Early Childhood Education and Care (ECEC) Funding Design Workgroup

November 19, 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 Crystal Roman privately 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 Padlet, public comment (last five minutes of meeting), and will have the opportunity to engage in small group discussion

Workgroup Members – Please introduce yourself in the chat and share:

- **Your Name**
- **What are you grateful for?**

Note: This meeting has Spanish translation

IDEC

Today's Goals and Agenda

Goals

- Share updates on key activities underway for Funding Design and related work

- Provide feedback on potential cost factors identified by the Home Visiting Subcommittee

Agenda

- Welcome and introductions
- Updates:
    - Deep Dives
    - Head Start Cost Modeling
    - Communications
- Subcommittee Input: Home Visiting
- Program Standards Alignment

IDEC

Workgroup Norms

- Process is part of the solution

- Step Up, Step Back

- Questions seek to understand, be curious

- Prioritize parent 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 hurt or offend others

IDEC

Funding Design 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)

IDEC

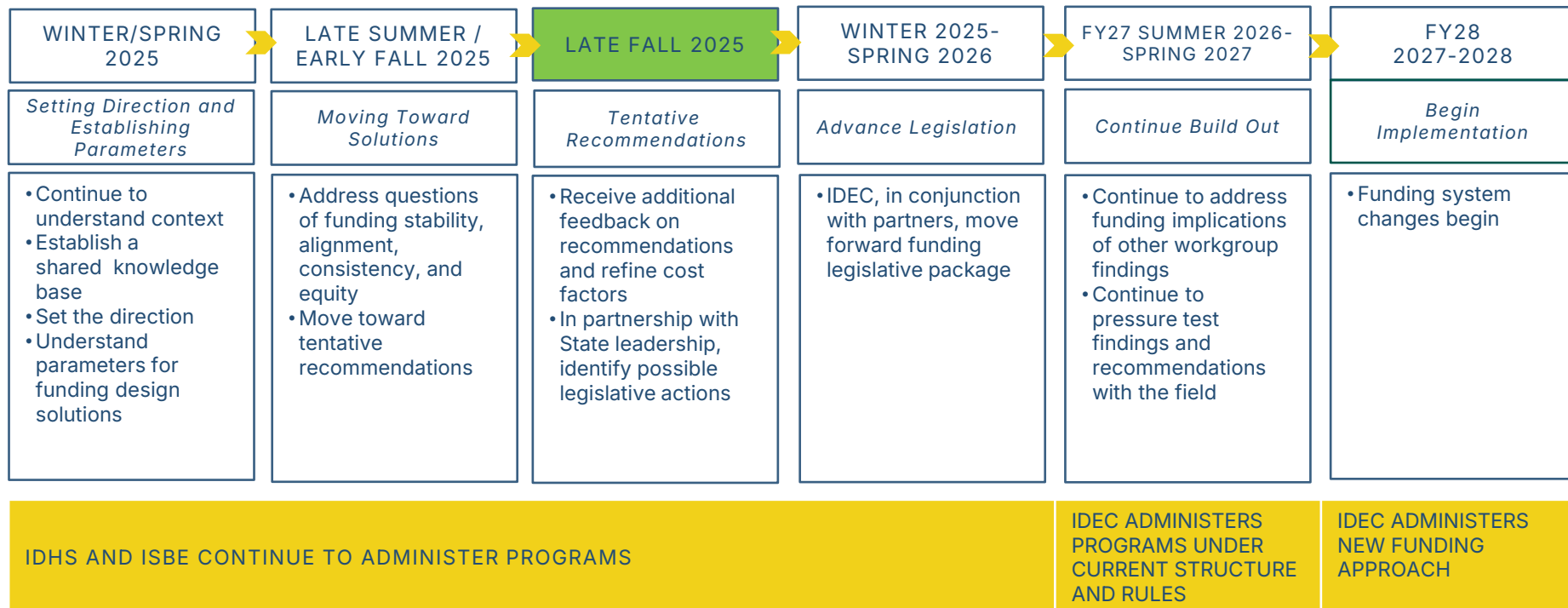# Emerging Design Principles – drawing on input from communities, working groups, and state leadership

