



Early Childhood Education and Care (ECEC) Funding Design Workgroup

July 23, 2025



Meeting expectations & notes

For Workgroup Members:

- **Please be on video** as much as possible
- **Mute self** when not speaking
- Use **Chat feature or “raise hand” button** for questions or comments
- Technical issues can happen to anyone – **chat privately to Liz Garza for any needs**
- If you are experiencing an unstable connection - **switch to phone call or close other applications**

For Public Participants:

- Attendees can provide input through public comment (last five minutes of meeting), Padlet, and feedback survey

**Workgroup Members -
Please introduce yourself
in the chat and share:**

- Your name
- What is your favorite summer vacation?

Note: This meeting has Spanish translation

Workgroup Norms

- Process is part of the solution
- Step Up, Step Back
- Questions seek to understand, be curious
- Prioritize parent experience and provider experience
- Act with courage and vulnerability
- Recognize the difference between intent and impact; I might not intend to hurt or offend but the impact may be to hurt or offend

Today's goals

Goals

- ✓ Discuss initial ideas from subcommittees
- ✓ Understand the process to develop family portraits and the connection to funding design

Agenda

- ✓ Welcome and introductions
- ✓ Federal Update: ELC Ad Hoc
- ✓ Subcommittees update and discussion of emerging directions
- ✓ Family portraits intros
- ✓ Public comment, next steps & adjourn

Evolving Federal Context

- **ELC Co-chairs have established an Ad Hoc Committee on Federal Resources and Programs.**
- *Proposed Goals:*
 - Ensure there's a common understanding of the implications associated with changes in federal funding and programs among early childhood stakeholders.
 - Coordinate and support federal advocacy efforts to protect and enhance access to early learning programs.
 - Consider adjustments to state programs, policies, and investments to protect and enhance access to early learning programs given changes in the federal landscape.
 - Review and consider what types of supports early childhood providers need to protect and enhance access to early learning programs given changes in federal landscape.
 - Support short term strategies as we inform long-term transition efforts.
- **Co-Chairs + IDEC Staffing**
 - Alicia Lynch-Deatherage, Interim Director of the Early Childhood Development Department, ISBE
 - Celena Roldan Sarillo, Executive Director of Start Early Illinois, Start Early
 - Staffed by Maya Portillo, Project Director at IDEC
- If you are interested in participating, please fill out the [interest form](#)

Funding Design Goals

GOALS: Develop a funding system for Illinois' early childhood education and care programs that:



Promotes an **equitable, inclusive, family-centered system** of quality choice for families of all races, home languages, incomes, and geographies



Works toward **fair resources for all types of providers**, responsive to family choice



Supports **opportunity, fair compensation, and high-quality working conditions** for the ECEC workforce



Improves **predictability** and **stability for families, providers, and the workforce**

