning and Development Standards (C1) that form its foundation. Those quality improvements have real, immediate benefits for Children with High Needs and other children served by each participating program. We make significant investments in improving human capital through our Early Childhood workforce (D1 and D2), with training and scholarships to help Early Childhood Educators move up a ladder of competence and credentials. We make significant, up-front investments in four Early Learning Challenge Target Communities (Target Communities)—investments with direct and enduring benefits: Children with High Needs get access to the highest-quality ELD Programs (B4); ELD Programs receive intensive assistance improving their quality; and school districts have unprecedented incentive to invest Title I dollars in high-quality ELD Programs. Beyond that, investments in the Target Communities provide Minnesota with lessons about how to replicate intensive, community-based efforts throughout the state, in rural areas and urban areas, and communities with deep concentrations of Children with High Needs, during the grant period and beyond.

Early Learning Challenge Project Budgets

This Section presents budget information on each of the projects in Minnesota's State Plan, including information about the total cost during the grant period. It also presents information on the sources of funding dedicated to the project, including existing public funds, private funds, and Early Learning Challenge grant funds (A4a and Table A4-1). For each project, we present information on how the investments will be sustained after 2015 (A4c). All of this information is presented sequentially for each project. More detailed information on the adequacy, necessity, and reasonability of each project's budget, as well as how the funds are allocated by line item (A4b), is available in the Budget Section tables and narratives later in this application. Each participating state agency will manage the ELC grant funds according to state financial requirements and procedures as well as any applicable federal requirements. The three state agencies currently have existing requirements for inter-agency agreements and will also operate under the requirements of the Memoranda of Understanding (MOU Appendix) to carry

out and accomplish the work required under the Plan and workscope. Under Budget Part II—Narrative, each of the participating state agency narratives describes budget details by budget category for each of the projects described in the Plan. The Office of Early Learning Leadership Team will coordinate all budgets.

To be clear: grant funds are used to supplement, accelerate, and enhance efforts already underway in each of the projects presented here. Not one dollar of Early Learning Challenge grant funding is used to supplant existing public or private funding. To the contrary, even the work done in planning for the Early Learning Challenge grant has leveraged additional private resources to support the projects presented in this Plan.

GOVERNANCE—A3

All the activities presented in Section A3 that are designed to support and govern the projects outlined in this Plan have existing support. All leadership, including the Governor, the Children’s Cabinet, and the Office of Early Learning are supported throughout the grant period and beyond through state General Fund dollars. The public outreach and engagement strategies described in A3 are also carried out using existing state funding, and all will continue with state dollars after 2015. The Office of Early Learning was created based on planning work supported by Start Early: Funders for Children and Minnesota’s Future, which includes a statewide group of philanthropic organizations (see Priority 5 and Letters of Support Appendix).

Parent Aware Tiered Quality Rating and Improvement System (B1-B3, B5)

\$9,760,457 Public Funds (CCDF)

\$7,600,000 Private Funds

\$7,978,232 ELC Grant Funds

\$25,338,689 TOTAL 4 Year Project Cost

The Parent Aware TQRIS is already implemented in Minnesota. Launched with private funding from the Minnesota Early Learning Foundation (see Letters of Support Appendix), Parent Aware is now supported by a combination of public and private funding. In this Plan, the Department of Human Services devotes \$9,760,457 in Child Care Development Fund quality dollars to support the quality assurance functions (B3) in Parent Aware, in addition to sustaining the statewide professional development and Child Care Resource and Referral system that provides support to ELD Programs in improving their quality through strategies increasingly aligned with Parent Aware. Since its inception, Parent Aware has focused on marketing ratings

to parents and providing evaluation focused on ongoing validation and improvement of the rating system. Those functions have always been supported through private investments, and those investments will continue through the grant period, using \$3 million from the private Parent Aware for School Readiness business-supported nonprofit (see Letters of Support Appendix). Private investment is also committed by Greater Twin Cities United Way to support quality improvement activities aligned with Parent Aware in the nine county Metro Area (see Priority 5 and B2) and evaluation of the impact of quality improvement efforts statewide (B5). This investment in quality improvement and related evaluation totals \$4.6 million from Greater Twin Cities United Way over the grant period.

Early Learning Challenge dollars supplement this work by focusing on quality improvement for participating ELD Programs. That focus accomplishes two goals. First, statewide penetration of Parent Aware dramatically increases (see performance targets in Table B4c1) in areas with high concentrations of Children with High Needs over the next four years. ELD Programs are incented to enter the rating system because doing so allows them to learn how their program's quality could be improved and provides support to make those improvements. That support includes quality coaches; quality improvement grants to allow them to address gaps in order to increase their rating; and, in the Target Communities, Child Care Health Consultants. Second, those quality improvements have immediate and lasting benefits for every child served by that program, long beyond the grant period.

