



# **Commission for Equitable Funding for Early Childhood Education & Care**

Commission Meeting #1

December 16, 2019

# Opening Statements

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# Commission's Charge

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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.

# Commission Deliverable & Timeline

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By the **January 2021** legislative session, the Commission will **deliver a report** with **recommendations on:**

- **Funding Goals**
- **Funding Mechanisms**

The Commission report will also include **implementation recommendations.**

# Today's Commission Meeting - Goals

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- The Commission is **grounded in its charge and scope, its importance and urgency for Illinois' children and families, and the great work and progress** to date that sets the stage for the work ahead
- The Commission sets **priorities for the next meeting**

# Today's Discussion - Agenda

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Item	Time
Opening Statements	1:00-1:45pm
Commission Member Introductions	1:45-1:50pm
Meeting Norms	1:50-2:00pm
Overview and Discussion of Illinois Early Childhood Education & Care	2:00-3:30pm
Timeline and Meeting 2 planning	3:30-3:45pm
Public Comment	3:45-4:00pm

# Commission Meeting Norms

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This commission will operate by the following meeting norms:

- Monthly meetings set by co-chairs
- Agendas to be sent at least two days in advance
- In-person / V-Tel attendance
- Will aim for consensus on major items
- Public comment period

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# **Overview and Discussion of Illinois Early Childhood Education & Care (“ECEC”)**



# Who is our early childhood population in Illinois today?



~800k

kids in IL under 5 today;  
~450k under 3, ~350k  
age 3-4



~40%

are in low income  
families



~60%

in Cook and collar  
counties, with ~20% of  
all kids & 1/3 of low-  
income kids in Chicago



In 2018, only ~18% of low-income children (and  
~25% of all children) demonstrated Kindergarten  
Readiness in IL in all 3 areas assessed

# Parenting Supports Matter

- Parent-child interactions are THE driving force behind young children's development
- Everyone needs help in "the hardest job you will ever do"
- Home visiting, intensive parent engagement—research shows these can make a big difference



# Access to Child Care Matters



- Child care subsidies are a critical work support
- Challenges with accessing stable child care are a significant drag on the economy

# High-Quality Early Education Matters

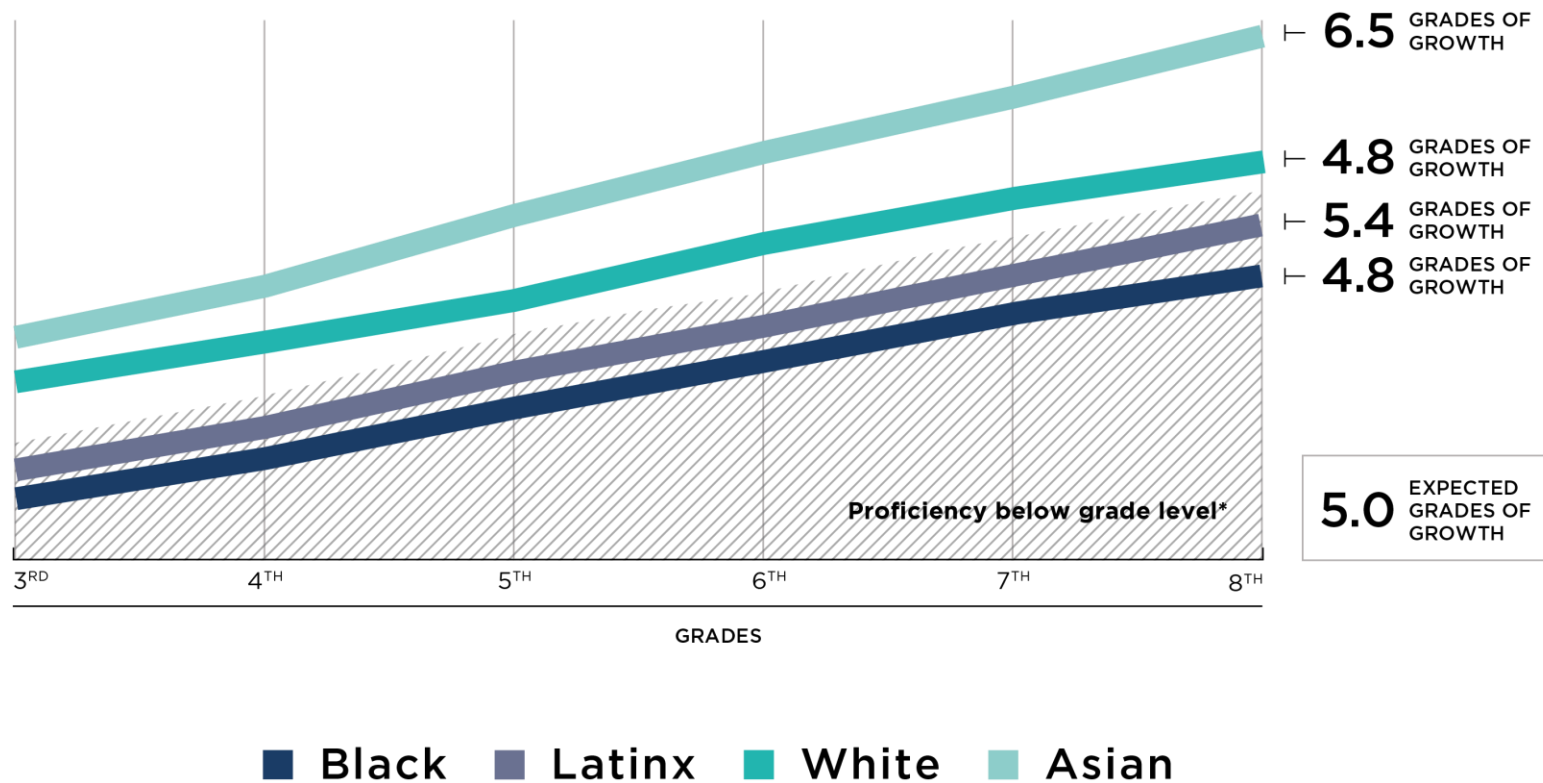
- Decades of research confirm the short- and long-term impact of high-quality early education
- Developmentally appropriate instruction, well-designed curriculum, and well-qualified staff are key



# Student growth outpaces the nation, but gaps start early and persist

## BLACK AND LATINX ACADEMIC GROWTH EQUALS OR OUTPACES WHITE PEERS, BUT PROFICIENCY GAPS PERSIST

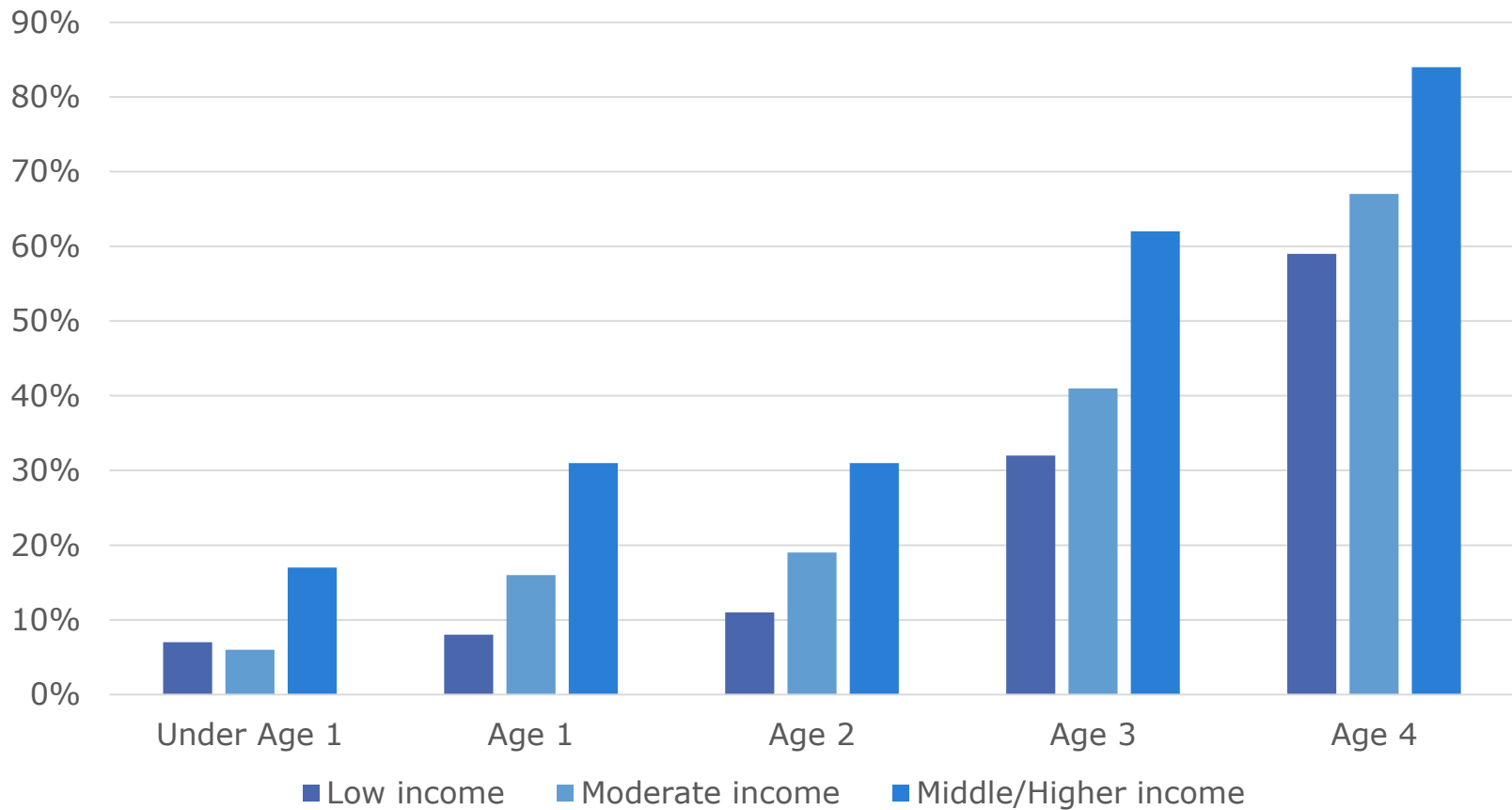
Growth in Math within 5 years, Cohort of 2009



\*Students in the shaded area are performing below grade level. Early inequities have a long-term impact.

