

**Early Childhood Education and Care (ECEC) Funding Design Workgroup  
Meeting 3**

**January 22, 2025, 4:30 – 6:00 pm**

**Public attendee link:**

[https://aftonpartners.zoom.us/webinar/register/WN\\_89tsOGRBTJGjfy--rqlg](https://aftonpartners.zoom.us/webinar/register/WN_89tsOGRBTJGjfy--rqlg)

**In attendance**

**Workgroup members:**

Jill Andrews (Kiddie Kollege), Anita Andrews-Hutchinson (It Takes a Village Child Care Center), Grace Araya (Concordia Place), Priscilla Bahena (Parent), Shontee Blankenship (Illinois Department of Children and Family Services), Representative Mary Beth Canty (Illinois General Assembly), Christina De La Rosa (Erie Neighborhood House), Christy Filby (YMCA), Minerva Garcia Sanchez (DeKalb Community Unit School District 428), Kesha Harris (Parent, TAC Member), April Janney (Illinois Action for Children), Alicia Lynch-Deatherage (Illinois State Board of Education), Elizabeth Martel (FCC provider), Marcy Mendenhall (SAL Family and Community Services), Erika Mendez (Latino Policy Forum), Anastasios (Taso) Michalopoulos (Right Start Pediatric Therapies, Inc), Senator Julie Morrison (Illinois General Assembly), Irish Parks (Parent), Bethany Patten (Illinois Department of Human Services), Delreen Schmidt-Lenz (IECMH and Early Intervention Provider), Jodi Scott (Regional Office of Education 33), Matt Seaton (Illinois State Board of Education), Robin Steans (Advance Illinois), Bryan Stokes III (McCormick Foundation), Edie Washington-Gurley (Illinois Department of Children and Family Services), Emma Watters Reardon (Illinois Healthcare and Family Services).

**Panelist:**

Lee Eklund, Malones Early Learning Center, Carterville, IL

**State Agency Members and Consultants:**

Ann Whalen (Early Childhood Transition Director), Liz Garza (Afton Partners), Megan Bock (Afton Partners), Marissa Ortiz (Afton Partners), Heather Wendell (Afton Partners), Abby McCartney (Afton Partners), Katie Reed (Afton Partners), Siri Smillie (Afton Partners)

German Barrios - Interpreter

**Members of the public: 8**

Angela Farwig, Bob Spatz, Conna Emmons, Ireta Gasner, Lori Beasley, Maya Portillo, Rosario Hernandez, Sarah Kuhlemeier

**Minutes**

**1. Welcome & Introduction – Megan Bock (15 min)**

Megan Bock (Afton Partners) started the meeting by welcoming attendees. She reviewed reminders, housekeeping items, meeting norms, workgroup goals, and the agenda for the meeting.

The interpreter joined the meeting and provided instructions on how to access interpretation services.

Megan reminded the Funding Design Workgroup of their purpose and charge, and reviewed changes made to the Funding Design Goals based on feedback shared from the workgroup in December.

Megan presented an overview of Workgroup Process and Roles, showing a visual that describes how the Funding Design Workgroup is working alongside other workgroups. The first step is to create a vision and blueprint for what families want and need. This vision will be crafted based on input from Family Service Workgroups, ChiByDesign engagement with families, data from listening sessions, and the TAC. The second step is to gather data on the current state. The key question that should be considered in this process is how children and families are doing with an intentional shift away from asking how programs are doing. This step will require collaboration with organizations that interact with families and providers (such as Start Early, Illinois Action for Children, etc.). Family service workgroups, ChiByDesign, TAC, and listening session data can help to identify the successes and pain points in service delivery. The third step is focused on how to get from the current state to the vision. This step will involve considering program design changes (large and small), figuring how much the revised services will cost, considering needed policy changes, and planning for operational structure to support the new design. Afton, the DAI workgroup, and the interagency team will play a significant role with this step of the process.

Megan shared a high-level timeline for Funding Design process for the next year that will support achieving the family-focused vision. The current phase (Winter 2025) is to set context and direction; Spring 2025 will be establishing parameters; Summer – early Fall of 2025 the group will start to move toward solutions; in late Fall 2025 will begin to discuss recommendations; 2026 will bring opportunities to build on funding implications of other workgroup findings and continue to pressure-test findings and recommendations with the field.

