



# **Commission on Equitable Early Childhood Education and Care Funding**

Racial Equity Working Group Meeting 3  
11/20/20

# Today's Agenda

Agenda Item	Time
Debrief Commission meeting + our remaining timeline	3:00-3:20
Review: Who will be impacted and how?	3:20-3:45
Do the recommendations promote racial equity?	3:45-4:45
Wrap up, next steps, and public comment	4:45-5:00

# Housekeeping

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- Ok to record?
- Confirm your name is on your Zoom (click on the 3 dots)
- Stay on video (if possible)
- Mute when you're not speaking
- Use the chat and verbally call attention to chats that need to be discussed
- Internet trouble? Switch to phone for audio
- Time for public comment at the end

# Community Agreements

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- Be transparent about who we're centering
- Acknowledge your power and privilege
- Separate intent from impact
- Use "I" statements
- No unsolicited advice
- Debate rather than argue
- Names stay, lessons leave
- Don't make any assumptions
- Anything else?

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*Debrief November Commission Meeting*

*Preview our remaining timeline*

# Racial Equity Working Group

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- **Charge:**
  - Evaluate the Commission’s draft recommendations using a racial equity lens
  - Recommend **revisions, implementation guidance, or accountability guidance** to the Commission
- **Deliverable:** Presentation to the Commission on November 10, 2020, synthesizing:
  - Chicago United for Equity Senior Fellow analysis
  - Provider and parent focus group analysis
  - Racial Equity Working Group analysis

# Our evaluation will be inspired by a Racial Equity Impact Assessment

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## **STEP 3: MEASURE BENEFITS AND BURDENS.**

Q9. What are the benefits and who is most likely to receive them?

Q10. What are the burdens and who is most likely to bear them?

Q11. What are different options to make this policy racially equitable?

## **STEP 4: EVALUATE AND BE ACCOUNTABLE.**

Q12. How will we evaluate the impacts of your solution?

Q13. How will our stakeholders engage in ensuring equitable outcomes?

Q14. How will we report back on these outcomes?

Q15. How will our evaluation impact improvements to the policy?

# Racial Equity Working Group Timeline

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- Oct. 21-23: CUE Senior Fellow Analysis
- **Oct. 26: Recommendation overview; identification of who is most impacted**
- **Oct. 29: Who will be impacted and how?**
- Oct. 30-Nov. 1: Stakeholder Focus Groups
- *November Commission Meeting: Preliminary Findings*
- **Nov. 20: Do the recommendations promote racial equity?**
- **Nov. 30: Accountability in implementation**
- *December Commission Meeting: Updated Findings*

