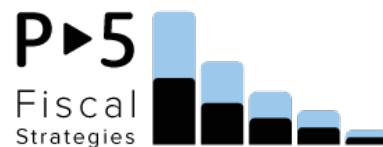


# Montana Prenatal to Five Comprehensive Fiscal Analysis



## INTRODUCTION

Zero to Five Montana, in partnership with the Montana Department of Public Health and Human Services (DPHHS), is engaging in a comprehensive fiscal analysis (CFA) project that will take a collaborative approach to develop a reimagined prenatal to five system. The project brings together a broad group of constituents to develop a shared fiscal vision and guiding principles, and to develop recommendations to address the broken finances of the prenatal to five system. The project seeks to understand and address:

- what funding currently supports prenatal to five programs and services in Montana;
- how these funds are being used and if they are being fully spent; and,
- what opportunities exist to better coordinate, streamline, and maximize existing funds.

The information gathered through this process will inform strategies for system improvement and generate a deeper understanding of the investment needed to support prenatal to five services and systems in Montana.

## APPROACH

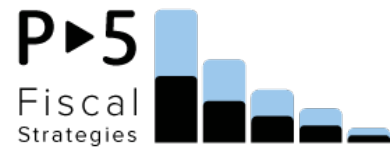
A [comprehensive fiscal analysis](#) (CFA) involves analyzing the current prenatal to five system with a fiscal, governance, and equity lens, informed by authentic engagement with system leaders, partners, providers, and families. Zero to Five Montana and DPHHS are working with Prenatal to Five Fiscal Strategies (P5FS) to design and implement the CFA.

The CFA encompasses three key activities, each paired with extensive engagement to ensure the process is informed by and tailored to Montana's unique context:

1. *Fiscal mapping* – reviews existing data on federal, state, Tribal, and local funding streams, including interviews with fund administrators, to document services provided, capacity to serve children and families, funding sources and amounts, and program requirements.
2. *Fiscal modeling* – uses operational and revenue/expense data from early care and education providers as well as home visiting, parenting education, and family support programs. Cost model frames are developed outlining different levels of service intensity and quality to inform cost models.
3. *Systems analysis* – analyzes current context, existing data, and strategic plans to ensure alignment with fiscal and governance system change. Partners and providers are actively engaged to respond to the fiscal analysis. Additionally, an equity framework is applied to analyze system approaches leading to the development of recommendations.

Also known as a cost estimation model or a revenue or expense model, a [fiscal model](#) is a customized, functional, and dynamic tool, like an excel workbook or an online calculator, designed to determine costs to implement an early childhood program, service, or system. Cost modeling identifies potential gaps and estimates how costs vary based on program characteristics and policy changes. The CFA will utilize multiple fiscal models across the prenatal to five sector to fully understand the true cost of providing services that meet the needs of the state.

# Montana Prenatal to Five Comprehensive Fiscal Analysis



## ENGAGEMENT

A strong fiscal analysis relies on a collaborative partnership between the CFA team and the professionals working with young children and their families in the state. Program and provider input and participation are critical to ensure information on program operations, revenues, and expenses is accurate and reflective of experiences within Montana communities.

To limit the burden on providers, the CFA process will use existing data on program operations and costs collected by DPHHS, the Department of Labor and Industry, and others, as well as information gathered through topical workgroups on child care, home visiting, early intervention, and early literacy. This information will inform the cost models which can be used to understand the expenses and revenues for different program types, and to estimate the cost per child or per family with variations for program type and age of child served.

All information and data collected is kept confidential and not attributed to any one person or program. Only combined information summaries are shared.

## ADVISORY WORKGROUP

The **Montana Prenatal to Five Comprehensive Fiscal Analysis Workgroup** will inform the development of a shared vision and guiding principles for the system. This shared vision will be the 'north star' for Montana's prenatal to five fiscal system change efforts and will inform cost modeling to ensure policymakers understand the resources required to achieve this vision. The workgroup will also advise and inform the CFA process and provide input on assumptions and decision points impacting the fiscal analysis and cost models. Membership includes representatives from agencies and organizations supporting prenatal to five programs and services in Montana, including:

- Zero to Five Montana
- Montana Department of Public Health and Human Services
- Montana Office of the Governor
- Montana Office of Public Instruction
- Montana Department of Commerce
- Montana Department of Labor & Industry
- Office of American Indian Health
- Montana Early Childhood Project
- The Montana Afterschool Alliance
- Florence Crittenton Family Services
- Montana Head Start Association
- The O.P. and W.E. Edwards Foundation
- Child Care Resource & Referral
- Higher Education
- Maternal and Child Health/Home Visiting
- Business & Economic Development

## ABOUT PRENATAL TO FIVE FISCAL STRATEGIES

Zero to Five Montana and MT DPHHS has partnered with [Prenatal to Five Fiscal Strategies](http://www.prenatal5fiscal.org) (P5FS), a national non-profit that helps states conduct fiscal analysis and cost studies as well as develop cost model tools using a comprehensive approach grounded in relationships. P5FS has led cost studies and comprehensive fiscal analysis projects in dozens of states and communities and brings deep knowledge and experience in fiscal mapping and analysis; directing child care programs, home visiting and family support programs; teaching in classrooms; and working with family child care home providers.