



Dear Members of the Early Childhood Funding Commission:

Thank you for the opportunity to provide recommendations and input on funding goals, mechanism, inclusion, management and oversight for the equitable access to high-quality early childhood education and care services in Illinois. Child Care Advocates United (CCAU) represents community based organizations throughout the State of Illinois that are for profit and nonprofit. Our mission is to embrace the pursuit of excellence through civic engagement and social reform. CCAU advocates for equity, parity and inclusion not only for early care and education providers but for Illinois families.

We would like to provide the following recommendations for your consideration.

FUNDING MECHANISM:

We believe that a voucher system is the best option for providers, parents and the early childhood education and care market as a whole.

- *Vouchers place the choice in the hands of the parent.* Vouchers give parents greater flexibility to select child care arrangements that are conveniently located and accommodate their work schedules. It also gives parents the opportunity to select programs based on cultural or linguistic fit as well as the curriculum that aligns with their own personal views on child development. Furthermore, dissatisfied parents can easily move to another provider with a voucher whereas parents using contracts must search for another provider who is contracted to provide subsidized care and has space;
- *The voucher system stimulates a supply response in underserved markets.* When providers are reimbursed adequately and equitably, more slots become available in response to the demand in programs that reflect the needs and wants of the parents;
- *Vouchers allow the State more flexibility to respond to changes in demand and target the children served.* As neighborhoods and communities change and populations shift, vouchers are portable and move with the families;
- *Vouchers allow providers to serve a variety of families.* Vouchers allow providers to diversify their programs socioeconomically as well as racially and ethnically unlike contracts which typically pool low-income families in one program;
- *Voucher systems have less barriers for providers to enter the market.* New providers can immediately begin participating in a voucher program rather than wait to compete for a contract. In some instances, it may be years before a new RFP is issued. Furthermore, many private providers, which are of good quality, simply don't have the capacity or resources to write effective grant proposals let alone the technological and administrative capacity to administer the grant once it is awarded;

- *Vouchers give providers more autonomy and protection against unfunded mandates;* Over the years, providers have seen many instances where local, state or federal funding agencies forced a new responsibility, action or procedure on contracted sites with no money provided for fulfilling the requirements;
- *The voucher system can easily be implemented incrementally.* In a system that is far from fully funded, vouchers can be applied immediately. As funding increases, the number of voucher participants can expand to include other target populations;
- *Research does not support contracts as opposed to vouchers in stabilizing the ECE marketplace.* An argument for competitive bids and contracts is that this funding mechanism will enhance programs' financial stability and families' child care stability. However, [a study in New York City](#) found no link between contracts and the stability of subsidy receipt among providers. This mirrors the experience of many CCAU members that receive subsidies through both vouchers and contracts.
- *Regardless of funding mechanisms, quality early care and education is expensive.* The other argument for competitive bids and contracts is quality and accountability requirements can be written into the RFP. However, quality will not improve if providers are not properly compensated regardless of the funding mechanism.

FUNDING ADEQUACY:

For years, ECEC advocates and providers, like CCAU, have been sounding the alarm that the system is grossly underfunded. The work of this Commission has brought to light just how underfunded it really is. **In order to provide high quality early care and education services to all children, there needs to be an immediate and substantial increase in funding to providers.**

- *High-quality child care is expensive and hard to find.* High quality programs, especially those serving infants and toddlers, are often unattainable for high risk populations primarily because subsidy reimbursement rates and grants are below the true cost of care;
- *Providers across the state are experiencing a staffing shortage crisis.* We cannot recruit, adequately compensate and retain talented staff at current funding levels;
- *A large and growing portion of working Illinois families don't qualify for any of the early care and education programs.* Minimum wage increases have not kept up with the true cost of living. Yet a family must qualify for child care using the radically outdated income thresholds. Income guidelines must be adjusted to ensure that disadvantaged children in high-cost areas are eligible for essential early care and education services.

While we understand that it might be some time before we get to the adequacy estimate of \$13.6B, there are steps that can be taken immediately to help high risk populations access quality care and education as well as provide stability to providers.