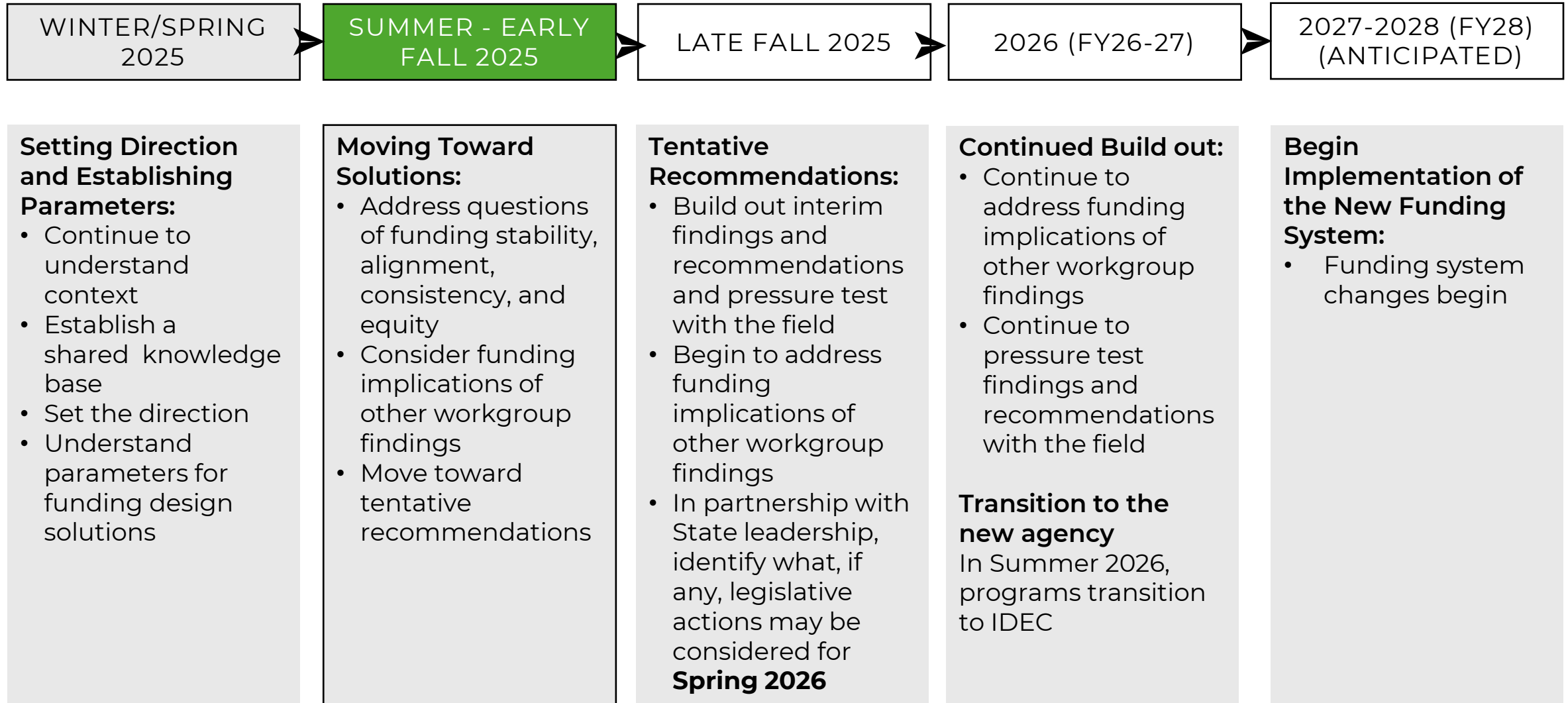


Reduces complexity and burden on ECEC providers



Promotes long-term **system-wide sustainability** through clear and balanced priorities and effective use of all available funds (federal, state, local, and private)

Funding Design – Timeline



Emerging Design Principles – drawing on input from communities, working groups, and state leadership

1. **Streamline current funding streams** and reduce administrative burden
 - Combine state funds into fewer funding streams with similar purposes and recipients
 - Reduce burden of managing multiple state and federal funding streams by aligning requirements wherever possible
 - Simplify applications and reporting wherever possible
2. **Work toward overall funding (across all available funding sources) that prioritizes equity and covers the cost of expectations**
 - Provides **operational funding** from all sources that is adequate to deliver services that meet licensing standards for all children
 - Provides funding that supports programs to proactively build toward a **family-centered definition of quality**, not just after quality is achieved, and is tied to the **services families want to see** based on children's needs, including for children with disabilities, multi-lingual learners, and historically underserved communities
 - Promotes **competitive workforce compensation**
 - Funding reflects the **different structure** of costs and services in centers, homes, and school districts
 - **Maximize federal funding**
3. **Assess gaps** between current funding and need to inform equitable prioritization for future investments
4. Work for **existing and new programs** and programs with a **mix of publicly and privately funded** children
 - **New programs** can enter the system through a transparent process that assesses quality, capacity, and community need
 - Funding design incorporates **local funding** and **parent tuition** alongside state dollars and considers needs of school-age children



Funding Distribution

Subcommittee Update & Discussion

Funding Design is a tool to intentionally shape the way that payment supports system goals.

Funding design has two major components:



Funding allocations

How is funding for each recipient determined?



Distribution mechanisms

How should funding move from the state to recipients?

This is connected to but somewhat distinct from funding amounts:



Funding amounts

How much funding is available in the system?

Meetings over the next four months work towards developing a set of funding distribution recommendations.

