

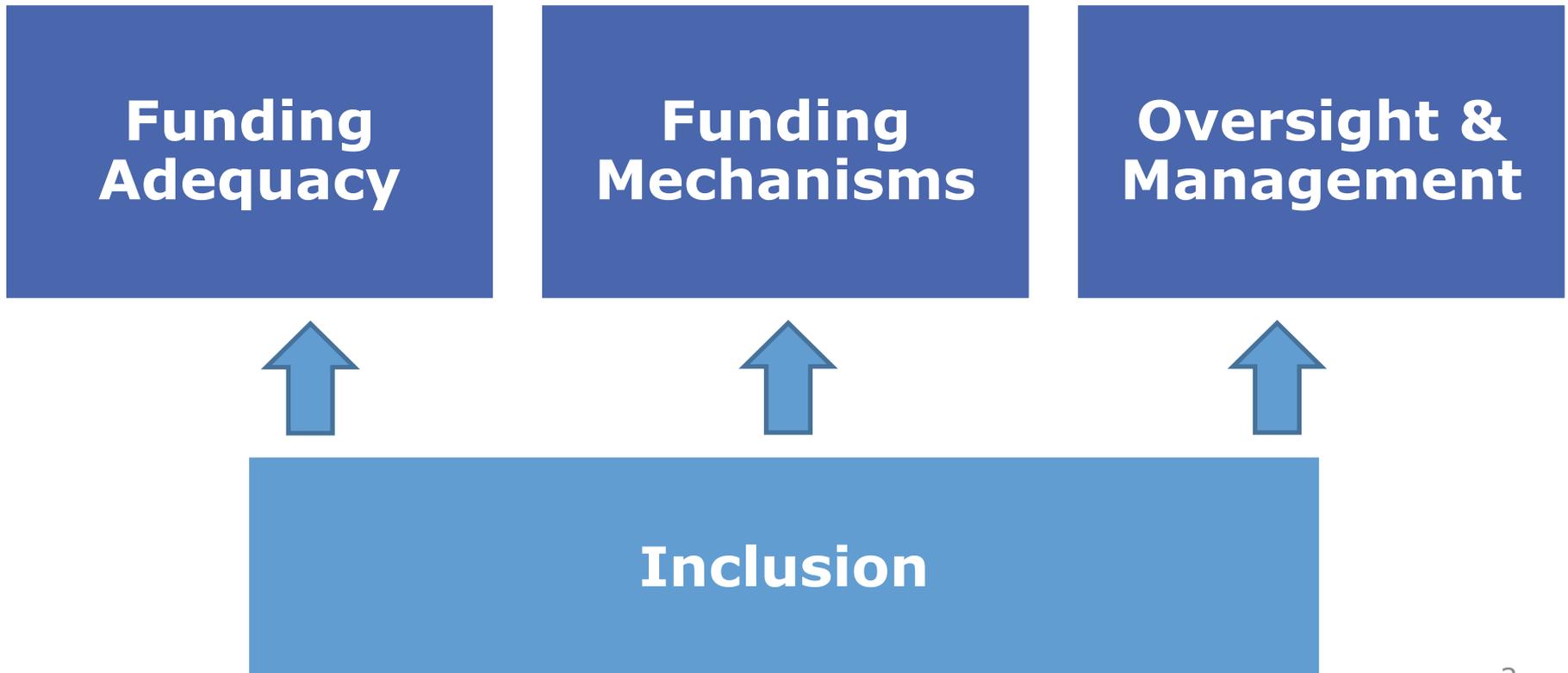


Commission on Equitable Early Childhood Education and Care Funding

Inclusion Working Group
Meeting 7 – 9/3/2020

Inclusion Charge

Inform the work of other Working Groups and the full Commission as it relates to children receiving special education and early intervention services, in alignment with the Commission's guiding principles



Workplan and Timeline (revised)

Approximate Timeline	Meta-Topics
February (completed)	<ul style="list-style-type: none">• Validate Work Plan and Timeline• Review current modeling and understand current mechanisms, structures
March April - June	<ul style="list-style-type: none">• Develop future M&O / funding mechanism system requirements• Develop process for cost modeling
July - Aug	<ul style="list-style-type: none">• Analyze future system options• Make M&O / mechanisms recommendations• Gather and analyze cost modeling data
Sep - Oct	<ul style="list-style-type: none">• Finalize cost of adequacy• Discuss interdependencies with other working groups and validate potential recommendations

Inclusion Meeting 6 Agenda

Item	Time
Agenda, goals, and framing	10:00 – 10:15
Revising Mechanisms to come to conclusions	10:15 – 11:25
Revisit future M&O System	11:25 – 11:45
Next Steps & where we go from here	11:45 – 11:55
Public Comment	11:55 – 12:00

Today is successful if we:

- Align on **recommendations for Mechanisms**, including recommendations for further exploration
- Determine **where EI and ECSE should live** in the future M&O system given M&O direction

Framing for our recommendations

What recommendations will satisfy the charge by **informing legislation?**

Directive recommendations

- Commission recommendations that can inform a legislative package

What recommendations will satisfy the charge by providing a **road map** for how to get to an ideal state?

