

## Vermont Child Care and Early Childhood Education Systems Analysis: Governance Options

### *Overview*

As part of the Child Care and Early Childhood Education Systems Analysis (“Systems Analysis”), the state is considering the possibility of changing its governance structure. On February 11 the Systems Analysis consultants –Foresight Law + Policy and Watershed Advisors – prepared a [summary table of major themes](#) identified by Vermont stakeholders.<sup>1</sup> Over the course of February and March, the team shared the summary table with stakeholders and solicited their feedback. March also represented the culmination of a year-long process led by Building Bright Futures (BBF) to engage with stakeholders about the need for integration in the early childhood system, which led to the publication of [Integration in Vermont’s Early Childhood System](#) – a report that highlights similar themes to the ones that have emerged in the Systems Analysis. This “Governance Options” summary document is informed by the content of the table, the additional stakeholder feedback, and the integration report.

The purpose of this document is to inform stakeholders of the possible options for moving forward. It identifies the basic choices available to the state, and highlights some of the benefits and challenges of each approach. The goal of this document is to inform a conversation in the state about which of those options is most likely to help the state achieve its goals for the early childhood system. The feedback from that conversation – which should take place over the course of April and May – will inform the development of the final Systems Analysis. Ultimately the decisions made about early childhood governance in Vermont will come from the Governor and the General Assembly, and the Systems Analysis process and report should inform their work.

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<sup>1</sup> A list of those stakeholders is included in the summary table. The vast majority of stakeholders interviewed were either professionals who work on state policy (as elected officials, executive branch officials, or advocates), or professionals who work on early childhood service delivery at the local level (including but not limited to school officials and private child care providers).

### *Models of Early Childhood Governance*

In early childhood governance, there are three basic models for how states organize their early childhood funding streams and functions: Coordinated, Consolidated, or Created.<sup>2</sup>

Coordinated	Consolidated	Created
<ul style="list-style-type: none"><li>• Early childhood funding streams and functions live in multiple, distinct agencies – requiring coordination across those agencies</li><li>• Sometimes a centralized office helps to facilitate coordination</li></ul>	<ul style="list-style-type: none"><li>• Early childhood funding and functions are consolidated into an existing agency that also has other responsibilities (typically the state education agency or a human services agency)</li></ul>	<ul style="list-style-type: none"><li>• Early childhood funding and functions are consolidated into a single agency that is created to focus on early childhood services</li><li>• Agency has a sole or primary focus on early childhood, without other responsibilities</li></ul>

Vermont currently utilizes a coordinated approach, involving the Agency of Education (AOE) and the Agency of Human Services (AHS).

- AOE’s [Early Education division](#) is responsible for universal pre-k (in collaboration with AHS), early childhood special education, and monitoring.
- The [Child Development Division](#) (CDD) of the AHS Department for Children and Families is responsible for child care subsidies, licensing, and ratings, early intervention, and Children’s Integrated Services.
- The [Maternal & Child Health Division](#) of the AHS Department of Health partners with CDD to lead the state’s home visiting work, as part of its responsibility for other important programs relating to the health of young children and their mothers.

Over the course of April and May, the Foresight/Watershed team will be discussing this governance options document with the Systems Analysis Advisory Committee and other stakeholders. This document includes an analysis of the benefits and challenges of the following options:

- I.A Coordination: Maintain the Status Quo
- I.B Coordination: Add a Centralized Coordinating Office (e.g. a “Governor’s Office of Early Childhood”)
- II.A Consolidation into the Agency of Human Services

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<sup>2</sup> Regenstein, E., and Lipper, K. (May 2013). [A Framework for Choosing a State-Level Early Childhood Governance System](#), Build Initiative; see also Regenstein, E. (June 2020), [Early Childhood Governance: Getting There from here](#), Foresight Law + Policy, 56-58.

II.B Consolidation into the Agency of Education

III. Creation of a New Agency or Department focused on Early Childhood

Part IV of the summary discusses the need for interagency connections, regardless of what governance approach the state chooses. Part V highlights some issues that the state will need to address if it chooses to change its current governance structure.