June

- Review role of the subcommittee
- Learn about distribution mechanisms

July

- Consider distribution options
- Evaluate options against guiding principles

August

- Prioritize distribution mechanisms that best promote design principles & goals

September

- Incorporate workgroup feedback and finalize recommendations

What are the benefits and limitations of each distribution mechanism? Notes from prior meeting:

Distribution Strategy	Examples	Benefits	Limitations / Drawbacks
Competitive Grants	<ul style="list-style-type: none"> Early Childhood Block Grant (ECBG) Home Visiting 	<ul style="list-style-type: none"> Theoretically awards to highest performing providers Increased stability for families 	<ul style="list-style-type: none"> Inequitable opportunity for providers Administrative burden for providers Lack of alignment across competitive grants Unstable for providers
Non-Competitive Grants	<ul style="list-style-type: none"> Smart Start Workforce Grants (SSWG) 	<ul style="list-style-type: none"> Supports consistency, including for wages Reduced administrative burden More accessible for providers 	<ul style="list-style-type: none"> Does not allow for as much differentiation / targeting of investments May still be distributed on a reimbursement basis
Vouchers	<ul style="list-style-type: none"> Child Care Assistance Program (CCAP) 	<ul style="list-style-type: none"> Families have more choice 	<ul style="list-style-type: none"> Families can struggle to find options Unreliable payment for providers Reimbursement-basis Administrative burden for families and providers
Payee Agreement	<ul style="list-style-type: none"> Early Intervention direct services 	<ul style="list-style-type: none"> Easy to apply for Stable 	<ul style="list-style-type: none"> Reimbursement-basis Administrative burden for billing

The subcommittee discussed which distribution tool is most appropriate for which purposes. Notes from the discussion are below:

Competitive Grants

- Competitive grants can be “additive”
 - New programs
 - Expansion
 - Choosing to be a part of a pilot or program

Non-Competitive Grants

- "Base" funding & support sustainability for ongoing needs, including increased support to sustain quality
- For programs that have a proven track record over time, and provide multi-year grants with less frequent review cycle and/or simpler processes
- New programs that meet criteria

Vouchers

Optimizing family choice and equitable access

Payee Agreements

Allow providers to get guaranteed payment for services rendered

The subcommittee has raised questions that will inform the distribution design

Emerging questions from the subcommittee discussion:

- Why is our **current system** set up the way it is?
- How can programs **equitably access** funding opportunities?
- How would distribution to **primary recipients and then partner sites** function?
- How are **criteria** set for non-competitive programs?
- Would non-competitive grants reduce **administrative burden** compared to competitive?
- How do we **balance streamlining processes** for programs with the needs for **accountability**?
- How could **readiness** (for interest in pursuing quality or improving facilities, for example) be assessed and awarded through non-competitive grants?
- There should be **no wrong door** for how children enter care. How do we get to that?
- What would be the **impact on different types of providers/programs** of changes to distribution methods?





