



# **Commission on Equitable Early Childhood Education and Care Funding**

Joint Working Group Meeting

*Management & Oversight and Funding Mechanisms*

October 1, 2020

# Meeting reminders



- Add your name to your Zoom (click on the 3 dots)
- Consider being on video to help with overall engagement
- Mute self when not speaking
- Use Raise Hand function or Chat for questions (send to everyone)
- Technical issues can happen to anyone – chat privately to Bethany or Carrie for any needs
- If you are experiencing an unstable connection - switch to phone call or close other applications
- Members of the public will have an opportunity to speak at the end of the meeting

# Today's Goals

- Take account of **draft recommendations** for the centralized system of funding and governance and **feedback from the Commission meeting**
- Determine specific **community and regional roles** that are required to meet our objectives
- Determine **input and oversight needs** for a new ECEC state agency



# Today's Agenda

Agenda Item	Time
Status of Draft Recommendations & Feedback from Commission Meeting	3:00-3:15
Regional and community roles	3:15-4:00
Input and oversight needs for a new agency	4:00-4:45
Next Steps	4:45-4:55
Public Comment	4:55-5:00

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## *Status of Draft Recommendations & Feedback from Commission Meeting*

## Draft Recommendations:

Create a new early childhood education and care state agency and a centralized system of funding



### **One Re-designed Funding System**

**Centralize funding distribution and allocation**, streamlining how funding distribution from the state to providers, aligned with Guiding Principles



### **One New State Agency**

Centralize ECEC state agency programs and capacities from three agencies to **one new agency** to effectuate the new system of funding



### **One Funding Goal**

Articulated ECEC **funding adequacy calculation**

# Our last Commission meeting focused on these draft recommendations

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- Most commissioners expressed **support for a new ECEC agency and centralized system of funding**
- Illinois Federation of Teachers voiced an alternate opinion, **supporting the concept of centralization** of ECEC but **within the Illinois State Board of Education**
- Some aspects of the **draft recommendations need further exploration**, now and later

# Our working group's recommendations impact potential legislation as well as the work of transition and implementation

What recommendations will satisfy the charge by...

## Informing legislation?

### Foundational recommendations

- Commission recommendations that can inform a legislative package

## Providing a **road map** for how to get to an ideal state?

### Transitional recommendations

- Recommended next steps to support future thoughtful policy change
- Packaged with associated guardrails, priorities, guiding principles, and/or interim findings

## Guiding a new **agency's decision making**?

### Operational recommendations

- May include recommended guardrails, guiding principles, or considerations for a new ECEC agency

# Three key questions today related to future state

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- What **types of regional and community level functions** should be articulated in our final report to ensure **capacity and equity** for both families and providers?
- How should a new agency's policymaking be **informed and overseen**?
- What **aspects** of the new agency's work should be informed and overseen?

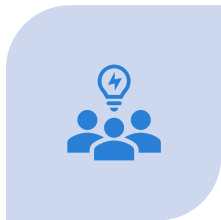
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## *Regional & Community Roles*

In previous M&O working group meetings, we agreed that regional & community structures will be important

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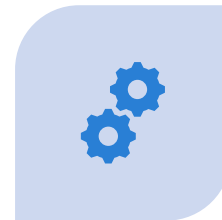
In fact, within each of our articulated management and oversight capacities, there may a need for regional and community structures.



**POLICY  
LEADERSHIP**



**FUNDING &  
OVERSIGHT**



**INFRASTRUCTURE**



**COMMUNICATIONS**

What **types of regional and community level functions** should be articulated in our final report...

...to **ensure capacity and equity** for both families and providers?



**Provider incubation**



**Provider training and technical assistance**



**Funding intermediary**



**Community-driven planning**



**Family engagement and support**



**Stakeholder engagement**



**What else?**

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## *Policymaking Input and Oversight Needs*

# How should a new agency's policymaking be **informed and overseen**?

## What groups can serve in advisory capacity?



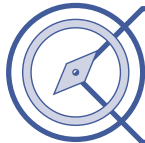
**Public and private entities across the ecosystem**



