



Commission on Equitable Early Childhood Education and Care Funding

Funding Adequacy Working Group
Meeting 5 – 06/30/2020

Funding Adequacy

Working Group Charge

Goal: *determine the cost of providing high quality ECEC services and how to fund over time*

Key Questions to Answer:

- What is the **cost of providing high quality ECEC** to all families in Illinois?
- What should the **state process be for determining and periodically re-evaluating adequate resources across settings** for each program type?
- How much of the **cost should be covered** by the federal government, the state, local funding, and parent contributions?

Funding Adequacy Meeting 5 Agenda

Item	Time
Welcome, Agenda, and Progress to Date	11:00-11:10
Share synthesis of all validation plan feedback received and implications on cost model	11:10-12:00
Discuss cost model alignment with guiding principles	12:00-12:30
Discuss July full Commission update	12:30-12:45
Preview of remaining questions to answer	12:45-12:50
Next steps and close out	12:50-12:55
Public Comment	12:55-1:00

Today's Key Goal: Prepare to present initial conclusions to full Commission on July 14th

Where we've been and what we've accomplished

Determining "the number" – draft model process

- 1 Determine Programs in/out of analysis
- 2 Calculate per child cost of high quality programs
- 3 Estimate number of children served in each program
- 4 Calculate cost of state/local infrastructure

Validating this model requires alignment on many critical inputs

Process Step

1 Determine Programs in/out of analysis

- Which settings? (ex: center, family/friend home, etc.)
- Which intensities? (ex: part-day, full-day, working day)
- For which ages?

2 Calculate per child cost of high quality programs

- What is the model staffing pattern for each program?
- What should staffing ratios be? (How many children per position?)
- What should the salary schedule for positions be?
- How much should be included for special services including Special Education and Bilingual Programs?

3 Estimate child count in each program

- What is the total child count eligible for program models?
- What is the estimated percent of families in each age/%FPL group opting into services and selecting which program

4 Calculate cost of state/local infrastructure

- What is the cost of administration and monitoring at the state level?
- What is the cost of workforce development and professional development/quality support systems?

Prior Meeting Recap

- Discussed expert panel feedback on cost model
- Key Goal: Understand Commission's guidance on **child count** and implications for adequacy costing

Child Count Question	Decision
Which children and families are eligible for which program models: part-day school-year, school-day school-year, full-day full-year?	For 3&4 YO's in District programs, 70% of all families should be assumed to be at school-day/school-year; 30% of all families should be at part-day. Previously separated by income level.
Which children and families are eligible for comprehensive/wraparound services, above and beyond high-quality services?	Remain as is in cost model with children from families below 200% FPL in Intensive High Quality programs and above 200% FPL in Core High Quality
How do we think about all of this given the goal of mixed income and inclusive settings?	Cost model report must be intentional in its language about cost modeling assumptions vs implementation

Workplan and Timeline


Approximate Timeline	Meta-Topics
February 4	<ul style="list-style-type: none">• Validate Work Plan and Timeline• Review existing cost model• Identify key drivers of "the number"
March-April - June	<ul style="list-style-type: none">• Vet key drivers of the funding adequacy target
July - Aug	<ul style="list-style-type: none">• Discuss potential process for re-evaluating adequacy over time• Envision end state funding sources• Develop a timeline to get to full investment
Aug - Sept	<ul style="list-style-type: none">• Discuss and revise based on full Commission feedback

Working Group Decision Points

Anticipated Key Topics	Full Commission	Funding Adequacy	Management & Oversight	Funding Mechanisms	Inclusion
June	M&O and/or Funding Mechanism initial recommendations	Cost Model Validation	State Agency: Consolidation vs. Creation State vs. Regional Capacities	Mechanisms appropriate for key services	Mechanisms Input
July	Funding Adequacy initial recommendations	Cost Model Validation Process to periodically re-evaluate adequacy		Full Mechanism System Build-out	M&O / Mechanisms Inputs
August	Inclusion, M&O, and/or Mechanism recommendations	Funding sources	Future M&O / Mechanisms System Build-out		Funding Adequacy Input
Sept/Oct		<i>Iterations and responding to Commission feedback as needed</i>			

Validation plan and updated cost of adequacy

“Adequacy” for Early Childhood Education and Care (ECEC)

