



Commission on Equitable Early Childhood Education and Care Funding

Commission Meeting #7

June 16, 2020

Today's Goals

- Discuss our approach toward ensuring racial equity in the Commission's process and ultimate recommendations
- Discuss initial conclusions from the Management & Oversight and Funding Mechanisms Working Groups



Today's Agenda

Agenda Item	Time
Roll call, introductions, and reflections on recent events	12:00-12:20
Racial Equity Impact Assessment and Technical Working Group	12:20-12:45
Management & Oversight Initial Conclusions	12:45-1:15
Funding Mechanism Initial Conclusions	1:15-1:35
Funding Adequacy and Inclusion Updates	1:35-1:45
Stakeholder Engagement	1:45-1:50
Next Steps	1:50-1:55
Public Comment	1:55-2:00

Remembering Maria Whelan

Commission's Charge

“The Commission shall study and make recommendations to establish funding goals and funding mechanisms to provide equitable access to high-quality early childhood education and care services for all children birth to age five and advise the Governor in planning and implementing these recommendations.”



Updates to Guiding Principles

These Guiding Principles reflect the Commission's values and beliefs, guide how it operates, and lay a foundation for decision-making.

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.

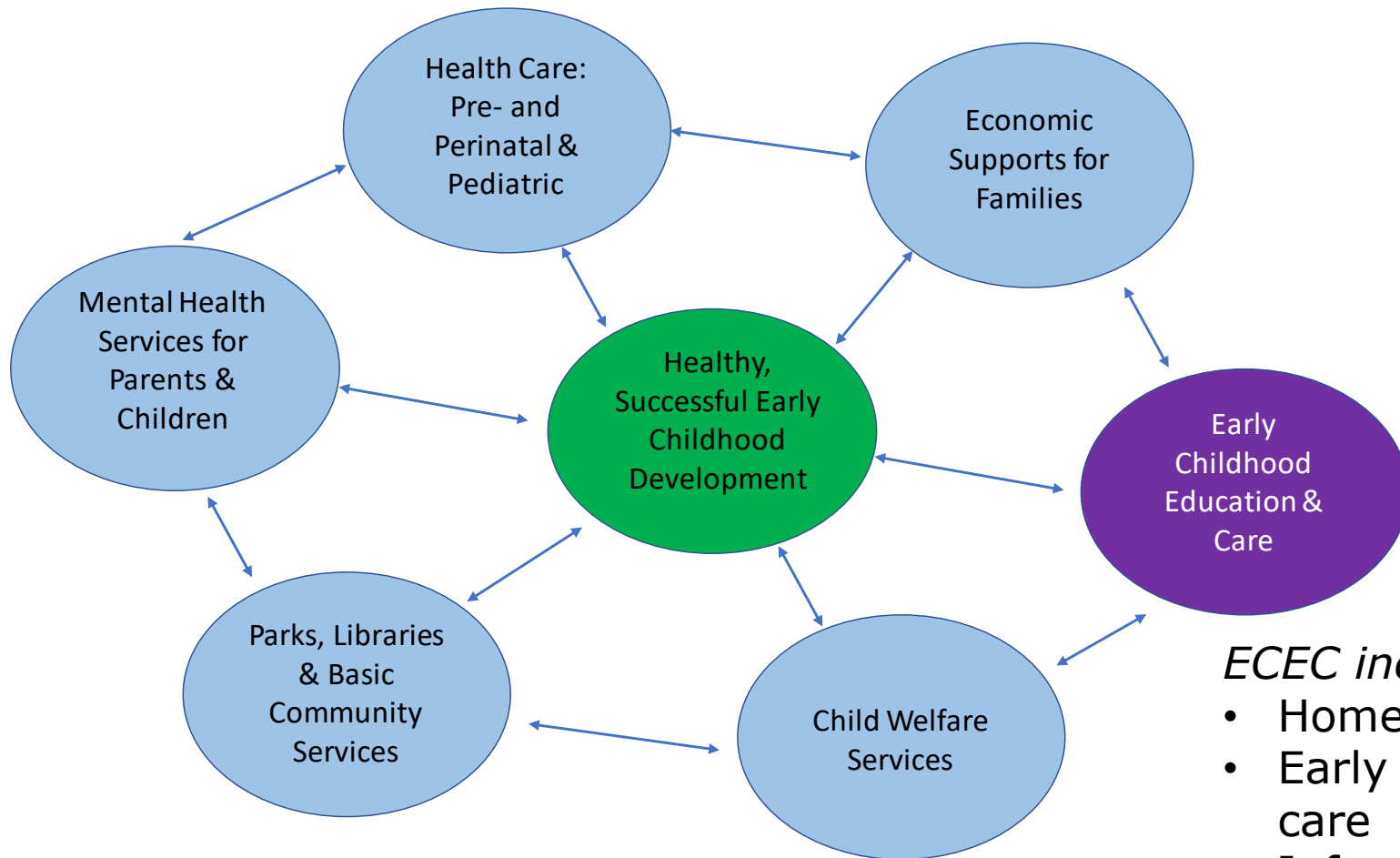
Require System Transparency, Efficiency, and Accountability

- 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.

The Commission is focusing specifically on the Early Childhood Education & Care system



ECEC includes:

- Home visiting
- Early learning and care
- Infrastructure for these services

A Racial Equity Plan for the Commission's Work

Viewing the Commission's charge through a racial equity lens

Early Learning Council definition of racial equity:

- A racially equitable society values and embraces all racial/ethnic identities. In such a society, one's racial/ethnic identity (particularly Black, Latinx, Indigenous, and Asian) is not a factor in an individual's ability to prosper.
- An early learning system that is racially equitable is driven by data and ensures that:
 - Every young child and family regardless of race, ethnicity, and social circumstance has everything s/he/they need to develop optimally;
 - Resources, opportunities, rewards, and burdens are fairly distributed across groups and communities, so they are supported and not further disadvantaged; and
 - Systems and policies are designed, reframed, or eliminated to promote greater justice for children and families.

