



Commission on Equitable Early Childhood Education and Care Funding

Management & Oversight and Funding Mechanisms Working Groups
Meeting #6



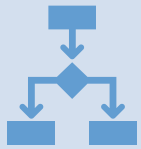
July 27, 2020

Meeting reminders

- Add your name to your Zoom (click on the 3 dots)
- Consider being on video to help with overall engagement
- Mute self when not speaking
- Use Raise Hand function or Chat for questions (send to everyone)
- Technical issues can happen to anyone – chat privately to Bethany, Carrie, or Katie for any needs
- If you are experiencing an unstable connection - switch to phone call or close other applications
- Members of the public will have an opportunity to speak at the end of the meeting



Our two working groups have been determining...



What **state agency** will administer funding alongside policy leadership, infrastructure, and communications



How **sources of funds should move from the state** in a future system

With a new, coordinated system of funding comes the need for:



An aligned accountability system



Unified ECEC quality standards and policies



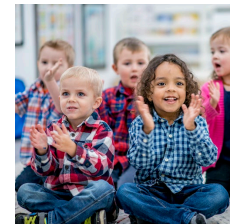
A statewide data system to inform funding decisions



Unified stakeholder input and engagement

Thus, the need for these working groups to bring together their decision making

We are creating something new.



What **programs** will be part of the new system?

Which **sources of funds** from those programs will be part of a **coordinated system of funding**?

What **newly defined funding distributions** will come from the coordinated funding process?

What **types of recipients** will receive each type of ECEC funding distribution?

Which **mechanisms** should be used for each type of ECEC funding distribution?

Which methods will be used to determine which entities are **eligible for ECEC funding**?

What will the **centralized state ECEC agency structure** be?

Today's joint work

What **programs** will be part of the new system?

Which **sources of funds** from those programs will be part of a **coordinated system of funding**?

What **newly defined funding distributions** will come from the coordinated funding process?

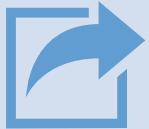
What **kinds of recipients** will receive each type of ECEC funding distribution?

Which **mechanisms** should be used for each type of ECEC funding distribution?

Which methods will be used to determine which entities are **eligible for ECEC funding**?

What will the **centralized state ECEC agency structure** be?

How we will approach today



We will provide you with “future system” **examples for you to react to**



These examples are based on all the **work your working groups have done** to date, informed by **research** and **conversations with other states**

A note on terminology

For the purposes of today's discussion, we'll be using the following terms:

Funding Sources

- Where the state agency level funding comes from
- *Current examples:* Child Care Development Fund (federal), State General Revenue

Programs

- Current funding distribution types
- *Current Examples:* Child Care Assistance Program, Preschool for All

Funding Distributions

- The services that will be funded by the state agency
- *Examples:* Home visiting, education & care, start-up

Funding Allocation Mechanism

- The way that decisions will be made about who will receive funding and how much they will receive
- *Examples:* Formula, competitive grant award, child-level certificate/voucher

Funding Disbursal Mechanism

- The way that funds are given out to awarded providers
- *Examples:* Contract installment, voucher payment

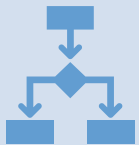
Meeting Agenda

Agenda Item	Timing
Introduction & reminders on what you have decided thus far <i>Full group discussion</i>	15 min
Discussion on an example new system that would take currently defined programs and funding sources into a new, coordinated system of funding distributions <i>Zoom breakout room discussions</i> <i>Full group discussion</i>	75 min
Implications for the state agency decision <i>Zoom breakout room discussions</i> <i>Full group discussion</i>	30 min
Next set of decisions that need to be made <i>Full group discussion</i>	25 min
Public Comment	5 min

But before we begin!
Decisions you have already made



A New System of Funding



Coordinated System of Funding

Funding managed upstream at the state agency level and allocated through a **new, coordinated process of funding distributions**



Funding Distribution & Allocation Mechanisms

Equity-informed per-child or per-classroom formulas for education & care and home visiting services
Targeted, equity-informed grants for capacity & infrastructure and start-up & incubation
Minimize reimbursement-based and delayed funding



Funding Eligibility & Disbursal

Targeted, equity-informed RFP process for new providers to be eligible for state funding
Multi-year service contracts for returning providers, with reauthorization based on uniform accountability standards