Ultimately the key decisions about governance structure are made by the Governor and General Assembly. This stakeholder process is meant to inform their decisions, based on the observations and experiences of stakeholders. The Foresight/Watershed team has created this document to solicit feedback from stakeholders, including (a) whether they agree with the benefits and challenges articulated for each option; (b) which benefits and challenges of each option are most important to them;<sup>3</sup> and (c) which option they think is most likely to lead to strengthening Vermont's early childhood system. Importantly, some benefits and challenges are listed under multiple models, but may vary in intensity from model to model.

Introduction

There are many state and federal programs focused on serving children from birth through kindergarten entry – and when authority for those programs is dispersed among multiple agencies, it can be difficult to develop a coherent early childhood system.<sup>4</sup> Recognizing that, in 2021 Vermont initiated a Systems Analysis; the goal of the Systems Analysis is to develop a more effective early childhood system in the state.

Vermont has articulated some core values that should be reflected in its system integration work:

- Holding children and families at the center;
- Equity – including the need to expand access to underserved communities, and ensure that historically underrepresented and underserved communities are better represented in – and better served by – the policy process;
- Having decision-making informed by families, communities, and professionals; and
- Leveraging existing integration initiatives.<sup>5</sup>

If governance is to be changed, the state should be clear on its purposes for making that change. While governance has an indirect impact on child outcomes, it does have a substantial impact on the communities and providers whose work has a more direct impact. State articulations of purpose typically emphasize the state's role in supporting families, providers, and communities -- and in strengthening the state's overall education system. Some of the purposes commonly articulated by states in changing governance include:

- Minimizing the burden on low-income families seeking to access services;
- Ensuring quality across the full range of available services;
- Expanding access to services;
- Efficiently delivering services; and

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<sup>3</sup> The ordering of the benefits and challenges within the tables is not meant to reflect order of importance.

<sup>4</sup> *Getting There from Here*, p. 6.

<sup>5</sup> *Integration in Vermont's Early Childhood System*, pp. 7-8.

- Elevating the level of leadership on early childhood issues in state government.<sup>6</sup>

These goals are in many ways interconnected and complementary. Ultimately, if a change is to be made, the Governor's Office and Legislature should be clear on why a change is warranted. Stakeholders have in different ways articulated the need for improvement in all of these areas, so any of them could be part of the state's overarching goal. The Advisory Committee and other stakeholders are encouraged to provide feedback on which of these goals resonate with them, to inform the final recommendations.

In thinking about how the state might achieve its goals, it is important to consider the functions of state government. State government can serve a number of critical functions that impact community leaders and providers, including:

- Collaborating with multiple stakeholders to define a vision for the future of the early childhood sector, and ensuring that policymaking reinforces the goals of that vision;
- Money management (fund distribution, budgeting, resource allocation);
- Setting standards for – and supporting improvement in – service quality (maintaining learning standards, defining program quality, monitoring implementation, supporting improvement, maintaining data systems, facilitating research and evaluation);
- Supporting professionals (licensing, pre-service education, professional development);
- Engaging and supporting families and stakeholders (determining eligibility, supporting family and community engagement, building local capacity, supporting enrollment); and
- Communications and public relations (informing about child development, informing about government-funded services).<sup>7</sup>

The state's effectiveness in executing these functions should be a central consideration in choosing a governance model. The state should also consider how it can minimize administrative burden, which can make it difficult for community leaders and providers to serve families most effectively.<sup>8</sup> Administrative burdens can shift costs from the state onto families – including the cost of figuring out what services they are eligible for, the cost of complying with rules, and the psychological cost that can come with receiving public benefits.<sup>9</sup>

Beyond the basic functions of the system, some states have envisioned a role for state government that brings a new level of leadership and coherence to the early childhood field. These states see state government as having a responsibility to families that goes beyond just managing funding streams. In these states empowered state-level leaders work with the field to define a collective vision, and put in place frameworks that help communities and programs serve families more effectively – along with ongoing supports to implement those frameworks, and stronger accountability for how public funds are used. Given the frustrations expressed by Vermont stakeholders about the current lack of coherence in the field, it is worth considering whether Vermont is ready for a governance model that elevates the level of leadership at the state government level.

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<sup>6</sup> *Getting There from Here*, pp. 11-12.

<sup>7</sup> *Getting There from Here*, pp. 26-27.

<sup>8</sup> *Getting There from Here*, pp. 27-28 (discussing Herd., P. and Moynihan, D. (2018). *Administrative Burden: Policymaking by Other Means*. Russell Sage Foundation).

