



Commission on Equitable Early Childhood Education and Care Funding

Funding Adequacy Working Group
Meeting 9 – 01/19/2021

Funding Adequacy Meeting Agenda

- Welcome and Context
- Meeting Goals and Discussion Guidelines
- Feedback Summary and Discussion
- Pressure Test Recommendations vs Guiding Principles
- Next Steps

Welcome and Context

Funding Adequacy Working Group Charge

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 and periodically re-evaluating 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?

Prompt for Meeting

Three questions for discussion:

- How does this feedback impact our **recommendations**? What, if anything, should be adjusted based upon this feedback?
- What additional **context** should be included in the report based on this feedback?
- What, if any, additional information about planning and **implementation** should be included in the report?

Timeline for Working Group Feedback

1/15/21	Inclusion Working Group Meeting
1/19/21	Funding Mechanism, Management & Oversight, and Adequacy Working Group Meetings
1/20-21/21	Summarize Input In Writing and Send to Commission Staff
1/25/21	Commission Staff Share Feedback with Commission Co-chairs
2/2/21	Commission Meeting: Working Group Chairs Share Feedback and Facilitate Discussion

Meeting Goals and Discussion Guidelines

Meeting Goals

- Discuss current recommendations, in light of external feedback provided to the Commission
- Recommend any needed modifications and/or additions to:
 - Recommendations themselves
 - Context within the report
 - Information about planning, next steps, or implementation

Discussion Guidelines

- To make significant adjustments to the intent of the actual recommendations, there would need to be:
 - A clear equity issue that would directly result from or be exacerbated by this recommendation.
 - Strong feedback from a diverse set of stakeholders that the recommendation is not the direction to go or should be reconsidered.
- Adding context and implementation considerations may be helpful for clarity and may have a lower “bar” for inclusion in the report.
- This is not an opportunity to re-litigate issues, unless there is external stakeholder feedback that is compelling.

Discussion Focus

- Focus will be on comments/feedback directly impacting this working group's recommendations.
- We are not discussing topics assigned to other working groups.
 - However, if you sent feedback that pertained to another working groups charge, that feedback was shared with them, and they can discuss.

Again, Prompt for Meeting

Three questions for discussion:

- How does this feedback impact our **recommendations**? What, if anything, should be adjusted based upon this feedback?
- What additional **context** should be included in the report based on this feedback?
- What, if any, additional information about planning and **implementation** should be included in the report?

Feedback/Discussion Framework

Recommendation: The state should publish a recipe for the healthiest peanut butter and jelly sandwich.

Recommendation	Context	Implementation
The recipe should be for the most delicious (not healthiest) peanut butter and jelly sandwich.	The report should describe in more detail what is meant by "healthy".	The report should address that, in the future, when eating the sandwich, people need to have a napkin on hand, because the sandwich can be messy.

Feedback Summary and Discussion

Reminder: Key Funding Adequacy Recommendations

- The Commission recommends that the state work toward a total public funding allocation of \$12.4 billion to fund an equitable high-quality early childhood care and education system as reflected by the cost model.
- The Commission recommends
 - the cost model be updated at a minimum of every four years, in alignment with the Commission's Guiding Principles,
 - an annual update should be conducted for inflationary factors and any material changes.
 - an advisory body, with diverse membership representative of the full early childhood field, should be created to support this periodic reevaluation of the adequacy estimate.
- The Commission recommends that the State conduct more in-depth cost modeling in the next 12 months to further vet estimates for Early Intervention, Early Childhood Special Education, and Family Friend and Neighbor care services.
- The Commission recommends a study to assess current local funding capability and to identify options and incentives for longer term local contributions to adequate funding.
- Further, the State should prioritize estimations of the cost of local and regional capacity building and infrastructure, state infrastructure necessary to support the other recommendations included in this report, and the cost of growing the early childhood system to meet the recommendations.

Feedback Summary

- *Cost model transparency*: Questions arose about what elements are included in the model or not (report p5, point 3e, h):
 - Several items identified as “missing”, though all may not be.
 - Desire for clarity on what requires further research, and whether an estimate is included already, and if so, on what it is based.
 - Asked for clarity on compensation and philosophy.
- *Use of the model*: need for further consideration of the role of the model in prioritization of investments (report p4, point 2f)
- *Updating plan*: Concern “the number”, if released, will stick, even *with* open items that may need updating; may need more context on approach to updating. (report p5, point 3g)

Cost Transparency

Recommendation: The Commission recommends that the state work toward a total public funding allocation of \$12.4 billion to fund an equitable high-quality early childhood care and education system as reflected by the cost model.

