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A Practical Guide for State Teams to Increase Inclusion in Early Childhood Programs

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Summary

A Practical Guide for State Teams to Increase Inclusion in Early Childhood Programs (referred to in this document as the "Inclusion Guide") provides information on how state agency leaders and state advocates can use data to support advocacy for more inclusive policies for young children in early care and education settings. The Inclusion Guide is intended to be used by State Early Childhood Inclusion Teams to create a culture of inclusion among all those interested in supporting young children, especially those with disabilities, to have access to the programs and services that best support their development. The Inclusion Guide identifies key actions or steps that a State Inclusion Team should take to develop a policy and advocacy agenda to meet their goals, including forming a team to create a culture of inclusion, identifying and analyzing data to drive decisions and track progress, and understanding the funding sources available and necessary to support the goals of the team. The content is primarily focused on preschool children, ages three to five, though the actions and resources could apply to children from birth to kindergarten entry.

About NIEER

The National Institute for Early Education Research (NIEER) at the Graduate School of Education, Rutgers University, New Brunswick, NJ, conducts and disseminates independent research and analysis to inform early childhood education policy.

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Introduction

A Practical Guide for State Teams to Increase Inclusion in Early Childhood Programs (referred to in this document as the "Inclusion Guide") provides information on how state leaders can use data to support advocacy for more inclusive policies for young children in early care and education settings. Inclusion is important from both a human rights and equity perspective. All young children, regardless of ability and other factors, deserve the right to be included educational settings that can help them thrive and grow. Equitable access to early education benefits all children by teaching friendship, compassion, and respect for others.[1] The federal Individual with Disabilities Education Act is intended to support young children in accessing inclusive opportunities to support their learning and development. However, it has never been fully funded at the level intended and significant state variation exists in accessing services.[2] This means that many children are left out of high quality inclusive early education that would allow them to reach their full potential.

The **Inclusion Guide** It is intended to assist cross-sector state teams of state agency leaders and advocates in developing a deeper understanding of the funding and data available to support policy and advocacy to increase inclusive opportunities for young children with disabilities or health care needs that require specific adaptations for learning, referred in this guide as children with special needs. The guide draws from the many excellent resources available from national organizations and technical assistance centers and organizes them in an easily accessible step-by-step guide. It is not exhaustive of all the resources available; however, we have curated the resources to include those that are most relevant and necessary for stakeholders from multiple disciplines and experiences. The content is primarily focused on preschool children, though the actions and resources apply to children from birth to kindergarten entry.

The **Inclusion Guide** includes the following sections:

> Section 1: Forming a Team
>
> Section 2: Using Data to Identify Priorities
>
> Section 3: Funding to Support Inclusion
>
> Section 4: Conclusion and Next Steps
>
> Section 5: Selected Tools and Resources

Section 1: Forming A Team

Purpose of the Chapter

The early childhood education system is complex, including many programs and funding streams, intended to provide access to early childhood programs for young children before they enter kindergarten. To increase opportunities for young children to participate in inclusive early childhood settings, all key partners with some authority for funding, policy, and practice need to come together to form a *State Early Childhood Inclusion Team*. This chapter provides an overview of key actions and tools to build a strong *State Early Childhood Inclusion Team*.

Members of the State Early Childhood Inclusion Team

Your state may already have an Early Childhood Advisory Council or other collaborative body. You can determine if the *State Early Childhood Inclusion Team* should be a sub-committee of an existing collaborative structure or should stand alone. A key decision is whether to include just state agency representatives or to include other roles and perspectives that may influence or be knowledgeable about the needs of young children with disabilities (e.g. teachers, higher education, therapists, local organizations/entities, family members, or family-serving agencies.) You may want to begin with key representatives from state early childhood programs, such as state-funded PreK, 619/Part B, early childhood data managers, childcare, and Head Start, and quickly plan how to expand and meaningfully include broader perspectives. Family voice and experience is critical to crafting and implementing policy that meets family's needs. Provider's perspectives will also help the state team to understand local nuances and individual community and family needs. For example, the **Georgia Early Education Alliance for Ready Students**, the state advocacy organization, did [a series of listening sessions across the state](#) to talk with inclusive preschool program providers to inform their advocacy efforts.

Most importantly-- building relationships across all sectors of the early care and education system in a sustained partnership is a critical first step in realizing goals to increase access to inclusive settings for young children with disabilities. The *State Early Childhood Inclusion Team* should take some time to consider, for each potential member/partner, their knowledge and expertise, motivation, programmatic or statutory requirements, or authority to drive policy for more inclusive settings for young children. Then, the team will be better positioned to develop a common vision and create a culture of inclusion (see box below), with shared accountability and shared beliefs, to frame their work. The [Indicators of High Quality Inclusion, Indicator 1, Cross-Sector Leadership](#), is a helpful resource to determine team members.

The Role of the State Early Childhood Inclusion Team

A state-level cross-sector leadership team, along with partners, implements a shared purpose statement driven by a strategic plan and makes recommendations that support high-quality inclusion across the early childhood system. The specific role and actions of the *State Early Childhood Inclusion Team* will vary based on purpose and members, as well as the state's current goals.

