
Options to consider for the FY24 Pathway I scholarships RFP

Minnesota Department of Education, Early Learning Scholarships
August 2022

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Summary list of potential options for Pathway I Early Learning Scholarships RFP

The Minnesota Department of Education (MDE) asked Management Analysis and Development (MAD) to gather information about possible changes to processes and practices for Pathway I Early Learning Scholarships (ELS) and use it to identify options relevant to a forthcoming request for proposal (RFP)s. In 2023, MDE will issue an RFP seeking organizations interested in administering this program for the next several years. Below is a listing of potential options from MAD, offered without recommendations because MDE is best positioned to decide what might work through its knowledge of the Pathway I program and its consultations with stakeholders and partners.

These possible RFP options are repeated in later sections of this report, where MAD includes important context regarding where the ideas came from, what Pathway I challenges they address, and how opinions about them differ among groups of stakeholders. Because MAD wanted to present a wide range of possibilities to MDE, MAD included options on this list and in this report even when stakeholders raised reasonable objections to the ideas. The context included below is particularly important for the potential RFP options related to centralization, use of a broader range of organizations for outreach and relational functions, and use of separate RFPs for Pathway I administrative and outreach functions.

The closing sections of this report offer additional context, outside the framework of the RFP options:

- MAD's research for this report identified strengths of current administrative processes, outreach efforts, and the Pathway I scholarship program overall, briefly covered in the section that starts on page 26.
- Leaders and staff at the Area Administrators cited advantages to their dual roles carrying out Pathway I administrative and outreach functions and report a close match between the mission of their organizations and goals of the Pathway I scholarships, detailed in the section that starts on page 27.
- MDE could build on the RFP experiences and examples of state agencies to attract interest and responses from diverse communities and organizations with successful connections to the types of families likely to benefit most from the Pathway I scholarships, as noted in the section on equity in grantmaking that starts on page 28.

Here is the list of possible options for MDE to consider:

Possible RFP options for administrative and transactional functions

- By requiring it or awarding points for it in the RFP, MDE could ensure or encourage Area Administrators involved in the application process to accept applications online so that families can fill out the form and submit it electronically along with other required documents.
- By requiring it or awarding points for it in the RFP, MDE could ensure or encourage the Area Administrators involved in Pathway I administration to provide up-to-date information about waiting lists and available funding to help families and providers set realistic expectations about whether a child

will secure a scholarship and, if so, when. Perhaps a single grantee organization could address this need, or maybe MDE itself could do so, instead.

- MDE could change its approach to transfers of scholarships among Area Administrators—and make any necessary, corresponding changes to the RFP language. One option would be to keep administration of a scholarship with the Area Administrator that first made the award, instead of transferring that scholarship to the administrator for the geographic area where the child relocated. Another would be to have transfers happen at the time that relocations occur, instead of waiting until renewals.
- If possible in the context of centralization and the RFP, MDE could seek to secure a well-designed, functional, and efficient information management system to integrate applications, awards, renewals, and transfers. Perhaps a single grantee organization could address this need, or maybe MDE itself could do so, instead.
- By requiring it or awarding points for it in the RFP, MDE could ensure or encourage the Area Administrators involved in invoicing and payments to follow beneficial approaches and protocols. (This option is listed below with specific suggestions for improvement.)
- If possible in the context of centralization and the RFP, MDE could seek to secure a well-designed, functional, and efficient information management system to integrate invoicing and payments and to improve forecasting for all Pathway I scholarships. Perhaps a single grantee organization could address this need, or maybe MDE itself could do so, instead.
- MDE could include in the RFP requirements that the Area Administrators involved in administrative functions adopt standardized approaches so as to align those functions across the organizations. This could yield some of centralization’s potential benefits for administrative functions while retaining the current and decentralized system for Pathway I scholarships. MDE could include details in the RFP for standardization of the targeted administrative tasks or could note plans to develop the standardized approaches later in consultation with the grantees.
- MDE could restructure the RFP as two requests in order to seek one organization that can centralize administrative or transactional functions for Pathway I scholarships but then also seek multiple organizations for outreach and other relational functions. Centralized administration could be limited to administrative functions such as applications or invoicing, or it could include a broader range of transactional processes, such as renewals, transfers, and payments. Perhaps a grantee organization could centralize administration, or maybe MDE itself could centralize administration, instead.
- Outside the RFP process, MDE should determine whether the agency itself might centralize administrative functions, such as invoice tracking, payments, award balances, a fiscal information management system and portal, applications, awards, renewals, and transfers—and if so, MDE should adjust the RFP or the annual grantee amendments going forward to account for this change. Such an expanded role might require changes to state law and changes in funding to the agency for Early Learning Scholarship work.

Possible RFP options for outreach and relational functions

- If MDE issues an RFP for outreach separate from an RFP for administrative functions, MDE could structure the outreach component to allow and encourage proposals from diverse and smaller organizations that may serve only parts of the current Pathway I geographic areas or may serve targeted

populations within those areas. Alternatively, MDE could encourage Area Administrators to work and contract with such groups for outreach efforts.

- By requiring it or awarding points for it in the RFP, MDE could ensure or encourage cooperation and communication between grantee organizations and county governments as a way to improve outreach among families that participate in county social service programs.
- For the RFP, MDE could require or encourage the organizations that respond to demonstrate their close ties to program providers or to develop plans for close ties, because in practice a significant share of the outreach for Pathway I depends on those program providers.
- MDE could use the RFP to establish an expectation or requirement that Area Administrators compile data, if possible, on the number of children in their service areas who are in Pathway I's priority populations and that the administrators use this data to assess their efforts to secure participation among children in those population groups. Alternatively, this might be a centralized role for MDE.
- By requiring it or awarding points for it in the RFP, MDE could ensure or encourage grantees engaged in outreach to have staff who speak the home languages of families that are applying for or have received scholarships.
- MDE could move the focus in the RFP away from basic outreach steps to broader case management of customer relations so that the Pathway I organizations can build better connections with families and support them throughout the period leading up to application and into scholarship award and renewal.
- If more extensive outreach and case management efforts are needed, MDE could change the RFP and program rules to let the organizations that administer the Pathway I program spend a greater proportion of their scholarship allocations on administration and outreach.

Possible RFP options that affect both administrative and outreach functions

- MDE could structure its RFP for ELS administration and outreach to allow organizations that excel at one of these two roles to apply for that role alone within a Pathway I region. This would permit separate organizations to handle outreach and relational functions, even if MDE chooses not to centralize administration. The RFP could specify requirements for administration, for outreach, and for coordination between the organizations responsible for these two different roles in any one geographic area. MDE could allow organizations that excel in both these roles to apply for both.
- For the RFP, MDE could require or encourage the organizations that respond to participate in virtual communities of practice that MDE offers or funds so that grantees can learn from each other about exemplary practices for administration and outreach and accelerate standardization among themselves.
- MDE could establish centralized, formal training in key areas for program administration and outreach—and if MDE will require or encourage participation by grantees, MDE should adjust the RFP or the annual grantee amendments going forward to account for this change.
- If possible in the context of centralization and the RFP, MDE could seek to secure a comprehensive management information system—well designed, functional, and efficient—to integrate administrative functions such as applications, invoicing, and payments, and the relational functions of customer relationships and case management. This would allow efficient access for Area Administrators and other permitted parties to the range of relevant information about a scholarship family's status and experience with the program. Perhaps a single grantee organization could address this need, or maybe MDE itself could do so, instead.

- By requiring it or awarding points for it in the RFP, MDE could ensure or encourage grantee organizations involved in administration and outreach to make staff available during longer hours so that they can assist program providers and families who may not be available during regular business hours.
- MDE could include specifics in the RFP about expanded accountability for Area Administrators, perhaps via direct communication channels to MDE or through regular MDE surveys, so that families and program providers have ways to raise issues and resolve problems with administrators through MDE and so that MDE has input from families and providers when assessing administrator performance and working with administrators on continuous improvement.
- If determined to be useful for the accountability of Area Administrators, MDE could include more requirements in the RFP pertaining to how the grantees operate—so beyond the current language about how grantees should handle Pathway I responsibilities, such as applications, awards, renewals, outreach, priority populations, and waiting lists.

