



Commission on Equitable Early Childhood Education and Care Funding

Management & Oversight Working Group
Meeting #5

June 29, 2020

Today's Goals



Recap on the **progress we have made thus far** and feedback from the **most recent Commission meeting**

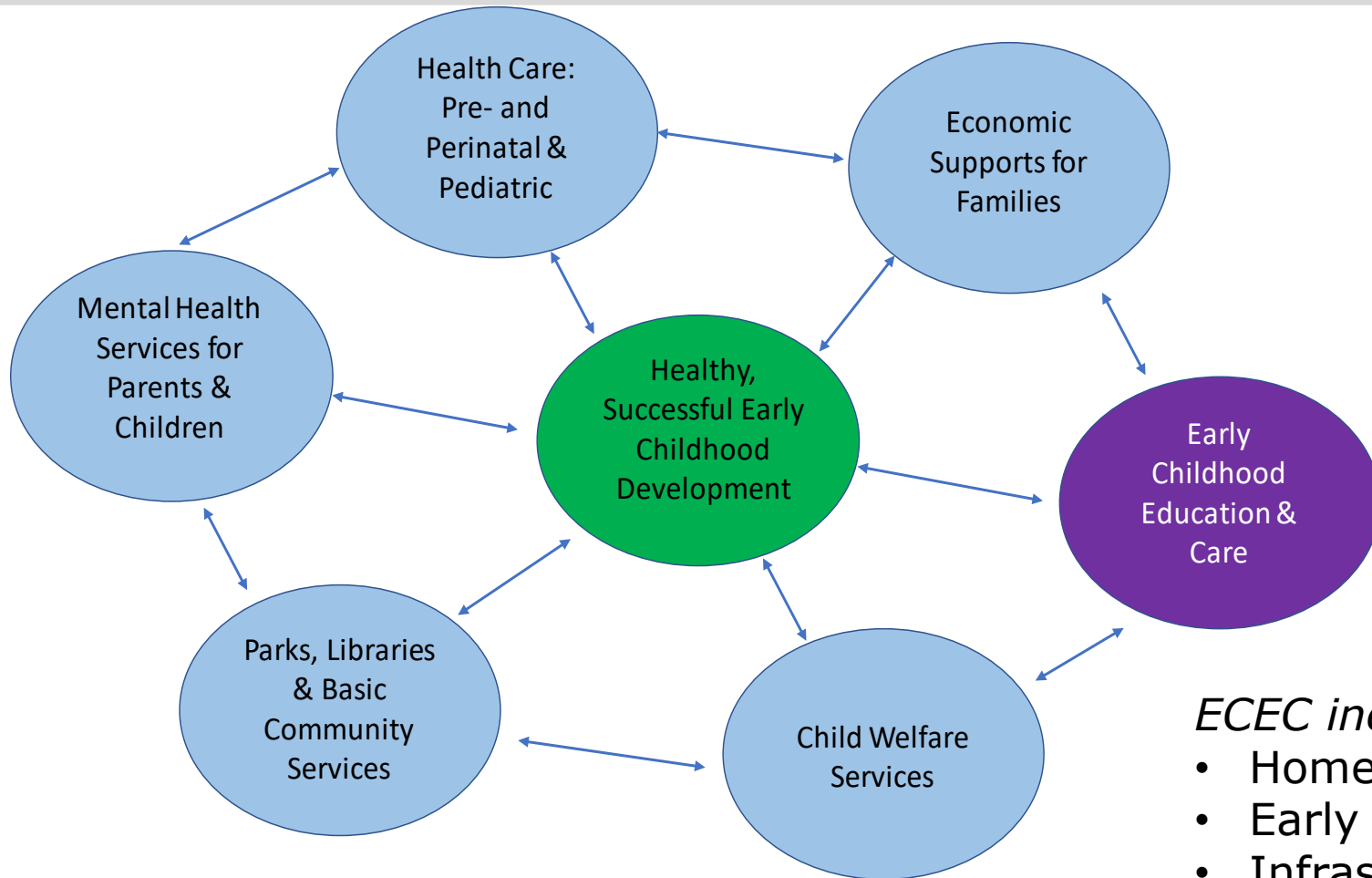


Determine pros/cons of **creation of a new state agency vs. consolidation into an existing state agency**

Today's Time Spent

Agenda Item	Timing
Recap progress and last Commission meeting	15 min
Agency Creation vs. Consolidation	90 min
Regional capacity decision planning	5 min
Next Steps	5 min
Public Comment	5 min

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



ECEC includes:

- Home visiting
- Early learning
- Infrastructure for these services

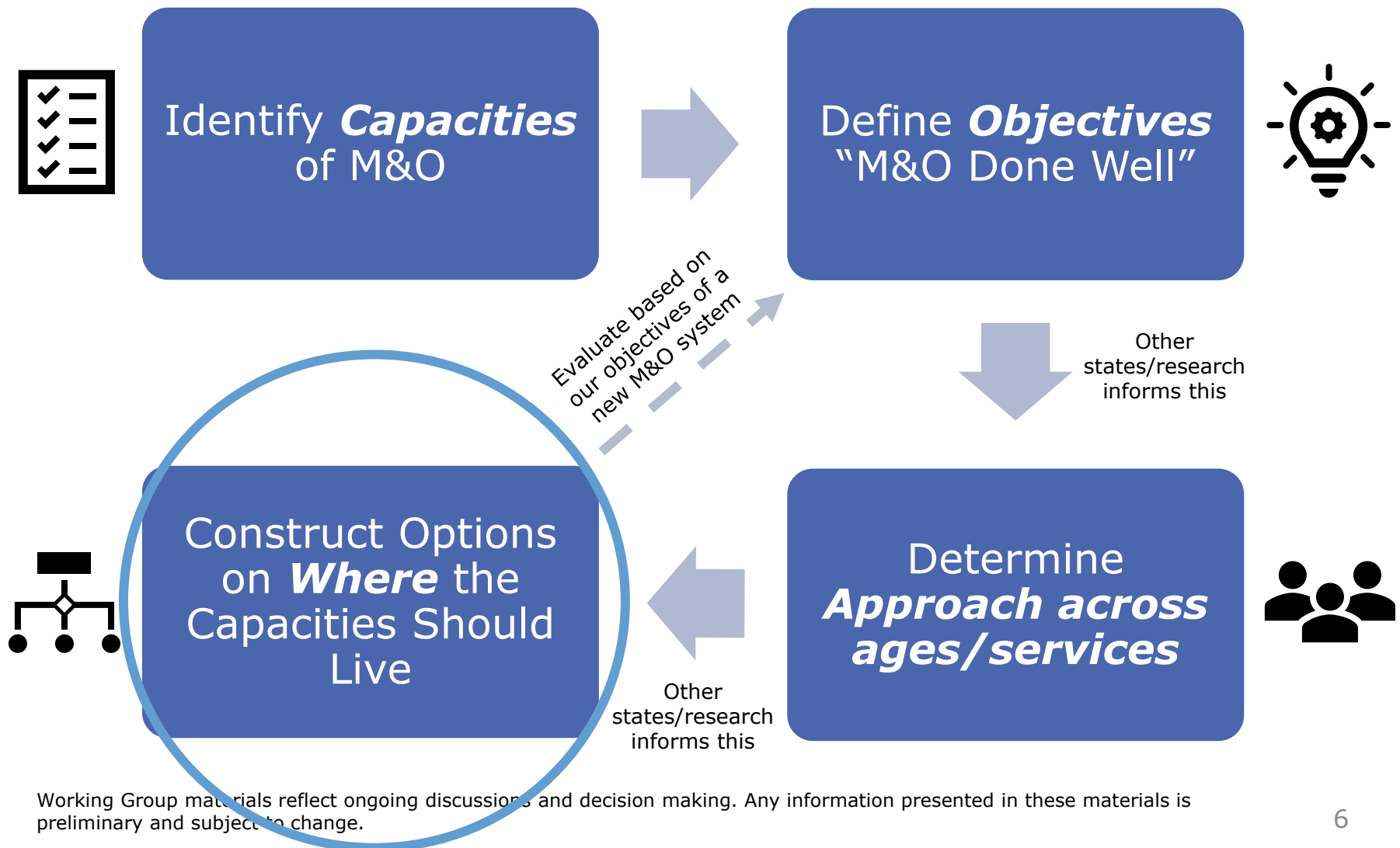
Management & Oversight Charge

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: How We Get to End State M&O



Management & Oversight Capacities

REVISED BASED ON FEEDBACK TO INCLUDE RACIAL EQUITY LANGUAGE

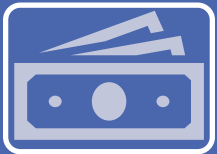


What are the state and regional capacities that a successful ECEC management and oversight system must possess?



Policy Leadership

- Set & maintain statewide vision, goals, and priorities
- Apply a definition and tools of equity to the development and execution of all other capacities, including leadership directing the capacities, data and voices informing execution of the capacities, and guidelines shaping execution of the capacities
- Set quality and early learning 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



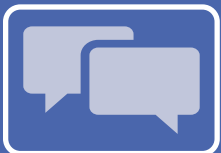
Funding & Oversight

- 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

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:

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 **disaggregated** 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, **including racially inclusive opportunities for quality improvement and equitable resource distribution to underserved communities.**

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, **engaging diverse stakeholders in the decision making process**
- Implement accountability that is focused on family perspectives and data

Working Group materials reflect ongoing discussions and decision making. Any information presented in these materials is preliminary and subject to change.