Early Learning Council racial equity priorities:

- Align and standardize race/ethnicity data collection and reporting.
- Transform processes for distributing resources to facilitate racial equity, including agency contracting.
- Ensure compensation equity and access to advancement across demographics in workforce.
- Eliminate racial/ethnic disparities for children participating in all programs that contribute to school readiness and life success starting with:
 - Enrollment in preschool for 3- and 4- year olds
 - Enrollment in prenatal to age 3 services and programs.

Should the Commission adopt this definition of racial equity?

Racial Equity Impact Assessment

A Racial Equity Impact Assessment is a tool used to evaluate the benefits and burdens of a policy or practice to promote racial equity in decision making.

- **Considering Adverse Impacts**
 - What adverse impacts or unintended consequences could result from this policy?
 - Which racial/ethnic groups could be negatively affected?
 - How could adverse impacts be prevented or minimized?
- **Advancing Equitable Impacts**
 - What positive impacts on equity and inclusion, if any, could result from this proposal?
 - Which racial/ethnic groups could benefit?
 - Are there further ways to maximize equitable opportunities and impacts?
- **Examining Alternatives or Improvements**
 - Are there better ways to reduce racial disparities and advance racial equity?
 - What provisions could be changed or added to ensure positive impacts on racial equity and inclusion?

Should the Commission establish a working group to conduct a Racial Equity Impact Assessment?

NEW: Technical Working Group

Scope of our Final Deliverable

What it is

- ✓ Strategic blueprint for the future system
- ✓ Detailed enough to inform a legislative package
- ✓ Thoughtful on major implementation issues
- ✓ Directional understanding of future system costs

What it is not

- ✗ Detailed implementation plan for future system
- ✗ Bill language
- ✗ Detailed enough to inform administrative code
- ✗ Summation of unique individual provider costs

Technical Working Group plan

- **Charge:** Conduct due diligence and vetting to lay a foundation for successful implementation of the Commission's recommendations.
- **Timeline:** July – December 2020
- **Next steps:**
 - Identify and engage facilitator
 - Identify Working Group membership

*Initial Conclusions:
Management & Oversight Working Group*

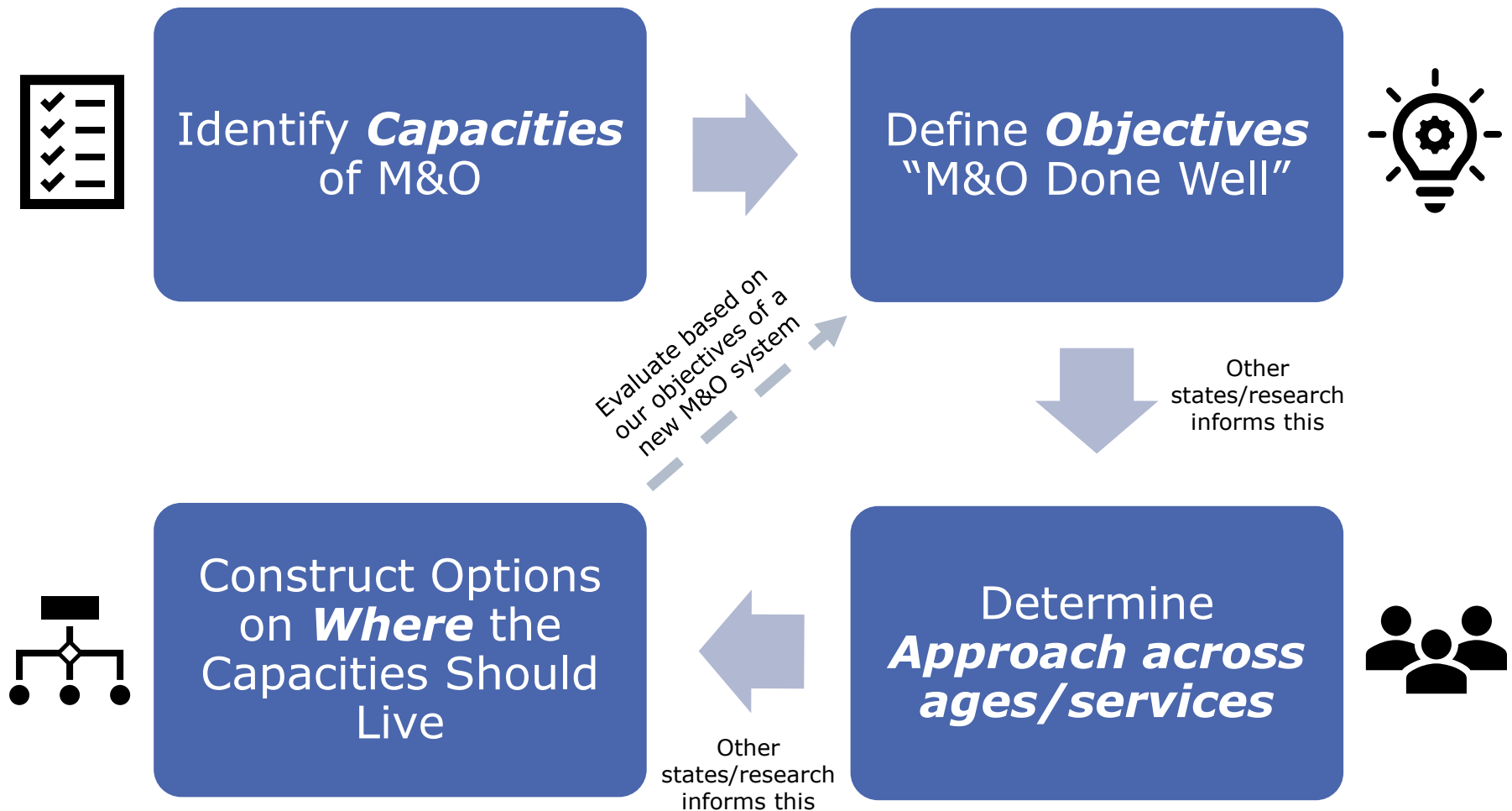
Management & Oversight Charge

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?