1 **Reduce administrative burden** by streamlining current funding streams
- 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 **Builds a transparent road map to full costs of early learning services that enables equity and efficiency**
- Ensures **operational funding** from all sources that is adequate to deliver services that meet licensing standards for all children and allows transparency in how much existing funding from all sources covers costs
- Enables a **family-centered definition of quality,** and is tied to the **services families want to see** based on children's needs, including for children with disabilities and developmental delays, multi-lingual learners, and historically underserved communities
- Promotes **competitive workforce compensation**
- Reflects the **different structure** of costs and services in centers, homes, and school districts across programs and requirements
- **Maximizes** federal funds

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 children being served by **public and private funds**
- 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 and federal dollars while acknowledging the needs of providers who serve school-age children

IDEC

Anticipated Timeline

WINTER/SPRING 2025	LATE SUMMER / EARLY FALL 2025	LATE FALL 2025	WINTER 2025-SPRING 2026	FY27 SUMMER 2026-SPRING 2027	FY28 2027-2028
Setting Direction and Establishing Parameters	*Moving Toward Solutions*	*Tentative Recommendations*	*Advance Legislation*	*Continue Build Out*	*Begin Implementation*
• Continue to understand context • Establish a shared knowledge base • Set the direction • Understand parameters for funding design solutions	• Address questions of funding stability, alignment, consistency, and equity • Move toward tentative recommendations	• Receive additional feedback on recommendations and refine cost factors • In partnership with State leadership, identify possible legislative actions	• IDEC, in conjunction with partners, move forward funding legislative package	• Continue to address funding implications of other workgroup findings • Continue to pressure test findings and recommendations with the field	• Funding system changes begin

IDHS AND ISBE CONTINUE TO ADMINISTER PROGRAMS

IDEC ADMINISTERS PROGRAMS UNDER CURRENT STRUCTURE AND RULES

IDEC ADMINISTERS NEW FUNDING APPROACH

IDEC

Updates on Funding Design Activities & Related Work

Funding Design Deep Dives

IDEC

IDEC has engaged in 12 deep dive conversations to build understanding of program-level operations

IDEC has talked to providers that:

- ○ Are in urban, suburban, and rural regions of the state

- ○ Have a variety of funding streams including ECBG, Head Start, CCAP, military subsidies, DCFS subsidies, and private tuition

- ○ Range in size from serving 40 children to serving 2,000+ children

- ○ Represent different service provider structures like Regional Offices of Education (ROEs), school districts, center-based programs- including Head Start grantees with partnership sites

- ○ Support inclusive practices for children with developmental delays, disabilities, and challenging behavior

IDEC

Takeaways from the deep dive discussions include:

Rising Costs
- Several programs have reduced enrollment due to workforce challenges and expenses (workforce wages, transportation, insurance, food costs).
- School districts often pay for part of the cost of preschool programs. Flat funded ECBG grants are not keeping up with rising costs- especially related to salaries.

Co-Pay
- Programs in school districts and serving children who qualify for Head Start do not charge parent fees, which is important to their model. Other programs charge additional co-payments (in addition to CCAP) to cover rising costs.

Eligibility
- Several programs whose population is eligible for CCAP do not rely on CCAP funding because of the administrative burden and variability with the funding.
- Programs appreciate Smart Start Workforce Grants, and smaller programs in some areas of the state struggle to enroll children using CCAP, which creates challenges with eligibility for Smart Start Workforce Grants.

Different Needs for Programs in Rural Areas
- Some programs- often funded by ECBG and Head Start- provide transportation to and from the program, which is essential in some rural areas. Paying for the service and finding qualified bus drivers is challenging.