**Families**



**Providers**

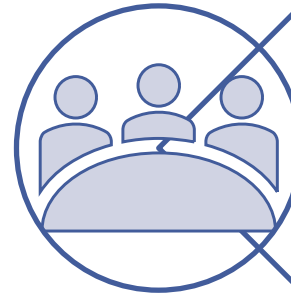


**State agency leaders**



**Who else?**

## How should governance be structured?

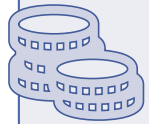


**Board**



**Executive branch**

# What **aspects** of the new agency's work should be informed and overseen?



**Funding adequacy**



**Funding mechanisms and  
resource allocation**



**Equity**



**Workforce development**



**Licensing and quality**



**What else?**

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*Next steps*

# Commission's priorities through year-end

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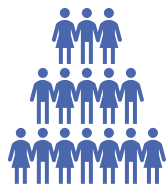
As we shift from research and analysis into decision-making, our **priorities for the last few months** of the Commission's work are to **hear and incorporate feedback from**:



Racial equity impact assessment



Technical working group



Stakeholders for feedback

# Next steps

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- **Racial Equity and Technical Working Groups** commence work
- October **Commission Meeting** will be held virtually on **Tuesday 10/13**
  - Review finalized funding adequacy outcomes
  - Engage with national expert panel on draft recommendations
  - Identify additional areas for inquiry on draft recommendations
- We will **continue to assess the public health crisis and its impact** on our work, our priorities, and our timeline