<sup>9</sup> *Getting There from Here*, p. 28 (discussing *Administrative Burden*).

Regardless of the state's governance model, the state will need to be sensitive over time to its dynamic partnership with community leaders and providers. There are certain decisions about the system that properly sit at the local level, because communities are better positioned to make them than the state is.<sup>10</sup> At this point Vermont need not itemize which decisions should sit at the state and which should sit at the community level; instead, Vermont should focus on establishing a state governance approach that is well positioned to manage the state-local dynamic over time.

Moreover, regardless of how the state configures its governance, it will need to ensure that it has the capacity to execute its functions. Vermont stakeholders offered the following thoughts on the state's current capacity:

- Many Vermont stakeholders see the current system as fragmented. In particular they identified a divide between education stakeholders and human services stakeholders, who have different worldviews and approaches to their work.
- Many stakeholders believe that state agencies do not currently have the staff capacity needed to successfully fulfill their assigned functions. Moreover, many stakeholders believe that there is a divide within both AHS and AOE between the political leaders and the front-line staff.
- If any governance change is made, its exact scope will need to be defined. The summary in this document assumes that any governance change will include at least (a) the programs currently overseen by CDD, and (b) state preschool. It could well also include home visiting and other responsibilities.

For the system to be successful will require alignment across political leaders and program leaders – as well as adequate capacity to get the job done.<sup>11</sup> Stakeholders should consider whether the governance model will make a difference to the likelihood of success for any capacity-building initiative.

### *The Challenges Facing the Field*

The stakeholder engagement processes have identified a number of challenges that the state faces, which the Systems Analysis is meant to help the state address. Some of the potential challenges ahead include:

- Stakeholders are deeply dissatisfied with the fragmentation of the current system, and concerned that it makes it difficult for communities and providers to serve families effectively.
- The early childhood system does not have a high-ranking champion within state government whose full-time focus is early childhood – and who has line authority over a significant number of programs.
- State government does not have a unified oversight body that can develop expertise in the functioning of the complex ecosystem of early childhood programs, as opposed to providing oversight of some portion of that system.
- State government is not seen by outside stakeholders as having deep expertise in child development.
- There is a deep disconnect between human services and education that goes beyond the relationship between AHS and AOE.

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<sup>10</sup> *Getting There from Here*, p. 33.

<sup>11</sup> *Getting There from here*, pp. 41-46.

- Some stakeholders express concern that AOE does not fully understand the importance of the comprehensive web of services provided to young children and their families, and other stakeholders express concern that AHS is not well positioned to connect early childhood to schools and the education system.
- The state does not currently have integrated data that provides a holistic sense of what is happening in the early childhood system; the state is currently working to develop such a system.
- Any change in state-level governance requires a great deal of work, including a multi-year change management effort.

All of these challenges are real, but they are not of equal importance – and each potential model would address each challenge differently. The narrative below discusses at a high level how the state’s choices might impact its ability to address each of these issues.

It is important to acknowledge that in addressing early childhood governance, states are hamstrung to some degree by fragmentation at the federal level. That said, revisiting governance provides an opportunity for the state to navigate the federal landscape more effectively. A new governance approach could help Vermont better integrate the multiple disparate sources of federal funding, improve its federal reporting and compliance, harmonize interpretations of federal rules to make operations easier for programs, and engage with the federal government to show how the state is using federal funds to implement a coherent vision. Vermont alone cannot change the nature of federal fragmentation, but it can develop state structures that provide a buffer for communities and providers against the negative impacts of that fragmentation.

*Some program-specific issues raised in the stakeholder engagement process*

While there are many early childhood programs potentially impacted by a change in governance, stakeholders identified some special challenges relating to three particular services: Children’s Integrated Services (CIS), state pre-k, and special education. These issues were highlighted in the summary table of major themes. To briefly recap:

- CIS is an innovative model with a strong base of stakeholder support – but because it is structured so differently than the rest of the system, it has been an administrative challenge for the state to support CIS at its current size. The Systems Analysis will not answer all questions about the future of CIS, but it will end up recommending the oversight structure that will have to address those questions – including the steps needed to integrate CIS within the larger system.
- Vermont’s universal pre-k is jointly administered by CDD and AOE, and requires private providers and public school systems to work together to administer in alignment with the vision of the law. Multiple stakeholders expressed a belief that the design of the program makes it difficult to implement at the local level, and to jointly administer. While a redesign of state pre-k is outside the scope of this Systems Analysis, the Systems Analysis will make recommendations about how the state should manage state pre-k on an ongoing basis.
- Multiple stakeholders saw special education as a challenging aspect of the system. In Vermont there are many families whose children receive child care in a community outside of their home school district – but the home school district still has responsibility for that child’s special education services after age 3. Different stakeholders have expressed very different visions for how best to meet the needs of families in this situation. Whatever policy those stakeholders favor,

it is important to remember that federal law assigns the Agency of Education responsibility for oversight of special education services for all children over the age of 3.

These three particular services demonstrate existing challenges in current early childhood governance of jointly-administered programs with shared constituencies. Again, a change in governance would have wide impacts beyond these three programs, and this summary is included only to reflect the feedback received from stakeholders to date.

*I.A      Coordination: Maintain the Status Quo*

If Vermont really wanted to keep the status quo, it probably would not have commissioned a Systems Analysis. But Vermont stakeholders have also noted the state’s tendency to avoid hard choices – which can be a force for preserving the status quo. The table below summarizes benefits and challenges of the current system.<sup>12</sup>

Benefits	Challenges
<ul style="list-style-type: none"> <li>Minimizes disruption and the burdens of transition, particularly on state agencies. (For more on those burdens, see Section V.)</li> </ul>	<ul style="list-style-type: none"> <li>Siloed oversight of funding streams that creates burdensome and unnecessary complexity for communities and providers.</li> <li>Lack of clear authority to make key cross-cutting decisions.</li> <li>Lack of a unified culture across state early childhood leaders and staff.</li> <li>Less visibility into the overall budget for early childhood.</li> <li>Fragmentation among stakeholders and advocates.</li> <li>Hard to develop a coherent equity strategy.</li> <li>Added burdens to integrating data.</li> <li>Early childhood may not have a senior-level champion within its host agencies.</li> </ul>

*I.B      Coordination: Add a Centralized Coordinating Office*

Vermont could choose to add a central coordinating office – perhaps in the Governor’s Office – to facilitate coordination between agencies. Hawaii, Illinois, and Ohio are among the states that have used a similar model.

A centralized office housed in the governor’s office will generally be seen as political, and associated with the governor – which can be both good and bad. Some governor’s offices have survived transitions across administrations, although when that occurs the office’s place in the larger politics of the

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<sup>12</sup> The material in each of the pro and con tables is drawn from both the Major Themes summary and from *A Framework for Choosing a State Early Childhood Governance System*.

governor’s office may shift. Our analysis here assumes that a central coordinating office housed in the governor’s office would indeed be seen as political (and led by a political appointee). It also assumes that the office would not exercise line authority over any individual programs, but would instead serve in an active role seeking to improve coherence and bring consistency across funding streams.

Benefits	Challenges
<ul style="list-style-type: none"> <li>● Minimizes disruption and the burdens of transition, particularly on state agencies. (For more on those burdens, see Section V.)</li> <li>● Provides a single leadership point of contact within state government.</li> <li>● Provides a high-level advocate for early childhood within the administration.</li> <li>● May be able to create a unified early childhood budget.</li> <li>● Could be a voice for equity in the system.</li> </ul>	<ul style="list-style-type: none"> <li>● Siloed oversight of funding streams that creates burdensome and unnecessary complexity for communities and providers.</li> <li>● Does not necessarily clarify lines of authority to make key cross-cutting decisions.</li> <li>● Lack of a unified culture across state early childhood leaders and staff.</li> <li>● Fragmentation among stakeholders and advocates.</li> <li>● Added burdens to integrating data.</li> <li>● Early childhood may not have a senior-level champion within its host agencies.</li> <li>● Requires some amount of capacity and personnel, in an environment where staffing is typically kept lean for political reasons.</li> </ul>

*II.A Consolidation into the Agency of Human Services*

Several stakeholders noted that the Child Development Division of the Agency of Human Services was in many ways meant to provide the kind of unified oversight needed in the early childhood field – and indeed, it does bring together multiple early childhood programs. The table below summarizes the benefits and challenges of consolidating early childhood into the Agency of Human Service – which would include, at a minimum, shifting full responsibility for preschool to CDD.

