



Commission on Equitable Early Childhood Education and Care Funding

Inclusion Working Group
Meeting 1 – 2/4/2020

Inclusion Meeting 1 Agenda

Item	Time
Introductions, charge, and work plan	10:00-10:15
Overview of inclusion in the current system	10:15-10:30
Funding adequacy for inclusion	10:30-11:15
Funding mechanism & management & oversight for inclusion	11:15-11:30
Decision framework approach	11:30-11:45
Next steps and close out	11:45-12:00

Pre-Readings

1. Analysis of Proposed Governance Structures for Early Childhood Programs in Illinois 2018 excerpt
2. Illinois Cost Model for Early Childhood Education and Care Services, 2019: section titled "Accounting for Special Populations," pages 14-16.

Inclusion Meeting 1 Goals

- ***Validate the work plan*** to accomplish our Working Group Charge
- ***Level-set on the current state***: population, services provided, and funding streams, and oversight structures relevant to this Working Group
- Introduce ***cost modeling work to date***, with a focus on how it accounts for Special Education and Early Intervention
- Share a ***decision framework*** for making recommendations
- Identify ***next steps***

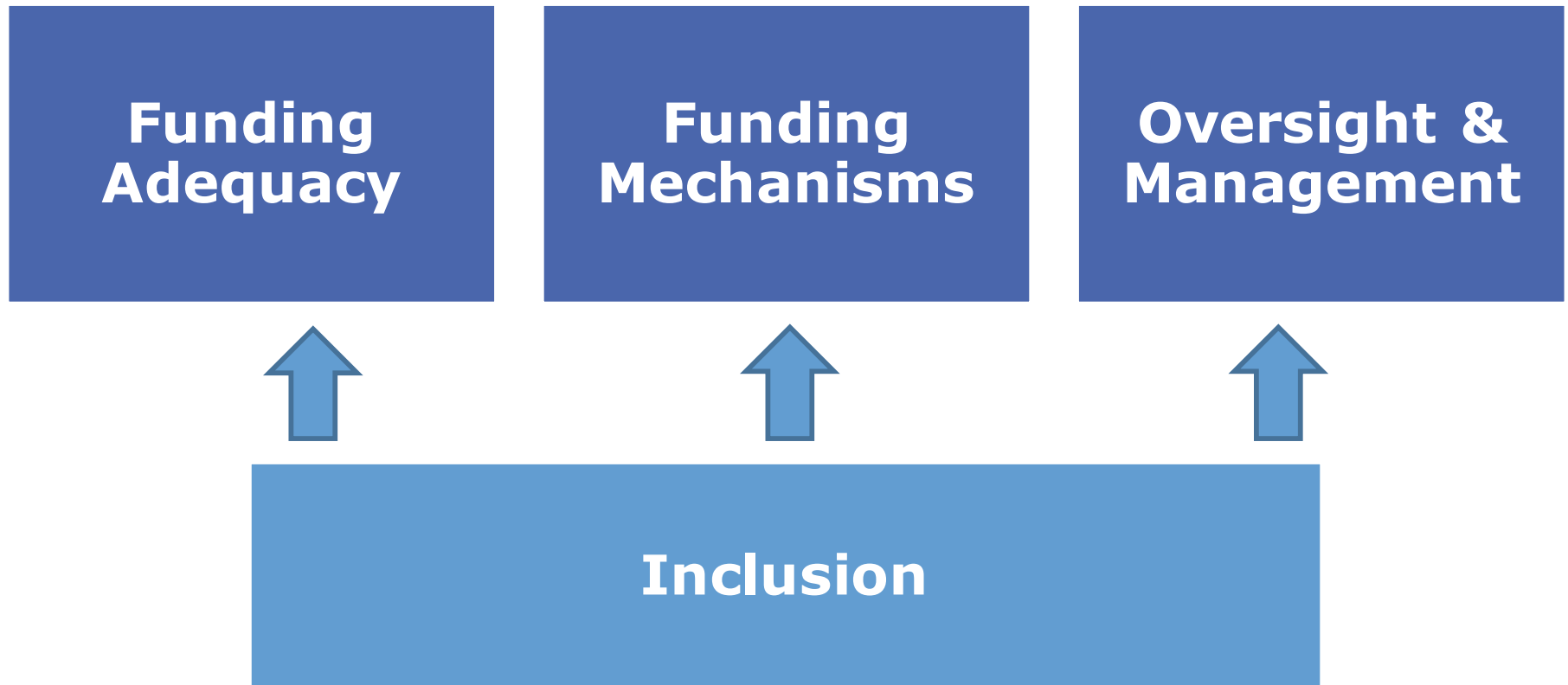
Inclusion Charge

Goal: *Inform the work of other Working Groups and the full Commission as it relates to children receiving special education and early intervention services, in alignment with the Commission's guiding principles*

Key Questions to Answer:

- What is the cost for identifying students in need of special services and for serving children in inclusive environments? (Funding Adequacy)
- How should funding sources particular to Special Education / Early Intervention interact with other funding sources? (Funding Mechanism)
- How will funding particular to Special Education/ Early Intervention move from various sources to recipients? (Funding Mechanism)
- How do we ensure funding promotes seamless supports from identification to receiving services? (All three working groups)
- How do we ensure transparency, efficiency, effectiveness, and greater coordination in the system to enable state-level and community-level planning and accountability?

