Voices from the Field

NATIONAL CENTER ON
Afterschool and Summer Enrichment

Early Childhood
National Centers

Combining Resources to Support Quality Out-of-School Time Programs

Working parents often use out-of-school time (OST) learning and enrichment programs to help meet their child care needs. Over the summer and during afterschool hours, thousands of programs are run by child care centers, public and private schools, universities, community-based organizations, libraries, parks, neighbors, and others. These programs offer school-age children valuable experiences in areas such as arts; music; sports; literacy; STEM (science, technology, engineering, and math); character development; and community service.

The Child Care and Development Fund (CCDF) is the largest national child care subsidy program supporting low-income families, yet these subsidies are only one part of the funding picture for OST programs. Families and programs often rely on a variety of funding sources to make ends meet. This brief will compare methods and models for effectively combining CCDF with other frequently used funding sources at the program and state, territory, and tribal levels to better support and sustain OST programs.

The OST Funding Picture

In the aftermath of the COVID-19 pandemic, child care programs face a precarious financial future. While pandemic and recovery funds boosted funding levels, as those time-limited resources expire many programs and community leaders are anxious about sustaining high-quality services for school-age children. According to the Afterschool Alliance COVID-19 Program Provider Survey, "[m]ore than 3 in 4 program providers (77 percent)

say that they are concerned about their long-term funding and the program's future, including nearly half (48 percent) who are extremely or very concerned."[1]

Despite historic public interest and investment levels, OST programs remain under-resourced and reliant on nonpublic funding sources. Forty-two percent (42%) of providers surveyed by the Afterschool Alliance reported parent fees as a primary funding source. Other "primary" sources included private donations and fundraisers, foundation and philanthropic grants, and 21st Century Community Learning Centers (21st CCLC) funds. Providers cited CCDF and other public funding sources less frequently.[2]

The Wallace Foundation's Wallace Cost Calculator helps programs explore the implementation costs of various options for high-quality afterschool and summer programs.

While OST programs report relying on fees and tuition, families are often burdened by the price of care. In a 2022 survey, families reported paying an average of $125 per week for afterschool programs. More than 80% of those parents reported receiving no direct government assistance toward paying those fees.[3] In a 2023 issue brief from the U.S. Department of Labor, the 2022 estimated median price for center-based school-age care ranged from nearly $6,000 per year to more than $10,000. The same datasets show that those prices can represent as much as 8%–12% of a family's income.[4]

For those eligible families who receive CCDF subsidies, the 2024 CCDF Final Rule may reduce or even eliminate their co-payments without negatively impacting the total subsidy payments received by providers.[5] Even so, the actual cost of providing OST care is often much higher than the fees that parents pay.

Governments manage multiple funding streams to accomplish various public policy goals. Funding for OST typically comes from sources intended to support working families and/or foster the success of low-income youth with programming outside of the school day. Private funders also choose to serve specific populations and to structure grants with relevant goals and timelines. Although serving similar or overlapping populations, each funding stream has its own purpose, funding approach, and requirements for eligibility, participation, reporting, and quality. Given this funding picture, OST programs must identify funding sources that align with their goals, activities, and service populations.

Sources of Funding

OST programs that serve low-income children and youth typically meet their budgets by combining resources from multiple funding sources. These may include the following federal programs that reach OST providers through state, territory, and tribal and/or local agencies:

» CCDF child care subsidies from the U.S. Department of Health & Human Services (HHS)

» 21st CCLC funds from the U.S. Department of Education

1 Afterschool Alliance. (2022). *Afterschool Alliance COVID-19 program provider survey – Wave 8 results.* https://afterschoolalliance.org/documents/Afterschool-COVID-19-Wave-8-Provider-Survey-Toplines.pdf

2 Note that program leaders may have "difficulty identifying their specific funding sources" due to federal funds being combined or rebranded at the state or local level. Per Bartko, W. T., Miller, K., Sparr, M., & Frazier, S. (2020). *Sources, use, and adequacy of funding for five afterschool programs.* https://aspe.hhs.gov/sites/default/files/private/pdf/265236/8_MCASP_Funding_Brief.pdf