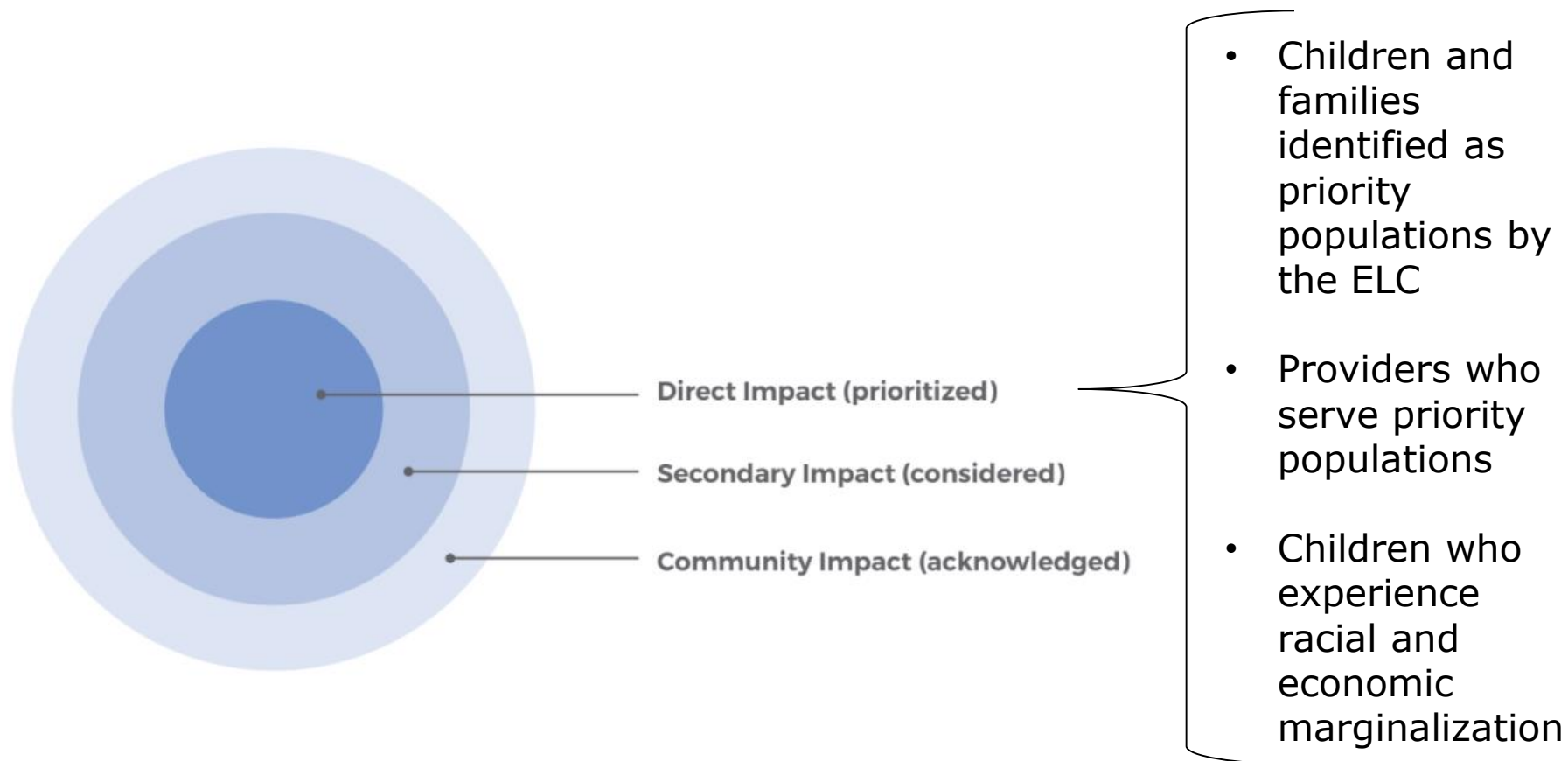


# November Commission Meeting Debrief

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- What were your reactions to the preliminary findings shared by CUE Senior Fellows Vanessa Lee and Adam Slade?
- What were your reactions to the Commission's discussions on racial equity?

# Review: Who stands to be most impacted?



# Review: How will different folks be impacted?

Recommendation	Who will be impacted and how?	Other info needed? Conditions that must be met? Red flags?
<p><u>Funding goals:</u> Equitable access to high-quality ECEC requires \$11.7B in public funds.</p>	<p><i>Positive impact:</i></p> <ul style="list-style-type: none"> <li>• Children, families, and providers</li> <li>• Children not connected to ECEC services</li> <li>• Children in zip codes without services</li> <li>• The early childhood workforce pipeline</li> <li>• Communities needing coordinated services</li> <li>• ELC priority populations</li> <li>• Those experiencing racial or economic disparities</li> </ul> <p><i>Negative impact:</i></p> <ul style="list-style-type: none"> <li>• Taxpayers</li> <li>• Diverse learners</li> <li>• Dual language learners</li> <li>• Black and brown children</li> <li>• Providers (cost of quality care, need to meet standards before becoming eligible for funding, potential increased credential requirements, structural imbalance in current fees)</li> <li>• The early childhood workforce</li> <li>• Family child care providers</li> </ul>	<ul style="list-style-type: none"> <li>• It depends on implementation, resource allocation</li> <li>• It depends on a community's capacity to effectively address identified needs.</li> <li>• Access and quality must be determined with beneficiary input.</li> <li>• A communications campaign for increased public funds is needed.</li> <li>• Parent choice must be valued.</li> <li>• We will have equity when all children are served regardless of zip code.</li> <li>• We need benchmarks for prioritizing who receives new rounds of funding.</li> <li>• Identify access gaps and barriers.</li> </ul> <ul style="list-style-type: none"> <li>• Diverse learners, dual language learners, and Black and brown children will be burdened if those groups are not defined and prioritized.</li> <li>• It depends on how additional cost burden will be shared across taxpayers. The burden could fall heavier on middle and low income taxpayers if taxes are raised to meet this funding goal and there is no graduated income tax.</li> <li>• Regulations and regulating bodies must align.</li> <li>• Barriers to eligibility must be removed.</li> <li>• Allocations must align with provider operating costs.</li> <li>• Calculate the cost necessary to grow the workforce and support FCC with hubs and back office supports.</li> </ul>