# *Reflections on today's discussions*

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# Public Comment

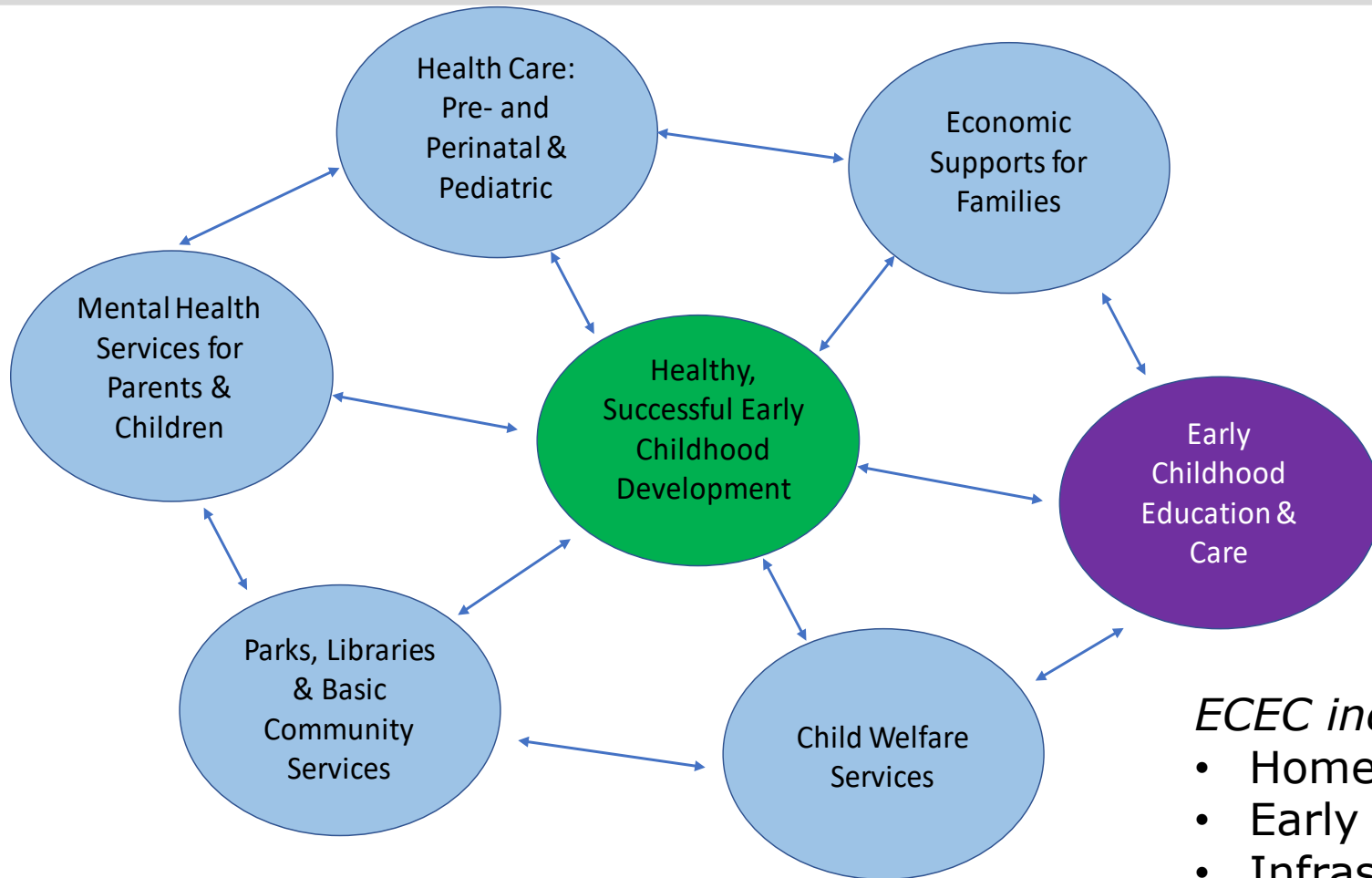
# Thank You



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# Supplemental Slides

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



*ECEC includes:*

- Home visiting
- Early learning
- Infrastructure for these services

# Management & Oversight Objectives

**REVISED BASED ON FEEDBACK TO INCLUDE RACIAL EQUITY LANGUAGE**

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



**Ensure equitable access and support equitable outcomes for children and families, with an intentional focus on race/ethnicity, income, language, age, and geography.**

## **Plan Cohesively for Sustainable ECEC:**

- Unify vision, decision making, and communication.
- Unify the definition of quality.
- Design program models and funding streams to respond to family and community needs and address system gaps and inequities.
- Adopt a diversity, equity, and inclusion framework to guide decision-making.
- Meet regulatory requirements.
- Navigate political and administrative changes.

## **Improve Access to High Quality & Ensure Equitable Outcomes:**

- Ensure sufficient capacity at regional/local level.
- Use disaggregated data to inform decisions on resource allocation to meet system and community goals.
- Prioritize resource distribution to reconcile past underinvestment and support equitable access and outcomes.
- Fund and incentivize high quality ECEC services, including racially/ethnically inclusive opportunities for quality improvement and equitable resource distribution to underserved communities.

## **Improve System Transparency, Accountability & Efficiency:**

- Unify monitoring, data collection, and reporting and monitor equitable access to resources.
- 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, engaging diverse stakeholders in an inclusive decision making process.
- Implement accountability that is focused on family perspectives, data, equitable access to high quality ECEC, and equitable outcomes for young children and families.

# Management & Oversight Capacities

## REVISED BASED ON FEEDBACK TO INCLUDE RACIAL EQUITY LANGUAGE

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