3 Afterschool Alliance. (2022). *Afterschool Alliance COVID tracking parent survey.* http://www.afterschoolalliance.org/documents/COVID-19-Parent-Survey-2022-Topline.pdf

4 Landivar, L. C., Graf, N. L., & Altamirano Rayo, G. (2023, January). *Women's bureau issue brief: Childcare prices in local areas: Initial findings from the national database of childcare prices.* https://www.dol.gov/sites/dolgov/files/WB/NDCP/WB_IssueBrief-NDCP-final.pdf

5 Note that the 2024 CCDF Final Rule also encourages, but does not require, states and territories to pay eligible providers "the Lead Agency's established subsidy rate in order to better account for the actual cost of care, even if that amount is greater than the price the provider charges parents who do not receive subsidy. (§ 98.45(g))." From U.S. Department of Health & Human Services, Office of Child Care. (n.d.). *Overview of 2024 CCDF Final Rule: Improving child care access, affordability, and stability in the Child Care and Development Fund.* https://www.acf.hhs.gov/occ/fact-sheet/2024-ccdf-final-rule-fact-sheet

- » Subsidized meal programs, such as the Child and Adult Care Food Program (CACFP), from the U.S. Department of Agriculture

- » Temporary Assistance for Needy Families (TANF) from HHS

- » School district allocations, including funds from Title I of the Elementary and Secondary Education Act of 1965 (ESEA), as amended

These funds share a common purpose—improving access to quality services for low-income children and families—and are likely to have similar guidelines and eligibility requirements (whether at the program or the individual level). Other OST program resources may include targeted public or private funding designed to support children's mental and social-emotional health; reduce and prevent youth violence and risky behaviors; promote STEM learning; engage youth with the arts, culture, and the environment; offer professional training and advancement for OST staff recruitment and retention; or enhance program facilities, materials, play spaces, and/or curriculum. Understanding the opportunities for alignment among funding guidelines can help OST programs access a broader range of funds.

Spotlight on a Massachusetts program

Multiple funds are combined to support more than 1,400 school-age children enrolled in 12 out-of-school time (OST) program sites operated by *For Kids Only Afterschool* (FKO) in five communities in the Boston suburbs. The vision of the 40-year-old nonprofit is to ensure that all children, regardless of their eligibility for various programs, are served with all services offered in an integrated funding stream program. FKO's afterschool sites are licensed, year-round, school-age child care programs.

Five FKO sites receive direct 21st CCLC grants. Three of the five sites receive Exemplar Program grants to provide high-quality OST services and "serve as mentors, models, and resources for other programs."[6] The other two sites receive Supporting Additional Learning Time funding that "helps to close proficiency and opportunity gaps, increases student engagement, and contributes to a well-rounded education."[7, 8]

Through close partnerships with local school districts and community partners, FKO uses 21st CCLC funds to fund specialists who infuse academic enrichment, project-based learning, and behavioral and therapeutic supports into its programs. FKO employs full-time, year-round OST site directors who work closely with the schools to share data, set outcomes, prepare for the daily program, mentor and coach the afterschool teachers, and communicate on school- and district-wide improvement plans.

Other program funds include a CCDF-funded state contract, state child care vouchers, parent fees and co-payments, private scholarships, a state afterschool grant, private foundation grants, United Way funding, and the CACFP. In addition, FKO receives funding from local contributions through school districts, Community Development Block Grants (Housing & Urban Development funding), and the Summer Food Service Program. In 2022, FKO reported that the funding available through child care subsidies and parent fees only covered 68% of the cost of their quality comprehensive programs, with other sources, including 21st CCLC grants, paying for enhanced services.[9]

6   Massachusetts Department of Education. (n.d.). *Massachusetts 21st Century Community Learning Centers – Exemplary Programs Grant* (Fund code 0646). https://www.doe.mass.edu/grants/2024/awards/0646.docx
7   Massachusetts Department of Education. (n.d.). *Massachusetts 21st Century Community Learning Centers – Exemplary Programs Grant* (Fund code 0647). https://www.doe.mass.edu/grants/2024/awards/0647.docx
8   Massachusetts 21st Century Community Learning Centers funding summaries can be found at https://www.doe.mass.edu/21cclc/funding/
9   For Kids Only Afterschool. (2022). *2022 stronger than ever* [annual report]. https://fkoafterschool.org/annual-reports/2022-annual-report/

Options for Combining Funds

Combining funds from public and private sources can be complex due to differing eligibility, tracking, and reporting requirements. The coordination of multiple funding streams is described using various terms, such as *blending, braiding, layering, cost allocation,* or *cost sharing*, with similar but distinct meanings.