Possible discussion topics for the workgroup this year will include:

- Funding Stability, Alignment, and Consistency
- Funding Tensions to Balance
- Equitable Access to Funding

Later topics building on other workgroups:

- Workforce Compensation, Development, and Support
- Funding for Quality and Inclusion
- Governance Implications

Before transitioning to the family spotlight and then provider panel, Megan reshared a framework that shows how the state level policies impact communities, providers, and ultimately the family and child experience. At each of these levels there are opportunities to understand how funding is working and not working and where there are opportunities to create simpler and better funding approaches to support providers and in turn children and families. She prompted the group as they delve into some specific examples from providers to keep in mind how the family and provider experience is connected to these different levels of the system.

## **2. Family spotlight – Priscilla Bahena (10 min)**

Megan welcomed workgroup member Priscilla Bahena to share her experience as a parent accessing early childhood services.

Priscilla Bahena (parent and Funding Design Workgroup member) has been with Chicago Commons Southside Center for 7 years, accessing both Early Head Start (EHS) and Head Start (HS) for her three children. Her oldest (age 7) is an alum of EHS and HS, her younger two children are currently in the program. She is currently pursuing a Bachelor of Social Work and completing internship hours at Chicago Commons. Highlights of her experience include serving on Parent Policy Council, including representing the parent policy council as the city representative. She has also been an employee at Chicago Commons, which is what motivated her to pursue higher education in social work. The main challenges included the initial phase of finding care – “it so hard I’ve compared it to the “Hunger Games.” Everything about this phase -- from understanding what is available, where there are slots, what she was eligible for and how all the programs and eligibility work together -- was a challenge. The second hardest part was finding quality care at an affordable rate. She was able to get her child into Chicago Commons because of her own persistence and a family connection. Priscilla would like to see families be able to navigate *one* system, not multiple systems, with all departments and agencies working for the same thing. She wants to make sure families have access to services “so families like mine don’t stay poor.” Finally, she would like to see parents and staff acknowledged for all they are doing.

Workgroup members shared gratitude and kudos to Priscilla for sharing her story and for her advocacy. Several noted that “Hunger Games” was an appropriate metaphor and shared agreement about the desire for families to only need to navigate one system.

## **3. Provider panel (50 min)**

Moderator: Erika Mendez, Latino Policy Forum

Panelists:

- Grace Araya, President of Concordia Place, Chicago, IL
- Elizabeth Martel, Family Child Care Home Provider, Chicago, IL
- Dr. Minerva Garcia-Sanchez, Superintendent of District 428, DeKalb, IL
- Marcy Mendenhall, Chief Executive Officer of SAL Family and Community Services, Moline, IL
- Lee Eklund, Malones Early Learning Center, Carterville, IL

Erika Mendez (workgroup member) invited each panelist to introduce themselves and basic background about their program, the families and community they serve and the types of funding they access.

- Grace Araya (workgroup member) is the President of Concordia Place in Chicago, IL. Concordia Place offers home visiting programs and child care as well as summer and after school care for school-age children and teen leadership programs. Concordia Places serves multilingual families and children with special needs, as well as new arrivals to the country. Funding sources include CCAP, Prevention Initiative (PI), and Preschool for All (PFA).

- Elizabeth Martel (workgroup member) was a Family Child Care Home Provider in Chicago, IL. While she recently closed her program, she ran an FCC program out of her home for 15 years. Funding sources were primarily private pay, and she served a few children with a military child care subsidy. Her daughter has special needs, through those networks, she attracted other families with special needs to her program.
- Dr. Minerva Garcia Sanchez (workgroup member) is the Superintendent of District 428 in DeKalb, IL. Her district's special education population is 21% of their students overall and they serve many multilingual learners. English, Spanish, and Arabic are the top three most common languages in her district.
- Marcy Mendenhall (workgroup member) is the Chief Executive Officer of SAL Family and Community Services in Moline, IL. SAL has an office and four child care centers in Moline and one center across the border in Iowa. They also support a network of family child care providers. Across all programs on any given day, they serve about 750 kids. SAL also has home visiting programs, Head Start, and Early Head Start. In all they have 19 separate income streams. She estimates between 7-13 languages spoken across the families and children in her programs.
- Lee Eklund is the owner/director at Malones Early Learning Center in Carterville, IL. Malones is a family-owned for-profit child care center in southern Illinois. His center serves families from a variety of cultural backgrounds with some dual language students. Children can attend from ages 6 weeks through 13 years old (after school program and summer for school age). They do serve children with special needs. Lee shared that their funding income stream is "not lucrative." Their income sources are: CCAP, private pay tuition, and the Smart Start Quality Support grant.

Erika – In Illinois, there are various funding models for providers across setting type and age groups. There may be providers who have a number of programs and have to blend and braid funding, which means providers are tapping into multiple funding streams to offer holistic services while separately tracking and reporting on each source of funding. Other providers in the system might depend heavily on a few funding sources, which can cause delays or instability in their cashflow. Thank you all for sharing how your programs receive funding. We want to zoom out and think about all the funding sources together and how funding supports children and families.

