



Commission on Equitable Early Childhood Education and Care Funding

Management & Oversight Working Group
Meeting #3

May 4, 2020

THANK YOU

Thank you for **staying engaged** in this work – the pandemic has highlighted its importance.

Thank you to several of you in this working group who have been **individually on the front lines** doing work that has saved lives.

Thank you to several of you in this working group who have **directed funding in support of essential child care services**, ultimately enabling others to save lives.

What we get to accomplish today

1. Synthesize working group member perspectives on the **definition of equitable access** in the Commission's charge
2. Re-ground in the **lessons learned from state and provider COVID-19 matters** of relevance to ECEC Management & Oversight
3. Re-ground in **where we were** as a working group before COVID-19
4. Synthesize working group member perspectives on **state level “coordination” or “centralization”** of ECEC Management & Oversight

How we get to spend our time

| Agenda Item | Timing |
|--|--------|
| Discuss perspectives on Commission survey about “equitable access” | 10 min |
| Review the lessons from COVID-19 for this working group | 5 min |
| Review M&O charge, decision process, and what we have done to date | 10 min |
| Breakout groups for each capacity that is based on administration question | 30 min |
| Synthesis of break out group discussions | 80 min |
| Next Steps | 10 min |
| Public Comment | 5 min |

Defining “equitable access”

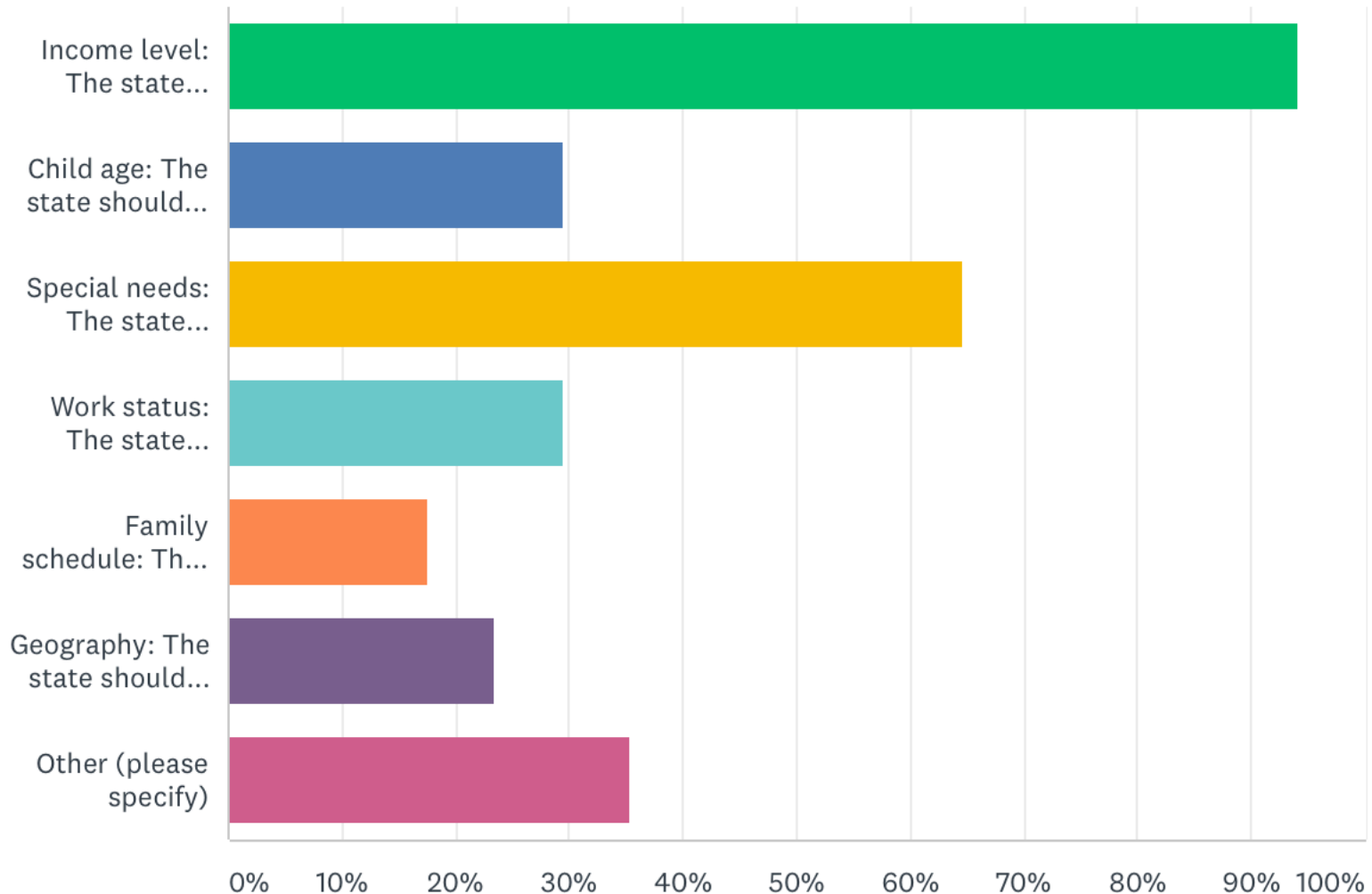
Commission's Charge

"The Commission shall study and make recommendations to establish funding goals and funding mechanisms to provide equitable access to high-quality early childhood education and care services for all children birth to age five and advise the Governor in planning and implementing these recommendations."



