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Mixed Delivery, Stronger Results: How to Intentionally Design Local Early Childhood Systems

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New Practice Lab

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We are dedicated to renewing the promise of America by continuing the quest to realize our nation's highest ideals, honestly confronting the challenges caused by rapid technological and social change, and seizing the opportunities those changes create.

About New Practice Lab

The New Practice Lab works to improve family economic security and wellbeing—through the way social policy is designed and delivered. We believe good policy design focuses on families' lived experience and prioritizes making a difference in people's daily lives.

Contents

Introduction: What is Mixed Delivery?	5
Why Mixed Delivery	6
Challenges of Mixed Delivery	8
Designing a Local Mixed Delivery Model	11
Who Is Allowed to Provide Services?	11
Which Providers Are Eligible to Provide Services?	13
How Are Providers Selected to Provide Services?	14
What Are the Impacts of Selection Design?	15
What Are the Models for Provider Participation?	19
How Are Provider Payment Rates Set?	22
What Role Does the School District Play?	24
What Are the Expectations of Providers and Supports Available to Meet Them?	25
Enabling Stronger Collaboration in Mixed Delivery Models	27
Conclusion	32
About the ECE Implementation Working Group	32

Introduction: What is Mixed Delivery?

Mixed delivery models are state and locally funded early childhood programs where services are delivered by multiple types of entities. This might include any combination of traditional public schools; public charter schools; private, for-profit child care centers; private, nonprofit child care centers (including Head Start providers); parochial schools and other religious institutions; private or independent pre-K-12 schools; and licensed family child care homes. Like so many aspects of early childhood system design, the specific makeup of mixed delivery models varies tremendously from state to state and locality to locality. Nearly all state pre-K programs explicitly allow—or require—an approach that provides multiple options. However, the distribution of seats across entities, the type of entities permitted to offer services, and ways providers access public funds vary.

At the local level, not all systems take a mixed delivery approach; some school districts have opted only to offer pre-K services themselves, either because they believe they can fully meet demand or that is what is operationally feasible. However, more and more systems are relying on mixed delivery models, particularly as they look to expand services to a broader population of preschoolers and seek to meet the needs of younger children. Many see mixed delivery as integral to an equitable system, both for educators and families.

Every member of our **Early Care and Education (ECE) Implementation Working Group** operates a mixed delivery model in some capacity. As cities and counties continue to launch and expand their early education systems, they are likely to opt for mixed delivery models as well. However, operating mixed delivery models is not without complexity. Providers within an early childhood system may view each other as the competition, even if they are structurally thought of as parts of a whole. Natural tensions arise from this dynamic as providers compete for children and educators.

In this report, we outline a specific set of challenges related to setting up mixed delivery models: determining which providers will participate, how they will be selected, and how to set the conditions for collaboration across providers, particularly between school districts and private providers. This is informed by the diverse experiences of members of the ECE Implementation Working Group and other locally run early childhood programs across the country.

For many communities, making decisions about implementation of mixed delivery can be a fraught process—but these decisions are critical to building expansive, equitable early childhood systems. Taking lessons from communities that have built and expanded mixed delivery models can support local leaders in other cities and counties as they take on this critical work.

Why Mixed Delivery

There are many reasons why system leaders opt for mixed delivery models:

- **Meets family preference.** Families may have a personal or cultural preference for different early education settings. It is challenging to quantify the exact variation in families' different preferences today because families are making their early care and education choices under the extreme constraints of high cost and limited supply (**though many researchers have tried!**); in a world of perfectly unconstrained choice, not all families would make the same decision. Mixed delivery models give parents greater voice in the type of environment they prefer for their child.
- **Provides sufficient supply to meet demand.** In communities that set lofty goals around access to early education, a mixed delivery approach may be strictly necessary to meet seat targets. Because of the smaller class sizes required for early education and other pressures on space in school buildings, it is often not feasible for local school districts to offer 100 percent of preschool capacity—even if they wanted to. Supply is not just about the raw number of seats: It also speaks to the availability of different models and approaches to early childhood education that meet families' diverse linguistic and cultural preferences. A more robust supply of program offerings is more likely to meet family demand and encourage participation.
- **Leverages existing infrastructure and expertise.** When public funds enable a community to expand access to free or subsidized early education, many of the children who will ultimately benefit are already receiving early education services—just at their family's expense. The providers that serve these children already have the physical capacity and the workforce to run an early education program; partnering with existing providers is much more efficient than building new spaces, going through lengthy licensing processes, and finding entirely new educators. Most systems will need to build new capacity to fully meet demand, but partnering with existing providers gives them a leg up in growing the number of seats. These providers, and the educators who teach in their classrooms, often have deep, rich experience in early childhood development and education. Providers may offer a diverse set of linguistic and cultural approaches to early education that families seek, including dual language and language immersion programs. Mixed delivery models create an opportunity for these providers to bring their expertise to the broader system, and ensure they continue to have a role as pillars of their community.

