



Commission for Equitable Funding for Early Childhood Education and Care

Management & Oversight Working Group
Meeting 1 – 1/30/2020

Management & Oversight Meeting 1 Agenda

Item	Time
Introductions, Group Charge, and Work Plan	11:00-11:20
Current Management & Oversight Structures	11:20-12:10
Where We Stand Today vs. Guiding Principles	12:10-12:40
Next Steps	12:40-1:00

Pre-Readings

1. IL PDG Governance Final Recommendations Report excerpt
2. Analysis of Proposed Governance Structures for Early Childhood Programs in Illinois 2018 excerpt

Management & Oversight Meeting 1 Goals

- Discuss what management & oversight means: ***which activities?***
- ***Validate the work plan*** to accomplish our Working Group Charge
- Understand the ***current management & oversight structures*** and ***what choices has Illinois made and why?***
- Understand the ***current structure relative to*** the Commission's ***guiding principles***
- Identify ***next steps***

Working Group Charge & Work Plan

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?



What do we mean when we say Management & Oversight?

The **governmental agency structure** that...

Sets vision, goals, and priorities

Establishes, maintains, and updates policies

Establishes processes to implement policies

Plans and coordinates to achieve goals

Allocates and distributes funding for programs

Ensures compliance with policies and requirements

Commission's 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 5 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

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

Management & Oversight is a key lever for actualizing this Commission's goal, in line with its guiding principles

When done well, Management and Oversight can...

- Improve access to high quality services in alignment with family needs
- Allocate resources to promote equitable outcomes
- Plan cohesively for a sustainable ECEC system
- Improve system transparency, accountability, and efficiency

Work Plan and Timeline

Approximate Timeline	Meta-Topics
February (Today)	<ul style="list-style-type: none">• Validate Work Plan and Timeline• Understand current structures• Begin decision framework development
March	<ul style="list-style-type: none">• Review research available to inform recommendations, including other states• Develop future system requirements
April	<ul style="list-style-type: none">• Analyze future system options
May	<ul style="list-style-type: none">• Discuss interdependencies with Funding Mechanism Working Group and validate potential recommendations
June	<ul style="list-style-type: none">• Develop initial recommendation package and implementation considerations
July / August	<ul style="list-style-type: none">• Respond to Commission feedback and inquiry

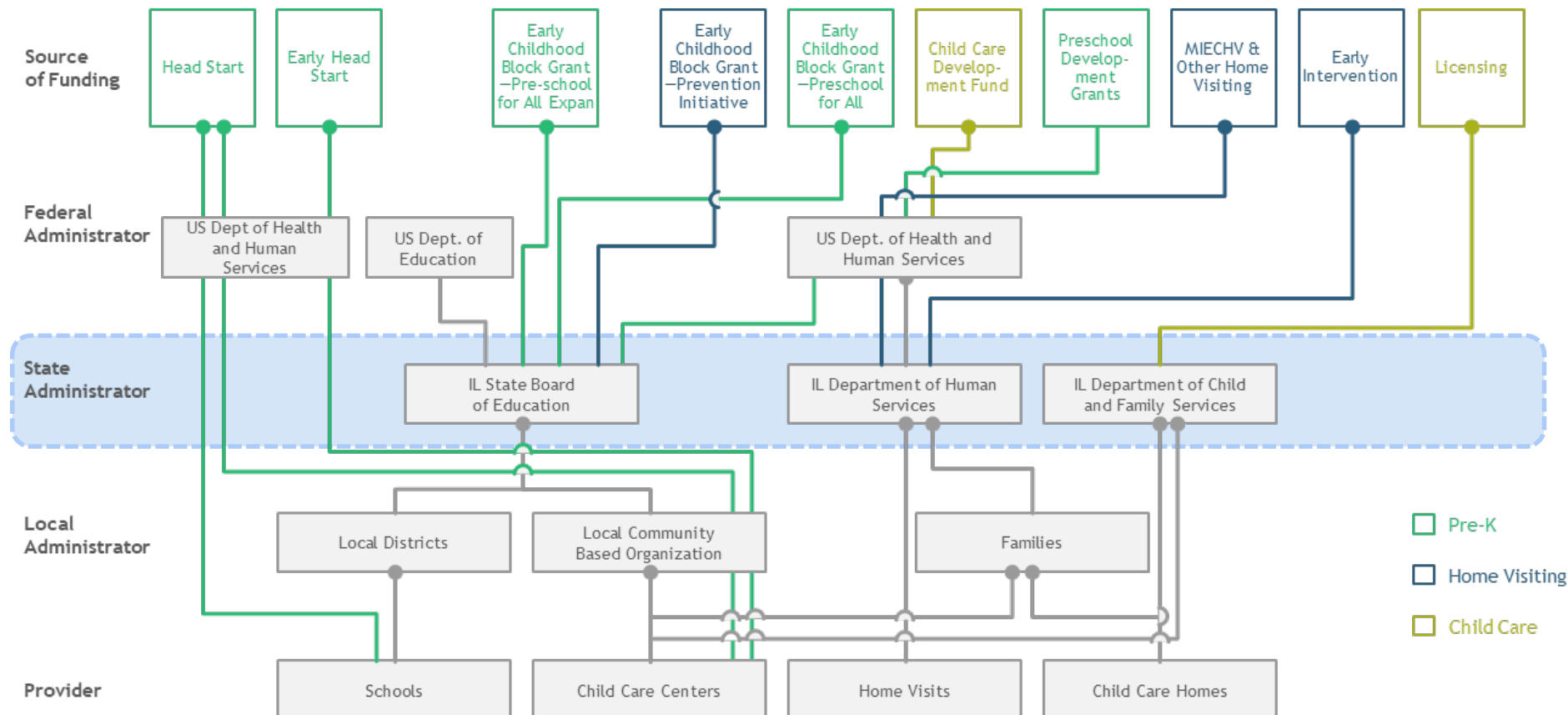
Work done to date on Management & Oversight

