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# **Executive Summary:** State-level governance for early childhood programs in Minnesota

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## **Management Analysis and Development**

Management Analysis and Development is Minnesota government's in-house fee-for-service management consulting group. We have over 35 years of experience helping public managers increase their organizations' effectiveness and efficiency. We provide quality management consultation services to local, regional, state, and federal government agencies and public institutions.

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# Early childhood governance report

Management Analysis and Development compiled this report on state-level governance of early childhood development, care, and learning programs in response to a 2021 requirement from the Minnesota legislature. MAD reviewed studies of early childhood governance, researched approaches in other states, and spoke to several prominent national experts, officials in Minnesota and elsewhere, and more than 100 community stakeholders and early childhood advocates. With a timeline that allowed only a few months for research, MAD was limited in the level of engagement and the number of interviews feasible for this report.

MAD found no consensus about the best governance approach to early childhood programs from the sources consulted, neither the reference research and national experts nor the community stakeholders, early childhood advocates, and state officials in Minnesota. MAD learned that consolidation opens up possibilities for improved coordination, collaboration, and effective management. But MAD determined there is no one correct early childhood governance structure, and the choice of governance model cannot ensure improvements for programs and systems. For this reason, MAD offers no recommendations for which model of governance Minnesota should use. MAD concludes that more time, engagement, and interviews would not likely have led to clearer guidance at this point on early childhood governance choices.

## Minnesota's coordinated early childhood governance

Governance is the organizational structure that states use to establish and place authority and accountability for decisions about programs, policy, management, financing, and implementation. The governance approaches that states use for early childhood programs fall into three general categories, although the specifics differ:

- Consolidation into a free-standing agency, often dedicated solely to early childhood
- Consolidation into an existing state agency with a broader mandate than early childhood alone
- Coordination of early childhood programs offered through more than one state agency

Nationwide as of July 2021, 29 states used a coordinated approach, 8 had freestanding agencies dedicated to early childhood, and 13 plus the District of Columbia consolidated programs in an agency with a broader focus. However, several more states are in the process now of transitioning from coordinated to consolidated models.

Minnesota currently uses the coordinated approach, with early childhood programs spread primarily but not exclusively across the Departments of Education (MDE), Health (MDH), and Human Services (DHS). Coordination efforts related to early childhood and the state's whole family approach simultaneously examine the opportunities and needs of both children and the adults in their lives. Minnesota lacks the formal office that some states use to advance coordination across agencies, instead depending in part upon the Governor's Children's Cabinet for this. The cabinet has played a key role in a variety of interagency initiatives. In addition, federal funding for Minnesota's Preschool Development Grant (PDG) has prompted progress on coordination.

Shortcomings with Minnesota's early childhood programs and systems are well-documented, including in a 2018 evaluation report from Minnesota's Office of the Legislative Auditor. For more than 25 years, Minnesota has explored governance changes as a way to address shortcomings, including establishment for a time of a consolidated Department of Children, Families, and Learning and a coordinating Office of Early Learning. Most

recently, Rep. Dave Pinto, Chair of House Early Childhood Finance and Policy Committee, introduced legislation in 2021 to create a new department of early childhood and consolidate programs from MDE, MDH, and DHS.

## Possible early childhood governance options for the state

MAD drew upon its research for this report to offer the following list of options and potential approaches for consideration. The ideas listed are neither all-inclusive nor mutually exclusive.

- Continue to coordinate across agencies but with the staff, funding, and authority necessary for progress beyond the level of coordination that had been occurring prior to recent and positive developments.
- Increase Children’s Cabinet funding and expand its role in cross-agency coordination and alignment.
- Identify key priorities to address for the state-level early childhood system, analyze whether a change in governance will significantly affect them, and, if so, decide what form of governance would work best.
- Create an office within state government charged with coordinating early childhood programs and the early childhood system across state agencies.
- Ensure early childhood policy and programs are consolidated within each of the three key departments, perhaps under assistant commissioners or with coordination assigned to assistant commissioners.
- Commit to consolidation of early childhood programs and policy, define the scope for the age range and program areas, and engage in planning to increase support and lay a foundation for this change.
- Mandate consolidation now and work through potential missteps and adjustments later as they arise.

## Consolidation of state-level early childhood governance

Since the early 2000s, a significant number of states have moved toward consolidation of early childhood programs and away from the traditional approach of coordination across different agencies. National experts on governance cite several factors for this trend, including interest in holistic approaches to programs and systems, greater attention to the critical importance of early childhood, support from advocates for dedicated state agencies, and increased federal and state funding that has made this area of programming more significant.

### What Minnesota needs for successful consolidation of programs

The legislature asked for information about how early childhood programs could be consolidated. For this, MAD collected ideas about what needs to happen or be true for successful consolidation. The following points are suggested steps or considerations, although not all may be possible depending on timing and capacity.

**Determine purpose and priorities first, not the governance approach.** Settle on purpose and a few key issues, lay out measures that will affect them, and then determine whether governance will likely be a solution.

**Build on what’s been done.** The state should not lose the recent and marked improvements made through strengthened relationships, streamlined processes, better data sharing, and other efforts.