Commissioner Survey Results

What factors should determine the availability of state early childhood funds for families, in the long run?



Defining Equitable Access

Preliminary Thinking

- **Income Level:** ECEC services should be ***free for families up to 200% FPL***, with a ***sliding scale tied to income for families above 200% FPL*** (perhaps capped at some higher %FPL)
- **Child Age:** All ***prenatal through 4 years old services*** should be included
- **Service Level:** There should be an assumption of ***high-quality*** services responsive to individual needs
- **Program Settings:** We should prioritize ***mixed income settings***
- **Provider Access:** We must continue to support a ***mixed delivery system***

How does this align with our guiding principles?
What would you question, change, or add?

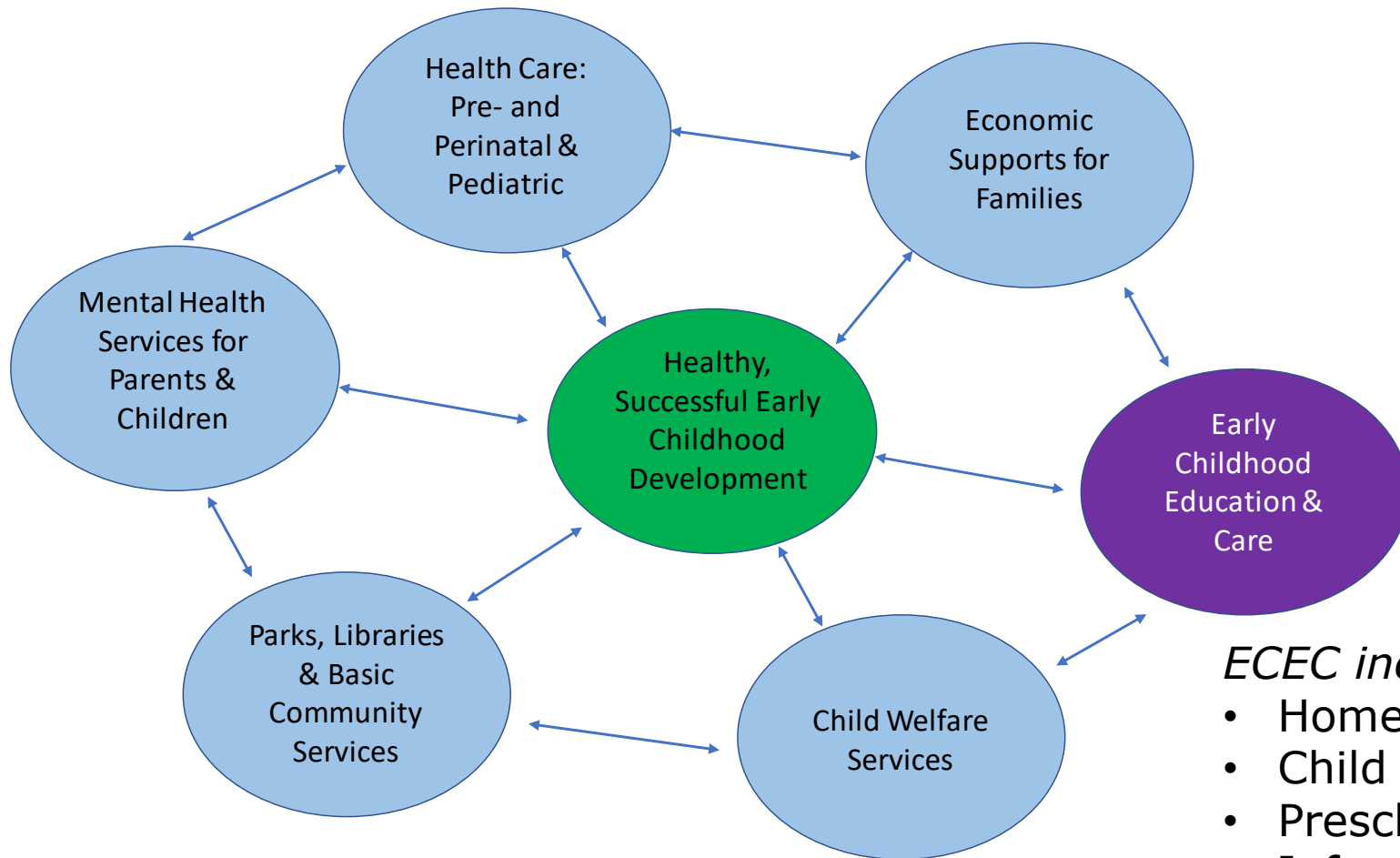
Lessons from COVID-19 for our working group

Impact of COVID-19 crisis on Commission priorities

- **Urgency of Management & Oversight improvement:** creating a streamlined system becomes our biggest priority
- **Funding mechanisms cause confusion:** multiple disconnected funding streams have exacerbated provider decision making challenges
- **Financial ramifications:** funding increases in future year budgets are more uncertain
- **Adequacy still matters:** Poor funding is placing enormous strains on providers and the IL ECEC system. We must focus on long-term wins for adequacy.