1. Map of current management & oversight structures
2. Map of program standards across funding streams
3. Reports from Early Learning Council on challenges with current monitoring systems, pain points in how systems overlap
4. Reports on options for strengthening governance

Current State *Management & Oversight Structures*

Map of funding streams and administrators

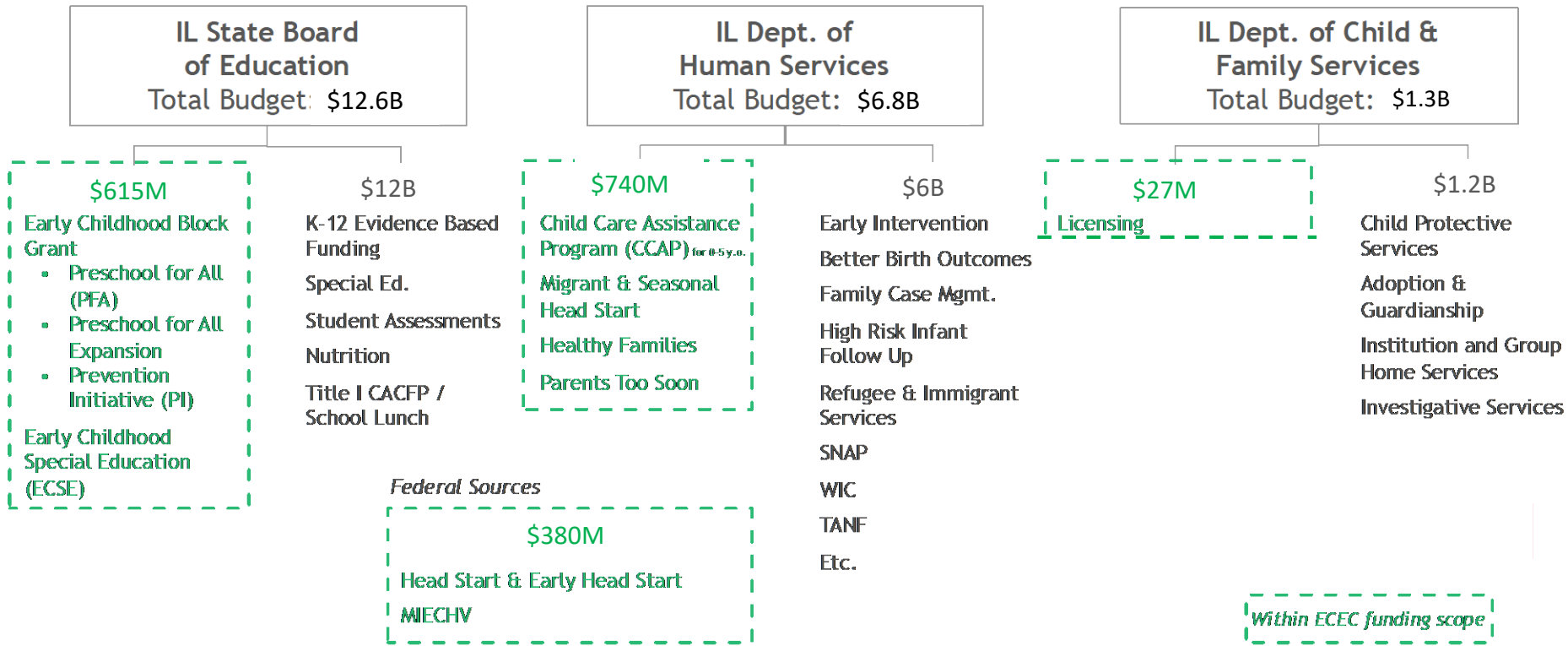
Programs are administered across **three state agencies**



These agencies currently administer \$1.8 billion annually in federal and state funding on ECEC services and programs