Commission Working Groups



Workplan and Timeline

Approximate Timeline	Meta-Topics
February (Today)	<ul style="list-style-type: none">• Validate Work Plan and Timeline• Review current modeling and understand current mechanisms, structures
March	<ul style="list-style-type: none">• Opine on relevant cost modeling inputs• Develop future M&O / funding mechanism system requirements• Review research available to inform recommendations, including other states
April	<ul style="list-style-type: none">• Analyze future system options
May - July	<ul style="list-style-type: none">• Discuss interdependencies with other working groups and validate potential recommendations

Our current state:

Special Education and Early Intervention
services, funding flow, and management &
oversight

Population and Services Provided

Early Childhood Special Education

Early Childhood Special Education supports educational services for children with disabilities ages 3 to 5 so that they may receive a high-quality education

Population served: Ages 3-5 with IEPs

of children served = 21,227 (2018)

Funding Sources:

- IDEA Part B Section 619
- Evidence-Based Funding (EBF)
- Federal Medicaid Reimbursements
- Local Funding

Early Intervention

The Early Intervention (EI) program provides screening and treatment for developmental disabilities for children from birth to age 3

Population served = Ages 0-3

of children served = 42,593 (2018)

Funding Sources:

- State Appropriations
- IDEA Part C
- Federal Medicaid Reimbursements
- Insurance and Private Pay

Early childhood special education data is limited

Limited data is available on a comprehensive, state-wide basis:

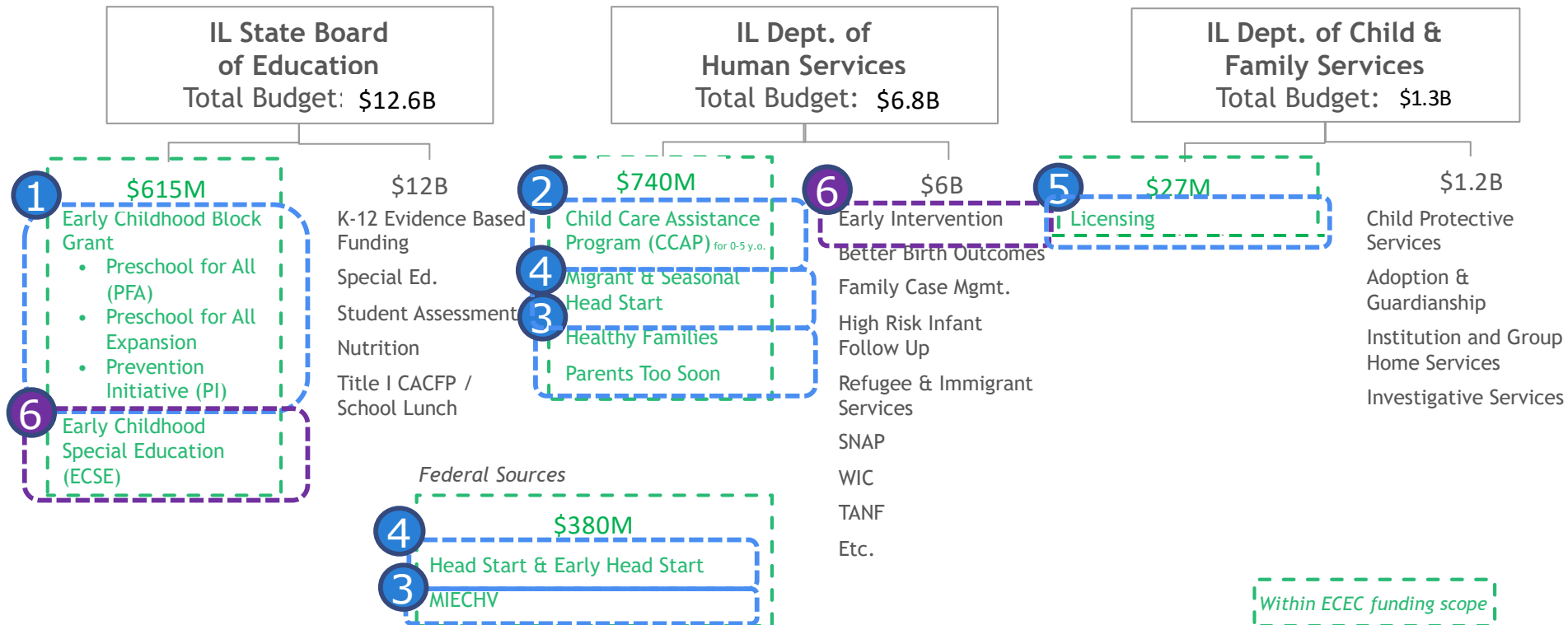
- Level of needs of children
- Types of services provided
- Costs of services
- Count of screenings

Early Childhood Special Education is part of ISBE while Early Intervention is under IDHS

Service Categories:

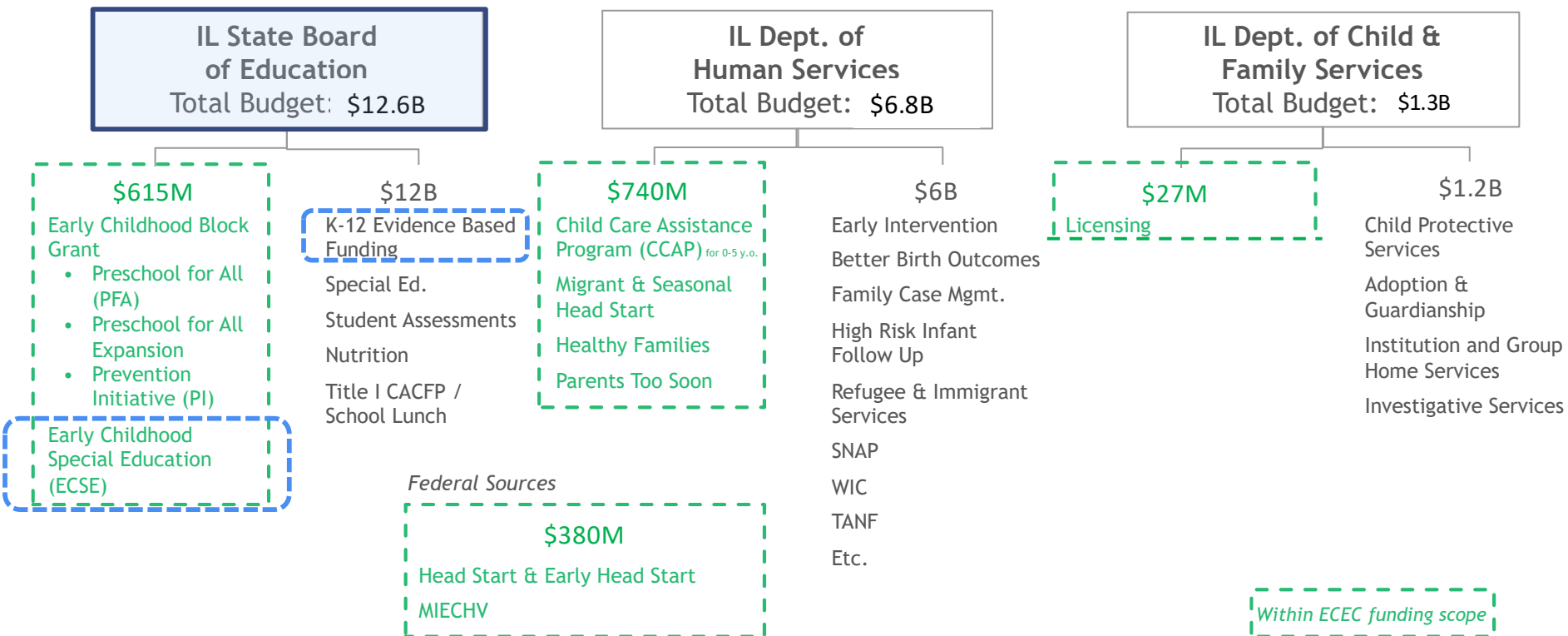
1. Early Childhood Block Grant
2. Child Care Assistance Program
3. Home Visiting
4. Head Start
5. Licensing
- 6. Inclusion**

2020 allocations



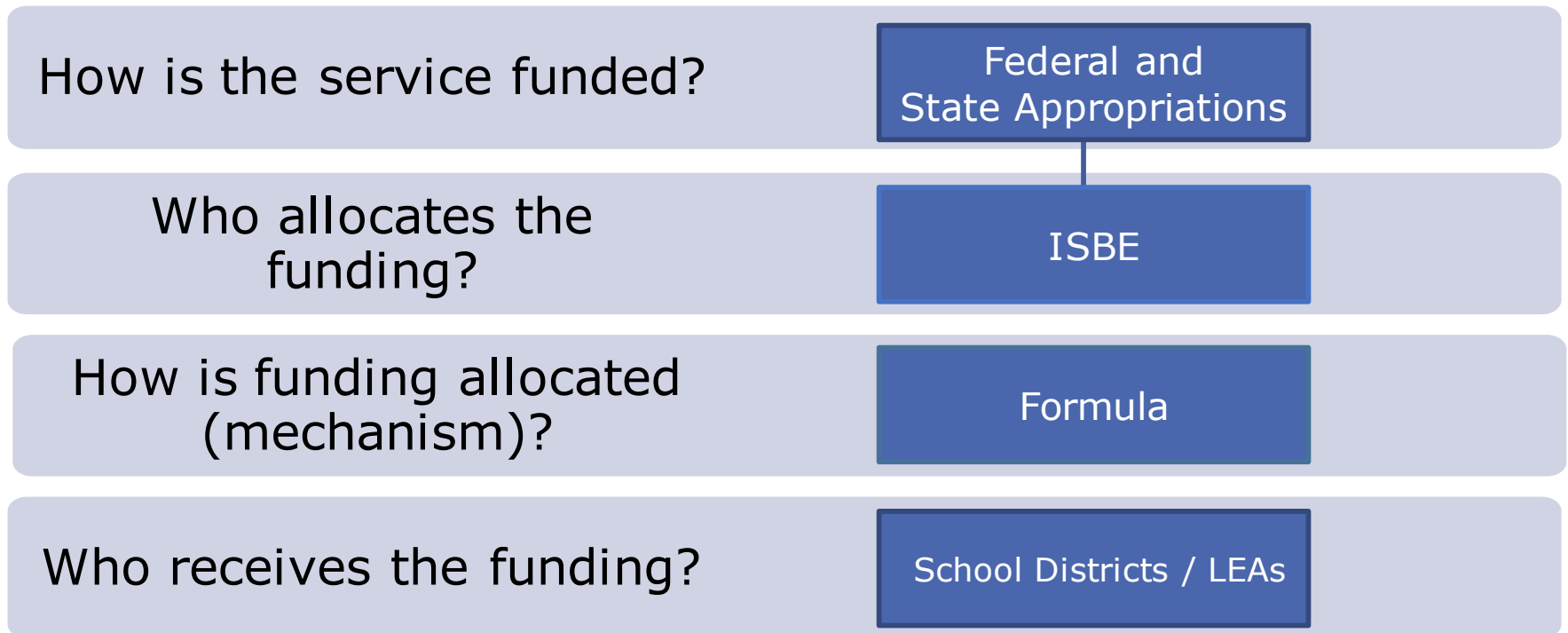
Early Childhood Special Education

2020 allocations



Source: IL FY 2017 Budget; assuming funding spread evenly across 0-5 y.o., 6-12 y.o.

