Analysis of Proposed Governance Structures for Early Childhood Programs in Illinois

Review of State Agency Early Childhood Programs/Administration

Department of Human Services (DHS)

The Early Childhood Programs at DHS were originally administered out of the Division of Human Capital Development and the Division of Community Health and Prevention. In an effort to coordinate services and align programs, the Divisions were merged and became the Division of Family and Community Services. Despite these efforts the programs remain largely silo operations.

Home Visiting Programs/All Our Kids (AOK)

Home Visiting (HV) Programs which include Parents Too Soon (PTS), Healthy Families Illinois (HFI), and Maternal Infant and Early Childhood Home Visiting (MIECHV), and the AOK networks are not high profile programs at DHS. They are administered within the Bureau of Early Childhood Development which is made up of 3 staff. DHS manages HFI and PTS while the Governor's Office of Early Childhood Development (OECD) manages the federally funded MIECHV. DHS provides the fiscal and grants management support to OECD for MIECHV. Services are contracted out to providers throughout the state. Program staff are responsible for contract approval and oversight and payment approval. Budget development, cash management, federal draws, voucher processing, federal financial reports and grants tracking are performed by DHS operations staff. The HV programs managed within DHS use the Cornerstone system for tracking client information. AOK uses an outsourced website for program information. OECD uses an outsourced data system as well. These programs could be moved from DHS with little opposition, but the support structure would need to be replicated.

Early Intervention

The Bureau of Early Intervention has an estimated staff of 11 with offices in Chicago and Springfield and operates with a budget of an estimated $180.0 million. By law, the Bureau must competitively bid for services every 5 years. The following Early Intervention (EI) services are outsourced:

Child and Family Connections (CFC): 25 offices throughout the state to serve as the intake point for assessment and coordination of EI services to eligible families.

Early Intervention Central Billing Office: adjudicates provider service claims, submits claims for Medicaid and private insurance payments, performs ongoing claims reconciliation, write-offs, adjustments, prepares financial reports, provides claim summaries, provides Parent Explanation of Benefits;

Early Intervention Clearinghouse: central resource and information system for parents and providers;

Early Intervention Monitoring: provides compliance monitoring and verification monitoring reviews of EI providers and CFC offices;

Early Intervention Provider Connections: EI credentialing office that supports a credentialing and enrollment process for approximately 5,000 EI providers, including background checks;

Early Intervention Training: provides a comprehensive system of professional development for the EI Program including pre-service and in-service training for EI service providers.

DHS operations staff provides fiscal and grants management support to the Bureau. DHS manages the cash draws and federal financial reporting for EI. CFCs use the Cornerstone system to track services to children and authorizations to EI service providers. The Third-party Central Billing Office uses Cornerstone data to verify billing information from EI providers and sends payment authorizations to DHS for processing through the central accounting system. The financial side of EI is quite complex and requires a great deal of support from DHS Fiscal Services. EI services are considered entitlement services and there is an appeal and hearing process in place which is administered through the DHS Bureau of Administrative hearings. DHS assigns a staff attorney to the EI program to ensure the agency is in compliance with all the federal rules and regulations. It would be challenging to move this program without the appropriate operational supports.

Child Care

The Child Care program has an estimated 30 staff and operates with a budget of $1.2 billion. Its budget is larger than the budgets of most state agencies. Almost 40% of funding comes from the Temporary Assistance for Needy Families (TANF) Block Grant. DHS is the lead agency for TANF and there is no guarantee that TANF funds would continue to be spent on child care if the

program were moved. While the program is not unduly complex, the infrastructure to support it is substantial and the costs that support those services are claimed to child care through a cost allocation plan. The following services are outsourced:

Eligibility determination: 16 Child Care Resource & Referral (CCR&R) agencies and a network of site administered (licensed centers) agencies determine eligibility for child care services using Child Care Management System (CCMS). This system interacts with the DHS Integrated Eligibility System (IES) to verify case numbers, receipt of benefits and other information verifications.

Core Resource and Referral services: Parent information and referral, data collection, provider training and professional development including Quality Recognition and Improvement System (QRIS), community networking, resource and support for child care and early education programs.

Gateways to Opportunities Professional Development System: contracted out to the Illinois Network of Child Care Resource and Referral Agencies (INCCRRA), services include Gateways Training Registry development and support, Gateways Scholarships, Great START (Strategy to Attract and Retain Teachers) Wage supplement program, network training and professional development, Gateways Credentialing.

Caregiver Connection: Mental Health Consultant Program contracted out to third party.

ExceleRate Illinois: Child Care funds support the QRIS with training and professional development and provider consultation but the policies that guide ExceleRate are managed by OECD.

