

"Illinois will become the best state in the nation for families raising young children, with the nation's best early childhood education and child care."

 Governor JB Pritzker, in his charge to the Illinois Commission on Equitable Early Childhood Education and Care Funding, December 2019

REAL PEOPLE, REAL STORIES

Understanding Early Childhood Education and Care in Illinois

ROBIN runs the largest infant and toddler program in Southern Illinois, offering a range of services that require her to engage with multiple state agencies. These agencies can be slow with reimbursements, frequently causing Robin to experience cash flow problems and financial instability.

MARIA is a Spanish-speaking Naperville mom who struggled to find information about preschool programs for her oldest son. A relative finally got her the answers she needed to enroll him in Head Start.

KRISTEN is a Chicago mother of five — two of her kids are not yet old enough for school, and one had developmental delays that required extra services. She makes a little too much money to qualify for some programs but not enough to afford others, which makes it difficult to access the services her family needs.

PATRICIA runs a child care program in her own home in Southern Illinois. She feels isolated from other providers and worries about the low quality of programs that serve rural children. She's concerned that the problem is just going to get worse as the cycle of poor education continues.

JACLYN is a Chicago-area family support specialist who works with children and parents in their homes, in part because their communities have no available slots in quality early childhood education programs.

MELISSA is a south suburban mail carrier and the single mother of a child with cerebral palsy and epilepsy. The only child care provider she could find to watch her son while she works lives in Chicago, requiring a long commute back and forth each day. This makes it nearly impossible for her son to get the therapy he needs.







ILLINOIS: A HISTORY OF COMMITMENT TO EARLY CHILDHOOD EDUCATION AND CARE

Illinois has been a long-time leader in the field of early childhood education and care (ECEC), becoming one of the first states to prioritize services for infants, toddlers, and preschoolers. It was one of the earliest states to establish state-funded preschool and set aside funds for serving children ages 0-3. Illinois also pioneered reforms to improve the ECEC system. Our ECEC providers drive local economies by allowing parents to participate in the workforce and by supporting the future of Illinois.

As captured in stories like the ones above, programs serving infants, toddlers, and preschool-age children from birth through five are delivered in a variety of settings, including in homes, community-based organizations, and schools, which is known as a "mixed delivery system." Services may be part-day, school-day, or full-day in order to accommodate varying family schedules and the needs of children. Our diversity of programs is essential to meet the needs of children and families, but without an overarching system that helps families find the services they need, and that ensures services are equitably available in every community, parents and providers struggle to manage this complexity.

The Intricacy of Our System Creates Challenges

The Illinois Commission on Equitable Early Childhood Education and Care Funding believes that all children regardless of race, wealth, or background should be ready to start school on day one. We further believe that Illinois can lead the nation in programs serving children from birth through age five by embracing principles of community ownership, racial equity, and parent voice. Laudable as these goals are, our state is falling short today in several ways.

The current system deprives many children and families of needed services. Programs are housed in three different state agencies and offered through an array of local providers with varying eligibility requirements. It's a challenge for providers to get funding. It's an even bigger challenge for parents to find the right program for their child. Access varies dramatically from county to county and town to town.

The distribution of high-quality ECEC is not strongly tied to level of need in the community or the number of low-income children in the community. In some counties, there are no high-quality ECEC options and — in at least four southern counties — there are no licensed ECEC centers at all. These challenges cut along racial and economic lines, most burdening low-income families, families of color, and rural families; and many middle-class families are also not well-served. Services are especially insufficient for families that have children with special needs and English learners.

A few numbers illustrate the current need and the current capacity:

800,000 number of children under age five in Illinois today

estimated percentage of children under five living in low-income families

estimated percentage of children in low-income families receiving ECEC services

Inequities in ECEC Appear in the K-12 System

The best and simplest metric of ECEC program success is kindergarten readiness which, like most other social metrics, differs dramatically by race and income. For example, while one in four Illinois children are kindergarten-ready by age five, more than a third of Whites and Asians are ready, but just 23% of Black children and 17% of Hispanic children show up to kindergarten-ready to learn. For that reason, we approached this effort through an equity lens and we urge policymakers and administrators overseeing ECEC programs to consider all of their work through the lens of racial and economic equity.