# It's an issue of justice

Rates of center-based ECEC by family income and child's age, 2011

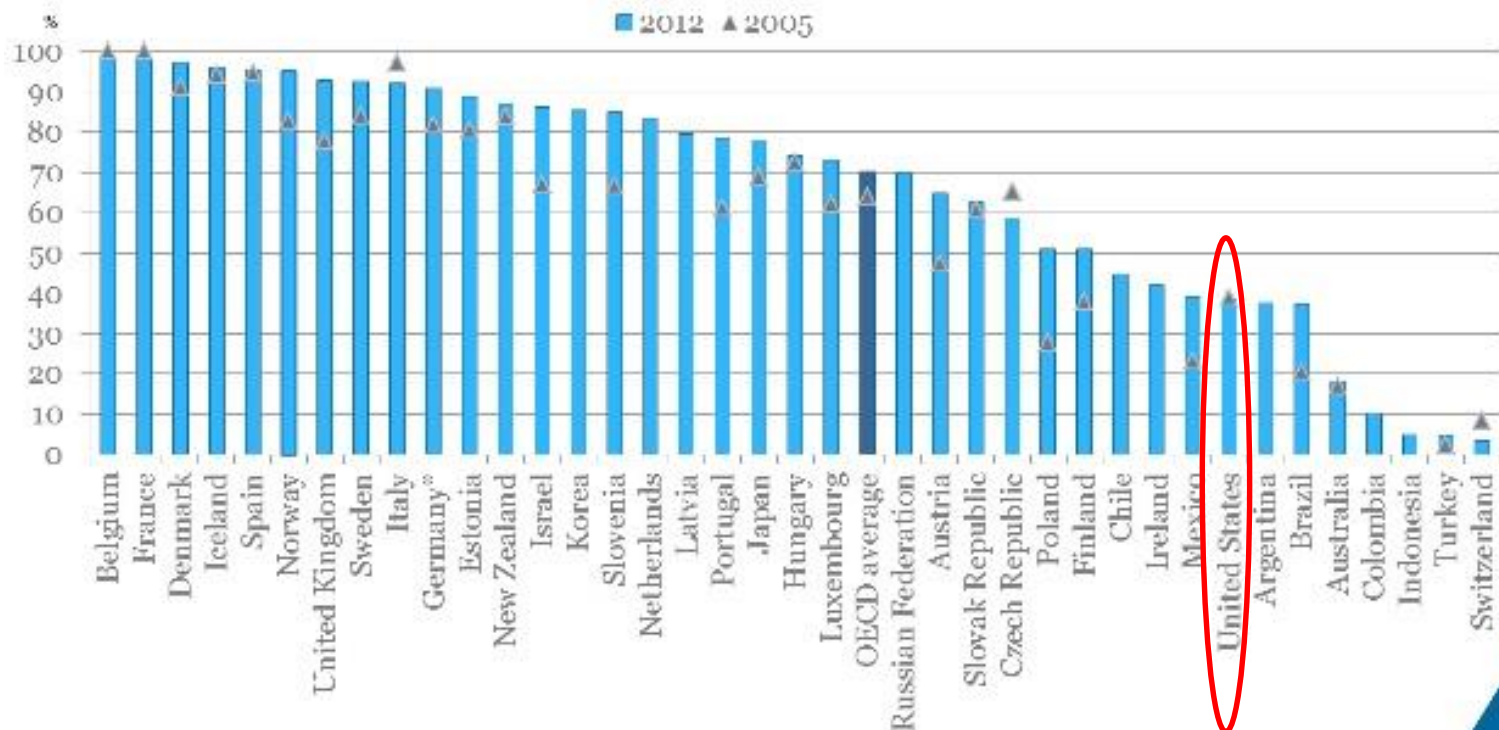




# It's an issue of economic competitiveness



## Increased enrolment from age 3



Source: OECD Education at a Glance 2014

# Illinois Early Childhood: A History of Innovation





# Home Visiting

- Parents Too Soon—one of the first state-funded models of intensive parenting support
- Doulas—supporting parenting right from the start
- Universals Newborn Support pilots
- Coordinated Intake in communities with robust and diverse home visiting services



# Child Care

- One of the first states to make robust investments in child care
- Created a single eligibility system based on income and parents' employment (or education & training) status
- Unionized home child care workforce—has ensured access to health insurance, training
- Tiered reimbursement, even for Family, Friend, and Neighbor care



# State Pre-K: Preschool for All

- One of the earliest states to establish state-funded preschool
- High standards from the start: Certified teachers, low class size
- First state in the country to establish statutory goal of providing universal access to preschool for all THREE- and FOUR-year-old children



# Cross-System Innovations



- **ExceleRate Illinois:** A Quality Rating and Improvement System that is truly cross-sector
- **QRIS supports** for license-exempt home providers
- **Gateways Credential & Registry:** Competency-based system of credentials inclusive of all early childhood workforce roles
- **IECAM (Illinois Early Childhood Asset Map):** Online tool that maps demographics against supply of various early childhood programs and funding streams



# Funding Innovations



- Birth to Three Set-Aside: ensures that our investment in infants and toddlers grows as we grow our preschool programs
- “Blending and Braiding”: Intentional policies to encourage programs to layer multiple funding streams to better meet the needs of children and families
  - Child Care + Preschool for All/Prevention Initiative
  - Child Care + Head Start/Early Head Start
  - Preschool for All + Head Start
  - All three funding streams together

# Values that have guided us

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- Must meet the **needs of the whole child**, in the context of their families and communities
- **Social emotional development** is critically important
- **Culture matters**, and must be respected
- **Bilingualism is a strength** to be nurtured and celebrated
- Children with special needs should be served in **inclusive settings**

# Commission Member Reflections

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- What are you especially proud of?
- In what ways have you seen these innovation examples brought to life in your own work?
- How have these or other innovations allowed you to better serve children and families through the work you do?

# Taking Stock of Where We Are

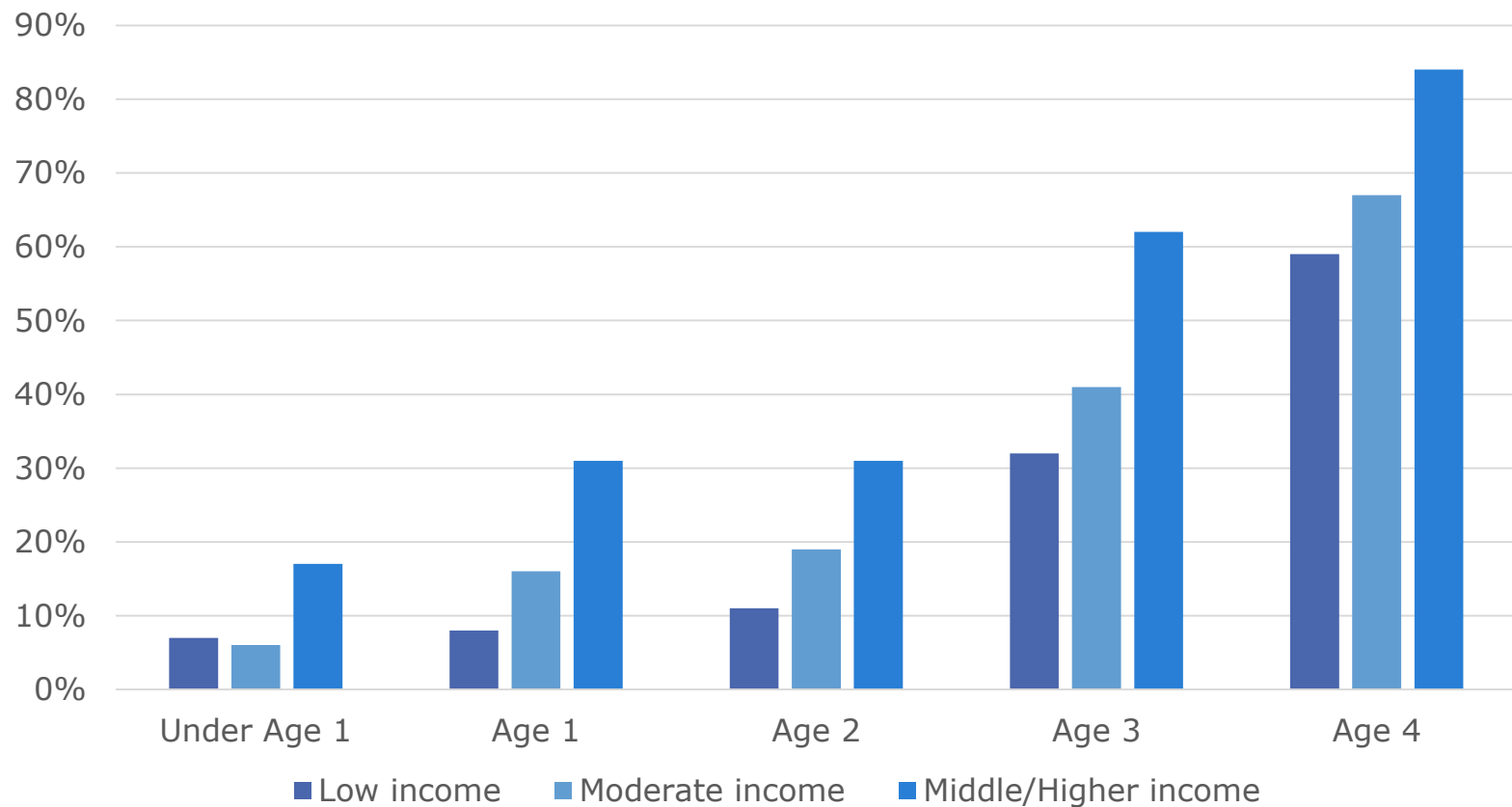


- Do children and families have ***equitable access to high quality services***?
- Is ***public funding*** providing services that meet children and families' needs?
- Is the ***system stable enough*** for providers to plan ahead and consider expansions where needed?



