



Commission on Equitable Early Childhood Education and Care Funding

Funding Adequacy Working Group
Meeting 7 – 09/02/2020

Funding Adequacy Working Group Charge

Goal: *determine the cost of providing high quality ECEC services and how to fund over time*

Key Questions to Answer:

- What is the **cost of providing high quality ECEC** to all families in Illinois?
- What should the **state process be for determining and periodically re-evaluating adequate resources across settings** for each program type?
- How much of the **cost should be covered** by the federal government, the state, local funding, and parent contributions?

Today's Goals

- Determine recommendations we are *best positioned* to put forward for **periodic re-evaluation** of adequacy
- Solidify **local funding initial** recommendations for Commission discussion
- Understand the **roadmap** to get to a completed funding adequacy number




Funding Adequacy Meeting 7 Agenda


| Item | Time |
|--|-------------|
| Welcome and Agenda, Framing | 11:00-11:15 |
| Process for periodically re-evaluating adequacy | 11:15-12:30 |
| Recommendations for local funding contributions | 12:30-12:45 |
| Next steps and reflections as we wrap our formal time together | 12:45-12:55 |
| Public Comment | 12:55- 1:00 |

Commission Timeline

September
2020

- Discuss the Commission's collective set of draft recommendations
 - Identify areas of question, concern, and need for more information
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October
2020

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

Framing for our recommendations

What recommendations will satisfy the charge by **informing legislation?**

Directive recommendations

- Commission recommendations that can inform a legislative package

What recommendations will satisfy the charge by providing a **road map for how to get to an ideal state?**

Process recommendations

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

What recommendations will **guide a new M&O entity's decision making?**

Acknowledgement

- May include recommended guardrails, guiding principles, or considerations for a new M&O entity

Periodic Re-evaluation of the Cost of Adequacy

What should the state process be for determining and periodically re-evaluating adequacy?

What are the **goals for use** of the adequacy model?

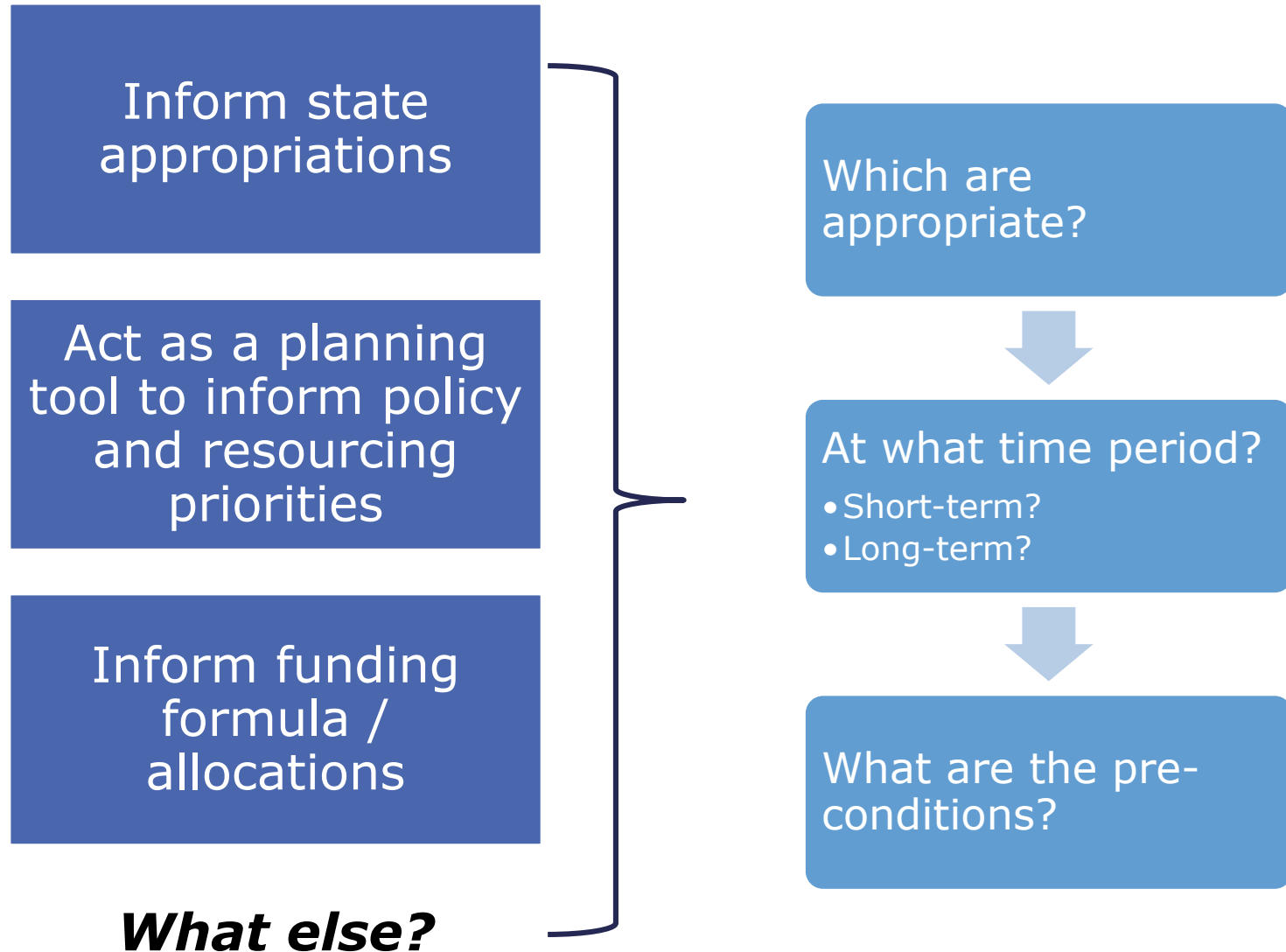
What **process methods** can best meet our goals?