IDEC

Head Start
Cost Modeling

IDEC

What We've Heard from Head Start / Early Head Start Providers

- Funding design work should consider Head Start and Early Head Start as **critical and foundational funding sources** in our system, serving high-need families and children

- Providers face challenges with **managing multiple funding streams**

- Head Start and Early Head Start programs face **different costs** in meeting the Head Start Program Performance Standards

- IDEC should begin to understand these cost factors **to inform the funding design cost model**

Conversations to Date:

- Head Start Provider Panel during Funding Alignment Subcommittee
- Deep dive interviews with 4 Head Start providers
- Interview with Migrant/Seasonal Head Start grant supervisor
- Head Start providers participating in Funding Design Workgroup and relevant Subcommittees

IDEC

Objectives for Head Start Cost Modeling

Better understand costs associated with Head Start (HS), Early Head Start (EHS), and Migrant/Seasonal Head Start (MSHS) program models

Improve IDEC's understanding of the costs associated with unique program standards to inform adequacy targets and evaluation of funding gaps

Gather input from HS, EHS, and MSHS providers about the costs they face

Through interviews and focus groups, provide opportunities for HS/EHS/Migrant and Seasonal HS providers to share their experiences with cost factors such as personnel and family support services

Identify areas for further exploration

This preliminary process will provide directional cost estimates and may need to be supplemented with additional research and/or data collection in the future

IDEC

Scope of HS/EHS Cost Model

The preliminary cost model will include **full- and part-day**, **center-based Early Head Start, Head Start, and Migrant/Seasonal Head Start** services that meet **Head Start Program Performance standards**

Not included in this preliminary cost model:

- Early Head Start Home Visiting *(included in IDHS Home Visiting cost model)*

- Detailed revenue estimates, unless site-level revenue data becomes available

IDEC

HS/EHS Provider Focus Groups

Upcoming on November 20th

Topics for Input:
- Staffing patterns and compensation in HS/EHS classrooms
- Staffing and partnership models for providing comprehensive services
- Additional cost factors
- Blending/braiding models (e.g. classroom arrangements, use of multiple funding streams during a child's day)

Register here: HS/EHS Provider Focus Group Registration Link

Communications

IDEC

Our Listening Sessions

October 20th

11-12 PM

Every Child Ready Chicago Governance & Funding Workgroup

October 30th

1-2 PM

We the Village Policy Meeting

October 30th

11 AM-12 PM

Raising Illinois Home Visiting Policy Workgroup

November 5th

5:30-7 PM

Raising Illinois & Illinois Action for Children infant/ toddler group

November 13th

9-10 AM

EC Leadership Forum

November 13th

10-12 PM

Southern Illinois Early Childhood Action Network

IDEC

Over the past month, IDEC has presented at 6 different community meetings reaching 255 people to hear their feedback on IDEC's preliminary funding recommendations

Here is what we heard

- **Continued prioritization of workforce**
  - Programs report continued difficulty in recruiting and retaining staff
  - Participants reported pressures on wage compression with rising min. wage
- **Interest in increased focus on infant/toddler**
  - Balancing the priorities of all our ECEC programs and services and acknowledging the differing needs of infants/toddlers vs. preschoolers
- **Questions around FY27 budget and beyond**
  - Will current grantees receive level funding for FY27?
  - Can programs anticipate that existing funding (as long as they are in compliance) will be maintained through this new plan in FY28?
- **Implications for current programs versus prioritization for new programs**
  - Before granting out to new programs/slots, will there be an effort to ensure that existing slots that are funded have adequacy? And will that adequacy be aligned across the funding streams?
- **Implications for Chicago**
  - Chicago has a different governance structure than the rest of the state
  - Chicago's Early/Head Start CBOs rely on blending with state funding to support the full day of care. How is IDEC considering alignment with HS/EHS/MSHS?