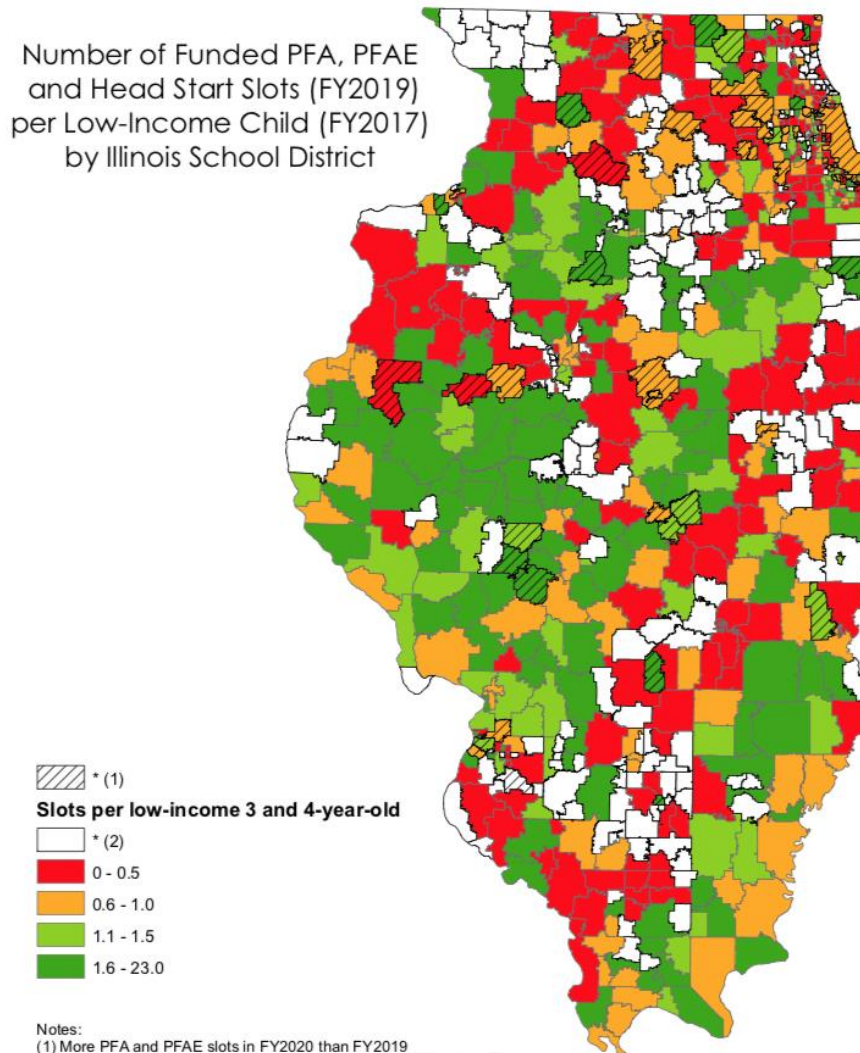
# Upper income families access center-based ECEC at higher rates than other families

Rates of center-based ECEC by family income and child's age, 2011



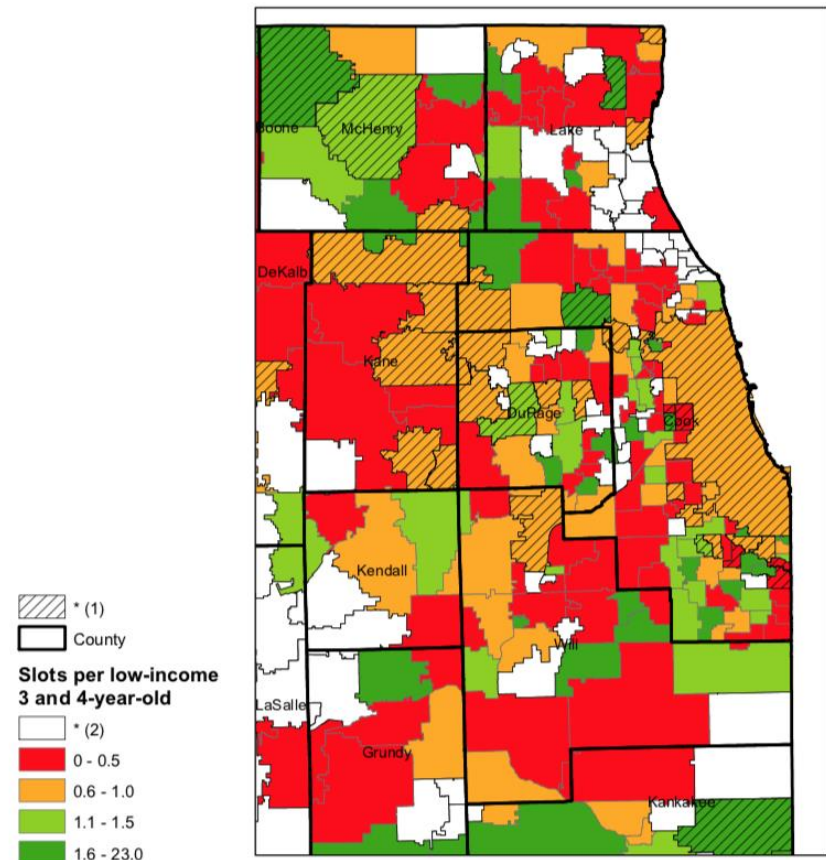
# Program availability varies across the state and is inequitably distributed

Number of Funded PFA, PFAE and Head Start Slots (FY2019) per Low-Income Child (FY2017) by Illinois School District



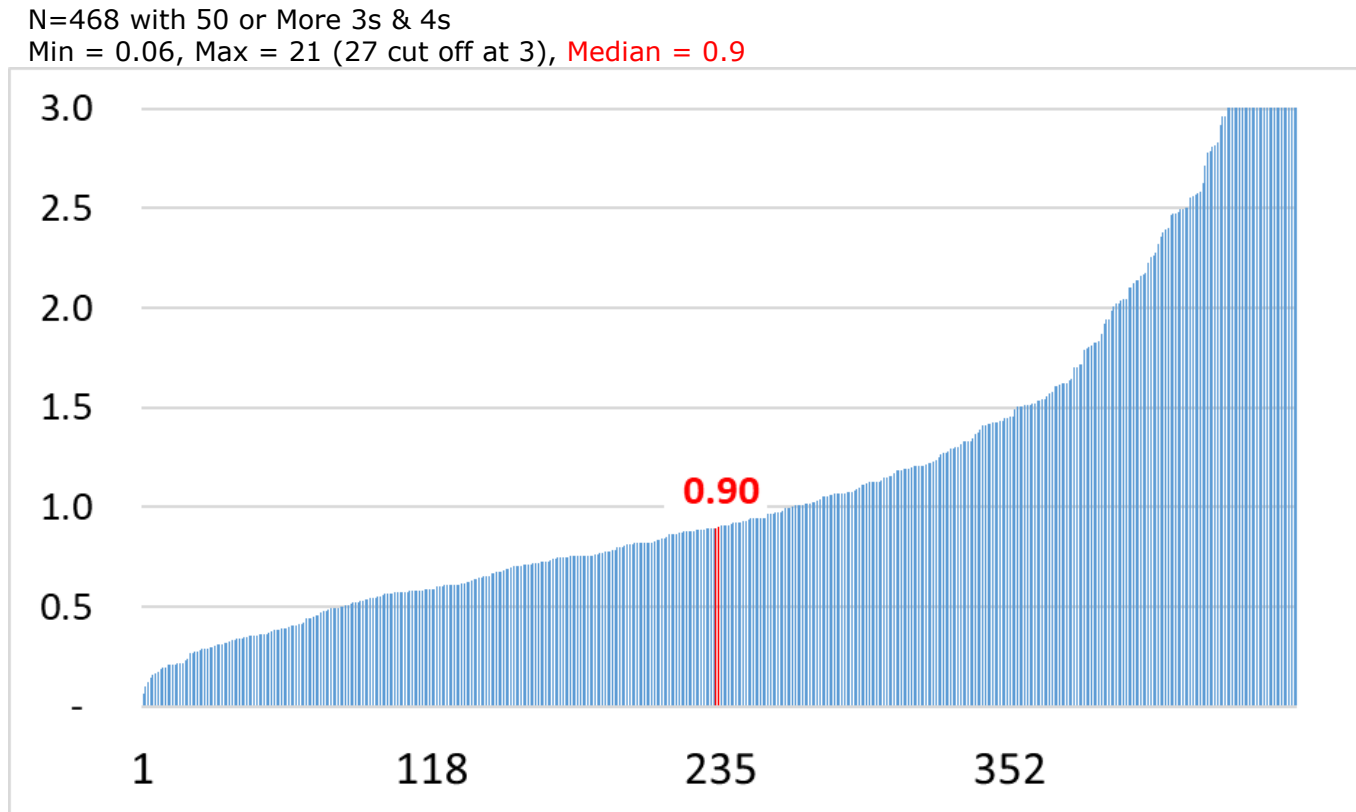
Number of Funded PFA, PFAE and Head Start Slots (FY2019) per Low-Income Child (FY2017) by Illinois School District

Metro Chicago Area



Notes:  
 (1) More PFA and PFAE slots in FY2020 than FY2019  
 (2) Indicates districts with fewer than 30 children (3 and 4-years old) below 185% of the poverty level with no slots.

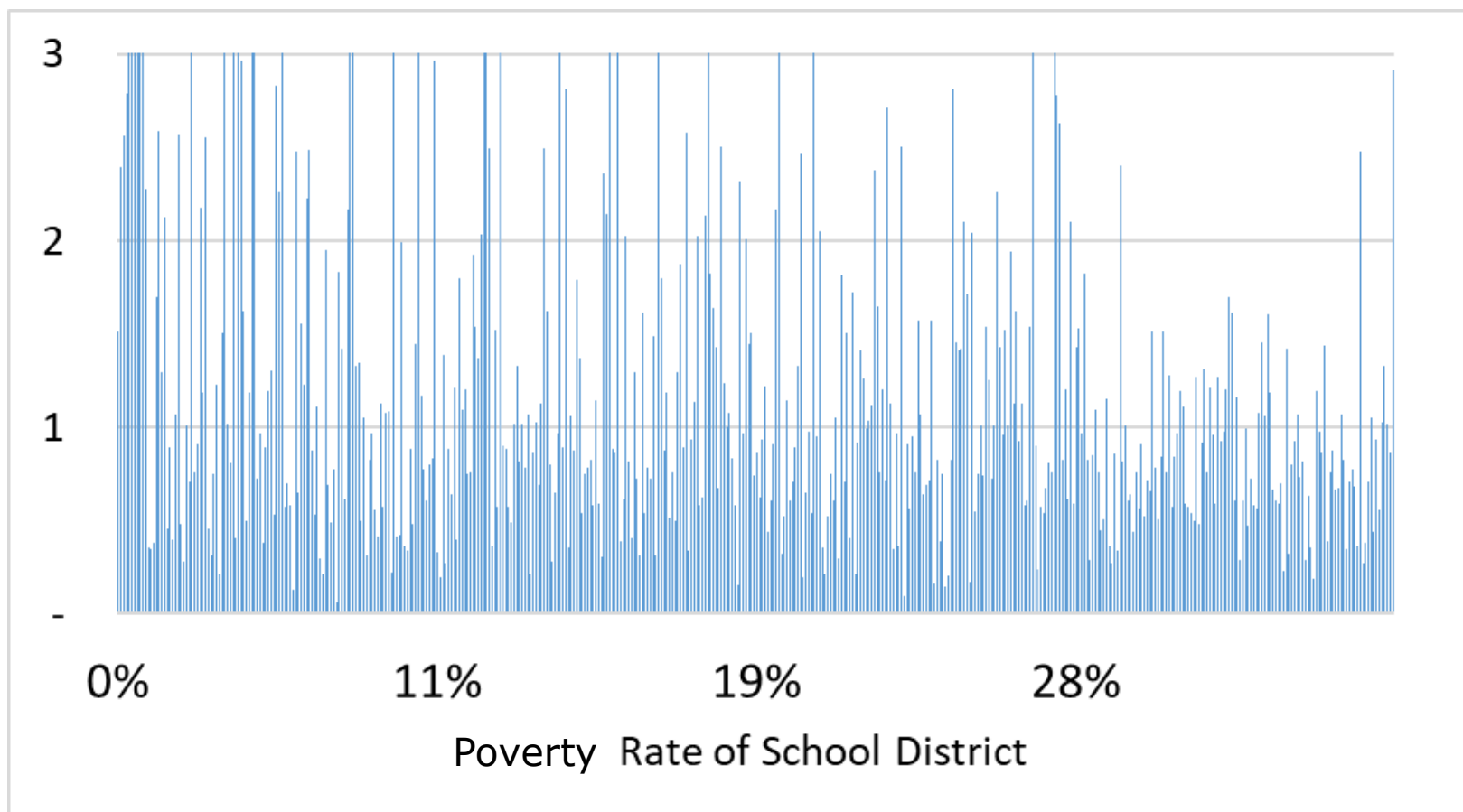
# Access to ECEC for three- and four-year-olds varies significantly by district