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

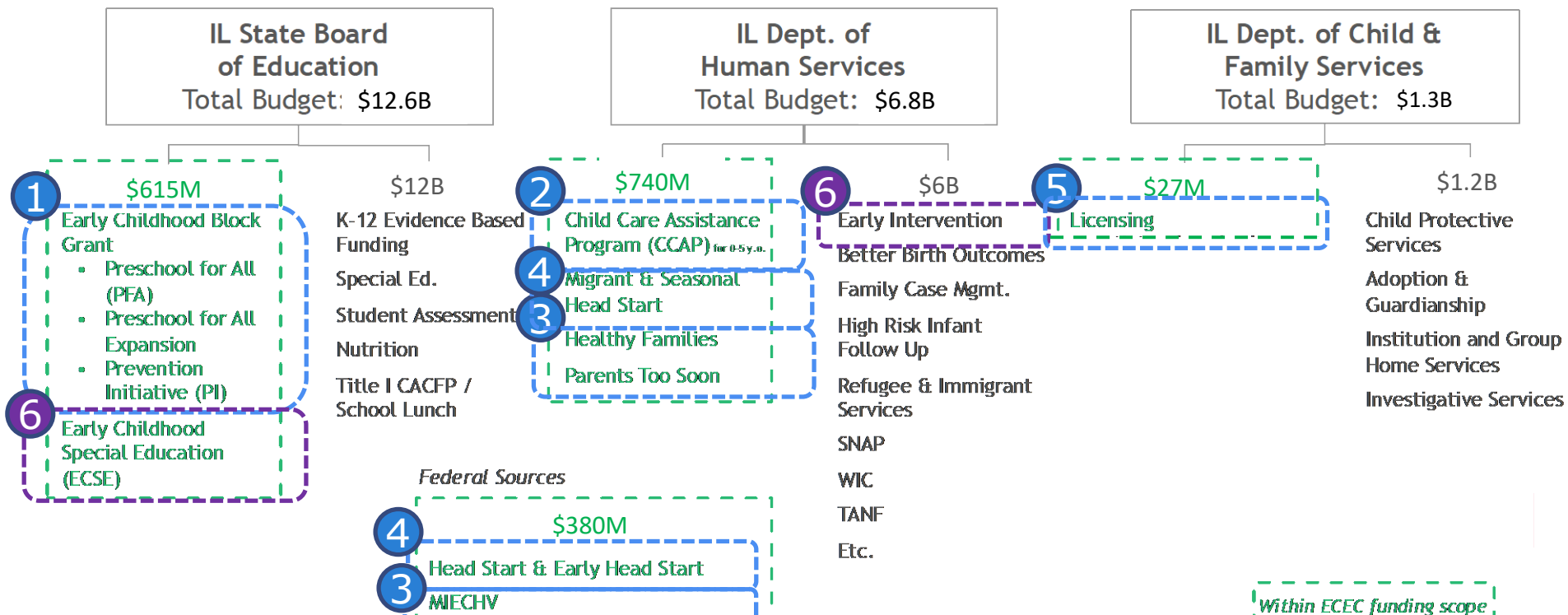
Reminder: Current governance situation across three agencies



1. Early Childhood Block Grant
2. Child Care Assistance Program
3. Home Visiting

4. Head Start
5. Licensing
6. Inclusion

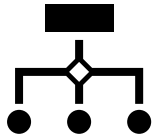
2020 allocations



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Source: Illinois Department of Children & Family Services, 2020. Funding allocations for child care across 0-5 y.o., 6-12 y.o.

Constructing options for M&O has involved these considerations



State level administration

At the state level, should M&O capacities be 1) **coordinated** among state agencies or 2) **centralized** within an existing or new state agency?



State / Region / Local roles

Identify which components of each M&O capacity are best implemented at the **state** or **regional/local** level.



State agency determination

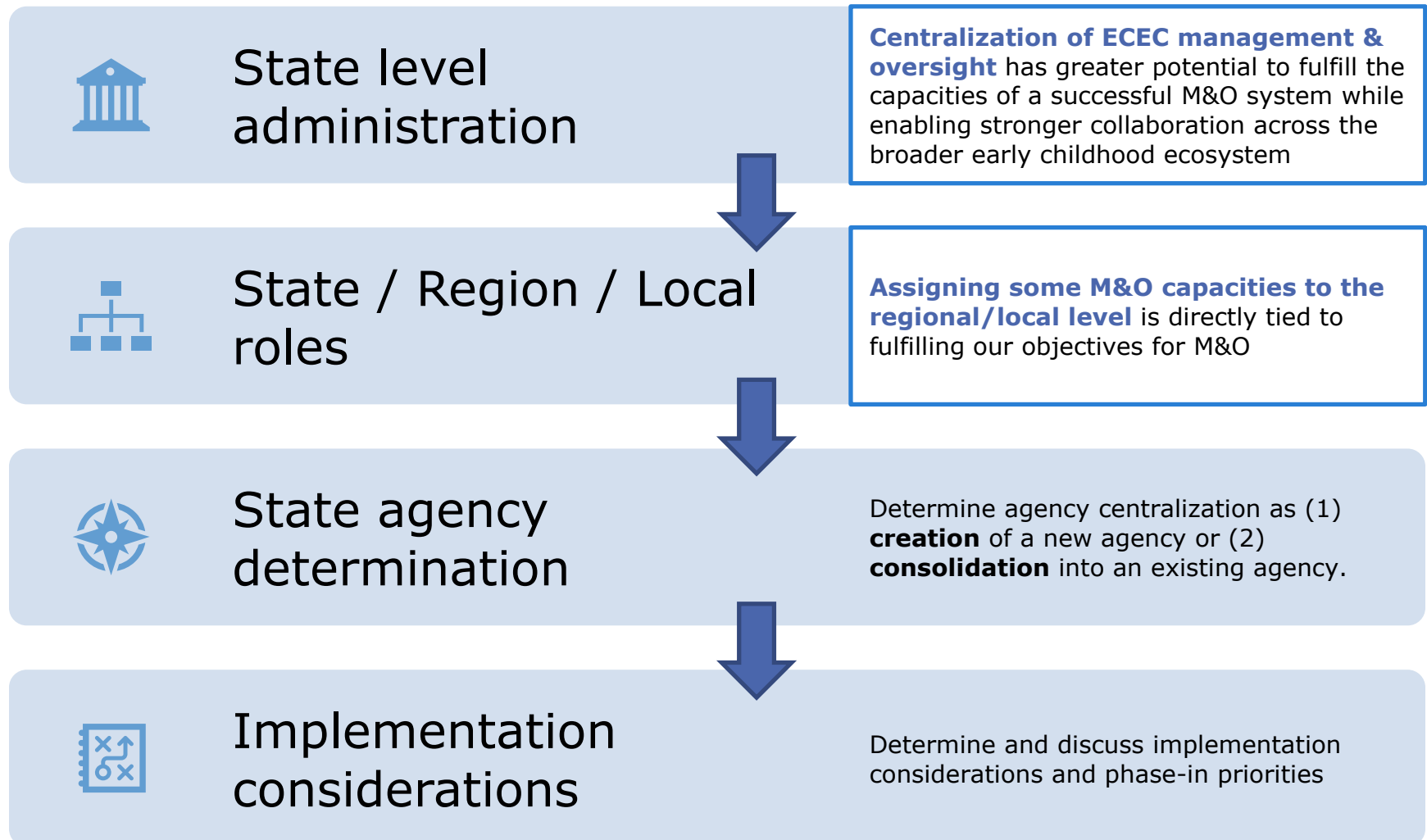
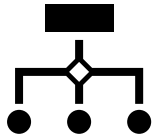
Determine agency centralization as (1) **creation** of a new agency or (2) **consolidation** into an existing agency.