- **Sustains early childhood ecosystem.** When private providers are shut out of publicly funded pre-K systems, it can have **devastating consequences for the supply of infant and toddler care in a community**. The economics of child care are such that private providers typically struggle to sustain businesses that serve only children under age three, who are the most expensive to care for given the small adult-to-child ratios required for health, safety, and positive child development. When private providers are able to receive public funds and maintain their preschool-aged capacity, they are more likely to stay in business and, thus, sustain their private capacity for infants and toddlers. There is a strong equity argument to this point as the owners of early care and education small businesses are disproportionately women of color. Bringing these small but essential providers into a formal, government-backed system can be stabilizing for providers and ensure that children and families continue to benefit. It is also a critical lever to ensure communities retain diverse educators who reflect the children they serve.
- **Maximizes public revenue.** Mixed delivery models are more easily able to blend and braid different public funding sources, particularly since different funding streams are directed at different types of providers. In 2024, the U.S. Departments of Education and Health and Human Services **issued guidance** urging states and localities to pursue mixed delivery models, in part as a strategy to continue expanding access to early education in a time with limited new federal funds. For example, bringing Head Start providers (who receive federal funds directly) into state and local pre-K programs and bolstering their funds may allow those providers to expand their hours or service offerings while leveraging existing resources.
- **Lowers cost.** On a per-child basis, not all settings are funded equally. Educators employed in public schools typically have higher salaries, more robust benefit structures, and costlier pension plans than those in private child care programs, who may lack benefits or retirement plans entirely. Public schools have other fixed costs that smaller providers do not, including large central offices that help with administrative tasks and instructional support. Though it can be controversial in some communities, by shifting some preschool capacity out of public schools, system leaders may reduce costs.
- **Addresses political considerations.** The current political and funding context for early care and education may further drive system leaders toward mixed delivery models. In particular, as the Trump administration places more emphasis on parental choice in education, the popular political mantra trickles down to early education. President

Trump's January 2025 **executive order on school choice** explicitly names the Child Care and Development Block Grant (CCDBG) as a lever to drive parental choice in education; CCDBG is a primary source of funding for early care and education in all communities.

- **Creates more funding flexibility.** Major cuts to social service budgets at the federal and state levels will force new creative thinking to keep early education systems intact. Local leaders already innovate to make their program models work, often knitting together multiple funding streams to create more comprehensive approaches to early childhood education. Utilizing mixed delivery model design to maximize funding is one of the more relevant tools in that creative toolbox. Resource scarcity is likely to increase pressure on systems to leverage their existing funds and to build on the capacity offered by existing early education providers.

Challenges of Mixed Delivery

Mixed delivery models are not without controversy, though. There are some risks worth noting. However, thoughtful education system design can help mitigate these issues.

- **Racial and socioeconomic segregation of students:** Early childhood education classrooms are often **even more segregated than K-12 school systems**. Like lower elementary grades, early childhood classrooms are segregated largely because of residential segregation; families often are unable to travel far, and the catchment areas for early elementary grades are small relative to older grades. Segregation in early childhood classrooms is also driven by the rules and policies that come with each funding stream about which children can be served. With so many more choices for pre-K than kindergarten, families may gravitate more toward settings they feel comfortable in, with research demonstrating that most **families choose their programs based on word of mouth and recommendations from family and friends**. Research shows that **all children benefit from diverse preschool classrooms**. Leaders in mixed delivery models may need to consider how to enable conditions for integrated early childhood classrooms by blending and braiding their funding streams differently, and then consider how to help families make choices for their children that lead to diverse classrooms.
- **Resource imbalance:** Quality early childhood instruction can be found in all settings, and no one modality of care is inherently better than another. However, there are often resource imbalances that can create

differences in the quality of a child's experience. Public schools are often able to offer job security, higher salaries, more comprehensive benefits, and pension plans, setting them apart from smaller private programs. (Public schools also often have more stringent degree and certification requirements for teaching staff.) This may make it easier for them to recruit the strongest teachers, while private programs face staffing challenges. There are other scale benefits that come from offering preschool education inside a fully funded and staffed elementary school: enrichment programming during and after the school day, facilities that include robust indoor and outdoor play space, and more flex staffing to give teachers planning time and provide instructional coaches. Schools have a central office administrative structure they can lean on for everything from data collection to compliance; most community child care providers have just a single director and maybe an assistant if they are relatively large. While there are proactive steps that system leaders can take to address some of these inequities, like pushing for wage parity for teachers across settings, there are real and perceived resource inequities inherent to a system that includes many different models of care.

- **Private equity and questions of who benefits:** Increasingly, private investors are taking interest in early childhood education; **eight of the 11 largest early education chains nationally are owned by private equity companies**. Many in the sector have raised red flags about this growing trend; private equity ownership in other human services sectors has negatively impacted consumers/users in other settings: **diminished quality of care in nursing homes, increased complications in hospitalizations, and lowered access to health care in rural communities**. Trying to eke profit out of child care centers—well known for incredibly narrow margins—can hurt the educators and the families. When these businesses participate in mixed delivery models, it means that public revenue ultimately ends up in the hands of private investors, which is far from the intentions that most policymakers have when increasing their public investment in early care and education. At the same time, many of these businesses have advocated against increased investment in early education because it might create new competition by drawing new providers into the sector and limit what they can charge their privately paying families. Private equity-backed early education programs **lobbied against investment in preschool education** in the Biden administration's Build Back Better legislation—a clear sign that their interests are not necessarily aligned with what families need. This does not mean private providers should be excluded from mixed delivery early education systems, but it does suggest that some protections may be required to ensure that public funds go toward meeting the needs of families, children, and

educators. At a state level, some leaders are considering legislative restrictions on ownership structures or profit caps for any providers that table public funds.

Designing mixed delivery models that maximize the benefits and minimize the risks is not always easy; it takes intentional effort from system leaders and, often, a willingness to engage families and providers to ensure a system that meets their needs. Historically, many states leveraged federal grant funds from the **Preschool Development Grant Birth through Five (PDG B-5)** to support system design and to build the infrastructure needed to enable stronger mixed delivery models. While the Trump administration expressed support for **Head Start as a mechanism to support parent choice through mixed delivery** with one hand, **they threatened the Preschool Development Grant funds with the other**, risking innovation and momentum toward mixed delivery in early education system design. Future funding of the Preschool Development Grant remains in question at the time of this report. More recently, the staff working on PDG B-5 at the federal Department of Education were eliminated as part of a **reduction in force**. The politicization of this funding and of the people who administer it is a tremendous loss for the early education field; state and local leaders will lose one of their few levers for innovation.