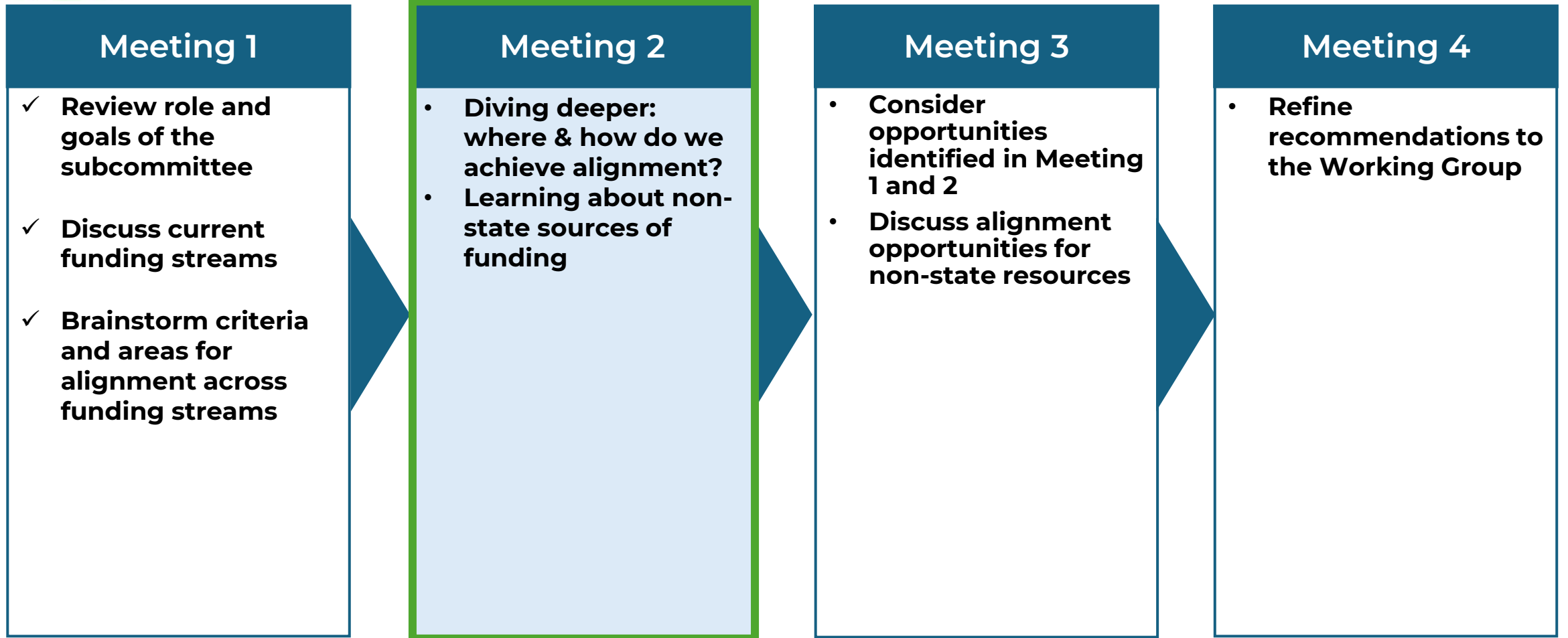
Discussion:

- After reviewing the different distribution methods and the subcommittee's reflections, what questions or additions would you like to raise?
- What should the subcommittee keep in mind as they are evaluating options?



Funding Alignment Subcommittee Update

Subcommittee agenda overview



Last week's agenda

Key IL State-managed Early Childhood Funding Streams

Funding Stream	Purpose	Recipients	Key Federal Requirements
CCAP/CCDF	Help families pay for child care and support the child care system	Child care providers selected by families (includes FFN)	Families must meet federal income and work requirements
Early Intervention	Provide services to children under 3 experiencing or at risk of developmental disabilities and delays and their families	CFCs, direct service agencies and individual providers	Federal entitlement; services must follow federal standards and timelines
Early Childhood Special Education (IDEA Part B)	Ensure that children 3-5 with disabilities receive services and a free, appropriate public education	School districts	Federal entitlement; services must follow federal standards and timelines
MIECHV	Support children and their families through evidence-based home visiting models that support child development and parenting skills (ages prenatal-5, depending on program model)	Nonprofits, public health departments	Must use an approved evidence-based model; reporting and accountability align to MIECHV requirements
IDHS Home Visiting & MCHV	Support children and their families through evidence-based home visiting models that support child development and parenting skills (ages prenatal-5, depending on program model)	Nonprofits, public health departments	N/A - state funded
ECBG Prevention Initiative – Home Visiting	Home visiting programs for children under age 3 and their parents (ages 0-3)	School districts and child care centers	N/A - state funded
ECBG - Preschool for All (/Expansion)	Part- or full-day pre-k programs to help young children enter school ready to learn	School districts and child care centers	N/A – state funded
ECBG Prevention Initiative – Program-based	Center- or FCC- based programs for children under age 3	School districts and child care centers (partnerships with family child care homes)	N/A – state funded
Smart Start Workforce Grants	Raise worker wages to wage floor	Child care centers and homes serving at least 15% CCAP	N/A – state funded
Smart Start Quality Supports	Raise wages based on credentials; support continuous quality improvement	34 child care centers in Group 2	N/A – state funded

Capital Grants
Member Initiatives

Competitive grant for infrastructure investments
Varies based on legislative intent

Additional state investments for consideration



Could there be one or fewer funding streams? Could we have one large fund?