Recommendation	Context	Implementation
A number of items were identified as possibly “missing” from the model, with requests for inclusion to ensure racial equity. More clarity is needed.	The report should provide more transparency about what is included within large categories and on compensation.	Report should provide details as to timeline/process for finalizing open items. Report should provide details on what should be considered as part of the infrastructure calculation.

Cost Transparency

Questions about whether these items are included, especially when consider racial equity lens....

- Parental education to increase trust and engagement with the system.
- Parental inclusion and authentic community engagement in decision making and co-creating the system, including:
 - Facilitating parent and provider participation in decision-making, including compensating parents and providers for their time and for removing barriers to their participation, such as providing child care, food, transportation, internet access/devices, interpretation/translation, American Sign Language and/or live captioning, etc.
 - Require funding for statewide infrastructure (i.e. adequate state staffing) and funding at the local level (i.e. dedicated staff to build relationships with parents, community members, and community leaders), as well as investment in development of parent councils and stipends for families to participate in trainings and meetings.
 - *NOTE: parent engagement specialists are part of Center-based and School-based staffing; total allocation of \$530M for that staffing type.*
- Culturally responsive services and professional development for providers and educators.
 - *NOTE: model includes annual allocation for PD; ~\$500 per staff member at CBO, ~\$400 per staff at Licensed Family Childcare, and ~\$750 per staff member in school-based setting.*
- Capacity building at the local level and for community collaborations.
 - Funding for local capacity-building and infrastructure, especially in areas with very few seats or child care deserts that may face additional barriers for early childhood education and care services.
- Funds for facilities construction and renovation.
 - *NOTE: model at CBOs and Licensed Family Childcare includes costs related to mortgage payments, rent, and/or upkeep. Doesn't include expenses related to one-time construction costs for new building construction.*
- Investments in workforce recruitment, development, and scholarships for education and training, as well as for capacity building of for those entities that are providing the education and training.
 - Explicitly call out maintaining Great Start, Scholarships, etc. as an incentive for retention.

Cost Transparency

- Include in the Commission report an explicit discussion that increased compensation is a goal.
 - As part of the recommendation on compensation schedule, specify the size of salary increases, source of the benchmarks and/or philosophy behind benchmarks (compete with Pre-K, market rates, etc.), and the goal of the increases (make sector more attractive for new and existing workforce, etc.).
- Outline more clearly which items still require further vetting, what work has been done to date, whether those items are already included in the model and at what levels, and any open items.

	Updated Cost (January 2021)	Notes on Completion Status
Center-based	\$5,606,963,371	Fully researched using actual data input from providers statewide, competitive salary schedules, and best practice staffing ratios; Includes Prevention Initiative, Head Start/Early Head Start, and PFA standards; Vetted by Funding Adequacy workgroup; Accepted by Funding Commission
Infants	\$694,625,585	
Toddlers	\$1,231,528,009	
Two Year Olds	\$1,183,171,523	
Preschool	\$2,497,638,255	
Center-based Transportation	\$130,388,920	Research based on school districts actual experience, and includes driver and monitor staffing; Vetted by Funding Adequacy workgroup; Accepted by Funding Commission
School-based	\$2,827,143,993	Fully researched utilized Evidence Based Funding Formula for K12; Vetted by Funding Adequacy workgroup; Accepted by Funding Commission
Part-Day	\$518,706,817	
School-Day	\$2,308,437,177	
School-based Transportation	\$110,864,605	Research based on school districts actual experience, and includes driver and monitor staffing; Vetted by Funding Adequacy workgroup; Accepted by Funding Commission
English Learners (in CBO/FCCs)	\$48,270,065	Fully researched with assistance from Latino Policy Forum; Vetted by Funding Adequacy workgroup; Accepted by Funding Commission
English Learners (in school PreK)	\$54,471,908	Fully researched with assistance from ISBE & Latino Policy Forum; Vetted by Funding Adequacy Workgroup Final cost has not yet been accepted by Funding Commission
Special Needs/Inclusion in CBOs	\$503,139,578	Cost represents a solid researched estimate; Heavily researched with assistance from Early Childhood Special Education experts across IL; No consensus on best practice staffing structure so average of 2 recommended models used; Requires additional research and vetting in the future.
Special Needs/Inclusion in School PreK	\$621,597,262	Fully researched with assistance from school districts with strong ECSE programs; Has not yet been vetted by Adequacy Workgroup or accepted by Funding Commission
Licensed Family Child Care	\$1,977,694,933	Fully researched using actual data input from providers statewide, competitive salary schedules, and best practice staffing ratios; Included transportation for FCC; Vetted by Funding Adequacy Workgroup; Final cost has not yet been accepted by Funding Commission
Infants	\$208,040,386	
Toddlers	\$430,062,696	
Two Year Olds	\$443,509,702	
Preschool	\$896,082,149	
Relative Care/FFN	\$292,074,395	Based on current reimbursement rate for FFN care; Vetted by Funding Adequacy workgroup; Accepted by Funding Commission; IAFC presented memo requesting additional research on this cost and recommendation to model FFN care like licensed FCC; could pursue more research.
Early Intervention	\$528,728,000	Place holder estimate created based on full population being served at higher reimbursement rates more akin to private insurance; Vetted by Funding Adequacy Workgroup; Requires additional research in the future
Sub-Total	\$12,701,337,030	