Centralize ECEC Management & Oversight in One Agency

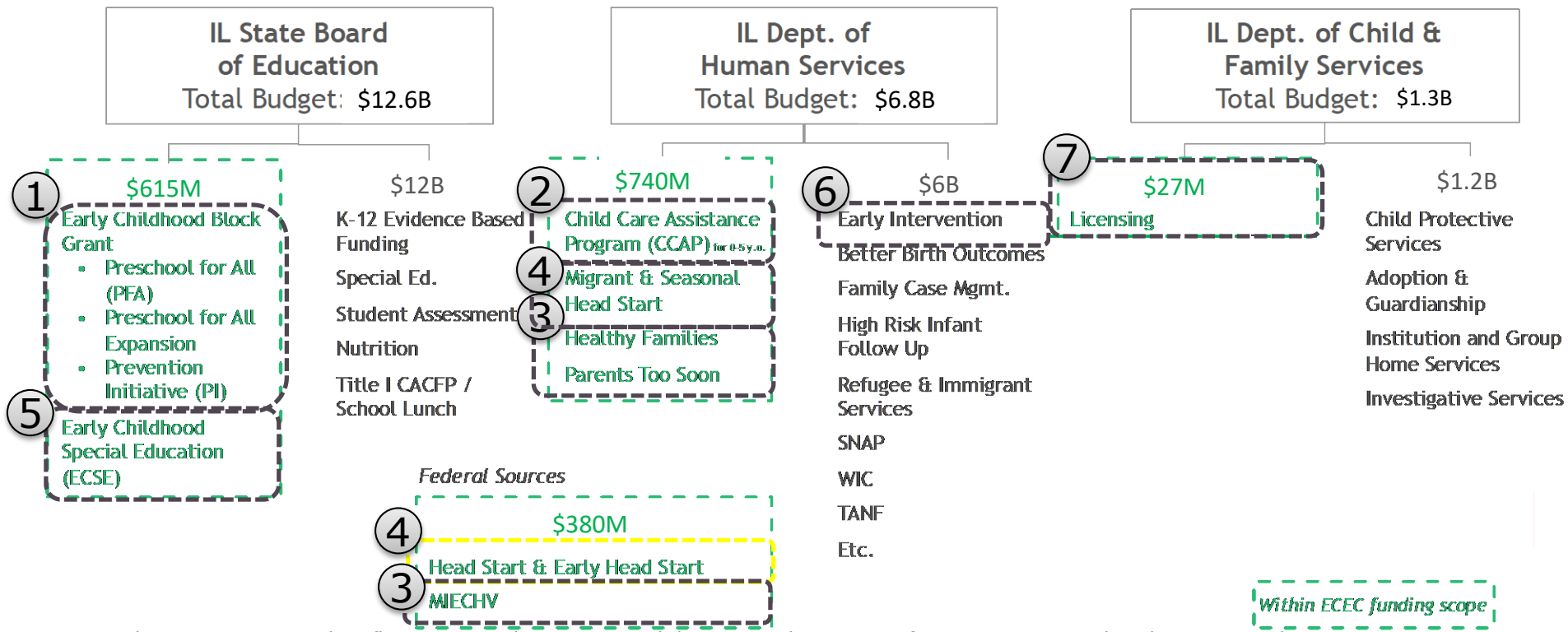
- **Centralization of ECEC management & oversight** has greater potential to fulfill the capacities of a successful management & oversight system than coordination across multiple state agencies.
- Having **ECEC centralized enables deeper collaboration** across other areas of the early childhood ecosystem, public and private

Programs, sources of funds, and funding distributions in a newly envisioned ECEC system

These **programs** could be part of one centralized ECEC system

1. Early Childhood Block Grant
2. Child Care Assistance Program
3. Home Visiting
4. Head Start Collaboration Office
5. Early Childhood Special Education
6. Early Intervention
7. Licensing

2020 allocations



These **funding sources** could be administered by an ECEC agency in a coordinated process