Preparing for MDE's FY24 Pathway I RFP

The ELS team at the MDE will issue a request in early 2023 for proposals to administer Pathway I scholarships in the coming years. To prepare this fiscal year 2024 (FY24) RFP, the ELS team needs options to consider how interested organizations might carry out administrative and outreach functions for the program. The ELS team asked Management Analysis and Development (MAD) at Minnesota Management and Budget to gather information about possible changes to Pathway I processes and practices and draw from them to identify options relevant to the RFP. MAD presents those options in this report. In keeping with the plan for this project, MAD offers a wide range of options but without recommendations because the ELS team and MDE officials are better positioned than MAD to decide what might work or not for Pathway I scholarships and the RFP. Some of the options included in this report might require changes to state law—an issue that falls outside the scope of this project.

MAD gathered the information and options for this report from several sources. MAD held six remote listening sessions from April through June 2022 with 14 program providers, 30 leaders and front-line staff with the 12 ELS Area Administrators statewide, 16 stakeholders in state government, and 21 other stakeholders outside of state government. Many of the RFP options listed in this report stem from comments made during these listening sessions. Context for those options, found in the sections that follow, include comments and ideas from session participants. In addition, participants remarked on challenges and ideas for the Pathway I program areas beyond those related to the administrative and outreach functions covered in this report. MAD compiled those additional points and shared them separately with the ELS team.

As part of its information gathering, MAD also surveyed Pathway I families and used results from more than 500 respondents to factor in their experiences with administration and outreach for the scholarships. MAD reviewed results from the June 2022 MDE survey of program providers, a summary of 2022 interviews with program providers by the staff at the Children's Cabinet, and other reference resources. In addition, MAD interviewed officials from South Carolina's First Steps initiative to learn more about that state's partnership with local organizations for administration of child care scholarships and other early learning programs. Further details about all these research sources are found in the section below about MAD's methods, starting on page 29.

This report and its options pertain to Minnesota's Pathway I Early Learning Scholarships. As noted in the 2021 "State Early Learning Scholarships Policy Manual" from MDE, "Early learning scholarships support access to quality early education and care programs by bridging funding gaps and decreasing barriers." MDE grants state funds to 12 Area Administrators throughout Minnesota to administer scholarships at the local level. The Area Administrators conduct outreach, process applications, verify eligibility, award scholarships, renew scholarships, accept invoices from child care program providers, and process payments, in addition to other administrative and outreach responsibilities. "Area Administrators award scholarships directly to eligible children and then pay

program providers on behalf of the family.”¹ The 12 current Area Administrators submitted successful proposals to MDE for this work when the agency last issued its Pathway I RFP for the period beginning in fiscal year 2018.

Possible RFP options for administrative and transactional functions

Applications, awards, renewals, and transfers

Option: By requiring it or awarding points for it in the RFP, MDE could ensure or encourage the Area Administrators involved in the application process to accept applications online so that families can fill out the form and submit it electronically along with other required documents.

Context from the listening sessions: This suggestion came from several participants in the listening sessions for program providers and for leaders and staff with the 12 Area Administrators. An administrator commented, “It would be amazing to have a form that could be submitted fully online, something where a family could go to a website, complete it, and submit it without needing to download or print a form.” At least one Area Administrator currently offers families the option to fill out and upload applications.

Several program providers suggested online application submissions should allow electronic signatures and an upload option for other required application documents. A few providers noted that if the online application process were centralized, then this approach would eliminate the need for separate application forms from each Area Administrator and eliminate the challenge for families—and their providers—of determining which Area Administrator should get their application.

On a separate issue for applications, one program provider reported some Area Administrators do not accept Pathway I scholarships year-round and urged action to ensure that all the administrators do so.

Option: By requiring it or awarding points for it in the RFP, MDE could ensure or encourage the Area Administrators involved in Pathway I administration to provide up-to-date information about waiting lists and available funding to help families and providers set realistic expectations about whether a child will secure a scholarship and, if so, when. Perhaps a single grantee organization could address this need, or maybe MDE itself could do so, instead.

Context from the listening sessions: Participants in several of the different listening sessions talked about a lack of funding for Pathway I scholarships and the resulting waiting lists that leave eligible families without awards for years—or forever. Two program providers offered this suggestion as a way to help families and their

¹ Minnesota Department of Education, “State Early Learning Scholarships Policy Manual,” State of Minnesota, July 1, 2021, p. 5, https://education.mn.gov/mdeprod/idcplg?IdcService=GET_FILE&dDocName=MDE059052&RevisionSelectionMethod=latestReleased&Rendition=primary.

program providers assess the chances and timing for a scholarship if the family applies or if the child is already on the waiting list.

Option: MDE could change its approach to transfers of scholarships among Area Administrators—and make any necessary, corresponding changes to the RFP language. One option would be to keep administration of a scholarship with the Area Administrator that first made the award, instead of transferring that scholarship to the administrator for the geographic area where the child relocated. Another would be to have transfers happen at the time that relocations occur, instead of waiting until renewals.

Context from listening sessions: These suggestions came during the sessions for Area Administrators from two participants who suggested them as ways to avoid some issues that transfers cause for families, providers, and Area Administrators. Another administrator noted, “There needs to be a clearer transfer process when a family moves from one Area Administrator’s territory to another.”

A participant in the listening session for program providers reported that transfers create challenges for providers, including instances where the children in the same family have scholarships through different Area Administrators.

Option: If possible in the context of centralization and the RFP, MDE could seek to secure a well-designed, functional, and efficient information management system to integrate applications, awards, renewals, and transfers. Perhaps a single grantee organization could address this need, or maybe MDE itself could do so, instead.

Context from the listening sessions: Several Pathway I administrators and program providers talked about limitations of the MDE ELS information management system and the need for improvement, something acknowledged by the ELS team as well in discussions with MAD. The option above focuses on administrative functions for applications, awards, renewals, and transfers. The ELS program uses the Early Learning Scholarship Administration System (ELSA) system, which according to MDE’s ELS policy manual “is a web-based data and payment system application for the real-time management of allocated scholarship funds, administration of child records and awards, and processing of payment requests.”²

A few Pathway I administrators, drawing from their experiences with ELSA, noted the need for changes. Some Area Administrators use their own systems to compile and retain information that they need beyond what ELSA covers. “We wish we didn’t have to use multiple ways to track information, but we do because ELSA does not track it all,” noted one administrator. Another reported, “It’s a challenge to track all the different pieces in a separate system, such as wait list, early childhood screening, absent days, renewals in 90, 60, and 30 days.” A third said ELSA should be more detailed and user-friendly.

The program providers who cited shortcomings with ELSA based their opinions on what they know from working with the Area Administrators because most providers lack direct access to ELSA. Programs at school districts

² Minnesota Department of Education, “State Early Learning Scholarships Policy Manual,” State of Minnesota, July 1, 2021, pp. 47, https://education.mn.gov/mdeprod/idcplg?IdcService=GET_FILE&dDocName=MDE059052&RevisionSelectionMethod=latestReleased&Rendition=primary.

have ELSA access for managing ELS Pathway II, which funds scholarships for children through their program providers instead of granting scholarships to families for funding that is then distributed by Area Administrators to program providers.

Several participants across the various listening sessions talked about the need for a management information system to handle Pathway I functions beyond applications, awards, renewals, and transfers. Separate but similar options are listed below for invoicing and payments and for an overall system for all functions.

On a narrower issue, an administrator suggested that ELS use the Minnesota Automated Reporting Student System (MARSS) instead of ELSA for its required early childhood screening information.