A successful Management & Oversight system must possess the capacity to drive our system toward equitable outcomes for children. The system must intentionally focus on racial and ethnic disparities, income disparities, language, culture, geography, and age. This requires rooting out racism and dismantling existing systems of oppression that produce inequitable outcomes and transforming policies and practices through application of a racial equity framework to reconcile past harms, establish guardrails against reproducing inequity, and lead to the development and execution of all other capacities that help children thrive.

### **Policy Leadership:**

- Set & maintain statewide vision, goals, and priorities that drive equitable access to high-quality ECEC and equitable outcomes for children and families.
- Set quality and early learning standards and guidelines based on the science of early childhood development and informed by anti-racist approaches and the families and providers directly impacted by the standards and guidelines.
- Develop and implement system policies, rules, and regulations (including budget) based on diverse family, community, and provider perspectives and needs in response to gaps.
- Engage policymakers.
- Coordinate with other child- and family-serving state agencies and ECEC system advisory bodies to ensure comprehensive and responsive supports for families.

### **Funding and Oversight:**

- Use data and community perspectives to drive the budgeting process.
- Make funding allocation decisions that ensure equitable allocation of resources and equitable access to quality services.
- Administer equitable funding distribution mechanisms.
- Conduct monitoring and compliance oversight designed to support equitable outcomes for all children.

### **Infrastructure:**

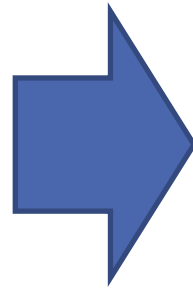
- Develop leadership capacity to implement improvements to the ECEC system.
- Collect, analyze, and evaluate systemwide disaggregated data.
- Manage system level continuous quality improvement.
- Administer professional development and workforce development.

### **Communications:**

- Regularly report systemwide disaggregated data and progress toward equitable access, quality, and outcomes.
- Provide stakeholders with clear information and engage stakeholders in the decision-making process.
- Create equitable and inclusive opportunities for collaborative decision-making with families and providers.