Early Learning Challenge dollars accelerate the most expensive component of Parent Aware—real improvement of ELD Program quality—at a rate not otherwise possible, leaving Minnesota well positioned to continue using Child Care Development Fund quality set-aside and private dollars to sustain and enhance Parent Aware after the grant period. Privately supported statewide marketing of Parent Aware ratings will generate increased parent/caregiver demand for quality rating information, generating public will for continued investments, both public and private, in Parent Aware.

Access to Quality ELD Programs for Children with High Needs (B4)

\$10,160,000 Public Funds (Title I and MIECHV)

\$20,312,961 ELC Grant Funds

\$30,472,961 TOTAL 4 Year Project Cost

The strategies for increasing access for Children with High Needs to high-quality ELD Programs presented in B4 use Early Learning Challenge grant dollars for two projects: School Readiness Scholarships (\$12,867,836 total); and Title I Match Grants (\$17,605,125 total). These projects are each only available in the Target Communities. There are two primary purposes for launching and evaluating these projects. First and foremost, they create powerful incentives for ELD Programs to enter Parent Aware and serve Children with High Needs—they must do so in order to participate in either project. This requirement will increase market penetration of Parent Aware dramatically during the four-year period, again resulting in quality improvement and related benefits to children from all participating programs. A sizable group of Children with High Needs will also benefit directly from these access projects: 1,282 children will receive two years of School Readiness Scholarships during the grant period, and 2,500 children will attend one year of high-quality ELD programming operated by school districts (supported half with grant funds and half with the districts' own Title I funds). The school readiness benefits that accrue to participating children are foundational investments in human capital that will continue as those children enter kindergarten and beyond.

In addition to the participating districts' Title I funds (\$8,750,000), Minnesota and the White Earth Band Tribal Council dedicate federal home visiting resources (MIECHV totaling \$1,410,000 and Tribal Material, Infant and Early Childhood Home Visiting Program funding) to support the home visiting activities to link Children with High Needs to high-quality ELD Programs.

Both of these access projects will provide funding that may be combined with existing state and federal funding available to provide eligible Children with High Needs with access to various types of ELD Programs (see Table A1-4), including supplemental state spending on Head Start, state funded pre-kindergarten (School Readiness), state contributions to IDEA Part C and Early Childhood Special Education, state match to the Child Care Development Fund, and state contributions to Temporary Assistance for Needy Families. In cases where the children have not yet entered kindergarten, all of those funding sources will remain available to eligible families to support their ongoing participation in ELD Programs after the grant ends. Those funding sources do not provide the same level of incentive to ELD Programs to serve Children with High Needs. However, during the 2011 Minnesota Legislative Session, the Legislature created a state General Fund-supported Scholarship program. The Legislature directed the

Department of Education to develop a plan for implementing the Scholarships by January 15, 2012, with a \$4 million appropriation beginning on July 1, 2012. The Department of Education intends to develop a Scholarship plan that complements the grant-funded School Readiness Scholarships, to assure streamlined, efficient, coherent implementation of the two efforts. The Legislative commitment to the Scholarship funding (\$4 million in 2013 and \$2 million per year going forward after SFY2013) will be another way to sustain access to high-quality ELD Programs for Children with High Needs after the grant period. By the end of the grant period, school districts that opted to take advantage of the Title I match offered with RTT grant funds will have built high-quality, school-based pre-kindergarten programs and will be well positioned to realize the sustained benefit of school ready children (e.g., reduced need for special education and other supplementary services). For this reason, districts will have an incentive to continue making investments in early learning and development using existing, ongoing sources of funding (e.g., state School Readiness, Title I, etc.).

Finally, the evaluation of the impact of various approaches to Scholarships developed by each Target Community will provide evidence to guide future state and private investments in School Readiness Scholarships throughout Minnesota.

EARLY LEARNING AND DEVELOPMENT STANDARDS—C1

\$279,530 Public Funds (ARRA)

\$220,800 ELC Grant Funds

\$500,330 TOTAL 4 Year Project Cost

Our High-Quality Plan uses grant dollars for two activities related to our ELD Standards. The first will formalize a process for continuous improvement of the Standards, and the second will establish a new strategy to improve usage of the Standards by Early Childhood Educators serving Children with High Needs. Early Learning Challenge dollars will supplement existing American Recovery and Reinvestment Act (ARRA) funds to accomplish these activities.

At the end of the ELC grant period we will have more Early Childhood Educators trained on effectively incorporating the Standards in children's daily activities. In addition, we will have completed training materials and related resources that will be available on an ongoing basis. The Department of Education is committed to partnering with providers of professional development to ensure that training based on the developed materials continues beyond the period of the grant. These investments will also result in a set of Early Learning and

Development Standards that reflect updated research and best practices and are better aligned with our K-12 Academic Standards, along with the establishment of an ongoing process for continuous improvement of our Early Learning and Development Standards.