If the state consolidates functions into AHS it should consider whether it should create a Department of Early Childhood, rather than have early childhood remain a division within a larger department. The benefits and challenges analysis below assumes that if early childhood functions were consolidated into AHS that AHS would elevate the leadership of early childhood to the Department level. If early childhood functions were consolidated into AHS without elevating the leadership, many of the benefits identified here would not be realized, and some of the challenges would be more difficult to address.

The current Department for Children and Families serves a somewhat different function. The Department includes function that cut across multiple age spans, such as child safety and protection and foster care. It also does not have responsibility for some programs that might be seen as core services focused on young children and their families. If the state decides to consider consolidation at the Agency of Human Services it will need further work to determine what intra-agency configuration will provide the best support to the programs focused on the early childhood years.



Benefits	Challenges
<ul style="list-style-type: none"> <li>● Allows for more unified oversight of early care and education, with potentially greater consistency in policy – making things easier for communities and providers.</li> <li>● Provides a single leadership point of contact within state government, and more unified accountability within state government.</li> <li>● Creates an entity that could develop greater expertise in child development, which could then be applied to policy.</li> <li>● Creates an entity that can develop expertise in the functioning of the entire early childhood system, not just schools or private providers.</li> <li>● Potentially improves integration of preschool with the many human services administered by AHS.</li> <li>● Potential to create a unified early childhood <b>budget</b>.</li> <li>● Easier to promote a unified vision, with integrated goals and performance metrics.</li> <li>● Easier to integrate data.</li> <li>● Coherence makes it easier to promote equity, and to measure whether equity is being achieved.</li> </ul>	<ul style="list-style-type: none"> <li>● Potentially complicates the role of schools in the early childhood system; would require AHS to substantially ramp up its capacity to work with school districts, and would require schools to adjust to a new oversight relationship.</li> <li>● Potentially complicates the state’s ability to use education funds to support early childhood education.</li> <li>● There are concerns that housing early childhood functions at AHS would make it harder to maintain an educational focus in preschool – and make it harder to define and maintain a central role for preschool in the state’s P-20W educational continuum.</li> <li>● Potentially adds complexity to the relationship between preschool and (a) Part B special education, and (b) kindergarten.</li> <li>● Potentially disruptive to all stakeholders during a transition.</li> <li>● Would require a buildup of capacity to meet the agency’s new responsibilities.</li> </ul>

*II.B Consolidation Into the Agency of Education*

Pre-k is one of the signature programs in early childhood, and is seen by many stakeholders as an important educational service. Moreover, there are stakeholders who see critical benefits – operationally and politically – to have early childhood as part of the education system. These are some of the reasons to consider consolidating early childhood functions into the Agency of Education.

The Agency of Education’s internal structure is quite different than that of the Agency of Human Services. The Agency of Human Services is already organized into six departments, so it is comparatively straightforward to consider what it might mean to create a seventh.<sup>13</sup> By contrast, the Agency of Education does not have departments; at AOE “divisions” are the largest unit within the agency.<sup>14</sup> Still, it should be possible to consider a consolidation within AOE in which the head of the early childhood unit is senior enough to be a direct part of the Secretary’s leadership team.

Benefits	Challenges
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<sup>13</sup> The Agency’s Department structure is described on its website: <https://humanservices.vermont.gov/about-us/departments.ver>

<sup>14</sup> The Agency of Education’s organizational chart is available on its website: <https://education.vermont.gov/documents/aoe-org-chart>.