**Engage the wide range of those involved in early childhood, both early in the process and throughout.** Multiple perspectives are useful for complex decision-making, and broad partnerships build support for change.

**Link governance changes to more resources for early childhood.** Some worry state leaders will focus on governance and avoid increasing the funding that many say is needed to expand access and improve quality.

**Secure support from government leaders.** Dedicated leadership is critical to success for any governance change.

**Identify the appropriate scope for both age range and programming.** What Minnesota consolidates into a new early childhood department or division will depend on how early childhood is defined.

**Dedicate staff time to the consolidation effort.** The experience other states have had consolidating early childhood programs indicates the importance of dedicated staff time to carry out planning and implementation.

**Plan for the consolidation.** Involve state staff and leadership, providers, and community members. Ensure planning incorporates the diversity of those served through early childhood programs. Consider strategic planning and transition planning.

**Map administrative and practical requirements.** Consolidation will require strategies for operations, staffing shifts, administrative constraints, and impacts on funding streams and business systems.

**Determine authority for restructuring programs and agencies.** Identify needed shifts and establish where the authority lies to make them.

**Address IT issues and data sharing challenges.** Data experts at DHS and MDE said that, while doable, consolidation would require extensive work to ensure data can follow programs into a new agency.

**Designate a convener within state government.** Because no state consolidates all programs serving families and young children, officials in other states cited the need for a convener across agencies, even with consolidation.

**Involve the state agencies.** The departments that currently house early childhood programs have deep knowledge and experience with this policy area and with the administrative ins and outs of service delivery.

**Consider impacts on local service delivery.** The state and its local partners should identify potential impacts from a change in governance on counties, school districts, tribal governments, child care providers, and others—particularly important because Minnesota depends on counties and other local entities to administer services.

**Take time and weigh timing.** There is a tension between the urgency to move forward fast with a change in governance to improve results and the amount of time needed to successfully execute the change.

**Communicate.** Success with consolidation involves clear, consistent, and coordinated communication.

**Manage the organizational change.** The state will need to engage in change management to minimize disruptions and manage expectations.

**Hire an excellent manager at the top.** The first leader of a consolidated department or division should be skilled at integrating programs from different areas of government and people from different work cultures.

## **Motivations and suggested potential benefits for a consolidated approach**

The studies, interviews, and discussion sessions used for this report led to the following lists of potential benefits and reasons that states—Minnesota included—consider consolidating early childhood programs into new dedicated agencies or existing state departments. The list presents a full range of ideas from those sources. Some tie more directly to state-level governance than others.

### **Reasons for state-level consolidation cited in the research and by the national experts consulted**

- Advance coordination of goals, approaches, and resources.
- Create opportunities for better alignment and integration.
- Increase efficiency for the operations and service delivery that have been fragmented across agencies.
- Improve quality and make it more consistent across the range of early childhood programs and services.
- Establish senior-level leadership positions focused on early childhood and with influence and authority.
- Elevate the visibility of early childhood and raise its profile with policy makers and the public.
- Make it easier to assess and address inequities related to race and ethnicity, income, and geography.
- Unify authority and accountability across early childhood programs, which may drive improved results.
- Enhance communication across programs and with families, stakeholders, policy makers, and others.
- Sustain attention and support for early childhood in light of shifts in political priorities or leadership.
- Prompt greater interest in professional development and advancement of the child care workforce.

### **Additional ideas suggested by some community stakeholders, early childhood advocates, and state officials in Minnesota for a change in early childhood governance, especially a consolidated approach**

- Allow human-centered redesign around families with needs and incorporate diverse perspectives.
- Avert potential failure for the early childhood system, particularly child care.
- Address child care access issues.
- Bring early child care and early education together.
- Weave racial and cultural equity into all aspects of early childhood policy and programming.
- Focus on Minnesota's egregious gap in learning levels across children of different races and ethnicities.
- Increase the possibility of higher pay for child care workers and higher income for child care businesses.
- Improve the status of child care, which is often undervalued.
- Link governance change to more funding and resources for early childhood.
- Address data sharing difficulties and obstacles.
- Recognize the trauma many young children bring to their care and learning environment.
- Try a new approach because coordination across agencies creates impediments to ideal service delivery.
- Change significantly how Minnesota addresses early childhood policy and programs.
- Foster positive changes for early childhood at the local level through changes in state-level governance.
- Reduce competition for early childhood resources among programs now spread across departments.
- Free up existing agencies to focus better on their priority areas outside of early childhood.
- Realize administrative cost savings by reducing duplication in services across agencies.
- Provide services for the families of young children through one central place in state government.
- Provide opportunities for public-private partnerships.
- Create a positive culture around administration of early childhood programs.

## **Uncertainties and limitations with consolidation**

The early childhood governance studies and national experts consulted point out limits to what states can expect from and accomplish through consolidation. The experts on governance that MAD spoke to cannot say with certainty which model works best or what impacts consolidation will have, in part because so many factors aside from governance influence outcomes. Those national experts declined to endorse one model over another.