Some functions/roles that the *State Early Childhood Inclusion Team* may undertake include:

- Establishing norms and principles for membership,
- Establishing a charter for the group's purpose and goals, including the length of time the team will meet and how often,
- Developing a shared vision and strategic plan with specific and measurable goals and objectives,
- Determining the data that are available, or will be collected and how data will be analyzed and shared, and
- Developing policies and processes for communicating the work of the *State Early Childhood Inclusion Team*.[3]

California's **Impact Inclusion Workgroup** works to advocate for, and advance early childhood inclusive programs for children with disabilities in and across all sectors and systems in the state and tribes. The Impact Inclusion Workgroup recognizes and values the need for a culturally and linguistically responsive system reflective of the state's communities that honors individual strengths, differences, similarities, and perspectives, as essential to a quality inclusive system. Thus, a unified inclusive early learning and care system driven by an equity lens, will lead to equitable access, meaningful participation and a strong sense of authentic belonging for ALL of California's children, their families, and the communities that serve them.

Identify Priorities and Actions Needed

The *State Early Childhood Inclusion Team* may want to begin with conducting a self-assessment of the state's infrastructure for supporting inclusive settings and identifying areas of strength and gaps that the *State Early Childhood Inclusion Team* may address. It is important that the team recognize that all parts of the system, and programs for children birth to five, have a shared responsibility to support inclusion. Each major program lead will need to their program, and it is likely that the degree to which policy and regulation, in for example, child care subsidy, state Pre-k,

Head Start and Early Head Start, address inclusion is very different. The State Early Childhood Inclusion Self-Assessment[4] is a tool that is aligned with the recommendations in the Joint Policy Statement on Inclusion. The process of considering and discussing each section of the self-assessment will likely identify areas of common agreement, potential areas of new focus, and specific actions that the team can include in the strategic plan.[5]

Section 2: Using Data to Identify Priorities

Purpose of the Chapter

Knowing how to access state-specific data will help strengthen advocates' efforts in identifying state-specific needs around inclusion and access. This chapter will help users increase understanding of sources of data at the state, community or local level that can illustrate the areas of access or quality of services for young children with special needs that need attention.

How this chapter builds on the previous chapter: Once the team is gathered, the state leaders need to identify high-level questions that could be answered through the data. After reviewing these data sources, gaps in needed data may be identified, which could support the state to develop or enhance their State Early Childhood Integrated Data Systems.

In the updated federal *Policy Statement on Inclusion of Children with Disabilities in Early Childhood Programs*, it is recommended that after the cross-sector state leadership team is built and engages families as essential partners, data should be used to guide the team's vision on inclusion. This includes a two-pronged approach:

States should also examine their policies and guidance across programs to ensure that those policies and guidance remove, rather than create, barriers to inclusion, are informed by quality data, respond to the unique needs of communities and populations of children served across the State, and promote cross-agency collaboration at the State and local levels.

U.S. Department of Health and Human Services & U.S. Department of Education. (2023, November). *Policy statement on inclusion of children with disabilities in early childhood programs.* https://sites.ed.gov/idea/files/policy-statement-on-inclusion-11-28-2023.pdf, p.18.

1. Using data to identify priorities & developing critical questions
2. Collecting new or missing data

Several reports and briefs have been developed to assist state leaders in understanding the importance of data in measuring their early intervention and early childhood preschool special education systems' priorities. In addition, some toolkits have been designed to support the completion of federal reporting but could also be used to guide the work of the state teams. For example, the Center for IDEA Early Childhood Data Systems has developed a data inquiry cycle that identifies six stages of data inquiry from planning and design for data collection, data collection, data analysis and interpretation, reporting, dissemination, and taking action.

Identifying Data to Inform Priorities

- The *State Early Childhood Inclusive Self-Assessment* (ECTA & DaSy, 2017) is a framework for assessing the state's infrastructure for promoting high-quality inclusive settings. Section *3. Set Goals and Track Data* provides a series of questions that would help guide the state team in thinking about the purpose of collecting data.

- Child Trends created the *System Transformation for Equitable Preschools (STEP Forward with Data) Framework* to help preschool leaders use data to promote equity within the preschool system. The Framework is organized around six categories: Supply, Outreach, Enrollment, Learning Experiences, Transitions, and Administration. Within each of these categories, there are questions that state teams could use to develop metrics or suggested measurements with examples of data sources, with specific questions relevant to children with special needs.

Developing Critical Questions for Research and Advocacy

Once the priorities or goals of the *State Early Childhood Inclusion Team* are identified, more refined critical questions for further research and advocacy can be developed. The following is a curated list of identified resources that may assist state teams in identifying questions on a variety of areas including student demographics, child outcomes, educator qualifications, preschool environment, access to services, etc. Some resources identify the types of data (quantitative vs. qualitative) and the importance of the level of data (aggregated vs. disaggregated). (For additional ideas, see critical questions about early intervention and early childhood special education in Chapter Five Resource section).