There is no one agency setting and maintaining vision and policy

2020 allocations



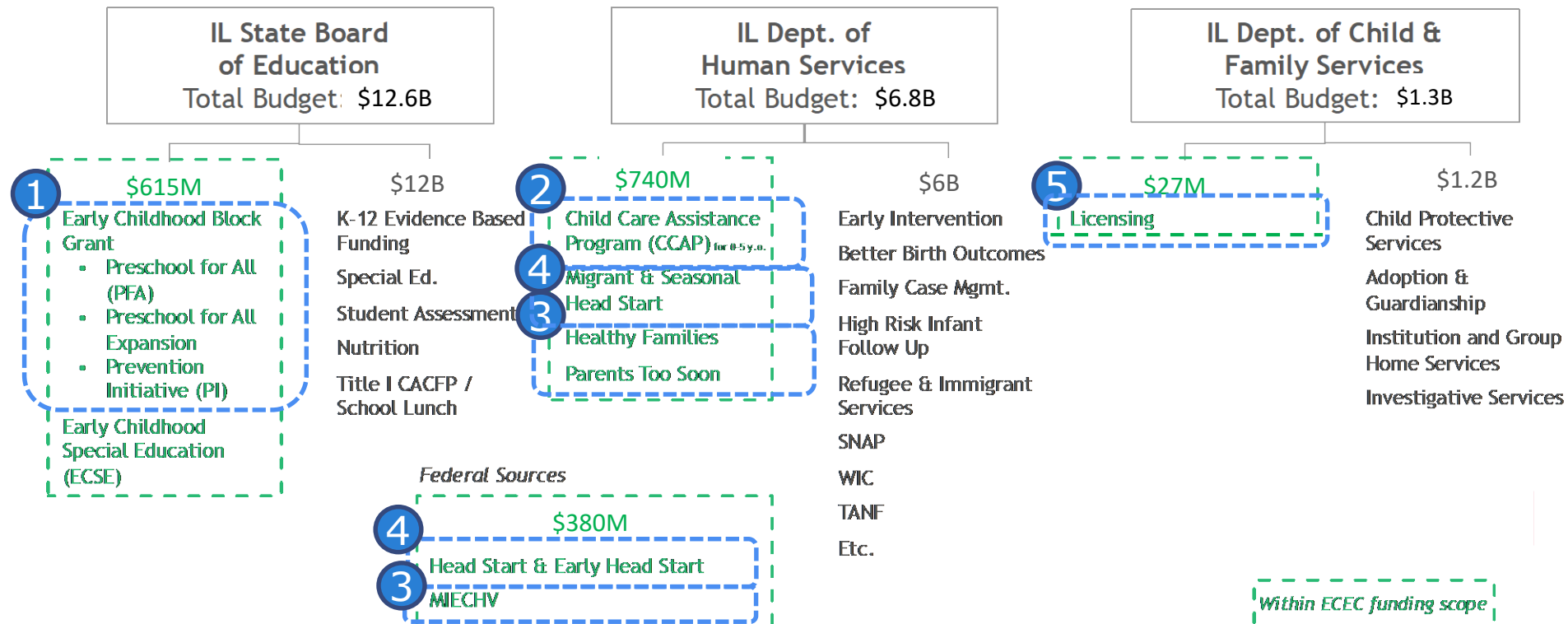
Source: IL FY 2017 Budget; assuming funding spread evenly across 0-5 y.o., 6-12 y.o.

*GOECD coordinates state initiatives to create an integrated system of quality ECEC programs across agencies.

This Working Group will primarily focus on management & oversight of ***five major categories of services***

1. Early Childhood Block Grant
2. Child Care Assistance Program
3. Home Visiting
4. Head Start
5. Licensing

2020 allocations

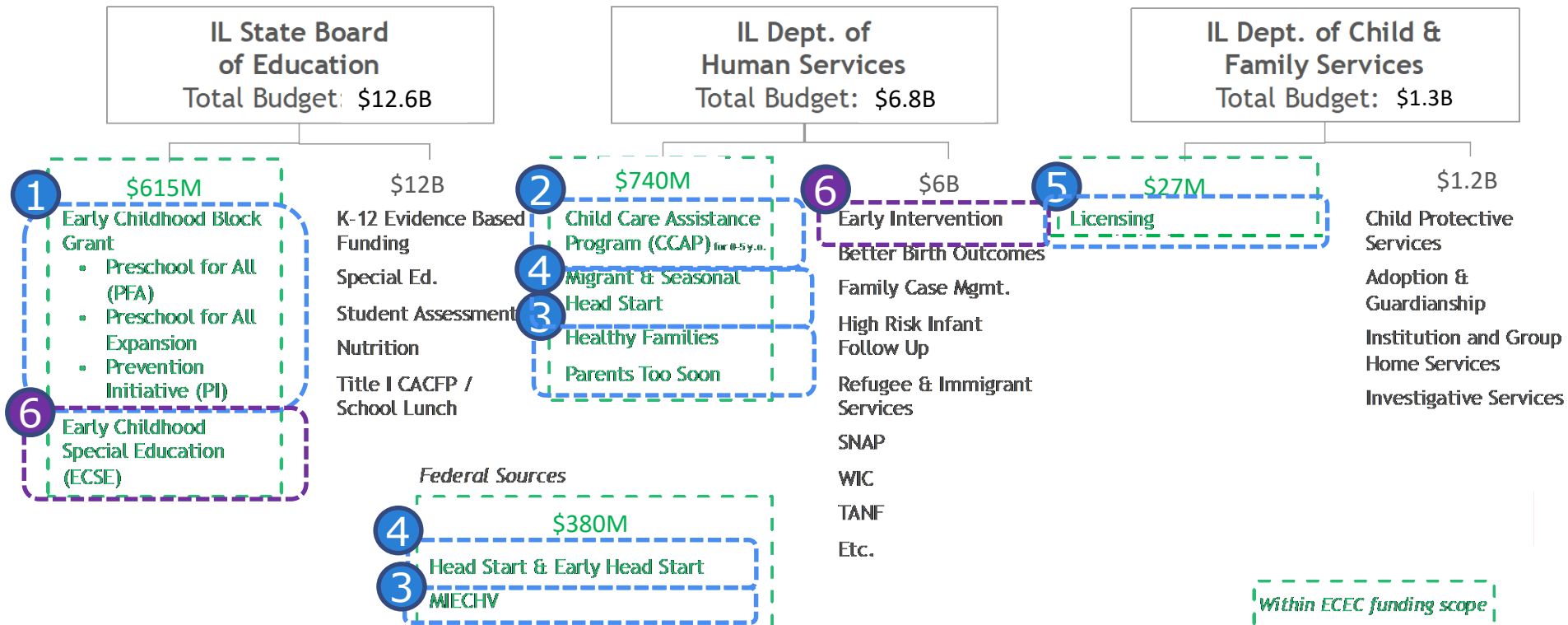


Source: IL FY 2017 Budget; assuming funding spread evenly across 0-5 y.o., 6-12 y.o.

