

Executive Purpose

For legislators and executive leaders, responsible fiscal stewardship requires moving beyond knowing where resources are invested to understanding which investments are working—and why.

The first brief in this series demonstrated that an Early Childhood Integrated Data System (ECIDS) is foundational public infrastructure that helps policymakers understand how the early childhood system functions and where investments are needed. By integrating information across programs, funding streams, and populations, an ECIDS can produce the necessary estimates for strategic financing.

Making strategic investments, however, is only part of responsible fiscal stewardship. Policymakers must also determine whether those investments are producing the intended results.

This brief examines the next critical capability: building evaluation capacity within an ECIDS. This capability enables states to assess the effectiveness of public investments, demonstrate return on investment, and generate the evidence needed to strengthen future budget allocations and policy choices.

The Policy Challenge: Measuring Impact

State leaders are increasingly expected to demonstrate not only how early childhood funds are spent, but whether those investments are achieving their intended goals. As states refine funding strategies, expand services, and target resources to specific populations, policymakers need evidence to guide future budget and financing decisions.

Questions such as these are becoming central to legislative oversight and long-term fiscal strategy:

- Did rate reform improve workforce stability?
- Has expanded infant funding increased access to services in high-need communities?
- Are targeted investments reaching the intended populations?
- Which public investments produce lasting improvements in capacity and access?

Administrative data systems are designed to support program administration, fiscal accountability, and regulatory oversight. These functions remain essential. However, answering questions about policy effectiveness requires more than administrative reporting. It requires a coherent, system-level view of how programs, investments, and outcomes connect—and data that are intentionally structured for evaluation. Without the ability to conduct rigorous evaluation, states can describe trends but cannot confidently determine how public investments connect to observed outcomes. As a result, opportunities to strengthen programs, refine funding priorities, and demonstrate return on investment may be missed.

From Measurement to Evaluation

An ECIDS integrates and standardizes administrative data across early childhood programs, creating a shared foundation for measurement, reporting, and system oversight.

Together, these capabilities provide a coherent view of how funding, services, and populations interact across the early childhood system—information states need to support strategic financing decisions. Rigorous evaluation builds on that foundation to determine whether public investments achieved their intended outcomes.

For example, an ECIDS can show whether provider participation or

licensed capacity changed following a child care rate increase. Determining whether the new rates improved workforce stability, expanded access in underserved communities, or strengthened the supply of infant and toddler care requires disciplined evaluation — purposeful analytic design, documented methods, and structured comparisons over time.

Measurement and Evaluation: Complementary Capabilities

<i>Measurement through an ECIDS</i>	<i>Evaluation Capacity</i>
Integrates data across programs and agencies	Assesses whether policies and investments achieve intended results
Supports reporting, accountability, and system oversight	Supports evidence-based policy and budget decisions
Identifies trends, patterns, and gaps across the early childhood system	Examines what changed, for whom, and why
Applies standardized business rules	Strengthens continuous improvement and long-term fiscal stewardship
Provides a foundation for strategic financing	Supports evaluation, fiscal calibration, and innovation

Policy Insight: An ECIDS provides the foundation for evaluation. Evaluation capacity transforms integrated data into evidence that strengthens policy development, fiscal strategy, and long-term planning.

Core Components of Evaluation Capacity

Strengthening an ECIDS for evaluation does not require building a separate data system. It requires targeted organizational investments that enable states to produce reliable, timely, policy-relevant evidence from integrated data.

Dedicated Analytic Capacity

Evaluation requires staff with expertise in early childhood programs, data governance, analytic methods, and public finance. These professionals work with program leaders to translate policy questions into rigorous analyses that can inform legislative priorities and budget allocations.

Documentation and Analytic Standards

Credible evaluation depends on consistent methods. States should establish common documentation standards for data definitions, derived variables, assumptions, and analytic procedures so that findings are transparent, replicable, and trusted by decision-makers.

Structured Evaluation Methods

Administrative data are continuously updated to support program operations. Evaluation requires intentionally structuring those data for analysis by establishing consistent timeframes, defining comparison groups or cohorts, and documenting the methods used to assess policy change. These practices ensure that findings are valid and replicable, comparable over time, and suitable for informing public investment decisions.

Governance for Responsible Use

Evaluation requires governance that supports both responsible data stewardship and meaningful use. Clear policies for approving analyses, facilitating secure data access, protecting privacy, and reviewing results help ensure that integrated data are used consistently, transparently, and in the public interest.

Policy Insight: Evaluation capacity is an organizational investment—not simply a technical one. It combines skilled staff, consistent methods, and responsible governance to transform integrated data into credible evidence for policymaking

Recommended Actions

To realize the full value of an ECIDS, states should:

- Invest in dedicated evaluation and analytic capacity within ECIDS teams.
- Establish documentation and analytic standards that support transparent, repeatable evaluation.
- Integrate evaluation planning into multi-year budgeting and fiscal planning.
- Maintain governance structures that enable responsible, secure, and policy-relevant use of integrated data.

An ECIDS provides the foundation for understanding how the early childhood system operates. Building evaluation capacity transforms that foundation into evidence for better public investments, stronger fiscal stewardship, and continuous improvement. Together, these capabilities will enable states to invest, evaluate, and adapt with confidence.

About the Chicago Early Childhood Integrated Data System (CECIDS)

The Chicago Early Childhood Integrated Data System (CECIDS) is a citywide, cloud-based data system that integrates early childhood data across programs, agencies, and funding streams to provide a unified view of how young children and families access services in Chicago. Launched in 2022 as the first integrated data system of its kind in Illinois, CECIDS helps policymakers and system leaders understand access and equity, inform resource allocation, and support strategic financing.



The system is stewarded by the Center for Early Learning Funding Equity (CELFE) as part of its work to strengthen data infrastructure and advance equitable, data-informed early childhood funding strategies.

Learn more at cecids.org.

About the Center for Early Learning Funding Equity (CELFE)

The Center for Early Learning Funding Equity (CELFE) builds capacity for assessing adequacy and equity in early learning funding systems through research and partnerships. CELFE develops innovative approaches and funding mechanisms that support the diverse needs of children and families, drawing on decades of experience in designing and implementing early learning systems at the state and local levels. This work includes advancing data-informed approaches that strengthen how funding systems operate and support more equitable outcomes for young children.



Learn more at celfe.org.