- The joint-agency federal *Policy Statement on Inclusion of Children with Disabilities in Early Childhood Programs* (US HHS & US DOE, 2023) recommends collecting information on the number of high-quality inclusive slots available to children under five and the number of children (with disabilities and without) served in those slots by disability, supports, race/ethnicity, language, family income level, and geographic location. In addition, the state should implement a continuous system of quality that examines children's learning and development outcomes.

- The *Fact Sheet: Advancing Racial Equity in Early Intervention and Preschool Special Education* (ECTA, 2023) includes a series of questions for state/local leaders to ask to reflect on the equity of the early intervention and special education systems. Questions include (p.6):
  > *How are programs analyzing data to understand racial and cultural differences in children found eligible for early intervention and early childhood special education services?*
  > *Do the demographics of children served in early intervention and early childhood special education reflect the community?*

- Start Early's *Advancing Equity and Inclusion for Young Children with Disabilities and Delays: State Policy Opportunities* (2023, November) offers several different areas state leaders could think about enhancing their data collection and/or using the information to advance an equity agenda. This includes collecting early intervention and early childhood special education workforce data, conducting periodic needs assessments, gathering qualitative and quantitative data to understand the system from the perspective of children with disabilities, enhancing the states' early childhood integrated data systems, strengthening data collection for Child Find, and collecting data on barriers that cause delay of receipt of services.

- The IDEA Data Center (IDC) has created a *Preschool Environments Toolkit* that includes information about different required federal reporting on where children with disabilities receive their services (e.g., Indicator 6 on the State Performance Plan/Annual Performance Report) and how states can use this information for program improvement.

- New America has produced a blog series on early development and disability. The blog, *Better Data Could Improve Early Intervention Access* (2024, Jan. 19) discusses a GAO report on the need for disaggregated data to address access disparities.

Collecting Data

States are required to collect and report early childhood special education data as part of their IDEA funding. There are several resources to help states in the collection of this information with one of the most thorough being the *DaSy Data System Framework* (2022). The Framework has information on the collection of data as well as reporting and using it. It is organized around five subcomponents: Purpose and Vision, Data Governance and Management, System Design and Development, Data Analysis and Use, and Sustainability. The Framework includes an annotated related resource list by subcomponent. The state team should have access to this state data to help them answer their questions.

Other places to look for state-level data include the following:

- The **U.S. Department of Education (USED)** releases annual data files. Unless you are familiar with reading .CSV files, it may be easier to use IDEA Section 618 Data Products: Static Tables that compile the information files into an easier-to-read format. The static tables are released annually (2014-2015 through 2022-2023) and include IDEA Part B and Part C tables. For IDEA Part B there are 59 tables in 7 sections (not all apply to 3- and 4-year-olds). Table 12, for example, provides the number and percent of children ages 3 through 5 (not in kindergarten) served under IDEA, Part B, by educational environment and state. Additional tables that may be helpful include:
  - *Number of children and students served under IDEA, Part B, by age group and state: 2022-23*
  - *Teachers employed (FTE) to work with children ages 3 through 5* who are receiving special education under IDEA, Part B, by qualification status and state: 2021-22*

- In addition, states are required to submit [IDEA State Performance Plans/Annual Performance Reports (SPP/APR)](#) on how federal funds were spent and develop a state performance plan (SPP) that evaluates the state's efforts to implement IDEA requirements and how the state will improve its implementation. States have to report their data on each indicator every year, establish targets and improvement strategies if not meeting the target). For example, Indicator B7 reports on Preschool Environments, including the percent of children with IEPs, ages 3, 4, and 5 who are enrolled in a preschool program, (A) Receiving majority of special education and related services in regular early childhood program; (B) Attending separate special education class, separate school, or residential facility; (C) Receiving special education and related services in the home.

- Within USDOE's Institute for Education Sciences (IES) is the National Center for Education Statistics (NCES). NCES has a congressional mandate to collect, analyze, and report statistics on American Education. Some of the [annual reports](#) include information about early childhood education and children with disabilities (national summary and/or state variations). Another office within USDOE that collects and reports national data includes the [Civil Rights Data Collection Office for Civil Rights](#) (preschool discipline data by race/ethnicity; gender; if under IDEA from 2009-2010 through 2020-2021).

- The **Administration for Children and Families (ACF)** within the U.S. Department of Health & Human Services [releases data](#) about the programs they fund and the population they serve. The [Office of Early Childhood Development](#) funds programs that include children with disabilities including those by the [Office of Head Start](#), [Office of Child Care](#), [Preschool Development Grants](#), and the [Tribal Maternal, Infant and Early Childhood Home Visiting (MIECHV)](#). On some of these websites, national averages are reported, such as in the [Head Start Program Annual Fact Sheets](#) (e.g., in 2021-2022, 13% of Head Start cumulative enrollment was made up of children with disabilities as defined by children having special plans under IDEA[6]). National data may be helpful for states to review and then decide critical data points, gather these data, and then compare them to what is happening nationally. Another place to look for ACF data is the [Office of Planning, Research, and Evaluation,](#) the research arm of ACF. It is helpful to look for studies that include your state by searching OPRE Projects on the [Project Index](#).