The Inclusion Working Group will inform our work on Inclusion programs

1. Early Childhood Block Grant
2. Child Care Assistance Program
3. Home Visiting
4. Head Start
5. Licensing
6. Inclusion

2020 allocations



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

In order to discuss what's working and what's not across the system, we need to understand current mechanics and context for each service category

The mechanics:

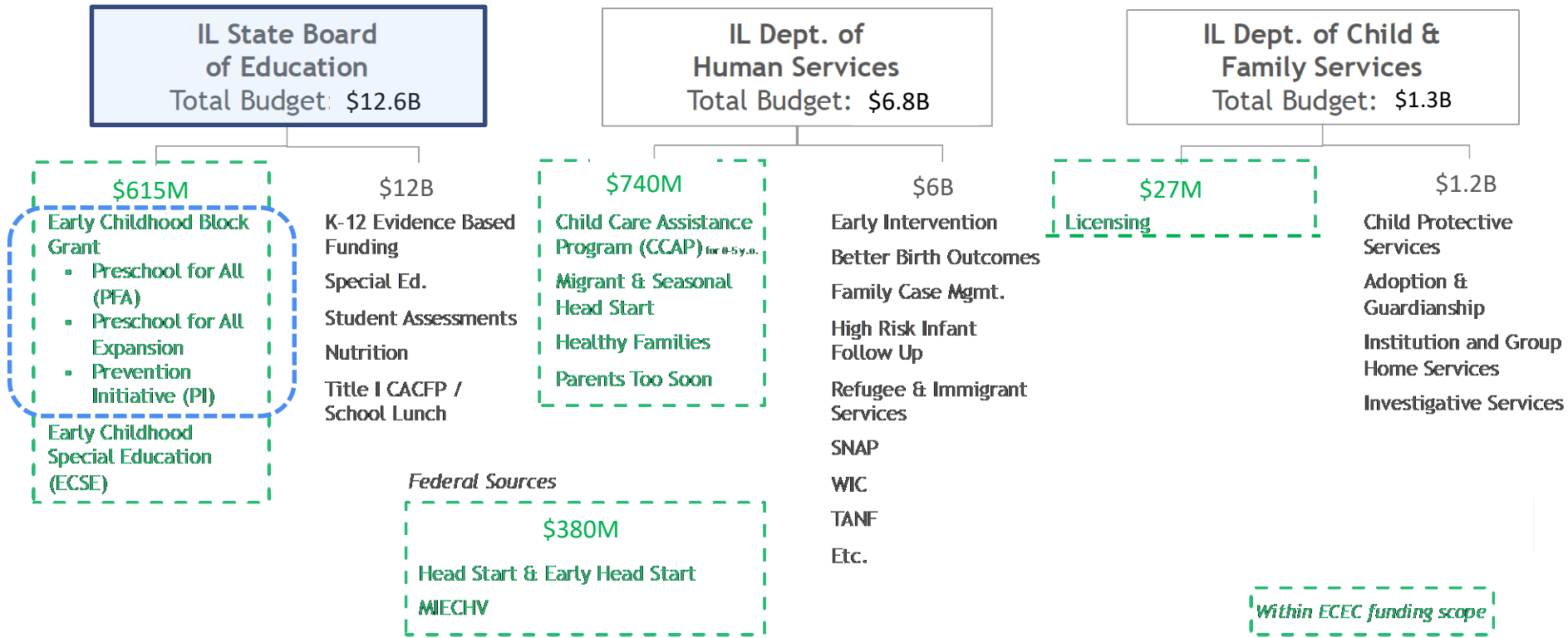
- How is the service funded?
- Who allocates the funding?
- Who receives the funding?
- How are funds allocated (what mechanism(s))?

The context:

- Why is the management & oversight structure as it is?
 - What laws or policies play a role?
 - What were the decision points that led to the current structure?
 - What pros and cons were considered?

1 Early Childhood Block Grant

2020 allocations



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

1 Early Childhood Block Grant – ISBE

Services include:

- Preschool for All (PFA) - three-to-five-year-old preschool
- Preschool for All Expansion (PFA-E) - PFA plus intensive wraparound services
- Prevention Initiative (PI) - zero-to-three home visiting or center-based care

How is the service funded?

State
Appropriations

Who allocates the
funding?

ISBE (Early
Childhood)

How is funding allocated
(mechanism(s))?

Competitive Bid

Who receives the funding?