Designing a Local Mixed Delivery Model

For state-funded preschool programs, most states set basic policies or guardrails for mixed delivery, then largely leave it up to localities to decide how to implement their model. Similar design questions face localities looking to set up their own locally funded programs. There are a few big design choices that systems need to make first: Who is allowed to provide services, and how are providers selected to offer services? What does it mean to be a participating provider, contractually and financially? What role do school districts play?

By understanding how different places have approached these big decisions, system leaders can identify different potential roadmaps to follow in their own design work.

Who Is Allowed to Provide Services?

System leaders need to define which types of organizations are allowed to provide services. This is a critical foundational question—whether certain provider types are able (or not) to receive public funds has meaningful ramifications for their own financial viability. Some system leaders will do a landscape analysis of current-state child care use in their community to help make this decision, both to understand child care supply and family preference. Others may have a strong values-based perspective on which providers should be included. Some may be influenced by state regulations, or the advocacy of powerful interest groups and local political leaders. Most mixed delivery models at least include school districts and private providers; others vary based on local context.

Mixed delivery models may include any of the following provider types:

- **School district:** School districts almost always have a role in local early childhood systems, either as the **administrator and a service provider** or just as a service provider. In some places, the school district may have essentially the right of first refusal as a provider of early education services; this may limit how much capacity is available for other providers. In some places, there may be a limit to how much of the total service provision can be within public schools. For example, New York State requires that school districts contract at least 10 percent of preschool services to private providers, though waivers are available. In West Virginia, school districts must contract at least 50 percent of preschool services.

- **Charter schools:** In some states and localities, charter schools are treated no differently than school districts when it comes to preschool service administration; some states offer charters that include pre-K as a grade. In other places, charter schools are treated more like a private provider and required to apply to provide early education services.
- **Private providers:** Private, center-based child care providers are the most common participants alongside public schools in mixed delivery models. **In 44 of 60 state pre-K programs**, private agencies can receive funds directly from the state or be subcontractors to the entity that receives funds from the state (like school districts). The broad category of private providers includes nonprofit and for-profit centers and providers who receive Head Start funds directly from the federal government. While Head Start providers must be nonprofits by statute, many states and localities have not historically discriminated in their mixed delivery models based on tax structure or profitability. With the growth of private equity’s stake in early education, **some places are setting restrictions on ownership structure or imposing profit caps**. Private providers may also include religiously affiliated providers; in many communities, religious providers have played a critical role in early education initiatives to meet access goals without much public controversy. For example, New York City partners with a range of religious providers in its universal preschool program. In other places, however, the question of what role religious providers can play has been a lightning rod. At the national level, the role of religious providers in a potential federal early childhood program was **a big sticking point** in conversations about Build Back Better. **In Colorado’s** state preschool program, **this was settled through litigation**.
- **Home-based providers:** Home-based child care providers are both popular and essential, but they are not always integrated into major early care and education programs. As public preschool programs have expanded, many have explicitly—or inadvertently—excluded home-based providers. Many system leaders are now taking intentional steps to more explicitly design their local early education initiatives to be inclusive of home-based providers, recognizing this will more fully meet family needs and support the broader early education ecosystem in their communities. (See our prior blog post on this topic, “**More Options for Families: Public Preschool in Family Child Care Homes**.”)
- **Informal providers:** Informal providers—also referred to as unlicensed, unlisted, or license-exempt, depending on the state—play a large role in local early education ecosystems. These providers serve smaller numbers of children and are less formally regulated, but often

provide more flexible care options that meet family needs and preferences. Some states allow informal providers to participate in their child care subsidy system and to receive reimbursement for serving income-eligible families. It is far less common for informal providers to participate in other publicly funded early education initiatives, like state or local preschool programs.

Localities typically need to decide which providers are eligible to provide services in general, and to which age groups and which services specifically. For example, in New York City, home-based providers are able to provide preschool services to three-year-olds, but not four-year-olds; private providers play a large role in service provision overall, with fewer than half of all preschool students served by the school district. In Chicago, four-year-olds are primarily served in public schools and three-year-olds are primarily served in private child care programs. In Multnomah County, Oregon, the locally funded Preschool for All program prioritized small child care centers and home-based providers initially, ahead of larger centers and public schools.

Which Providers Are Eligible to Provide Services?

Once a system decides which providers can offer services, they must select who among the eligible providers will provide services. Systems vary in the threshold they define for what makes a provider eligible to provide services, as shown in Figure 1. Some systems simply require providers to be licensed and in good standing, which allows for the most expansive group of potential providers. On the other end of the spectrum, some systems define their own quality standards and require providers to demonstrate their ability to meet those standards with data and evidence.

Where systems situate themselves along this spectrum can be influenced by numerous factors:

- Is the baseline licensing standard strong enough that leaders feel confident in any provider who meets that standard?
- Are there other defined and accepted measures of program quality already in use in this community?
- Based on the quantity and quality of available child care provider supply, is there benefit to enabling a wider group of providers to serve as partners? Is there benefit to restricting access?

Figure 1 | Range of Approaches to Determining Provider Eligibility



Source: Alex Briñas/New America

How Are Providers Selected to Provide Services?

Once system leaders determine which providers are eligible, they must define a process to select which ones in particular will be able to participate. These processes range in how competitive or selective they might be (see Figure 2). A less competitive system may allow any provider that meets the minimum bar to opt in, while more competitive systems run a rigorous point-in-time procurement or application process with written narratives, with the intention of down-selecting from the available applicant pool. Some systems are held to strict requirements by their city or county procurement rules, which may require a more competitive process. Communities with abundant child care supply may use a competitive process to objectively identify the subset of providers needed to meet demand.