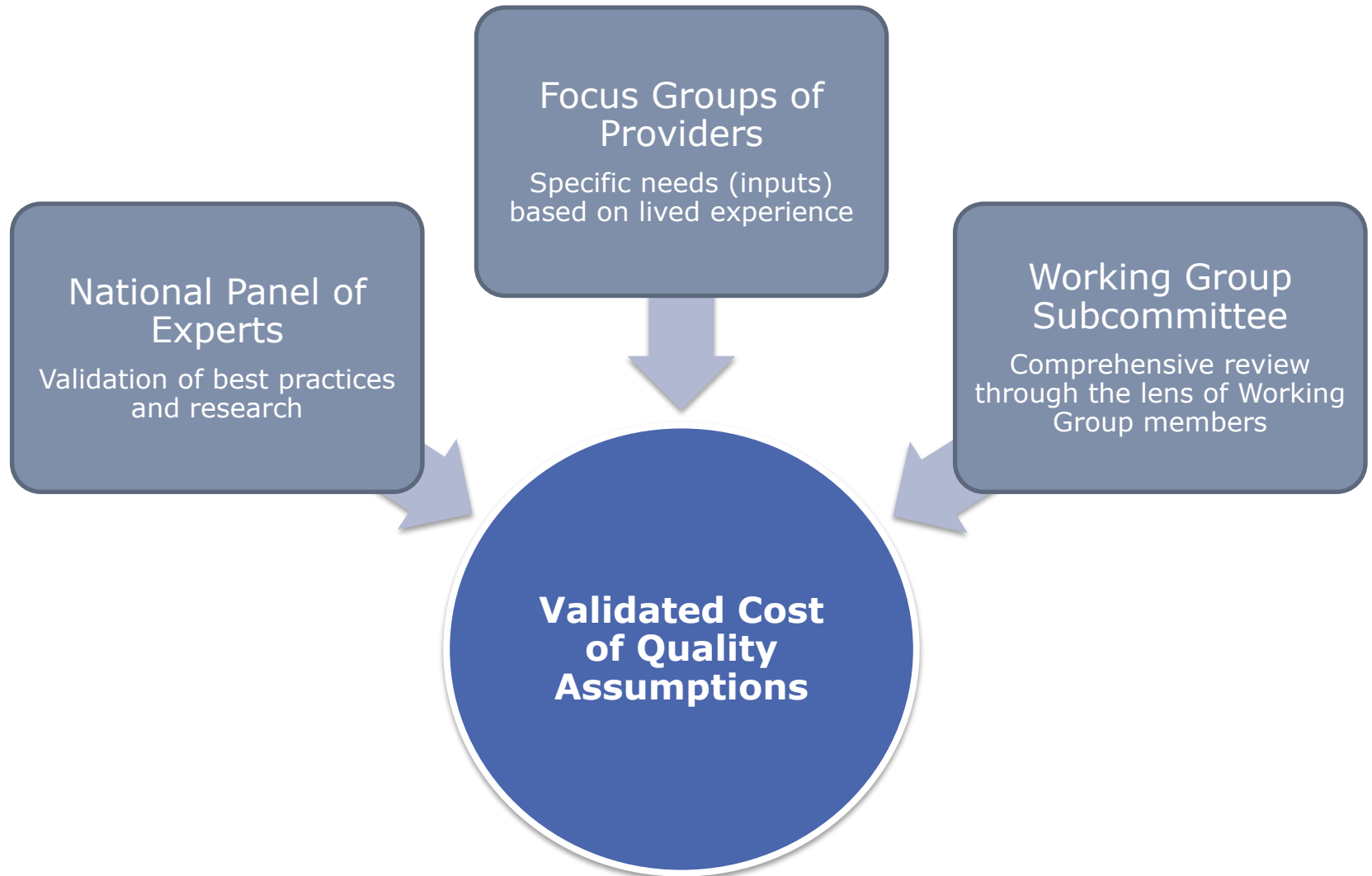
- ECEC is not adequate today
 - Too few served and not enough capacity
 - Under-resourced programmatic offerings compared to student needs
 - Underpaid staff
- Adequate  All things for all children
- ECEC Adequacy = *the funding standard for quality that allows programs to meet children and family needs*