# The Commission's Report, in response to the charge, will inform legislation

"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."



1. Funding Goals: How much **increased investment** is required to reach **funding adequacy** across the state for early childhood education and care
2. Funding Mechanism: How the **system of funding** should be redesigned to promote the Commission's Guiding Principles
3. Implementation: How **management & oversight** should be structured to implement the new system of funding

# The Commission's deliberations and draft recommendations have been consistently informed by our 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.

## Ensure Equity

- We will endorse a system that ensures 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.

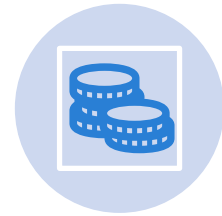
# Through our recommendations, the Commission seeks to address critical challenges in today's ECEC system



**INEQUITABLE ACCESS** TO HIGH QUALITY SERVICES, ESPECIALLY RACE, ETHNICITY, GEOGRAPHY, & AGE



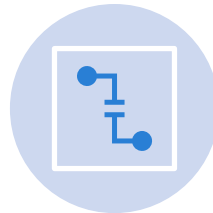
**CHALLENGES FOR FAMILIES** TO NAVIGATE THE SYSTEM



**INSTABILITY OF FUNDING** FOR PROVIDERS



**INSUFFICIENT DATA** TO INFORM EQUITABLE DECISION MAKING AND FUNDING



DISAGGREGATED  
**ACCOUNTABILITY AND  
DECISION MAKING**



**INADEQUATE FUNDING,** INCLUDING WORKFORCE COMPENSATION

# Centralized ECEC funding allocation and disbursal would include these **funding sources** and **programs**

## Funding Sources

**State General Revenue**  
Early Childhood Block Grant

**State General Revenue**  
Child Care Assistance Program

**Federal Child Care Development Fund**  
Child Care Assistance Program

**Federal TANF (a portion)**  
Child Care Assistance Program

**State General Revenue**  
Healthy Families Illinois & Parents Too Soon

**Federal MIECHV**  
MIECHV

**State General Revenue**  
Early Intervention

**Federal IDEA Part C**  
Early Intervention

**Evidence Based Funding (a portion)**  
Early Childhood Special Education

**Federal IDEA Part B Sec 619**  
Early Childhood Special Education

**Federal Child Care Development Fund**  
Licensing

**Federal Office of Head Start grant**  
Head Start State Collaboration Office

## Programs

**Early Childhood Block Grant**

**Child Care Assistance Program**

**Home Visiting**

**Head Start State Collaboration Office**

**Early Intervention**

**Early Childhood Special Education**

**Licensing**

Currently  
ISBE

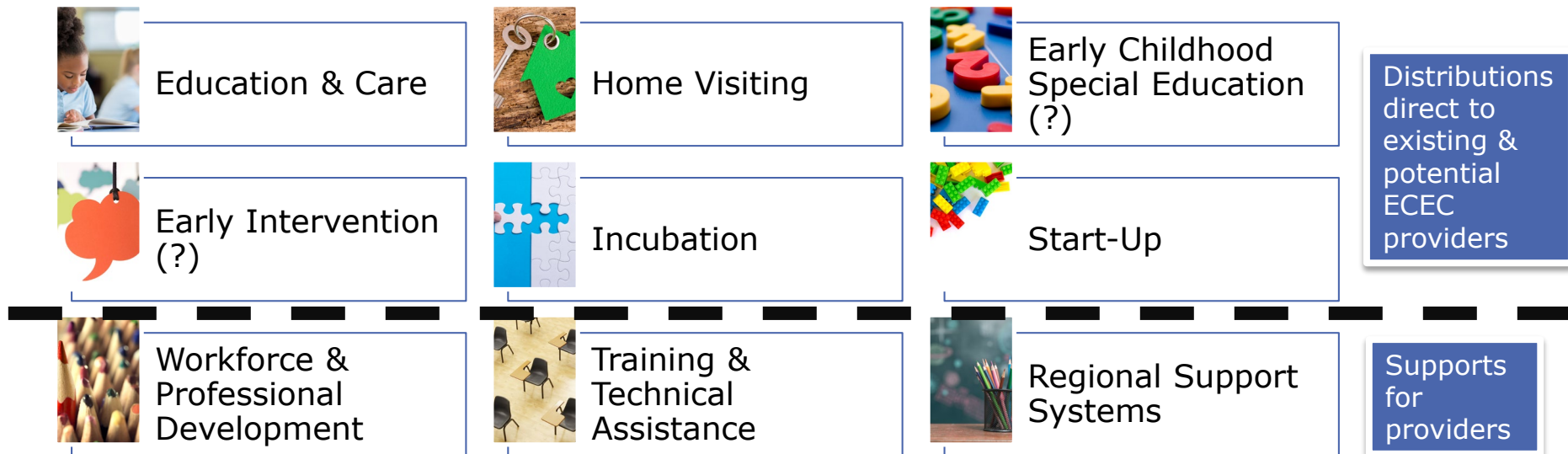
Currently  
IDHS

Currently  
DCFS

Recommendation  
Forthcoming

# Centralized ECEC funding would be **distributed** to support these **services**

Services above the line could be part of the ECEC agency's centralized funding distribution process to existing & potential ECEC providers



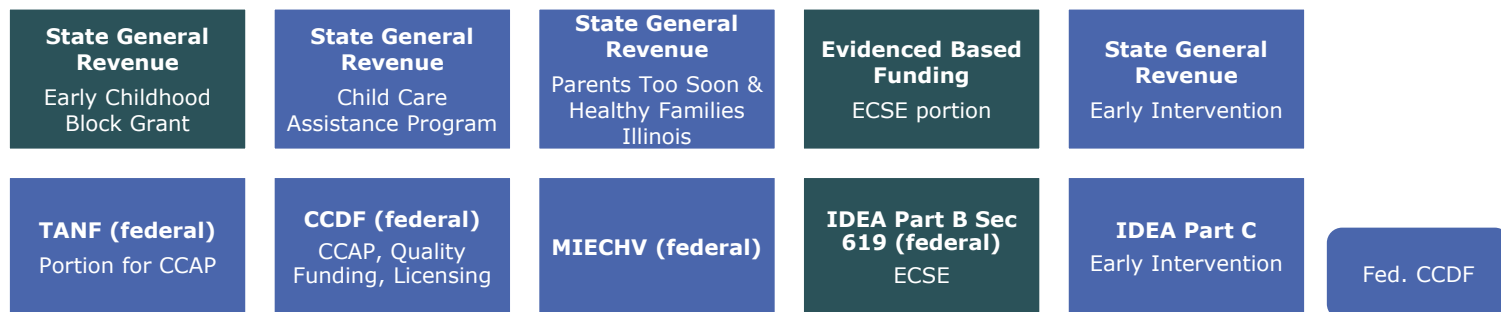
Supports below the line are envisioned as part of the agency's budget to conduct all management & oversight capacities