Where we are:

- ✓ **Last meeting:** we discussed goals, including EBF comparison
- **Today:** we will report back what we heard and discuss how deep we can go in our process recommendations

Goals for Use

Last meeting: we discussed the **potential uses** of the Adequacy Cost Model



Discussion highlights

NEW: Act as a stakeholder engagement tool

- Should be used to coordinate advocacy organizations and rally around common understanding of priorities
- Using the analogy of EBF, this helped communities understand adequacy based on the adequacy scoring
- Need to be thoughtful about who makes prioritization decisions and how that is informed by stakeholders

Act as a planning tool to inform policy and resourcing priorities

- Needs to be used to move away from the random distribution of current funding toward clear priorities
- Need to refine the model by priority (geography, race, etc.) and compare to current state to inform decisions around equity
- Need to be thoughtful on who makes the prioritization decisions

Inform state appropriations

- Policy makers must thoroughly understand before using to inform decisions
- Hesitancy to put an appropriations requirement into statute like EBF; use to inform existing allocations prioritization and appropriations requests instead

Inform funding formula / allocations

- Need to determine what the funding formula should be based on and ensure the model is aligned with this methodology (ex: per child vs per classroom)
- Need a thoughtful sequencing approach to funding formula buildout
- Need to be thoughtful about who is responsible for formula development
- Must consider stability of sources of funds for funding formulas

Proposal for reaction

The Cost Model should be used to:

- 1) Act as a stakeholder engagement tool. Promote a **continual, clear, aligned understanding across stakeholders** of how far we are from adequate and equitable funding for the ECEC system and **act as an advocacy tool** for improvements in funding adequacy and equity
- 2) Act as a planning tool to inform policy and resourcing priorities. Inform **resourcing priorities for the future M&O System** – for what purposes and where (based on equity) should funding be prioritized
- 3) Develop funding mechanisms, and in the long-term, funding allocations. Act as an **informative tool for developing and refining the future funding mechanism**; As certain conditions are met, form the backbone of a **funding formula** for allocations. Conditions to be determined by the future M&O entity.

Discussion Questions

What do you need to know or change to support this recommendation?

What concerns do you have?

What opportunities do you see?

Process for Periodically Updating

What should the state process be for periodically updating the cost of adequacy?

Process components:



What guiding principles should inform this process?



What components of the cost model must be updated? (e.g., programs; cost of quality such as staffing patterns, group sizes, compensation; child count, parent co-pays; infrastructure)



Who should be responsible for updating? (e.g.: Centralized ECEC entity, a standing committee, ELC, a body that succeeds the Commission, other)



How often should this be done?

How does the frame for our recommendations inform our responses to these open questions?

What guiding principles should inform this process?

What components of the cost model must be updated?

Who should be responsible for updating?

How often should this be done?

1 Questions the ***Commission must tackle*** to inform legislation

2 Questions that **provide a road map** for how to get to an ideal state

3 Questions that guide decision making for a **future agency**

Proposal for Reaction: Primarily guidance for the future M&O agency, informed by guiding principles



What guiding principles should inform the process?

Require continuation of the **Commission's foundational principles** (including ensuring equity and deeply engaging stakeholders), alongside adherence to **cost model values**



What components of the cost model must be updated?

Acknowledge that to inform resource prioritization, the cost model must be **refined to include geography and race**. Leave the technical process aspects to be determined by the M&O agency



Who should be responsible for updating?

Leave to **management & oversight entity to determine**, in the context of the guiding principle of authentic stakeholder engagement



How often should this be done?