IDEC

Our Listening Sessions

November 19th

2:30-3:15 PM

It Takes a Village/
Child Care
Advocates United

November 20th

8:30 AM-4:30 PM

Alignment
Rockford

November 20th

TIME TBD

Spark Aurora

November 20th

10-11 AM

Illinois Head Start
Association
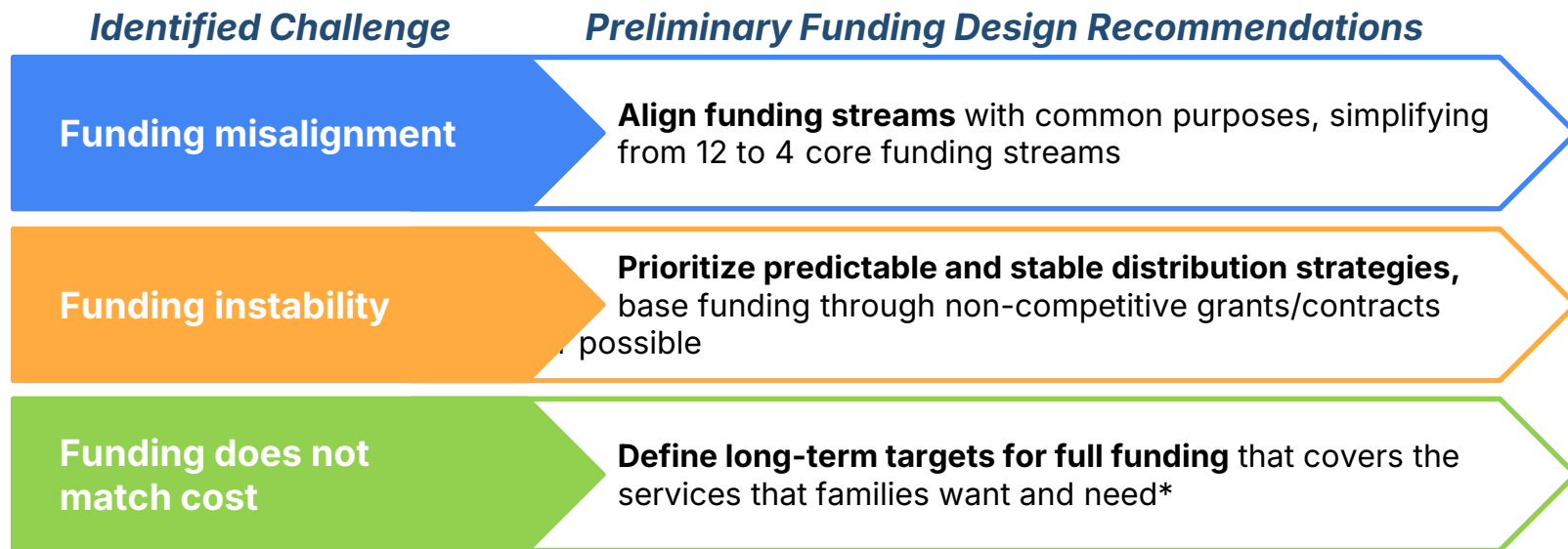
December 12th

1:30-2:30 PM

Brightpoint

DATE TBD

TIME TBD

ECE CEO
Roundtable

IDEC

Fall Funding Design Subcommittees

Recall: Recommendations from the Summer Subcommittees

Identified Challenge | **Preliminary Funding Design Recommendations**

Funding misalignment
Align funding streams with common purposes, simplifying from 12 to 4 core funding streams

Funding instability
Prioritize predictable and stable distribution strategies, base funding through non-competitive grants/contracts possible

Funding does not match cost
Define long-term targets for full funding that covers the services that families want and need*

Expanding on this recommendation is the goal for the Fall subcommittees

IDEC

Fall Subcommittee Overview and Objectives

- **Overview**: Subcommittees will focus on **pressure testing and providing feedback on assumptions that will inform the development of IDEC's funding framework** for child care/pre-k, home visiting across the mixed delivery system and provider types*

- **Objectives**: At the end of this round of subcommittees, we will have a deeper understanding of:

  - A recommended initial set of **family driven cost factors** to consider embedding in definitions of adequacy targets

  - Qualitative input on **known and unknown cost factors** to inform development of adequacy targets

  - Input on variations required based on the experiences and **needs of different provider types**

  - Questions needing **further consideration and research** to inform funding framework

EI and ECSE work is ongoing internally

Fall Funding Design Subcommittees Structure

All subcommittees will focus on priority populations, including **multilingual learners** and **children with disabilities and developmental delays**.