Blending "combines or 'comingles' multiple funding streams for one purpose without continuing to differentiate or track individual sources."[10] Blending is more complicated when programs have different eligibility requirements for clients. While blending may be done at any level, it is easier at the government level, where funding entities can collaborate to give local programs greater flexibility.

Braiding is a better option when funding sources require dollars to be spent on specific children, families, or actions. When funds from multiple sources are braided to cover the cost of services, each strand retains its own identity throughout the funding life cycle. Braiding requires precise tracking of funds to the child, family, or activity level to ensure that each dollar is used only for eligible purposes.

Layering is a method of stacking funds from different sources to pay for different services for the same child. Early Head Start-Child Care Partnerships (EHS-CCP),[11] a frequently cited example, use a three-layer structure to provide full-day/full-year comprehensive EHS services to infants and toddlers in child care settings. CCDF subsidies cover basic child care costs as the first layer, and the EHS-CCP grant adds two additional layers. The second layer, which enhances the quality of child care services to meet Head Start Program Performance Standards, is unique because it benefits **all** children in the classroom. The third layer covers comprehensive services for individual EHS-eligible children.

Combining Funds at the Program Level

OST providers must carefully track and allocate funds when blending, braiding, or layering funds. This process requires thoughtful collaboration between the program's planning and finance staff so that each funding stream's eligibility, spending, and reporting requirements are clearly identified, understood, and followed. For example, to manage braided funds, programs may need detailed fiscal accounting practices, including time-and task-tracking for staff and clear documentation of space and resource usage. These practices ensure costs for eligible children or activities are correctly allocated and reported back to funders.

In an OST program, layering can effectively combine different funds to meet overall program goals and the needs of specific children and families. For instance, a mixed-income elementary school might use 21st CCLC funds to create an afterschool program for all youth and use Title I funds to add a layer of programming for specific low-income children. An advantage of this approach is that the first layer can continue to provide basic services even if funding for supportive service layers is discontinued.[12]

[10] Urban Institute. (2022) *Local workforce system guide: Blended and braided funding.* https://workforce.urban.org/node/57.html
[11] U.S. Department of Health & Human Services, Office of Child Care. (2020, November 4). *Early head start – Child care partnerships.* https://www.acf.hhs.gov/ecd/early-learning/ehs-cc-partnerships
[12] Gonzalez, K., & Caronongan, P. (2021) *Braiding federal funding to expand access to quality early care and education and early childhood supports and services: A tool for states and local communities.* https://aspe.hhs.gov/sites/default/files/2021-08/EC_Braiding_Toolkit.pdf

Spotlight on a Vermont collaboration

Vermont Afterschool, Inc., is a statewide non-profit dedicated to supporting and sustaining innovative extended learning opportunities for all Vermont's children and youth. To meet its goals, the organization combines funding from contracts and grants with Vermont's Child Development Division, which manages CCDF, the Vermont Agency of Education, and the Vermont Department of Health, as well as nonpublic sources such as foundations, membership fees, and conference income. Braided funds support multiple capacity-building activities, such as high-quality professional development opportunities for OST program leaders and staff and direct technical assistance to improve program quality.

One successful example is Vermont Afterschool's ongoing social and emotional learning initiative. All programs, whether licensed as a child care or a 21st CCLC program, can access the program's additional coaching, training, and support. By braiding funding from multiple agencies, Vermont Afterschool can support a full-time position focused on social and emotional learning and serve more programs. This approach reduces inequities in access to high-quality training and support across program sites in Vermont, helps unify the afterschool field, and advances quality across the state.