# Centralized ECEC funding would be **distributed** to support these **services**

## Funding Sources

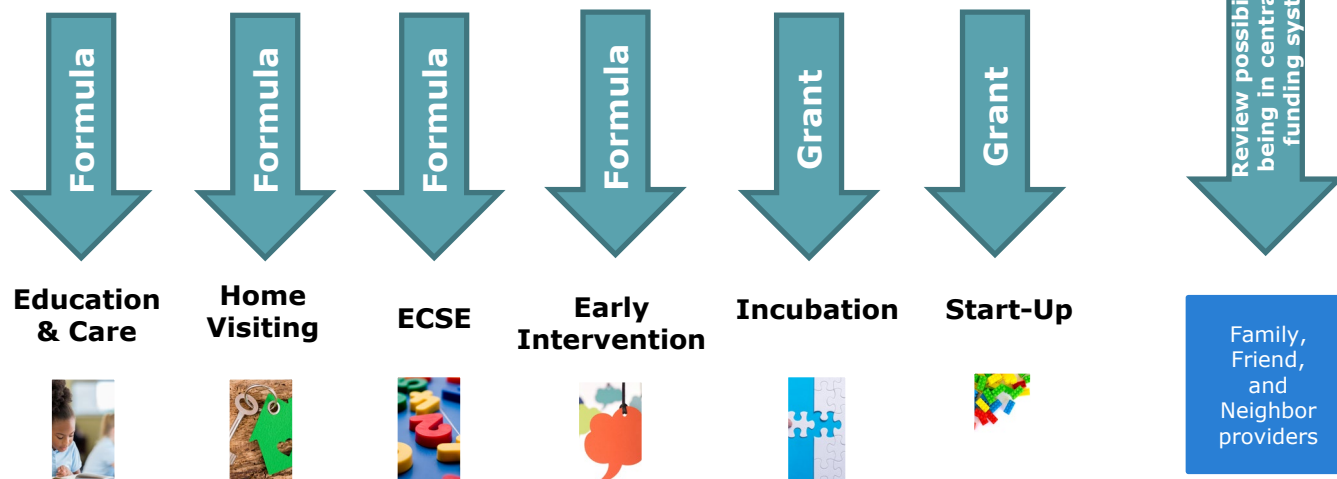
Currently ISBE

Currently IDHS



## ECEC Agency Centralized System of Funding

## Contract designates...



## Funding Distributions

# Centralized **allocation and disbursal mechanisms** will promote equity, transparency, efficiency, and stability



## **Funding allocation: formula-based grants**

**Goal: minimize reimbursement-based and delayed funding**

**ECEC and Home Visiting:** grants based on equity-informed per-child or per-classroom formulas

**Capacity building, start-up, and incubation:** targeted, equity-informed grants



## **Funding disbursal: multi-year contracts**

**Goal: increase consistency and stability**

**New Providers:** targeted, equity-informed RFP process

**Returning Providers:** multi-year contracts, with reauthorization based on uniform accountability standards

# Centralizing funding sources within one agency will require changes

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These include:

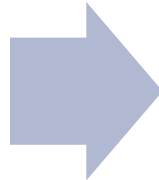
- Changing the **use designation of state general revenue and certain federal funds** for some or all of ECBG, CCAP, PTS, HFI, EI
- Providing those state general revenue and federal dollars to the ECEC agency to **distribute in a new, centralized system**

# An example ...

## TODAY

Provider may receive:

- 1) CCAP
- 2) Preschool for All
- 3) Prevention Initiative for center-based care



## NEW SYSTEM

Provider may receive:

Formula-based disbursement for education & care services\*

\*could be weighted for age of children, level of service, need designation, region, etc.

# Working groups believe **creation of a new agency** can best meet the Commission's charge and principles

1



Create new ECEC Agency

2



Centralize within ISBE

3



Centralize within IDHS

*Alternative: Remain in the status quo (coordination)*

# Creation of a New State Agency:

The advantages are significant, and there are known complexities



## PROS

- + Exclusive ECEC mission focus
- + Elevates ECEC policy matters
- + Creates clear lines of authority on ECEC matters
- + Creates one accountable entity for racial equity and other work
- + Creates statewide ECEC leadership and a cabinet level voice for ECEC
- + Has led to increased profile of and demand for high-quality ECEC services
- + May be easier to find exceptional talent to lead and manage a new agency
- + Requires and allows for outlining of leadership capacities at each level of bureaucracy

## CONS

- Complex: likely requires 2-3 years to fully accomplish
- Requires large investment in change management and culture change to achieve desired results
- Implementation may serve as a distraction from external ECEC work
- Separates ECBG-funded ECEC programs from K-12
- Could require determining a way to split TANF funds into ECEC and non-ECEC portion and send ECEC portion to new agency to administer

## Other Notes

- An incremental approach to agency creation can make the transition more manageable, but ultimately can cause problems with culture and cohesion

# Consolidation into Illinois State Board of Education (ISBE)



## PROS

- + Alignment with K-12, infuses [education focus](#)
- + Alignment across [EI, ECSE, and other IDEA services](#) in K-12
- + Leverages [existing infrastructure](#) and economies of scale
- + Streamlines [funding disbursement to schools](#)

## Other Notes

- ISBE is a non-code, board-governed state agency
- Regional supports more likely to flow through ROEs, which are robust but independently governed

## CONS

- ECEC could be [deprioritized](#) and treated as an appendage to K-12
- ECEC [administrative needs could be deprioritized](#) (such as ECEC equity report, research, annual reporting, counsel, etc.)
- Potential for [mission and culture conflicts](#) – doesn't allow for creation of a new unified culture focused on high-quality ECEC
- Risk of [funding being intermixed and/or cut](#) within the existing agency
- Existing [infrastructure may not match](#) ECEC needs
- May be [harder to find exceptional talent](#) to lead within an existing agency
- School-based system [may not meet community-based provider needs](#)
- Experts recommend creating a [separate physical location](#) even if ECEC is being consolidated
- Could require determining a way to [split TANF funds](#) into ECEC and non-ECEC portion and send ECEC portion to ISBE to administer