Governor JB Pritzker appointed The Illinois Commission on Equitable Early Childhood Education and Care Funding to figure out how to address the challenges and inequities in the system. He urged us to think big. Our recommendations, spelled out in more detail below, are to make the system simpler, better, and fairer, by using the vision for full funding to drive policy, by consolidating all of the funding streams around consistent policies and practices, and by putting all of the programs under one newly created state agency whose sole purpose is to effectively and efficiently administer birth-to-five programs. As the affiliated report shows, this is a huge financial and operational undertaking that will happen only if the people of Illinois and their representatives can summon the will and the resources to act on these recommendations.



In December 2019, Governor Pritzker established the Commission on Equitable Early Childhood Education and Care Funding ("Early Childhood Funding Commission" or "Commission") to "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 through age five and advise the Governor in planning and implementing these recommendations."

The Commission grounded its work in the following values and beliefs:



High-Quality Early Care and Education Is a Public Priority. Investment should match our belief that quality early care and education is critical to our State's workforce, economy, and welfare of its residents.



Ensure Equity. To ensure equitable outcomes for children, our State's system must have an intentional focus on race, ethnicity, culture, language, income, geography and, above all, children's individual needs.



Embrace Bold System-Level Changes. Everything is on the table, including how funding flows, how funding decisions are made, and who makes them.



Build Upon the Solid Foundation. We build on our long-standing commitment to a birth-to-five system, lessons from other states, expertise, and research in the field.



Prioritize Family Perspectives, Needs, and Choices. We prioritize families' perspectives, needs, and choices as we make recommendations to improve.



Design for Stability and Sustainability. Our system must provide funding stability for providers, educators, and staff as well as flexibility for families.



Require System Transparency, Efficiency, and Accountability. These are the necessary conditions for all stakeholders.



Recognize Implementation Realities. We plan for meaningful change over several years to minimize disruptions in service.

With these principles in mind and a commitment to racial equity and community leadership as our north star, the Commission set out to answer three foundational questions:

- **1. FUNDING GOALS:** How much investment is required to adequately fund quality early childhood education and care across the State?
- 2. FUNDING MECHANISM: How should the system of funding be redesigned to promote the Commission's Guiding Principles? How can we make it accessible, understandable, and equitable for children, parents, and providers across all parts of the State?
- **3. IMPLEMENTATION:** How should management and oversight be structured to implement a new, more equitable, and more navigable system of funding?



This Commission spent the past year gathering facts; engaging the entire sector of parents, providers, and state agencies; and developing a plan to get from where we are today to where we should be over time. Fundamentally, we found a system that is complex and confusing for parents and providers, and falls short of meeting the need. Moreover, when examined through the lens of racial equity, the shortcomings are even more apparent. The Commission's findings fall into three broad categories.

1. Illinois' Underspending on ECEC Burdens Everyone

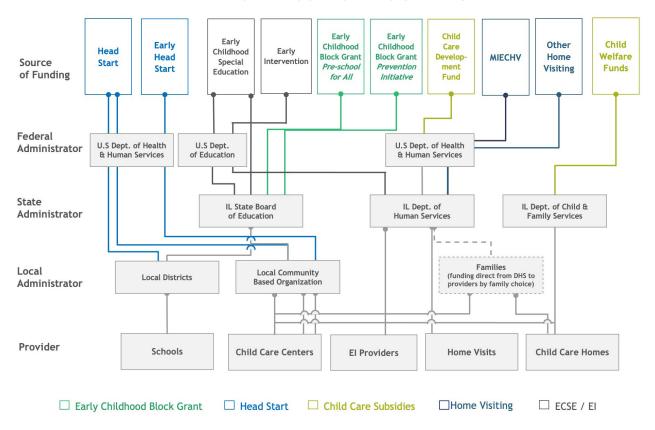
Illinois spends more than \$1.9 billion per year on ECEC in federal and state dollars administered across three state agencies, with much more invested by families, local government, philanthropy, and other private sources. This level of funding alone is insufficient to adequately and equitably serve our state's children, and results in hidden costs that are largely borne by low or moderate-income families and the workers caring for their children. These include:

- Families paying high fees for care or suffering lost wages after leaving the system because they can't afford child care
- Workers subsidizing the system by being paid wages far below the market average for their level of education and skill, with many eligible for public benefits such as SNAP (food stamps) and Medicaid
- Costs associated with children's lack of kindergarten readiness including extra investment needed in K-12 as well as the long-term social costs that stem at least partially from not supporting children during their most critical years of development

2. Having Three Agencies Breeds Confusion and Undermines Equity

Today's ECEC system is governed by three separate agencies: the Illinois Department of Human Services (IDHS), the Illinois State Board of Education (ISBE), and the Department of Children and Family Services (DCFS). The Governor's Office of Early Childhood Development (GOECD) serves as a coordinating body, and the federal government administers Head Start and Early Head Start funds directly to grantees. This split across several agencies results in siloed planning, incohesive policies, disjointed collaboration across the early childhood ecosystem, gaps and inequities in service, and unaligned funding mechanisms.

EARLY CHILDHOOD FUNDING STREAMS



Ultimately, providers and families are left to navigate this disjointed system. Split ownership of Illinois' ECEC system means multiple data systems can't talk to each other and results in inequitable distribution of slots. State policymakers cannot allocate resources in an equitable way because they cannot see the full picture.

3. Providers and Parents Face Conflicting Information

There is no single source of information about ECEC options for families, who are left to navigate a bewildering network of state and local websites. Lack of a unified set of quality standards or accountability mechanisms limits a family's ability to know where quality options exist or have confidence in the level of quality services being provided. Many providers offer services funded and managed by multiple agencies with incongruous accountability and reporting requirements.

Funding mechanisms are complex and burdensome for providers. Some funds are provided as reimbursements and are sometimes subject to long payment delays, leaving providers struggling to make ends meet. They do not receive promised funding in a timely, consistent manner.

The Commission's Conclusion:

With no articulated funding goal, unified planning and policy infrastructure, or a consistent funding and accountability system, policymakers cannot address inequities and gaps in service. Our providers deserve better, our families deserve better, and our State deserves better.



A Bold Vision of a Unified, Fully-Funded System

With community ownership, racial equity, and parent voice as guiding principles, the Commission has outlined concrete solutions to reducing red tape for providers and eliminating hurdles for parents in order to serve more children. Our goal is straightforward: All children regardless of race, wealth, or background should be ready to start school on day one. Our larger goal is to lead the nation in the field in programs serving children from birth through age five.

It's time to make our ECEC system simpler, better, and fairer so we can serve more children. Illinois' early childhood education and care programs should be coordinated at a single source with an easy way for parents to find services near home or work. The experience for parents, no matter where they live or how much they make, should feel less like an untamed jungle with tangled vines, fallen trees, and dark trails to nowhere and more like a public park with marked entry and exit points, well-lit paths, and usable, comfortable features.

In a truly fair and equitable system, historically underserved populations — rural families, low-income communities, and children of color — will get the extra services they need to flourish.

To operationalize our vision and make it sustainable, the Commission offers three specific recommendations to make ECEC work better for Illinois children, families, and providers. We acknowledge they are a heavy lift, especially in light of the State's current economic realities, but we also acknowledge the urgency of our charge and the timing, given the current focus on racial and economic injustice.

The recommendations are:

RECOMMENDATION ONE

TO ADVANCE EQUITY AND QUALITY, USE A LONG-TERM FUNDING GOAL IN POLICYMAKING.