Process recommendations

- Recommended next steps to support future thoughtful policy change
- Packaged with associated guardrails, priorities, guiding principles, and/or interim findings

What recommendations will guide a new **M&O entity's decision making?**

Acknowledgement

- May include recommended guardrails, guiding principles, or considerations for a new M&O entity

Proposal for EI Funding Mechanisms

EI system challenges: *what have we heard?*

For children and families

- Multiple providers in homes
- Lack of collaborative team planning and service delivery
- Difficulty getting providers in high needs neighborhoods
- Transitions to receiving programs can be challenging

For providers

- Low funding levels for services, especially indirect services
- For CFCs, timing of payments
- Heavy administrative burden and issues with provider payment consistency

For the system

- More families need services
- Equitable distribution of services across diverse populations
- 1/3 of providers (800+) received <\$2500 from July 2019 – February 2020

What funding mechanism(s) for Early Intervention will best meet objectives and incentivize priorities?

Early
Intervention
General Revenue
Funds

Medicaid
Reimburse-
ment (EI)

IDEA Part C
federal funds

Family Fees

Private
Health
Insurance

What mechanism(s)
for EI funding can
best meet the
objectives of a
funding mechanism
done well?

Should the EI
funding mechanism
change – and if so,
to what? Or should
rules for
reimbursement
change?

- Incentivize effective training, collaboration, and smooth family service delivery
- Incentivize recruitment and retention of qualified service providers
- Incentivize providers to serve in high needs areas
- Incentivize smooth transitions between early intervention and receiving programs

Early Intervention Funding Mechanism Direction

Recommend ***contracts for services***, as opposed to today's fee-for-service model, wherein funding is provided up-front rather than through reimbursements

Rationale:

- In general, this approach is aligned with the overall ECEC recommended funding mechanism
- Contracts can promote accountability and quality while providing more stability to providers
- Recommend up-front payment rather than reimbursements

Much progress has been made, and many open questions remain



Should provider contracts be held by the state agency or regional entities?

How would up front funding be determined and managed?

Can all funding sources including private insurance be included in this mechanism?
How receptive would the state be to this liability?

How receptive will providers be to this change?

How do we know this proposal will solve the problems we see in the system?

What is the cost of adequacy?

How do these open questions align to the frame for our recommendations?

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How receptive will providers be to this change?

How do we know this proposal will solve the problems we see in the system?

What is the cost of adequacy?

1 Questions the **Commission must tackle** to inform legislation

2 Questions that **provide a road map** for how to get to an ideal state

3 Questions that guide decision making for a **new M&O entity**

EI recommendation for reaction: *the Commission recommends a continuation of the process*

Acknowledge the **challenges in the system.**

EXAMPLE:

- Lack of collaborative planning and delivery
- Inadequate and inequitable access
- Inadequate funding and rates
- Heavy administrative burden

Identify opportunity to improve through **change in funding mechanism** that must be further explored.

EXAMPLE:

A contract-based system for Early Intervention that flows through a regional entity, alongside up-front funding with adequate rates

Recommend a **continuation of the process.**

EXAMPLE:

The Commission recommends that TBD Body evaluate a contract-based EI system for potential feasibility and benefits and burdens to the system and complete a study on the true cost of EI services in IL

Recommend priorities, guiding principles, guardrails, etc. that should **guide this body's work.**

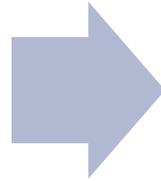
EXAMPLE: *Incentivize:*

Effective collaboration and smooth family services
Recruitment and retention of qualified service providers
Serving in high needs/priority areas
Smooth transitions between EI and receiving programs

Next steps remain the same, to be accomplished through the continuation process

Understand:

- Learnings from other states' experiences
- Provider concerns, questions, reactions
- Technical issues and potential barriers



To determine:

- Feasibility
- Appropriate timeline
- Implementation recommendations

Discussion Questions:

What do you need to know or change to support this recommendation?

What concerns do you have?

What opportunities do you see?

Revisiting ECSE Funding Mechanisms

ECSE system challenges: *what have we heard?*

For children and families

- Not served where they are
- Challenging transitions

For providers

- Inadequate targeted funding
- No direct funding outside of districts
- Funding not aligned with needs of children served

For the system

- Confusing accountability for children in CBOs outside of their home district boundaries
- Lack of understanding of true costs

What funding mechanism(s) for Early Childhood Special Education will best meet objectives and incentivize priorities?

Evidence-
Based
Funding

IDEA Part B
Sec. 619
federal funds

Medicaid
Reimburse-
ment (ECSE)

Local Funds

What mechanism(s) for ECSE funding can best meet the objectives of a funding mechanism for ECSE?

Should this continue to be a funding formula?

If so, should it remain a part of EBF?