- The **[National Institute for Early Education Research (NIEER)](#)** has produced four reports that include relevant data for *State Early Childhood Inclusion Teams*.

- *The State(s) of Early Intervention and Early Childhood Special Education.* The report focuses on the 2020-2021 school year but includes information dating back to the 2005-2006 school year. It includes variations in early intervention and early childhood special education services about the COVID-19 pandemic, race and ethnicity, gender, and the state in which a child resides. Each state has a 4-page profile page that illustrates via graphs the percentage of children served in 2020-2021 and overtime and breakdowns of children served by gender, race/ethnicity, and disability. There is information on where children receive services (e.g., residential facility, home, regular ECE program, etc.); suspension of preschools in public schools; percentage of children's developmental outcomes within age expectations by program exit at age 6; and percentage of children who attended Head Start. There is also a "fast fact" for each state (see Figure 1).
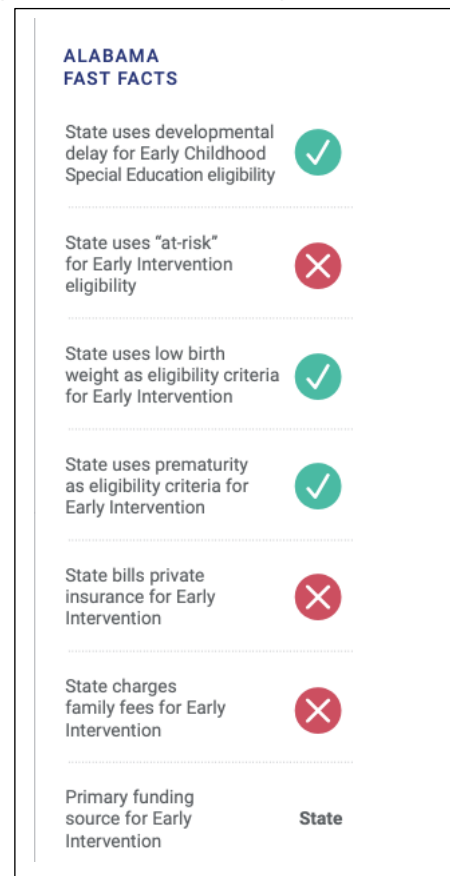
- *The State(s) of Head Start and Early Head Start.* In 2016 and 2022, NIEER released reports on a state-by-state look at access, funding, quality, and program components for Head Start and Early Head Start programs. The policies and implementation of these programs are important for readers of this toolkit since federal regulations require at least 10% of the enrollment slots to be occupied by children with disabilities. The 2022 report includes the percentage of the children enrolled in Head Start/Early Head Start with IEPs/IFSPs (separated by those identified during enrollment and those identified during the program year).
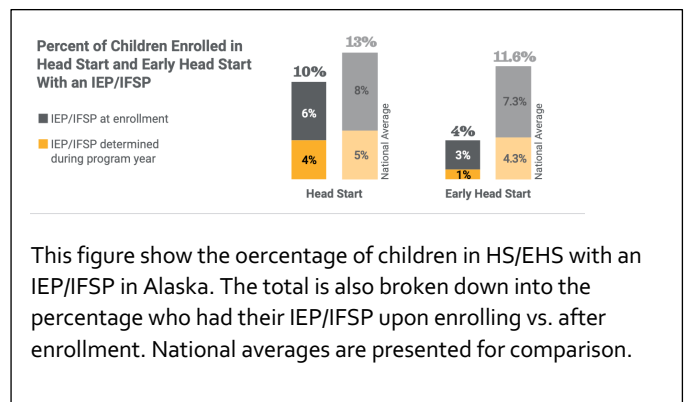
This figure show the oercentage of children in HS/EHS with an IEP/IFSP in Alaska. The total is also broken down into the percentage who had their IEP/IFSP upon enrolling vs. after enrollment. National averages are presented for comparison.

- *The State of Preschool Yearbook.* Since the 2001-2002 school year, NIEER has been reporting on state-funded preschool funding, access, and policies. The annual Yearbook has individual state profiles and accompanying tables that include. Such information as the percentage of 3- and 4-year-olds enrolled in pre-K receiving special education services, enrollment of children in Head Start and pre-K, risk factors besides income that can be used to determine preschool eligibility

and required screenings for preschoolers. In addition, in some years, more information about special education and pre-K policies is collected and reported.

- o The *Early Intervention and Early Childhood Special Education National Workforce Survey Results: Research Report* presents the findings of a survey responded to by 4,610 members of the EI/ECSE workforce throughout the country. Some of the findings include:
    - Demographic mismatch between the predominantly White, non-Hispanic/Latina females who speak only English workforce and children.
    - Workforce reports low compensation, high caseloads, and concerning levels of stress.
    - While the workforce is qualified, there are varying levels of knowledge of key EI/ECSE topics, and more professional development is needed.