Process to Develop M&O Recommendations



Management & Oversight Capacities

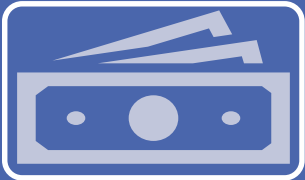


What are the state and regional capacities that a successful ECEC management and oversight system must possess?



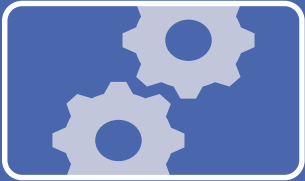
Policy Leadership

- Set & maintain statewide vision, goals, and priorities
- Set quality and early learning standards and guidelines
- Develop and implement system policies, rules, and regulations (including budget) based on family, community, and provider perspectives and needs in response to gaps
- Engage policymakers
- Partner and coordinate with other child- and family-serving state agencies and ECEC system advisory bodies



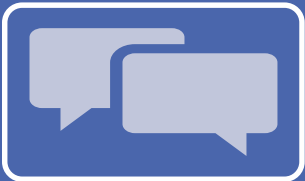
Funding & Oversight

- Use data and community perspectives to inform the budgeting process
- Make funding allocation decisions
- Administer funding distribution
- Conduct monitoring and compliance oversight



Infrastructure

- Develop leadership capacity to implement improvements to the ECEC system
- Collect, analyze, and evaluate systemwide data
- Manage system level continuous quality improvement
- Administer professional development and workforce development



Communications

- Report systemwide data
- Provide stakeholders with clear information and engage stakeholders in the decision-making process
- Create opportunities for input from families and providers

Management & Oversight Objectives



A management and oversight structure that possesses the previously described capacities will meet the following objectives:

Plan Cohesively for Sustainable ECEC

- Unify vision, decision making, communication
- Unify the definition of quality
- Design program models and funding streams to respond to family and community needs and system gaps and inequities
- Meet regulatory requirements
- Navigate political and administrative changes

Improve Access to High Quality & Ensure Equitable Outcomes

- Ensure sufficient capacity at regional/local level
- Use data to inform decisions on resource allocation to meet system and community goals, and prioritize resource distribution to achieve equitable outcomes for children
- Fund and incentivize high quality ECEC services

Improve System Transparency, Accountability & Efficiency

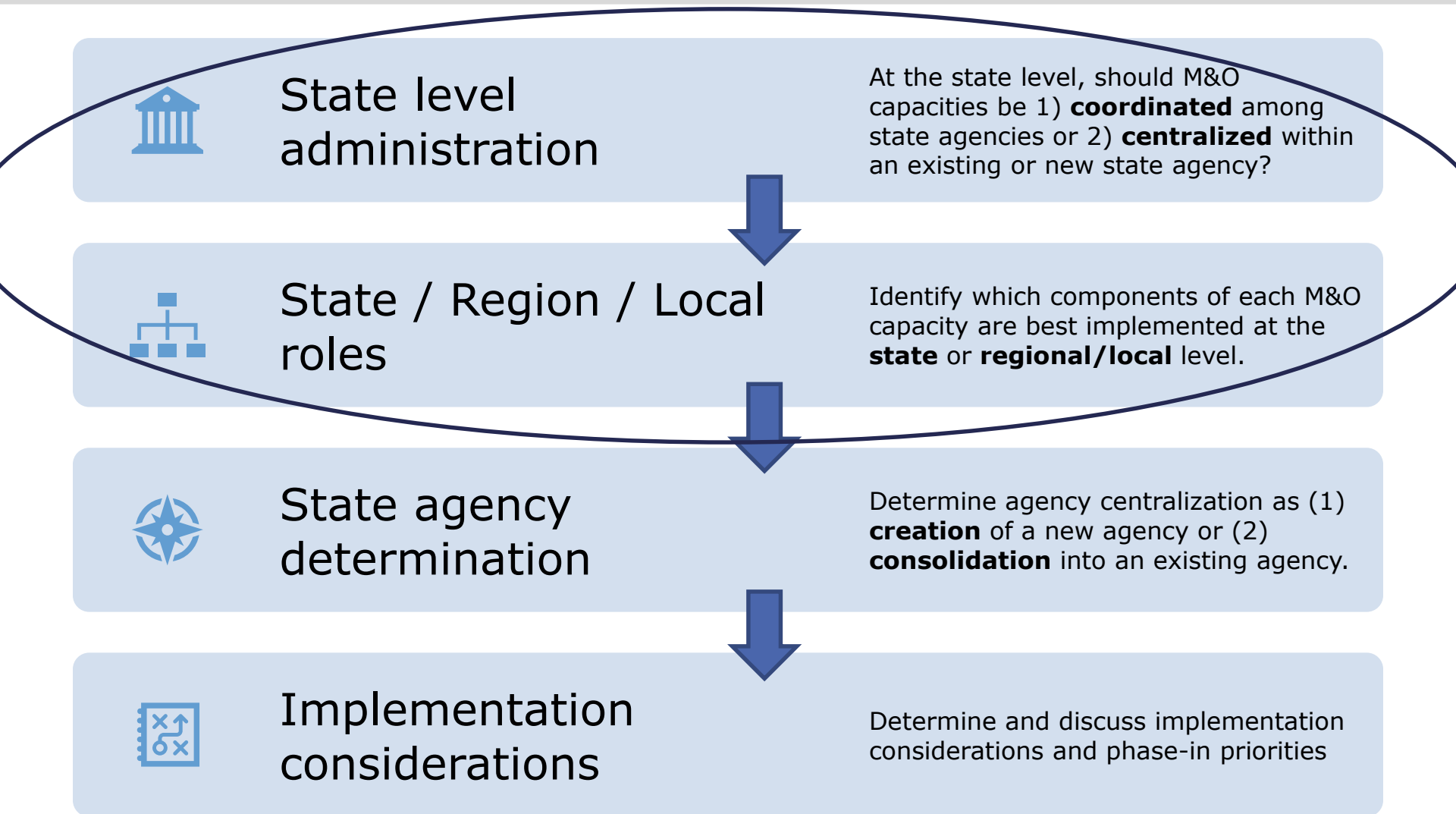
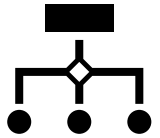
- Unify monitoring, data collection & reporting
- Send funding allocations to providers with time to plan
- Implement systems to support simplified funding distribution and reduce duplication of effort