Implementation considerations

Determine and discuss implementation considerations and phase-in priorities

Outcomes of our work thus far



State Agency Determination

Agency Consolidation vs Agency Creation



A Framework for Choosing a State-Level Early Childhood Governance
(Regenstein/Lipper 2013):

1. **Coordination among agencies**, where administrative authority is vested in multiple agencies that are expected to collaborate with each other
2. **Consolidation**, in which multiple programs are administered by the same agency, particularly state education agencies; and
3. **Creation**, the creation of a new agency focused on early education and care



Regarding administration of ECEC M&O capacities:

At the state level, should this capacity be coordinated or centralized for all ECEC services?

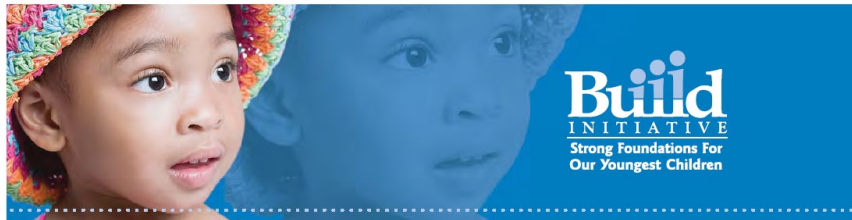
If centralized, within a current agency or a creation of a new one?

Several resources can guide our discussions

State Governance Changes Analysis

This table summarizes insights about changes in governance structures gleaned from advocates in other states. It includes a description of the governance structure in the state; an explanation of the development of the structure, including why it was created and the roles of key stakeholders in creating it; the impact that the change of structure had; and key lessons learned. [Anything else?]

**Zumwalt and Saterfield,
2018**



A Framework for Choosing a State-Level Early Childhood GOVERNANCE SYSTEM

Elliot Regenstein, J.D.
*Senior Vice President
Advocacy and Policy
Ounce of Prevention Fund*

Katherine Lipper, J.D.
*Policy and Legal Advisor
EducationCounsel LLC
May 2013*

Regenstein and Lipper, 2013

Analysis of Proposed Governance Structures for Early Childhood Programs in Illinois

Three program governance models are under consideration to administer approximately 14 early childhood programs/funding streams. All of these programs contain a mixture of program administration, operations and personnel. The larger the program the more complex these components become and the more difficult to bring about a change in governance.

A brief review of the programs and how they are currently administered at their respective state agencies will help inform this process. While the program administration aspect is most familiar to the public and providers, the infrastructure that supports these programs operates behind the scenes and can be quite complex.

Nourse, 2017

Commission staff
discussions with
Washington,
Alabama, Georgia,
Delaware, and Illinois



Regenstein, 2020

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Points of influence in evaluating agency options