The long-term goal articulated by the Commission conveys the level of investment that is adequate and how current funding compares. This enables policymakers and state leadership to understand where we are relative to where we need to go, and can inform how Illinois prioritizes investments to achieve the funding goal.

RECOMMENDATION TWO

TO MAKE SENSE OF THE SYSTEM, COORDINATE ECEC FUNDING.

The Commission recommends centralizing state appropriations and federal funding that is currently spread across three state agencies. This coordinated approach enables policy makers and state leadership to send money where it is most needed, and brings greater predictability and stability for providers, creating better services for children.

RECOMMENDATION THREE

TO MAKE IT EASIER FOR PARENTS AND PROVIDERS, CENTRALIZE ECEC PROGRAMS INTO ONE STATE AGENCY.

The Commission recommends centralizing ECEC into one state agency dedicated to ECEC with designated community and regional structures.

With a coherent, unified ECEC system, Illinois would have more unified policy leadership, one data system for analyzing capacity based on both race and geography, a more organized process for community participation in building infrastructure and improving the system, and a single set of quality standards and accountability. The State should also more effectively and consistently invest in professional development for the workforce.

In fulfillment of the Commission's charge, these recommendations together create an ECEC system where there is adequate public funding that flows with equity, transparency, and stability to providers and communities to support broader access to high-quality ECEC services for all children from birth through the age of five.

Recommendations in Detail

RECOMMENDATION ONE

TO ADVANCE EQUITY AND QUALITY, USE A LONG-TERM FUNDING GOAL IN POLICYMAKING.

It is critical to have a collective understanding of the true cost of providing high-quality ECEC services that meet family needs and respect our providers and workforce — all of which serves to inform policy and investment decisions. By calculating the cost of fully funding ECEC for all families in Illinois, we're helping inform budget decisions in future fiscal years by showing where we are as a state compared to where we need to go to reach our goal. Our vision of equitable access to high-quality early childhood education starts with nearby options for levels of services that fit each family's unique needs. It means smaller numbers of children per setting to allow for more tailored service, more staff, intensive family engagement, comprehensive special education and bilingual services, and mental health support. It would be affordable to working middle-class families and provided by a well-trained and well-paid workforce leading to lower turnover, more stability, and deeper relationships between staff, parents, and children.



A PARENT'S STORY

KRISTEN, MOTHER OF FIVE CHILDREN (AGES 2, 5, 12, 14, AND 16)

Chicago

Finding care for Kristen's five-year-old daughter was "very difficult." Her daughter had an Individualized Family Service Plan (IFSP) to support her family's efforts to boost her development before age 3. "She needed therapy services, had some medical needs that needed attending to, and I didn't just want a daycare setting that was overcrowded or somewhere that she wouldn't be properly paid attention to," Kristen says.

After an extensive search, with assistance from her daughter's therapist, Kristen's two youngest children are now enrolled in Early Head Start and Head Start programs at a local center. She appreciates the quality of care that they receive. "The teachers and staff there always make it a priority to ensure my children's educational, emotional, medical, and social needs are met," she says. "I like that the teachers are very hands-on with the children and play is always the center of their learning experience." Kristen, who is a full-time student, struggles to keep up with expenses. "We aren't poor enough to be poor and aren't rich enough to be rich. Living paycheck to paycheck and not receiving any state aid because we just miss the cutoff doesn't help. I know there are so many families who struggle and feel the same as I do."

We estimate that the current level of investment, which totals \$1.9 billion dollars in federal and state funds, is about 14% of the investment necessary to provide high-quality services for all families. In 2017, per-child spending on birth-to-five programs in Illinois was \$2,245, compared to per-child spending on K-12 education of \$14,953. Put another way, we spend roughly \$1 on birth-to-five children for every \$7 we spend on K-12 students, drastically underinvesting at the very stage when children need the most support. Illinois also lags behind its Midwestern neighbors on preschool funding.