Respond to Family Need and Earn Public Trust

- Unify family engagement and community systems strategies
- Implement accountability that is focused on family perspectives and data

Reminder: anything we create for recommendations will be assessed using these objectives¹⁸

Constructing options on where M&O capacities should live (to fulfill M&O objectives)



The Commission's Role Today

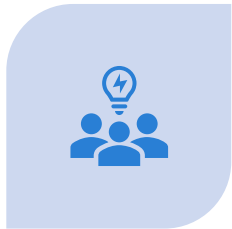
- What remaining questions must be answered?
 - What more do you need to know to be able to consider endorsing these recommendations in a few months?
- In a few months, we'll need to know: Do the following initial recommendations fulfill or align to the:
 - Management & Oversight Objectives?
 - Management & Oversight Capacities?
 - Commission Guiding Principles?

Recommendation: Centralize ECEC Management & Oversight in One Agency

Management & Oversight Key Questions	At the state level, should this capacity be <i>coordinated</i> or <i>centralized</i> for all ECEC services?	
	Current	Recommended
Who sets the vision and maintains and updates policies and priorities for the overall ECEC system in Illinois?	<ul style="list-style-type: none"> The Early Learning Council sets a vision for the overall ECEC system in Illinois. Multiple state agencies set visions for their portion of the ECEC system. GOECD and the ELC coordinate across agencies. 	<p>A centralized state ECEC entity:</p> <ul style="list-style-type: none"> Sets the vision and maintains and updates policies and priorities for the overall ECEC system in Illinois.
Who allocates funds and distributes them?	<ul style="list-style-type: none"> ISBE allocates and distributes some funds. IDHS allocates and distributes some funds. 	<ul style="list-style-type: none"> Allocates and distributes funds.
Who holds recipients accountable for what they do with funding?	<ul style="list-style-type: none"> ISBE has a funding accountability system. IDHS has a funding accountability system. 	<ul style="list-style-type: none"> Holds recipients accountable for use of funds.

How did we come to conclusion on centralization of ECEC instead of coordination across multiple agencies?

- ✓ We considered that the current multi-agency structure has hindered progress and has created confusion for providers and families, including most recently with the pandemic
- ✓ We reviewed each Management & Oversight capacity area:



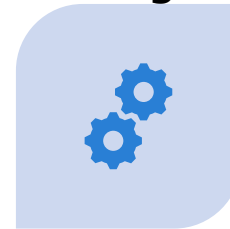
POLICY LEADERSHIP

WE NEED ONE VISION,
ONE SET OF QUALITY
STANDARDS, ONE
AUTHORITY FOR
PROVIDERS



FUNDING & OVERSIGHT

WE NEED SIMPLIFIED,
STREAMLINED FUNDING
ALLOCATION AND
DISTRIBUTION



INFRASTRUCTURE

WE NEED SYSTEMWIDE
DATA AND UNIFIED
EFFORTS ON
PROFESSIONAL &
WORKFORCE
DEVELOPMENT AND
QUALITY IMPROVEMENT



COMMUNICATIONS

WE NEED A CLEAR,
UNIFIED ABILITY TO
LISTEN AND ENGAGE

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



Next Step: State agency determination

Does centralization mean (A) **creation** of a new agency or (B) **consolidation** into an existing agency?

Conclusion: Fulfill some M&O Capacities at the Regional Level

Regional/local management & oversight is directly tied to M&O objectives:



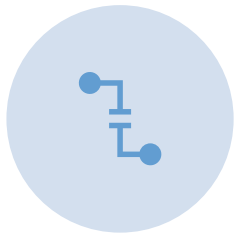
Plan for sustainable ECEC services:

Incubate capacity, address services gaps, build quality



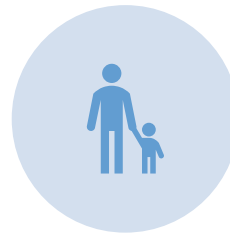
Equitable access and outcomes:

Creating equity requires local input and approaches.



Transparency, efficiency, and accountability:

Integrate and align services and accountability



Respond to family needs and earn trust:

Reflect local context and differences in parent choice in services, capacity and supply, community infrastructure, etc.