Invoicing and payments

Option: By requiring it or awarding points for it in the RFP, MDE could ensure or encourage the Area Administrators involved in invoicing and payments to follow beneficial approaches and protocols, including these suggestions:

- Use electronic signatures if and as allowed by MDE.
- Allow hard-copy and electronic invoicing and payments, including secure uploads and emails.
- Offer electronic payments and direct deposit.
- Accept invoices on varied schedules that match program providers' preferences for how they issue invoices to their enrolled families.
- As an alternative, align invoice due dates with the invoicing dates for the Child Care Assistance Program (CCAP) to help program providers determine appropriate invoicing for each of these two programs when relevant for a child.
- With bulk payments, send receipts that break down amounts by scholarship participant so program providers can easily apply payments appropriately to each child's account.
- Issue payments weekly, biweekly, every four weeks, or monthly depending on the preferences of the program provider.
- Allow electronic invoicing but give program providers the option of using paper invoicing, too.
- Regularly provide clear information to program providers and families about scholarship balances, preferably through an online portal.
- Inform program providers of transfer balances to avoid potential lapses in care for a child.
- Share any new invoice claim form weeks—not days—before the start of a new fiscal year.

Context from the listening sessions and the June 2022 feedback survey of program providers: These suggestions came mostly from program providers and Pathway I administrators. Many providers and some administrators cited challenges with current approaches to invoicing and payments, as well as opportunities for improvement. Responses to MDE's June 2022 feedback survey also offer some insights into provider preferences for invoicing and payments.

A few program providers in the listening session talked about wanting the invoicing cycle for their Area Administrators to match their own invoice schedule or at least match their cutoff periods—so invoicing based on the end of a week, for example, instead of at the end of a month. An administrator also noted this challenge. One program provider and a stakeholder outside of state government suggested aligning ELS and CCAP invoicing

better. MDE has aligned ELS payment periods with the CCAP calendar, but timelines and processes differ. An administrator reported their Area Administrator's alignment with CCAP has been helpful. Some listening session participants suggested a standardized billing cycle across all the Area Administrators.

The June 2022 feedback survey found that most programs submit invoices via email or through a secure portal. About a third submit them through the mail—a larger percentage than those who prefer the mail-in approach, presumably because some Area Administrators require hard copy invoices. The survey found that 52 percent of the survey respondents preferred to submit invoices via email, 47 percent preferred a secure portal, and 12 percent preferred to mail them in.

A few program providers also reported they and the families they serve face challenges because it is hard to get up-to-date information about scholarship balances for children, although one provider noted that she works with an Area Administrator that alerts her when a child's balance falls below \$1,000. A few providers said their programs track balances for their Pathway I children, but one noted confusion for some families when the balance tallied by the program is more up to date and therefore differs from the total from the Area Administrator.

Several providers noted specific adverse impacts that this lack of information has on providers and families. A provider may learn of a funding shortfall only after the family has incurred additional child care charges, leading to problems for the family and financial losses for the provider. Most often, families cannot afford to catch up with payments when they discover they owed more than what the Pathway I scholarship will cover, one provider said. "If the billing isn't right, I'm not going to get the money back from parents, and I don't even try," she said.

In terms of payments, a few program providers suggested more frequent payments to help them manage their cash flows. The June 2022 MDE feedback survey found that most program providers want monthly payments, but family child care centers more often prefer bi-weekly payments. The survey also found that most programs prefer electronic payments; however, 15 percent still prefer paper checks. One provider said the Area Administrator serving her rural area issues checks only by mail, and the checks can be slow to arrive.

A few program providers also cited problems sorting out payments from the Area Administrators when they come as lump sums that cover scholarship amounts for several of their enrolled children. If the total is short because one child has used up their Pathway I funding, it is unclear which child ran short. To address this, Area Administrators could issue receipts with the breakdown of payments.

In the listening sessions for Area Administrators, one participant objected to the idea of a standardized invoicing period across all the administrative organizations out of concern that this would increase demands on staff and detract from other scholarship work that staff carry out. But another administrator supported standardized invoicing because different invoicing periods are difficult for program providers with children served by different Area Administrators.

In terms of payments, one administrator said more frequent disbursements would be difficult for the organizations that handle a significant number of Pathway I scholarships. "When it's a bigger project, then it's hard to keep up and cut checks twice a month."

Option: If possible in the context of centralization and the RFP, MDE could seek to secure a well-designed, functional, and efficient information management system to integrate invoicing and payments and to improve forecasting for all Pathway I scholarships. Perhaps a single grantee organization could address this need, or maybe MDE itself could do so, instead.

Context from the listening sessions: As noted earlier, several administrators and program providers talked about limitations of the MDE ELS information management system and the need for improvement, something acknowledged by the ELS team as well in discussions with MAD. This option above focuses on the administrative functions of invoicing, payments, and forecasting.

A Pathway I administrator identified a number of challenges that a centralized system could address, including variations among Area Administrators for invoicing requirements, payment processing, and payment dates. One administrator suggested a centralized portal for online invoices, one that program providers could use to invoice the appropriate Area Administrator. Another administrator cited difficulties with award forecasting stemming from the need to compile information from across systems, something that a centralized system could address.

As noted earlier, a few program providers reported it is hard to get up-to-date information about scholarship balances for children. Families and providers would not face this problem if they had access to an ELS information management system, a few program providers suggested. One provider said such access would allow programs to answer questions about funding, invoicing, and billing on their own. Another provider noted that the current ELSA system works well for school districts when it comes to billing and payments for Pathway II scholarships because districts have access.

A stakeholder outside of state government noted that ELS and CCAP use the separate billing systems, which creates challenges for some program providers with children who depend on both to support their enrollment.

Several participants in the different listening sessions talked about the need for a management information system to handle Pathway I functions beyond invoicing and payments. Separate but similar options are listed above for applications, awards, renewals, and transfers, and below for an overall system for all functions. The context included under the option above for applications, awards, renewals, and transfers includes more detail about the ELSA system and information management.

Standardization for administration

Option: MDE could include in the RFP requirements that the Area Administrators involved in administrative functions adopt standardized approaches so as to align those functions across the organizations. This could yield some of centralization's potential benefits for administrative functions while retaining the current and decentralized system for Pathway I scholarships. MDE could include details in the RFP for standardization of the targeted administrative tasks or could note plans to develop the standardized approaches later in consultation with the grantees.

Context from the listening sessions and recent Pathway I surveys: The centralization of Pathway I administrative functions came up during several of the listening sessions. (Refer to the section on centralization

on page 16.) Several program providers suggested that MDE could consider standardization as an alternative to centralization, something that participants in the sessions for Area Administrators discussed as well.

In the listening session with providers, several participants suggested standardizing Award Planning Agreements, other forms, invoicing, rules, and a range of administrative functions and processes. This would happen if MDE were to centralize administration but could happen, too, under the current approach and the different Area Administrators, they said. It is more important to standardize than it is to centralize, so maybe administration would not need to be shifted to one organization in one location, one participant said.

Program providers cited inconsistencies among the Area Administrators, with each able to interpret Pathway I requirements and implement different administrative practices. Area Administrators are “reinventing the wheel” and taking their own approaches to administration, one said.

The June 2022 MDE feedback survey found about a third of the program providers who responded reported variations across the Area Administrators regarding invoicing and payments. MAD’s survey of Pathway I families found variations in the experiences that families had with applications, awards, renewals, and assistance from staff at the Area Administrators. For example, the share of parents and guardians who reported that Area Administrators notified them about their renewals was very high in almost all the geographic regions but lower in several of them.

Several participants in the listening sessions for Area Administrators expressed support for more standardization. One noted this would help program providers who have Pathway I children whose scholarships are administered by different Area Administrators. A few administrators noted there is opportunity for more universal approaches at the statewide level but said Area Administrators should still have some ability to customize elements of what they do. One administrator objected to the idea of standardization out of concern that the standard approaches will miss the mark. “One risk of standardization is that it is not good,” she said. “To put it bluntly, it doesn’t work.”

When the state legislature created the Early Learning Scholarships program in 2013, MDE recognized the need to let Area Administrators identify and implement workable approaches for Pathway I scholarships program. Standardization at that time would have imposed untested processes on a new program and may have hampered the development of efficient and effective approaches based on practice. Now almost 10 years later, MDE is in a better position to identify exemplary practices and use them to standardize some or many administrative functions across the Area Administrators. If MDE chooses to standardize, however, the agency should create formal channels for ongoing review of standardized approaches and change or improve them as helpful. Stakeholders should be involved in that process.