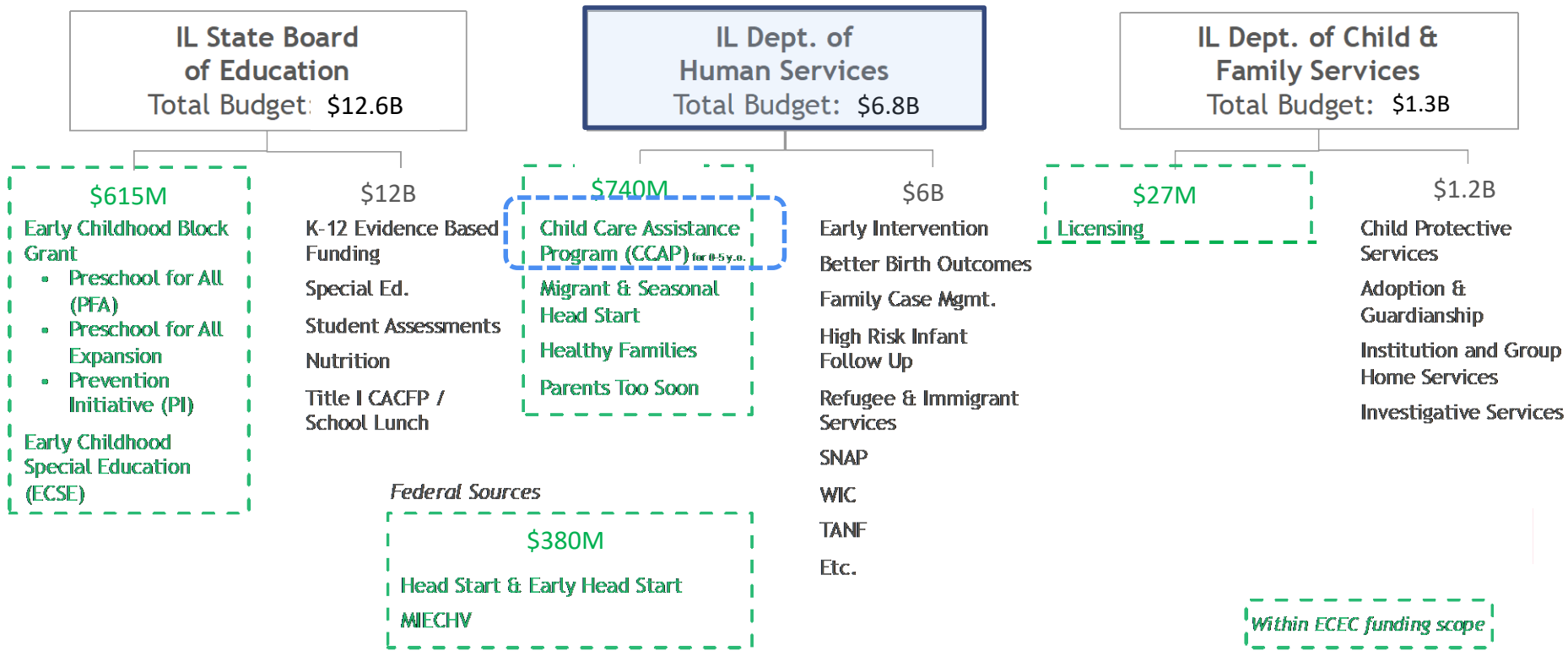
Grantees (schools and
CBOs)

1 Early Childhood Block Grant - background

- Why is this structure and mechanism as it is?
 - State pre-k was initiated in 1985.
 - Early Childhood Block Grant was established in 1997 created mandatory infant-toddler set-aside (now 25% of all new funding).
 - Illinois P.A. 096-0948 amends Sec. 2-3.71 of the School Code to establish Preschool for All, administered on a competitive basis—thought to be best method given that not all potential providers could be funded immediately.
 - Administrative Code Part 235 governs the competitive bidding process.
- How does it work in Chicago?
 - Chicago Public Schools receives 37% of ECBG.
 - CPS sends a portion of that to the City DFSS to bid out to CBOs

2 Child Care Assistance Program

2020 allocations

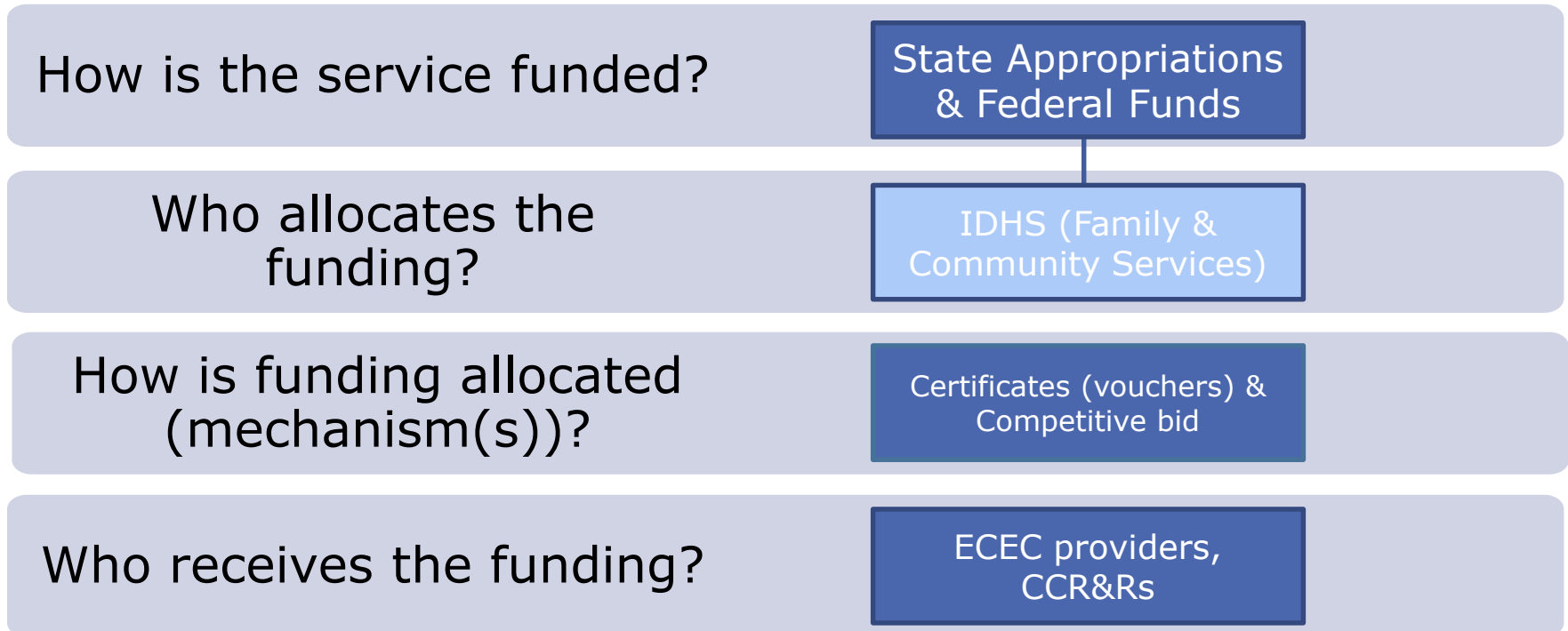


Source: IL FY 2017 Budget; assuming funding spread evenly across 0-5 y.o., 6-12 y.o.

