

# Illinois Early Childhood Funding Commission Meeting (Virtual)

## *Meeting Minutes*

*July 14, 2020*

### **Introductions and Agenda (12:00 – 12:10 PM)**

To begin the meeting, Bethany Patten took roll. After roll call, Co-Chair Davis thanked Commissioners for joining virtually. He reminded them that they heard from the Management & Oversight and Funding Mechanism Working Groups on their initial conclusions in the last meeting, and that today's goals are to discuss initial conclusions from the Funding Adequacy and Inclusion Working Groups. He then shared the agenda, reminded Commissioners of the Commission's charge and its Guiding Principles, and shared an update on the formation of the racial equity working group and technical working group, noting that the Commission is seeking external funding to do this effectively.

### **Provider Perspectives (12:10 – 12:25 PM)**

Leader Currie introduced the first item on the agenda, which was to hear from providers in the ECEC field and from an agency leader. She reminded Commissioners of the importance on continuing stakeholder engagement efforts and how those efforts are shaping recommendations. She then introduced the meeting's guest speakers, asking them to share their perspectives on today's system from their unique lens, including their views on the system's functioning during the COVID-19 pandemic. She asked Commissioners to listen particularly for connections to the work being done by the various working groups and noted that questions should be sent to Bethany Patten for consolidation and distribution. Speakers were as follows:

- Maricela Garcia, Chief Executive Officer at Gads Hill Center, described her experience and perspective as an early childhood education and care services provider.
- Terry Jay, a home child care provider, described her experience and perspective as an early childhood education and care services provider.
- Linda Saterfield, Interim Associate Director of the Office of Early Childhood in the Department of Human Services, described her experience and perspective as a leader within a state agency during the COVID-19 pandemic.

### **Funding Adequacy Working Group (12:25 – 1:25 PM)**

Deputy Governor Ruiz introduced the next portion of the agenda, which was a discussion on initial conclusions from both the Funding Adequacy and Inclusion Working Groups. He reminded Commissioners that, at this time in the process, Working Groups are sharing initial conclusions in order to get feedback, input, and questions for further reflection and study. He reminded the Commission that the Funding Adequacy Working Group's charge is to estimate the total cost of providing high-quality, equitable ECEC services to children in Illinois, and then introduced the Working Group.

Commissioners Christina Hachikian and Craig Esko and Working Group Member Denise Dell Isola jointly presented the Working Group's update. The team shared the following overview:

- First, Ms. Hachikian reminded Commissioners that the Working Group's charge is to understand and shed light on the true cost of high quality, equitable ECEC, noting that it is critical to articulate the total need, as having a collective understanding of where the system is aiming to go shapes policy and investment decisions over time.
- Ms. Hachikian shared that spending today is very inadequate, but that when we take into account the hidden costs of the system – low wages for ECEC workers and workers on public assistance, families that opt out of the workforce, not enough slots, children unprepared for Kindergarten, etc. – the total "cost" of the system

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is quite large. Importantly, these costs are borne mostly by low income families, communities of color, and the women of color who make up much of the ECEC workforce.

- She noted that while there is a funding shortfall that may be in place for years to come, this work still matters in order to inform planning for a future system that can effectively, efficiently, and equitably distribute new funding as it comes in.
- Craig Esko then guided the Commission through the work done to get to a refined understanding of the costs of adequacy by sharing an overview of the cost modeling approach and the validation work that has been completed. This included an expert panel, focus groups of providers, and working group discussions.
- Mr. Esko shared that the team initially estimates a cost of adequacy of \$12.6B, of which \$10.6B would be publicly funded and \$1.9B would be covered by parent co-pays based on included co-pay schedules. He noted that this is substantially higher than the known public investment today of \$1.8B, and the major increases are associated with compensation increases, quality improvements, and increases in access.
- Finally, Denise Dell Isola shared how this investment would support and uphold the Commission's guiding principles, notably by providing a high-quality, equitable experience for children and families.

Discussion followed, including:

- Leader Currie said that this is not the final number, which will likely rise slightly as the remaining items are included.
- Cathy Mannen requested additional information regarding the information provided to focus groups and whether focus group attendance included teachers in addition to school administrators. Katie Morrison-Reed said that administrators were invited to attend and to bring along any interested staff from their schools or districts.
- Jodi Scott said that the subcommittee of the Working Group has adjusted the model in a way that is reflective of providers' and schools' realities as well as best practices.

### **Inclusion Working Group (1:25 – 1:45 PM)**

Deputy Governor Ruiz thanked the Funding Adequacy Working Group for their thorough update and introduced **Pat Chamberlain**, Working Group lead for Inclusion, to share initial conclusions.

Pat Chamberlain shared that the Inclusion Working Group has been focusing on questions around funding mechanisms for Early Intervention (EI) and Early Childhood Special Education (ECSE), and also preliminarily considering management & oversight questions. She shared the Working Group's approach for coming to initial conclusions for EI funding mechanisms, which included understanding challenges in the existing system, determining priorities for improvement and what should be incentivized in a future system, and then determining mechanisms that may appropriately address this. For EI, the team identified the following priorities: 1. Incentivizing effective training, collaboration, and smooth family service delivery, 2. Incentivizing recruitment and retention of qualified service providers, 3. Incentivizing providers to serve in high needs areas, and 4. Incentivizing smooth transitions between Early Intervention and receiving programs. Based on this, the team recommends a formula mechanism, wherein providers have contracts for services, as opposed to today's fee-for-service model, noting that contracts can promote accountability and quality while providing more stability to providers. The Group also recommends up-front payment rather than reimbursements.

Ms. Chamberlain then shared the Working Group's recommendation for Early Childhood Special Education. She shared the challenges in today's system, and the priorities the team believes should be incentivized through funding mechanisms. Notably, the Inclusion Working Group recommends a future ECEC system ensures children are served in

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their least restrictive environment, which is at the location where general ECEC services are provided based on family choice within the mixed delivery system. Accordingly, the group recommends ECSE funding be removed from EBF and distributed via formula alongside, but separately from, the general ECEC funding formula proposed by the Funding Mechanisms Working Group. Alongside this, the group recommends a regional entity structure, which would allow LEAs to optionally pool funds for itinerant services for children needing services as a location other than the school district of residence.

When asked for reactions, George Davis said that helping families to believe that they have choices in early childhood education and care services for children with special needs is not a simple process because we've not historically offered choice in how to get these services.

### **Next Steps (1:45 – 1:50 PM)**

Deputy Governor Ruiz again thanked Commissioners and presenters. He reminded Commissioners and members of the public that there is an open call for written feedback as recommendations evolve, and that anyone wishing to submit feedback or recommendations should email their written statements to Bethany Patten at [bethany.patten@Illinois.gov](mailto:bethany.patten@Illinois.gov).

Deputy Governor Ruiz reminded everyone that Working Groups will meet virtually 7/27 – 8/4 before the August Commission Meeting which will be held virtually on Tuesday 8/18. He noted that in the August meeting, Working Groups will continue to bring initial conclusions to the full Commission for feedback, and then the Commission will begin formalizing recommendations beginning in August through November. He noted that the Commission will organize and kick off the Racial Equity and Technical Working Groups as well. He asked for questions or comments, and with none, moved to public comment.

### **Public Comment (1:50 – 2:00)**

Bethany Patten invited members of the public for public comment. Commenters included Deb Chalmers, Kristi Yapp, Aubry Stapleton, and Ann Harmon.