- The **Center for Early Childhood Data Systems (DaSy)** has an interactive state map, *DaSy State of the States*, that reports 2021 state data of features of high-quality IDEA early childhood data systems for Part C and Part B for 11 components, including workforce level data systems, unique child ID, Part C child data linked to Part B 619 data, etc. In addition, the DaSy Child Outcomes Reports: Special Collection is a curated online resource collection (organized by state) that identifies child outcomes data reports that states have produced for their local programs.

Analyzing Data

Once your *State Early Childhood Inclusion Team* has identified the data that is available and relevant to address your priorities and research questions, it is important to establish an ongoing process to review and analyze the data. There are multiple stages to analyzing data.

- Establishing a Baseline. An important place to start is by asking, *what is the number of high-quality early learning childhood slots available and the number of children under five with and without disabilities in those slots?* An additional question to ask is, *who is being served in inclusive settings, and how many are not?* You may need to collect this data from several different sources or state agencies and may need to dig deeper into local data. To the degree possible, be sure to include disaggregated data and local data. You will likely have gaps; however, it is critical to establish a baseline so you can track changes over time. After reviewing and analyzing existing data, the *State Early Childhood Inclusion Team* will need to decide if more information is needed. Additional data collection may need to occur or requests to the appropriate state agency will need to be made. For example, several years ago, the research/data lead from the **Pennsylvania** Partnerships for Children did a comprehensive research review and then identified and invited state stakeholders to discuss the data and identify priority areas. This work resulted in the identification of five policy goals as well as the

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need for data at the county level. Data was then requested from the state's Office of Child Development and Early Learning (OCDEL).

- Identify Benchmarks Over Time. Your *State Early Childhood Inclusion Team* will want to establish benchmarks for increases or improvements over time. These should include multiple key indicators, related to each of the State Team's priorities and research questions, especially as this applies to sub-populations that have experienced inequitable access to inclusive settings. It is important to set realistic goals that are achievable for improvement.

- Develop a Process to Regularly Assess Data and Make Adjustments. The *State Early Childhood Inclusion Team* should establish a regular schedule of reviewing data to inform decision-making around policy, practice, and funding. This is a critical step in making meaning of the data. You will want to adjust benchmarks based on ongoing data analysis or develop new priorities and research questions. Data collection, benchmarking, and making meaning of the data is an iterative process, intended to inform a continuous quality improvement cycle.

- Share the Data. Your state team will want to consider who and how to share the data with policymakers, local programs, families, and others in the field. Data dashboards and visualizations, as well as short fact sheets, will be very helpful in engaging diverse stakeholders in understanding and celebrating progress on key indicators established by the State Team.

- The Center for IDEA Early Childhood Data Systems (DaSy) has developed a very useful process and set of resources to help state and local leaders create a data culture and robust process to analyze data for program improvement. Look, Think, Act: Using Data for Program Improvement is a learning module that includes several tools, including a preparation checklist, discussion guide, and facilitator's guide, including videos and related resources. A DaSy resource to help your team consider how to present data visually so that it is appealing and understandably is DaSy's Data Visualization Toolkit.

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Section 3: Funding to Support Inclusion

Purpose of the Chapter

This chapter provides an overview of the federal funds that can be used to support inclusive opportunities for young children in mixed-delivery settings. It is intended to provide a basic understanding of the different funds available, and how they can be blended and braided to increase inclusive settings and services.

How this chapter builds on the previous chapter: As the State Inclusion Team clarifies its goals identifies priorities, and examines its data to set priorities, it will likely address the need for sufficient funding to support their goals. It is important to ensure sufficient financing for inclusive settings, and thus, this chapter includes guidance on how to develop a strategic financing plan.

Individuals with Disabilities Education Act (IDEA) funds for Young Children with Disabilities

For preschool children, ages 3-5, The Preschool Grants Program (Section 619 of Part B of IDEA) is the name of the federal funding that provides funds to the state for services and support for preschool children with disabilities. The U.S. Department of Education uses a formula established by legislation to determine the allocation to each state for the provision of services to preschool children. Funds flow to the state department of education in each state, and the state then uses a formula to allocate funds to the local education agency. In all but three states, IDEA funds flow to the state department of education. States are required to distribute most of the funding to local education agencies (LEAs) and can retain a small proportion of funding at the state for administrative costs.[7]

Similarly, the Grants for Infants and Families (Part C) awards formula grants to states for services to children, birth through age 2, with disabilities and their families. Federal funds are expected to be used to develop statewide systems of early intervention programs that are comprehensive and multidisciplinary and ensure that early intervention services are available to eligible children and their families.[8]

Federal IDEA funds Support Inclusive Settings

> *Equal Access:* Young children with disabilities have equal access to early care and education programs, as detailed in the American with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act. If a child is otherwise eligible to attend a public or private program, the child cannot be denied access based on disability and must be considered for enrollment in the same manner as their peers.
>
> Source: Inclusion of Children with Disabilities in Early Childhood Programs. https://ectacenter.org/~pdfs/topics/inclusion/inclusion-flyer-2019-10-08-v4.pdf