- Workgroup Member, May 2025 Meeting

To help identify opportunities for alignment and evaluate scenarios, what are criteria we might consider?

Criteria discussed in Meeting 1:

- Similar or highly connected **purpose**
- Common **recipient pool**
- Similar child/family and provider **eligibility**

Additional Consideration:
(Enough) flexibility in **federal requirements**, or ability to align state requirements to federal requirements



Applying the alignment criteria to the state-managed funding streams

Criteria 1: Shared or highly connected purpose	Criteria 2: Common recipients	Criteria 3: Similar child/family eligibility
The subcommittee reviewed the following categories for each criterion:		
<ul style="list-style-type: none"> • Child care/pre-k • Parenting support and coaching to promote healthy child development • Supporting children with disabilities and developmental delays • Training and support* • Family navigation* 	<ul style="list-style-type: none"> • Licensed center and home based providers • Family, friend, and neighbor care • School district providers • Non-profit social service agencies • Public health departments • Direct service providers (therapists) • Regional support organizations (CFCs, CCR&Rs, etc)* 	<ul style="list-style-type: none"> • Families from low-income households or categorical eligibility • Families/children with adverse experiences (i.e. child welfare involvement, low birthweight, homeless or displaced, etc.) • Age of child • Children with developmental disabilities and delays • Geographic/district boundaries** • Families who are multilingual

For each criterion, the subcommittee discussed the categories and which fund streams aligned to each category.

Note: Family/Friend/Neighbor, License-Exempt, and School Age care: more information gathering is needed

* Not a comprehensive list

**There may be exceptions on a case-by-case basis, but generally, funding is bounded by geography or district

Summary: Direct Services

Across all state-managed funding streams, the following two groupings each had all fund streams match on 3/3 criteria:

- **Cluster of early learning & care funding streams:**
 - CCAP/CCDF
 - ECBG PFA/E
 - ECBG PI-Program Based
 - Smart Start Workforce Grants and Quality Supports
- **Cluster of home visiting funding streams:**
 - MIECHV
 - MCHV
 - IDHS-HV
 - ECBG PI-Home Visiting
- **Early Intervention and Early Childhood Special Education** continue to be funded separately

1

Proposed: One aligned funding stream for **child care and pre-k programs**

2

Proposed: One aligned funding stream for **home visiting programs**

Early Intervention and Early Childhood Special Education continue to be funded separately. We will continue to iterate on the funding design.

Aligned on 0/3 Criteria
Funding streams for children with disabilities and developmental delays (EI and ECSE) each had no matches with several other funding streams.

Aligned on 1/3 Criteria
Programs aligned on 1 criterion generally had shared child/family eligibility . Possible opportunity to streamline family enrollment and data gathering.

Aligned on 2/3 Criteria
Programs aligned on 2 criteria generally had shared child/family eligibility and common recipients , but not common purpose

Notes from the subcommittee discussion:

Impact of current system

You can see why it's so hard on providers and families and providers – **if it's confusing for us looking at all these acronyms, you can only imagine the experience for families navigating it all.**

Lessons from other systems/experiences

In Home Visiting, there is a lot of benefit to one funding stream, one NOFO [Notice of Funding Opportunity], and one set of paperwork. **Even if you get separate checks from the different streams, the process is more seamless.**

When you look at school districts, **they get an amount per student and then if there is a student that needs more services they get more funding.** So, if Infant/Toddler needs more, it should be a higher rate. Right now, we are all over the place.

When we were working on the K-12 formula, we kept one funding stream separate (transportation). **We should have included it.**

Considerations moving forward

I see the **benefit of aligning and bringing into one pot**, because that will allow us to pivot to respond to needs. But right now there are a lot of set asides, so **there needs to be transparency about what goes into what buckets.** There will be a lot of anxiety around that.

One bucket would make it easier to manage on the back-end for programs. **But what happens if there is a decrease in one of the funding streams?** How is it determined who would receive what?

There should be funding across the board [for early learning] but **it needs to be tiered because [community- and family-based programs] have to compete with schools** [for staff] and meet the same standards.