At the median district, there are 0.9 ECEC slots available for three- and four-year-olds

# Access to ECEC for three- and four-year-olds is not correlated to poverty

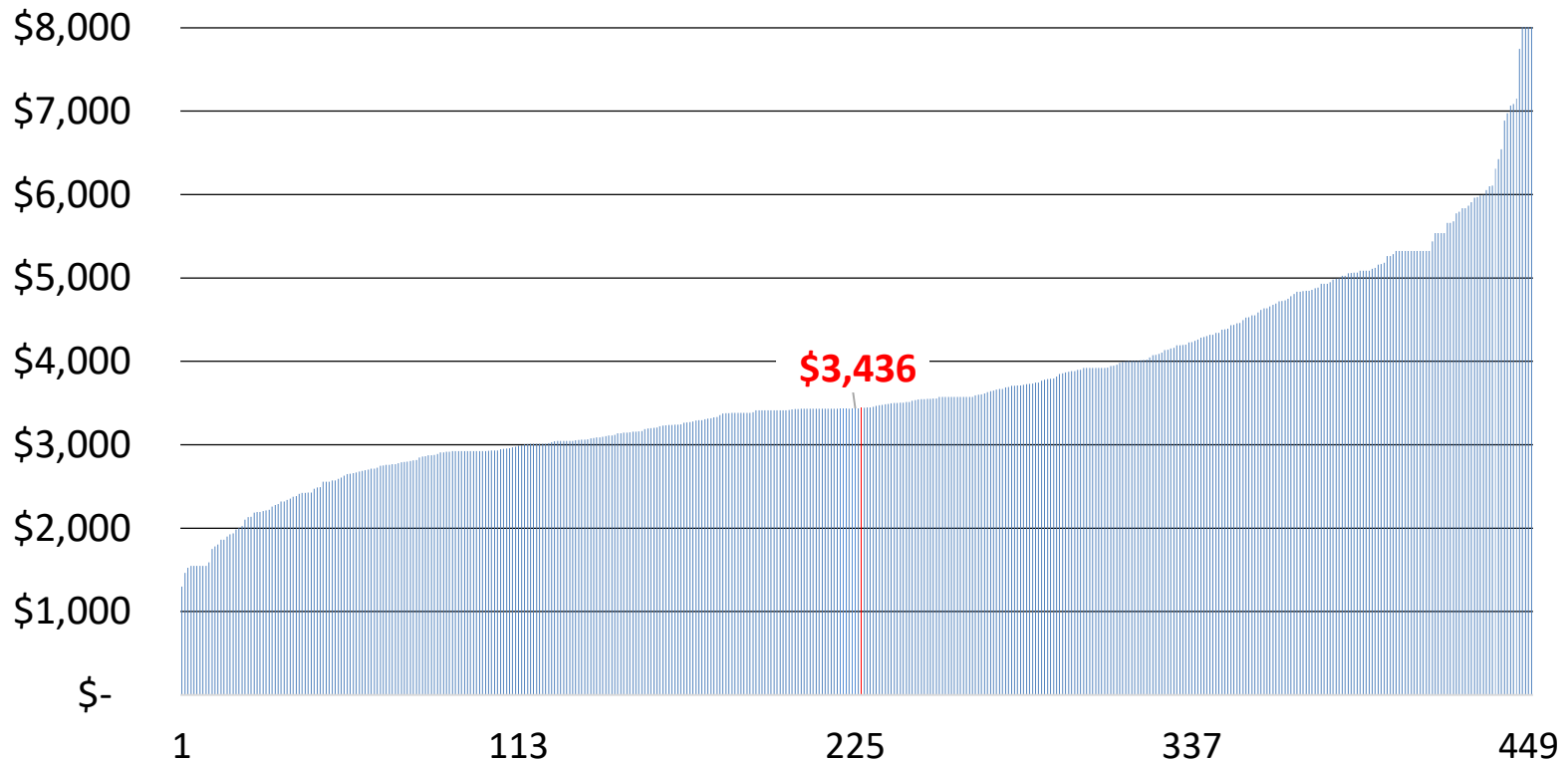
N=468 with 50 or More 3s & 4s (27 cut off at 3)



# ISBE pre-k per pupil spending varies significantly by district

N=450, with 50 or More 3s & 4s

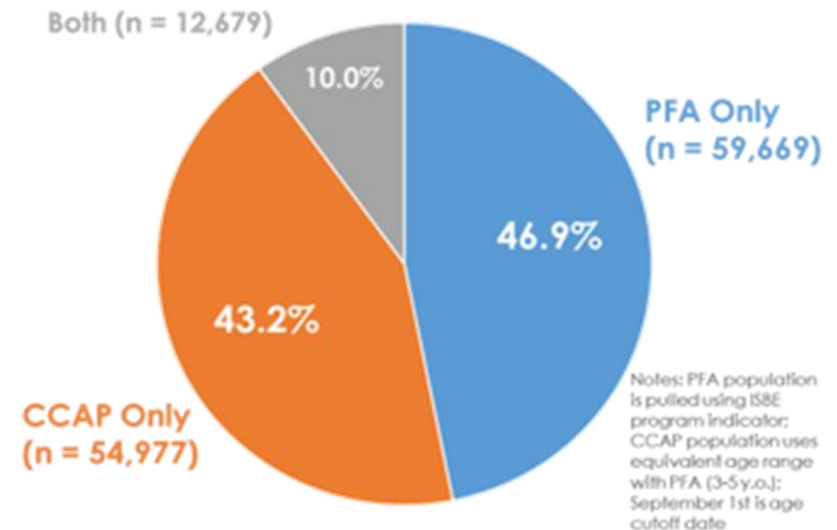
Min. = \$1,299; Max. = \$10,970; **Median = \$3,436**. Funding Adjusted. 4 are cut off at \$8,000.



At the median district, ISBE pre-k per pupil spending is \$3,436

# Lower income families are often not served in high quality settings

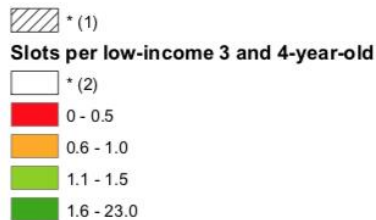
- Children who receive CCAP most often do not participate in Preschool for All
  - Some may participate in Head Start, majority do not
- Few children (~20%) served with CCAP in child care centers attend ExceleRate Illinois Gold Circle of Quality Programs





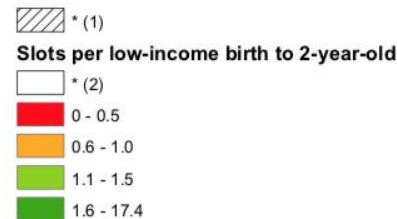
# Access to programs across the state and by age varies significantly

Number of Funded PFA, PFAE and Head Start Slots (FY2019) per Low-Income Child (FY2017) by Illinois School District



Notes:  
(1) More PFA and PFAE slots in FY2020 than FY2019  
(2) Indicates districts with fewer than 30 children (3 and 4-years old) below 185% of the poverty level with no slots.

Number of Funded PI and Early Head Start Slots (FY2019) per Low-Income Child (FY2017) by Illinois School District



Notes:  
(1) More PI slots in FY2020 than FY2019  
(2) Indicates districts with fewer than 30 children (birth to 2-years old) below 185% of the poverty level with no slots.