Early Childhood Special Education



Notes: The allocation formula is federally mandated and prescriptive. Funding is not primarily allocated based on count of students with special needs.

- Key Formula Drivers: Prior Year Base Allocation, Total Population (Enrollment + Private School Counts), Poverty Count

Evidence-Based Funding includes all Pre-K students at 0.5 student count for funding purposes.

Early Childhood Special Education – what are the services?

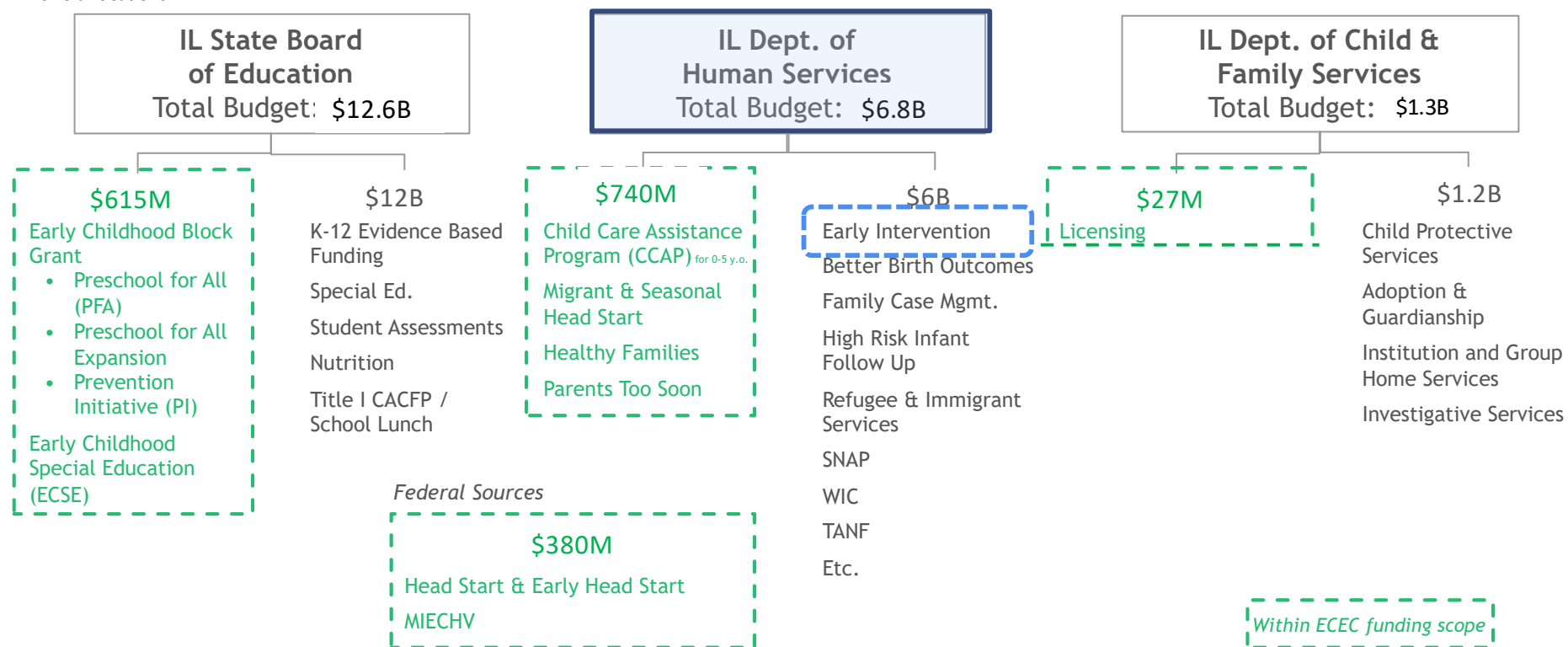
- Services provided by school districts and cooperatives
 - CBOs provide services under the purview of districts
- Various program formats
 - Half- and full-day PFA and PFA-E inclusion programs
 - Half or full day Head Start inclusion programs
 - Tuition-based inclusion programs
 - Self-contained classrooms
 - Therapeutic play groups
 - Walk-in therapy
- Types of personnel providing services
 - Teachers
 - Teacher Assistants
 - Clinicians
- Other service aspects
 - Transportation requirements
 - 70/30 inclusion

Early Childhood Special Education – why is the funding structure and mechanism the way it is?

- What laws or policies play a role?
- What do we need to know about IDEA Part B Section 619?
- What should we know about the K12 evidence-based funding formula?
- What were the decision points and alternatives that led to the current structure?

Early Intervention

2020 allocations



Source: IL FY 2017 Budget; assuming funding spread evenly across 0-5 y.o., 6-12 y.o.

Early Intervention – State Funding

How is the service funded?	Federal and state appropriations	Medicaid
Who allocates the funding?	IDHS	IHFS
How is funding allocated (mechanism)?	502 Revolving Fund	502 Revolving Fund
Who receives the funding?	Direct Service Providers	Direct Service Providers

Note: The bulk of EI funding comes from state General Revenue Funds and Medicaid reimbursement. Additional funding comes from billing eligible families' private insurance and charging families who can pay a participation fee - which is permissible under federal law.