The following cost estimate was developed based on conversations with stakeholders and national experts, as well as a data analysis of actual needs and costs. It should be updated every four years by a diverse advisory body to consider inflation and other material factors. There are also additional costs requiring further study, including Early Intervention, Early Childhood Special Education, and Family Friend and Neighbor care services. Beyond that, the State should undertake a study to assess current local funding capability. Finally, in the next phase of this work, the State should calculate the cost of local and regional capacity building to fulfill recommendations included in this report, including resources to support parental education, parental inclusion, and authentic community engagement.

We understand that articulating a large financial need can seem untimely or even tone deaf given the State's current economic climate. However, we are responsible for envisioning a future system that effectively serves all children and families. Understanding the real cost is a first step toward achieving it. The estimated long-term need is approximately \$12.4 billion in public and philanthropic costs and \$2 billion in parent contributions for a total cost of \$14.4 billion.

The breakdown is as follows:

ADEQUACY COST INCREASE COMPONENTS DIRECTIONAL ANALYSIS (\$BILLIONS)



RECOMMENDATION TWO

TO MAKE SENSE OF THE SYSTEM, COORDINATE ECEC FUNDING.

The Commission is recommending that the early childhood education and care funding sources be administered and leveraged together in a centralized process and distributed from the State in new ways. One centralized system would enable Illinois to send money where it is most needed, making the system more understandable for parents and providing greater predictability and stability for providers.

The following funding sources should be centralized and coordinated:



Preschool for All and Prevention Initiative



Child Care Assistance Program



Too Soon



Healthy Families Illinois



Maternal, Infant, and Early Childhood Home Visiting

By consolidating these funding streams, providers would spend less time on administrative burden and more time focusing on the core mission: serving young children and families. A system that relies more on contracts for providers would create a more stable, coherent funding system for providers and the families they serve. Moreover, the State would attain greater capacity to equitably distribute funding and to understand how all public ECEC funds are invested to support children and families in the State.

ROBIN, CHILD CARE PROVIDER

Carbondale, Carterville, Marionville

A PROVIDER'S STORY

In addition to offering pre-K and afterschool care, the three centers that Robin runs make up the largest infant and toddler program in Southern Illinois. An experienced provider, Robin is proud that her programs have achieved top ratings from programs like Excelerate and Qualistar. After owning centers in other states, she appreciates programs like Great START that are available to aid in training and retaining teachers.

Robin says that receiving payments from the State through different funding sources is inconsistent. "I have been fortunate to get paid by the local Child Care Resource Agency in a timely manner when it comes from child care payments. IDHS and foster care, not so much," Robin says. She has stopped taking foster care families because of the State's lack of payment and follow-through on cases. Robin also sees families who narrowly miss qualifying for government assistance but are unable to cover child care expenses themselves. "I have parents who make \$34 too much and can't afford quality child care. These children are left with family members or are latch key kids."

The transition should begin with providers that serve primarily low-income families and receive most of their revenue from public sources. The hope and expectation is that the experience for families will be more welcoming and less burdensome, in terms of paperwork and eligibility issues.

RECOMMENDATION THREE

TO MAKE IT EASIER FOR PARENTS AND PROVIDERS, CENTRALIZE ECEC PROGRAMS INTO ONE STATE AGENCY.

The Commission weighed different options for unifying the ECEC system, including simply fostering greater coordination across the various state agencies involved, consolidating all programs into one of the three existing agencies, or creating a new state agency dedicated to ECEC. We also looked at other states and concluded that one newly created state agency dedicated to ECEC is best able to meet the

State's needs and goals. However, we recognize that creation of a new agency must be thoroughly studied and will take time to implement.