Require the cost model have a **comprehensive review every 4 years**, with acknowledgement that this may need to be revisited as the cost model moves toward informing allocations

Discussion Questions

What must the Commission specifically require (directive recommendations)?

What flexibilities should be left to the future ECEC agency (acknowledgement)?

What do you need to know or change to support this recommendation?

For reference: Commission's 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.

For reference: Cost Model Guiding Values

The PDG model was built using a set of guiding values that are important reference points:

Family preference for schedule & setting

Comprehensive services for those furthest from opportunity

Services that are **culturally & linguistically appropriate**

Services that meet full range of **special needs**

Parity in compensation, ensuring highly qualified staff

Time for teacher planning, PD, parent engagement and consultation

Best practice **class size / staff ratios**

Quality improvement supports

For consideration: Feedback on the EBF Professional Review Panel

- When legislation provides **high level guidance**, an accountability body can be more flexible and adaptable
- An accountability body needs guidance on its **specific purpose** and which voices should be at the table to ensure **diversity of representation**
- The **State agency** can serve as a strong leader for updates to the model they will need to use
- **Shared ownership** leads to shared advocacy
- Important to understand the **legal and/or technical challenges of implementation**
- A **smaller group** is a more productive group
- Ensure the body has the appropriate **expertise and skillset** for their charge
- Must ensure there is a repository or process for **responsiveness to issues** that arise outside of regular meetings

Local funding

How much of the **cost should be covered** by the federal government, the state, local funding, and parent contributions?



What do our family contribution 'rules' estimate?



How should we determine local ability to contribute?



What are federal expectations?



What would this mean for the state?

Last Meeting: What should be of the role of localities in long-term ECEC funding (if any)?



What **entities** *could* theoretically contribute? Which ones already contribute?

- Municipalities
- Counties
- Local School Districts
- Local philanthropic organizations
- Other?



Are there specific expenditures they may be best suited to support?



If localities play a role, should it be **mandated or incentivized**?



What must we consider to **ensure equity**?



What do we need to **do next** to refine our thinking?

What did we hear?

Local dollars and in-kind resources fund ECEC today, we just don't have transparency into how much

Like K12, some communities are much better positioned to support ECEC with local funding. This likely leads to inequitable access and quality.

We lean toward incentivizing local contributions as opposed to mandating

Where does this leave us? Local role for reaction:

We believe the state and localities have a shared responsibility for and mutual benefit in equitable access to high quality ECEC

We recognize that many communities are already providing significant local support for ECEC, though amounts are likely widely varied

We believe state contributions should be prioritized based on distance from adequacy and local ability to fund

We acknowledge there are likely local disparities in support for provider types in the mixed delivery system

In the long-term, as we think about a system at adequacy and equity, local contributions will need to play a critical role. **The commission should recommend a study to understand current local funding and identify options for local contributions through an exploration of IL context alongside other state examples,** as more understanding of state and federal contributions become known.

Determining the Cost of Adequacy:
Next Steps

What remains to be validated?

Home Visiting

Home Visiting Task Force is refining

Infrastructure

To be evaluated alongside M&O conclusions

Early Childhood Special Education

Data being discussed in Inclusion Working Group on 9/3

Early Intervention

Data being gathered through Inclusion Working Group

Next Steps

Next Steps

- Working Group Update for September 15th Commission meeting
- Incorporate outstanding items into cost model for a final draft to bring to the Commission in October
 - Will hold an optional joint meeting between Inclusion and Adequacy prior to this Commission meeting, likely the week of September 28th

THANK YOU

Your dedication, insight, and collaborative spirit have been exceptional. We look forward to continuing to engage with you over the Commission's remaining time together.



What Guiding Principles should direct a future re-evaluation process?

Highlights from our discussion on goals:

- We must have alignment across stakeholders and communities on resourcing priorities
- We must remain focused on equity (based on factors including race, ethnicity, culture, language, income, children's individual needs, and geography)
- We believe we should prioritize state investments in communities based furthest from adequacy



To what level must/should we opine on this?

What would you add or change?

Are the Commission guiding principles and Cost Model values necessary and sufficient as guiding principles for this process?

Who should be responsible for the re-evaluation process?

1. What are the roles and responsibilities?
2. What representation must be included?
3. Level of authority: Is this a decision-making or advisory body?
4. What form(s) might this take? (e.g. the state agency, the state agency with outside input, review, and/or approval, a collaborative entity including the state agency, an outside entity, other)



To what level must/should the Commission opine on this?

- Questions the ***Commission must tackle*** to inform legislation
- Questions that **provide a road map** for how to get to an ideal state
- Questions that a **new M&O entity** must consider