IDEA legislation provides the legal foundation for funding services for children with disabilities in inclusive settings. The legislation requires that services for infants and toddlers are provided in the "natural environment", meaning where children would participate (e.g. child care) if they did not have a disability, such as home or community.[9]

Similarly, preschool children with disabilities must be served in the "least restrictive environment" (LRE). Children with identified disabilities may attend and receive services in a preschool program that is sponsored by the school, district, Head Start, or a community-based provider. [10] There are

different models of inclusion and funds could be used in different ways, for example to pay for a an itinerant teacher, or part of the salary of a teacher who is dually licensed and serving children with and without IEPs in the same classroom, or for a co-teacher. The general "preschool program" is funded by state or local dollars, and only the costs for the specific support services that the child with disabilities (as outlined in their Individual Education Plan or IEP) is paid for by the federal Individual with Disabilities Education Act (IDEA) funds allocated to the district, or other federal funds. An important note is that there must be no cost to the parent for services identified in the IEP to support children with disabilities.[11]

> *Federal funding for EI through IDEA Part C is not intended to be the sole source of funding to provide services for infants and toddlers with disabilities. Fourteen states report that federal funds are the primary funding source for EI; 32 states report relying primarily on state funding and three reported relying primarily on local funding.*
>
> Source: Friedman-Krauss, A. H., & Barnett, W. S. (2023). The State(s) of Early Intervention and Early Childhood Special Education: Looking at Equity. New Brunswick, NJ: National Institute for Early Education Research, pg. 21.

Additional Federal Funds to Expand Inclusive Opportunities for Young Children

In addition to IDEA funds, other federal funding streams for young children can support inclusive early learning programs.[12] For example, three of the major federal funding streams that can support inclusion for preschool children are:

- U.S. Department of Education, Title 1 (Improving the Academic Achievement of the Disadvantaged) Part A funds.[13] Title I is a formula grant, where funds flow from the federal government to local education agencies/districts. The purpose of the grant is to "*provide all children significant opportunity to receive a fair, equitable, and high-quality education, and to close educational achievement gaps*". The U.S. Department of Education recently released revised guidance for state and local education leaders on using Title 1 funds for preschool and specifically notes that Title 1 funds can support preschool children in the least restricted environment, including community-based settings.[14]

- U.S. Department of Health and Human Services, Office of Head Start,[15] distributes Head Start (and Early Head Start) funds to local grantees through a competitive process. Each Head Start grant must allocate a minimum of 10% of the preschool slots to children with disabilities.[16]

- [U.S. Department of Health and Human Services, Child Care and Development Block Grant](#)[17] distributes funds to states to provide child care for families while they work or are in training. States submit a state plan for the use of funds and must identify how they will increase the supply and quality of childcare services for children with disabilities.

However, a host of other federal, state, and local funds could be leveraged to increase access of young children with special needs to inclusive preschool programs. [18] [Funds Supporting IDEA Services and Early Childhood Settings for Young Children with Disabilities](#) summarizes major Federal and State early care and education funding streams that may be used to support young children with disabilities.

Aligning Early Childhood and Medicaid Initiative

[Medicaid](#) and [State Children's Health Insurance Programs (S-CHIP)](#) are funding sources that can be used to support services for low-income young children with disabilities, including access to inclusive programming. However, eligibility and other regulations related to these programs and state policy often are misaligned and can be complex to coordinate and leverage funds. The [Medicaid Early Childhood Innovation Lab](#), brought together selected state Medicaid directors and regional health systems to explore ways to align policy and regulation to increase access to services for children and families. The project produced a number of resources, including, *[What Makes an Early Childhood Medicaid Partnership Work? Insights from Three Cross-Sector Collaborations](#)* and *[Medicaid is Not Just for Doctor Visits: Innovative Early Childhood Funding Strategies](#)*. Building on the lessons learned from this project, *[The Aligning Early Childhood and Medicaid Initiative](#)* brought together eight states teams for 20 months hosted by the Center for Health Care Strategies and several other partners to systematically address policies across Medicaid and other services for low-income children and families, including child care and preschool options.

How IDEA Funds Are Used in Your State for Pre-K

As previously described, federal law allows IDEA funds to be used to support preschool children with disabilities in the least restrictive environment, which could include non-public school settings such as Head Start and other community-based programs (including as noted above Head Start. However, each state's regulation and policy around the use of funds for state-funded pre-K may differ or have specific requirements around what is funded. Further, other preschool programs funded with federal funds (e.g. Title 1) or local dollars (e.g. preschool programs funded through cities or counties) may have specific guidance or requirements around the use of IDEA funds. **New Mexico** is one state that has transferred their IDEA 619 preschool funds from the department of education to the [Early Childhood Education and Care department](#) so that state funds for preschool could be aligned with the federal funds. New Mexico's governor also established an [Office of Special Education](#) to align federal IDEA funds, data and reporting from birth through adulthood.