	Updated Cost (January 2021)	Notes on Completion Status
Sub-Total (from prior page)	\$12,701,337,030	
Infrastructure (8%)	\$1,016,106,962	Includes: <ul style="list-style-type: none"> • workforce development costs • quality assurance and improvement costs • monitoring and regulation systems • quality improvement and accountability systems • data and information management systems Included as 8% of total cost (based on National Academies of Sciences report) Requires additional research in the future
Home Visiting	\$619,731,809	Fully researched and recommended by Start Early; Vetted by Funding Adequacy workgroup; Accepted by Funding Commission
TOTAL COST	\$14,337,175,801	
Parent Contribution	\$1,958,873,997	Based on sliding scale with no copayment for families below 200% FPL and a cap of 7% of income at 400% FPL; Vetted by Funding Adequacy workgroup; Accepted by Funding Commission
TOTAL COST W/ PARENT CONTRIBUTION	\$12,378,301,804	

Use of the Model

From Draft Report: Utilize this Commission's articulated, long-term funding goal in policy making; 1. Conveys the level of investment that is adequate, how current funding compares, and how Illinois should prioritize investments to achieve funding goal.

Recommendation	Context	Implementation
Adjust expectations for use of model for prioritization.	Provide context that use of the tool is not ideal for prioritization, as such decisions would be based on a philosophical approach, and the model is best used to quantify costs.	Could ask "what would it take for this to be a useful tool for prioritization"?

Updating the Plan

Recommendation: The Commission recommends the cost model be updated at a minimum of every four years, plus an annual update should be conducted for inflationary factors and any material changes, and an advisory body, with diverse membership representative of the full early childhood field, should be created to support this periodic reevaluation of the adequacy estimate.

Recommendation	Context	Implementation
<p>Add to annual examination a review for material changes that effect equity (in addition to inflationary or other factors).</p> <p>Specify what a “diverse” advisory body means.</p>	<p>Add more context on approach to updating, including that model is best <i>current</i> assessment, and that the number may go <i>up</i> as open items are adjusted with more research; allow for adjustments if critical items are in fact missed in the model, especially with implications for racial inequity.</p>	

Pressure Test Recommendations vs Guiding Principles

Have we lived up to our Guiding Principles?

High Quality ECEC is a Public Priority

- It should be invested in as such as this is critical to our State's workforce, economy, and welfare of its residents.

Promote Equity

- We will endorse a system that promotes equitable outcomes for children, with intentional focus on race, ethnicity, culture, language, income, children's individual needs, and geography.

Embrace Bold System-Level Changes

- Everything is on the table, including how funding flows, how funding decisions are made, and who makes them, to better serve all children and families.

Build Upon the Solid Foundation

- We will build upon the successes of Illinois' past and current system, its commitment to a prenatal to five system, the lessons from other states, and the expertise and research in the field.

Prioritize Family Perspectives, Needs, and Choices

- We will prioritize families' perspectives, needs, and choices as we make recommendations to improve the system.

Design for Stability and Sustainability

- We recognize our system must provide funding stability for providers, educators, and staff across mixed delivery settings to better serve families. System must embrace flexibility to respond to changing circumstances and family needs, and must possess the human and technical capacity to do so.

Require System Transparency, Efficiency, and Accountability

- We see these as necessary conditions for all stakeholders, funding distributors, and funding recipients for any future ECEC funding structure.

Recognize Implementation Realities

- We will plan for meaningful change over a multi-year time horizon. We will respond to disruptions in the system to meet the reality of changing needs.

Next Steps

Next Steps

- Working Group leads to share collective feedback in next Commission meeting on 2/2
- Commission will discuss all feedback and determine how to address
- Draft report will be available alongside this with continued iterations and opportunity for review and feedback

Thank you!