**Where this working group was before
COVID-19**

The Commission is focusing specifically on the Early Childhood Education & Care system



- ECEC includes:*
- Home visiting
 - Child care
 - Preschool
 - Infrastructure for these services

Management & Oversight Charge

Goal: *recommend improved ECEC management structures and responsibilities, in alignment with Guiding Principles*

Key Questions to Answer:

- Who sets the vision and maintains and updates policies and priorities for the overall ECEC system in Illinois?
- Who allocates funds and distributes them?
- Who holds recipients accountable for what they do with funding?

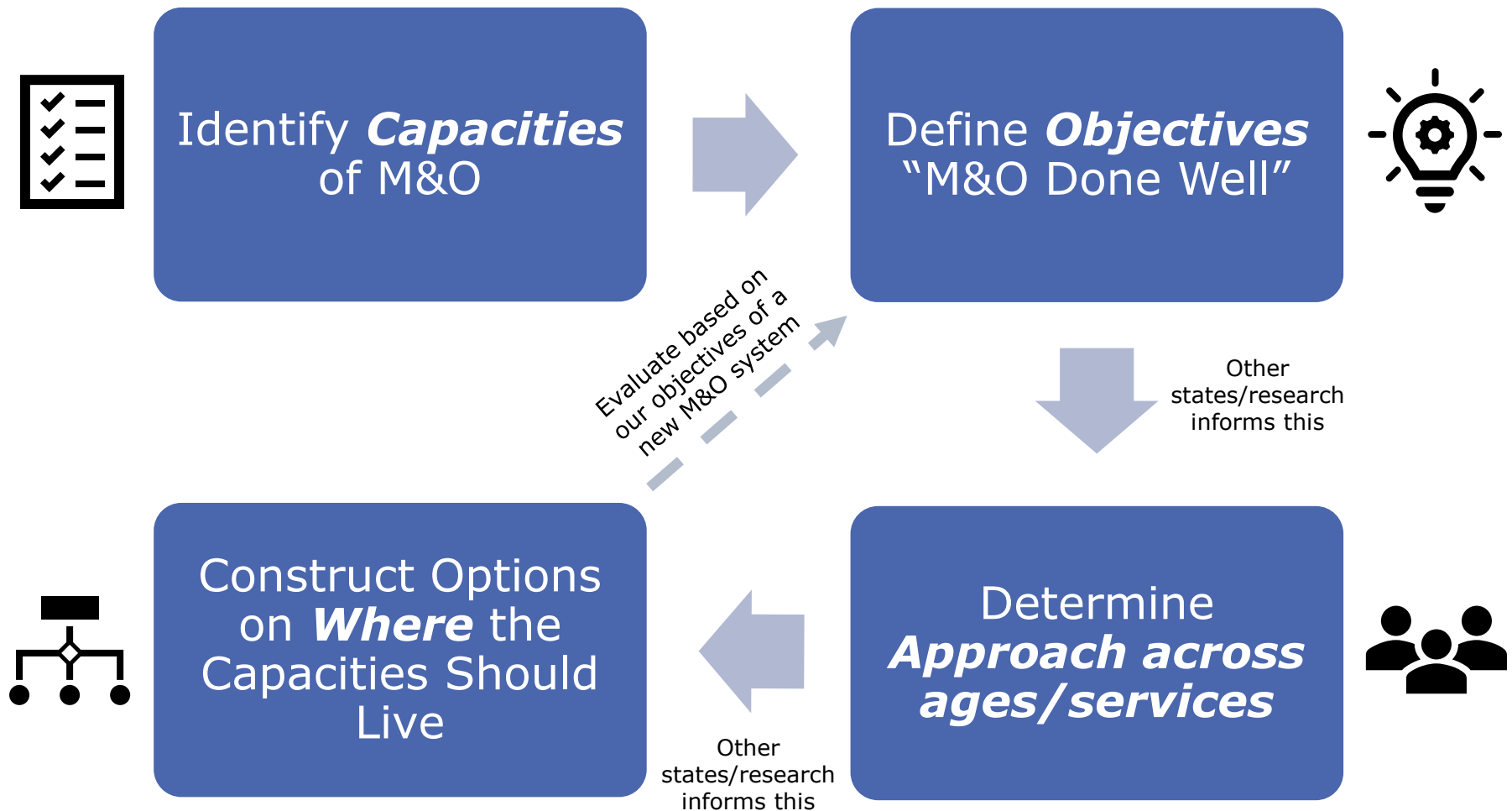


Management & Oversight Working Group

Work Plan and Timeline

| Approximate Timeline | Topics |
|-----------------------------|--|
| First Meeting (complete) | <ul style="list-style-type: none">• Validate Work Plan and Timeline• Understand current structures• Begin decision framework development |
| February 28 (complete) | <ul style="list-style-type: none">• Review research available to inform recommendations, including other states• Develop future system requirements |
| March 23 (continuing today) | <ul style="list-style-type: none">• Analyze future system options |
| May 4 (some of this today) | <ul style="list-style-type: none">• Discuss interdependencies with Funding Mechanism Working Group and validate potential recommendations |
| June 8 | <ul style="list-style-type: none">• Develop initial recommendation package and implementation considerations |
| July / August | <ul style="list-style-type: none">• Respond to Commission feedback and inquiry |

Process: How We Get to End State M&O



Management & Oversight Capacities

REVISED 3/5/20

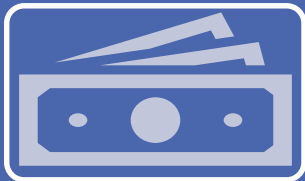


What are the state and regional capacities that a successful ECEC management and oversight system must possess?



Policy Leadership

- Set & maintain statewide vision, goals, and priorities
- Set quality and early learning standards and guidelines
- Develop and implement system policies, rules, and regulations (including budget) based on family, community, and provider perspectives and needs in response to gaps