# Illinois ECEC Funding

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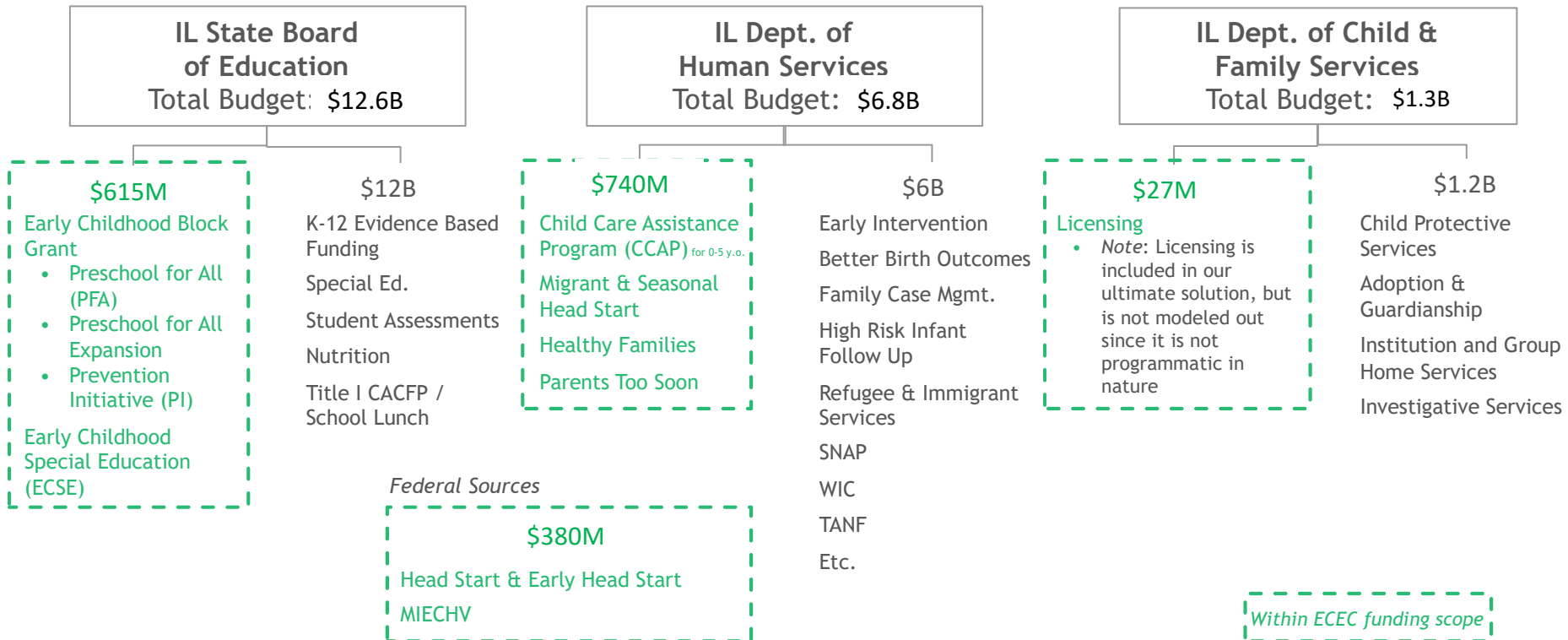
***How much*** do we currently invest as a state from what sources into early childhood education and care services?



# Illinois spends over \$1.8 billion per year on ECEC in federal and state dollars with much more invested by families, local government, philanthropy, and other private sources

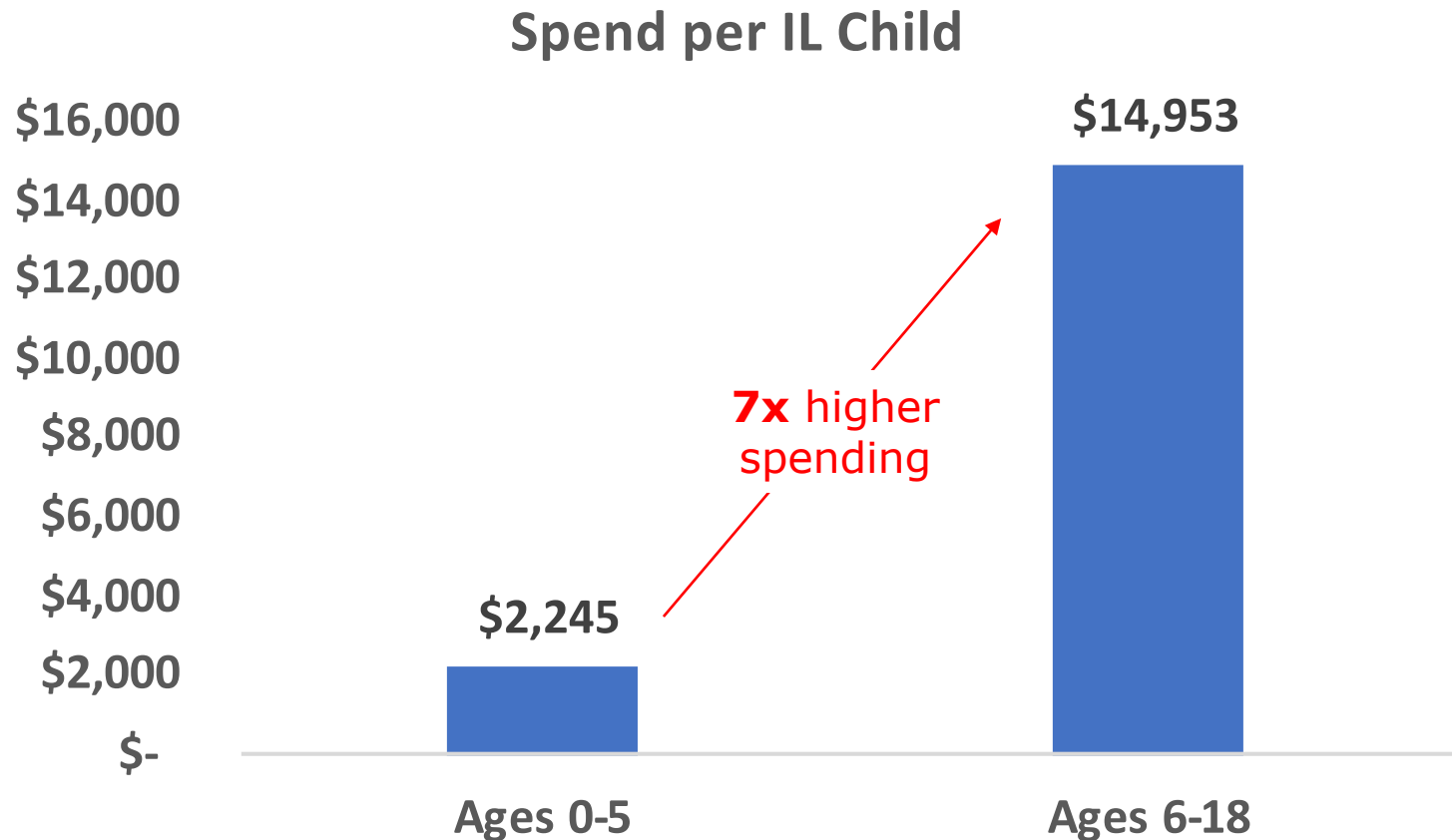
## Programs are administered across three state agencies

2020 allocations



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

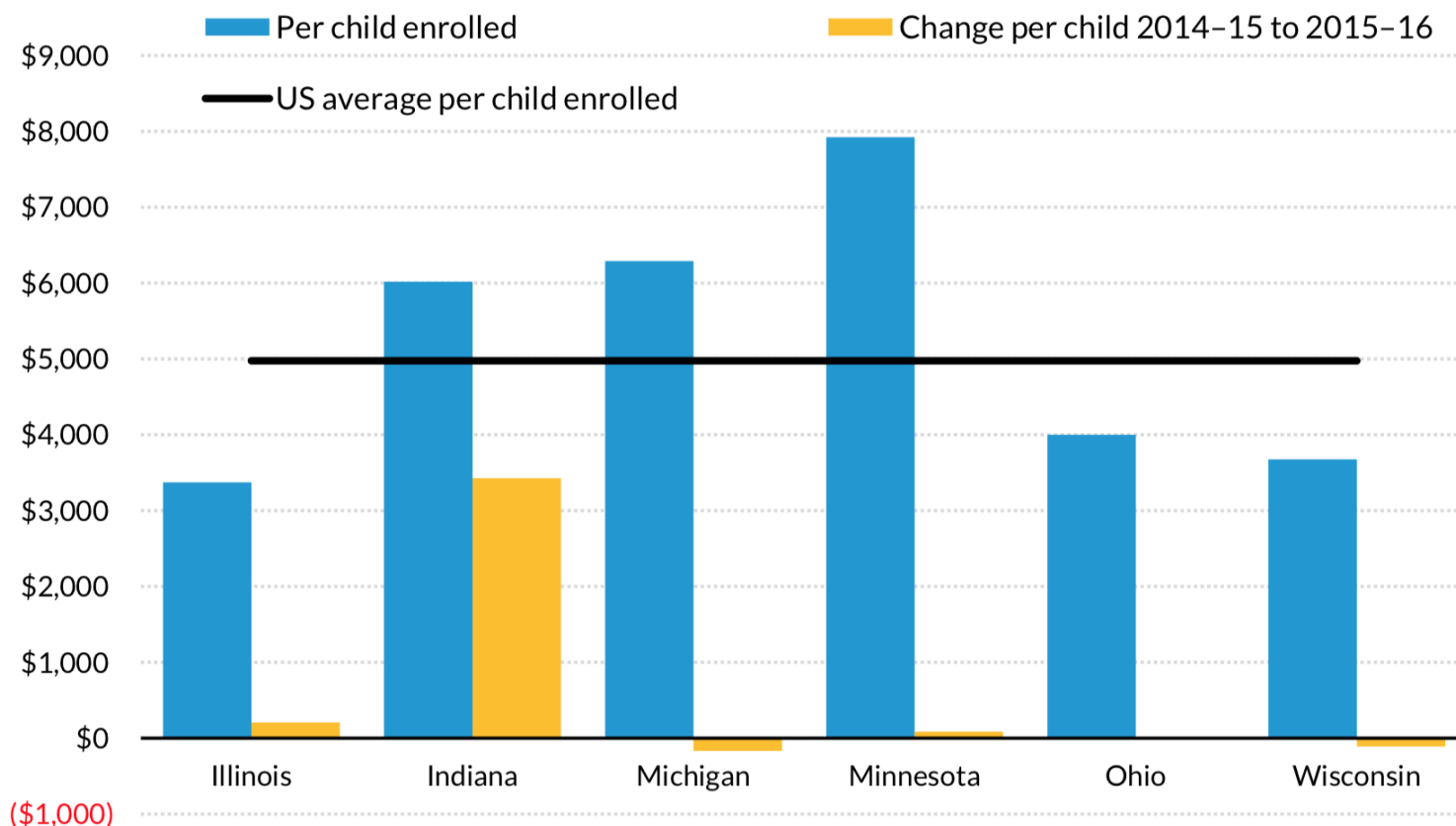
# Illinois spends 85% less on ECCE for children 0-5 as on K-12 for school-aged children