A good place to start to understand the funding in your state is [First Five Year's Fund, 2024 Child Care and Early Learning State Fact Sheets](#) which outlines the major federal and state funding

amounts for early learning. The State of Preschool Yearbook [Survey Data](#) includes data on whether state allow blending and braiding of state-funded preschool programs and other sources on funding.

> *States with a higher percentage of Hispanic children in the state received lower federal funding per child enrolled in ECSE and in EI. And in states where Hispanic children comprise a higher portion of children receiving ECSE services, federal funding per child in ECSE is lower. In states where White children comprise a higher portion of children receiving ECSE services, federal funding per child in ECSE is higher.*
>
> Source: Friedman-Krauss, A. H., & Barnett, W. S. (2023). The State(s) of Early Intervention and Early Childhood Special Education: Looking at Equity. New Brunswick, NJ: National Institute for Early Education Research, pg. 21.

Developing a Strategic Plan for Financing Inclusive Services for Children with Disabilities

Federal IDEA funds are not sufficient to fund the full cost of preschool for young children with disabilities, so states and localities use other sources of state and local funds, including private resources, to fund the full costs of services needed. Most states and localities cite insufficient funding as a key barrier to inclusion. Advocacy is really needed since federal funds have been stagnant for many years to increase state and local funding streams while also advocating for increased federal funding. This is why it is important for the *State Early Childhood Inclusion Team* (see Chapter 1), to engage in an intentional process to assess policies and practices that enable or present barriers to coordinating multiple funding sources to support inclusion for preschool children. It will be important for the state team to understand what funds are available, how they are currently used at the state and local level, and what gaps or inequities exist for sub-groups of children. The goal of the strategic financing plan for inclusion is to ensure that all available funds are equitably and efficiently accessed by local entities, where the services are delivered. [19]

KEY ACTION STEPS: Developing a Strategic Finance Plan for Inclusion

1. Ensure some policies support the coordination of resources across agencies and programs.
2. Determine how to use funds most efficiently and effectively from different funding streams.
3. Allow the braiding of funds by state and local programs, when appropriate.
4. Determine strategies for leveraging funds and resources at the state and local levels.
5. Write guidance for local programs on braiding and coordinating resources that reference policies, regulations, and requirements.
6. Monitor and evaluate the effectiveness of braiding and coordination of funds.

Source: *Adapted from the Early Childhood Technical Assistance Center (2023) State Indicators and Elements of High Quality Inclusion. https://ectacenter.org/topics/inclusion/indicators.asp*

Reallocating Resources to Support Goals for Inclusion

To shift more resources towards inclusive early childhood programs and services, the State Early Childhood Inclusion Team will need to examine the current use of resources, including the eligibility and regulations related to funding, and determine if resources would better align with

goals around inclusion if used in different ways. Of course, this will take trust and commitment to a common goal around inclusion, and careful planning to consider the trade-offs and unintended consequences of adjusting or shifting resource allocations. State Early Childhood Inclusion Teams can consider the following questions, excerpted from "*Policy Statement on Inclusion of Children with Disabilities in Early Childhood Programs*".

- ✓ How could we use IDEA Parts B and C funds to provide services in inclusive programs or natural environments with typically developing peers to the maximum extent appropriate, by the provisions of the IDEA?
- ✓ How can we use ESEA Title I, Part A funds to support the inclusion of children with disabilities in school-based settings and Title II, Part A funds to expand the competencies of public school personnel in providing inclusive early childhood education and inviting other local early childhood personnel to participate in the training?
- ✓ How could we as LEAs, EIS providers, and schools allocate funds and formalize partnerships with community-based early childhood programs, including child care, to establish a mixed delivery system, where children with disabilities can receive inclusive early learning opportunities in different settings across the community?
- ✓ How could we as LEAs, EIS providers, and schools review and adjust our funding and decisions to ensure that all areas in the community and all populations of children with disabilities have access to inclusive programs?
- ✓ How could our programs use resources to target the use of evidence-based practices to improve child outcomes?
- ✓ How could we change resource allocations to support early childhood special educators to shift from full-time teachers in segregated settings to providing consultative services to general early childhood educators and providers?
- ✓ How could we allocate resources to support early intervention, early childhood special education, related services providers, and other specialized providers in providing consultative services to early childhood educators, providers, and staff?
- ✓ How could we allocate resources to optimize the distribution of specialized providers, materials, and equipment across early childhood programs to provide ECE personnel with adequate instructional support and resources to serve all children, including children with disabilities?
- ✓ How could we use PD resources to expand access to training and coaching, specific to supporting all children with disabilities, to all staff across early childhood programs? Are there opportunities to expand access to staff from other early childhood programs and partner with other programs to share training?[20]

Financing Strategies to Fund Inclusive Programs and Services

The *State Early Childhood Inclusion Teams* can help Local Inclusion Teams identify financing strategies to share the costs and leverage funding to expand inclusive opportunities for young

children. The following examples are excerpted from *Braiding Funds: How Districts Can Create Inclusive Placement Opportunities for Young Children with Disabilities*.[21]

✓ **Cost sharing.** State leaders provide information on the allowable ways funds from various early childhood programs can be used to create classroom opportunities and support the placement of children with disabilities in early childhood programs. An example of cost sharing is when various funding streams 'follow the child' and support children in a single classroom, or when one program pays for a specific operating cost, and another program pays for a different operating cost. An example of a specific cost might be a district funding an extra classroom assistant to support the children in the classroom. Each funding source must be used as intended and documented.