- Engage policymakers
- Partner and coordinate with other child- and family-serving state agencies and ECEC system advisory bodies



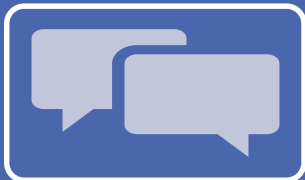
Funding & Oversight

- Use data and community perspectives to inform the budgeting process
- Make funding allocation decisions
- Administer funding distribution
- Conduct monitoring and compliance oversight



Infrastructure

- Develop leadership capacity to implement improvements to the ECEC system
- Collect, analyze, and evaluate systemwide data
- Manage system level continuous quality improvement
- Administer professional development and workforce development



Communications

- Report systemwide data
- Provide stakeholders with clear information and engage stakeholders in the decision-making process
- Create opportunities for input from families and providers

Management & Oversight Objectives

REVISED 3/5/20



A management and oversight structure that possesses the previously described capacities will meet the following objectives:

Plan Cohesively for Sustainable ECEC

- Unify vision, decision making, communication
- Unify the definition of quality
- Design program models and funding streams to respond to family and community needs and system gaps and inequities
- Meet regulatory requirements
- Navigate political and administrative changes

Improve Access to High Quality & Ensure Equitable Outcomes

- Ensure sufficient capacity at regional/local level
- Use data to inform decisions on resource allocation to meet system and community goals, and prioritize resource distribution to achieve equitable outcomes for children
- Fund and incentivize high quality ECEC services

Improve System Transparency, Accountability & Efficiency

- Unify monitoring, data collection & reporting
- Send funding allocations to providers with time to plan
- Implement systems to support simplified funding distribution and reduce duplication of effort

Respond to Family Need and Earn Public Trust

- Unify family engagement and community systems strategies
- Implement accountability that is focused on family perspectives and data

Reminder: anything we create for recommendations will be assessed using these objectives¹⁷