# Funding lags other midwestern states

FIGURE 6

## State Funding per 4-Year-Old Child Enrolled in State Prekindergarten

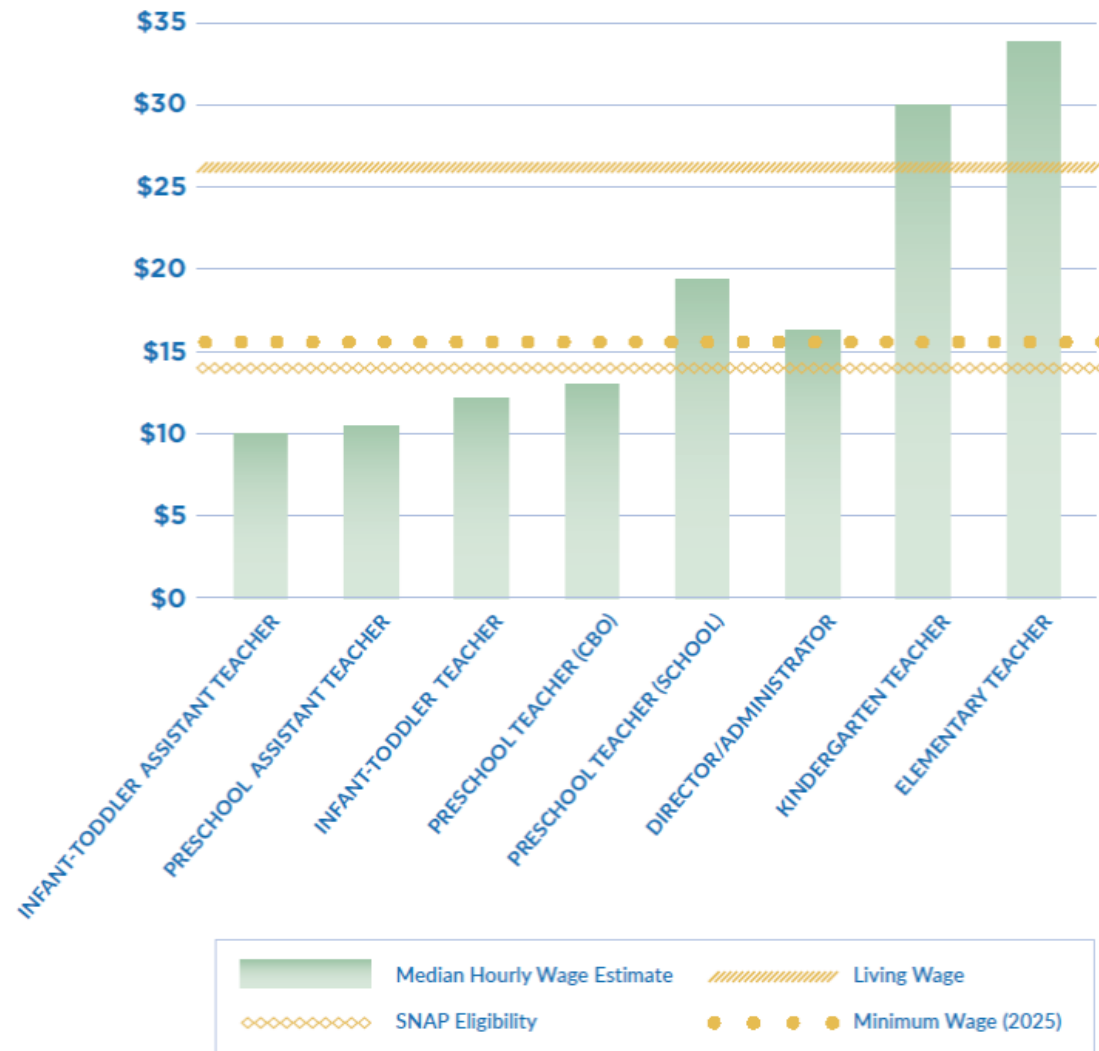


"Strategies for Supporting Access to High-Quality Early Education Programs", M. Katz, Urban Institute, May 2017  
Source: Data extracted from W. Steven Barnett, Allison H. Friedman-Krauss, G. G. Weisenfeld, Michelle Horowitz, Richard Kasmin, and James H. Squires, *The State of Preschool 2016* (New Brunswick, NJ: National Institute for Early Education Research, 2017).

# Child care assistance rates are significantly lower than market rates for child care

Group	Age Group	Market Rate (75 <sup>th</sup> percentile)	CCAP	
			Reimbursement Rate	Variance
1A	Infant-Toddler	\$64.27	\$48.47	-25%
	Two-Year-Olds	\$57.80	\$40.93	-29%
	Preschool	\$52.50	\$34.11	-35%
1B	Infant-Toddler	\$54.18	\$48.47	-11%
	Two-Year-Olds	\$49.60	\$38.29	-23%
	Preschool	\$45.00	\$28.72	-36%
2	Infant-Toddler	\$36.63	\$34.96	-5%
	Two-Year-Olds	\$32.40	\$29.67	-8%
	Preschool	\$29.00	\$24.78	-15%

# Wages for most ECCE teachers and assistants qualify them for public assistance



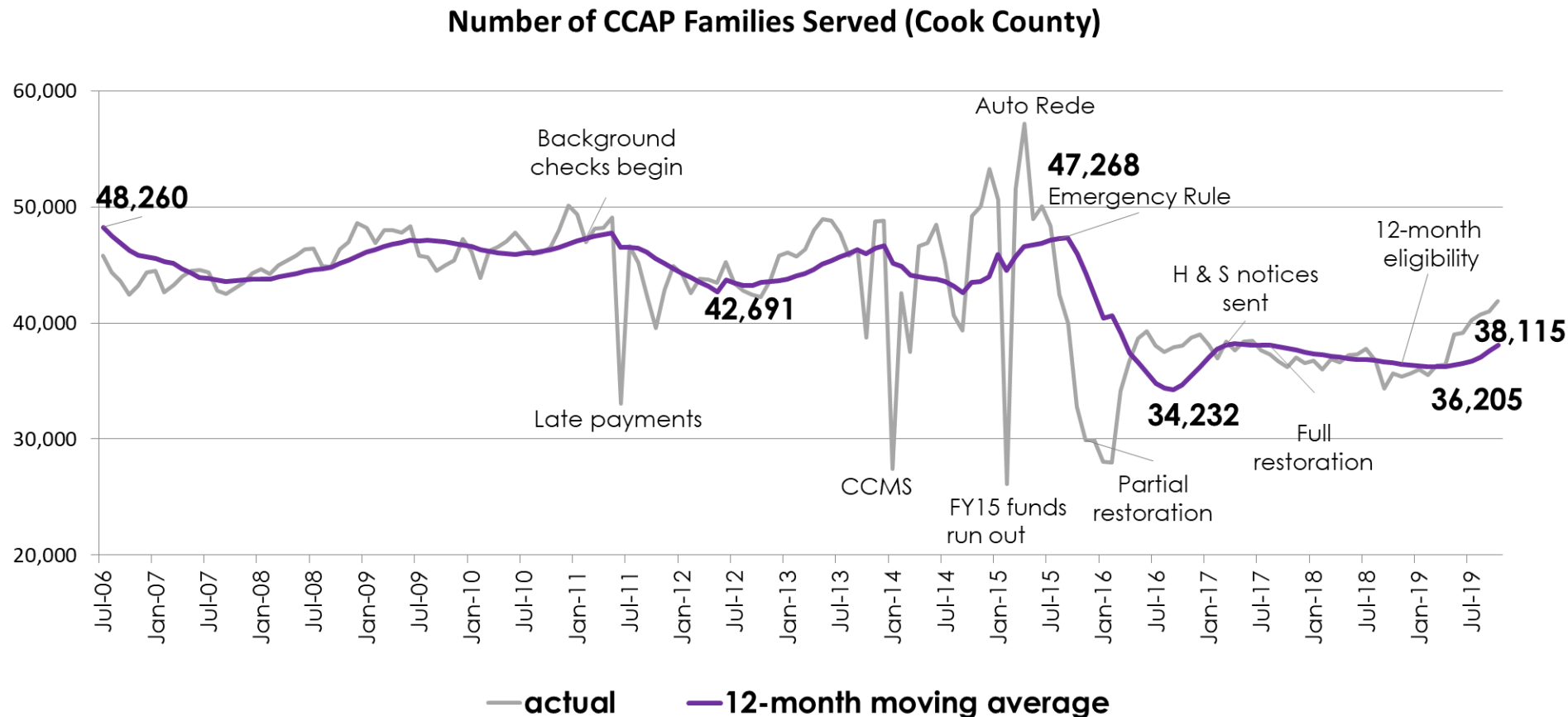
# Stability

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- What are the ***contributing factors to instability*** in our state's ECEC system?
- What does this ***mean for providers and families?***