The Child Care Program can be viewed through the two primary functions: 1) Subsidy services; 2) Quality services. Subsidy services account for almost 90% of the budget. The operational support for subsidy services is substantial. DHS provides budget development and oversight, fiscal management of all funds including cash draws, refunds, and collections of debt, federal financial reporting, and processing of almost 90,000 vouchers per month. The process requires careful coordination with the Office of the Comptroller to manage payment within the daily available cash on hand for the state. Subsidy services are treated as entitlement benefits, so an appeals process is provided. Staff within the Child Care Bureau and at the CCR&Rs prepare the material for the case but DHS Bureau of Administrative Hearings handles the appeals and makes the final decisions on the cases. Home providers are covered by collective bargaining and DHS Labor Relations negotiates the Collective Bargaining Agreement (CBA) with Service Employees International Union (SEIU) and handles all grievances under that CBA. Due to the size of the budget, some aspect of the Child Care Program is audited every year by both internal and external auditors. DHS Internal Audits handles that process with input from program staff.

There is a tremendous amount of technology support for both the eligibility systems and the accounting system for child care. The systems are maintained by DHS Information Technology (IT) staff. Moving the Child Care Program to another entity would be a huge undertaking and the appropriate operations infrastructure would have to be replicated. It is likely to increase costs.

The Quality piece of child care is largely outsourced. Program staff provide contract oversight and monitoring and approve contract payments. The data systems used to support services were developed external to DHS and are maintained by INCCRRA. It would be possible to move the quality core services part of the program with little difficulty.

Head Start State Collaboration Office (HSCCO)

The HSSCO has 1 staff and a budget $225,000 although it receives an annual appropriation or spending authority of $500,000. DHS has not been able to keep the staff position filled so services are contracted out to the Illinois Head Start Association (IHSA). DHS provides minimal support to HSCCO. DHS fiscal services handles cash draws and federal financial reports and processes payments to contractors. This grant could easily be moved from DHS however the grant terms require that the IHSA have a role in deciding who serves as the HSSCO director.

Migrant/Seasonal Head Start (MSHS)

The MSHS Program operates with 4 staff and a budget of $3.4 million. Illinois is one of two states that receives the MSHS grant. The grants are usually between the federal Office of Head Start and a local grantee. Services are contracted out to 8 providers across the state. Staff provide contract oversight and monitoring and approve payments to providers. This program operates with very little support from DHS. DHS fiscal services manages the cash draws, prepares the federal financial reports and processes payments to contractors. The MSHS program could be moved easily.

Illinois Early Childhood Asset Map (IECAM)/Gateways/Data Tracking Program (DTP)

IECAM is outsourced to University of Illinois at Urbana-Champaign. Child Care provides or did provide financial support and data tapes from the child care program for use on IECAM.

Gateways Registry is outsourced to INCCRRA. While Child Care financially supports the Registry, it exists as a tool for the early childhood system beyond the programs operated at DHS. INCCRRA receives input into the Registry design and operation from many sources.

DTP is outsourced to INCCRRA and serves as the primary data collection system for training and professional development provided through the CCR&R network. Child Care provides financial support for DTP.

Outside of the financial and program support from Child Care, DHS does not provide any operational support to these systems.

Department of Children and Family Services (DCFS)

The Division of Licensing is responsible for licensing and oversight of foster homes, group homes and institutions/agencies that care for DCFS wards as well as licensing of child care centers and homes that serve the general public. The headcount (313) and funding ($33.9M) for this Division is lumped into one line. We lack the expertise to provide an estimate of how much of the line would apply to just the licensing of child care centers and homes. The number of foster care providers is projected at 9,700 in FY 19 versus 10,300 child care providers. You could assume a 50/50 split on the line item. Experience tells us this is an operation fraught with problems. It is one thing to be responsible for writing policies and regulations for licensing but it's entirely another to be responsible for the monitoring and oversight of centers and homes. The regulatory and oversight responsibilities are enormous, and this operation is chronically understaffed. That is most likely due to a combination of budget shortfalls, state hiring practices, and union rights. Budget issues will continue for years to come so staffing is likely to remain an issue.

The licensing function requires a significant operations infrastructure to support it. Unlike many of the other early childhood programs, services in licensing are provided directly by DCFS staff. The Office of Professional Development provides the training for licensing reps through classroom and on-line training modules. Information technology services support the systems used in licensing. Administrative Hearings provides for due process for licensing disputes. Division of Budget and Finance develops the budget, rate setting, program policy analysis, payroll and timekeeping and coordinates employee benefits. Most of the DCFS Licensing staff are covered by AFSCME so there is also Labor Relations support for grievances and contract negotiations.