# Review: How will different folks be impacted?

Recommendation	Who will be impacted and how?	Other info needed? Conditions that must be met? Red flags?
<p><u>Funding mechanisms:</u> Centralize funding allocation and disbursement.</p>	<p><i>Positive impact:</i></p> <ul style="list-style-type: none"> <li>• Providers will benefit from administrative cost savings, streamlined financial processes, inclusion of provider voice, and stable and consistent income</li> <li>• Families</li> </ul>	<ul style="list-style-type: none"> <li>• Implement a blind review of the application process.</li> <li>• Ensure funding follows the child.</li> <li>• Some funds should remain unrestricted to respond to unique community needs.</li> <li>• Benefits and accountability depend on state investments in state infrastructure (e.g., state IT systems).</li> </ul>
	<p><i>Negative impact:</i></p> <ul style="list-style-type: none"> <li>• The early childhood workforce</li> <li>• Providers will be burdened by increased accountability</li> <li>• Local providers could go out of business, especially if they don't have grant writers or aren't plugged in to state communications</li> <li>• State agency staff</li> </ul>	<ul style="list-style-type: none"> <li>• Resources must be provided to the workforce (especially educators of color and educators in poverty) for professional development.</li> <li>• Funding allocations must be sufficient for providers to hire the workforce they need to deliver quality services.</li> <li>• Prioritize funding for facilities and infrastructure at the community level.</li> <li>• We need to increase efficiency in the system while considering different needs and capacities of providers and communities.</li> </ul>

# Review: How will different folks be impacted?

Recommendation	Who will be impacted and how?	Other info needed? Conditions that must be met? Red flags?
<p><i>Implementation:</i> Centralize ECEC services in a new state agency.</p>	<p><i>Positive impact:</i></p> <ul style="list-style-type: none"> <li>• Providers, families, and communities, because there will be one place for them to go for support</li> </ul> <p><i>Negative impact:</i></p> <ul style="list-style-type: none"> <li>• State agencies and their staff will have to manage the transition and continue collaborating with other state agencies</li> <li>• Providers: due to the transition, because agency infrastructure won't resolve the silos in the system, and because blended funding from more than one source gives providers more flexibility.</li> <li>• School-based providers may be less interested in aligning early childhood and K-12 if school-based early childhood is not housed in ISBE</li> </ul>	<ul style="list-style-type: none"> <li>• We need to know how accountability will be evaluated, and it must include beneficiary voice.</li> <li>• We need to measure the success of centralization based on how it impacts priority populations.</li> </ul> <ul style="list-style-type: none"> <li>• Culture change in the transition, at the state and local level, will determine who is burdened.</li> <li>• Leaders must be funded and have the capacity and authority to coordinate across programs to help families access services.</li> <li>• A new state agency needs sufficient staff to make the transition and change culture.</li> <li>• We need regional entities to connect to a centralized state agency to maintain community systems structures. This should be a priority investment.</li> <li>• Support and incentivize school districts in prioritizing early childhood. Create an accountability mechanism for early childhood.</li> </ul>

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*Do the recommendations promote racial equity?*

# Do the recommendations promote racial equity?

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- What would make the recommendations more racially equitable?
  - Decrease burdens and increase benefits for those who are directly impacted by the recommendations:
    - Children and families identified as priority populations by the ELC
    - Providers who serve priority populations
    - Children who experience racial and economic marginalization
  - This could include:
    - Changes to the recommendations themselves
    - Recommendations for implementation