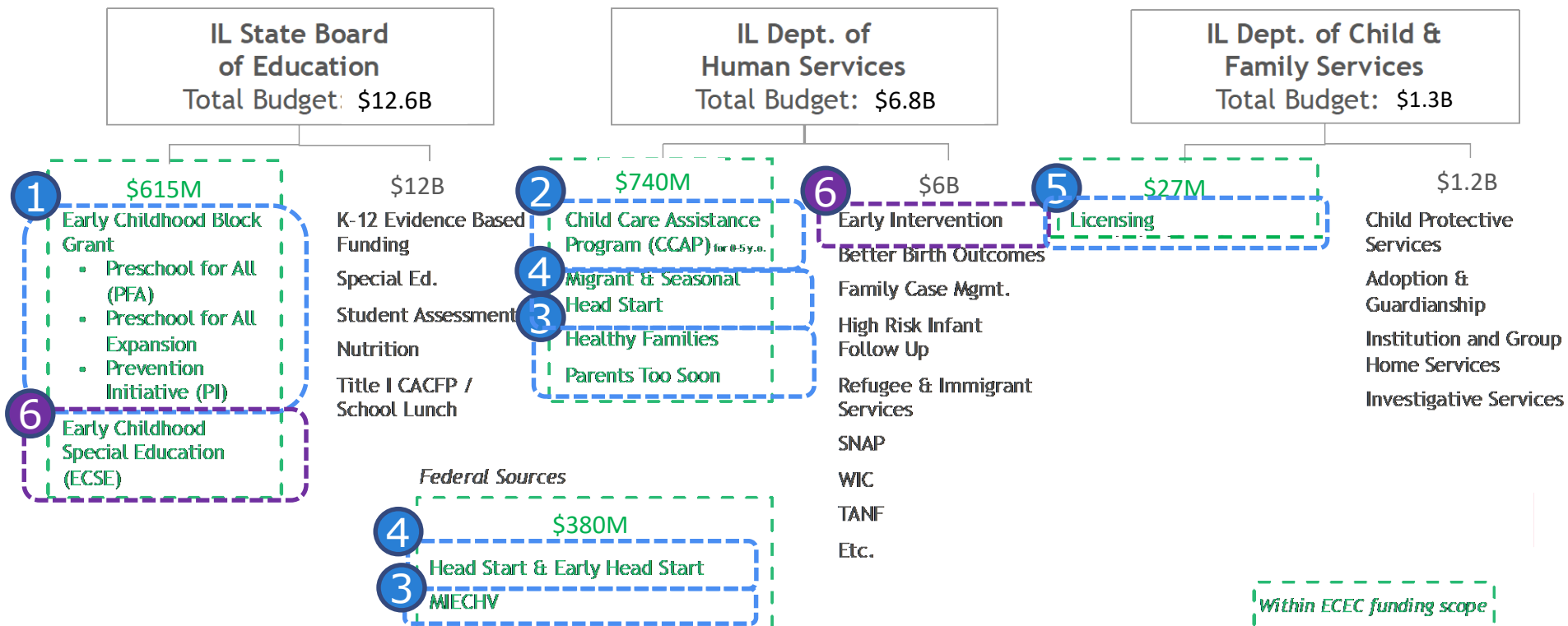
Reminder: Current governance situation across three agencies



1. Early Childhood Block Grant
2. Child Care Assistance Program
3. Home Visiting

4. Head Start
5. Licensing
6. Inclusion

2020 allocations



Source: IL FY 2017 Budget; assuming funding spread evenly across 0-5 y.o., 6-12 y.o.

Key Conclusion from Funding Mechanism Working Group

There is value to blending funding sources upstream at the system level.

State-level Management & Oversight: *Coordination vs Centralization*

State level administration – a framework



A Framework for Choosing a State-Level Early Childhood Governance (BUILD 2013):

1. **Coordination among agencies**, where administrative authority is vested in multiple agencies that are expected to collaborate with each other
2. **Consolidation**, in which multiple programs are administered by the same agency, particularly state education agencies; and
3. **Creation**, the creation of a new agency focused on early education and care



Regarding administration of ECEC M&O capacities:

At the state level, should this capacity be coordinated or centralized for all ECEC services?

If centralized, within a current agency or a creation of a new one?

Hint: use M&O objectives as a guide in your answers



Management & Oversight Objectives

REVISED 3/5/20



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Reminder: anything we create for recommendations will be assessed using these objectives³²

Constructing options on where the capacities should live: Policy Leadership



| <u>Capacity</u> | <u>Guiding Question:</u> At the state level, should this capacity be coordinated or centralized for all ECEC services? |
|---|--|
| Set & maintain statewide vision, goals, and priorities. | |
| Set quality and early learning standards and guidelines. | |
| Develop and implement system policies, rules, and regulations (including budget) based on family, community, and provider perspectives and needs in response to gaps. | |
| Engage policymakers. | |
| Partner and coordinate with other child- and family-serving state agencies and ECEC system advisory bodies. | |

Constructing options on where the capacities should live: Funding & Oversight



| <u>Capacity</u> | <u>Guiding Question:</u> At the state level, should this capacity be coordinated or centralized for all ECEC services? |
|--|--|
| Use data and community perspectives to inform the budgeting process. | |
| Make funding allocation decisions. | |
| Administer funding distribution. | |
| Conduct monitoring and compliance oversight. | |

Constructing options on where the capacities should live: Infrastructure



| <u>Capacity</u> | <u>Guiding Question:</u> At the state level, should this capacity be coordinated or centralized for all ECEC services? |
|---|--|
| Develop leadership capacity to implement improvements to the ECEC system. | |
| Manage accountability process to ensure high quality programs. | |
| Collect, analyze, and evaluate systemwide data. | |
| Manage system level continuous quality improvement. | |
| Administer professional development and workforce development. | |

Constructing options on where the capacities should live: Communications



| <u>Capacity</u> | <u>Guiding Question</u> : At the state level, should this capacity be coordinated or centralized for all ECEC services? |
|--|---|
| Report systemwide data Provide stakeholders with clear information. | |
| Provide stakeholders with clear information. | |
| Engage stakeholders in ongoing work of management and oversight. | |
| Create opportunities for input from families and providers. | |

Constructing options on where the capacities should live: M&O Key Questions



| <u>Management & Oversight Key Question</u> | <u>Guiding Question:</u> At the state level, should this capacity be coordinated or centralized for all ECEC services? |
|--|---|
| Who sets the vision and maintains and updates policies and priorities for the overall ECEC system in Illinois? | |
| Who allocates funds and distributes them? | |
| Who holds recipients accountable for what they do with funding? | |

Bringing it all together

1. Each group report out your thoughts on capacities being coordinated vs. centralized
2. After listening to all perspectives, where do we land regarding coordination vs. centralization?