Under one ECEC agency, Illinois would have:

- One set of standards and one system of accountability linked to one funding system
- Unified policy leadership and systemwide data
- A unified process for community engagement
- Unified professional standards and workforce development
- Unified quality improvement strategies
- One single authority for providers
- One locus of collaboration for affiliated programs, including the federal Head Start and Early Head Start programs



A PARENT'S STORY

MARIA, NAPERVILLE

Mother of a 5 year old

When Maria, who speaks Spanish, first arrived in Naperville, she struggled to find care for her oldest child. "For my second son, it was easy, but for my first son it was difficult because we didn't know what programs were available. We had no knowledge of the programs or who to connect with," Maria says. After several false starts, she learned through a relative that her children were eligible for Head Start.

Now, Maria says she likes "everything" about her youngest son's early learning experience because it supports his development and enables him to socialize with other children at an early age. She wishes that the system were easier for parents like her to navigate. "I would like there to be more information being diffused in the community about programs that can benefit our children."

The Commission believes that a centralized ECEC state agency must intentionally focus on racial and ethnic disparities, income disparities, language, culture, geography, and age. Applying an equity lens to the entire ECEC system is a lot easier if it is all under one roof instead of spread out among three different agencies. The centralization would bring together many programs that are currently embedded within three state agencies.

PATRICIA, IN-HOME DAYCARE AND GROUP HOME

A PROVIDER'S STORY

Harrisburg

Patricia is proud that her home-based programs build important skills for her kids in her small, rural community. "I am a group home, so we are able to reach children and give them that extra lift before they get into pre-K and the public school system," Patricia says. She worries about challenges that are specific to downstate providers. "In Southern Illinois, I feel that some of the children are just going to a babysitter. And when they get to early childhood or Preschool for All, it's not really working."

Patricia is gaining additional credentials by taking online classes. She feels that rural providers do not have access to training and professional development opportunities that are more common in other parts of the state. "Conferences are always in the center of the state or Chicago. People in the south, in rural communities, have a different perspective and challenges that are often not addressed."

Unified Policy Leadership

Illinois needs a single statewide vision, with agreed-upon goals and priorities that drive equitable access to high-quality ECEC and equitable outcomes for children and families. A centralized agency would set clear and cohesive standards of quality and guidelines based on the science of early childhood development, informed by anti-racist approaches and affirmed by the families and providers directly impacted by the standards and guidelines. It would be easier to identify system gaps and disparities and reconcile and integrate regulations for all ECEC programs. Finally, the State should centralize existing ECEC advisory bodies to amplify the voices of families, providers, and communities.

One Source of Communications

One of the key functions of any public agency is communications, but when it is coming from three or four different sources, it's often confusing, if not conflicting. The new ECEC agency would regularly release data on progress toward equitable access, quality, and outcomes, and give stakeholders clear information so they can more effectively engage in the

decision-making process. Providers and families would also have an easier time communicating with one state agency, rather than bouncing between multiple points of contact at the state level.

Funding & Oversight

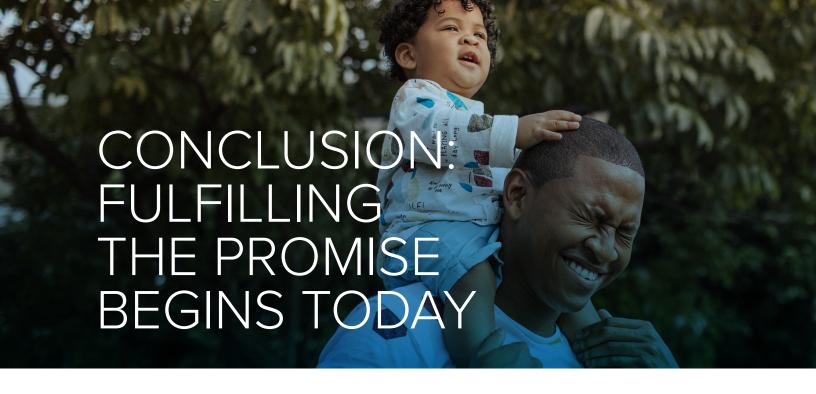
Under one state agency, the budgeting process affecting ECEC services would be much more coherent and based on data and community perspective. The agency would periodically update the ECEC funding adequacy model in partnership with an advisory body representative of the entire state. Funding would be allocated based on equity audits, accountability measures, and stakeholder input. Data would be used to inform policy, including funding policy, and quality improvement strategies. In collaboration with regional and local ECEC stakeholders the agency would conduct licensing, contracting, monitoring, and compliance oversight designed to support equitable outcomes for all children. That includes contract reauthorization through a uniform accountability process that is state-led and regionally informed.