# How can the recommendations be more racially equitable?

***Funding goals:* Equitable access to high-quality ECEC requires \$11.7B in public funds.**

**For this recommendation, what would **decrease the burdens** on those directly impacted?**

**For this recommendation, what would **increase the benefits** for those directly impacted?**

**What else would make this recommendation more **racially equitable**?**



# How can the recommendations be more racially equitable?

**Funding mechanisms: Centralize funding allocation and disbursement.**

**For this recommendation, what would **decrease the burdens** on those directly impacted?**

**For this recommendation, what would **increase the benefits** for those directly impacted?**

**What else would make this recommendation more **racially equitable**?**

# How can the recommendations be more racially equitable?

**Implementation: Centralize ECEC services in a new state agency.**

**For this recommendation, what would **decrease the burdens** on those directly impacted?**

**For this recommendation, what would **increase the benefits** for those directly impacted?**

**What else would make this recommendation more **racially equitable**?**

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*Wrap up and next steps*

# Our last meeting will focus on accountability in implementation

## **STEP 4: EVALUATE AND BE ACCOUNTABLE.**

Q12. How will we evaluate the impacts of your solution?

Q13. How will our stakeholders engage in ensuring equitable outcomes?

Q14. How will we report back on these outcomes?

Q15. How will our evaluation impact improvements to the policy?

- How can the State ensure that implementation of these recommendations promotes racial equity?
  - How will stakeholders, and specifically those most directly impacted, engage in ensuring equitable outcomes?
  - What accountability protocols should be put in place, such as an equity council or a set of decision questions that can guide policymaking and decision making related to the recommendations?
  - How will implementation be evaluated?
  - How will implementation and outcomes be reported on?

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# *Public Comment*

# Thank You



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# *Appendix*

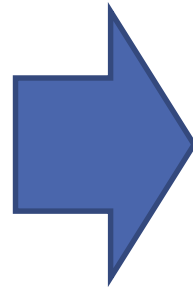
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*Overview:*  
*Commission recommendations*