Next Steps

Working Group Member Reflections

- How do you feel about **today's discussions**?
- What parts of today do you think should be part of the **Commission meeting update**?
- What feels most important to you for this group to **tackle in the next month**?

Next Steps

Develop **update for next Commission** meeting

Up next for **June 8 Working Group**:

Review potential M&O constructs that identify

- ✓ Placement of programs at the state level
- ✓ How existing infrastructure, councils, coalitions can be best leveraged
- ✓ Short and long term regional considerations

Public Comment

Appendix

Commission Guiding Principles

These Guiding Principles reflect the Commission's values and beliefs, guide how it operates, and lay a foundation for decision-making.

High Quality ECEC is a Public Priority

- It should be invested in as such as this is critical to our State's workforce, economy, and welfare of its residents.

Promote Equity

- We will endorse a system that promotes equitable outcomes for children, with intentional focus on race, ethnicity, culture, language, income, children's individual needs, and geography.

Embrace Bold System-Level Changes

- Everything is on the table, including how funding flows, how funding decisions are made, and who makes them, to better serve all children and families.

Build Upon the Solid Foundation

- We will build upon the successes of Illinois' past and current system, its commitment to a prenatal to five system, the lessons from other states, and the expertise and research in the field.

Prioritize Family Perspectives, Needs, and Choices

- We will prioritize families' perspectives, needs, and choices as we make recommendations to improve the system.

Design for Stability and Sustainability

- We recognize our system must provide funding stability for providers, educators, and staff across mixed delivery settings to better serve families.

Require System Transparency, Efficiency, and Accountability

- We see these as necessary conditions for all stakeholders, funding distributors, and funding recipients for any future ECEC funding structure.

Recognize Implementation Realities

- We will plan for meaningful change over a multi-year time horizon.

Management & Oversight Charge

Goal: *recommend improved ECEC management structures and responsibilities, in alignment with Guiding Principles*

| Key Questions to Answer | What could these questions include? |
|---|---|
| 1. Who sets the vision and maintains and updates policies and priorities for the overall ECEC system in Illinois? | <i>Example:</i> Licensing, quality rating and improvement, reimbursement rates, regulations, research and data analysis, professional development, etc. |
| 2. Who allocates funds and distributes them? | <i>Example:</i> Implementing funding mechanism determined by Funding Mechanism Working Group; Setting funding priorities over time, setting population priorities over time, funding allocation for quality improvement and expanded access, etc. |
| 3. Who holds recipients accountable for what they do with funding? | <i>Example:</i> Implementation of quality and accountability regulations determined above |

2013 BUILD “A Framework for Choosing a State-Level Early Childhood Governance”

| Governance model option | VALUES | | | | |
|---|--|---|--|--|---|
| | Coordination | Coherence | Sustainability | Efficiency | Accountability |
| 1a. Coordination Led By a Formal Structure Within the Governor's Office | <ul style="list-style-type: none"> + Facilitates interagency collaboration and cooperation (including, e.g., agreements to streamline monitoring/auditing) by placing oversight within one office - Relies on willingness of agencies to cooperate and collaborate, which may be a particular challenge when one or more agencies are independent of the governor under the state's constitution or laws | <ul style="list-style-type: none"> + Establishes entity with mission focused exclusively on early childhood issues + May help establish unified budget and goals for education - May not have the standing or power to bring about coherence | <ul style="list-style-type: none"> + If well positioned, can attract effective leadership - Potential to be highly influenced by political party | <ul style="list-style-type: none"> + May improve efficiency of operations by establishing a single point of contact that can eliminate redundancies - Additional costs to create entirely new office, reorganization of staff and resources - Adds another level of bureaucracy and oversight | <ul style="list-style-type: none"> + Office can serve as a mechanism for accountability of agencies + May elevate awareness of issues among policymakers (higher statewide profile) - May lack sufficient authority to compel action |