State General Revenue Early Childhood Block Grant	State General Revenue Child Care Assistance Program	State General Revenue Early Intervention	State General Revenue Parents Too Soon & Healthy Families Illinois
Evidence Based Funding ECSE Portion	CCDF (federal) CCAP, Quality Funding, Licensing	IDEA Part C Early Intervention	MIECHV (federal)
Title 1 Part A	TANF (federal) Portion for CCAP	Medicaid (federal)	Head Start / Early Head Start (federal)
	TANF Remaining Portion	IDEA Part B Section 619 (federal) Early Childhood Special Education	

Currently ISBE

Currently IDHS

Would not move

These **funding distributions** could be the new that services are funded

Services above the line could be part of the ECEC agency's coordinated funding distribution process to existing & potential ECEC providers



Education & Care



Home Visiting



Early Childhood
Special Education



Early Intervention



Incubation



Start-Up

Distributions
direct to
existing &
potential
ECEC
providers



Workforce &
Professional
Development



Training &
Technical
Assistance



Regional Support
Systems

Supports
for
providers

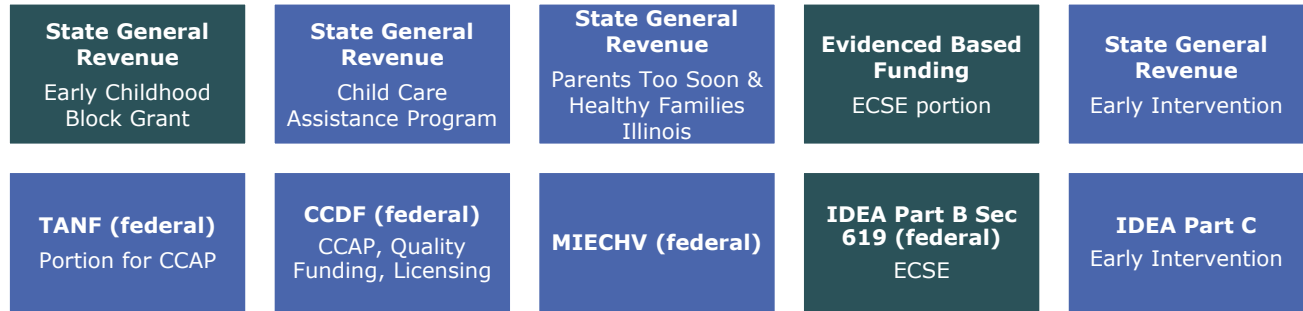
Supports below the line are envisioned as part of the agency's budget to conduct all management & oversight capacities



Funding sources to funding distributions

Funding Sources

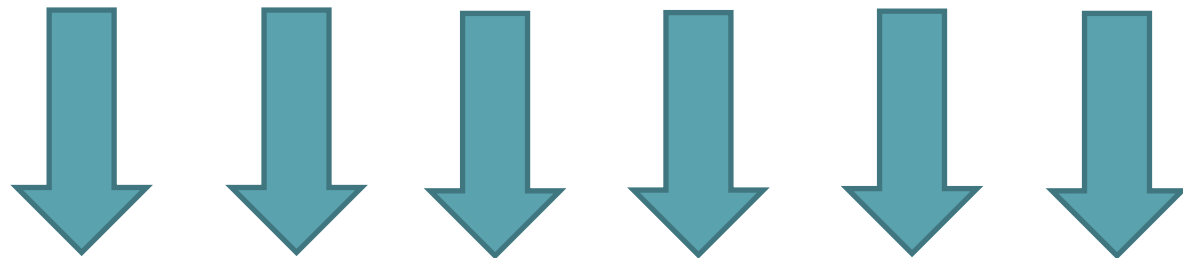
Currently ISBE
Currently IDHS



Fed. CCDF

ECEC Agency Coordinated System of Funding

Funding Distributions



Education & Care **Home Visiting** **ECSE** **Early Intervention** **Incubation** **Start-Up**



Family, Friend, and Neighbor providers

Working Group materials reflect ongoing discussions and decision making. Any information presented in these materials is preliminary and subject to change.

Coordinating funding sources upstream could mean...

1

Changing the **use designation of state general revenue and certain federal funds** for some or all of ECBG, CCAP, PTS, HFI, EI

2

Providing those state general revenue and federal dollars to the ECEC agency to **distribute in a new, coordinated system**

An example ...