COMPREHENSIVE ASSESSMENT—C2

\$ 18,912,824 Public Funds (Part C and EC Screening)

\$2,225,166 ELC Grant Funds

\$21,137,990 TOTAL 4 Year Project Cost

Implementation of our High-Quality Plan to create a Comprehensive Assessment System will result in the following outcomes: establishing an Assessment and Data System Task Force; improving the delivery of developmental screening; improving the ability of Early Childhood Educators to choose, use, and interpret assessment data; expanding use of electronic Cooperative Personalized Learning Plans; and implementing a statewide School Readiness Report Card. Existing state spending of federal Part C Child Find, Minnesota's Help Me Grow program (\$4,512,824), early childhood screening funding (\$14,400,000) and ELC grant funds will be aligned to accomplish these outcomes.

The Assessment and Data Task Force will complete its work during the period of the grant, presenting its final report no later than July 1, 2013. The Task Force will propose a top-level design for a Comprehensive Assessment System, as well as recommendations for implementation and ongoing evaluation—work that will form the lasting basis of our Comprehensive Assessment System. Over the course of the grant period we will invest grant funds to pilot and evaluate online health and development screening tools and related training. In year four of the grant period, online screening will be implemented statewide. This will be maintained into the future. Activities to improve the ability of Early Childhood Educators to choose, use, and interpret assessment data will result in completed online training resources and protocols for advancing the capacity of early childhood professionals to use environmental rating data to improve program services; these online resources will be made available on an ongoing basis. Grant funds will be invested in improving and piloting Cooperative Personalized Learning Plans, which will result in a plan for statewide use and a business plan for long-term sustainability that will inform future statewide implementation. Grant investments will result in the implementation of a public system-wide School Readiness Report Card. Minnesota is committed to data collection and reporting through 2021.

WORKFORCE FRAMEWORK—D1**\$ 200,000 Public Funds (CCDF)****\$ 105,200 ELC Grant Funds****\$ 305,200 TOTAL 4 Year Project Cost**

Our High-Quality Plan for developing a Workforce Knowledge and Competency Framework and progression of credentials will result in a process for continuous improvement of our existing Core Competencies and an increase in the number of postsecondary institutions and other professional development providers who align training, course offerings, and program content with the Competencies. We will also invest in producing two companion guides that will make our Workforce Knowledge and Development Competencies for Early Childhood Educators serving Children with High Needs. To accomplish these outcomes, we will couple ELC grant investments with \$200,000 in existing Child Care Development Fund dollars.

This strategy will result in enduring partnerships with postsecondary institutions and other providers of professional development services, and ongoing commitments to use the improved Core Competencies as the basis for the training they provide. The process for continuous improvement of the Core Competencies that is put in place will be continued on regular schedule using existing resources.

WORKFORCE SUPPORT—D2**\$ 10,620,000 Public Funds (CCDF and Part C/Centers of Excellence)****\$1,080,000 Minnesota Reading Corps****\$ 5,415,200 ELC Grant Funds****\$17,115,200 TOTAL 4 Year Project Cost**

Our High-Quality Plan for improving the knowledge, skills, and retention of Early Childhood Educators working with Children with High Needs will result in substantial increases in the numbers of Early Childhood Educators who have completed credentials that are aligned with our Core Competencies. We accomplish this by increasing the capacity for coaching, consultation, and mentoring on child and program assessment; increasing access to training on Parent Aware Program Standards, including through regional Centers of Excellence; increasing subsidized access to the Minnesota Child Care Credential; and increasing the availability of scholarships available for the completion of degrees and certificates at postsecondary institutions. To achieve these outcomes, we will invest ELC grant funds and public funds from

the Child Care Development Fund (\$6,620,000) and our State General Fund (\$4,000,000 for the Centers of Excellence), combined with \$1,080,000 offered through our partnership with the Minnesota Reading Corps.

The efforts outlined to support the development of our Great Workforce are investments in human capital development and are by their nature sustained over time. The improved skills of Early Childhood Educators will continue to contribute to program quality beyond the period of the grant. After the end of the grant period, we will continue to work to make the opportunities developed as part of this State Plan available to future Early Childhood Educators, with the continued investment of Child Care Development Fund resources and our ongoing investment in the Centers of Excellence.

KINDERGARTEN ENTRY ASSESSMENT—E1

\$1,124,000 Public Funds (State General Fund)

\$305,200 ELC Grant Funds

\$1,429,200 TOTAL 4 Year Project Cost

The ongoing activities related to Minnesota's Kindergarten Entry Assessment (KEA) are supported using state general fund dollars, as they have been since the KEA was launched in 2002. The state appropriation for the KEA is \$281,000 annually, which is the cost to conduct the current version of the assessment (MN KEA 1.0) with a sample of children statewide. State general funds will later provide the support for conducting the new MN KEA 2.0, as it replaces MN KEA 1.0. The one-time cost for selecting or developing and piloting MN KEA 2.0 is supported using ELC grant funds.