Primary Recommendations:

- Increase income eligibility to 400% of poverty level for CCAP and PFA;
- Continue to increase reimbursement rates to providers;
- Reduce co-pays to \$1 for low income families under 185% of poverty and create a sliding scale co-payment plan for families under 400%;

Secondary Recommendations:

- Pay providers based on enrollment not on attendance;
- Cover the cost of full day care regardless of parent's work or school schedule;
- Align a family's approval with school or program year;
- Work with providers to minimize risk of losing funding when families' eligibility is terminated and during interim changes in authorization status;
- Presume eligibility for families whose initial application suggests they qualify, allowing payments to begin immediately and continue while documentation is gathered and verified. Payments can be terminated if the family is ultimately found to be ineligible;
- More incentives and support for providers to reach and maintain quality;
- Incentives to provide infant and toddler care;
- Effective marketing and engagement strategy that educates parents about the importance of quality early care and education

MANAGEMENT & OVERSIGHT:

CCAU supports the Commission's recommendation to create a new centralized agency to set the vision, goals and priorities of ECEC in Illinois and to develop and implement system policies, rules, and regulation. Furthermore, CCAU asks that you consider the following:

- *Provide community based organizations and families with clear information and engage them in the decision-making process.* Providers across the state share the belief that decisions are being made about us without us. Create equitable and inclusive opportunities for collaborative decision-making with families and providers.
- *Work towards improving relationships between providers and agencies.* Instead of a partnership between providers and agencies that supports children and families, the relationship oftentimes is adversarial and mistrusting. How providers are treated and the responsiveness of the funding and monitoring agencies are the result of not only state and local policies and implementation practices, but also the agencies' leadership.
- *There are many issues that need to be addressed prior to making decisions and implementing systems.* How the different funding streams are simplified, allocated and distributed; how does Head Start fit into the new system; what is the infrastructure to manage the funding and tracking data; define 'access'; define 'affordability';

Please note: Blending and braiding funding is difficult. A simple solution of aligning program requirements and family eligibility guidelines with the most stringent funding source (namely Head Start) without adequately funding the system is not the answer.

- *Create opportunities for providers to pool resources.* The pool should have specialists and consultants that include instructional and education coordinators, accreditation consultants, nurse consultants, infant/toddler specialists, family care specialists, social workers, special education therapists, consultants and aids, substitute teacher pool among others. Furthermore, supporting and/or creating an association so providers can access health insurance and retirement plans for their employees;

- *Align Excelerate accreditation standards as well as child care licensing standards for all ECEC providers.* Standards should be the same in implementation as well as monitoring whether the program is center based, home based or a district or private school as long as the program receives government funding for these services;
- *Develop a new electronic processing and tracking system.* Families should be able to apply for early ECEC services and submit paperwork electronically in one centralized location; this may include linking other services like SNAP, TANF, Medicaid. Similarly, providers should be able to submit one voucher and budget for all funding sources electronically. Providers should also be able to follow a family's case, vouchers and payments and resolve issues electronically;
- *Providers should be paid in advance for services.* The retrospective nature of payments from funding agencies contrasts with the policies providers have for private-paying parents. Additionally, oftentimes payments are late and/or inaccurate.

INCLUSION:

Parents of young children with disabilities experience severe child care challenges and consequences from not finding ECEC services. What's more, despite being protected by three civil rights laws, these children rarely get the quality services, interventions and opportunities when their growing brains and bodies could most benefit. Although many community providers want to serve children with special needs, they simply don't have the funding or resources to do so. **To help overcome these challenges, there needs to be an alignment and consolidation of Early Childhood Special Education (IDEA Part B Section 619) and Early Intervention (IDEA Part C) within the newly created agency and it needs to be fully funded.** The intention is to:

- *Promote continuity of supports and services for children and families.* Eliminating disruptions in services when the child transitions from EI to ECSE and allow children and family to stay in one early childhood setting for the full day for extended period of time;
- *Provide services to children in the least restrictive environment.* The LRE requirements under Part B of the IDEA state a strong preference for educating children with disabilities in regular classes alongside their peers without disabilities. The term "regular class" includes a classroom in a community based organization with typically developing peers;
- *Support providers in the referral process.* Child care providers and preschool teachers play a key role in recognizing that a child may need special help. Providers need support and resources to help connect families with the systems to help address children's developmental and disability-related needs;
- *Provide adequate funding and resources to satisfactorily accommodate children with special needs.* This includes therapists to visit sites, student aids in the classroom, special education coordinators, etc.. The financial investment needs to be made during these formative early years with intensive and individualized attention when growing brains and bodies could most benefit.

CCAU appreciates the entire Early Funding Commission's continued commitment to Early Childhood Education and Care and these important issues. Recommendations and policies should prioritize providing high quality yet affordable ECEC to the greatest number of children,

racial, ethnic and socio-economic diversity and equity, flexibility for providers and families in meeting some standards and requirements, as well continuity of care. If you have any questions or would like to discuss any of the issues and recommendation outlined in this letter, please do not hesitate to contact, CCAU Steering Committee member, Beata Skorusa at beata.skorusa@gmail.com or (773) 879-2708. It would be our pleasure to schedule a time to discuss further.

Kind Regards,

CCAU Steering Committee