*Question for everyone:* All of you serve families and young children who have high needs, such as children with developmental delays, highly mobile families, multi-lingual learners, or children with behavioral challenges. How do the funding sources you receive help you support these children and families? What barriers or challenges does funding create in serving these children and families?

- Lee: Malones does not receive any specific funding to support children with special needs. Children over the age of 3 must rely on pre-K program. Once they turn 3, the therapists cannot come into the program, can only serve them in pre-K. He shared an example of a child who attends his program that starts the day in his program and then goes to the school district to receive services for 2.5 hours a day and comes back to Malones. This means the child must be bussed to and from the pre-k, which is a big challenge for a child at that age, especially with special needs (transitions are hard, particularly when also managing special needs).

- Minerva: Because of limited physical space, her district is only able to serve pre-k children for 2.5 hours per day. Meanwhile, area child care providers are closing their doors because they can't make the finances work, leaving children unserved. DeKalb County is considered a "desert" for child care. More funding or a different innovative way is needed.
- Elizabeth: Covid relief funds helped her be able to increase staffing (she had a full-time employee and was able to add a part-time employee based on the funds that she received). Even this was not adequate for what she needed. After the Covid funding ended, she couldn't afford the same level of staff support.
- Grace: As a community-based organization, her program can provide longer hours (7 am – 6 pm). They also have comprehensive supports like family engagement that helps better serve families. Resources also help to access a research-based and culturally responsive curriculum – which supports their teachers. As others have said, the cost of providing the care does not match what they bring in. They provide services on a sliding scale fee for families, so her program must fundraise to meet the gap.
- Marcy: It wasn't until they got an Early Head Start grant that they were able to offer comprehensive services. SAL has Early Head Start classrooms which offer 10 hours/day, Prevention Initiative which offers 5 hours/day, and a traditional CCAP classroom. For the CCAP classrooms, they "make it work with hand-me-downs." These different funding sources means their program manages at three different models. Blending and braiding is important to be able to offer high quality full day services.

Erika: Grace/Marcy, your programs access multiple funding sources. How has that benefited your program, and what challenges does it create?

- Marcy: Funding has allowed SAL to invest in staff to better compete with school districts, including offering professional development (PD) and time away from the classroom for PD. At SAL, they want the comprehensive approach to happen in every classroom, regardless of funding source, to ensure equitable experiences for all kiddos. Transitions of educators is also a challenge. Marcy wants to reduce turnover to keep constant adults in the kid's lives. She noted that it requires a lot of administrative support to comply with grants including pulling data, filing compliance reports, and grant writing.
- Grace: having multiple funding streams helps better support families. But when something changes with a funding stream we depend on, it's difficult. For example, Concordia Place received Covid relief funding, which they used to raise our staff salaries. These funds were not sustained, which left their organization in a bind with staff salaries. They put together multiple funding streams, but the nature and duration of these funding streams are different and it's challenging to make investments – particularly in staff – when these funding streams change.

Erika: Elizabeth, you recently switched to another career after 15 years as a family child care home provider. In reflecting on your time as a home provider, what was it like to try to sustain your business? Take us through the day-to-day? What is hard to manage? What pain points would you eliminate? What are you spending money on that you wish you weren't?

- Elizabeth – It was a difficult decision to leave, but she is glad she is still in early childhood. The unpredictability was the hardest part – knowing whether or not there would be enough to pay her employee. Covid relief funds were helpful but were often delayed. Elizabeth still had to pay staff (and hopefully herself). When Preschool for All started, she started losing children to that program. While it made sense for the families, it was hard on her program because as children's ages changed, the staff ratios in her program also needed to change. Family child care providers also need to be thought about in decisions around funding, and the amount of funding needs to cover the costs to provide high-quality care.

Erika: Lee, what's the impact of how the state funds early childhood on you as a small business?

- Lee: It's also really challenging to manage cash flow as a small business. He must put money out ahead of receiving it because the CCAP voucher is funded as a reimbursement. Also, the administrative challenges become paperwork overload, each with weekly tasks. If you don't get all the paperwork in, you may not get all the funding you need/have earned. Lee has looked into hiring additional admin staff, but he can't afford it. That would mean more money going out the door, not into high-quality care. Uncertainty about funding streams is a challenge. If the funding stream that pays higher wages and pays for increased staff goes away, they would not be able to maintain those wages and staffing levels.

Erika: Minerva, you work within a school district. Can you tell us about how you receive early childhood funding and how you think about budgeting for early childhood in the context of running a school district?