# Consolidation into Illinois Department of Human Services (IDHS)



## **PROS**

- + Opportunity to [strengthen connection between ECEC and other human services programs](#) (however, this has not necessarily been the case historically)
- + Leverages [existing infrastructure](#) and economies of scale
- + If vision and implementation go off track, [restructuring may be easier than a standalone agency](#)

## **CONS**

- ECEC [administrative needs could be deprioritized](#) (such as ECEC equity report, research, annual reporting, counsel, etc.)
- Potential for [mission and culture conflicts](#) – doesn't allow for creation of a new unified culture focused on high-quality ECEC
- Risk of [funding being intermixed and/or cut](#) within the existing agency, deprioritizing ECEC
- Existing [infrastructure may not match ECEC needs](#)
- May be [harder to find exceptional talent to lead](#) within an existing agency
- ECEC might [get "lost" in such a large agency](#)
- Community-based system may not meet [school-based provider needs](#)
- ECBG-funded ECEC programs [separated from K-12](#)

# There is a fourth option: Status Quo (Coordination)

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## **Question:**

Why doesn't the status quo (coordination across agencies) fit with our objectives?

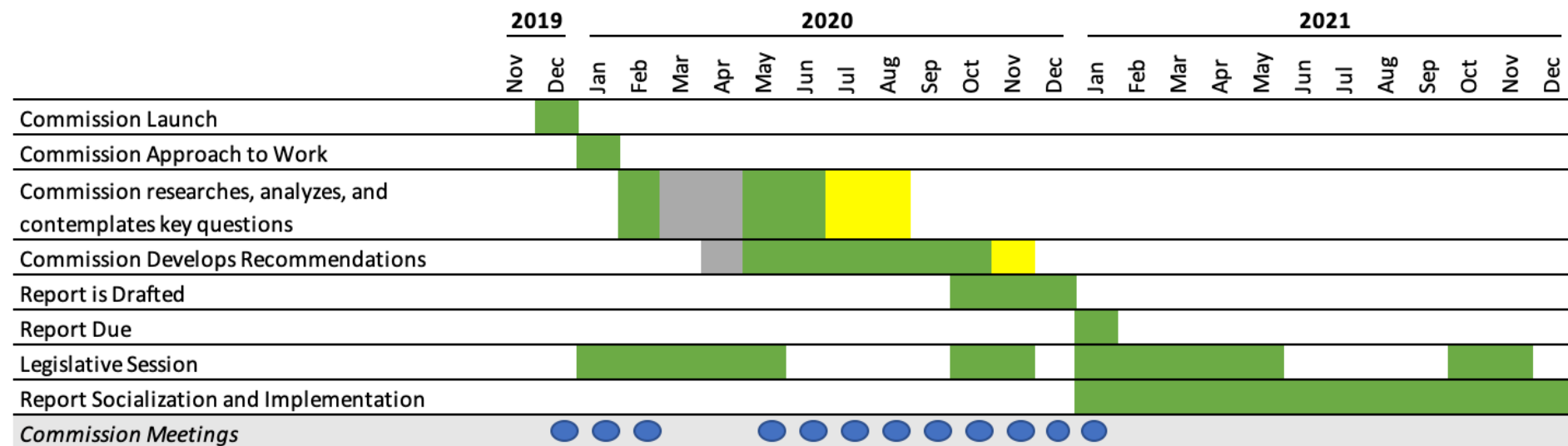
## **Answer:**

Multiple agencies would need to:

- Adopt and maintain one vision for both childcare and education
- Adopt and maintain one set of quality standards
- Act as one authority for providers
- Design, implement, and maintain a centralized funding allocation and distribution
- Jointly advocate for policy and funding
- Design, implement, and use one data system
- Conduct unified professional & workforce development and quality improvement
- Act as one stakeholder engagement authority

# Commission Timeline

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



# Objectives for Remaining Commission Meetings

September  
2020

- Discuss the Commission's collective set of draft recommendations
- Identify areas of question, concern, and need for more information

October  
2020

- Review finalized funding adequacy outcomes
- Engage with national expert panel on draft recommendations
- Identify additional areas for inquiry on draft recommendations

November  
2020

- Receive recommendations from Racial Equity Working Group
- Discuss areas for revision of draft recommendations

December  
2020

- Receive recommendations from Technical Working Group
- Review finalized outline of Commission recommendations
- Formal Commissioner sign-on to recommendations

January  
2021

- Consensus on the Commission's Final Report and follow-on needs
- Send recommendations to the Governor

# Scope of our Final Report

## 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