DATA SYSTEM—E2

\$300,000 Public Funds (SLDS grant funding)

\$7,720,642 ELC Grant Funds

\$8,020,642 TOTAL 4 Year Project Cost

Minnesota's contribution of existing public funds to support our early learning data system involves \$300,000 in funding from Minnesota's current State Longitudinal Data System grant, already underway building a P-20 system that provides a foundation for the Early Learning Challenge data systems work. The remainder of the funding is requested from the ELC grant, in order to develop the data systems described in E2 to create actionable data specifically related to ELD outcomes, using data elements from the Departments of Education, Health, and

Human Services. Existing staff will provide the ongoing data governance structure for ELD data initiatives across the three Departments. Ongoing operation of the systems developed using ELC grant funds will also be provided through existing resources across the three agencies.

FAMILY FRIEND & NEIGHBOR SUPPORT—Priority 2

\$196,000 Public Funds (State General Fund)

\$158,112 ELC Grant Funds

\$354,112 TOTAL 4 Year Project Cost

The activities described in Priority 2 are designed to create pathways for legally unlicensed Family, Friend and Neighbor (FFN) providers to improve their quality through culturally appropriate outreach and training activities, and, if interested, enter the Parent Aware TQRIS by first becoming licensed family child care programs. Most of the activities are supported through existing funding sources, including the annual state general fund appropriation of \$49,000 for the Minnesota Parents Know website, which is a key education resource. Another support tapped for activities in this Priority is the grant awarded to Resources for Child Caring for two years to help Iraqi and Bhutanese women refugees develop home based child care programs. Existing state general funds also support the Early Childhood Family Education program in every school district in Minnesota, as well as in four Tribal schools. If the approach outlined in Priority 2 is successful, ECFE programs in districts statewide could be leveraged to support quality improvement and promote Parent Aware participation among FFN providers. In addition, the sustainability strategies described for Parent Aware (above), including the Child Care Development Fund quality set-aside dollars, would support participation of FFN providers who enter the licensing system and then volunteer for Parent Aware rating.

Table (A)(4)-1 Existing other Federal, state, private, and local funds to be used to achieve the outcomes in the State Plan.

Source of Funds	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Total
<i>MDE</i>					
<i>ARRA Funding to Early Learning Council</i>	\$279,530	\$-	\$-	\$-	\$279,530
<i>Part C Child Find: Help Me Grow</i>	\$1,128,206	\$1,128,206	\$1,128,206	\$1,128,206	\$4,512,824

Table (A)(4)-1 Existing other Federal, state, private, and local funds to be used to achieve the outcomes in the State Plan.					
Source of Funds	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Total
<i>Early Childhood Screening</i>	\$3,600,000	\$3,600,000	\$3,600,000	\$3,600,000	\$14,400,000
<i>Part C: Centers of Excellence</i>	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$4,000,000
<i>State General Fund: Kindergarten Entry Assessment</i>	\$281,000	\$281,000	\$281,000	\$281,000	\$1,124,000
<i>State General Fund: Minnesota Parents Know</i>	\$49,000	\$49,000	\$49,000	\$49,000	\$196,000
<i>Federal SLDS Funding</i>	\$100,000	\$100,000	\$100,000	\$-	\$300,000
DHS					
<i>CCDF Quality Set Aside and Targeted Funds</i>	\$3,965,457	\$4,205,000	\$4,205,000	\$4,205,000	\$16,580,457
MDH					
<i>MIECHV Home Visiting</i>	\$470,000	\$470,000	\$470,000	\$0	\$1,410,000
Private					
<i>Private Funding: Marketing of Parent Aware (PASR)</i>	\$500,000	\$500,000	\$500,000	\$500,000	\$2,000,000
<i>Private Funding: Evaluation of PA (PASR & GTCUW)</i>	\$400,000	\$400,000	\$400,000	\$400,000	\$1,600,000
<i>Private Funding: Quality</i>	\$1,250,000	\$1,250,000	\$750,000	\$750,000	\$4,000,000

Table (A)(4)-1 Existing other Federal, state, private, and local funds to be used to achieve the outcomes in the State Plan.					
Source of Funds	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Total
<i>Improvement (GTCUW)</i>					
Other					
<i>Minnesota Reading Corps</i>	\$540,000	\$540,000	\$-	\$-	\$1,080,000
<i>Title I from Participating Districts</i>	0	\$1,750,000	\$3,500,000	\$3,500,000	\$8,750,000