The Commission's Role Today

- What remaining questions must be answered?
 - What more do you need to know to be able to consider endorsing these recommendations in a few months?
- In a few months, we'll need to know: Do the following initial recommendations fulfill or align to the:
 - Management & Oversight Objectives?
 - Management & Oversight Capacities?
 - Commission Guiding Principles?

*Initial Conclusions:
Funding Mechanism Working Group*

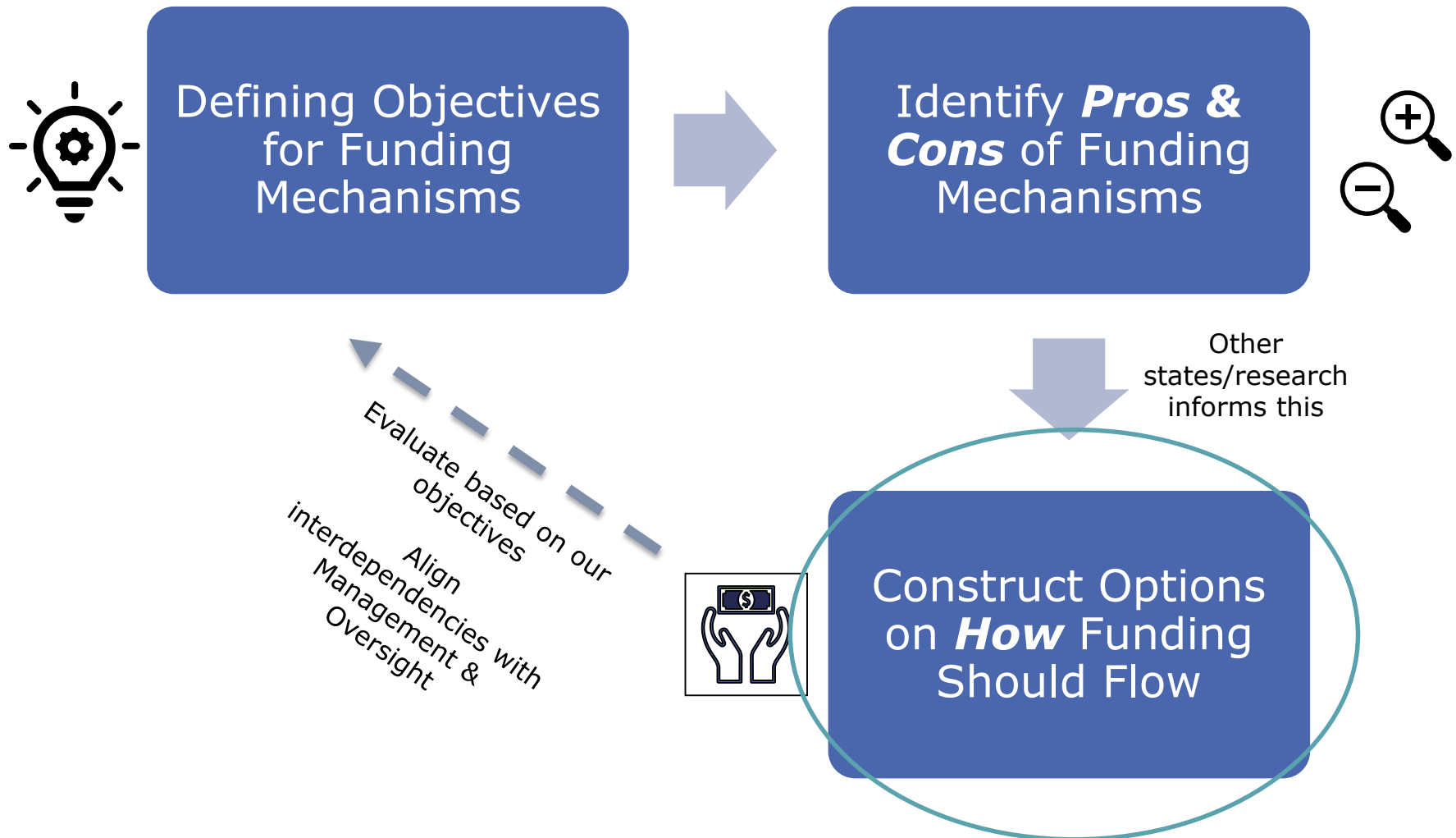
Funding Mechanism Working Group Charge

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

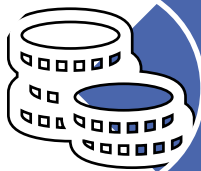
Key Questions to Answer:

- **How 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**?
- How can **funding mechanisms be improved** to support the Commission's guiding principles?
- What **funding innovations** could increase efficiency of existing funding?

Process: How We Get to Funding Mechanism Recommendations



Objectives for Future System of Funding Mechanisms



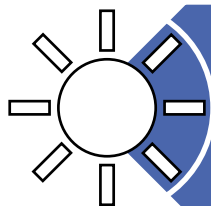
Stability and sustainability

- Support long term planning with funding allocation commitment durations
- Release funds to service providers predictably with consideration to annual planning
- Build and use state, regional, and local infrastructural capacity to support ECEC services
- Ensure all types of providers in the mixed delivery system are able to provide high quality services



Equitable access to high quality ECEC

- Structure allocation methods to prioritize equitable distribution of and access to services
- Support and incentivize high-quality, effective service delivery
- Ensure specific consideration for program start-up, maintenance, and innovation
- Include resources to support Continuous Quality Improvement at the program and system levels



Transparency, accountability, and efficiency

- Simplify access to funding for families and providers and reduce administrative burden
- Create clear, accessible communication on allocation process across the ECEC system
- Make clear how mechanisms are monitored and overseen
- Unify or sync funding distribution timelines