Centralization of administrative functions

Option: MDE could restructure the RFP as two requests in order to seek one organization that can centralize administrative or transactional functions for Pathway I scholarships but then also seek multiple organizations for outreach and other relational functions. Centralized administration could be limited to administrative functions such as applications or invoicing, or it could include a broader range of transactional processes, such as renewals, transfers, and payments. Perhaps a grantee organization could centralize administration, or maybe MDE itself could centralize administration, instead.

Option: Outside the RFP process, MDE should determine if the agency itself might centralize administrative functions, such as invoice tracking, payments, award balances, a fiscal information management system and portal, applications, awards, renewals, and transfers—and if so, MDE should adjust the RFP or the annual grantee amendments going forward to account for this change. Such an expanded role might require changes to state law and changes in funding to the agency for Early Learning Scholarship work.

Context from the listening sessions and the interview with South Carolina First Steps: Participants in most of the listening sessions talked about the centralization of Pathway I administrative functions either because participants in a session raised the issue or MAD did so to introduce topics mentioned in the other sessions. For this reason, MAD drafted the RFP options above, as well as one listed below in the section about a centralized system for administration and outreach found on page 24. As with all the options included in this report, MAD presents them for consideration even if opinions about them differed. The context offered here is relevant for both centralization options.

In any discussion about the centralization functions—as distinct from information systems—participants focused on administrative functions and said that outreach and relational functions should remain at the regional or local level where the organizations that carry out that work can establish relationships with the Pathway I families. Those who supported centralization of administrative functions saw it as an opportunity to boost efficiency, effectiveness, information access, or performance improvement. MDE depends upon a central administrator for Pathway II child care scholarships, which fund awards for children through their program providers.

Supporters of centralization included some program providers, State of Minnesota stakeholders, and stakeholders outside of state government. One program provider said, “That would be amazing. That would be very helpful.... I think that would be ideal.” A stakeholder from outside state government suggested centralizing the invoicing process. A stakeholder within state government suggested the centralization of invoicing and billing. Others in that session, too, supported centralization. “It makes a lot of sense to centralize or streamline the process,” said one. “I don’t see any reason why we can’t centralize that administration of scholarships.” Another said, “I would agree that having a centralized approach to centralized administration and payments would be a good idea.”

Others in the listening sessions opposed the centralization of Pathway I administrative functions. A program provider cited concerns that MDE could end up centralizing administrative functions with an existing Area Administrator that is ill-equipped to carry them out. Another program provider noted that centralization

through one organization would lead to job losses at Area Administrators no longer involved in administration and said this could adversely impact some local economies in Greater Minnesota.

In the separate sessions for leaders and staff with the 12 Area Administrators, a few participants supported centralization for the application process, invoicing, or a broader management information system. One pointed out that centralization of the application process would allow all families to use one application form, with the central administrator sorting out which applications go to which Area Administrator. Another said centralized invoicing would allow program providers to use one process even if they have children with scholarships from different Area Administrators.

However, most administrators who expressed opinions about the centralization of administrative functions opposed the idea. Several voiced concerns that centralization would weaken the ties that their organizations have to families and program providers. “We would all like to work on a deeper level with the families,” one participant said. “When you get bigger, ...it is difficult to maintain that and keep those connections.”

One administrator questioned the wisdom of centralization in general based on personal experience with a consolidation effort for another initiative. She also worried that MDE might centralize administrative functions with an organization unfamiliar with Greater Minnesota and therefore likely to make mistakes dealing with her organization and others. Another said, “Centralizing would mean that some of us would lose our jobs, and also we lose those relationships that we’ve built with the program providers.”

One administrator said it might be hard with Pathway I scholarships to determine what administrative functions make sense to centralize and what administrative functions require local interaction with families and providers. “There is so much interconnection between all of those pieces that’s it’s not a clear-cut line.”

A few participants from across the listening sessions emphasized the importance of coordination between any organization handling centralized administrative functions and decentralized ones carried out by organizations and staff working directly with families and providers. Even if centralization affects only invoicing and payments, staff at the local level will need to respond quickly when families and providers have issues, said one administrator. A few state government stakeholders said MDE could use the RFP to specify coordination requirements between a centralized administrator and other local or regional organizations involved in outreach and relational work. One state official cited MNsure as a model for coordination between program navigators and a central administrator.

A few listening session participants suggested centralization occur at MDE. This aligns with how the State of South Carolina now administers child care scholarships. South Carolina officials who spoke with MAD about their state’s First Steps initiative noted that a change in how the state funds vouchers led to centralization of all their program’s child care scholarships at the Department of Social Services. Previously, some of the scholarships had been administered by the county-level First Steps organizations, which still handle outreach and monitoring.

Members of Minnesota’s ELS team told MAD that MDE might be able to work closely with an outside organization on centralized functions, if MDE were to centralize Pathway I administrative functions but decide against centralization within their agency. By way of example, Child Care Aware of Minnesota coordinates the Child Care Resource and Referral System for Minnesota’s Department of Human Services.

Possible RFP options for outreach and relational functions

Expanding the organizations involved in outreach

Option: If MDE issues an RFP for outreach separate from an RFP for administrative functions, MDE could structure the outreach component to allow and encourage proposals from diverse and smaller organizations that may serve only parts of the current Pathway I geographic areas or may serve targeted populations within those areas. Alternatively, MDE could encourage Area Administrators to contract and work with such groups for outreach efforts.

Context from the listening sessions: MAD asked participants in the listening sessions about what role a broader range of organizations, beyond the Area Administrators, might play. Several State of Minnesota stakeholders and stakeholders outside of state government recommended MDE separate outreach and administration for the FY24 RFP to allow diverse and smaller organizations to apply for Pathway I funds. As an alternative, Area Administrators could contract with these organizations to help with outreach and relational work.

The stakeholders suggested this change has the potential to expand outreach to multiple entry points, increase outreach to a more diverse range of families, and boost outreach to families with children in priority populations—children of teen parents, children in foster care, children in protective services, and children in families without housing or that recently experienced homelessness. It also may bring into the process tribal nations and organizations that otherwise would not apply because they lack interest in or the organizational infrastructure for invoicing, payments, and other administrative functions.

A few stakeholders outside of government talked about the value of expanding outreach through formal connections to organizations that focus their work on families from diverse racial and ethnic groups, immigrant communities, and children in Pathway I’s priority populations.

A few stakeholders from outside state government suggested using navigators for Pathway I outreach—organizations that guide families through the complex system of government programs to help them find and participate in ones that match their needs for support and assistance. MDE could increase equity by funding navigators that provide additional assistance for families and then establishing true partnerships with them, one stakeholder outside state government said. A few stakeholders inside state government also recommended that MDE find a way to connect with a broader range of organizations for Pathway I outreach and navigation. They noted that the Pathway I program could take advantage of existing navigator networks, such as the Community Resource Hubs established through grants offered by the DHS Child Safety and Permanency Division.

One stakeholder outside state government said that while involving more organizations in the Pathway I program might be beneficial, it also might complicate Pathway I outreach and administration. A broader set of organizations that reach out to potential participants and help them navigate the system would add in another

layer to scholarship program’s processes, she said, so MDE needs to think about the trade-offs and how to make that work.

Several participants in the listening sessions for Area Administrators noted their organization’s existing outreach networks and connections with families in priority populations. They questioned the value of contracting with a broader range of organizations for outreach. Their organizations are deeply involved in supporting and assisting families in need within their regions, they said. They partner with other organizations in their area that work across diverse groups of families and with families in the Pathway I priority populations. Outreach is always part of what Area Administrators do, and Area Administrators partner with other organizations to do it, one administrator said. “After doing this so long, we have a nice balance with our partners,” said another.

One administrator noted that many of the organizations now administering Pathway I scholarships are the Child Care Aware agencies in their regions and are therefore very involved in Parent Aware, an initiative important for the Pathway I scholarships. Another administrator talked about her organization’s strong ties to the county governments in her region and to the social service workers there. A staff member from an Area Administrator cited her organization’s offices throughout the Pathway I region and the knowledge that staff in those offices have about the scholarship program.