TODAY

Provider may receive:

- 1) CCAP
- 2) Preschool for All
- 3) Prevention Initiative for center-based care



NEW SYSTEM

Provider may receive:

Formula for education & care services*

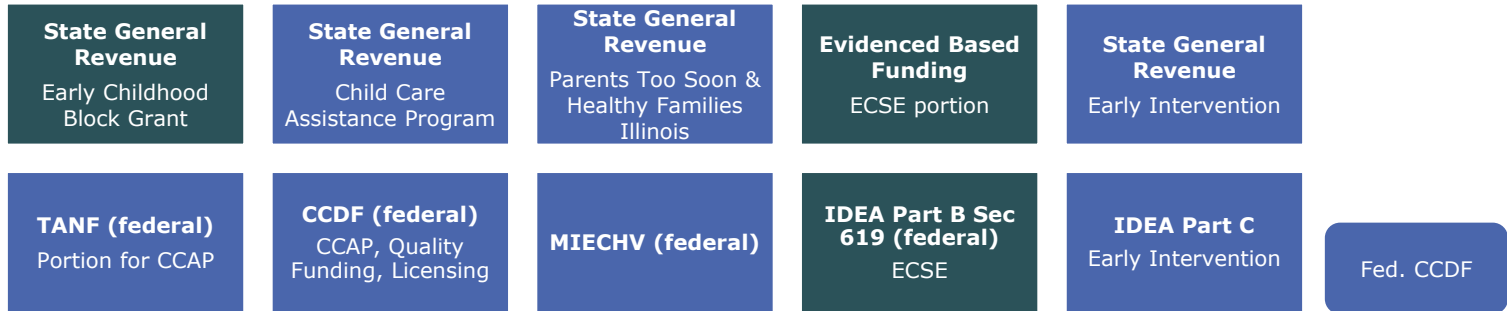
*could be weighted for age of children, level of service, need designation, region, etc.

Funding sources to funding distributions and mechanisms



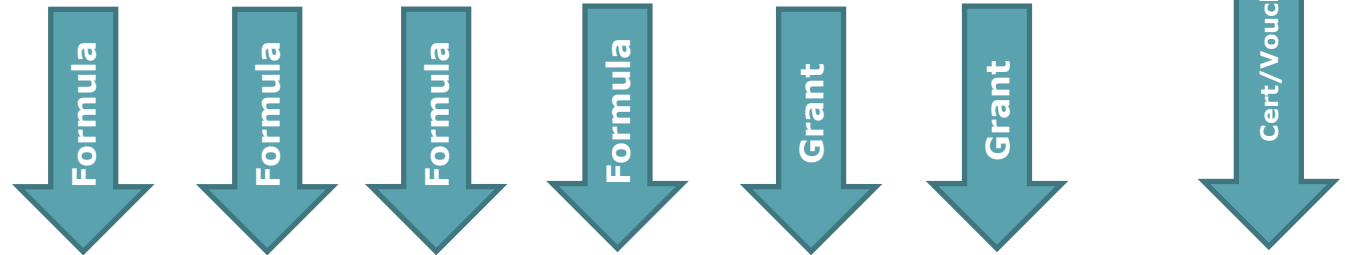
Funding Sources

Currently ISBE
Currently IDHS



ECEC Agency Coordinated System of Funding

Contract designates...



Funding Distributions



Working Group materials reflect ongoing discussions and decision making. Any information presented in these materials is preliminary and subject to change.

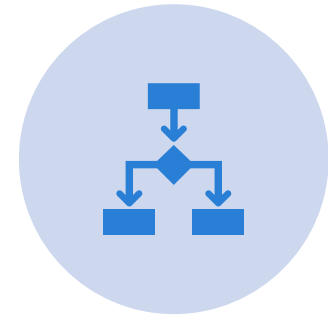
In your breakout rooms, discuss your reactions to this example system, specifically...



THE **PROGRAMS** LISTED
TO BE PART OF THE
CENTRALIZED AGENCY
(SLIDE 14)



THE **FUNDING SOURCES**
TO BE PART OF THE NEW,
COORDINATED PROCESS
(SLIDES 15 & 17)



THE **FUNDING DISTRIBUTIONS** THAT
RECIPIENTS WOULD
RECEIVE
(SLIDES 17 & 20)

If you have extra time, details on funding mechanisms for each distribution type are on slides 31-35 for future discussion

Implications for the State Agency Decision

Three centralization options



New ECEC
Agency

Consolidate
into ISBE

Consolidate
into IDHS

In your breakout room, consider our discussion points today

How should today's discussion influence next month's discussion on state agency centralization?