Total cost in the draft of the cost model (our start point) was \$11B

TOTAL STATEWIDE COST		
Center-based		\$5,085,236,569
	Infants	\$638,217,659
	Toddlers	\$1,117,696,797
	Two year olds	\$1,071,763,574
	Preschool	\$2,257,558,540
School-based Settings (3-and 4-year olds only)		\$2,393,401,283
Additional Costs for Dual Language Learners (in CBOs)		\$48,270,065
Additional Costs for Special Needs/Inclusion (in CBOs)		\$359,385,413
Licensed Family Child Care		\$1,746,786,704
Relative Care		\$292,074,395
	Direct Services Total	\$9,925,154,429
Infrastructure (8% of direct service costs)		\$794,012,354
Home Visiting*		\$531,217,701
	TOTAL COST	\$11,250,384,485

*Home Visiting model already incorporates infrastructure costs.

Validation approach



What did we hear? A LOT!

Generally very positive feedback, including from our expert panel and focus groups of providers, regarding approach and assumptions.

Centers

- Consider reducing preschool group size
- Use NAEYC ratios for toddlers- in HQ
- Include Food Aide in HQ
- Include Janitor/Maintenance in HQ program
- Validate health insurance amount per staff
- Increase salaries used for Additional Professional staff and Family Engagement Specialists
- Verify property tax is included
- Consider additional maintenance costs associated with old buildings
- Include transportation
- Increase audit costs

Schools

- Include behavioral specialist or social worker
- Floater time should be increased for assessments
- Prep time is too generous
- # of Family Engagement Specialists is too high
- Consider allocating O&M by square feet if modeling various types of buildings
- Include transportation
- Assume school-day/school-year for most families; 30% choosing part-day
- Reviewed and included
- Reviewed and not included (all would decrease costs or make no change to costs)
- Reviewed for verification only and/or in progress

Other

- Co-pay changes to reflect 0% pay under 200% FPL
- Licensed family child care: Remove assumption that 2 of children are provider's own
- Adjust titles of High Quality and Comprehensive to be more clear
- Update salary scale for new min. wages (original model built using \$13/\$9.25; updated to reflect 7/1/20 min wages \$14/\$10)
- ECSE CBO Placeholder needs to be validated
- ECSE District assumption needs to be included

What remains to be updated?

Placeholders included for all but EI and ECSE

Home Visiting

to be discussed with
Home Visiting Task
Force

Infrastructure

to be evaluated after
M&O conclusions

Transportation

data gathered; take
rate assumptions to
be validated as
possible

ECSE

data being gathered
through Inclusion
Working Group

EI

data being gathered
through Inclusion
Working Group

What is the impact on the cost model?

Increased from \$11.2B to \$12.4B

TOTAL STATEWIDE COST					
			Original Cost	Updated Cost	Variance
Center-based			\$5,085,236,569	\$5,606,963,371	\$521,726,802
	Infants		\$638,217,659	\$694,625,585	\$56,407,926
	Toddlers		\$1,117,696,797	\$1,231,528,009	\$113,831,212
	Two year olds		\$1,071,763,574	\$1,183,171,523	\$111,407,950
	Preschool		\$2,257,558,540	\$2,497,638,255	\$240,079,714
Center-based Transportation			\$0	\$129,378,749	\$129,378,749
School-based			\$2,393,401,283	\$2,827,143,993	\$433,742,710
School-based Transportation			\$0	\$110,005,695	\$110,005,695
English Learners (in CBO/FCCs)			\$44,343,415	\$48,270,065	\$3,926,650
Special Needs/Inclusion (in CBOs)			\$359,385,413	\$359,385,413	\$0
Licensed family child care			\$1,746,786,704	\$1,746,786,704	\$0
Relative care			\$292,074,395	\$292,074,395	\$0
		Sub-total	\$9,921,227,779	\$10,990,629,636	\$1,069,401,857
Infrastructure		8%	\$793,698,222	\$879,250,371	\$85,552,149
Home Visiting*			\$531,217,701	\$531,217,701	\$0
TOTAL COST			\$11,246,143,703	\$12,401,097,708	\$1,154,954,006
TOTAL PARENT CONTRIBUTION			\$2,981,848,681	\$2,625,233,393	-\$356,615,288
TOTAL COST WITH PARENT CONTRIBUTION			\$8,264,295,021	\$9,775,864,315	\$1,511,569,294

What are the costs per child?