2 Child Care Assistance Program – IDHS

Services provided:

- CCAP: helps low-income families pay for childcare while working or attending school.

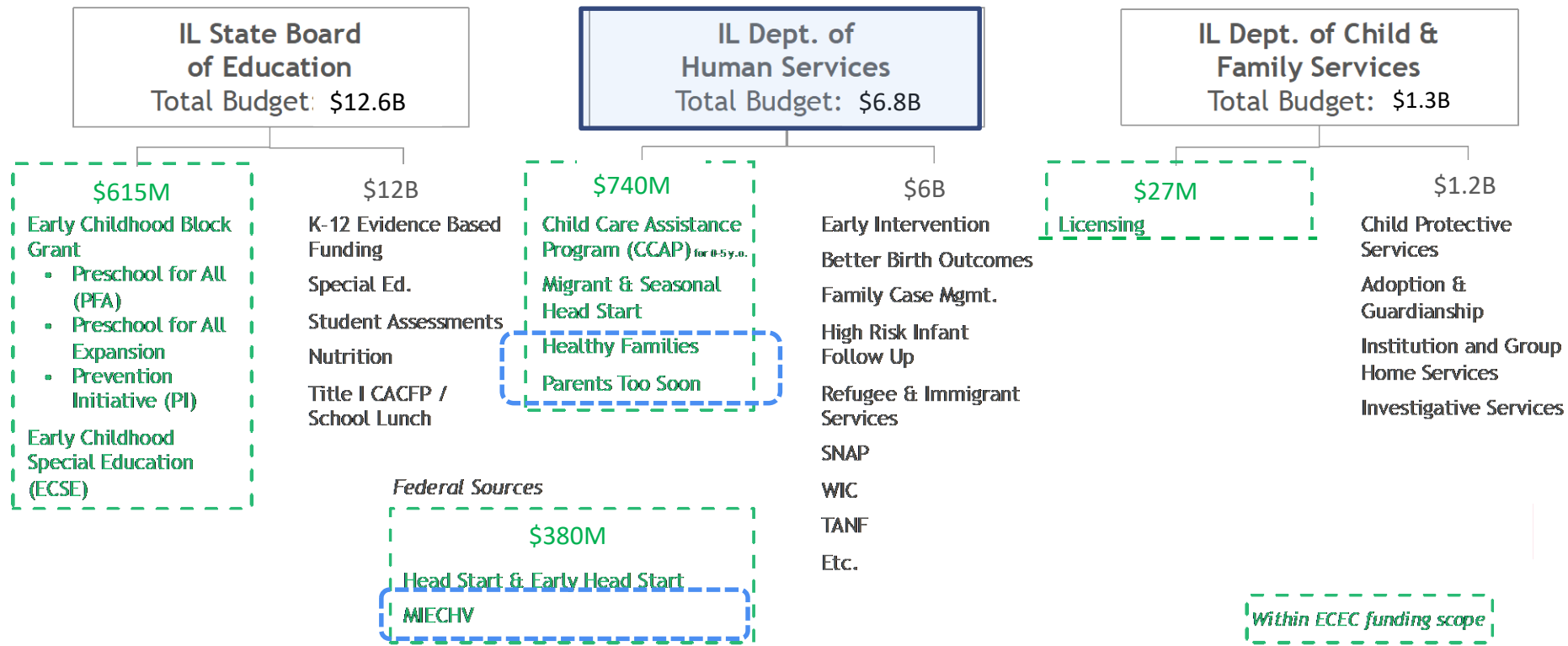


2 Child Care Assistance Program - background

- Why is this structure and mechanism as it is?
- Federal Child Care Development Block Grant Act of 2014
 - U.S. DHHS Office of Child Care rules, published 2016, govern implementation of the law.
 - Federal law allows for fund disbursement through certificates or grants/contracts.
 - Illinois uses certificates to disburse funding on a child-by-child basis.
 - Illinois uses a competitive bid process to award CCAP contracts to a small number of providers. "Site-administered contracts" differ from regular certificates only in that the site manages eligibility determination rather than having the local CCR&R do it; reimbursement is still based on daily rate per child.

3 Home Visiting

2020 allocations



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

3 Home Visiting – IDHS

Services provided:

- Healthy Families Illinois: evidence-based home visiting
- Parents Too Soon: home visiting for teen parents
- MIECHV: evidence-based home visiting

How is the service funded?

State appropriations
(HFI/PTS) & federal
funds (MIECHV)

Who allocates the
funding?

IDHS (Family and
Community Services)

How is funding allocated
(mechanism(s))?

Competitive Bid

Who receives the funding?