Community Leadership, Community Decisions

The beating heart of an effective ECEC system is the community, and in order to provide for community input, the Commission urges creation of a formal community and regional infrastructure. Community-driven planning via stakeholder engagement at the local level based on community data can guide distribution of funds for provider incubation, training and technical assistance, and further family engagement. A community and regional infrastructure would collect and analyze data at the local/regional level to inform policy and planning, and provide support for families who are navigating the system at the local level. Local and regional partners would also conduct periodic equity audits and look at funding and access. They would help drive improvements and set and execute a vision for continuous quality improvement across the ECEC system. They would also administer professional development and workforce development initiatives, and incubate new providers.

Outcomes: Transparency, Accountability, and Trust

With one agency driving the planning process, Illinois would have a more unified vision and definition of quality and could design programs to better meet family and community needs and address system gaps. It would also be easier to meet the regulatory requirements of federal and state funding streams and navigate political and administrative changes. Another outcome is greater transparency, accountability, and efficiency. The State can centralize monitoring, data collection, and reporting, and can monitor equitable access to resources with a single system of accountability. Most important, by being more responsive to families, the State can earn public trust. Illinois can build a system that is easier to navigate and provides more quality services so that families can choose services that truly work for them.



The Early Childhood Funding Commission brought together diverse, leading voices across the sector to acknowledge the fundamental challenges experienced by families, providers, educators, staff, and other stakeholders, and to make bold, foundational recommendations for change. The Commission's recommendations lay out the vision for an effective future system, yet this process unearthed many issues that cannot be covered within the Commission's time frame but remain critical to achieving our goals.

Therefore, upon conclusion of the Commission's work, the Commission recommends that the State appoint a designated leader to direct and oversee the work as well as an advisory group representative of the field. Together, State leadership and the advisory group must prioritize equity and ensure stakeholder voice is foundational to all decision-making. Equity in funding, in system design, and in the creation of a new ECEC agency must be interwoven into planning and implementation of the Commission's recommendations as shared here.

The Commission further urges the following initial steps in 2021, with an overarching focus on racial equity:



Build out interconnected regional and community systems



Invest in the workforce and professional development



Consolidate funding streams for a clear and equitable funding policy



Plan for centralized governance



Improve state data systems with critical data that inform the creation of a simpler, better, and fairer funding system



Streamline advisory councils and ensure large parent and provider representation

The Promise of Change

The Commission recognizes that following through on these recommendations asks much more of everyone, whether it's today's providers who do the hard work every day of caring for children birth through age five, or whether it's the taxpayers of Illinois. The easy choice is to do a small piece of what is proposed and defer the full investment until some undetermined time in the future when state finances are more stable. But the case for change is great. Hundreds of thousands of Illinois families struggle every day to balance the needs of their young children with their work schedules and other obligations. School systems across Illinois struggle to educate children who show up in kindergarten years behind their more advantaged peers. For these children — mostly Black, Brown, low-income, or rural — the path to success in school and life grows steeper every year. Our road to progress begins by acknowledging these fundamental inequities and the true price for addressing them.

With this report and the Governor's leadership, Illinois begins the journey to provide the support to succeed to every child in the State, regardless of race, income, or unique needs, and to every parent in Illinois, regardless of circumstances. We know it is possible. We see it work in model programs created and developed here in Illinois. The task now is to expand to scale and realize the Governor's vision of becoming the nation's very best provider of early childhood education and care services. Our families and our future are bound together and we must move forward together.