2013 BUILD “A Framework for Choosing a State-Level Early Childhood Governance”

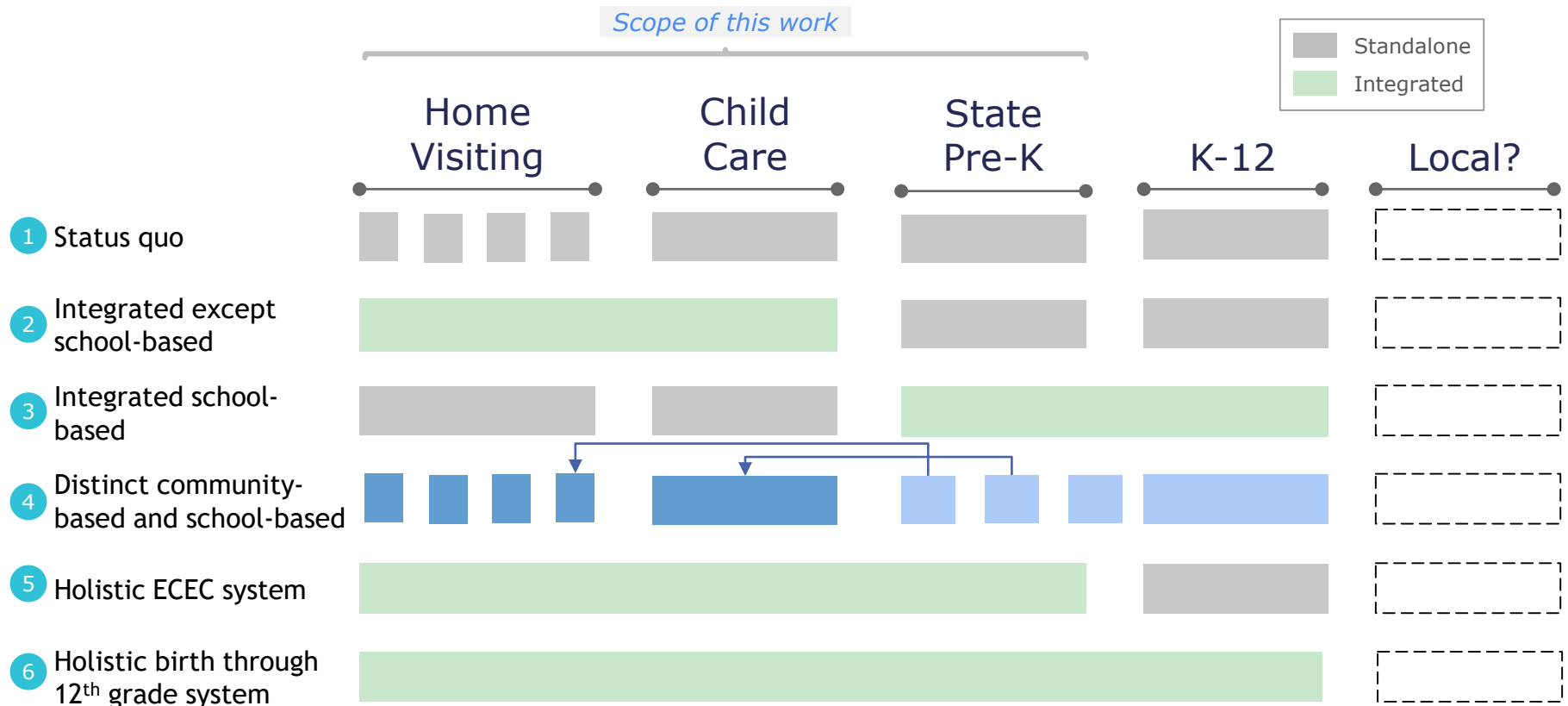
| Governance model option | VALUES | | | | |
|-------------------------|--|--|--|---|--|
| | Coordination | Coherence | Sustainability | Efficiency | Accountability |
| 2. Consolidation | <ul style="list-style-type: none"> + Facilitates collaboration and cooperation and combining of major administrative and policy functions + May create the leadership needed to drive change | <ul style="list-style-type: none"> + Promotes a unified vision + Integrated infrastructure and consistency in regulations and policies + Alignment of policy, planning, service delivery, and supports + Easier to create unified performance goals and metrics, and then achieve those goals + If authority placed with the SEA, may be more likely that child care will include a focus on kindergarten readiness - Will lack effectiveness if agency staff treat early learning as an appendage of their mission, rather than core part | <ul style="list-style-type: none"> + After transition costs, ongoing operating costs may be held steady or reduced + Provides a focal point for generating stakeholder support and engagement + If the vision and implementation get off-track, may be easier to restructure than a standalone agency - Other parts of the agency might seek to use early childhood funding streams to support agency infrastructure needs - Potential mission conflicts with other areas of the agency | <ul style="list-style-type: none"> + Prospect for streamlined technology system + Facilitates combining separate databases and resolves data sharing issues + Requires less infrastructure to move the work ahead + May improve the efficiency of staff time usage by the removal of turf barriers, including reducing interagency conflicts - Implementation costs and short-term disruptions as programs, staff, and resources are transferred - May require significant shifts in way providers are trained, supported, and rewarded | <ul style="list-style-type: none"> + Having a single lead agency may make it easier for stakeholders to hold the agency accountable, and may also create more aligned accountability across funding streams - Existing agencies may not have a primary mission of managing early childhood programs that are provided by a mix of public and private providers |