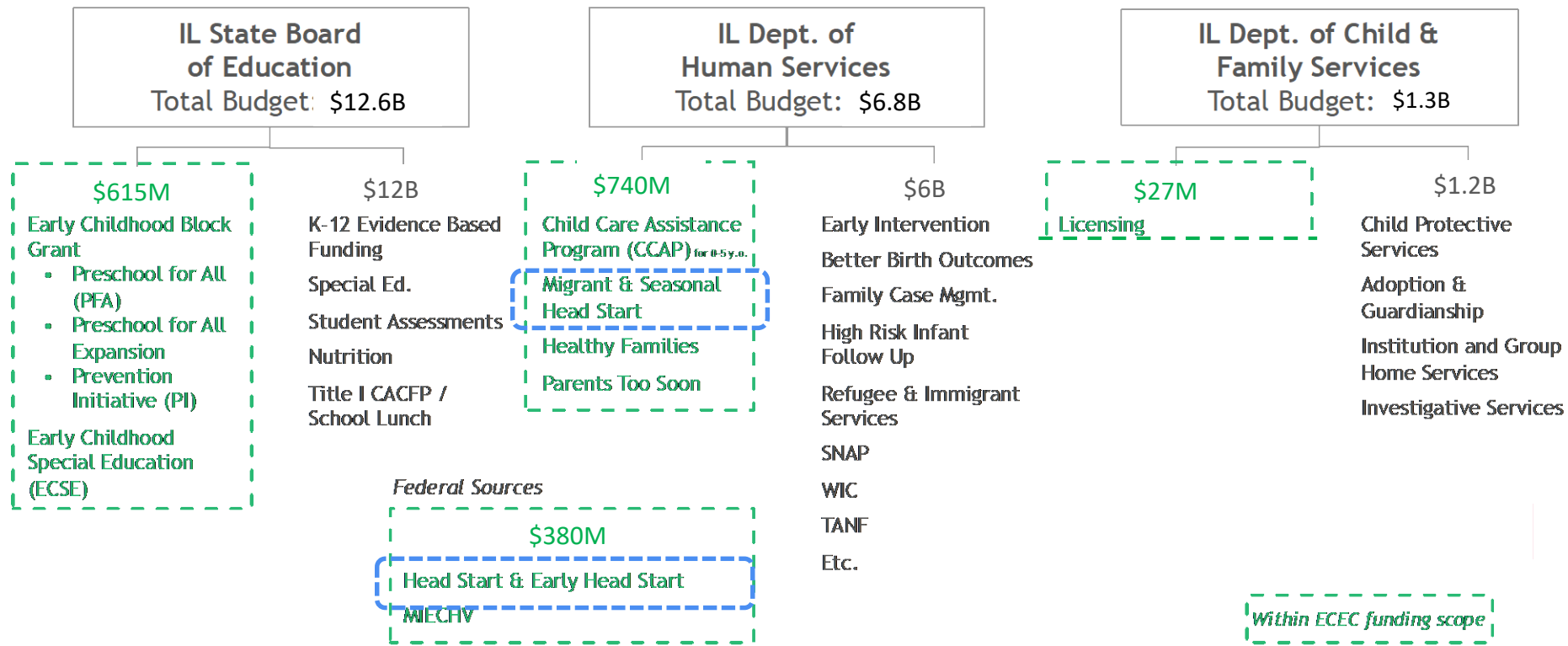
Grantees (CBOs) in
targeted communities

3 Home Visiting - background

- Over 70% of home visiting slots in Illinois are funded through Prevention Initiative (ECBG), about 15% are funded through Early Head Start, and about 15% are funded through IDHS & MIECHV.
- Why is this structure and mechanism as it is?
 - MIECHV:
 - Patient Protection and Affordable Care Act of 2010 created MIECHV.
 - U.S. DHHS distributes MIECHV funds based on a formula and competitive bid process.
 - 75% of MIECHV home visiting funds must support evidence-based models.
 - HFI and PTS:
 - Included in Illinois budget as line items.
 - Distributed via competitive bid process.

4 Head Start

2020 allocations



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

4 Head Start – Federal DHHS

Services provided:

- Head Start: three-to-four year old care and family supports.
- Early Head Start: home visiting and childcare with family supports.
- Migrant & Seasonal Head Start: Head Start for agricultural workers.

How is the service funded?

Federal funds

Who allocates the funding?

US Department of Health & Human Services

How is funding allocated (mechanism(s))?

Competitive bid

Who receives the funding?