Another administrator suggested that those who are citing a need for Pathway I outreach from more organizations may not be familiar enough with the Area Administrators and their roles. As an example, MAD heard from one State of Minnesota stakeholder that Community Action Programs (CAPs) might serve as a model for expanded Pathway I outreach, but already 8 of the current 12 Area Administrators operate within existing CAPs agencies. One participant from an Area Administrator that serves a mostly rural region said the idea of more organizations involved in Pathway I outreach may be more of a metro area issue. “Where we are, I don’t know who else might be around to do that work. There is not another entity.”

In almost all the listening sessions, participants cited the dilemma of pursuing outreach for a program with too little funding to serve all eligible families and long waiting lists in most regions during most years. “So does it make sense to do more outreach when you don’t have enough funding?” a program provider asked. “Maybe not.” An administrator said that beyond the funding constraints for the Pathway I program, some rural regions lack child care providers with the quality ratings they need in order to enroll children who have scholarships. Outreach efforts to boost applications will fail to put children in child care if a region lacks providers. But a stakeholder outside of state government noted that outreach may be even more important when the Pathway I program cannot serve all eligible children because it helps target the limited scholarships and child care slots toward those who need them most.

Connections to key outreach partners

Option: By requiring it or awarding points for it in the RFP, MDE could ensure or encourage cooperation and communication between grantee organizations and county governments as a way to improve outreach among families that participate in county social service programs.

Context from the listening sessions: Several participants in the various listening sessions said ties between the organizations that administer Pathway I scholarships and the county governments in their regions are important

because county social service programs reach families with children in the program’s priority populations. A few noted that links to the counties can be particularly important for outreach to children in foster care and children in protective services. “It would be great if there was more frequent and consistent communication with our county,” said a participant in the listening sessions for Area Administrators.

A stakeholder outside of state government suggested MDE use the FY24 RFP to strengthen Pathway I ties to county governments. Another stakeholder from outside state government noted that because the State of Minnesota depends on county governments to administer its child social services programs, it is imperative that the Area Administrators engage with the counties to reach families in need of support and assistance. MDE could use the RFP, then, to emphasize and foster those relationships between Area Administrators and county social services.

Option: For the RFP, MDE could require or encourage the organizations that respond to demonstrate their close ties to program providers or to develop plans for close ties, because in practice a significant share of the outreach for Pathway I depends on those program providers.

Context from the listening sessions: Several program providers reported that they are the ones who inform families about Pathway I scholarships and assist them with the application process. In the listening sessions for Area Administrators, a few participants also noted the important role of program providers in making families aware of the Pathway I program and in helping them apply for scholarships. A program provider suggested that MDE focus on program providers to improve ELS outreach. A stakeholder outside state government suggested strong connections to all child care centers.

Accountability for outreach to priority populations

Option: MDE could use the RFP to establish an expectation or requirement that Area Administrators compile data, if possible, on the number of children in their service areas who are in Pathway I’s priority populations and that the administrators use this data to assess their efforts to secure participation among children in those population groups. Alternatively, this might be a centralized role for MDE.

Context from the listening sessions: A few stakeholders outside of state government suggested that MDE and the Area Administrators use regional data to determine if current outreach efforts generate scholarship enrollments at levels that correspond well with the overall number of children in Pathway I’s priority populations. Data can help Area Administrators determine how well they are reaching families with children in the priority populations and where they should increase outreach, one of these stakeholders said. Several State of Minnesota stakeholders also cited data as useful for assessing efforts by Area Administrators to focus Pathway I scholarships on children in the population groups likely to benefit the most from them.

Language and access

Option: By requiring it or awarding points for it in the RFP, MDE could ensure or encourage grantees engaged in outreach to have staff who speak the languages of families that are applying for or have received scholarships.

Context from the listening sessions: A few stakeholders from outside state government emphasized that the organizations administering Pathway I scholarships need staff who can speak the languages of families that receive those scholarships. “Families need support from people who speak their language,” one participant said. A few stakeholders with state government also cited the need for staff who speak the languages of Pathway I families.

Case management

Option: MDE could move the focus in the RFP away from basic outreach steps to broader case management of customer relations so that the Pathway I organizations can build better connections with families and support them throughout the period leading up to application and into scholarship award and renewal.

Context from the listening sessions: A participant in the sessions for Area Administrators called for more emphasis within the scholarships program on case management built around relationships with families and interactions that go beyond standard outreach and assistance with the applications. When appropriate, case management may involve identifying, assessing, coordinating, monitoring, and evaluating multiple services to address the needs of a child. The Pathway I program could accomplish more with this focus on case management, she said. The ELS team talked with MAD, too, about the value of a case management approach and about the usefulness of a case management system.

Allowable spending on outreach

Option: If more extensive outreach and case management efforts are needed, MDE could change the RFP and program rules to let the organizations that administer the Pathway I program spend a greater proportion of their scholarship allocations on administration and outreach.

Context from the listening sessions: MDE sets the level of funding each Area Administrator may spend on Pathway I administration based in part on a minimum level of staffing needed to carry out the required duties, plus dollars as well for a range of other expenses related to administration of the scholarships and administration of outreach efforts.

The Area Administrators may need more funding if MDE expands its expectations or requirements for outreach, case management, and other relational work. An administrator reported that their organization’s allowable spending on administration and outreach is low given the staffing needed and the work they carry out now.

If MDE solicits organizations for outreach that are separate from those involved in Pathway I administrative functions, the agency will need to structure administration and outreach funding differently and possibly increase the amount available for this type of work.

Possible RFP options that affect both administrative and outreach functions

Separate RFPs for administration and outreach

Option: MDE could structure its RFP for ELS administration and outreach to allow organizations that excel at one of these two roles to apply for that role alone within a Pathway I region. This would permit separate organizations to handle outreach and relational functions, even if MDE chooses not to centralize administration. The RFP could specify requirements for administration, for outreach, and for coordination between the organizations responsible for these two different roles in any one geographic area. MDE could allow organizations that excel in both these roles to apply for both.

As noted earlier, several participants across most of the listening sessions talked about centralizing Pathway I administrative functions while using regional or local organizations to conduct outreach. An RFP option for consolidating administrative functions is noted above in the section about centralization on page 5. Listening session participants also suggested expanding the organizations involved in outreach to include a broader range of diverse and smaller groups. An RFP option for that approach is noted above on page 18. The RFP option offered here could keep administration decentralized but would allow for different organizations in a region to handle the administrative and outreach functions, while still permitting a single organization to do both.

This RFP option sets aside the issue of centralization—opposed by some participants across several of the listening sessions—but would still allow administrative functions to be split from outreach functions. It is worth noting, however, that participants in the listening sessions for Area Administrators talked about the value of having those two roles within one organization. For more on their thoughts, see the section below about dual roles, on page 27.

The option noted above would keep outreach for an area with one organization instead of potentially expanding it to a broader range of diverse and smaller organizations. But as with the option above about small and diverse organizations, this option might attract proposals from tribal nations and organizations that otherwise would not apply because they lack interest in or the organizational infrastructure for invoicing, payments, and other administrative functions. It could also allow existing Area Administrators to focus on outreach and leave administration to another organization, perhaps one located outside the service area.

Standardization for both administration and outreach

Option: By requiring it or awarding points for it in the RFP, MDE could require or encourage the organizations that respond to participate in virtual communities of practice that MDE offers or funds so that grantees can learn from each other about exemplary practices for administration and outreach and accelerate standardization among themselves.

Context from the listening sessions: MAD learned from staff with the Area Administrators that most but not all of their organizations participate in virtual remote “reflective practice” sessions to discuss areas of their work, share approaches, exchange tips, and learn from each other. Collectively, the Area Administrators involved have hired an individual to coordinate and facilitate these sessions over the course of a year. MDE is aware and supportive of the initiative but not directly involved.

At present, not all Area Administrators participate in the reflective practice sessions. As a result, they are less likely to learn about useful examples from the other organizations or share information about their own.

Several administrators strongly endorsed these community-of-practice forums as structured opportunities to exchange practical information with colleagues across their organizations and to foster continuous improvement. Shared knowledge of exemplary practices should help standardize approaches across the administrative agencies.