Next set of decisions

Are these still the next set of decisions?

What **programs** will be part of the new system?

Which **sources of funds** from those programs will be part of a **coordinated system of funding**?

What **newly defined funding distributions** will come from the coordinated funding process?

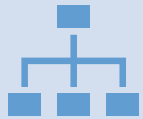
What **kinds of recipients** will receive each type of ECEC funding distribution?

Which **mechanisms** should be used for each type of ECEC funding distribution?

Which methods will be used to determine which entities are **eligible for ECEC funding**?

What will the **centralized state ECEC agency structure** be?

Joint vs. separate working group meetings next month



State agency decision



Funding distributions and mechanism recommendations

Reflections on today's discussions



Public Comment

Supplemental slides

Education & Care



Recipients:

Local Education Agencies

Center- and Home-based ECEC providers

Family, Friend, & Neighbor Caregivers

Method(s) of ECEC funding eligibility

- Targeted competitive bid to identify new providers
- Multi-year contracts for existing providers

Current license-exempt home provider requirements

Funding mechanism

- Per Child or Per Classroom Formula
- Family co-pay / tuition / fees

CCAP Certificate

Mechanism attributes

- Front-ended, quarterly formula based on a count of children from the prior quarter
- Weights in formula based on child need designations, age of child, region, dosage
- Regional ECEC entity informs regional weights

Current attributes

Home Visiting



Recipients:

Local Education Agencies
Community Based Organizations
Intermediaries

Method(s) of ECEC funding eligibility

- Targeted competitive bid to identify new providers
- Multi-year contracts for existing providers

Funding mechanism

- Per Child Formula
- Family co-pay / tuition / fees

Mechanism attributes

- Front-ended, quarterly formula based on a count of children from the prior quarter
- Weights in formula based on child need designations, age of child, region, dosage
- Regional ECEC entity informs regional weights

Incubation & Start-Up



Recipients:

Incubation
Regional & Local Support Systems
Local Education Agencies
Community Based Organizations

Start-Up
Local Education Agencies
Community Based Organizations

Method(s) of ECEC funding eligibility

- Targeted, equity-informed competitive bid

Funding mechanism

- Grant

Mechanism attributes

- | | |
|---|---|
| <ul style="list-style-type: none">• One-time, front-ended lump sum to ensure the recipient has adequate resources to apply for start-up support | <ul style="list-style-type: none">• Multi-year, front-ended lump sum to ensure the recipient has adequate resources to sufficiently plan and scale for the first years of operation as a new provider• May include capital-specific grants |
|---|---|

Early Childhood Special Education Funding



Recipients:

Local
Education
Agencies

Community
Based
Organizations

Family,
Friends, &
Neighbors

Method(s) of ECEC funding eligibility

Multi-year contracts

If licensed, then eligible?

Funding mechanism

Per Child Formula
Medicaid, IDEA Part B

Services provided by LEA

Mechanism attributes

Front-ended quarterly
formula funding based
on a count of children
from the prior quarter

Funding weights in
formula based on need
designations

Services provided by LEA

Early Intervention Funding



Recipients:

Child & Family Connections
Individual & CBO Providers

Method(s) of ECEC funding eligibility

Multi-year contracts for existing providers
RFP to determine new providers

Funding mechanism

Per Child Formula
Medicaid & IDEA Part C
Fees

Mechanism attributes

Front-ended, quarterly formula funding based on a count of children from the prior quarter (from state gen rev only)
Funding weights in formula based on need designations
Medicaid funding is substantial and would have to remain reimbursement