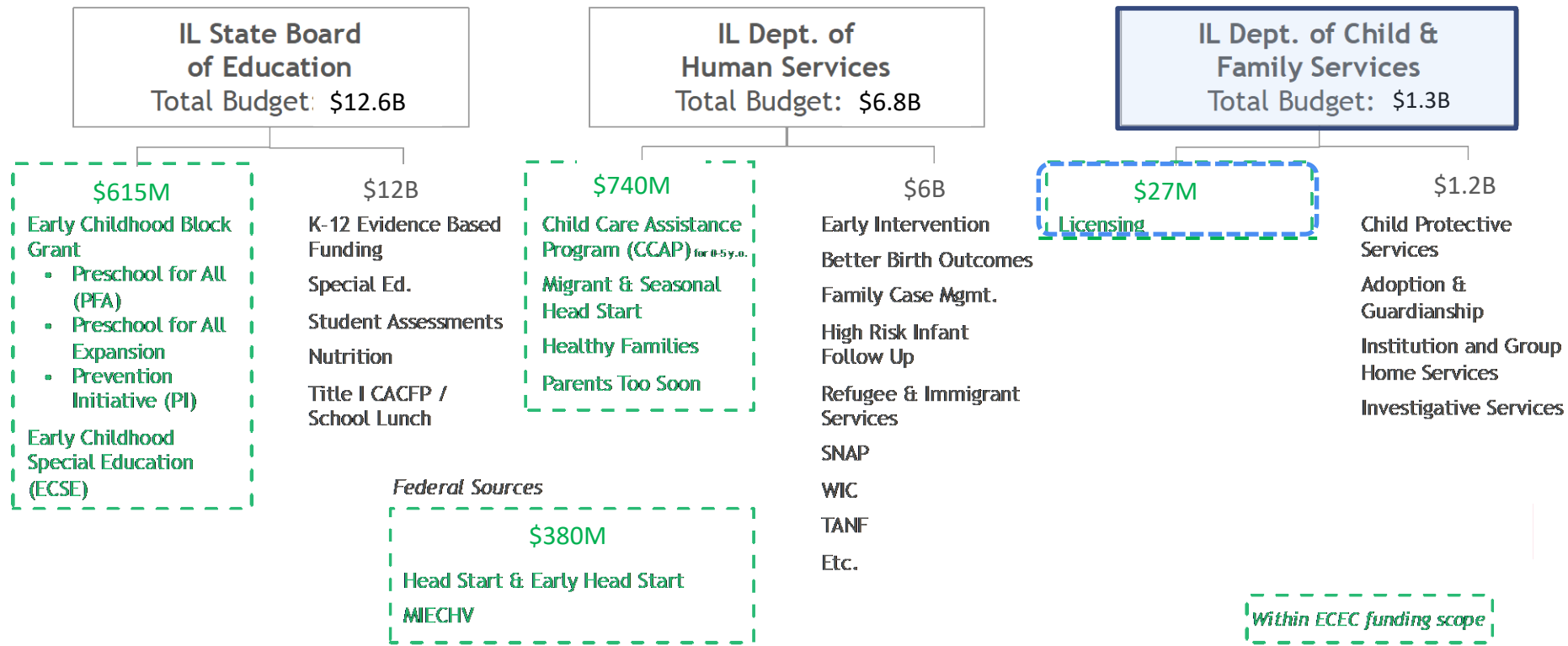
Head Start
Grantees

4 Head Start - background

- Why is this structure and mechanism as it is?
 - U.S. Public Law 110-134, *Improving Head Start for School Readiness Act of 2007*.
 - Program is governed by the *Head Start Performance Standards*, recently revised in 2016.
- Note: Head Start/Early Head Start funding does not flow through the state, but rather is direct federal-to-local funding (Exception: Migrant Head Start).
- How does this work in Chicago?
 - The City of Chicago is a “super-grantee” and has the grant for almost all Head Start and most Early Head Start funding for Chicago.
 - The City (DFSS) competitively bids this funding out to “delegate agencies,” who may in turn subcontract with “partners.”

5 Licensing

2020 allocations



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

5 Licensing – IDHS & DCFS

Services provided:

- Licensing: compliance monitoring for licensed child care centers and licensed child care homes with regard to state licensing regulations.

How is the service funded?

State appropriations
& federal funds

Who allocates the
funding?

U.S. DHHS;
IDHS and DCFS

How is funding allocated
(mechanism(s))?

Allocation

Who receives the funding?

DCFS; regional
licensing offices

5 Licensing - background

- Why is this management and oversight structure as it is?
 - Childcare licensing is funded via General Revenue Funds and federal CCDF funds (quality expenditures).
 - IDHS sends CCDF funds to DCFS fund to support licensing.

The Early Learning Council has identified several challenges in the ECEC system, several relating to Management & Oversight

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

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

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.

Our Current M&O Structure in Relation to the Commission's Guiding Principles

Taken all together, how is the ***current management & oversight system*** working?

Considering our guiding principles...

- What is working well?
- What are the challenges?

High Quality ECEC is a
Public Priority

Promote Equity

Embrace Bold System-
Level Changes

Build Upon the Solid
Foundation





Prioritize Family
Perspectives, Needs,
and Choices

Design for Stability
and Sustainability






Require System
Transparency,
Efficiency, and
Accountability

Recognize
Implementation
Realities

Taken all together, how is the ***current management & oversight system*** working?

Guiding Principle	Rating	Rationale
Accountability		<ul style="list-style-type: none">• ExceleRate system provides unified program standards• Based on compliance with funding stream regulations rather than needs• No unifying system• Can be duplicative
Equity		<ul style="list-style-type: none">• Children with equal risk factors in different communities have differing levels of access• Racial disparities in access to services• Families needing childcare served with lower standards
Family Perspectives		<ul style="list-style-type: none">• No proactive family engagement across systems to understand local needs.• Services arranged by funding stream rather than family and community needs.• Full day year-round options with continuity of relationships and minimal transitions are not prioritized
Sustainability & Stability		<ul style="list-style-type: none">• Funding levels for programs vary widely, even where they are expected to provide same service• Outside of schools, compensation does not match qualifications requirements, demand for workers, or complexity of the work

Taken all together, how is the ***current management & oversight system*** working?

Guiding Principle	Rating	Rationale
Transparency		<ul style="list-style-type: none">• Difficult for families to navigate without a unified end-user system• No unified way to track federal, state, and local ECEC spending
Efficiency		<ul style="list-style-type: none">• Few ECEC providers blend and braid multiple funding sources outside of Chicago• Limited communication across providers and funding streams at the community or state level
High Quality & Effectiveness		<ul style="list-style-type: none">• Few children in licensed childcare receive high-quality service• Childcare quality add-on rates don't cover the cost of quality• High-quality ECEC is unaffordable for many low- and moderate-income families
Boldness		<ul style="list-style-type: none">• The system has not been comprehensively evaluated and improved
Ability to Implement		<ul style="list-style-type: none">• Status quo is already implemented

Next Steps

This Working Group's Update for February 11 Commission Meeting

- Working Group's Work Plan
- Working Group's Decision Framework
- *What else?*

Revisit Work Plan & Timeline

Approximate Timeline	Meta-Topics
February (Today)	<ul style="list-style-type: none">• Validate Work Plan and Timeline• Understand current structures• Begin decision framework development
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Other Next Steps

- Revisit Key Questions, Key Decision Points, and Workplan stemming from today's discussion
- Document known interdependencies with other Working Groups
- Prepare for Management & Oversight Working Group Meeting #2 (February 28th)

DRAFT Meeting 2 Priorities

- Review synthesis of today's status – what's working and what's not
- Discuss national research that may inform option development
- Develop requirements listing for the future system from a variety of stakeholder perspectives

THANK YOU