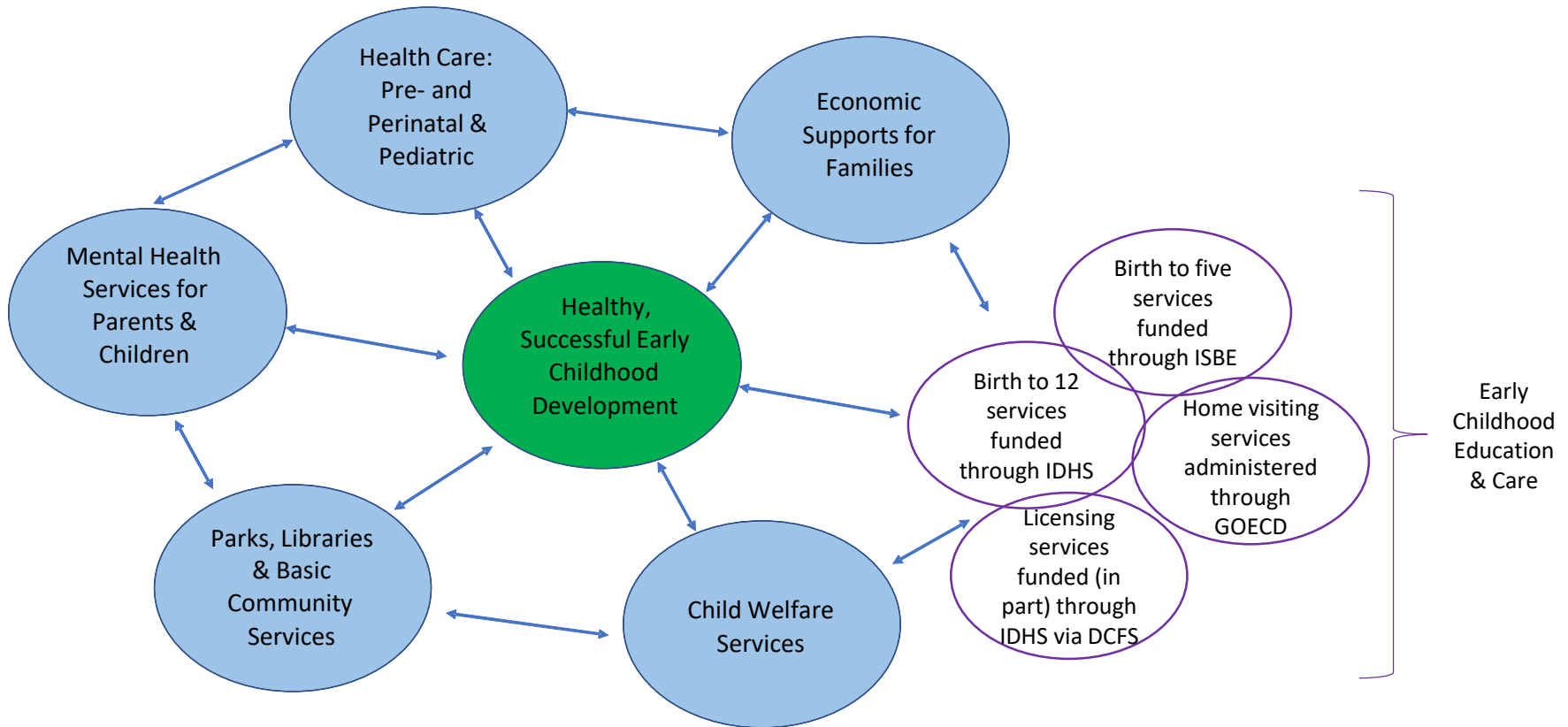
# Commission's Charge

"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."



1. Funding Goals: How much **increased investment** is required to reach **funding adequacy** across the state for early childhood education and care
2. Funding Mechanism: How the **system of funding** should be redesigned to promote the Commission's Guiding Principles
3. Implementation: How **management & oversight** should be structured to implement the new system of funding

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



# The Commission's deliberations and draft recommendations have been consistently informed by our 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.

## Ensure Equity

- We will endorse a system that ensures 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. System must embrace flexibility to respond to changing circumstances and family needs and must possess the human and technical capacity to do so.

## 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. We will respond to disruptions in the system to meet the reality of changing needs.

# Draft Recommendation: Funding Goals

*Charge: Establish **funding goals** to provide equitable access to high-quality ECEC services for all children birth to age five*



**Articulate the cost of adequacy for ECEC in Illinois**

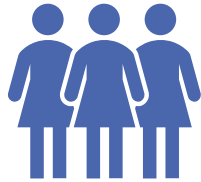
Propose the investment necessary to meet the charge and the model that can guide funding decisions to get there.



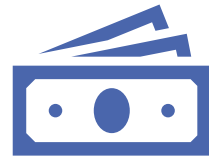
**Adequately fund EI and ECSE services**

Model the cost necessary to adequately fund EI and ECSE services. Reevaluate the ECSE calculation in EBF.

# This would create a **high quality, equitable** experience for children and families



More staff per children in classrooms; especially for children from households under 200% FPL



Appropriately paid staff



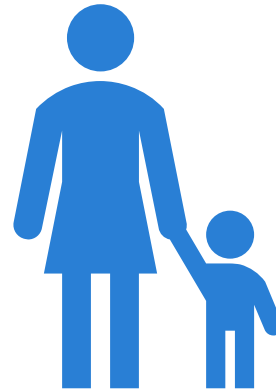
Consultative services and family engagement



Supports for special education needs & multilingual learners at their location



Smaller group/class sizes than today; especially for children from households under 200% FPL



Supportive infrastructure and administration



Choice of full-day, school-day, part-day care



Availability at the location of family choice



Mental health supports

The cost to provide equitable access to high-quality ECEC in Illinois is **\$11.7B** in public funds (**\$13.6B** total).

TOTAL STATEWIDE COST		
Service		Projected Cost (\$bils)
Center-Based		\$5.607
	<i>Infants</i>	\$0.695
	<i>Toddlers</i>	\$1.232
	<i>Two year olds</i>	\$1.183
	<i>Preschool</i>	\$2.498
Center-Based Transportation		\$0.129
School-Based		\$2.827
School-Based Transportation		\$0.110
English Learners (in CBO/FCCs)		\$0.048
Special Needs/Inclusion in CBOs		\$0.680
Special Needs/Inclusion in School PreK		\$0.357
Licensed Family Child Care		\$1.596
Relative Care		\$0.292
Early Intervention		\$0.394
<b>Sub-total</b>		\$12.041
Infrastructure	8%	\$0.963
Home Visiting*		\$0.620
<b>TOTAL COST</b>		<b>\$13.624</b>
<b>TOTAL PARENT CONTRIBUTION</b>		<b>\$1.959</b>
<b>TOTAL COST WITH PARENT CONTRIBUTION</b>		<b>\$11.665</b>