Responsiveness to community and family need

- Ensure Funding allocation considers individual community needs and context
- Incentivize flexible use of funds to meet community needs and context
- Continue support across the birth-5 continuum and a mixed delivery system

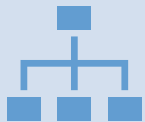
Initial Conclusions: Funding Mechanisms



Construct a **new funding allocation process**

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



Construct a **new system of funding mechanisms**

Funds allocated through a coordinated process

Funds distributed for **streamlined uses** (e.g., education & care, home visiting, capacity & infrastructure, start-up & incubation)



Construct **new funding mechanisms**

Equity-informed per-child formulas for education & care and home visiting

Targeted, equity-informed grants for capacity & infrastructure and start-up & incubation

The Commission's Role Today

- What remaining questions must be answered?
 - What more do you need to know to be able to consider endorsing these recommendations in a few months?
- In a few months, we'll need to know: Do the following initial recommendations fulfill or align on the:
 - Management & Oversight Objectives?
 - Management & Oversight Capacities?
 - Commission Guiding Principles?

Working Group Update: Inclusion

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?

Key Funding Mechanisms and M&O Questions for Inclusion

Funding Mechanisms

- Should the existing mechanism for EI state appropriations be changed?
- What mechanism can best support a mixed delivery system for ECSE? Should this remain within EBF?
- Should EI and/or ECSE state funding be allocated through a coordinated process with other ECEC funds?

Management & Oversight

- Should EI and ECSE be governed alongside other ECEC services, in centralized agency?
- What capacities of EI and ECSE management & oversight should any regional/local ECEC entities fulfill?
- Is this already being fulfilled by existing regional/local entities?
- If so, should they be consolidated within any created regional/local ECEC entities if they are to be created?

What funding mechanism(s) for EI will best meet objectives and incentivize priorities?

Early
Intervention
General Revenue
Funds

Medicaid
Reimburse-
ment (EI)

IDEA Part C
federal funds

Family Fees

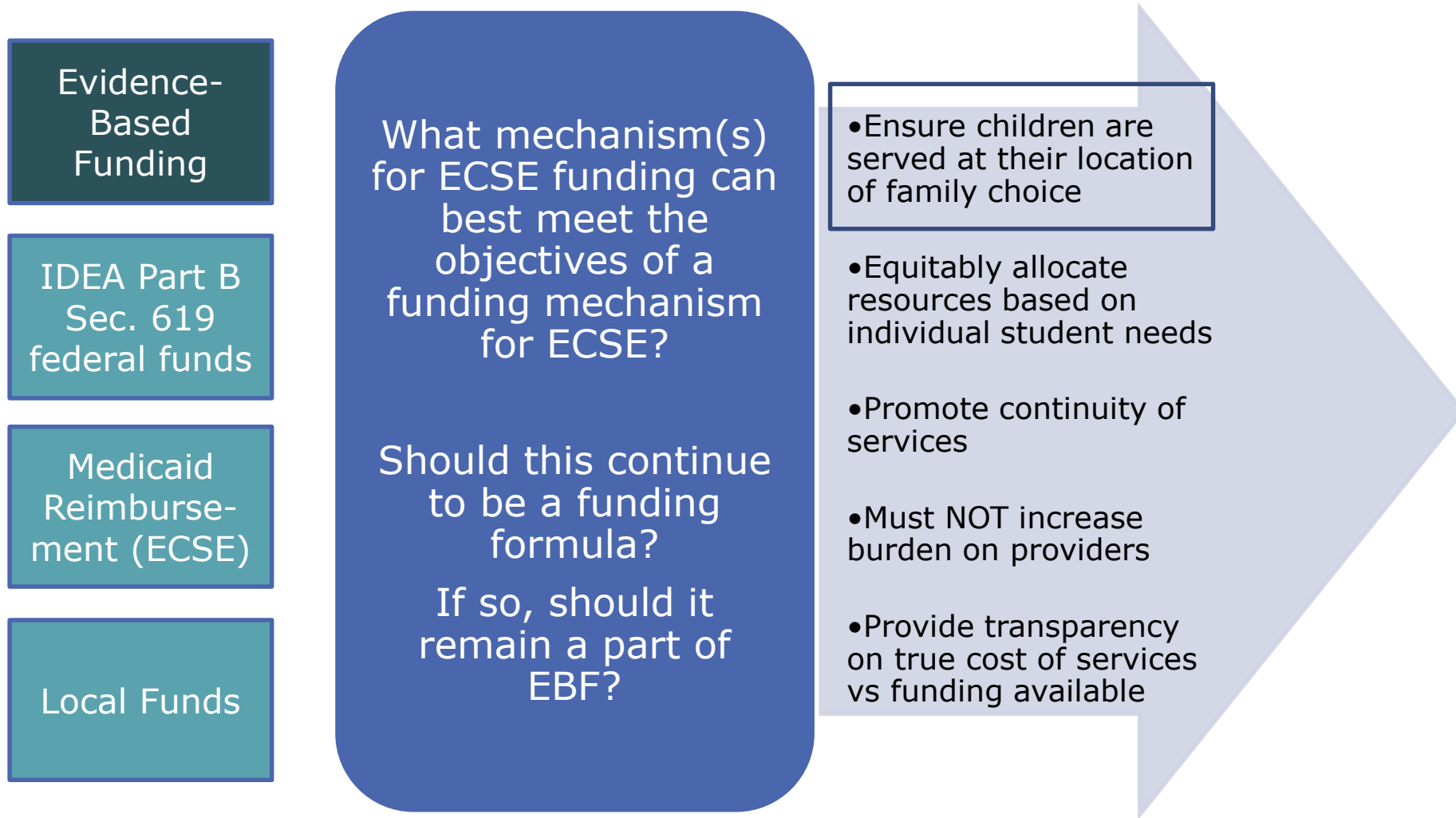
Private
Health
Insurance

What mechanism(s)
for EI funding can
best meet the
objectives of a
funding mechanism
done well?