Figure 2 | Range of Approaches to Determining Provider Selection



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Source: Alex Briñas/New America

What Are the Impacts of Selection Design?

In designing the selection process and criteria for a local early childhood system, there are intersecting questions of capacity, quality, and equity:

- Will certain early education settings be advantaged over others? Who might be left behind by this process, and what impact will that have on services to families and children?
- How will criteria or processes for provider participation impact our capacity goals?
- How will this dynamic differ between neighborhoods? Do we risk creating a scenario where some neighborhoods have higher-quality providers than others?
- What beliefs do we hold about baseline quality required to offer services? What is our ability to support ongoing quality improvement?
- How can we create as much objectivity in the process as possible?

How localities address these design questions will have implications for the livelihood of early childhood educators and the experiences that families and children have. As with many topics in system design, there is not a single right answer, though lessons learned from the ECE Implementation Working Group can help leaders in other cities and counties understand the implications and unintended consequences of different decisions.

Equity for Providers

When the provider identification process is more exclusive and requires many process steps, providers may not be equipped to navigate the ins and outs of public procurement on their own. Well-resourced child care businesses may be able to hire grant writers, while less-resourced providers may not know about the grant or award process or how to apply. Smaller providers are inherently disadvantaged; this is particularly true for home-based providers, where the owner is also likely spending all of her time in the classroom.

More inclusive systems rarely land there by accident; their models are the result of intentional choices made well before launch. In Multnomah County, system leaders prioritized small providers when beginning expansion and explicitly designed processes around them. The provider application was designed to be extremely straightforward and offered in multiple languages, with an intermediary who could support providers rather than requiring them to contract directly with the county.

In New York City's Pre-K for All program, providers were required to respond to a rigorous, competitive request for proposal to participate. This was in part driven by city procurement rules, but also by strongly held views about what quality should look like and how to measure it. Over time, New York City has evolved its procurement processes to consider multiple measures of quality and to make the process more inclusive.

Quality Considerations

In the early childhood field, there is robust research and evidence about how children learn and develop, how educators facilitate that growth, and how classroom environments support it. There are validated tools to measure various components of quality. However, this research is not uniformly integrated into the way that state and local agencies report on quality in early childhood settings.

How local systems define quality on an ongoing basis, including when selecting which providers can participate in a local initiative, may depend on what statewide systems are already in place. For example, Denver and

Philadelphia reference their state Quality Rating and Improvement System (QRIS) when selecting providers for their locally funded preschool program. Multnomah County and New York City have defined their own quality thresholds. This choice can depend on local leaders' perceptions of the state QRIS systems.

Based on many of the markers typically used in state quality rating systems, lower-income neighborhoods typically have a concentration of lower-quality early education providers. This is in part because many standardized quality measures conflate quality with resources: Providers with more certified (and higher paid) teachers typically score better on quality rating systems than those with uncertified teachers. Providers may receive additional points for state-of-the-art outdoor play spaces and other features of their facilities; those who are in older or shared spaces, like a church basement or a common space in a public housing development, may struggle to earn high marks for their facilities. While there are good reasons to set a benchmark for quality and stick to it, system leaders need to consider what this means for different parts of a community, who will be left behind, and whether the right variables are truly being measured.

For the purposes of including providers in a publicly funded initiative, system leaders are likely interested in both program and classroom quality (e.g., is this a positive learning environment for children?) and the quality of the business side of the organization (e.g., is the entity capable of meeting the administrative demands of participating in this public program). The minimum viable threshold for each of these measures will be different, and programs can be coached to build both competencies.

Support for quality improvement should be continuous, and explicitly funded, with ongoing coaching and professional development for providers when they enter the system and throughout their careers. Too often, quality improvement initiatives can amplify “in groups” and “out groups” or even create new ones, and administrators and providers are caught up in servicing a system that in reality does not work well for providers or for the families and children they serve. There are innovative approaches that meet the needs of the people who provide care, which in turn better support the families who are getting it. “Microcredentials” are a pathway to greater inclusion of providers in a quality-oriented system. In some places, there are multiple on-ramps for providers so that those who are not fully ready to provide services can be on a pathway where they work toward being eligible for publicly funded services. These types of programs can serve to raise the overall bar for early education provision in a community. When the Denver Preschool Program first launched, the share of providers in the city that met the quality threshold was low. However, with a \$10 million investment in coaching over four years, Denver helped over 100 providers improve their quality to meet eligibility standards, thereby increasing the share of providers eligible to participate in the local program and driving up the caliber of early care and education citywide.

Some systems may face pressure to meet certain seat targets or access goals that push them to expand beyond the number of providers they assess to be of quality. There are long-term risks; in one ECE Implementation Working Group community, rapid expansion led system leaders to be more lenient about which providers were granted contracts. Several years into the program’s operations, some of those providers continue to have serious quality concerns, and administrators are facing tough political decisions about how to end their contracts.

Capacity Impacts

On the other hand, in some places the number of qualified, quality providers may outstrip projected need. If too many providers are invited into the system, there is a risk of oversaturating supply. In such cases, providers may not be able to fully enroll their programs. System leaders need to carefully map and consider how many slots are needed for each age group in each microgeography. Families tend to weigh distance as one of their top selection criteria for early childhood education and prefer not to travel long distances. In some places, this may mean mapping provider capacity within a zip code; in more densely populated places, smaller units of geography—such as census tracts or elementary school attendance zones—are more relevant. System leaders can look at past enrollment patterns, census data on birth rates, and other public administrative data sources to understand family demand, and then target the number of seats needed in a specific geography accordingly.