Emerging questions from the subcommittee discussion:

- How do we think about **prioritization** of funding, and where does the next dollar in go or who would lose funding if there is a cut?
- If there are **changes** in different sources of funding, such as federal funding, how does that impact what programs would get?
- Are there **other states** that combine CCAP and state 0-5 funds? If so, what are the lessons learned in combining funding?
- Who is the **program that could be most disrupted**, and how do we adjust for that?
- Who will be doing the work of aligning? How will **data** be collected and used effectively to improve experience?
- How are **non-state-managed resources** considered and braided in?



While the state makes significant investments in ECEC through state-managed resources, there are several other funding sources to consider that programs would still need to braid/blend.



**Family contributions
through tuition,
insurance premiums,
and co-pays**



**Private and public
insurance payments**



**Federal direct-to-
grantee funds (i.e.
Head Start)**



**Local/community
contributions, such as
through school
funding and
philanthropic support**

**At the next
subcommittee meeting,
we will discuss how to
incorporate non-state-
managed resources into
an alignment framework.**



Discussion:

- After learning about the subcommittee's discussion and direction, what questions do you have?
- What other benefits and considerations of bringing together the funding streams for child care/pre-k and home visiting would you add to the subcommittee's ideas?
- The subcommittee elevated several important questions about how alignment might happen. What else needs to be considered moving forward?



Family Service Workgroups: Family Portraits



What are Family Portraits?



- A **family portrait** will
 - include a set of descriptions of the characteristics, perspectives, and experiences of a family with at least one child, age 0-5.
 - Be more than just their intersections with EC services; will capture a more comprehensive view
- A **gallery of family portraits** will
 - provide realistic representations and real-life examples of families with young children, across multiple communities and in a variety of early childhood settings and programs in Illinois.
 - portray the diversity as well as intersectionality of experiences, backgrounds, race, culture, class, gender, and other ways families have chosen to identify themselves.

Why Are We Developing Family Portraits?

- To intentionally and continuously center families who have historically been marginalized or underrepresented.
- There's no such thing as an "average" family. Family portraits will help us identify family archetypes that are least well served by the system, informing our design and innovations.
- The family service workgroups are creating portraits to have consistent and diverse families in mind and the family portraits can be used across workgroups.
- To address concerns that have been raised regarding
 - Operationalizing equity in decision-making.
 - Using a single tool or resource to make decisions.
 - The complexity and intersectionality within families and communities.

How Are We Developing Family Portraits?

1

Workgroup Discussions

Review extensive data already collected and develop a variety of templates/protocols that families will complete about their parenting hopes, dreams, success, challenges, as well as routines, those who influence their lives, community supports, etc.

Interviews

Conduct interviews using protocols to refine the process and begin the development of an array of family portraits reflecting the diversity and intersectionality (aligned with the TAC's Equity Framework)

2

3

Community Conversations

Gather information from families in communities across IL to create a more holistic portrait and comprehensive gallery while identifying other aspects/characteristics that need to be included

4

TAC and Workgroup Feedback

Gather feedback from transition members to modify or identify missing details and portrait types

Family portraits will continue to be developed and/or modified to meet the needs of TAC, workgroups, etc.

How might the Funding Design Workgroup Incorporate and Use Family Portraits?

- To review proposed strategy or solution through the lens of this family's experience. Guiding questions might include:
 - What would be the impact of this proposed change on this family?
 - Would this family benefit from the change? If so, how?
 - What might prevent this family from benefitting from this change?
 - Would this solution be easy for this family to access? Why or why not?
 - Is this solution a high priority for this family?
 - What other solutions might have a greater impact on this child/family?
 - How does this funding solution impact providers?

What are other ways the Family Portraits might be incorporated?

Discussion

1. What resonates with you?
2. What might be missing from this approach? How can it be strengthened for greater impact?
3. How could you envision we use family portraits in designing the future funding system?



Public Comment

To join the line to provide public comment, please raise your hand via Zoom.





Next Steps & Close:

- Post-meeting survey
 - For all public attendees
 - For workgroup members to provide feedback
- **Next subcommittee meetings:**
 - Distribution Subcommittee: August 20th at 1 PM CST
 - Alignment Subcommittee: August 21st at 1 PM CST
- Upcoming meeting – **Wednesday, August 27th, 4:30-6 PM**