Aforementioned research points



M&O objectives



Funding mechanism objectives



Commission guiding principles



Existing regional/local infrastructures

For today, we will focus on these three centralization state agency options

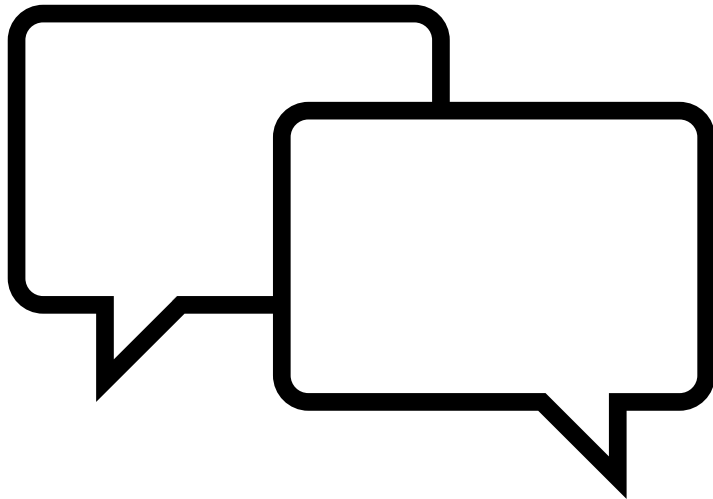
State Agency Centralization Option	Pros	Cons
Consolidation: Within ISBE		
Consolidation: Within IDHS		
Creation: New State Agency		

Note: When we present our final recommendations, we may want to include pros/cons for status quo, the authority model, and the Pennsylvania model (as described in Zumwalt and Saterfield, 2018).

Determining a state agency direction for ECEC requires weighing pros and cons

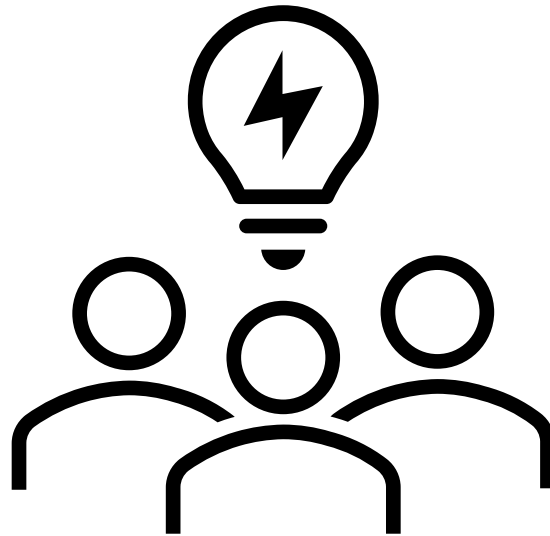
State Agency Option	Pros		Cons	
Consolidation: Within ISBE	+Might require less infrastructure build	+Infuses education focus across ECEC +Streamlines funding disbursement to schools	-Risk of being treated as an appendage, deprioritizing ECEC -Potential for mission, culture conflicts	-Risk that school-based system will not meet community-based provider needs
Consolidation: Within IDHS	+If vision and implementation go off track, restructuring may be easier	+Could strengthen connection with other human services programs	-Risk of funding intermixed with existing agency -Risk that existing infrastructure will not match needs	-IDHS is already a very large agency
Creation: New State Agency	+Exclusive mission focus +Elevates ECEC policy matters +Creates ECEC leadership +Clear lines of authority +Creates a voice at the cabinet level focused on early childhood +Strengthens the relationships and dialogue across early childhood program areas +Can integrate system of quality early learning programs		-Difficult, complex, requires 2-3 years to fully accomplish -Implementation distraction from external work -Initial cost of start-up (followed by small administrative savings)	

Breakout Group Discussion: Pros/Cons of State Agency Options



- Review our draft set of pros/cons
- Discuss
- Add your collective thoughts in Word template

Wrapping up creation vs. consolidation discussion



Regional/Local Management & Oversight

Once our working group starts meeting jointly with the Funding Mechanism Working Group, these regional questions can be tackled

- What **responsibilities** live at the regional level?
- What is the region **size**?
- What is the **relationship** between the regional entity and the state entity?
- How does this interact with consolidate vs create decision, considering **many ECEC programs already have regional entities of their own**?

Next Steps

Next Steps

- Synthesize our thoughts from today's discussion
- We are proposing that the **last two working group meetings** (July / August) be held **jointly with the Funding Mechanism working group**, with discussion anticipated to include these questions and more:
 1. What **M&O structural and staffing components are necessary** to effectively carry out core pieces of the recommended system of funding mechanisms?
 2. What does this mean for **regional/local M&O capacities** as well as the **distribution of funding from state to provider or state to region or a blend**?
 3. What **flexibilities and authorities** would be needed for each of the existing appropriations and sources of funds to effectuate a coordinated process and system of funding mechanisms?
 4. How can we leverage advocates to help us **assess impact of our recommendations on providers and families**?

Working Group Member Reflections

- Final thoughts about **today's discussions** as we head into joint sessions with Management & Oversight?

Public Comment

THANK YOU



Supplemental Slides

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."



Commission 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.

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 Charge

Goal: *recommend improved ECEC management structures and responsibilities, in alignment with Guiding Principles*

Key Questions to Answer	What could these questions include?
1. Who sets the vision and maintains and updates policies and priorities for the overall ECEC system in Illinois?	<i>Example:</i> Licensing, quality rating and improvement, reimbursement rates, regulations, research and data analysis, professional development, etc.
2. Who allocates funds and distributes them?	<i>Example:</i> Implementing funding mechanism determined by Funding Mechanism Working Group; Setting funding priorities over time, setting population priorities over time, funding allocation for quality improvement and expanded access, etc.
3. Who holds recipients accountable for what they do with funding?	<i>Example:</i> Implementation of quality and accountability regulations determined above

Key Conclusion from Funding Mechanism Working Group

There is value to blending funding sources upstream at the system level.