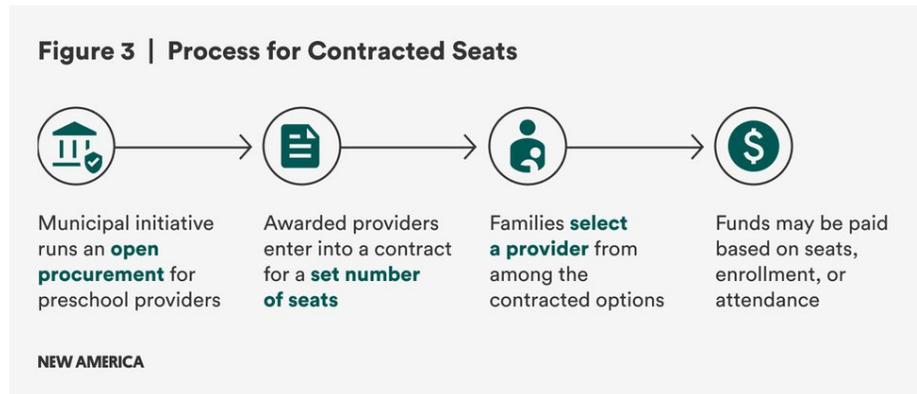
While it may feel exclusionary to keep some qualified providers out of the system, if there is too much excess capacity in the early childhood system, then providers will not be able to reach full enrollment and there will be a risk to their financial sustainability. Resource constraints may prevent administrators from inviting all providers to participate, particularly if the program is in an earlier phase of expansion and not yet serving all children in the city or county. In Philadelphia, the city’s preschool program does not yet have enough funding to fully meet demand citywide; however, there is a process for providers to be “prequalified” so that when more money becomes available, they can quickly be brought into the system.

Whatever the ultimate selection process is, it is important that administrators abide by local procurement guidance, carefully document the decision-making process, and remain consistent in approach. Inevitably, there will be disappointed providers, families, and elected officials, and administrators must be ready to defend and stand by their process, even in the face of potential lawsuits and political pressure.

What Are the Models for Provider Participation?

When private child care providers opt into a publicly funded system, it can mean different things depending on the geography. In some places with contracted models—like Philadelphia, Seattle, and Multnomah County—the city or county administrator enters into a contract with the provider, reserving a certain number of seats for children and either guaranteeing funding for those seats or promising to fund them if the seats are filled (see Figure 3 below). In other places with approved provider models—like Cincinnati, San Francisco, and Denver—there are no seat guarantees, and providers only receive funding for as long as an eligible child attends the program (see Figure 4 below). In both contracted and approved provider models, there are different ways to approach payment; providers can be paid based on attendance, enrollment, or a set grant or contracted amount.

Contracted Models

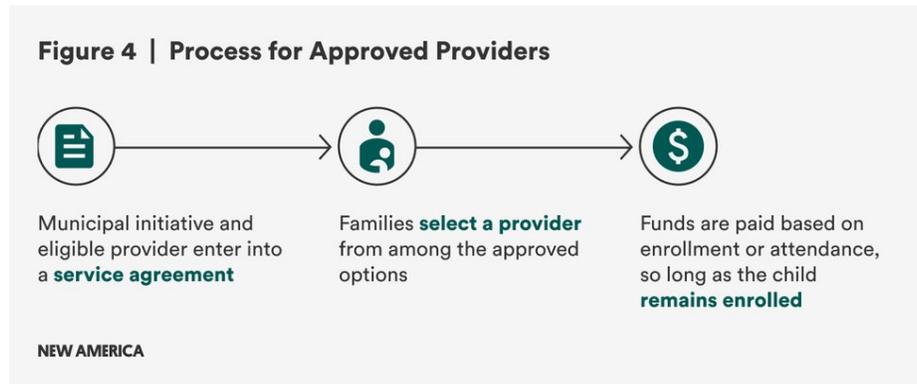


Source: Alex Briñas/New America

Contracted models typically offer providers greater predictability and stability, and may give program administrators a greater degree of control over what happens in classrooms. However, providers may struggle with a loss of autonomy. Families may feel like their choices are more constrained if they want to access a publicly funded program and their provider of choice is not one of the options. When participating providers have a minimum number of seats they must offer to have a contract, for example, it means a smaller total number of participating providers.

For the administering agency, the administrative costs and complexities to managing a contracted program can be higher than a voucher program. On the other hand, it can streamline some processes because there is more consistency in provider participation and a greater ability to mandate specific policies and procedures.

Approved Providers



Source: Alex Briñas/New America

In programs where families select their provider and funding follows them, families may have the ability to choose among a greater number of providers. Providers may have a looser relationship to the overall program and retain more control over day-to-day operations. Some providers prefer to serve a mix of publicly funded children and private-pay children because they are not reliant on a single revenue source. However, in such a fragmented system, it may be more challenging to maintain consistency in approach across providers, particularly if some providers have just a few children from the locally funded program in each classroom. Providers may also struggle to meet the programmatic requirements of the initiative if they are only funded for a child or two, but expected to meet classroom-wide requirements like minimum teacher credentials.

Some places seek a middle ground between these pathways by requiring participating providers to allocate a certain number of slots to the publicly funded program, even if it does not amount to a fully dedicated classroom.