<ul style="list-style-type: none"> <li>● Allows for more unified oversight of early care and education, with potentially greater consistency in policy – making things easier for communities and providers.</li> <li>● Provides a single leadership point of contact within state government, and more unified accountability within state government.</li> <li>● Creates an entity that could develop greater expertise in child development, which could then be applied to policy.</li> <li>● Creates an entity that can develop expertise in the functioning of the entire early childhood system, not just schools or private providers.</li> <li>● Potentially helps to solidify for the public and policymakers the educational importance of early childhood.</li> <li>● Potentially helps to integrate early childhood with the K-12 education system.</li> <li>● Potential to create a unified early childhood budget.</li> <li>● May make it easier to leverage education funds for early education purposes.</li> <li>● Easier to promote a unified vision for early childhood, with integrated goals and performance metrics.</li> <li>● Easier to integrate data.</li> <li>● Coherence makes it easier to promote equity, and to measure whether equity is being achieved.</li> </ul>	<ul style="list-style-type: none"> <li>● Consolidating functions does not necessarily elevate leadership, although that could be addressed by ensuring that AOE has a senior leader responsible for early childhood who reports directly to the superintendent.</li> <li>● Potentially complicates the role of private providers in the early childhood system; would require AOE to substantially ramp up its capacity to work with private providers, and would require those providers to adjust to a new oversight relationship.</li> <li>● There are concerns that this approach runs a higher risk of losing the “whole child” focus of early childhood.</li> <li>● It may be harder to administer Children’s Integrated Services at AOE given its connections to other AHS responsibilities.</li> <li>● Potentially complicates the relationship between early childhood services and other human services administered by AHS.</li> <li>● Potentially diminishes the visibility of infant-toddler services.</li> <li>● Potentially disruptive to all stakeholders during a transition.</li> <li>● Would require a buildup of capacity to meet the agency’s new responsibilities.</li> </ul>
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*III. Creating a New Agency or Department focused on Early Childhood*

Some states have chosen to create a new standalone agency focused on early childhood. There are many similarities in the benefits and drawbacks between consolidation and creation. When states are seeking to choose between those two approaches, one of the biggest questions they face is whether early childhood is more likely to be successful as a standalone small agency or as part of a larger one. States that have created standalone early childhood oversight entities include Alabama, Colorado, Connecticut, Georgia, Massachusetts, New Mexico, and Washington.

Another possibility might be to adopt a version of the model used in Pennsylvania. Pennsylvania’s Office of Child Development and Early Learning (OCDEL) is administered by a Deputy Secretary who reports to two agency heads: the leaders of the Department of Education and the Department of Human

Services.<sup>15</sup> The Vermont equivalent would likely be to create a new Department of Early Childhood (or some similar title), with a Commissioner who reports to the heads of both AHS and AOE.

In Pennsylvania there is some tradition of senior officials reporting to two different authorities – often a senior official in their agency and one in the governor’s office – but even with that tradition the dual reporting structure requires political skill. It is also important to note that in Pennsylvania the Department of Education and Department of Human Services are two of the most powerful agencies in the political process. While the Pennsylvania model has numerous potential benefits for Vermont, if Vermont is interested in exploring the model further it should consider how it might adjust the model based on Vermont’s different context.

The table below summarizes some of the benefits and challenges of moving to a standalone agency or the Pennsylvania model. The benefits and challenges are generally the same; *italicized* text refers to changes specific to the Pennsylvania model, and text in SMALL CAPS refers to changes specific to creating a new agency.

Benefits	Challenges
<ul style="list-style-type: none"> <li>● Allows for more unified oversight of early care and education, with potentially greater consistency in policy – making things easier for communities and providers.</li> <li>● Provides a single leadership point of contact within state government, and more unified accountability within state government.</li> <li>● Elevates the profile of early childhood in the overall scheme of Vermont state government.</li> <li>● Creates an entity that could develop greater expertise in child development, which could then be applied to policy.</li> <li>● Creates an entity that can develop expertise in the functioning of the entire early childhood system, not just schools or private providers.</li> <li>● Potential to create a unified early childhood budget.</li> <li>● Easier to promote a unified vision for early childhood, with integrated goals and performance metrics.</li> <li>● Easier to integrate data.</li> <li>● Coherence makes it easier to promote equity, and to measure whether equity is being achieved.</li> <li>● <i>Creates an empowered leader bridging the gap between education and human services.</i></li> <li>● Has the highest likelihood of creating a role that would attract and retain talented leaders.</li> </ul>	<ul style="list-style-type: none"> <li>● Potentially disruptive to all stakeholders during a transition.</li> <li>● Creates need for entirely new patterns of cross-agency coordination and collaboration.</li> <li>● Would require a buildup of capacity to meet the department’s new responsibilities.</li> <li>● <i>Creates ongoing management complexity with a dual reporting structure.</i></li> <li>● <small>SMALL AGENCIES MAY STRUGGLE TO BE SUCCESSFUL IN VERMONT’S POLITICAL CULTURE.</small></li> </ul>

<sup>15</sup> For more information about OCDEL, see its [website](#).