✓ **Fee for service, or private pay**. Inclusive special education classrooms operating in schools can include community children to attend the program for a fee. Fees often range from nominal amounts for snacks and consumable products, to market rates for the same service.

✓ **In-kind sharing of resources**. Programs share resources instead of direct funds, such as one program provides the classroom, and another program provides transportation.

✓ **Class size waivers.** Waivers for smaller class sizes are used to meet the needs of children, those with and without IEPs. For example, a waiver would allow a classroom to operate with fewer children than required and receive the same money as a classroom meeting the requirement. In some cases, money needed to support waivers is absorbed by the individual program, or a local district may agree to pay a portion of the classroom operating costs, in order to provide an appropriate inclusive classroom placement for children with IEPs.

✓ **Holding slots**. Slots, or seats in a classroom are held for children with disabilities who are identified throughout the year and in need of placements within early childhood programs. It is a new requirement of the Child Care and Development Fund (CCDF) to allocate slots for children with disabilities through grants or contracts.[22] Some programs allow seats to be held for an extended period of time for children with disabilities, or districts might pay the operating cost of an unfilled slot or seat in the classroom to ensure there are seats available for children with disabilities identified throughout the year.

✓ **Funded enrollment**. IDEA funds used to pay for a child's enrollment in an early childhood program, if a public program is not available to implement the educational plan, or when a child does not meet the income requirement of a public program.

For additional information see the Early Childhood Technical Assistance Center (ECTA) **Financing Strategies and Funding Sources for Inclusive Programs**.

Section Four: Conclusion and Next Steps

This Inclusion Guide is intended to assist state leaders to take concrete actions to increase opportunities for young children with disabilities to access quality early care and education services. This guide attempts to provide the starting point for state leaders and advocates to address a very complex challenge by forming a team—that has common goals and a culture of inclusion; by examining the available data and seeking out additional data that is needed to set priorities and track progress; and to understand the funding and financing strategies that are needed to scale and sustain inclusive opportunities for young children with disabilities. There are many very helpful and informative resources to guide the state team's work. Real change in the experiences afforded young children with disabilities can be realized, however, persistence, patience and perseverance are needed to understand the complexity of the issues impacting inclusion in your state and communities and to identify the barriers and enabling conditions for policy change.

The next steps are to put words into actions and to continue to build the bright spots and examples of states and communities that are working with families on behalf of all young children.

Section Five: Selected Tools and Resources

The Inclusion Guide identifies some of the many very relevant and helpful resources that have been produced by the U.S. Department of Education, Office of Special Education Programs, Early Childhood Technical Assistance Programs.

The Early Childhood Technical Assistance (ECTA) Center has many resources, tools, checklists and frameworks to support high quality inclusion. See for example,

> Tools on Inclusion- **https://ectacenter.org/topics/inclusion/tools.asp**

> Considerations for Making Finance Decision for Inclusion Toolkit- https://ectacenter.org/~pdfs/topics/inclusion/financeinclu.pdf

> Preschool Inclusion Finance Toolkit- https://ectacenter.org/~pdfs/topics/inclusion/preschool_inclusion_finance_toolkit_2018.pdf

The Center for IDEA Early Childhood Data Systems (DaSy) has many resources to help states analyze and use Part C and Part B data for reporting and program improvement. See for example,

> EC Data University- https://dasycenter.org/ec-data-u/

> Data Inquiry Cycle- https://dasycenter.org/data-inquiry-cycle/

> Critical Questions about EI and ECSE- https://dasycenter.org/resources/critical-questions/

Critical Questions for Addressing Racial Equity in EI and ECSE-
https://dasycenter.org/resources/critical-questions-equity/

State Early Childhood Inclusion Self-Assessment, developed jointly by ECTA and DaSy.
http://www.ectacenter.org/~pdfs/topics/inclusion/state-inclusion-self-assessment.pdf

Other Relevant Resources:

Bellwether Splitting the Bill: A Bellwether Series on Education Finance Equity has a number of
resources to help advocates understand IDEA funding. See for example,

> *What Are the Core Funding Components of Part B, Grants to States (Section 611) Funding in
> the Individuals With Disabilities Education Act (IDEA)?* https://bellwether.org/wp-
> content/uploads/2024/05/SplittingtheBill_18_Bellwether_May2024.pdf

Center for Early Learning Funding Equity works with states and communities to address funding
equity to support all children. See for example work related to children with special needs,

> *Early Childhood Special Education Funding Formula,* presentation for Wyoming Special
> Education Funding Formula Workgroup- https://celfe.org/resources/early-childhood-
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Endnotes

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