Pandemic challenges highlight the urgency of the Commission's charge

- **Inconsistency in continued instructional support** across ECEC while settings are closed (Head Start, PFA, child care, etc.)
- Current **management and oversight system requires multiple conversations with many offices before making ECEC decisions**, even on an urgent timeline
- Inconsistent relationships with community entities (like CCR&Rs and INCCRRA) makes **reopening emergency child care confusing**
- Providers want to know how to access funding and how to stay afloat – but **wide variation in funding** makes this challenging
- Child care is an **essential service**, yet **most ECEC workers would receive more on expanded unemployment insurance**
- Information on **policies from multiple agencies** makes it **challenging to provide consistent messaging and answer questions uniformly**
- Standing the system back up and **rebuilding infrastructure and supports following the pandemic will require even greater effort and collaboration**

Policy Leadership

State leads, regions implement



Set & maintain statewide vision, goals, and priorities.

*Set,
maintain,
implement*



*Inform,
implement*

Set quality and early learning standards and guidelines.

Set



*Inform,
implement*

Develop and implement system policies, rules, and regulations (including budget) based on family, community, and provider perspectives and needs in response to gaps.

*Develop,
implement*



*Inform,
implement*

Engage policymakers.

*Unified
legislative
affairs*



*Share
data with
local
policymak
ers.*

Partner and coordinate with other child- and family-serving state agencies and ECEC system advisory bodies.