BALANCE OF STATE (0.9 cost)

Infant & Toddler Costs - Ages 0-2

Type of care	Under 15 mo	15-23 mo	2 years old
Licensed Center	\$16,964	\$14,488	\$11,587
Core High Quality Center	\$30,029	\$23,152	\$20,318
Intensive High Quality Center	\$32,419	\$32,419	\$32,419
Non-relative home (FCC)	\$15,461	\$15,461	\$15,461
Relative (paid)	\$3,593	\$3,593	\$3,593

CHICAGO METRO/SURROUNDING COUNTIES (1.05)

Infant & Toddler Costs - Ages 0-2

Type of care	Under 15 mo	15-23 mo	2 years old
Licensed Center	\$19,560	\$16,670	\$13,281
Core High Quality Center	\$34,396	\$26,386	\$23,075
Intensive High Quality Center	\$37,475	\$37,457	\$37,475
Non-relative home (FCC)	\$17,327	\$17,327	\$17,327
Relative (paid)	\$3,593	\$3,593	\$3,593

BALANCE OF STATE (0.9 cost)

Preschool Costs - Ages 3-5

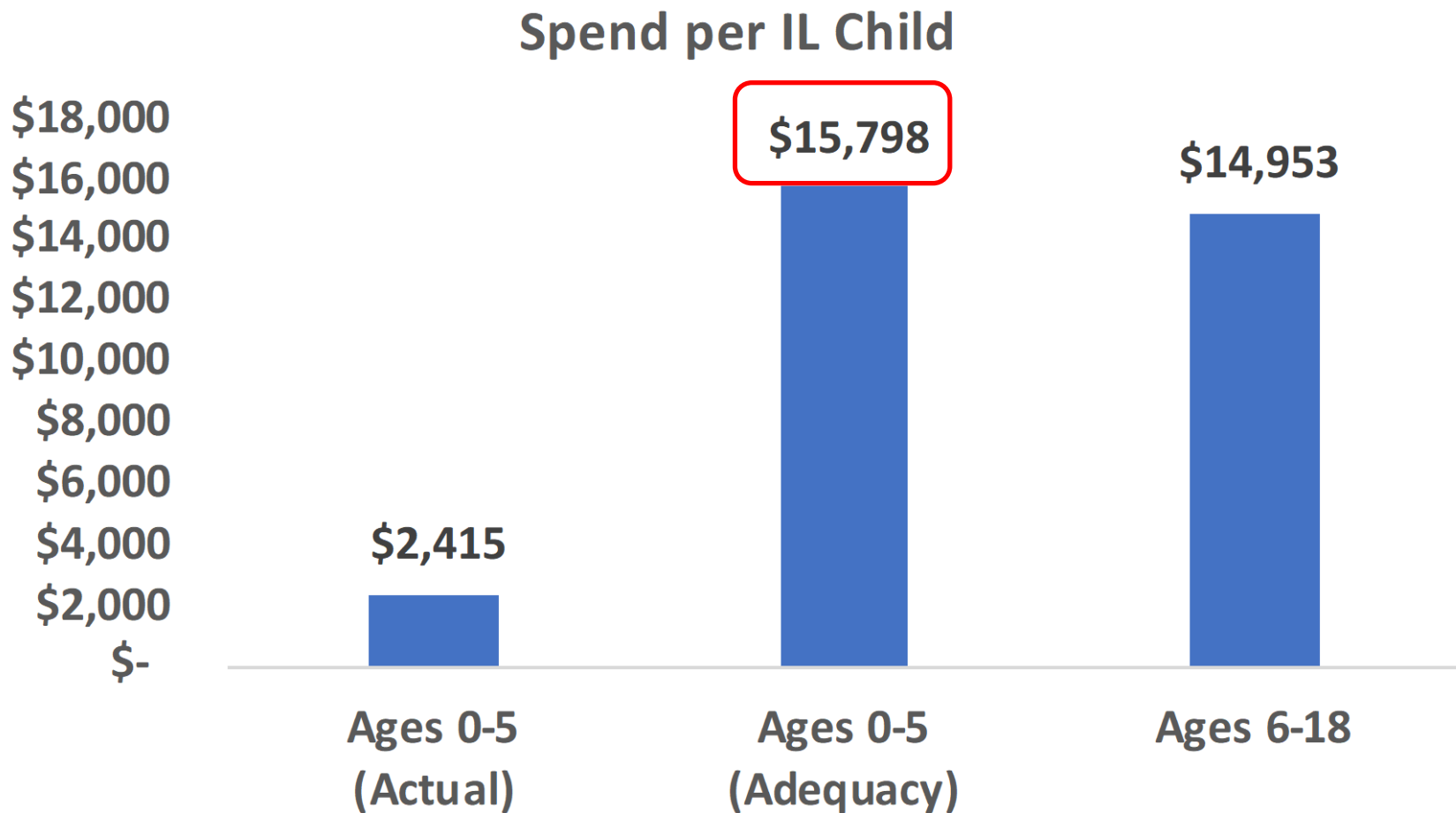
Type of care	Preschooler
Core High Quality Center Full Workday/Year Round	\$15,689
Intensive High Quality Center Full Workday/Year Round	\$20,952
year	\$14,927
PFA Part-day, school year	\$7,839
Non-relative home (FCC)	\$15,461
Relative (paid)	\$3,593
School-based transportation	\$1,800
Center-based transportation	\$1,800