- Families under 200% of Federal Poverty Line: eliminates CCAP co-pay
- Families 200-400% of Federal Poverty Line: graduated co-pays
- Families over 400% of Federal Poverty Line: pay no more than 7% of income
- Increases number of children served by 4x
- Increases compensation for early childhood professionals
- Increases quality supports for providers

# Guard rails can support progress toward achieving the funding goal

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1. The funding adequacy model should be used to **inform stakeholder engagement, policy, and funding priorities and policies**
2. The cost model should be **updated at minimum every four years** in alignment with the Commission's Guiding Principles and values, and an annual update should be conducted for inflationary factors and any material changes
3. An **advisory body** should be created to support the **periodic re-evaluation** of funding adequacy
4. A study should be conducted to **assess current local funding and identify options and incentives** for longer-term local contributions

# Draft Recommendation: Funding Mechanisms

Charge: *Establish **funding mechanisms** to provide equitable access to high-quality ECEC services for all children birth to age five*



## **Centralize funding allocation and disbursement**

Streamline how funding is distributed from the state to providers in order to promote the Commission's Guiding Principles.



# Draft Recommendation: EI and ECSE Funding Mechanisms

Charge: *Establish **funding mechanisms** to provide equitable access to high-quality ECEC services for all children birth to age five*



- ✓ For the time being, state appropriations for Early Childhood Special Education (ECSE) should remain in the K-12 Evidence-Based Funding Formula (EBF).
- ✓ Further define how to best serve ECSE children ages 3-5 wherever they are in the mixed delivery system, at the location of family choice and informed by the IEP team. Define the funding mechanism parameters that transparently and effectively support providers in offering a continuum of services to meet child and family need in a high-quality setting for children with disabilities and typically developing children.
- ✓ Evaluate options for an Early Intervention (EI) system of payments that can incentivize smooth, equitable family service delivery and effective collaboration, effectively recruit and retain qualified service providers, and promote smooth transitions between programs.

# These **funding sources** could be administered by an ECEC agency in a centralized process

## Early Childhood Block Grant

State General Revenue funds

## Child Care Assistance Program

State General Revenue and Federal funds

## Home Visiting

State General Revenue and Federal funds

## Licensing

State General Revenue and Federal funds

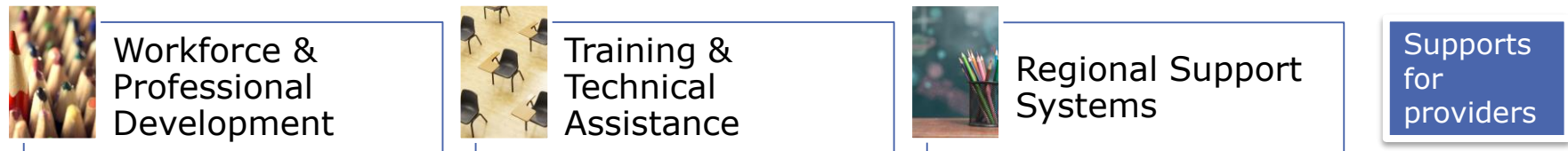
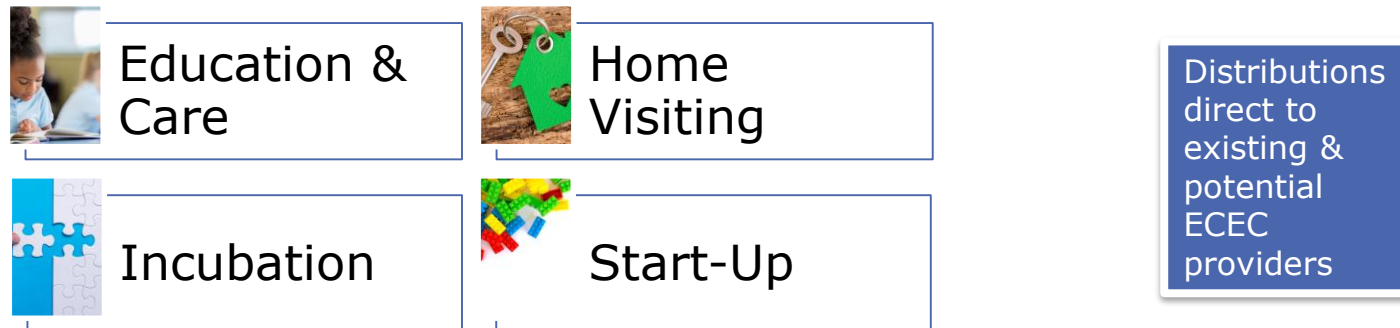
Currently  
ISBE