*Coordinate
with ECEC
advisory body,
state agencies,
their advisory
bodies*

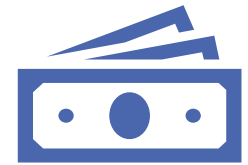


*Coordinate
with
regional
entities
across other
systems*

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Funding & Oversight

State budgets, allocates, disburses



Use data and community perspectives to inform the budgeting process

Collect, analyze, leverage



Collect, feed up, use locally

Make funding allocation decisions

Make decisions



Support providers, inform decision

Administer funding distribution

Disburse funding



Conduct monitoring and compliance oversight

Use the data to inform accountability process



Conducts, shares findings with State

Infrastructure

State leads, regions implement



Develop leadership capacity to implement improvements to the ECEC system



Manage accountability process to ensure high quality programs

Design, share results



Implement, share findings with State

Collect, analyze, and evaluate systemwide data

Collect, receive, analyze, evaluate, leverage, share



Collect, feed up, use locally

Manage system level continuous quality improvement

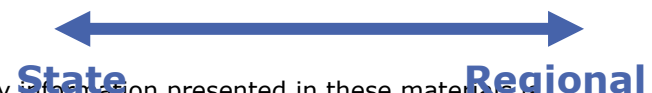
Design, implement



Implement, provide support

Administer professional development and workforce development

Determine requirements, award qualifications

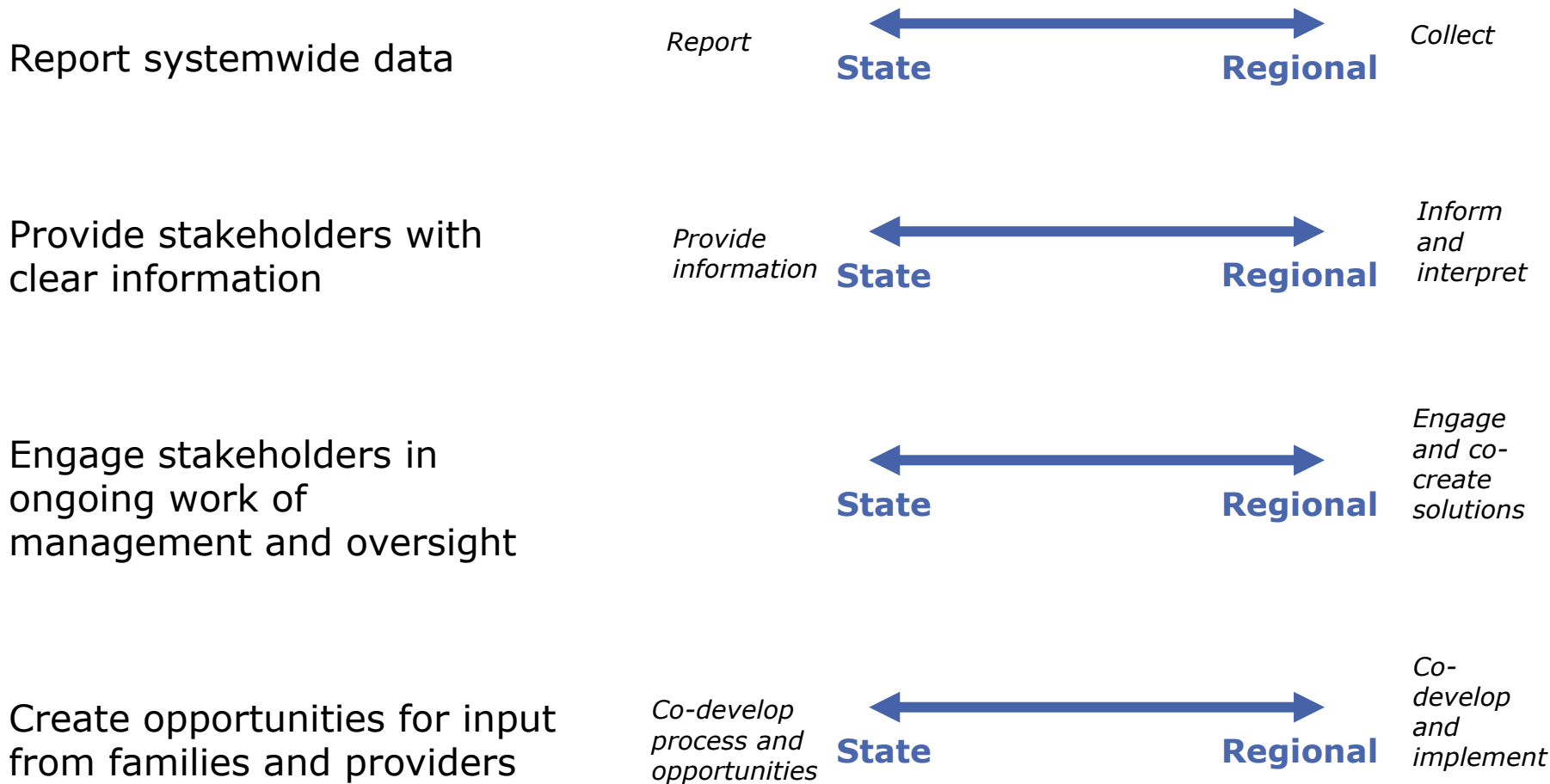


Administer

This work is preliminary and subject to change. Any information presented in these materials is preliminary and subject to change.

Communications

State informs, regions engage



Scope of our Final Deliverable

What it is

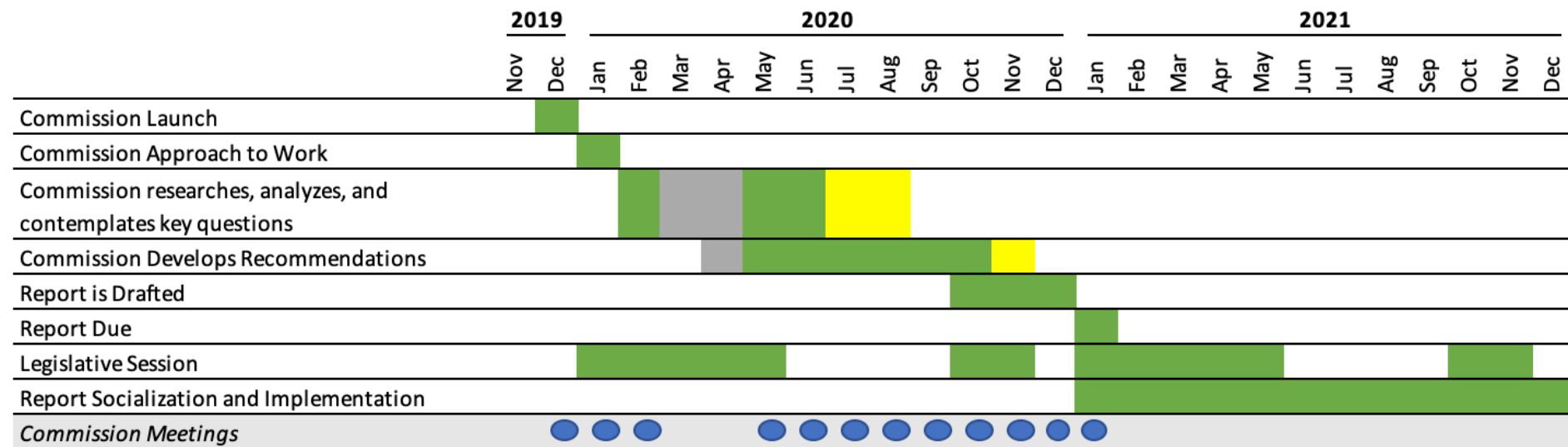
- ✓ Strategic blueprint for the future system
- ✓ Detailed enough to inform a legislative package
- ✓ Thoughtful on major implementation issues
- ✓ Directional understanding of future system costs

What it is not

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

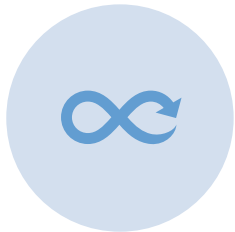
Commission Timeline - *Revised*

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



Why we need to explore region/local vs. state roles in management & oversight

In our last meeting, we determined the **importance of a strong, centralized state agency**. Exploring **regional/local influence** (*whether through formal entities or dedicated staffing*) is directly tied to our M&O objectives.



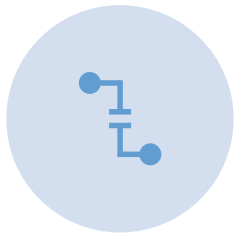
Plan for sustainable ECEC services:

Incubate capacity, address services gaps, build quality



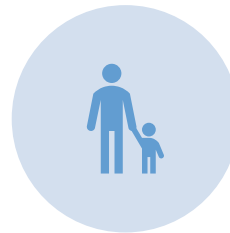
Equitable access and outcomes:

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.