CHICAGO METRO/SURROUNDING COUNTIES (1.0)

Preschool Costs - Ages 3-5

Type of care	Preschooler
High Quality Center Full Workday/Year Round	\$17,687
Comprehensive Full Workday/Year Round	\$23,933
year	\$17,183
PFA Part-day, school year	\$8,999
Non-relative home (FCC)	\$17,327
Relative (paid)	\$3,593
School-based transportation	\$1,800
Center-based transportation	\$1,800

What would this mean for IL children?



Is this work promoting our guiding principles?

July Commission Meeting

We will be **sharing our revised cost model** as initial findings with the full Commission on **July 14**



What do you need between now and then to be **prepared**?



What will you **share** with the Commission?



What **feedback** or input do you need from the 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. 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.

How are we upholding / promoting our guiding principles through Adequacy Cost?



What **evidence** do we have?



Where do you see **opportunity** to further uphold / promote this principle?



Where more emphasis is needed, how do you **recommend** we do so?

How are we promoting *high quality*?

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.

Evidence:

- **Group sizes and staffing ratios** above licensing standards and aligned with Gold Circle of Quality in ExceleRate Illinois
- **Staffing qualifications** and **salary schedules** to promote qualified staff

How are we promoting *equity*?

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.

Evidence:

- “Intensive High Quality” model provides **additional supports** to children and families below 200% FPL
- **Mental health** supports included in both “high quality” and “comprehensive” models
- **ECSE incremental supports** included as validated by district leaders
- **Bilingual assumptions** under evaluation

How are we embracing ***bold system-level change***?

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.

Evidence:

- Supports for **ECSE** are provided in the **mixed delivery system**; envisions a bold, game-changing approach to serving children in ECEC

How are we building upon the ***solid foundation?***

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.

Evidence:

- Commitment to **infants and toddlers** through home visiting, EI, and child care
- Increased **professional development** to ensure staff are qualified to support children with diverse needs
- Included **consultation services** (health, mental health, literacy, etc.) for all programs

How are we prioritizing *family perspectives, needs, and choices*?

Prioritize Family Perspectives, Needs, and Choices

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

Evidence:

- Commitment to the **mixed delivery system**, including for ECSE
- Included growing and supporting **high quality licensed family child care** to meet different families' needs and preferences
- Assuming **slot availability** for all families that want them
- Emphasis on **full-day, full-year care**

How are we designing for *stability and sustainability*?

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.

Evidence:

- Salary schedules built upon **pay parity** for similarly-degreed positions
- Salary schedules assume **no compression** for minimum wage increases

July Commission Meeting

We will be **sharing our revised cost model** as initial findings with the full Commission on **July 14**



What do you need between now and then to be **prepared**?



What will you **share** with the Commission?



What **feedback** or input do you need from the Commission?

Next Steps

Where are we going next?

How much of the **cost should be covered** by the federal government, the state, local funding, and parent contributions?

- What do our family contribution 'rules' estimate?
- How should we determine local ability to contribute?
- What are federal expectations?
- What would this mean for the state?

What should the **state process** be for determining and periodically **re-evaluating adequate resources across settings** for each program type?

- What are the goals of this process?
- What examples we can look at?
- What process methods can best meet our goals?

Next Steps

- Working Group Update for July 14th Commission meeting
- Continue research and validation for open costing items
- Contemplate goals and methods for periodically reviewing adequacy

THANK YOU