Approaches to Provider Payment

Within contracted programs, providers are typically paid based on attendance, enrollment, or the number of slots in their contract, regardless of whether they are filled. Attendance-based payment is the most fiscally conservative approach, but has become far less typical, particularly following the COVID-19 pandemic. Enrollment-based funding is the most common approach across state preschool programs and local early childhood initiatives. This aligns to how public school funding works in most states, to new guidance for federal child care subsidy funds (at least as of publication of this report), and to how most private child care fees are managed. Some system leaders have found

that enrollment-based payment may create more incentive for providers to work to fill slots. Payment may be tied to enrollment at a single point in time during the school year or assessed on a more frequent basis.

However, many providers would argue that enrollment-based payment does not fully align with their operating model, as the high fixed costs in early education (staffing and rent) go unchanged whether there are 12, 15, or 18 children in the classroom. Some systems have recognized this and shifted to pay providers based on the seats in their contract without pegging payment to enrollment. For some, this may raise questions about fiscal waste—why should the city or county pay for unused slots? However, system leaders have other levers to encourage providers to increase enrollment and to reduce overpayment, such as reducing the number of slots in a provider’s contract if underenrollment is persistent.

How Are Provider Payment Rates Set?

The other aspect of provider payment is how per-child rates are set, and to what extent that varies within a mixed delivery model.

Per-child rates may vary based on multiple dimensions, including:

- **Program schedule:** Within a single system, some providers may operate on a school day and year calendar, whereas others may operate for the full working day and calendar year.
- **Provider type:** The fixed costs to provide care are often higher in center-based programs than home-based settings. Most state child care subsidy programs pay a higher per-child rate to centers than homes, which influences local rate setting.
- **Provider quality rating:** Running a high-quality program may cost more in staff salaries, materials, and other expenses. Some believe that paying a differential rate based on quality will incentivize providers to pursue higher quality ratings, and this differentiation is built into many state child care subsidy payment models as well.
- **Age of child:** Due to smaller class sizes, it is more expensive to operate a classroom for toddlers than preschoolers, for example.
- **Fixed provider costs (e.g., rent):** Within a locality, there may be significant enough differences in facilities cost that there is a need to address it within the funding formula. Similarly, there may be meaningful differences in staff costs across providers, particularly if

programs are bound to union-negotiated collective bargaining agreements that differ by staff title and credential.

- **Population risk factors (e.g., homelessness):** Programs may incur additional cost to provide more comprehensive services to address the challenges that children and families are facing.
- **Specific student needs (e.g., students with disabilities, dual language programs):** Specific services may carry additional costs based on different staffing, supply, material, and technology needs.

Systems that have greater variation in their rates recognize the differential costs to running different program models, but they risk creating additional administrative complexity for their central office staff. Systems with greater uniformity in their rate structure are able to communicate more simply with providers and run a more streamlined operation, but there is risk that some providers will not receive sufficient funds to operate their program.

In New York City, the per-child rate paid to private providers is highly customized; per-child rates are individually negotiated with each center-based provider to allow for variation in costs. This gives the system flexibility, particularly around rent and staffing costs, which vary widely across the city. Home-based provider rates are fixed and tied to the state's child care market rate formula. School district classrooms are funded through a different mechanism. There is no differentiation based on quality in any setting.

In Multnomah County, all providers receive the same rate for three- and four-year-olds, regardless of setting or other characteristics; the only variation is for providers who operate for a school day and year versus those who operate for the full working day and full calendar year. This approach has been lauded by home-based providers in particular, who are often paid a much lower rate than center-based providers in other systems.

An argument could be made that both approaches can drive toward equity—and also that in either model, some providers may be left behind. In a model that is highly differentiated, providers with greater business savvy may be able to better advocate for themselves during the budget negotiation process. In a model that is highly uniform, providers with higher-than-average fixed costs may struggle to make the numbers work. One model may be a better fit over another for a particular locality based on the level of variation in fixed costs, the range of different program models that are offered, and the precedent set by other state and local funding streams. In any approach, system leaders can work toward equity by using real data on the actual cost of care and providing sufficient funds for all providers to meet expectations and create a high-quality learning environment.

Beyond meeting the bare minimum, system leaders could also consider how rate structures and differentiation in rates can incentivize special programs that meet specific needs. For example, providers who implement robust two-generation programming that includes services for caregivers could receive a rate bump. Standardization leaves little room for experimentation and innovation; there is value to encouraging and replicating bright spots.

What Role Does the School District Play?

School districts play a very different role than private providers. In many localities, they are essentially guaranteed the right to provide preschool services; by contrast, private providers often have to compete for that opportunity. They are not coming into mixed delivery models fearful for their own survival and livelihood; this power imbalance sets the tone for many of the tensions that system leaders face in navigating the role that school districts play.

Structurally, districts play a few different roles across locally funded mixed delivery early childhood programs:

- **Administrator and service provider:** The district manages state and local early childhood funds, operates services, and contracts with private providers to offer some services.
- **Service provider:** Another entity (city or county agency, independent agency) administers early childhood funds; the district is one of multiple providers.
- **Service provider, with role in governance:** The district is one of multiple providers and has some role in governance (e.g., designated positions on program board).
- **Optout:** The district provides early childhood services that are distinct and separate from the city or county early childhood initiative (or provides no services at all).

Of course, the distinctions are not so clean. In many communities in the ECE Implementation Working Group, there are multiple school districts, or the school district or districts engage in multiple ways, across different funding streams. In San Antonio, the local preschool program, Pre-K 4 SA, partners with seven of the 17 independent school districts that serve parts of the city.

Regardless of the specific structural role, districts can play many different functional roles to support local early childhood services across settings. In

many ways, the scale, expertise, and resources of the school district can benefit the full system. Some of these functional supports can include quality assurance and support, including professional development, evaluation, and coaching; coordination and system building, including management of centralized enrollment systems and curricular alignment across pre-K and K-12; family engagement and outreach; and policy and advocacy. School districts **can also create capacity for early childhood providers to run their programs in vacant classrooms in school buildings or identify creative solutions for co-location**, particularly as school enrollment declines in many communities.