Early Intervention – what are the services?

- Access:

- Families access the Part C EI Program through one of 25 local Child and Family Connections (CFC) offices
- They are assigned a Service Coordinator (sometimes called a Case Manager in other social service programs)

- Services:

- The EI Program provides 16 EI services and other family supports through a variety of individual and agency providers, some not-for-profit and some for-profit
- The providers enroll and sign provider agreements with DHS
- The most frequently provided services are speech therapy and developmental therapy

Early Intervention – why is this funding mechanism and structure the way it is?

- Illinois' Part C EI Program is advised by a state council called the Illinois Interagency Council on Early Intervention (IICEI), which is mandated by federal law and appointed by the Governor.
- The IICEI works closely with the Part C EI Program to ensure that all eligible infants/toddlers and their families are receiving appropriate services and supports.

Funding Adequacy & the Inclusion Working Group

Determining “adequate” funding

Model the ***drivers of cost*** to provide high quality ECEC services

Drivers of Cost - Examples

- Compensation structures
- Staffing levels
- # of Children
- Types of children and family needs
- Program design / service delivery model

Personnel is typically 60-80% of a provider's cost – education & care is a people intensive service

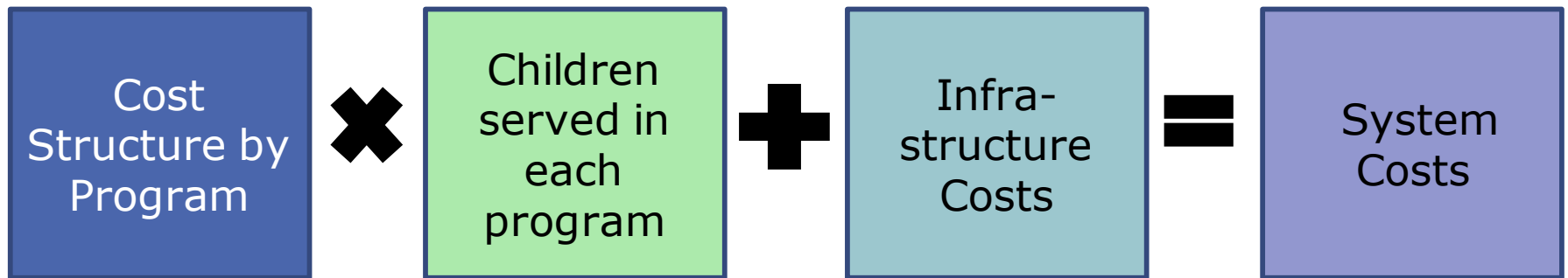
Adequate funding calculations can also be informed by:

- How much other states fund ECEC
- How much providers request in grant applications