Illinois State Board of Education (ISBE)

Early Childhood Block Grant

ISBE administers the state-funded Early Childhood Block Grant (ECBG). The ECBG supports two major programs, Preschool for All for children from 3-year olds to kindergarten enrollment age, which includes a Preschool for All (PFA) model and a Preschool for All Expansion (PFAE) model, and Prevention Initiative (PI) for children birth to age three years. The FY 2018 appropriation for the ECBG was $443,738,100. At least 25% of the allocation must go to serve children from birth to age 3 years. Thirty-seven percent of the total is allocated through a block grant to Chicago Public Schools to serve children in the city of Chicago. CPS develops and oversees the state infrastructure projects (such as monitoring and professional development) for their programs in the city of Chicago with the funding they receive. The following state infrastructure projects for programs outside the city of Chicago are outsourced:

PFA/PFAE Monitoring: Through a contract with National Louis University approximately 1/3 of the PFA/PFAE programs receive an on-site monitoring visit which includes a Compliance Checklist and classroom evaluation using the Early Childhood Environmental Rating Scale (ECERS-3). Finalized monitoring reports are sent to ISBE who then sends them to programs with information on developing a Continuous Quality Improvement Plan (CQIP). Early Childhood staff review the reports and work with programs on developing an approvable CQIP. Data from the monitoring reports is used to determine the ExceleRate circle of quality.

PFA/PFAE Professional Development and Coaching: Through a grant with the Early Childhood Center for Professional Development: The Center, professional development is provided statewide to PFA/PFAE programs. Services include training, webinars, conferences, lending library, PFA Coaching, PFAE Program Specialists, Administrator's Academies in conjunction with the Illinois Principals Associations and Administrators' Forums.

PI Monitoring: Through a contract with the Erikson Institute, approximately 1/3 of the Prevention Initiative programs receive an on-site monitoring visit that includes surveys, interviews, record reviews, a group visit observation (if possible), and video recording(s) of home visit(s) as applicable. Finalized monitoring reports are sent to ISBE who then sends them to programs with information on developing a Continuous Quality Improvement Plan (CQIP). Early Childhood staff review the reports and work with programs on developing an approvable CQIP.

Prevention Initiative Training and Technical Assistance: Through a grant with the Ounce of Prevention Fund, training and technical assistance is provided to the Prevention Initiative programs and includes specific training by program model.

Illinois Early Childhood Asset Map (IECAM): ISBE provides funding for IECAM through a contract with the University of Illinois at Urbana-Champaign and sends information on program sites and other early childhood data elements for use on IECAM. IECAM provides statewide information on the demographics of young children and their families and state resources that serve young children.

Illinois Early Learning Project (IELP): ISBE provides funding for the IEL Project and website through a contract with the University of Illinois at Urbana-Champaign. A variety of resources for early care and education professionals and parents can be found on the IEL website in English, Spanish, and Polish. Resources include Tip Sheets on high-interest topics; links to activities, videos, and resources to help implement the Illinois Early Learning and Development Standards and the Illinois Early Learning Guidelines; a statewide calendar of training events; and responses to questions about topics related to early education and development.

Community Systems Development: A contract was awarded to Illinois Action for Children to provide training and technical assistance for the community systems development work.

Gateways to Opportunity Scholarships: Funding for scholarships for individuals pursuing an educator license with an early childhood endorsement and/or bilingual/English as a Second Language (ESL) endorsement is provided through a contract with INCCRRA.

The Early Childhood Division at ISBE is made up of 14 staff (1 Supervisor, 2 support staff, 2 Budget Consultants, 9 Principal Consultants) based in the Springfield and Chicago offices. Less than 1.8% of the ECBG is spent for agency administration which includes salaries, benefits, facility leases, travel, equipment, software, supplies. Staff time spent working with early childhood special education is supported with Individuals with Disabilities Act (IDEA) funding.

The ISBE infrastructure to support the ECBG is substantial. Infrastructure supports are provided for all school districts including early childhood programs. Since early childhood is adding on to systems built for K-12 the cost in minimized. To replicate the operations needed would likely require a significant increase in costs. The following infrastructures operational supports are

currently being provided by staff in each of these divisions at ISBE. This an outline of responsibilities carried out in these divisions but is not an exhaustive list.

Funding & Disbursement: Staff in Funding and Disbursements develop, publish and troubleshoot the electronic Grants Management System (eGMS) for the ECBG electronic applications and electronic Requests for Proposals (RFP); process the Electronic Expenditure Reports, voucher payments, and send vouchers to the Comptroller; process refunds and collection of debts; oversee/maintain the Financial Reimbursement Information System (FRIS): and distribute funding to school districts through a funding formula for early childhood special education.