# Current funding is subject to major instability



# Sources of Instability in the System

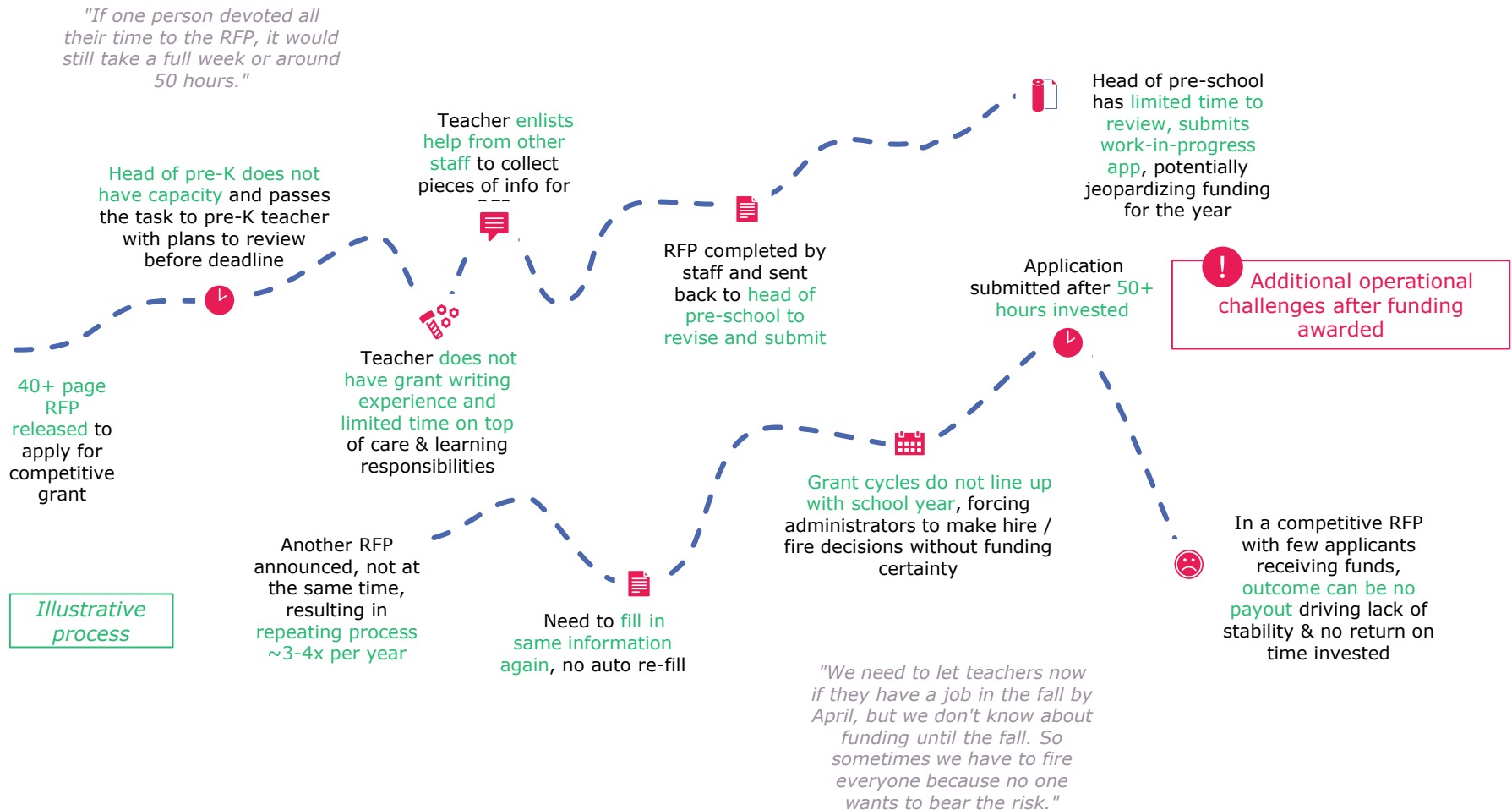


- **Head Start**
  - Sequestration
  - Re-competition (Designation Renewal System)
- **Early Childhood Block Grant**
  - Periodic re-competitions
- **Child Care Assistance**
  - Individual eligibility changes for families and children

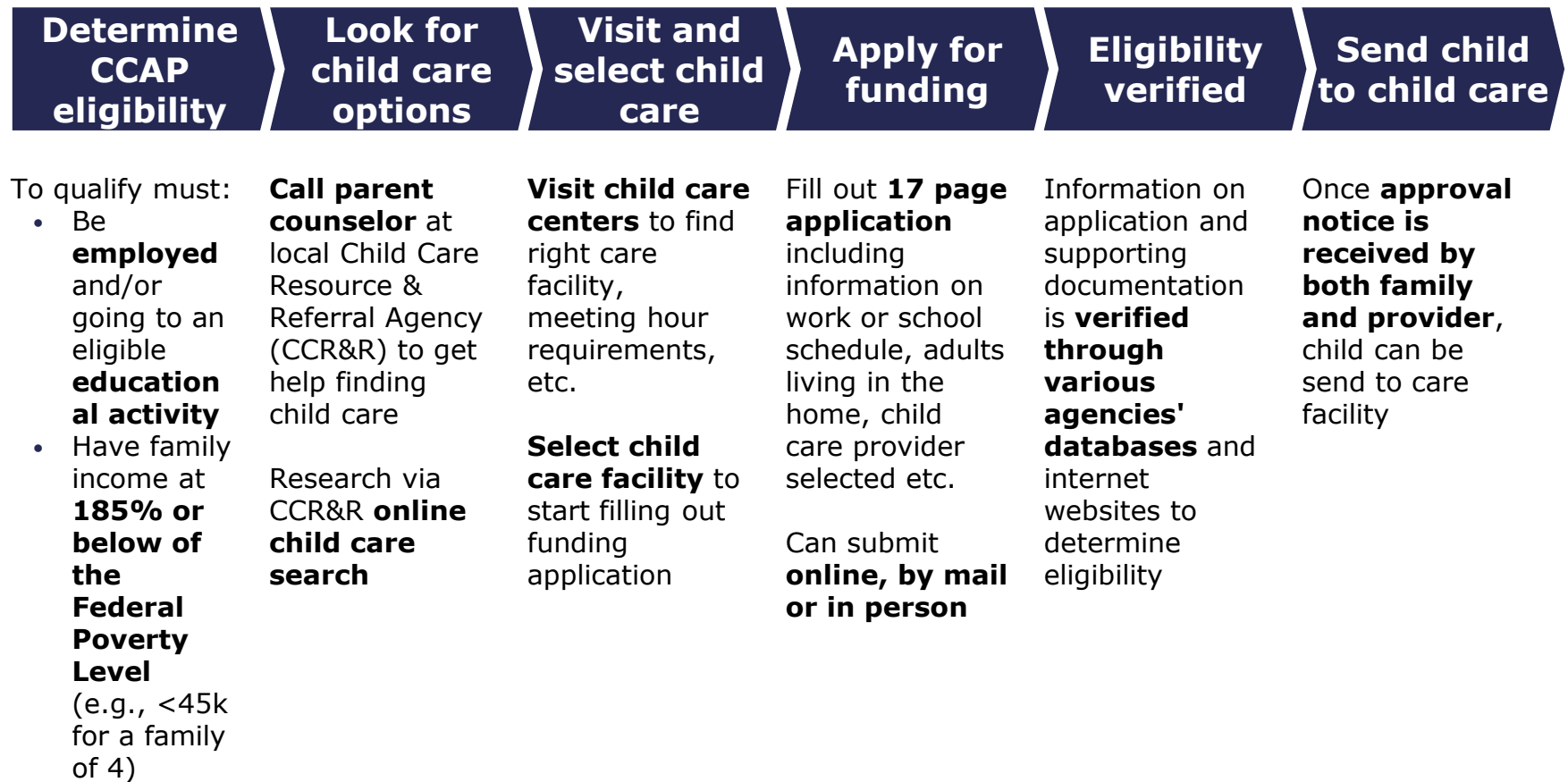
What does this mean for providers & families?



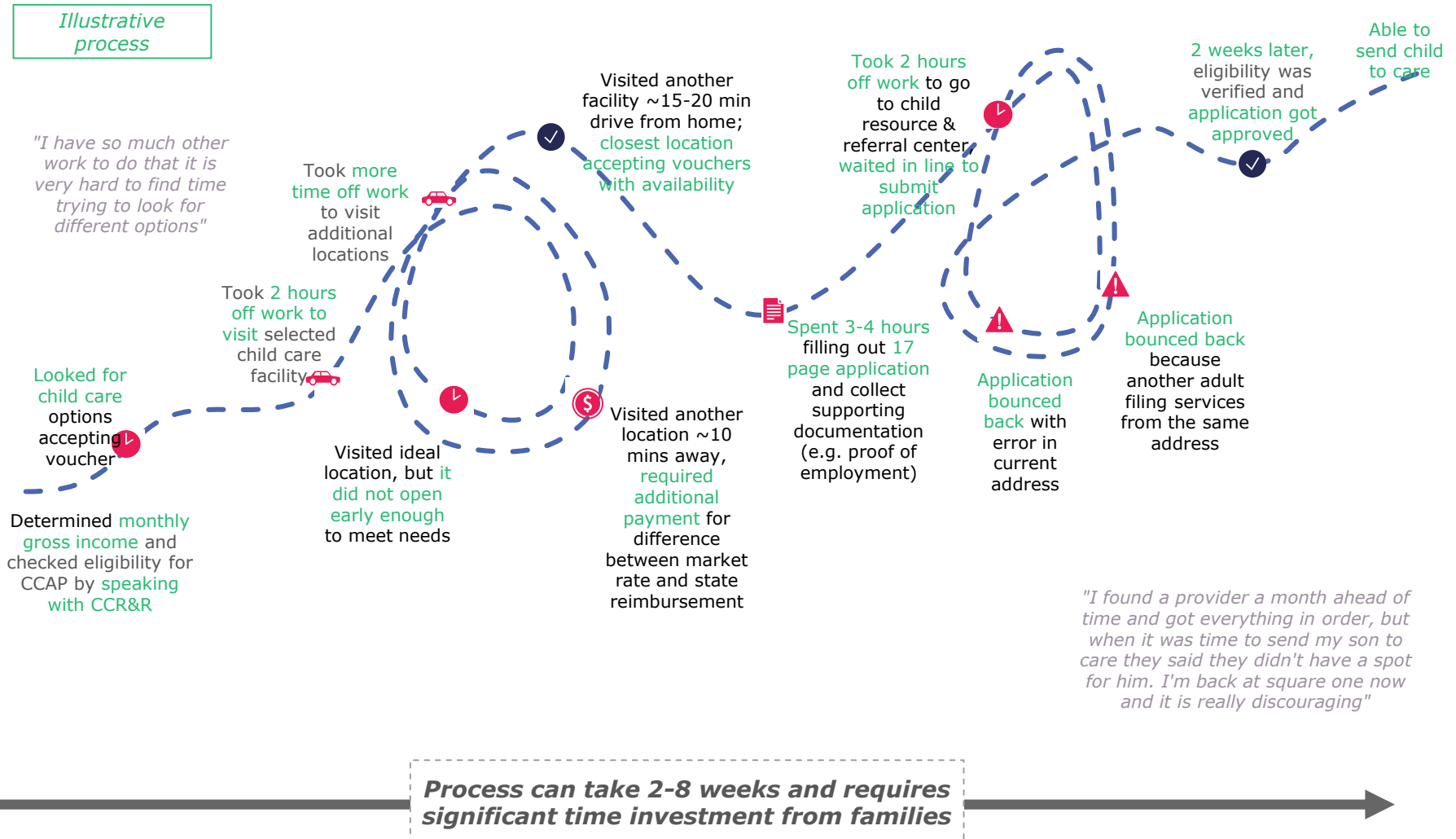
# Provider perspective: drafting a quality RFP response to receive funding requires time and grant writing skills



# *Family perspective:* CCAP process requires dedicating time and resources to apply for and find care



# Families Navigating ECEC: Applying for and finding acceptable ECEC is time consuming and challenging



# The Early Learning Council has identified several challenges in the ECEC system

A lack of timely payments from state government for public ECEC services.

The process of layering multiple funding streams to serve more children is extremely complex and challenging.

Many programs are simply unaware that they can apply for state funding to provide public ECEC services.

Programs who are aware of opportunities for state funding and want to apply don't have the necessary resources to be competitive for such grants.