MDE could build on this existing model to promote standardization and encourage or require all Area Administrators to participate. As noted earlier, standardization could yield some of centralization’s potential benefits while still retaining the current and decentralized system for Pathway I scholarships.

Option: MDE could establish centralized, formal training in key areas for program administration and outreach—and if MDE will require or encourage participation by grantees, MDE should adjust the RFP or the annual grantee amendments going forward to account for this change.

Context from the listening sessions: A few program providers, State of Minnesota stakeholders, and the participants in the sessions for Area Administrators suggested training for the organizations that administer Pathway I scholarships. “It would be nice to have some sort of statewide training,” said an administrator. A program provider called for training tied to MDE’s evaluation of the different Area Administrators and targeted to areas that need improvement.

One stakeholder in state government urged training for the administrators to help them maximize Pathway I resources and manage administrative tasks, including waiting lists. Another participant recommended training on coordination if MDE splits administrative and outreach functions in its FY24 proposal.

The last MDE RFP for Pathway I administration, covering fiscal year 2018 and forward, notes that MDE may require trainings, meetings, and tutorials for Area Administrators to help them “properly execute and administer the Early Learning Scholarship program.”³ This provision could be included again in the FY24 RFP. An ELS team member told MAD that more formal, centralized training for Area Administrators could help address inconsistencies across the system.

³ Bobbie Burnham, “Early Learning Scholarship Program Pathway I—Area Administrator Grant Opportunity Instructions Section,” Division of Early Learning, Minnesota Department of Education, memo, February 22, 2017, p. 7.

Centralized information system for administration and outreach

Option: If possible in the context of centralization and the RFP, MDE could seek to secure a comprehensive management information system—well designed, functional, and efficient—to integrate administrative functions such as applications, invoicing, and payments, and the relational functions of customer relationships and case management. This would allow efficient access for Area Administrators and other permitted parties to the range of relevant information about a scholarship family’s status and experience with the program. Perhaps a single grantee organization could address this need, or maybe MDE itself could do so, instead.

Context from the listening sessions: A few administrators talked about a comprehensive management information system, something that members of the ELS team also noted as potentially useful when discussing Pathway I challenges and opportunities with MAD. This would require more than what MDE offers through its ELSA system, one administrator said. Another emphasized the need for a system that helps Area Administrators “manage the cases and manage the day-to-day work with the families.” It would be helpful, too, if families and program providers could log in for access to some information in the system, according to a few administrators.

Separate but similar options are listed above for applications, awards, renewals, and transfers, and for invoicing and payments, based on comments from several participants across the various listening sessions about the need for improved management information systems. The context included under the option above for applications, awards, renewals, and transfers includes more detail about the ELSA system and information management.

Hours of operation for Area Administrators

Option: By requiring it or awarding points for it in the RFP, MDE could ensure or encourage grantee organizations involved in administration and outreach to make staff available during longer hours so that they can assist program providers and families who may not be available during regular business hours.

Context from the listening sessions: Two program providers reported it is difficult for them to work with Area Administrators on questions and issues about Pathway I scholarships during regular business hours when they are focused on the children in their care. One said she cannot be on the computer or on the phone communicating with the Area Administrator while working with children. These program providers suggested evening hours. A stakeholder from outside state government also urged Area Administrators to make staff available outside regular office hours.

Accountability for Area Administrators

Options: MDE could include specifics in the RFP about expanded accountability for Area Administrators, perhaps via direct communication channels to MDE or through regular MDE surveys, so that families and program providers have ways to raise issues and resolve problems with administrators through MDE and so that MDE has input from families and providers when assessing administrator performance and working with administrators on continuous improvement.

Context from the listening session with program providers: Two program providers proposed that MDE increase opportunities for providers to raise issues and assess the performance of Area Administrators. One suggested MDE establish communications channels so providers can share complaints with MDE directly. Another called on MDE to survey providers for their assessments of the Area Administrators and their ideas for what the administrators need to do better as they carry out Pathway I work. These steps would be in addition to current MDE accountability measures.

Options: If determined to be useful for the accountability of Area Administrators, MDE could include more requirements in the RFP pertaining to how the grantees operate—so beyond the current language about how grantees should handle Pathway responsibilities, such as applications, awards, renewals, transfers, priority populations, and waiting lists.

Context from the interview with South Carolina First Steps: When MAD asked South Carolina officials about accountability for the state’s county-level First Steps partnerships, they cited the minimum qualifications those organizations must meet to administer a range of First Steps initiatives, including child care scholarships. The minimum qualifications for FY23 cover four categories that South Carolina uses to assess local partnerships: governance, operations and accountability, fiscal and resource development, program strategies, and core functions.⁴ The State of Minnesota addressed these areas in its ELS grants application process for the Area Administrators.

MDE lays out guidelines and requirements for Area Administrators in its ELS policy manual, focused mostly on how the organizations handle specific functions, such as applications, awards, renewals, transfers, priority populations, and waiting lists. MDE may wish to review those provisions and consider changes or additions, if necessary. Some of the South Carolina requirements address how the local First Steps partnerships operate their organizations.

South Carolina has more standing to set operational requirements for local First Step partnerships because the state created those organizations and has charged them with administering a wide range of early childhood programs in the state, beyond the child care scholarships, according to officials at South Carolina First Steps. As noted on the First Steps webpage about local partnerships, South Carolina “hold[s] local partnerships accountable for meeting rigorous programmatic, operational, financial, and administrative standards.” In

⁴ South Carolina First Steps, “Local Partnership Performance: Minimum Qualifications for State Grant Funding FY23,” no date, accessed August 2022, p. 1, <https://www.scfirststeps.org/media/2rvdvpne/minimum-qualifications-for-state-grant-funding-fy23.pdf>.

addition, South Carolina assigns program officers to each of the state's seven First Steps regions to focus in part on compliance and quality at the local partnerships, officials said.

Strengths of the current approach to Pathway I administration

This report focuses on potential changes MDE might consider for administrative and outreach functions as it prepares for the Pathway I RFP next year. Because of this, much of what MAD presents here relates to challenges, shortcomings, and opportunities for improvement. But MAD's research for this report identified strengths of current administrative processes, outreach efforts, and the Pathway I scholarship program overall.

For example, more than 90 percent of those responding to MAD's survey of Pathway I families agreed or strongly agreed that the application process was simple, even though somewhat lower percentages reported that it was easy to find information about ELS and the application process. And 9 in 10 respondents reported no problems with their scholarship renewals. In addition, more than 90 percent of the respondents who contacted their Area Administrators for assistance reported that they resolved their questions or problems. Open-ended comments from survey respondents included criticism and suggestions for changes, but also praise for the program. "Great program," wrote one respondent. "Excellent organization," noted another. "We have renewed a couple times now, and it's always been easy and seamless," wrote another.

In addition, participants in all the MAD listening sessions offered positive feedback about the Pathway I program. A program provider said MDE in its FY24 RFP process should recognize what is working well and yielding results for the Pathway I program. "There are lots of good things about the program, lots of amazing things about the program."

A stakeholder from outside state government said the Area Administrators are useful entry points for families to early childhood assistance, ones outside of the counties and their social service agencies. For some families, their relationships with county governments can become adversarial, she said. Another stakeholder outside of state government reported that one of the organizations currently serving as an Area Administrator has established strong ties to communities and is a leading source of information and support for families across a range of ethnic and racial groups.

A stakeholder with state government said the ELS is already successful in distributing funds to families for child care and early learning. She suggested that for the FY24 RFP, MDE look for ways to enhance the Pathway I program, rather than drastically change it. Another stakeholder from outside state government agreed, urging MDE to build on the program's strengths. There is risk in changing the Pathway I structure, particularly when the program is working well now, she said.

Another stakeholder outside state government said ELS is a good program that lacks the funds it needs to better serve the state's eligible children. "I think that the biggest problem is that we don't have enough funding for this program, and people have to be turned away."