Fiscal Support Services: Staff in Fiscal Support Services oversee the contract and Request for Sealed Proposals process including working with the State Procurement Officer, ensuring that all procedures are followed, responding to questions and inquiries about the contracting process; send information to be published in Procurement Bulletin; process invoices to make payments to contractors; and send payment requests to the Comptroller.

Budget & Financial Management: Staff in Budget and Financial Management develop the budget; provide oversight of the budget; and provide fiscal management of all funds including cash draws.

Federal and State Monitoring: Staff in Federal and State Monitoring conduct fiscal audits on ECBG programs; oversee the hearing process in relation to audits; and provide increased capacity to conduct more ECBG audits by including ECBG on audit visits already scheduled at school districts.

Internal Audits: Staff in Internal Audits conduct internal audits on programs areas to ensure appropriate checks and balances are in place in managing the ECBG; and oversee external audits with input from program staff.

Legal: Staff in Legal write the contracts; assist in the Rules process including drafting language, collecting public comment, and being the contact with the Joint Committee on Administrative Rules (JCAR) to assist in moving the Rules through the process; and assist the Early Childhood Division with legal advice.

Human Resources & Labor Relations: Staff in Human Resources & Labor Relations oversee the hiring process, benefits and payroll.

Information Systems: Staff in Information Systems develop, update, and maintain the Student Information System (SIS); develop and maintain the ISBE Web Application Security (IWAS) which a single sign on to access egrants, expenditure reports, Prevention Initiative Reports, etc.; develop and publish the Prevention Initiative parent and outcomes surveys; and pull data for National Institute for Early Education Research (NIEER) Annual State of Preschool Report, Advocates Data, etc.

Technology Support & Infrastructure: Staff in Technology Support & Infrastructure provide technical support for staff computers, webinars, and videoconferencing; and manage the Help Desk that is available to programs needing technology support.

Data Strategies & Analytics: Staff in Data Strategies & Analytics analyze the data and write the Prevention Initiative and Preschool for All Biennial Reports; and develop, update and maintain the system for collecting PFA coaching data.

Legislative Affairs: Staff in Legislative Affairs assist the Early Childhood Division staff in responding to requests from legislators; assist in moving forward/responding to pending legislation.

Grant Accountability and Transparency Act (GATA): Staff in GATA provide oversight for the GATA process; and develop resources to assist agency staff and programs.

The Early Childhood Division works with other programs at ISBE to benefit the children in ECBG funded programs. If the ECBG was moved outside of ISBE, significant work would need to be done to ensure that the relationships and connections with the following program areas were not weakened.

K-12 education: The ongoing work to align standards and assessments and provide for smooth transitions from birth to 3rd grade needs to continue. Since Kindergarten will stay at ISBE, a process for accessing data collected through the Kindergarten Individual Development Survey (KIDS) will need to be developed.

Special Education: The funding from Individuals with Disabilities Act (IDEA), Part B, goes to the State Educational Agency to assure that a free appropriate public education is available to all children with disabilities residing in the State between the ages of 3 and 21. There are currently 2 staff in the Early Childhood Division who work closely with the Special Education Division to address children in preschool. The Special Education Division oversees the development of the State Performance Plan and the Annual Performance Report. The Early Childhood staff work with them on Indicator 7, Early Childhood Outcomes and Indicator 12, Early Childhood Transitions. The 619 Coordinator is in the Early Childhood Division which facilitates coordination across divisions. Preschool Discretionary funding is used to put training and technical assistance in place including StarNet, Early Choices, and Child Find. There is extensive work with preschool programs to include children with special needs and in assisting them in meeting those children's needs along with being sure that children are placed in the Least Restrictive Environment (LRE).

English Language Learners: Funding for bilingual programs is administered by the Division of English Language Learners (DELL). There is a staff person in Early Childhood that works closely with DELL to improve understanding of preschool and the need for bilingual funding at the preschool level. Early Childhood also provides input on Bilingual Rules and potential avenues for addressing the shortage of bilingual teachers.

McKinney-Vento Homeless Education and Preschool: Early Childhood works closely with the coordinator for McKinney-Vento to assist preschool programs in understanding the rights of children experiencing homelessness and accessing appropriate resources for these children.

Nutrition: Early Childhood works with Nutrition to increase participation of early childhood programs in the Child and Adult Care Food Program.

Educator Licensure, Educator Preparation, Educator Evaluation: Early Childhood provides input regarding the early childhood endorsement, educator license, and educator evaluation. The Educator Licensure Information System (ELIS) data is being used by the Student Information System to determine teacher-student match.

Information Systems: Early Childhood staff work closely with Information Systems in developing and updating the data elements for early childhood being collected in the Student Information System (SIS). As ISBE staff, there is ongoing access to the SIS data to monitor enrollment at the program level.