ECEC Management & Oversight Capacities



Policy Leadership



Funding & Oversight



Infrastructure



Communications

Policy Leadership M&O Capacities



Capacities	Details for Discussion
Set & maintain statewide vision, goals, and priorities	<ul style="list-style-type: none"> • Define ECEC equity • Conduct periodic system equity audit of funding and access to high-quality ECEC services • Institute system accountability team and/or measures to monitor system change transition and outcomes over time
Set quality and early learning standards and guidelines	<ul style="list-style-type: none"> • Set unified workforce qualifications, competencies, and standards
Develop and implement system policies, rules, and regulations (including budget) based on family, community, and provider perspectives and needs in response to gaps	<ul style="list-style-type: none"> • Reconciliation and integration of licensing regulations for all ECEC programs • Use equity audit, accountability measures, and stakeholder input to inform funding distribution policy and quality improvement policy
Engage policymakers	
Coordinate with other child- and family-serving state agencies and ECEC system advisory bodies	<ul style="list-style-type: none"> • Create advisory body/bodies composed of state agency leaders across comprehensive early development, nonprofit and private entities across comprehensive early development, providers, and families and community members

Funding & Oversight M&O Capacities



Capacities	Details for Discussion
Use data and community perspective to inform the budgeting process	<ul style="list-style-type: none">• Periodically update ECEC funding adequacy
Making funding allocation decisions	<ul style="list-style-type: none">• Co-create funding allocation rules and policies alongside regional ECEC entity representatives informed by stakeholder input and local knowledge of ECEC supply and demand• Design and administer targeted, equity-informed competitive bid RFP process for new system entrants• Design and administer long-term contracting process for existing ECEC public funding recipients
Administer funding distribution	
Conduct monitoring and compliance oversight	<ul style="list-style-type: none">• Across publicly funded and privately funded ECEC slots and programs

Infrastructure M&O Capacities



Capacities	Details for Discussion
Develop leadership capacity to implement improvements to the ECEC system	
Collect, analyze, and evaluate systemwide data	<ul style="list-style-type: none">• Conduct periodic system equity audit of funding and access to high-quality ECEC services
Manage system level continuous quality improvement	<ul style="list-style-type: none">• Set and execute a vision for continuous quality improvement across the ECEC system, including rationalization of the quality, funding requirements, and licensing systems and incentive to support quality improvement
Administer professional development and workforce development	<ul style="list-style-type: none">• Reconcile and integrate professional development and workforce regulations and qualifications across the ECEC system

Communications M&O Capacities



Capacities	Details for Discussion
Report systemwide data	<ul style="list-style-type: none">• Create statewide and regionally disaggregated ECEC equity report card
Provide stakeholders with clear information and engage stakeholders in the decision-making process	<ul style="list-style-type: none">• Leverage regional entities as hubs for communication and local input / decision-making• Leverage regional entities for community systems development, coordinated intake, etc.
Create opportunities for input from families and providers	<ul style="list-style-type: none">• Create advisory body for providers, families, and community members

Multi-year contracting and authorization process for existing providers

- Give providers **multi-year contract** with the state which specifies **services** to be provided, **number of children** to be served, and **geography** to serve.
- Conduct **annual evaluation of providers** based on a statewide unified set of quality standards specified in provider's contract.
- Conduct **contract reauthorization** through a **uniform accountability process** that is state led and regionally informed.
- Consider **contract modifications** within contract term and/or at contract renewal for the types of services provided, number of children served, and geography served.
- Implement cycle of **analysis, evaluation, and honing of the process** to **ensure equity**

Implementation Note

The transition to contracted funding will take significant development time (estimate 1-3 years)

Incubation & start-up support to cultivate higher access to high quality ECEC

- Utilize **equity data** to cultivate ***high quality provider options for targeted populations***
- Make **grants available for incubation and start-up** support via ***targeted, equity-informed RFP process*** led by state agency and informed by regional entities
- Implement cycle of ***analysis, evaluation, and honing of the process*** to **ensure equity**

Implementation Note

The transition to contracted funding will take significant development time (estimate 1-3 years)

How do we vet our recommended system of management, oversight, and funding?



Family & provider case studies, racial equity impact assessment, focus groups

How will different racial and ethnic groups be impacted?

How will provider funding streams and accountability change?

How will families be impacted?



Evaluate against M&O and Mechanism objectives

How might this be better for providers? Worse for providers?

How might this be better for families? Worse for families?

What are the outcomes of the Racial Impact Assessment?



Evaluate against Commission's guiding principles

How do the recommendations align to the Commission's guiding principles?



Compare to working group values of leadership and sustainability

How do the recommendations ensure there is an ability to attract and maintain leadership and talent at various levels of the ECEC agency?