Two Questions

Which components of these M&O capacities are best accomplished at the **state level and regional/local level?**

What **organizational relationship between a centralized state agency and regional / local resources** could fulfill M&O capacities and achieve our objectives?

State vs. Regional/Local Framing



State Resource Attributes

- Compliance with state law or policy
- Consistency and uniformity
- Economies of scale
- Capacity and infrastructure

Regional / Local Resource Attributes

- Community context
- Speed and flexibility
- In-person presence

Two Primary M&O Capacities to Explore



Policy leadership / accountability



Funding allocation decisions

Policy Leadership / Accountability



SET **QUALITY
STANDARDS**



SET **EARLY LEARNING
STANDARDS AND
GUIDELINES**

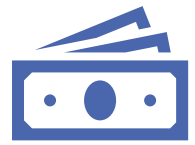


DEVELOP AND
IMPLEMENT **SYSTEM
POLICIES, RULES,
AND REGULATIONS**

Which components of these
M&O capacities are best
accomplished at the **state
level and regional/local
level?**

What **organizational
relationship between a
centralized state agency and
regional / local resources**
could fulfill M&O capacities and
achieve our objectives?

Funding Allocation Decisions



- State makes a regional funding allocation and regions make provider level allocations



OR

- State makes provider level allocations



Which components of these M&O capacities are best accomplished at the **state level and regional/local level?**

What **organizational relationship between a centralized state agency and regional / local resources** could fulfill M&O capacities and achieve our objectives?

“Early Childhood Governance Decision Guide” (2020, E. Regenstein)



- The choice of a state-level structure will be influenced by how strongly the state wants to connect early childhood to education, and by which specific programs and services the state wants to include in a governance change.
- Some states have strongly prioritized creating higher-level leadership as part of a governance change.
- Some states deliver services through decentralized or regional services, which can impact how state government is organized.
- States should consider whether there is a particular size of agency that is likely to be most successful in the state’s political landscape.
- How independently agencies operate should influence the governance structure.
- Consolidating programs into a single agency can provide benefits for managing a complex system.
- Any agency having new programs added to its responsibilities must be prepared to deal with new constituencies, which requires preparation for both practical and cultural changes.
- Regardless of where a state chooses to place early childhood services, there will be a need for connections across agencies – and those connections require dedicated capacity to manage.
- In thinking about connections across the early childhood system states should recognize that intra-governmental connections and inside-outside connections are both important and may require different support structures.

"A Framework for Choosing a State-Level Early Childhood Governance" (Regenstein/Lipper 2013)

Creation of a New State Agency

PROS

- + Exclusive mission focus
- + Elevates ECEC policy matters
- + Creates ECEC leadership
- + Clear lines of authority

CONS

- Initial cost of start-up (followed by small administrative savings)
- Implementation distraction from the external work

"A Framework for Choosing a State-Level Early Childhood Governance" (Regenstein/Lipper 2013)

Consolidation into Existing State Agency

PROS

- + Might requires less infrastructure build
- + If vision and implementation go off track, restructuring may be easier than a standalone agency

CONS

- Risk of being treated as an appendage
- Potential for mission conflicts
- Risk of funding intermixed with existing agency
- Risk that existing infrastructure will not match needs

“Analysis of Proposed Governance Structures for Early Childhood Programs in Illinois”

(2018, Zumwalt & Saterfield)



- It will be important to articulate a much more compelling case for making a change in the way governance is currently structured
- Three governance models were discussed
 - Standalone Agency
 - Pennsylvania Model
 - Authority Model (which is counter to our centralization decision)



Standalone Agency

- Pro: This creates a voice at the cabinet level focused on early childhood. It strengthens the relationships and dialogue across early childhood program areas. It places programs under one authority and presumably will allow Illinois to realize its vision of an integrated system of quality early learning programs that support the healthy development of Illinois children.
- Con: This is the most difficult of the three options to implement. It is not a simple process and would likely take two to three years to accomplish.

Pennsylvania Model

- Pro: This model would be a step toward better collaboration among programs and may achieve some efficiencies. Staff that are housed together begin to form alliances and network with one another and barriers naturally begin to break down. Department heads would not "lose" any programs and cooperation is much more likely. Staff will be able to maintain their same benefits and union representation.
- Con: The programs under consideration for management are currently housed in three state agencies making this model more complex than in PA. Agencies use different hiring procedures and staff at ISBE are under a different union contract than staff at DHS and DCFS. Change in staff location may impact bidding rights.

Commission staff conversations with state leaders

Conversations with Georgia, Washington, Alabama, Illinois

Consolidation

- Sharing administrative functions within a larger agency can deprioritize ECEC administrative needs (such as research, annual reporting, legal, etc.)
- “Shared services was a big impediment to progress.”
- Doesn’t allow for opportunity to create a new, unified culture focused on high-quality ECEC
- Recommend identifying separate physical location even if consolidating
- Making an agency too large can make it dysfunctional

Creation

- Standalone agencies often seen as state leader and catalyst for convening across ECEC; has led to increased profile of and demand for high-quality ECEC services
- Can take 18 months to execute, including planning time
- Requires small start-up cost in initial year to be successful, then marginal administrative savings
- Incremental approach can make transition more manageable, but ultimately can cause problems with culture and cohesion