Child Care/Pre-K

- Including centers, homes, and school-based settings
- Topics may include:
  - What are the costs associated with family-driven vision of quality?
  - How does funding design impact providers in the mixed delivery system?
  - What are the considerations around funding structures to support family and community needs?

Family, Friend, and Neighbor (FFN) Providers

- Topics may include:
  - What are the unique needs of Family Friend Neighbor (FFN) providers?
  - How should funding design and the road map to full costs account for FFN providers' structure?

Home Visiting

- Topics may include:
  - What else should be considered to reflect families' priorities
  - What are the considerations around access of Home Visiting and impact on funding design?

IDEC

The Home Visiting Subcommittee will focus on an <u>overall definition of adequacy for home visiting</u>, building on the alignment recommendation from the summer subcommittee work.

Challenges ▶ *Preliminary Recommendations*

Challenge Definition:

- Current misalignment across funding streams creates confusion, frustration, and sometimes arbitrary barriers for both families and providers
- A majority of providers do not utilize multiple public funding streams, potentially due to the complexity and administrative burden

Proposed Criteria for alignment:

- Similar or highly connected purpose
- Common recipient pool
- Similar child/family and provider eligibility
- Enough flexibility in federal requirements, or ability to align state requirements to federal requirements

Across all state-managed funding streams, the following two groupings meet the criteria for alignment:

Cluster of early learning & care funding streams:

- CCAP/CCDF
- ECBG PFA/E
- ECBG PI-Center Based
- Smart Start Workforce Grants and Quality Supports

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

Cluster of home visiting funding streams:

- MIECHV
- MCHV
- IDHS-HV
- ECBG PI-Home Visiting

2 *Proposed:* One aligned funding stream for **home visiting programs**
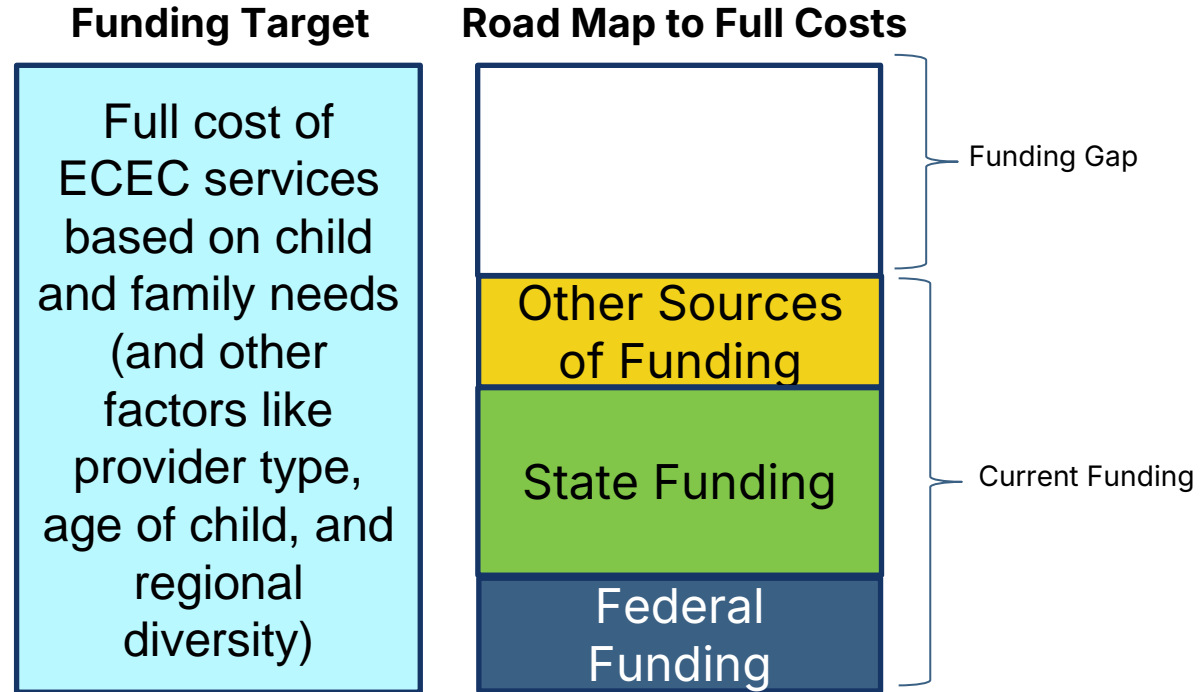
3 *Early Intervention*