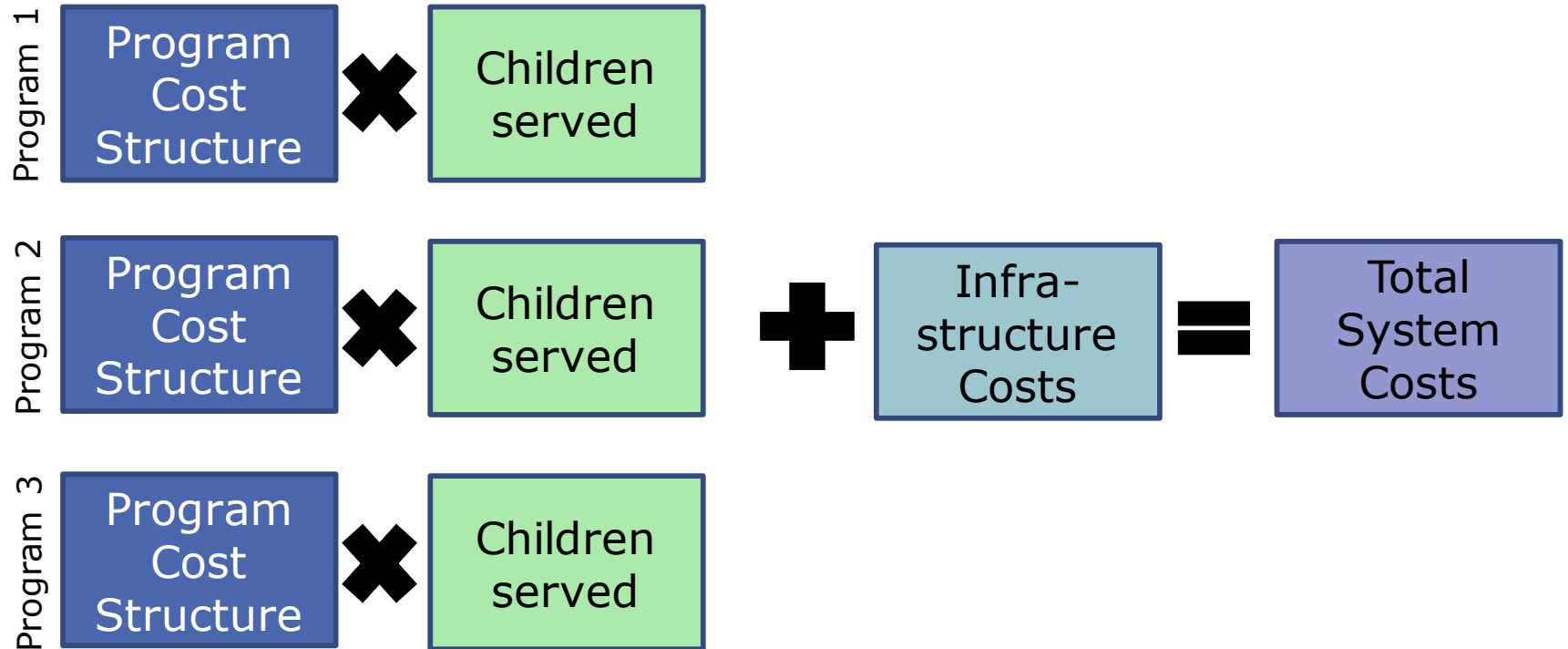
Creating a system-level funding goal

- More complex than K-12
 - Children and families have different needs
 - Multiple settings and program models
- Need to estimate number of children who would participate in each program model once the system is fully at scale.
Simplistically:
 1. Determine programs in/out of analysis
 2. Calculate per child cost of high quality programs
 3. Estimate child count in each program
 4. Calculate cost of state/local infrastructure
 5. Calculate total cost of services

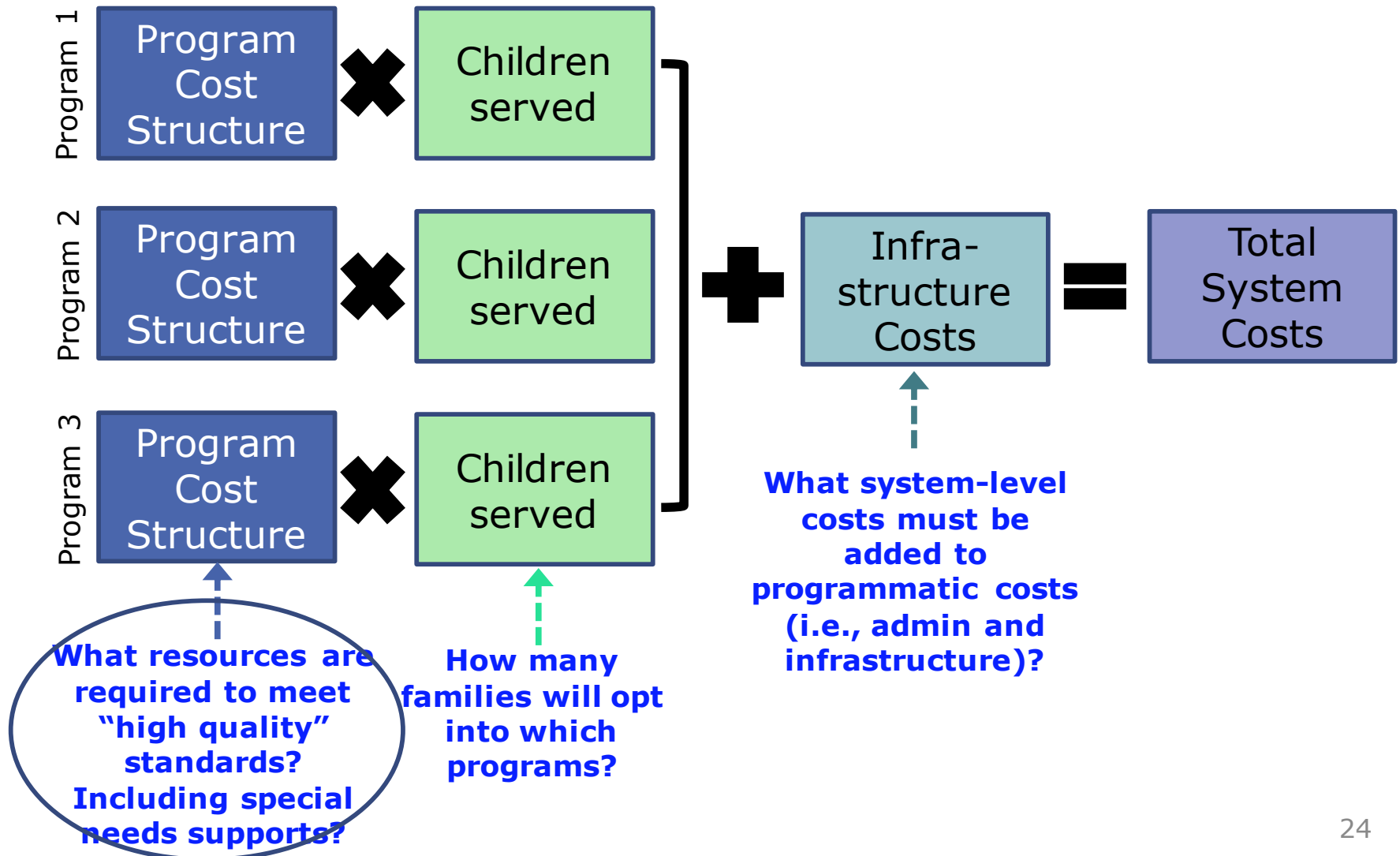
Simplistic Formula for System Costs



Simplistic Formula for System Cost



Simplistic Formula for System Cost



Illinois has constructed a model of the cost of providing high-quality ECEC services

**We are not starting from scratch!
Significant work has been done**

- As part of PDG B-5 Grant Needs Assessment, the state requested **a cost model for a comprehensive system of early childhood education and care** for all children ages 0-5 in Illinois.
- **Research questions** identified by GOECD:
 - What is the per child and total cost of providing high-quality early care and education services via licensed or school-based settings:
 - To all families in Illinois?
 - Using a sliding scale for family co-pay and also taking into consideration existing funding eligibility regulations?