Combining Funds at the State, Territory, or Tribal Level

While many OST providers employ blending, braiding, and layering strategies to manage revenue from multiple public and private sources, complex funding strategies can be cumbersome and potentially cost prohibitive for OST providers. A more effective method is to combine funds at the state, territory, or tribal level, which means programs receive funds from a single source under the guidelines of a single agency. When government agencies can integrate policies and procedures "upstream" at their level, the result is greater efficiency and a lighter administrative burden at the "downstream" program provider level. Combining funds across agencies also helps to streamline training and technical assistance resources for programs, which can reduce state, territory, and tribal level costs by eliminating duplicative program supports.

Careful Management of Combined Funds

Many federal agencies, including the Office of Child Care (OCC), which administers CCDF, encourage combining funds, but program regulations usually mandate that federal funds be used to "supplement, not supplant" other funding sources. For example, the U.S. Department of Education requires state education agencies (SEAs) to ensure that local 21st CCLC subgrantees supplement, not supplant "Federal, State, local, or other non-Federal funds" that would otherwise have been available for 21st CCLC activities. SEAs must also ensure that, at the state level, their 21st CCLC funds are supplementing and not supplanting other public funds.[13] Therefore, it is essential for agencies to assess recent and current funding streams and approaches when planning future combined funding strategies.

Another important consideration in managing combined funds is the role of parent fees. For example, parent co-payments are an expectation for most families accessing CCDF subsidies. However, 21st CCLC programs are discouraged from charging fees for participation. Thus, a 21st CCLC program that also accepts child care subsidies must ensure that it always offers its 21st CCLC activities free of charge.[14] To support programs blending these two funding streams, states, territories, and

Tribes should explore their increased flexibility under the 2024 CCDF Final Rule to eliminate co-payments for more families receiving CCDF subsidies.[15]

Learn more about CCDF and 21st CCLC funding at the Child Care Technical Assistance Network website, School-Age Data Profiles Database or your state education agency and child care websites.

Innovative Strategies for Efficient Use of Combined Funds

State legislatures, state agencies, and their local and community partners continue to look at ways to collaborate and streamline funding to improve access to high-quality programs for school-age children. Innovative approaches can ease the burden for providers that rely on multiple funding sources and ultimately make programs more accessible to families. Such strategies may include:

» **Streamlining the child care licensing process** by exempting entities such as public schools with similar safety procedures or by sharing information on background checks across youth-serving agencies, thereby reducing administrative costs at the program level

» **Mapping OST resources and needs** to more easily identify opportunities for collaborative effort and targeted support[16]

» **Improving the quality** of OST and child care programs by blending CCDF quality dollars and 21st CCLC state-reserved funds to support integrated quality improvements, including collaborative investments in training and technical assistance

Conclusion

Extended learning and care programs provide a safe and enriching environment for children when school is out of session, support the needs of working families, and help youth develop new skills and interests. However, since funding for these programs does not match demand, states, territories, and Tribes and providers must creatively combine public and private funding to ensure equitable accessibility and quality.

States, territories, and Tribes are finding ways to leverage resources aimed at similar populations and service goals while carefully tracking expenditures to ensure responsible management of public funds.

When done at the agency level, combining funds can lighten the administrative burden on providers. At the same time, state, territory, and tribal assistance to OST providers on combining and managing the public funds they receive can help ensure that more programs are available to the children and youth who need them most.

13 U.S. Department of Education. (2023, October). *Nita M. Lowey 21st Century Community Learning Centers Program Title IV, Part B of the Elementary and Secondary Education Act of 1965: DRAFT non-regulatory guidance.* https://oese.ed.gov/files/2023/10/21st-cclc-non-reg-draft-guidance-updated-10-19-2023.pdf

14 U.S. Department of Education, Nita M. Lowey 21st Century Community Learning Centers Program.

15 U.S. Department of Health & Human Services, Office of Child Care. (2024, February 28). *2024 Child Care and Development Fund (CCDF) Final Rule: Improving child care access, affordability, and stability in the Child Care and Development Fund.* https://www.acf.hhs.gov/occ/outreach-material/2024-ccdf-final-rule

16 Oravec, H., & McLaughlin, B. (2022). The key to engaging every student: Building greater linkages between national, state, and local system leaders. *Journal of Youth Development*, 17, 1-7. https://jyd.pitt.edu/ojs/jyd/article/view/22-17-4-TLC-1

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For more resources, see the NCASE Resource Library at https://childcareta.acf.hhs.gov/ncase-resource-library.