Should the EI
funding mechanism
change – and if so,
to what? Or should
rules for
reimbursement
change?

- Incentivize effective training, collaboration, and smooth family service delivery
- Incentivize recruitment and retention of qualified service providers
- Incentivize providers to serve in high needs areas
- Incentivize smooth transitions between early intervention and receiving programs

What funding mechanism(s) for ECSE will best meet objectives and incentivize priorities?



For our next Commission discussion

The Inclusion Group recommends a future ECEC system **ensures** children are served **at the location of family's choice.**

Inclusion Working Group Next Steps

- Subgroups will focus on Early Intervention and Early Childhood Special Education funding mechanisms
- At our next Working Group meeting we will:
 - Solidify funding mechanism initial recommendations
 - Consider management & oversight structure
 - Report back on adequacy findings

*Working Group Update:
Funding Adequacy*

Funding Adequacy

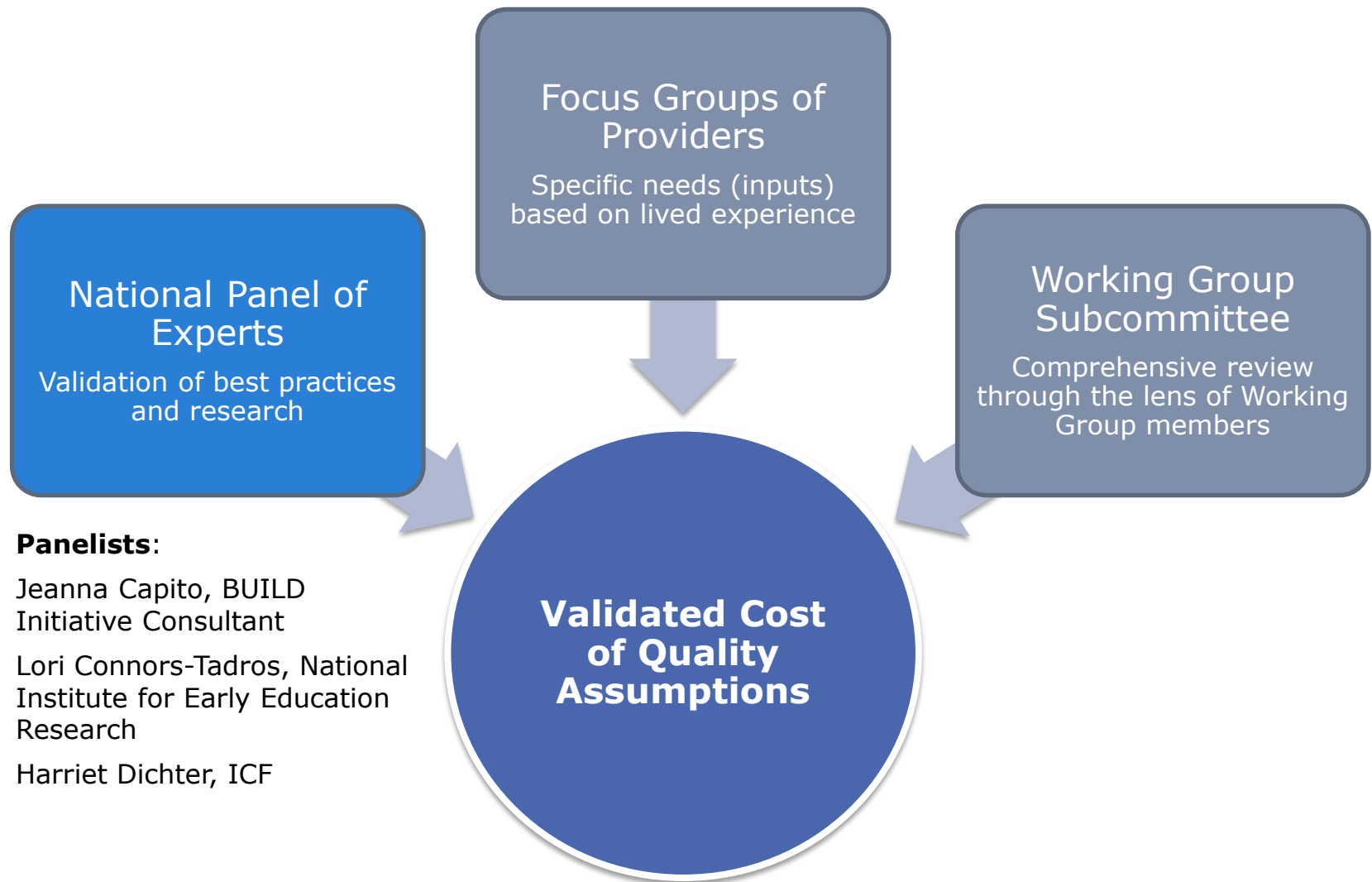
Working Group Charge

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?

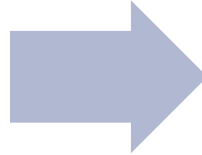
Validation approach to help us determine the cost of adequacy



Expert Panel Feedback

Overall assessment was consistent and very positive.

- All three panelists agreed that the approach is comprehensive and technically sound.
- They also agreed that the model is thoughtful in its use of research, available data, professional judgments, and provider and stakeholder input.