The PDG Cost Model formula relies on critical decisions about inputs

Formula Process Step

- 1 Determine programs in/out of analysis
- 2 Calculate per child cost of high-quality programs
- 3 Estimate child count in each program
- 4 Calculate cost of state/local infrastructure
- 5 Calculate total cost of services

In summary, the cost model accounts for:

- Best practice staffing patterns
 - Number of teachers, assistants, and aides
 - Qualifications of staff
 - Out-of-classroom staff
 - Program leadership
- Compensation levels adequate to attract and retain highly-qualified staff
- Comprehensive supports
 - EC Mental Health Consultation
 - Professional development
- Sufficient materials, facilities, etc.

This process had extensive input from committees of the Illinois Early Learning Council.

Funding Adequacy Charge: *the Working Group's first goal is to determine the cost of providing high quality ECEC services*

The Inclusion Working Group will need to provide input into this process

Goal: *determine the cost of providing high quality ECEC services and how to fund over time*

Key Questions to Answer:

- What is the cost of providing high quality ECEC to all families in Illinois?
- What should the state process be for determining adequate resources across settings for each program type?
- How much of the cost should be covered by the federal government, the state, local funding, and parent contributions?
- What is the recommended timeline to get to the state's full investment?

To do this, we will refine the existing cost model

We will need to **think through the following:**

- **What's missing related to special needs?**
- **What assumptions for special education and early intervention need to be further examined?**
- **How might the cost model be further enhanced for special education and early intervention?**

The Guiding Principles will ground our ultimate answers to these questions.

**High Quality ECEC is a
Public Priority**

Promote Equity

**Embrace Bold System-
Level Changes**

**Build Upon the Solid
Foundation**

**Prioritize Family
Perspectives, Needs,
and Choices**

**Design for Stability
and Sustainability**

**Require System
Transparency,
Efficiency, and
Accountability**

**Recognize
Implementation
Realities**

The inclusion working group will need to formulate an approach related to each of these steps to inform the Funding Adequacy working group

- 1 Determine programs in/out of analysis
- 2 Calculate per child cost of high-quality programs
- 3 Estimate child count in each program
- 4 Calculate cost of state/local infrastructure
- 5 Calculate total cost of services

Getting these inputs right for inclusion is what matters

Formula Process Step	Critical Decision
1 Determine programs in/out of analysis	<ul style="list-style-type: none">• Which settings? (ex: center, non-relative home, relative home)• Which intensities? (ex: part-day, full-day, etc.)• For which ages?
2 Calculate per child cost of high quality programs	<ul style="list-style-type: none">• What is the model staffing pattern for each program?• What should staffing ratios be?• What should the salary schedule for positions be?
3 Estimate child count in each program	<ul style="list-style-type: none">• What is the estimated total child count by inclusion need?• What is the estimated percent of families in each inclusion category opting into services and selecting which program?
4 Calculate cost of state / local infrastructure	<ul style="list-style-type: none">• How much should be included for administrative / infrastructure costs?
5 Calculate cost of services	

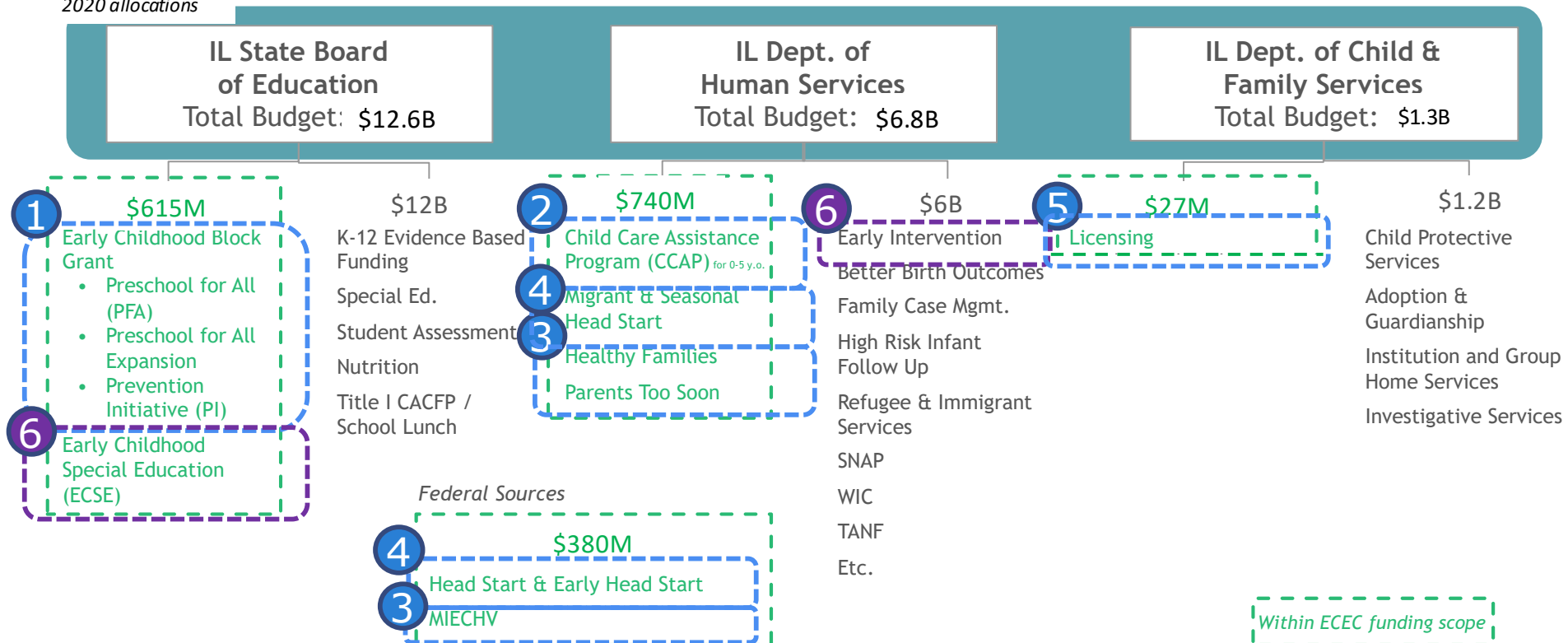
*Inclusion Working Group's Role in
Management & Oversight and Funding
Mechanism Working Groups'
Recommendations*