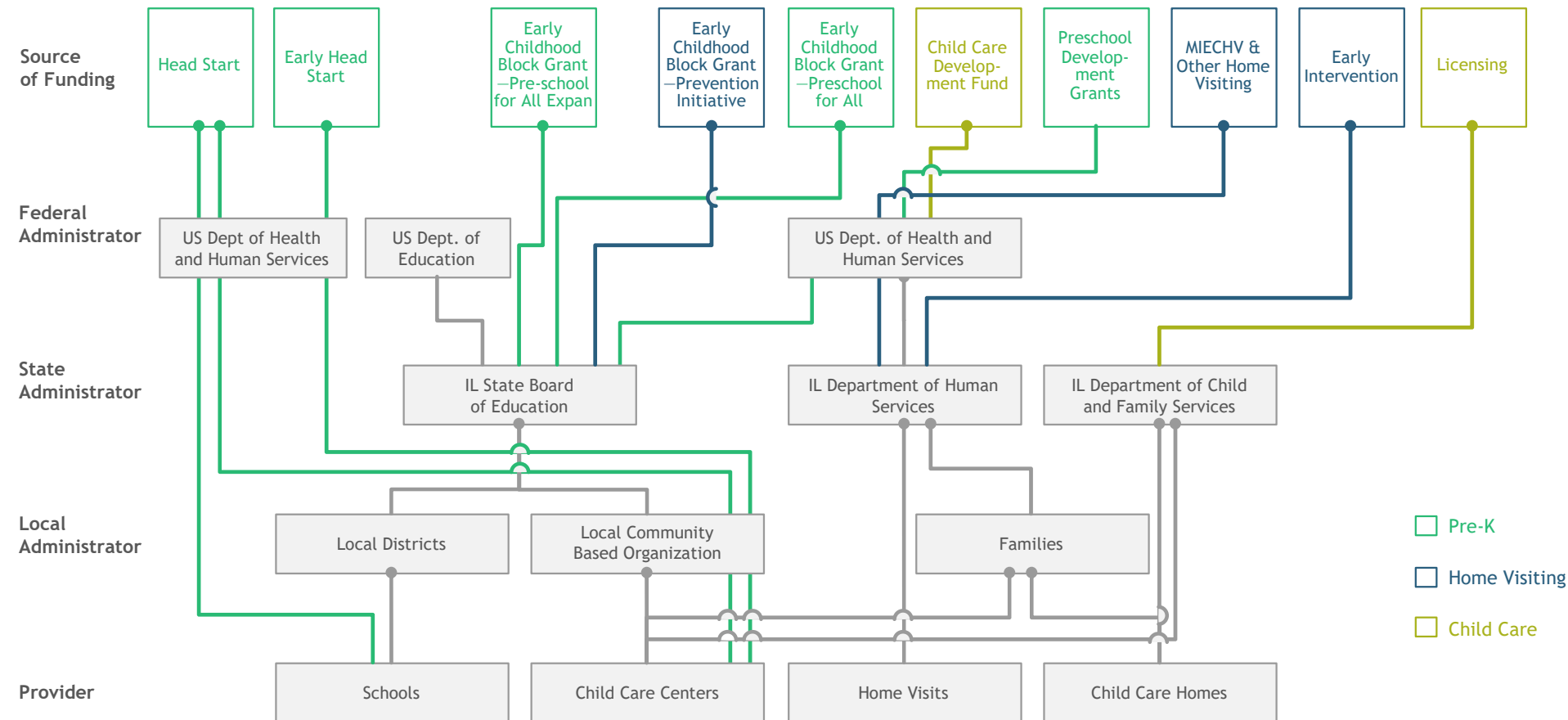
The grant application process itself is extremely complicated.

Grant funding is by nature unstable and uncertain, which can make programs wary to apply.

There is no one entity at the state level overseeing system-wide planning.

There is no entity at the community level overseeing local planning.

# Fragmented funding means providers & families depend on multiple sources across many agencies



# These challenges limit system-level strategic design and accountability

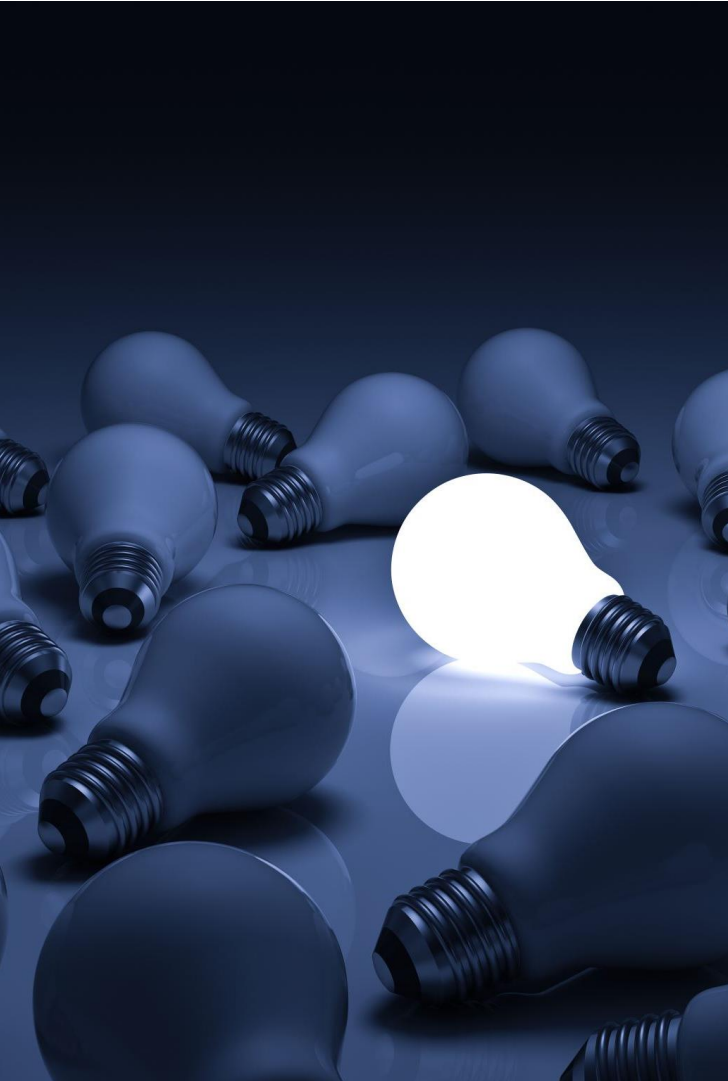
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- Lack of comprehensive data hinders strategic decision making
- Opaqueness across funding streams limits ability to design smart funding initiatives
- Systemic transparency challenges impede the design of a data-driven, equitable, accountable system

# Commission Member Reflections

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- In what ways have you seen these challenges – inequitable access, inadequate funding, system instability – play out in your own work?
- How have these or other challenges hindered your ability to serve children and families?



**We need to  
innovate  
once more**

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# We can reshape our funding model to provide equitable access to quality ECEC

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Driving more equitable access to quality ECEC will require:

1. More ***equitably distributing funding*** to those that need it most
2. Defining what ***adequate funding*** is for quality early learning and child care
3. Lowering ***burden on providers*** to access funds
4. Building ***capacity to serve our children*** across the state
5. Simplifying our ***governance & distribution*** structure to build accountability and enable integrated support for ECEC

# What does this mean for the Commission's work?

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- **We need to know “the number”.** There is not enough revenue in the system to support a sufficient, stable supply of providers of high-quality ECEC – how much do we need?
- **We need to assess all funding mechanisms and the governance of ECEC.**
  - How should we distribute funds?
  - Who should distribute and monitor the funds?

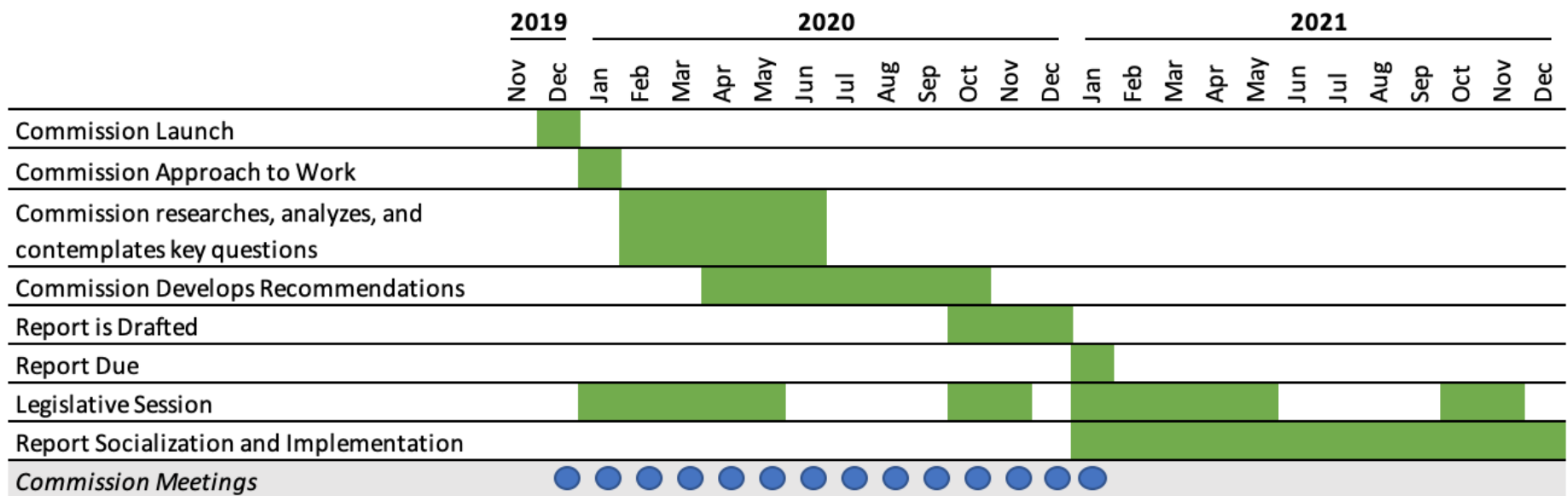
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# **Timeline & Meeting 2 Planning**

# Timeline

The Commission will deliver its report for the January 2021 legislative session

Tentative high-level timeline:



# Commission Meeting Dates for 2020

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Tuesday, January 14

Tuesday, February 11

Tuesday, March 10

Tuesday, April 14

Monday, May 11

Tuesday, June 16

Tuesday, July 14

Tuesday, August 18

Tuesday, September 15

Tuesday, October 13

Tuesday, November 10

Tuesday, December 8

# Reminder: This Meeting's Goals

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- The Commission is **grounded in its charge and scope, its importance and urgency for Illinois' children and families, and the great work and progress** to date that sets the stage for the work ahead
- The Commission sets **priorities for the next meeting**

# Meeting 2 Goals

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- The Commission solidifies its **approach to accomplish deliverables**
  - How much do we need?
  - How should we distribute funds?
  - Who should distribute and monitor the funds?
- Articulation of **priorities for Meeting 3**

# Meeting 2 Logistics

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- Tuesday, January 14, 2020
- Chicago & Springfield V-Tel



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# Public Comment

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**Thank You.**