Specific points to consider are under evaluation.

- Different expectations or standards for quality across settings (different calculation of inputs)
- Review approach to group sizes
 - Should CBO and district classroom sizes be adjusted down, rather than assuming open capacity?
- Should FCC estimates assume provider's own children are in care?

Commission discussion on conceptualizing equitable access

Key outcome: All families should be able to participate in all services; the state should use income to determine family co-pay. Given this, the Commission has validated the core approach to the cost model.

The Commission aligned on the following:

- All services should be available to all who want them
 - Potential age restrictions for intensive home visiting (0-3) and school-based services (3-5)
 - Some factors may determine priority during scale-up to promote equity, such as prioritizing historically underserved communities
- Income should be the dominant factor in determining level of family co-pay
 - Avoid creating co-pay cliffs
 - Income may also determine priority during scale-up of public funds
- Services for children with special needs must be provided without co-pay
- Other considerations:
 - One group noted family work status could be used to determine eligibility for full-workday or full-year ECEC

We must *dig deeper* to identify specific adequacy costing decisions

- Which children and families should be included in the cost model for which **program models (intensities)**: *part-day school-year, school-day school-year, full-day full-year*? What, if any, co-payment should be assumed based on which criteria?
- Which children and families are should be eligible for **comprehensive/wraparound services**, above and beyond high-quality services? How do we reflect this in the cost model?

How do we think about this given the goal of
mixed income settings?

Funding Adequacy Working Group Next Steps

- At our next Working Group meeting we will:
 - Finalize our validation of the cost model
 - Prepare to share initial conclusions at the July Commission meeting
 - Discuss goals and methods for periodically reviewing the cost model and funding adequacy

Stakeholder Engagement

Stakeholder Engagement Call for Feedback and Recommendations

Commission members or members of the public who would like to provide written feedback on the Working Groups' initial conclusions or any other materials presented or discussed at the Commission are invited to do so.

Please submit your written feedback to the Commission by emailing it to bethany.patten@Illinois.gov.

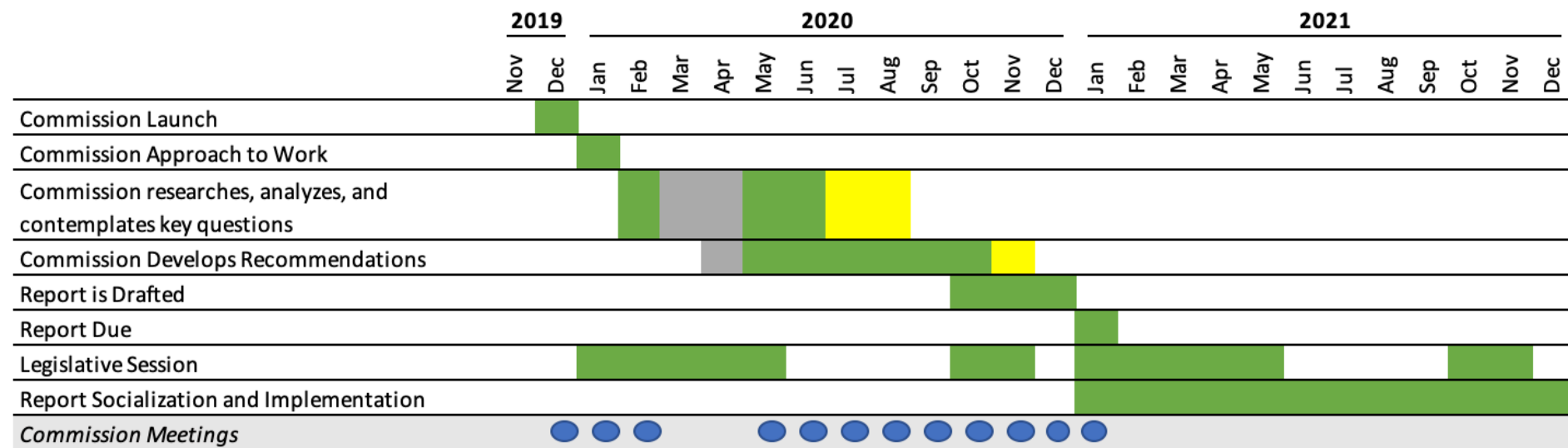
Next Steps

Working Group Decision Points

Anticipated Key Topics	Full Commission	Funding Adequacy	Management & Oversight	Funding Mechanisms	Inclusion
June	M&O and/or Funding Mechanism initial recommendations	Cost Model Validation	State Agency: Consolidation vs. Creation State vs. Regional Capacities	Mechanisms appropriate for key services	Current M&O and Mechanisms Pros & Cons
July	Funding Adequacy initial recommendations	Cost Model Validation Process to periodically re-evaluate adequacy		Full Mechanism System Build-out	M&O / Mechanisms Inputs
August	Inclusion, M&O, and/or Mechanism recommendations	Funding sources	Future M&O / Mechanisms System Build-out		Funding Adequacy Input
Sept/Oct		Iterations and responding to Commission feedback as needed			

Commission Timeline - *Revised*

The Commission will deliver its report by January 2021 with consideration to the Governor's budget address and legislative session timing.



Next steps

- **Working Groups will meet virtually** 6/29-6/30
- July **Commission Meeting** will be held virtually on **Tuesday 7/14**
- Between the remainder of **June – August**, Working Groups will continue to bring **initial conclusions** to the full Commission for feedback
- We will organize and kick off the **Racial Equity and Technical Working Groups**, as discussed today
- We will **continue to assess the public health crisis and its impact** on our work, our priorities, and our timeline

Public Comment

Thank You