IV. Interagency connections

No matter how Vermont configures its state-level early childhood governance, there will be a need for interagency collaboration and active partnership between public and private early childhood partners.<sup>16</sup> The federal Head Start law requires all states to maintain a State Advisory Council focused on early childhood. That Council is required by law to include members representing certain specific state agencies – and other constituencies; it also is required to make recommendations on a range of subjects.

In Vermont the Building Bright Futures State Advisory Council (BBF-SAC) fulfills the state’s obligations under the Head Start Act.<sup>17</sup> In addition to federal compliance, Building Bright Futures is also named in state statute as the primary advisory body to the Governor and Legislature on the well-being of children and families, charged with maintaining and monitoring the vision and strategic plan for Vermont’s Early Childhood System. The entity was created outside of state government to ensure that public, private, legislative, and family voices collectively determine the vision and strategy for children and families.

Building Bright Futures also supports strategic plan committees and regional councils that bring together local early childhood leaders throughout the state (12 regional councils and seven strategic plan committees).<sup>18</sup> Importantly, the BBF statewide and regional councils do not exercise administrative oversight; instead, they serve as advisory bodies. These councils bring together the public officials with oversight authority, and a range of other stakeholders. They provide a forum for leaders inside and outside government to learn from each other, and to strengthen ties among state and local leaders as they work collaboratively to meet the needs of children and families.<sup>19</sup> The Council’s work can be strengthened by ensuring that the right voices are at the table at each level of the network; if the state makes a governance change, that should lead the state to revisit how its collaborative structures are populated.

A potential governance change would require the state to consider the best role for the BBF-SAC going forward. The state has chosen to invest certain core functions in the BBF-SAC – such as setting a vision for the early childhood field – and will need to revisit which functions properly sit in a well-defined lead agency, and which should sit in a collaborative multi-stakeholder body. The BBF-SAC plays an important role in defining the success of the system and then determining whether or not success has been achieved; that role will still be needed in a reconfigured landscape, but how the BBF-SAC executes that role will need to evolve to adapt to changed conditions. Vermont has committed to reaping the benefits of public-private partnerships, and if the public sector is undergoing a significant redesign then the nature of the partnership is likely to change.

The BBF-SAC can also provide important support through the process of transition, helping stakeholders to adjust to their new reality. But they should not be the only venue in which collaboration takes place; indeed, state agencies sometimes need space to work together without outside stakeholders present.

Interagency data sharing is another issue that is currently in sharp focus for Vermont. There are meaningful efforts underway to strengthen the state’s culture of data use, and to integrate data across

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<sup>16</sup> *Getting There from Here*, p. 59.

<sup>17</sup> For more information about the Council see the [Building Bright Futures website](#).

<sup>18</sup> For more information about the regional councils see the [Building Bright Futures website](#).

<sup>19</sup> In some states local councils exercise programmatic authority, with the power to allocate resources. The Systems Analysis did not explore the possibility of changing the nature of local governance.

multiple funding streams. Once the state has greater clarity on its overall approach to governance, it will be possible to develop recommendations for improved data infrastructure that would support the proposed governance approach. For now, BBF is supporting collaborative work to improve the state's data infrastructure and use.

In sum, interagency collaboration, public-private partnerships, and data sharing are important values to Vermont early childhood stakeholders. A potential change in agency governance should take account of these issues, and in turn the BBF-SAC (and its Data and Evaluation Committee) can provide important support to the process of choosing and implementing a new governance approach. The BBF-SAC is an important institution, one that is well positioned to evolve to meet the changing needs of the state.

#### V. Transitions

If Vermont decides to make a change to its governance structure, it will need to develop a transition plan.<sup>20</sup> At this point it is premature to map out what that would entail in any great detail. But because the impact of a transition is an important factor in deciding whether or not it is worth it to make a change, it is worth briefly summarizing some of the work that would be needed to make a transition a success. This work includes:

- Defining the exact parameters of what is and is not moving. Again, the assumption in this document is that at the very least a governance change would include all of the functions currently at CDD, plus state preschool. It could well include more, though, depending on the state's goals and rationale for the change – and the practical realities facing other programs that could be included.
- Redesigning and building personnel capacity. A governance change creates new roles and changes existing roles. That is a substantial challenge for the staff already on the job – and will likely require hiring new staff.
  - One thing for the state to consider will be whether some functions might appropriately live in a public-private partnership.
- A transition in governance creates a number of logistical challenges in state government. This includes addressing issues like budgeting, accounting, information technology, personnel, and more.
- A transition in governance also creates a number of cultural challenges in state government. A new configuration will bring together new colleagues who have been shaped by very distinct agency cultures – and may already have working relationships based on those cultures. Forging a unified culture in a new agency is a substantial management challenge; this culture-building work takes time and skill, and will not be easy.
- Indeed, a governance transition places different pressures on political leaders, agency managers, and front-line staff. There is already a sense that there are disconnects among those groups; the state will likely need to have intentional strategies to strengthen those relationships in a new configuration.
- Moreover, a governance change places pressure on community leaders and providers. The state would need an intentional strategy for multi-directional communication with the field

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<sup>20</sup> For more on transition planning see *Getting There from Here*, pp. 63-67.

throughout the process, and for ensuring that the changes do not adversely impact providers and families.

That is a lot of work, and historically most state governments are not well positioned to successfully execute the kind of complex change management the transition requires. Strong vision and leadership will be needed to make any change successful. In some states philanthropic and business leaders have played valuable roles in supporting the process of transition. Overall, though, it is important for the state to keep in mind that while the long-term goals of a governance change might be ambitious, in the short term it will be important to focus on basic functionality – and to have reasonable expectations about the timeline for system improvement.

It is also important to keep in mind that simply changing governance structures will not solve the problems of the early childhood system. Changes in governance can be an essential part of a larger strategy to develop and implement a vision for how children and families are served in the state, and stakeholders have largely approached the Systems Analysis in that spirit. But it is a reminder that if the state chooses to adopt a new governance structure, how it goes about making that change is arguably more important than the structure it chooses.

### *Conclusion*

This document offers several governance structure options for consideration by Vermont leaders and stakeholders. At a high level, the rationale for each option could be described as follows:

- *A centralized coordinating office* would prioritize attempting to preserve the institutional perspectives that different agencies bring to administering the early childhood system, while recognizing the challenges of moving that work forward without a single point of leadership to support integration and alignment.
- *Consolidating into the Agency of Human Services* would prioritize connecting early education and care to the broader sweep of human services that impact young children and their families.
- *Consolidating into the Agency of Education* would prioritize the importance of early childhood in building a publicly funded B-12 education system for all Vermonters.
- *Creating a new Agency or Department* would prioritize the importance of having a high-level, central lead over the early childhood system, and treating early childhood as a policy area that demands its own dedicated oversight.

It will be important as the state moves forward to not just think about the configuration of programs and services – that is, which programs and services are clustered together in the same administrative unit – but to also think about the culture of those programs individually and collectively, and the culture to be created in and around that cluster. There are meaningful differences in how AHS and AOE approach their work, and those differences are important to both political leaders and the field. The “creation” approach could create a new culture that is different from either agency, an approach that comes with potential benefits and pitfalls.

A focus on building stronger leadership also places a premium on finding leaders who can actually take advantage of the opportunity. In addition to building a new culture, that includes engaging effectively with political leaders and the stakeholder community; identifying the right policy tools and levers to address problems identified by the field; and manage the operations of the agency to effectively serve its

constituents. Stakeholders who have lived through changes in other states have emphasized that the first leader of a new entity must be skilled at managing and navigating the bureaucracy; their sense was that if the new entity does not cohere into an effective management structure very quickly, that none of the other goals of the governance change will be achieved.

This document is being shared to spark conversation and feedback. Stakeholders are encouraged to weigh in on whether (a) the identified benefits and challenges seem appropriate, and whether any benefits and challenges are missing; (b) how they would weigh those benefits and challenges; and (c) which scenario(s) appeal to them. Every stakeholder will weigh the benefits and challenges differently. In addition, stakeholders may have feedback on which challenges can be mitigated through feasible actions, and which challenges are so fundamental that it may not be possible to address them.

The Foresight/Watershed team will be collecting feedback on this document through the months of April and May, to inform a draft of the final report to be produced by June 1. At that point the Foresight/Watershed team will continue soliciting feedback, in order to inform a final version of the report. After that, it will be up to leaders in the state to decide what to make of the recommendations. Ultimately the Executive and Legislative branches of government will need to lead a process of choosing from among these scenarios, and their work will be improved by any thoughtful feedback other stakeholders can provide.