4 *Early Childhood Special Education*

continue to be funded separately

IDEC

Creating an Adequacy-based Approach for ECEC

One of the design principles for ECEC funding is to *"build a transparent road map to full costs of early learning services that enables equity and efficiency, using all available sources of funds."*

Visualizing the Funding Target & Road Map to Full Costs (Illustrative):

Funding Target

Full cost of ECEC services based on child and family needs (and other factors like provider type, age of child, and regional diversity)

Road Map to Full Costs

Funding Gap

Other Sources of Funding

State Funding

Federal Funding

Current Funding

Defining Statewide ECEC Funding Targets Based on Costs

Statewide Target

Full cost of ECEC services based on child and family needs (and other factors like regional diversity)

ECEC funding target must:

- Be driven by **family input** about the services they desire and need

- Account for the costs associated with providing care to **multilingual learners** and **children with disabilities and developmental delays**

- Consider federal and other funding resources

*This phase of funding design work will **build on family input to better define the cost factors** that will inform funding model and targets.*

IDEC

27

Home Visiting Subcommittee

What cost factors comprise an adequacy target?

Program Adequacy Target

Unknown cost factors

Known Cost Factors, building on previous cost modeling:
- **Workforce & Staffing**
- Program Operations

Key focus for subcommittee

*Many of the **largest cost factors** have been considered in previous cost models*:*

Workforce & Staffing

- **Staff wages** (by role, credential, and region)
- **Fringe benefits** (health, retirement, FICA, workers comp)
- **Staffing structure** (ratios, group sizes, caseloads, admin)
- **Credential requirements** by program model
- **Wage parity assumptions** (e.g. home visitors vs. social workers)

Personnel generally makes up 70-80% of costs

Existing cost models: Home Visiting Cost Model developed by P5 in 2024. Salary floor created with input from the field.

*Not a comprehensive list of costs

IDEC

What cost factors comprise an adequacy target?

Program Adequacy Target

Unknown cost factors

Known Cost Factors, building on previous cost modeling:
- *Workforce & Staffing*
- ***Program Operations***

Key focus for subcommittee

*Many of the **largest cost factors** have been considered in previous cost models*:*

Program Operations
• **Caseload and families served annually**
• **Facilities** (rent, utilities, maintenance)
• **Non-personnel costs** (supplies, insurance, IT, admin)
• **Transportation**
• **Regional cost adjustments** (e.g., Chicago area, downstate)
• **Translation/interpretation**
• **Mental health consultation**
• **Reflective supervision**
• **Training and professional development**
• **Doulas**
• **Family groups, fatherhood programs, etc.**

*Not a comprehensive list of costs

IDEC

Existing cost models: Home Visiting Cost Model developed by Prenatal-Five Fiscal Strategies in 2024. Salary floor created with input from the field. Cost model was used to inform funding amounts in FY26 IDHS-HV NOFO.

Program and Infrastructure Costs

This subcommittee will primarily focus on program-level costs. Some costs may be more appropriate to capture as part of system infrastructure rather than within individual programs:

Program Level Costs

- **Administrative costs:**
  - Program leadership
  - Administrative support staff
  - Overhead such as facilities, utilities, professional services, etc.
- **Support for direct services provided by the program,** such as:
  - Supervision by a director or program manager
  - Family support provided by program staff (e.g. social workers, family advocates)
  - Curriculum and training materials purchased by the program

Infrastructure Costs

- **Support provided at a regional or statewide level,** such as:
  - Training and coaching provided statewide organizations or intermediaries
  - Family support such as coordinated intake
  - Data systems used by programs
  - Materials created for families and programs
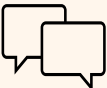
Some costs can be covered at multiple levels, depending on context and needs:

- Infant and Early Childhood Mental Health Consultation (IECMHC): Home Visiting and Head Start programs pay for this at the program level; CCAP and EI cover it as infrastructure
- Coaching and reflective supervision
- Training and professional development
- Behavioral health

In the first meeting, the subcommittee provided input on known and unknown cost factors:

- Need to more clearly define **transportation costs**, which can account for mileage for staff as well as transportation for families and vary significantly by region and community needs.