Currently  
IDHS

Currently  
DCFS

# These **funding distributions** could be the new services that are funded

Services above the line could be part of the ECEC agency's centralized funding distribution process to existing & potential ECEC providers



Supports below the line are envisioned as part of the agency's budget to conduct all management & oversight capacities

*Funding Mechanisms for **Early Intervention** and **Early Childhood Special Education** require further study.*

# Centralized **allocation and disbursal mechanisms** will promote equity, transparency, efficiency, and stability



## Funding allocation: formula-based grants

**Goal: minimize reimbursement-based and delayed funding**

**ECEC and Home Visiting:** grants based on equity-informed per-child or per-classroom formulas

**Capacity building, start-up, and incubation:** targeted, equity-informed grants



## Funding disbursal: multi-year contracts

**Goal: increase consistency and stability**

**New Providers:** targeted, equity-informed RFP process

**Returning Providers:** multi-year contracts, with reauthorization based on uniform accountability standards

# An example ...

## TODAY

### Provider gets funds by:

- Applying for competitive grants
- Receiving CCAP subsidy

### Provider may receive:

- 1) CCAP
- 2) Preschool for All
- 3) Prevention Initiative for center-based care



## NEW SYSTEM

### Provider gets funds by:

- New providers: equity-informed RFP
- Returning providers: multi-year service contract

### Provider may receive:

Formula-based disbursement for education & care services\*

\*could be weighted for age of children, level of service, need designation, region, etc. 37

# Draft Recommendation: Implementation

To implement centralized ECEC funding allocation and disbursement...



**Centralize ECEC services in a new state agency**

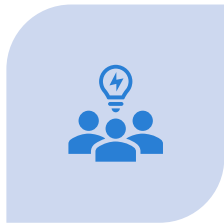
Centralize ECEC state agency programs and capacities from three agencies to one new agency to implement the new system of funding.



**In the long term, consider centralizing EI and ECSE in the new state agency.**

In the short term, EI should centralize in the new ECEC agency while ECSE should remain in ISBE during further evaluation.

# To implement centralized ECEC funding, the State should centralize ECEC into one agency



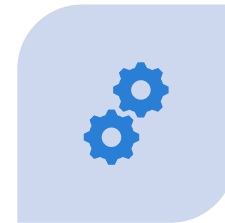
## **POLICY LEADERSHIP**

ONE ECEC VISION  
ONE SET OF ECEC QUALITY STANDARDS  
ONE AUTHORITY FOR PROVIDERS  
ONE ECEC VOICE OF COLLABORATION WITH THE EARLY CHILDHOOD ECO-SYSTEM



## **FUNDING & OVERSIGHT**

SIMPLIFIED, STREAMLINED FUNDING ALLOCATION AND DISTRIBUTION



## **INFRASTRUCTURE**

SYSTEMWIDE DATA  
UNIFIED PROFESSIONAL & WORKFORCE DEVELOPMENT  
UNIFIED QUALITY IMPROVEMENT



## **COMMUNICATIONS**

CLEAR, UNIFIED LISTENING AND ENGAGEMENT

# The Commission adopted the Early Learning Council definition of racial equity

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- A racially equitable society values and embraces all racial/ethnic identities. In such a society, one's racial/ethnic identity (particularly Black, Latinx, Indigenous, and Asian) is not a factor in an individual's ability to prosper.
- An early learning system that is racially equitable is driven by data and ensures that:
  - Every young child and family regardless of race, ethnicity, and social circumstance has everything s/he/they need to develop optimally;
  - Resources, opportunities, rewards, and burdens are fairly distributed across groups and communities, so they are supported and not further disadvantaged; and
  - Systems and policies are designed, reframed, or eliminated to promote greater justice for children and families.