What Are the Expectations of Providers and Supports Available to Meet Them?

For leaders of mixed delivery models, there are many detailed design decisions that go into building a system that drives equity and quality for all participants. Different systems vary in how much they prescribe what happens in private programs that take public funding. Some of these design questions include:

- 1. What are the administrative and operational policies that all providers will be required to meet? How, if at all, will that vary by setting?** Examples of such policies would be specific protocols around daily schedule, programmatic calendar, teacher hiring and staff management, and use of specific child data systems. Some localities allow providers a fair amount of discretion in these decisions; others define detailed policy requirements and hold providers accountable to meet them. How family enrollment happens and what controls are given to individual providers versus the central administration is a critical design decision. (See our prior brief on **building centralized enrollment systems** in local early childhood programs.)
- 2. What instructional requirements do providers need to meet? Are specific curricula required?** Many places define learning standards or lean on state-defined standards. Some localities specify a single curriculum or define a menu of allowable choices; others leave the choice open-ended. Providers may be able to opt into specific instructional models, such as dual language instruction, and more detailed guidance may be given for what inclusive settings for children with disabilities should look like.
- 3. How should providers assess student progress?** Some localities mandate the use of particular learning assessments for students, both to inform instruction and to measure impact at the end of the program

year (e.g., Kindergarten Readiness Assessments). Localities vary in whether they collect and analyze data from these assessments centrally.

4. **How will provider quality be monitored and measured?** If mixed delivery early learning requires quality rating participation for providers, leaders will need to plan for scaling up existing systems and potentially tailoring them for different care settings. Some localities define their own measures of quality. Program administrators will also need to determine how this information is used, including whether it is made available transparently to families.

5. **What support will be available to providers?** Some localities offer robust professional development to educators and leaders, including on-site coaching, and operational support to child care business owners. Others primarily rely on state-funded or -provided professional development.

6. **What happens if a provider does not comply with policy or instructional requirements?** Localities will need defined protocols and processes to address issues that may come up with providers, including what happens to their ability to remain a contracted or affiliated provider if there is a license suspension, a concern about instructional quality, or a breach of contract.

In a prior brief, we explored the [benefits of participatory planning in systems design](#). Inviting providers into the process to answer these questions and shape the local approach can increase buy-in and lead to a stronger program model.

Enabling Stronger Collaboration in Mixed Delivery Models

There is inherent tension within most mixed delivery models because providers are competing for scarce resources—namely, educators and students. Providers cannot operate when there are insufficient workers and children. In most systems, there are just not enough educators to go around due to the overall workforce shortage in early childhood education, making it difficult to meet the adult-to-child ratios required to keep children safe. If there are too few children, a program cannot afford or justify the costs to keep a classroom open; the fixed costs are too high to operate without full classrooms. Mixed delivery models force fully publicly funded entities (public schools) into competition with private businesses, despite their different funding mechanisms. If the United States were to move to a national universal child care framework, or even a universal preschool framework, some of these tensions would disappear. However, because we have a patchwork public system coexisting with a profit-based incentive system, resource scarcity is a huge factor and one that program administrators have to be thoughtful about.

All providers may feel some sense of competition with each other; dynamics between private providers broadly and the school district can be particularly fraught. Common tensions can arise from the imbalance in scale, expertise, and resources that school districts hold relative to community providers, even when the relationships are collaborative and well-intentioned. (Common tensions between districts and private providers are characterized in Table 1.) No one side is more “right” than the other, but districts and community providers often have different needs and priorities; the challenge for system leaders is how to reconcile these to create the most effective, equitable system possible that meets families’ needs.

Table 1 | Common Tensions Between Districts and Providers in Mixed Delivery Models

Tension	District Point of View	Community Provider Point of View
Collaboration versus competition	"We are expanding access"	"You are stealing our kids and teachers"
Instructional philosophy	"We want alignment with K-12"	"We value developmentally appropriate practice"
Workforce inequities	"Teachers who work in the district should be included in our pay scale"	"Our staff do the same work for less pay"
Resource imbalances	"We can leverage the scale of the district"	"We can't compete"
Rigid schedules	"We match the school calendar"	"Families need a longer day and year"
Quality	"We know how to run schools"	"We are held to a different and unfair set of standards"
Access to data and information	"We want to make data-informed decisions"	"Our data is being used against us, and we are not at the table"

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So, how can communities push through these very real tensions and build mixed delivery models that deliver impact while reducing conflict? Lessons from the ECE Implementation Working Group offer some insight into how system leaders can foster a more collaborative dynamic within a mixed delivery model.

Design systems that acknowledge the underlying tension and work to address it. The diverse experiences of communities across the country show that it is possible to navigate these tensions and build stronger partnerships with intentional effort. Rarely do school districts and community providers accidentally happen into collaboration; it takes real work and investment to set up well-functioning mixed delivery models. In Maine, MaineAEYC, **serves as a broker** between school districts and community providers to set up more effective mixed delivery partnerships. They have been doing this for over five years because they observed a major need; the state was allowing, or even encouraging, school districts to build mixed delivery partnerships, but few knew how to even get started.

Create opportunities for shared governance. System leaders can build structures that give providers a formal role in leadership. When done authentically (i.e., ceding some power to providers and giving them a voice in decision-making) this is more than just checking a box. In California, **Alameda County's Community Advisory Council**, which includes parents and providers, informs how the county will spend over \$150 million annually in support of early care and education.

