**Background**

Illinois’ Governor established the Commission on Equitable Early Childhood Education and Care Funding in December of 2019 with the charge to *“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.”* To deliver on this charge, the Commission has created four Working Groups oriented toward particular topics. One of these four Working Groups – the Funding Adequacy Working Group – has the goal to *determine the cost of providing high quality ECEC services and how to fund over time.* The first objective in this work is to come up with a comprehensive understanding of the cost of providing high quality ECEC services. We have a start point to work from for this work: as part of the Preschool Development Grant application, Illinois developed a draft funding adequacy model and report. The Funding Adequacy Working Group has been reviewing this draft report and seeks to improve upon it to come up with its adequacy recommendation.

**Expert Panel’s Role**

This Expert Panel is one of several mechanisms being put in place to analyze, improve, and validate the PDG model. Members of this panel are being asked to ***opine on the model’s approach and inputs through the lenses of best practice and research***. Panelists are asked the following key questions:

1. Is the modeling approach appropriate and based on best practice? Are there recommendations to enhance the approach?
2. Are the model inputs (especially staffing patterns and compensation) for *cost of quality* based on sound research and best practice? Is there other research we should be incorporating?
3. What other recommendations are there to enhance or improve the model toward achieving the Commission’s goals?

**Expert Panel Feedback**

*Is the modeling approach appropriate and based on best practice? Are there recommendations to enhance the approach?*

In general, expert panelists were very positive in their overall assessment of the existing cost model. 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.

Some specific notes on overall approach include:

* Defining the Parameters of the Plan with key stakeholders was an important first step, and addressed appropriate considerations for a comprehensive early care and education (ECE) system that is responsive to the variety of needs of children and families in this age group.
* Consider adding a “value” on hopes for children through adequate funding. As a result of an equitable, adequate and efficient funding of a high-quality early care and education system, what would that feel/look like for children? The focus of quality should be on the strongest predictors of child development, learning, and well-being: teacher–child interactions and safe, supportive environments.

*Are the model inputs (especially staffing patterns and compensation) for cost of quality based on sound research and best practice? Is there other research we should be incorporating?*

There were no significant concerns about soundness or rationale of model inputs for cost of quality. Panelists agreed the model does a thorough job of identifying the specific resources of the early care and education models used to estimate per child costs, and that these inputs were grounded in sound research and best practice. Specific areas noted include:

* Staffing Patterns:
  + Staffing patterns are sufficient or more, especially in regard to planning time and additional professional staffing in centers and FCC.
  + The staffing structure and patterns which include a continuum of quality and related services allows stakeholders to see a differentiated ECE system that is responsive to the needs of children and families in the state.
* Staffing Qualifications and Salaries/Wages:
  + Each model reflects sound research and best practice on the staffing qualifications and levels that the research indicates will result in a quality experience for children, and most important to children’s outcomes.
  + Constructing a reasonable salary structure that accounts for the different settings and staff qualifications was undertaken in a logical manner. Ensuring the model estimated costs with projected compensation parity (wages/salary and benefits) rather than current salaries, and utilizing a range of sources for this data (both national public data sets and local and state data), contribute to a robust and sound approach to these model inputs.
* Other Supports:
  + The inclusion of funding for mental health consultations is applauded, as it is going to be even more important in the immediate future as children respond to the impact of the pandemic on their families, especially for vulnerable families.
* Child Count:
  + Estimating/predicting family choice, based on current behavior, is challenging and many researchers and policy makers struggle with this; however, the existing model does an excellent job of reviewing the research and national and state data, and making the best predictions possible.

Several items to further explore or consider adjusting included the following:

* Definition of high quality and comprehensive
  + One panelist noted there were different expectations or standards for quality across settings. While the model introduced one element of reform or transformation, which is salary parity, it accepted that there are different ideas about what constitutes quality service delivery. The report should better explain why that assumption has been made, and how the model embraces a unified vision not just of salary levels but also of quality expectations and services for children and families.
  + The Illinois definition of a comprehensive service model does not include full comprehensive services as they are more commonly understood (such as dental services, deep family engagement approach such as family goal setting, etc.). The inclusion of an additional aide and lower group size reflected in Illinois’ definition of comprehensive may be confusing to some. Be more clear on this definition or considering using a different terminology.
* Salaries/wages:
  + It may helpful for policymakers to understand how IL compares to other states in terms of salaries, wages, and workforce policies to provide further rationale for the recommendations for salary and wage increases.
* Group Sizes:
  + One panelist recommends the high-quality preschool group size and potentially the comprehensive max group size be closer to 16 (currently 20 and 17, respectively). The panelist provided several resources for review and consideration.
  + The FCC assumption on families taking care of their own children and thus lowering group size by 2 should be further explored and sources referenced. This has not necessarily been found to be generally true.
* Special Education:
  + It is unclear how the $15,000 in additional funds to serve children with moderate or severe needs in community-based organizations was determined, and if this is an average across all ages, and settings. *Note: This has already been noted as an area needing further refinement and is being discussed in the Inclusion Working Group.*

*What other recommendations are there to enhance or improve the model toward achieving the Commission’s goals?*

Panelists provided thoughtful recommendations for enhancements to the model and next steps in the process:

* **Clear immediate next steps**, even if broad statements, may be useful to help the reader clearly understand what comes next. States and communities frequently think the sheer act of completing a model is the end of the process. Be clear that it is not.
* **A theory of change** on how the various inputs of the model that you have outlined and monetized in the report will contribute to/lead to improvements in program quality and child outcomes could be helpful in both communicating and grounding the cost model in policy development.
* While the ratios and group sizes that are presented in the model are appropriate and improve upon those required by licensing, which is fundamental to improving quality, they are costly. A suggested next step in the analysis is to **develop cost-benefit models** that show the trade-offs (for example: in savings by reduced group sizes for very vulnerable children through prevention of more deleterious and costly interventions). *Note: this is in process.*
* The model uses the National Academy of Sciences metric of applying 8% as **the system level costs**. This cost requires further examination and refinement. The Funding Adequacy Workgroup should undertake a more detailed analysis of state offices that oversee programs birth to five, providing the services included in the cost model to determine the current expenditures and adequacy of these resources (e.g., state staff, contractors, data systems) for supporting a comprehensive, state-wide, early care and education system. *Note: this is slated for evaluation after Management & Oversight recommendations are structured.*
* There will be ramp up, recruiting, systems building, IT, costs that will be needed as the system grows to serve 70% of eligible children and these costs would need to be built into state or local budgets. Therefore a next step is to do a projection on **how to phase in** these enhancements and costs embedded in the model.