This Working Group will inform the other working groups' recommendations for Early Childhood Special Education and Early Intervention

Management & Oversight:
Who distributes the money and oversees the system

Funding Mechanism:
How is the money distributed

2020 allocations



Source: IL FY 2017 Budget; assuming funding spread evenly across 0-5 y.o., 6-12 y.o.

Management & Oversight Working Group Charge

Goal: *recommend improved ECEC management structures and responsibilities, in alignment with Guiding Principles*

Key Questions to Answer:

- Who sets the vision and maintains and updates policies and priorities for the overall ECEC system in Illinois?
- Who allocates funds and distributes them?
- Who holds recipients accountable for what they do with funding?



Funding Mechanism Working Group Charge

Goal: *recommend improved funding mechanisms to move funding from various sources to recipients, in alignment with Guiding Principles*

Key Questions to Answer:

- How can funding mechanisms be improved to support the Commission's guiding principles?
- What funding innovations could increase efficiency of existing funding?
- How will funding move from various sources to recipients?
- How will recipients of funding be determined?
- How do funding systems/structures interact with accountability systems/structures?

Approach to Making Decisions

Taken all together, how does the **current or any future system** work for our special needs population?

Inclusion Working Group could 1) determine factors of each of the Commission's guiding principles related specifically to inclusion, and 2) use those factors as a frame for evaluating inputs to the funding adequacy model and recommendations that will come from the Mechanism and Management & Oversight Working Groups.

Guiding Principles

High Quality ECEC is a
Public Priority

Promote Equity

Embrace Bold System-
Level Changes

Build Upon the Solid
Foundation

Prioritize Family
Perspectives, Needs,
and Choices

Design for Stability
and Sustainability

Require System
Transparency,
Efficiency, and
Accountability

Recognize
Implementation
Realities

How can we use our guiding principles to evaluate the current system and future options related to special education and early intervention?

Guiding Principle	Understand how special education and Early Intervention funding...
Accountability	<ul style="list-style-type: none">• Is monitored and overseen
Equity	<ul style="list-style-type: none">• Results in distribution of and access to inclusion services across race, ethnicity, culture, language, income, geography, and children's needs
Family Perspectives	<ul style="list-style-type: none">• Results in service access that is responsive to community-level and families' needs
Sustainability & Stability	<ul style="list-style-type: none">• Allows for long-term planning• Creates an environment of stability for providers, educators, and clinicians
Transparency	<ul style="list-style-type: none">• Is understandable and accessible to families' seeking to access resources

How can we use our guiding principles to evaluate the current system and future options related to special education and early intervention?

Guiding Principle	Understand how special education and Early Intervention funding...
Efficiency	<ul style="list-style-type: none">• Results in timely receipt of funds• Is leveraged to create a streamlined process for families to access services
High Quality & Effectiveness	<ul style="list-style-type: none">• Supports and incentivizes high-quality, effective service delivery
Build on Solid Foundation	<ul style="list-style-type: none">• Works within the mixed delivery ECEC system to meet families where they are

Knowing what we know about today's system for inclusion, we could begin to evaluate our current system in relation to our guiding principles...

Guiding Principle	Evaluation of Current System for Inclusion
Accountability	
Equity	
Family Perspectives	
Sustainability & Stability	<ul style="list-style-type: none">• School districts are using local funds to fund preschool special education mandates

Knowing all this, we could begin to evaluate our current system in relation to our guiding principles...

Guiding Principle	Evaluation of Current System for Inclusion
Transparency	<ul style="list-style-type: none">• Families do not know which inclusion services they are eligible for
Efficiency	<ul style="list-style-type: none">• Inability to anticipate community-level needs makes it difficult to provide appropriate services in a timely manner
High Quality & Effectiveness	<ul style="list-style-type: none">• Significant teacher shortages for special education• Without resources to incentivize quality improvement, many settings focus on compliance
Boldness & Ability to Implement	

Reactions to this as a decision framework

Could we use this kind of frame to evaluate any proposed recommendations that the other working groups formulate?

Would it allow us to ensure a proposed future system is "better" for children requiring special education and early intervention than the current system?

Next Steps

This Working Group's Update for February 11 Commission Meeting

- Working group's work plan and immediate next steps
- The potential to use Guiding Principles for Inclusion-Focused Assessment of Current & Future System
- *What else?*

Revisit Work Plan & Timeline

Approximate Timeline	Meta-Topics
February (Today)	<ul style="list-style-type: none">• Validate Work Plan and Timeline• Review current modeling and understand current mechanisms, structures
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May - July	<ul style="list-style-type: none">• Discuss interdependencies with other working groups and validate potential recommendations

THANK YOU