- **Tiered pay structures** are important, especially for multilingual staff.

- **Professional development** and education supports, including interpretation and translation certificates, are critical but often underfunded.

- **Material supports** for families are an additional cost (i.e. books, diapers, cooking supplies).

- **Outreach and recruitment** require time and materials; in places with coordinated intake, those systems that reduce staff burden and simplify the process for families.

- Interest in developing a more comprehensive understanding and approach for **doula services.**

Themes from Family Input

	Theme	What should the system do?	Potential Program Costs Associated*
💬	**Language access**	• Information and services delivered in **home language** • Want to **communicate in home language** with staff • **Recruit and retain qualified, diverse, multilingual staff**	• Higher pay for multilingual staff; costs of translation and interpretation • Salary scale and equitable pay with benefits; career pipelines
⚙	**Access**	• Accessible options for **programs that meet their needs,** including convenient locations and hours	• Expand home visiting options, accounting for start-up and expansion costs
📣	**Awareness**	• Better **communication/ advertisement** of programs and services and accessible **applications**	• Community-level navigation support, information systems, and simplified applications

"[Programs need to be] responsive to the needs of monolingual Spanish families. I've been translating and interpreting and these programs are private so you'd think they'd have funding but they don't."
- Parent, Cook County

"We have had some problems in the current system where a family might be denied an additional service because it's considered a duplication but really is complementary... How can we ensure families can access a range of supports as desired/needed and not face barriers doing so."
- Anonymous

IDEC

*Potential cost factors are illustrative examples; actual cost factors will depend on implementation decisions

During the second meeting, the subcommittee discussed the cost factors related to serving multilingual families and start-up and expansion.

Subcommittee Insights:

Potential Cost Factors:

Language Access

- Home Visitors that provide services in languages other than English often take on more work, such as attending appointments with families or translating materials.

- Programs typically have staff and materials to serve families that speak English and Spanish, but other languages require additional interpretation and translation costs.

- Recruiting and retaining multilingual staff can be challenging and only some programs are able to offer increased wages or stipends to multilingual staff.

- Lower caseloads for multilingual home visitors to accommodate additional duties.

- One-time and ongoing costs for programs to purchase materials and pay for interpretation for families that speak languages other than English and Spanish.

- Additional compensation through stipends or wage increases to support recruitment and retention of multilingual staff.

IDEC

During the second meeting, the subcommittee discussed the cost factors related to serving multilingual families and start-up and expansion.

Subcommittee Insights:

Potential Cost Factors:
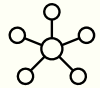
Access

- Community planning and engagement are essential to make sure home visiting is needed and not duplicating other services.
- It can take up to two years to launch a new home visiting program due to recruiting and training staff and conducting outreach to grow caseloads.
- Funding for initial years needs to be flexible and offer a multi-year timeline to allow programs to reach full capacity.

- Start-up specific grants to support the planning and development of new home visiting programs.

Discussion Questions

How does the subcommittee's input resonate with or differ from your experiences?

How does this input impact or interact with other parts of the ECEC system?

What questions do you have for the subcommittee? What else should they consider as they move toward recommendations?

IDEC

Small groups in session. Meeting will resume momentarily.

Public Participants can participate in multiple ways:

- **Joining a breakout group:** Public participants will be moved to a breakout group where they will have the opportunity to respond to questions.
- **Respond to discussion questions via Padlet:** To add a comment, click the "+" icon underneath the prompt or question you want to respond to, type your comment and then hit "Publish".

Notes from small group discussions will be included in the Workgroup minutes and posted on the Transition website.