Participants in the separate listening sessions for leaders and staff at the 12 Area Administrators had the time and opportunity to record their ideas about strengths to maintain for ELS Pathway I, as well as notable or significant challenges. Strengths from the directors and leaders are listed in Appendix D, starting on page **Error! Bookmark not defined.** Strengths from Area Administrator staff working directly with families and program providers are listed in Appendix E, starting on page **Error! Bookmark not defined.**

Area Administrators on their organizations' dual roles and match with the ELS mission

During the separate listening sessions for the 12 Area Administrators, MAD asked about two internal organizational considerations:

- The challenges and advantages of their organizations carrying out both administrative and outreach roles for Pathway I scholarships
- The match of Minnesota's Early Learning Scholarships with the missions of their organizations

MAD asked about these topics in the listening session for directors and other leaders with the Area Administrators, and in the one for staff at those organizations who work with families and program providers. The responses did not lead directly to options for the FY24 RFP, but findings from these questions may be of interest to the ELS team and MDE officials. They are summarized below.

Dual roles for administrative and outreach functions

Leaders and staff at the Area Administrators cited only advantages to their dual roles for Pathway I scholarships. They emphasized the value of having staff in their agencies who address transactional work such as applications, awards, invoicing, and payments and staff also working directly with families for general outreach and to assist them with applications, awards, and renewals. Connecting administrative and outreach functions internally equips the organizations well to explain the program and guide both families and program providers through the process, they said. It also allows the Area Administrators to serve as a "go-between" for families and providers when that is useful to get them "on the same page," one administrator said. Staff at the Area Administrators often have relationships with families and program providers as a result of both their administrative and outreach work, and families and providers know to come to them with their questions about the scholarships, administrators said.

Mission match for Pathway I scholarships

Pathway I administrators reported a close match between the mission of their organizations and goals of the Pathway I scholarships. "If it weren't a fit, we wouldn't have applied for the [ELS] program to begin with," said an administrator. A few participants noted that most of the Area Administrators (8 of the 12) are community action agencies, which work to reduce poverty through programs and services that help people with a range of challenges, including housing instability, healthcare, food and nutrition, and early learning. An administrator

noted, too, that some of the organizations deliver Child Care Aware services to advance access to high-quality child care. Administration and outreach for Pathway I scholarships have added “another level of depth” to her organization’s work on child care, one administrator said.

Equity in grantmaking

In the listening session for state government stakeholders, several participants emphasized that MDE could structure its FY24 RFP to attract interest and responses from diverse communities and organizations with successful connections to the types of families likely to benefit most from the Pathway I scholarships. They noted increased attention from state agencies to these equity considerations in recent years and suggested that the ELS team could build on previous state government RFPs to address these. They also suggested that MDE use statewide data to focus program resources on families that lack opportunities because of their race or ethnicity, income level, and geographic location.

Several state government stakeholders cited State of Minnesota guides for increasing equity in grantmaking and pointed to exemplary RFPs. One participant shared documents with MAD via email after the session, including a June 2019 report from DHS on “Community Engagement in Grant-Making.”⁵ She also shared a June 2022 document produced by the departments of Education, Health, and Human Services, which offers the following ideas about equity in grantmaking:

- Disseminate RFPs to diverse communities using local networks, instead of state government networks.
- Use site visits to allow those respondents to tell their stories in ways other than an application or proposal.
- Form a “community-led advisory group to support the entire process from RFP creation to selection and ongoing support.”
- Include community members in the proposal review process, consider offering them training if they are new to the grant application review process, and pay them to secure their assistance and show that state agencies value community perspectives.
- Use remote grant review meetings to expand participation to new groups and populations.
- Provide technical assistance to applicants on how to use data in their proposals.
- In scoring, prioritize organizations with lived experiences, adding points to proposal scores for board members and staff from communities served, tribal nations, and Greater Minnesota.
- Change requirements for application documents to make it easier for communities to apply.
- Consider site visits to the organizations that have responded to an RFP because while these visits take considerable time, they yield comprehensive information for state staff.
- Offer support from state staff to the organizations going through the submission and review process.⁶

⁵ Minnesota Department of Human Services, “Community Engagement in Grant-Making,” June 6, 2019, shared by Amanda Varley of the Minnesota Department of Education. (Varley gave MAD permission to identify her as a listening session participant who commented on equity in grantmaking and the one who shared this document.)

⁶ Minnesota Departments of Education, Health, and Human Services, “Equity in Grantmaking Case Studies,” shared by Amanda Varley of MDE in June 2022, pp. 1–2 and 4. (Varley gave MAD permission to identify her as a listening session participant who commented on equity in grantmaking and the one who shared this document.)

The exemplary proposal requests and processes cited by state government stakeholders or noted in the documents shared via email with MAD include those for the following:

- The whole family systems grant from the DHS
- The community solutions for healthy child development grant from MDH
- The 2020 RFP from the DHS Child Safety and Permanency Division for community resource hubs to help families with young children navigate government programs for support and assistance.⁷

More on MAD's methods and sources

The following provides information about MAD's methods and sources, beyond what is included in the opening section of this report.

Listening sessions

MAD organized and facilitated six remote listening sessions with groups of individuals interested in and associated with Early Learning Scholarships. These engagement sessions ranged in length from 45 minutes to an hour and 45 minutes, depending upon the availability of the participants. MAD used a semi-structured approach to cover a uniform set of topics relating to administration and outreach for the Pathway I scholarships program, while also allowing for customized queries and follow-up questions as useful. Refer to Appendix B on page 33 for a list of listening session participants and to Appendix C on page 36 for a list of the common key questions that MAD asked. To foster an honest exchange, MAD informed participants that this report would not tie their comments and quotes to them as individuals. (In this report, MAD did identify one participant as the source of information about equity in grantmaking but only after she granted permission.)

During the listening sessions, MAD asked participants to identify challenges and strengths of the current approach to administration and outreach for Pathway I scholarships. Answers were incorporated into MAD's analysis and considered as MAD compiled options for the FY24 RFP.

Surveys of Pathway I families and program providers

With assistance from the ELS team and the Area Administrators, MAD distributed an online survey in late April to 3,611 valid emails for families with children who participate in the Pathway I scholarships program. A total of 502 survey recipients responded through May 13, for a response rate of 14 percent. The survey, available in English only, asked questions about the experience of participants during the Pathway I application, award, and renewal periods and about their experience interacting with staff from their local Area Administrator. The pool

⁷ Safety and Permanency Division, "Request for Proposals for a Grantee to Implement a Community-Based Navigation Model for Families of Young Children," Minnesota Department of Human Services, February 2020, shared by Amanda Varley of the Minnesota Department of Education. (Varley gave MAD permission to identify her as a listening session participant who commented on equity in grantmaking and the one who shared this document.)

of potential survey respondents included families served by all but one Area Administrator: the Tri-Valley Opportunity Council, which serves seven counties in Northwest Minnesota. The survey did not include families of the broader population of children eligible for but not served by the Pathway I scholarships program.

Area Administrators provided MAD with email addresses for half their Pathway I families participants, without randomization. This made it easier for Area Administrators to respond to this request for emails and also allowed them to reserve half their Pathway I families for a different survey that MDE expected to conduct with the Department of Human Services.

Because the survey sample was not random, results cannot be extrapolated to the full population of ELS families, but they do offer useful data about the families that participated in the survey. While survey results indicate some room for continuous improvement, respondents overall reported positive experiences with ELS applications, awards, and renewals, as well as positive interactions with staff at the Area Administrators. MAD used the survey findings as guidance and context for this report. The results also provide information for the ELS team to consider not only for the FY24 RFP but for Pathway I administration in general. MAD produced a separate memo for the ELS team on survey findings.

In addition, the ELS team provided MAD with results and analysis of its June 2022 feedback survey of program providers. Of that survey's 525 respondents, 301 had Pathway I children enrolled at the time of the survey or within the previous 18 months. Respondents answered questions about ELS invoicing and payments, as well as communication, guidance, and support from Area Administrators. MAD also drew upon the ELS survey to inform this report.

Targeted reference research

MAD reviewed a variety of documents and websites for context and for ideas about RFP options. Refer to Appendix E on page 31 for the list of these sources.