Consolidation and other state-level governance changes are strategies for improving early childhood systems. They are not the goal. To move forward on outcomes for young children, states need other changes across a range of operational and service delivery areas. There is risk if consolidation shifts attention away from significant and broader problems with programs, services, and systems, or if it is pursued as a way to avoid addressing those challenges. But there are risks, too, with leaving state governance as is because consolidation may allow states to more easily address some challenges and improve programs and services.

## **Suggested potential drawbacks of consolidation**

Again drawing from studies, interviews, and discussion sessions, MAD compiled the following list of concerns and potential disadvantages of a shift from coordination across state agencies to consolidation either in a new, dedicated agency or into an established department. The list presents a full range of ideas from those sources.

### **Possible downsides for consolidation cited in the research and by the national experts consulted**

- May divert attention and funding away from efforts to improve alignment and effectiveness.
- Involves complex reorganization of programs and staff and may be hard to implement.
- Will alter coordination patterns and may require work to re-create channels and connections.
- Could complicate service delivery to children and families if the state decides poorly on agency scope.
- Might replace fragmentation of programs by type of service, common now, with fragmentation by age.
- May create disruptive, state-level shifts in provider engagement, oversight, support, and funding.
- Will impose a range of costs and require upfront resources as programs transfer.
- Could lead to reduced standing and influence as programs move out of large, established agencies.
- Could disrupt recent progress on coordination made under PDG and Minnesota's Children's Cabinet.

### **Additional concerns suggested by some community stakeholders, early childhood advocates, and state officials in Minnesota for a change in early childhood governance, especially a consolidated approach**

- Will fail to address top early childhood challenges not related to governance.
- Might make links to broader family services difficult, undermining Minnesota's whole family approach.
- Might not succeed because consolidation will be an immense task.
- Might be pursued to cut costs rather than improve and expand early childhood services.
- Will still require coordination across agencies to encompass the many facets of early childhood.
- Could cause existing agencies to shift away from early childhood work and coordination efforts.
- Might intensify competition for funding and resources if the programs are in the same agency.
- Could make fragmentation worse at the local level, particularly for rural counties with limited staff.
- Would be difficult to implement now because state government is focused on the COVID-19 pandemic.

## **Coordination of early childhood programs across agencies**

MAD also explored the possible benefits and drawbacks of Minnesota's current approach—state-level early childhood governance that depends on coordination across multiple state agencies. The following suggested advantages come from the studies, interviews, and discussion sessions MAD used to examine governance issues:

- A commitment to coordination at the state level can reduce some fragmentation and yield benefits.
- States that coordinate keep current structures in place, avoiding reorganization costs and disruptions.
- Placing early childhood services in agencies focused on education, health, and human services may result in easier coordination and some coherence with other programs in those policy areas.

- Early childhood programs benefit from the expertise of their host agencies in the relevant policy areas.
- The coordinated approach matches how federal funding flows to different departments in the states.
- Continuation of the coordinated approach, in Minnesota’s case, allows continuation of current efforts to increase coordination and alignment.
- States that use a formal office to coordinate across agencies may realize additional benefits, including a single point of contact for early childhood programs and increased visibility for this issue area.

The studies, interviews, and discussion sessions suggested the following disadvantages to the coordinated approach to governance:

- Early childhood programs may be less visible, perhaps resulting in inadequate attention and resources.
- Different agency goals and focus may lead to conflict over priorities for coordinating efforts.
- Informal, interagency coordination depends on busy division heads and program managers, who may lack the time and resources necessary to drive collaboration and coherence.
- Even successful coordination efforts may falter over time or with a change in administration.
- Work can become siloed in separate agencies and their divisions, as can program funding.
- Coordinated decisions are difficult to secure when programs, responsibilities, and authority are split.
- No one department or leader is responsible for early childhood as a policy and programming area.
- Total budget levels and funding for early childhood are difficult to identify and track.
- Coordination of state-level governance is unlikely to succeed without staff responsible for this work.
- Use of a formal office for coordination may involve additional disadvantages, including the costs and effort involved to establish such an office, a potential lack of authority to compel agencies to cooperate, and the potential for another layer of bureaucracy.

## **Identifiable impacts of consolidation**

The 2021 session law mandating this governance report requires attention five specific areas of potential impacts from consolidation on children, families and providers, and on state government operations. MAD discussed these as part of its limited number of interviews with prominent early childhood governance experts and early childhood advocates. Most said it is difficult to know how consolidation will affect these areas, again because impacts involve factors beyond governance. However, a few of the sources consulted offered comments. They said consolidation was most likely to have positive impacts on coordination and alignment among programs, the effort required of families to receive services to which they are entitled, and the effort required of service providers to participate in early childhood programs.

## **More information available in full governance report**

The full report on governance for Minnesota’s early childhood programs is available from the Children’s Cabinet and provides significantly more detail plus footnotes on the points noted in this executive summary. In addition, the full report offers summaries about experiences in four states and the District of Columbia, all of which have moved or are moving to a consolidated approach. The full report also presents findings from MAD interviews and discussion sessions with community stakeholders, early childhood advocates, and State of Minnesota officials on what is working well or poorly under Minnesota’s current, coordinated governance structure.