Program Standards Alignment Workstream

IDEC

The current construct of program standards is largely driven by federal requirements, funding requirements, and agency polices

- Current state programs standards and expectations are designed based on the interpretation of federal guidelines

- Program requirements and accountability mechanisms are tied to federal and state funding streams (e.g., ECBG, CCAP, HV)

- Existing program standard design is also driven by different state agencies' theory of action

"One program may blend and braid to maximize resources and comprehensive service offerings for their children and families, but Early Head Start/Head Start, Preschool for All - Prevention Initiative and traditional CCAP classroom each have different models, requirements and reporting. Managing each separately is an administrative challenge and burden."

- Center Provider (Funding Design Discussion)

IDEC

Program Standard Alignment Workstream Proposed Scope

Goal: To develop recommendations *for aligning birth–to–five program standards and expectations* for programs and services under the Illinois Department of Early Childhood (IDEC) *with a vision of a continuum of quality that supports kindergarten readiness.*

This workgroup's recommendations will:
- Be informed by and reflect families' wants and needs, and what providers need to deliver on those wants and needs
- Responsive to current research and best practices for child development and readiness
- Be culturally inclusive and responsive, and
- Align to federal requirements

IDEC

Questions to explore to map _current state_ program standards and requirements for programs and services transitioning to IDEC

1. **Identifying opportunities for alignment across Program Standards:** What are the overlaps, gaps, and discrepancies across program standards and requirements?

2. **Reviewing state standards:** How well do program standards reflect and align to best practice, cultural competence, what families want and need and Illinois' state developmental standards?

3. **Understanding the continuum of quality systems of support**: What requirements, resources, and incentives exist to support providers in achieving high-quality standards, and what inequities and disincentives exist?

This work will be informed by:
- ✓ Stakeholder engagement
- ✓ Research
- ✓ Landscape analysis
- ✓ Workgroup & steering group engagement

IDEC

The current context for the work requires keeping track of multiple workstreams and identifying intersections and dependencies
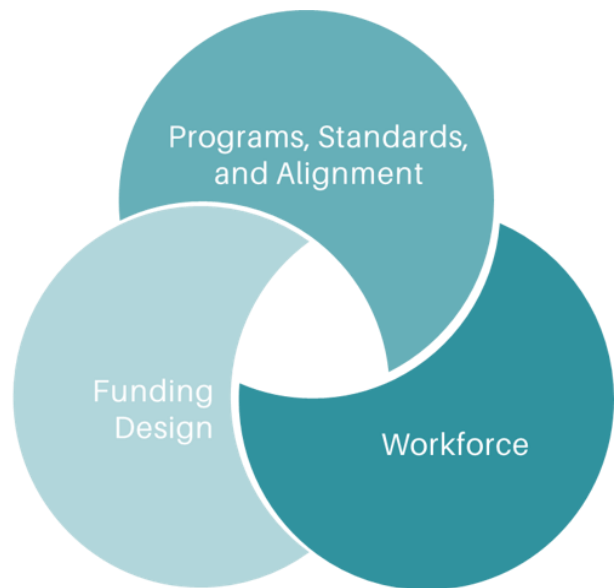
This work intersects with considerations in other workstreams:
- *IDEC Transition discussions (funding design and alignment considerations, workforce, etc.)*
- *Kindergarten Readiness (KIDS Advisory)*

Proposed outcomes by June 2026

The objective for this phase is to better understand the gaps and opportunities to align program standards.

To support this understanding, we will:

➤ **Complete an analysis of current standards:** identify gaps in current standards to address families' needs and wants, research, and best practices.

➤ **Highlight opportunities for alignment**: identify opportunities to align standards for programs moving to IDEC with family vision, best practice, federal requirements, and IDEC's vision of a continuum of quality, including kindergarten readiness and long-term outcomes

Future work (beyond June 2026) will include:

- Potential program standards revision processes (based on needs identified in this phase)
- Planning for implementation and support for providers and families.

IDEC

Public Comment, Next Steps & Close

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 meeting: Home Visiting Subcommittee on Wednesday, December 10th, 11:30-1:00
- Next Workgroup meeting: Wednesday, December 17th, 4:30-6:00