Research into practices in other states: South Carolina

MAD searched for child care subsidy programs in other states that—like Minnesota's Pathway I Early Learning Scholarships—involve partnerships between state government and local or regional organizations. MAD used internet searches and emails with contacts at Child Care Aware of Minnesota, the BUILD initiative, and First Children Finance. MAD explored numerous leads for potentially comparable states but found South Carolina to be the only one that matched reasonably well with Minnesota's approach. MAD held a joint research interview with these three officials at South Carolina First Steps, which is a nonprofit that is part of state government: Derek Cromwell, Chief Partnership Officer; Chelsea Richard, Director of Research and Strategy; and Kate Roach, Early Care and Education Team Lead.

Appendix A: Reference documents and websites

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https://education.mn.gov/mdeprod/idcplg?IdcService=GET_FILE&dDocName=MDE059052&RevisionSelectionMethod=latestReleased&Rendition=primary.

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Minnesota Department of Human Services, “Community Engagement in Grant-Making,” June 6, 2019, shared by Amanda Varley of the Minnesota Department of Education.

Minnesota Departments of Education, Health, and Human Services, “Equity in Grantmaking Case Studies,” shared by Amanda Varley of MDE in June 2022.

Safety and Permanency Division, “Request for Proposals for a Grantee to Implement a Community-Based Navigation Model for Families of Young Children,” Minnesota Department of Human Services, February 2020, shared by Amanda Varley of the Minnesota Department of Education.

South Carolina First Steps, “Local Partnership Performance: Minimum Qualifications for State Grant Funding FY23,” no date, accessed August 2022, <https://www.scfirststeps.org/media/2rvdvpne/minimum-qualifications-for-state-grant-funding-fy23.pdf>.

South Carolina First Steps, “Local Partnerships,” accessed July 2022, <https://www.scfirststeps.org/about-us/local-partnerships/>.

Think Small: Early Care and Education Crisis Work Group, “A Roadmap for Action: Addressing Minnesota’s Achievement Gaps and Quality Early Care and Education Shortage,” December 2018,
<https://www.thinksmall.org/wp-content/uploads/2018/12/Roadmap-for-Action-FINAL.pdf>.

Appendix B: Listening session participants

June 2: Voices and Choices for Children Steering Committee (stakeholders outside of state government)

Brook LaFloe, Niniijanis, One of Ones
May Losloso, Children's Defense Fund
Khulia Pringle, National Parents Union
Rinal Ray, People Serving People
Zang Vang-Lee, Hmong Early Childhood Coalition

June 9: State of Minnesota stakeholders from the Early Learning Scholarship Policy Workgroup, the Children's Cabinet, and the Interagency Leadership Team

Jennifer Barshack, Department of Human Services
Jessica Brogger, Department of Human Services
Angela Butel, Children's Cabinet
Elizabeth Dagle, Department of Human Services
Jeanne Dickhausen, Minnesota Department of Education
Elizabeth Gardner, Minnesota Department of Health
Laura Guzman-Corrales, Minnesota Department of Health
Stephanie Hogenson, Children's Cabinet
Jevon Perry, Department of Human Services
Hannah Quinn, Children's Cabinet
Lynda Rhodes, Department of Human Services
Stacia Rosas, Department of Human Services
Susanne Thomas, Minnesota Department of Education
Mee Vang, Department of Human Services
Amanda Varley, Minnesota Department of Education
Megan Waltz, Department of Human Services

June 16: Early childhood education and care providers, including providers from child care centers (5), family child care providers (6), and school districts (3)

Kate Andersen, Mahtomedi School District
Amy Berge, Stillwater School District
Samantha Chukuske, located in Martin County
Cyndi Cunningham, Growing Wings, St. Paul
Karen DeVos, Little Learners, Ada
Julie Kauffmann, Ladybug Child Care, Chaska
Barb Kylo, Home Childcare, Byron
Sarah McJames, Room for Growing Child Care Center, Forest Lake
Patty Orth, Patty's Child Care/Preschool, Randall
Tanya Polansky, Play, Learn and Grow ChildCare, Royalton
Darcy Rodriguez, White Bear Lake School District
Andrea Schneider, New Horizon Academy, locations in Twin Cities metropolitan area, Rochester, and elsewhere

Julie Smith, Forever Friends, Prior Lake

Dawn Uribe, Mis Amigos Preschool, locations in Twin Cities metropolitan area

June 21: Directors and leaders from the Area Administrators

Karen DeBoer, Southwestern Minnesota Opportunity Council, Inc.

Cami Gilsvik, Think Small

Maureen Hams, Tri-Valley Opportunity Council

Terri Hoffman, Anoka County Community Action Program

Mindy Hortsch, Milestones

Sydney Lindenfelser, Anoka County Community Action Program

Rebecca Littlewolf, Leech Lake Band of Ojibwa

Margaret Myhre, White Earth Nation

Dana Patsie, Mahube-Otwa Community Action Partnership, Inc.

Suzanne Rauvola, Northland Foundation

Kelli Rohrer, Lakes and Prairies Community Action Partnership

Tina Saue, Prairie Five Community Action Council, Inc.

Marcia Schlattman, Milestones

Sara Stebbins, Families First of Minnesota

Maria Steen, Lakes and Prairies Community Action Partnership

May Vang, Think Small

June 21: Children's Defense Fund early childhood advocates (stakeholders outside of state government)

Sean Burke, O'Connell Consulting (representing ISAIAH/Kids Count on Us)

Allison Corrado, the Blue Cross Blue Shield of Minnesota Foundation

Valerie Dosland, Minnesota Head Start Association, Minnesota Community Education Association

Glenance Edwall, Elders for Infants

Deb Fitzpatrick, Children's Defense Fund

Frank Forsberg, Little Moments Count and Itasca First 1000 Days

Marie Huey, Think Small

Meredith Johnson, People Serving People

Nancy Jost, West Central Initiative

Cisa Keller, Think Small

Jane Kretzmann, Elders for Infants

Laura LaCroix-Dalluhn, Prenatal to Three Coalition

Ericca Maas, Close Gaps by 5

Cassandra Moore, The Impact Project

Jamila Pickett, Saint Paul Promise Neighborhood

Annette Sallman, Minnesota Community Education Association

June 22: Staff from Area Administrators who work with program providers and families

Annette Borman, Anoka County Community Action Program

Heidi Brown, Families First of Minnesota

Carol Chipman, Northland Foundation

Nicole Collins, Leech Lake Band of Ojibwa
Amy Deutschman, Think Small
Bessie Flah, Lakes and Prairies Community Action Partnership
Carly Heinen, Milestones
Tammy Kircher, Mahube-Otwa Community Action Partnership, Inc.
Linda Lee, Think Small
Julie Maxwell, Families First of Minnesota
Cassie Olson, Lakes and Prairies Community Action Partnership
Tina Saue, Prairie Five Community Action Council, Inc.
Lori Schmidt, Anoka County Community Action Program
Julie Weisgerber, Northland Foundation

Separate from these six listening sessions, MAD met with staff of the Minnesota Department of Education's Early Learning Scholarship team in April, May, and June to discuss Pathway I administration, challenges, strengths, and ideas for improvement. The following ELS staff participated:

Jamie Brother
Kendra Lewis
Sandy Myers
Krista Seiboldt
Elizabeth Stephens

Appendix C: Common key questions for listening sessions

- What works well under the current approach to administration and outreach for Pathway I Early Learning Scholarships? What are the strengths to maintain and build on going forward?
- If MDE revises current approaches to administration and outreach for Pathway I scholarships, what do you most want to retain, or keep, going forward?
- What do you see as notable or significant challenges—if any—of the current approach to administration and outreach for Pathway I Early Learning Scholarships?
- If MDE revises current approaches to administration and outreach for Pathway I scholarship, what do you most want those revisions to change and improve?
- What suggestions do you have—if any—for new ways the state and its regional partners could handle administration and outreach for the Pathway I Early Learning Scholarships to yield improvements?
- Would it be helpful to involve the broader range of early childhood organizations and agencies in the Early Learning Scholarships program? If so, how?
- What else do you want to share, if anything, about administration and outreach for Pathway I Early Learning Scholarships and possible improvements?