- Minerva: They run a blended funding model where they combine our early childhood and school district funding to pay for early childhood programming. They are in a preschool desert and have more demand than they can keep up with to serve children in their area. They want to serve more children but have significant barriers to expanding to serve more children. She would like to be able to expand their ECEC offerings but would need space. They would like to open a child care center and are in the process of figuring out how they can do that.

Erika: You've each identified critical growth areas for the system, now I want to think about a vision for an improved early childhood funding system. *Question for everyone:* if you were able to waive a magic wand and change anything about the role of funding in your day-to-day program administration, what would that look like? What would the experience be?

- Elizabeth: Making sure family child care is included. Often programs are designed with centers in mind and FCC is an afterthought.
- Lee: It would be great to have less competition and more accessible funding for programs that want to serve children and families. He would like to see more community collaboration between school districts and child care centers.
- Minerva: Create partnerships to leverage the strengths of each setting to maximize funding and programmatic strengths. For instance, imagine powerful partnerships between school districts and small businesses. School districts have the infrastructure to handle administrative

requirements, and small businesses could handle the program administration. It would be win-win and support child transitions into kindergarten. She wants to maximize efforts to make it a win for everyone.

- Marcy: CCAP paid on enrollment not attendance. It's a family-friendly policy. It is expensive but important. Also funding for workforce to get paid time off for holidays and professional development.
- Grace: That early care and education is seen as a public good. Recommended change to CCAP policy – approval should be for the duration of their child's early childhood years.

Abby McCartney (Afton Partners) summarized a conversation that workgroup members were having in the chat about what is required for child care programs to achieve higher ExceleRate Circles of Quality ratings and what benefits are available at higher levels (Silver, Gold).

Erika opened the conversation to questions from other workgroup members.

Jill Andrews (workgroup member, center-based provider -- Kiddie Kollege) asked Marcy about her 19 funding streams. Marcy explained they made an intentional decision to diversify funding five years ago and commit to using administrative fees to invest in their staff. She clarified that some funding they receive is only available because of their non-profit status. Child care programs that are private businesses/for-profits may not be able to access those, even with administrative support and grant writers. Lee and Minerva added that this would be an opportunity to partner – a school district like Minerva's can help support the grant writing in partnership with others who have space and capacity to provide care.

#### **4. Small group discussion (15 min)**

Work group members went into small groups to discuss reactions to the panel and responded to two prompts:

- Based on what you heard, what should we maintain as we update the current early childhood funding system?
- Out of everything the panelists discussed, what is most important for this funding design workgroup to focus on?

Small group key takeaways:

- Group 1: Discussed importance of developing and strengthening partnerships between school districts and other child care providers. To support the new agency/funding design, the workgroup should explore opportunities to reduce administrative burden, strategies to diversify funding options (including outside-the-box options like Medicaid) and eliminate competition, including providing base level of funding and then collaborate and fill in gaps to best meet family needs.
- Group 2: discussed nuances and challenges of partnership including historical divide between early childhood and K-12 and competition/wariness of partnering or collaboration between child

care providers. Members elevated that capacity-building and improving quality all require up-front investments and take time.

- Group 3: reflected on the challenges of “blending and braiding Tetris” happening across many different types of providers and the opportunity to think about funding differently, including looking to K-12 and the Evidence-Based Funding (EBF) formula. The group wondered about the providers who are not currently accessing public funding streams and how funding could be made more accessible for them. The group also elevated the need to ensure that resources are reaching diverse learners and inequitable workforce compensation across settings as important to consider in funding redesign.
- Group 4: agreed that the panel elevated an overall lack of “consistency” which leads to instability. Collaboration is needed to achieve consistency and stability for the families, the workforce and providers. Group 4 acknowledged that there has been a lot of good work to define, understand and promote “quality” across ECEC programs in Illinois, but the funding available does not always match the expectations. They also elevated workforce shortages as an ongoing challenge to improving access to care in child care deserts and improving quality across the board.

Non-workgroup attendees responded to the same questions on Padlet.

- English: <https://padlet.com/ssmillie2/funding-design-workgroup-meeting-3-public-attendees-gi9zqc52xo5so4b7>
- Spanish: <https://padlet.com/ssmillie2/funding-design-workgroup-meeting-3-public-attendees-spanish-5meh19ockk0copf0>

##### **5. Public Comment, Next steps and adjourn (5 min)**

Megan opened the floor for public comment, none was offered.

Megan closed the meeting by inviting workgroup members and public attendees to fill out the feedback survey and reminding the group that the next meeting will be Wednesday, February 26.