Honor the unique expertise that community providers have. Some of the tensions that arise in mixed delivery models come from a pressure that providers feel to conform to the operating model for public schools. For many, that makes them feel like they are set up to fail from the outset; it may also feel disrespectful to their expertise as educators and their experience running a different type of program. System leaders can address this by differentiating policies by setting, where appropriate, and by allowing providers more discretion in certain activities. Educators in private programs can also be lifted up as experts and given opportunities to deliver training to their peers in schools. Some places have highlighted model programs within the community and given them opportunities to serve as demonstration sites for other educators.

Deploy data as a powerful unifier. It benefits trust and collaboration when all parties have the same information. In Cincinnati, the same external evaluator collects data from Cincinnati Preschool Promise and Cincinnati Public Schools, which makes some data-sharing easier. The two entities have very different priorities in what they analyze, evaluate, and publish. However, the shared data infrastructure enables more cohesive storytelling across the city's entire early childhood ecosystem and creates greater information parity.

Ensure all providers have access to the resources they need to operate their programs. Private providers may struggle to access the same supplies and materials as public schools without the scaled purchasing power of a school district. System leaders can set up master purchase agreements and other mechanisms to allow providers to access the same materials at a cost they can afford. Distribution channels may look different for a small provider who operates out of her home, for example; system leaders can work with providers to make sure the necessary materials reach them.

Leverage the scale that school districts offer to benefit private providers, too. The district can house shared services that can be appropriately tailored to meet the needs of community providers. Some school districts are able to screen teaching candidates and share resumes with private providers or take on administrative tasks that might otherwise fall to each individual provider. A district-run centralized enrollment system and family outreach operation can benefit individual providers immensely, though success typically requires buy-in and enough trust from providers that they will have equal access to the students who the district successfully recruits. (See our prior briefs for more tactical strategies on [centralized enrollment](#) and [family outreach](#).)

Utilize a neutral convener to bring all actors to a shared table. In systems where an independent entity or a municipal agency is the administrator and the school district is one of many providers, there may be specific steps the administrator can take to ease tensions between the district and private providers. Having a convener in a fragmented system can be powerful. In San

Antonio, there are 17 school districts, seven of which engage with Pre-K 4 SA in some capacity. Pre-K 4 SA offers real resources and capacity to the districts and serves as a convener across districts and community providers. Bringing different players within the system together in a regular and formal way enables better information and resource sharing. Without Pre-K 4 SA, there would be no central “table” around which these entities could convene. In Atlanta, there is no local early childhood administrator; Atlanta Public Schools and private providers all work directly with the state to offer the Georgia Pre-K program. **The Georgia Early Education Alliance for Ready Students (GEEARS)** serves as a convener and a coordinator across the early childhood ecosystem in the city, driving policy and advocacy work, and helping to bridge communication gaps and create opportunities for collaboration through GEEARS’ local initiative, **Promise All Atlanta Children Thrive**.

Create opportunities for shared learning. Expertise can be a two-way street if there is enough trust. In many systems, there is a deeply held belief among public school personnel that school districts hold the greatest wisdom and expertise on instructional quality—even if that does not match what early childhood leaders see and experience. In San Antonio, where Pre-K 4 SA works to build trusting relationships with district leaders, many of the districts now send their elementary school leaders to training institutes that Pre-K 4 SA runs. This has helped to promulgate more developmentally appropriate practice across the broader ecosystem. (Read more about the work Pre-K 4 SA does with school districts here: “**Texas District Learns the Building Blocks of Pre-K.**”)

Address inequities in educator pay across settings. However much attention is given to collaboration and partnership, pay inequities for teachers across settings remain among the biggest barriers in mixed delivery models. Salary disparities drive so much of the underlying tension between school districts and community providers. Pre-K teachers in public schools nationally **earn nearly twice as much** as teachers in community-based settings. For mixed delivery models to ultimately succeed, leaders need to tend to these pay gaps through whatever strategies they have at their disposal.

Some places have been able to drive toward pay equity through their contracting vehicles. In Multnomah County, per-child rates for Preschool for All are the same across setting types so that all providers can pay the same wages. Multnomah County also offers a wage supplement for infant and toddler teachers to support providers in paying an equitable wage across their program, as well as to minimize the risk that Preschool for All negatively impacts the supply of infant and toddler capacity in the county.

Unions have played a major role in driving toward wage parity in some places. Private providers in Chicago that contract with the city to provide early childhood services to preschool-aged children must pay teachers a minimum

salary, defined in an agreement with the city. Providers can choose to pay more if they wish. In New York City, labor leaders pushed for **a landmark agreement with the city in 2019** that matched starting teacher pay in community settings to starting public school teacher salaries. In Portland, Maine, teachers in community programs can belong to the public school union and earn union-level wages and benefits. This has created some tricky wage disparity issues within community organizations, though preschool teachers are now treated equitably across all settings.

Conclusion

As more cities and counties expand their publicly funded early childhood systems, the prevalence of mixed delivery early education will only grow: The inclusion of private providers will be necessary to reach scale goals and also stands to benefit families and early educators alike. When designed with intention and careful attention to what it takes to create quality and equity, early childhood systems provide families with more robust options for their child's education and sustain a more resilient ecosystem. There are many potential pitfalls, and there is no single roadmap for systems design. However, the lessons from other cities and counties can create a helpful guide for leaders to follow in developing their own mixed delivery model.

About the ECE Implementation Working Group

The ECE Implementation Working Group is a group of early childhood education leaders from cities and counties across the country. These leaders gather to share best practices from their experience working with families and local communities, and their work aligns with the New Practice Lab's theory of change: that implementation lessons should inform policy design from the start. More information about the **Working Group can be found here**. You can reach out to us with questions about the group and its work at npl_work@newamerica.org.



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