2013 BUILD “A Framework for Choosing a State-Level Early Childhood Governance”

| Governance model option | VALUES | | | | |
|-------------------------|---|---|--|--|--|
| | Coordination | Coherence | Sustainability | Efficiency | Accountability |
| 3. Creation | <ul style="list-style-type: none"> + Facilitates collaboration and cooperation and combining of major administrative functions + May create leadership needed to drive change - Creates need for all new patterns of any cross-agency coordination and collaboration | <ul style="list-style-type: none"> + Integrated infrastructure and consistency in regulations and policies + Alignment of policy, planning, service delivery, and supports + Cultivation of values to drive leadership and governance + Mission focused exclusively on early childhood issues - May fragment existing services previously based on service needs rather than age (e.g., health, special education, and child welfare) - Potential appearance of conflict of interest with same agency charged with ensuring centers meet minimum licensing requirement and with ensuring availability of services | <ul style="list-style-type: none"> + Opportunity to balance interests and intent and engage public support to provide durability to system + Harder to reverse if legislative action is needed to create the new agency - Learning curve - Small agencies may lack standing and influence in executive and/or legislative branches | <ul style="list-style-type: none"> + Prospect for streamlined technology system + Facilitates combining separate databases and resolves data sharing issues + May allow for the combination of monitoring and professional development systems in a manner that creates spending efficiencies and programmatic consistency - Unraveling decades of complexity with preexisting governance structures - Implementation costs and short-term disruptions as programs, staff, and resources are transferred; similarly, may require significant shifts in way providers are trained, supported, and rewarded - Could increase overall state costs if entity has to establish new finance, personnel, and legal services units | <ul style="list-style-type: none"> + Potential to elevate profile of early childhood education among policymakers + Clear, visible lines of authority - Focus on internal governance work of building new structure can lead to neglect of external tasks |

Options for Management & Oversight across ages/services



Notes:

- State pre-k includes school-based and community-based programs. Option 2 must consider this.
- Creating distinct community- and school-based systems requires separating community-based PI, PFA, and PFA-E from school-based programs.

BCG Report: Options for M&O across ages / services



| | Description | BCG's Draft "Must Believes" |
|---|--|--|
| 1 | Status quo | Fragmented structure |
| 2 | Integrated except school based | Child care & home visits integrated |
| 3 | Integrated school based | Pre-K combined into K-12 |
| 4 | Distinct community and school based | Child care & home visits integrated, school-based pre-K combined into K-12 |
| 5 | Holistic ECEC system | Child care, home visits, and school-based pre-K integrated holistically |
| 6 | Holistic birth through 12 th grade system | Child care, home visits, school-based pre-K integrated into K-12 |

BCG's Draft "Must Believes"

No **improvements can be achieved** through structural integration; no **significant blending & braiding** of funding streams - programs are distinct

No **synergies with pre-K and early care or K-12 system**; can address pain points significantly without making changes to pre-K funding structurally

No significant overlap or **synergies to be gained across home visits and child care**

Pre-K integration into K-12 provides more stability and synergies with K-12 and is feasible to incorporate CBOs; Home visit integration with child care drives **higher child care uptake**

Integration across pre-K, child care, and home visiting provides most holistic coordination in allocation; integrating with K-12 too complex and loses ECEC focus

K-12 system set up to distribute funds directly to families, CBOs, etc. and serve those needs; Early care and learning should not have **separate focus outside the K-12 system**

The State's ECEC Actions

Establishment of new rules for child care centers and homes operating during the emergency

- Policies for homes and centers to operate as emergency child care providers, offering care for children of essential workers
- Guidelines for care, including for children with disabilities
- Extensions to training and renewal deadlines

Financial support for Emergency Child Care providers

- Stipend to offset some of the additional costs providers may incur during the emergency
- Increased reimbursement rate for emergency care
- Categorical CCAP eligibility for all Priority Essential Workers

Financial support for ECEC programs

- Simplified waiver process for CCAP 80% attendance requirement for March & April; Parent co-pays reduced to \$1 for April & May
- PFA/PI program funding will not be affected by closure and may be used to meet the child care needs of non-enrolled children of essential workers
- Sharing information on federal relief packages and technical assistance resources

Communications across stakeholders

- GOECD webinars on COVID-19 Child Care Business Practices and Resources
- New websites, guidance, FAQs, etc. all publicly posted and available
- Letters to families
- Dedicated helpline

Challenges highlight the urgency of the Commission's charge

- **Inconsistency in continued instructional support** across ECEC while settings are closed (Head Start, PFA, child care, etc.)
- Current **management and oversight system requires multiple conversations with many offices before making ECEC decisions**, even on an urgent timeline
- Inconsistent relationships with community entities (like CCR&Rs and INCCRRA) makes **reopening emergency child care confusing**
- Providers want to know how to access funding and how to stay afloat – but **wide variation in funding** makes this challenging
- Child care is an **essential service**, yet **most ECEC workers would receive more on expanded unemployment insurance**
- Information on **policies from multiple agencies** makes it **challenging to provide consistent messaging and answer questions uniformly**
- Standing the system back up and **rebuilding infrastructure and supports following the pandemic will require even greater effort and collaboration**