- Ensure children are served in their least restrictive environment

- Equitably allocate resources based on individual student needs

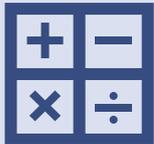
- Promote continuity of services

- Be mindful of administrative challenges for providers

- Provide transparency on true cost of services vs funding available

Our initial conclusions (July 2020)

Funding Mechanism



Recommend ECSE funding be removed from EBF and distributed via formula alongside, but separately from, the general ECEC funding formula proposed by the Mechanisms Working Group. This allows for more specificity on child needs and transparency into level of funding

Mixed Delivery System



Recommend a future ECEC system ensures children are served in their least restrictive environment in the mixed delivery system



Recommend a Regional Entity structure, which would allow LEAs to optionally pool funds for itinerant services to serve children in the mixed delivery system

Conclusions and recommendation based on last meeting's input on Funding Mechanisms (EBF)

What we heard

- We agree that the challenges of transparency and accountability are the right ones to address
- Pulling funding out of EBF may address these problems, but not fully
- It may cause unforeseen issues, such as losing the benefit of advocacy toward increasing EBF funds
- There are other opportunities to address these issues – namely correcting the EBF formula and ensuring stronger accountability



Revised Recommendations

- Keep ECSE state appropriations within EBF
- Recommend a review of the EBF ECSE calculation
- Identify opportunities for stronger accountability and transparency via M&O

Reactions?

Revisiting our mixed delivery system recommendations

Where we previously landed:



Recommend a future ECEC system ensures children are served in their least restrictive environment in the mixed delivery system



Recommend a Regional Entity structure, which would allow LEAs to optionally pool funds for itinerant services to serve children in the mixed delivery system

How do we move forward?

Foundational alignment:

- We have a legal obligation to serve children in their least restrictive environment
- We agree serving children in the mixed delivery system is a philosophical priority, and this should drive our planning

Given this, there are two key questions to unpack:

- How can we meet the needs and preferences of children and families in a manner that does not cause undue burden on the overall system?
- What is the right timeline to transition? What are the necessary conditions?

Stakeholders must be thoroughly engaged for a change of this magnitude:

- We need to thoroughly understand stakeholder questions, concerns, and other reactions which will inform implementation planning

Recommendation: a future ECEC system ensures children with disabilities are served in their least restrictive environment in the mixed delivery system

What is our ideal end state?

How will services or funding flow to the mixed delivery system from districts?

What's the regional structure, if any?

What are the technical challenges?

1 Questions the **Commission must tackle** to inform legislation

2 Questions that **provide a road map** for how to get to an ideal state

3 Questions that guide decision making for a **new M&O entity**

Mixed Delivery System Recommendation for reaction: *the Commission could...*

Acknowledge the **challenges in the system.**

EXAMPLE:

Lack of service options and challenging transitions for children and families
Inadequate and non-transparent funding
Confusing accountability for children in CBOs outside of their home district boundaries

Identify the opportunity to improve through a **change in service delivery and funding mechanism** that must be further explored.

EXAMPLE:

The Commission recommends ECSE services in the State of Illinois be provided in the Mixed Delivery System in order to meet children and families' needs. Options to meet this objective must be evaluated, including potential changes in funding mechanisms and structures needed to support.

Recommend a **continuation of the process.**

EXAMPLE:

Accordingly, the Commission recommends a X Body be established to continue to evaluate the potential feasibility, benefits, and burdens to children, families, providers, the overall system and other stakeholders of an ECSE mixed delivery system.

Recommend priorities, guiding principles, guardrails, etc. that should **guide this body's work.**

EXAMPLE:

Children with disabilities must be served in settings that meet both their and their families' needs
Equitably allocate resources based on student needs
Promote continuity of services
Be mindful of administrative challenges for providers
Provide transparency on true cost of services vs funding available²³

Next steps remain the same, to be accomplished through the continuation process

Understand:

- Ideal state for the mixed delivery system (including thoroughly vetting options discussed)
- Provider concerns, questions, reactions
- Technical issues and potential barriers



To determine:

- Feasibility
- Appropriate timeline
- Implementation recommendations

Discussion Questions:

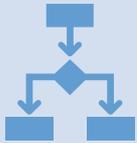
What do you need to know or change to support this process continuation recommendation?

What concerns do you have?

What opportunities do you see?

ECSE/EI in the future centralized system of
funding & governance

Reminder: We are creating a new system of funding and governance



Coordinated System of Funding

Funding managed upstream at the state agency level and allocated through a **new, coordinated process of funding distributions**



Funding Distribution & Allocation Mechanisms

Equity-informed per-child or per-classroom formulas for education & care and home visiting services
Targeted, equity-informed grants for capacity & infrastructure and start-up & incubation
Minimize reimbursement-based and delayed funding



Funding Eligibility & Disbursal

Targeted, equity-informed RFP process for new providers to be eligible for state funding
Multi-year service contracts for returning providers, with reauthorization based on uniform accountability standards

We have recommended centralizing ECEC Management & Oversight in one agency

- **Centralization of ECEC management & oversight** has greater potential to fulfill the capacities of a successful management & oversight system than coordination across multiple state agencies.
- Having **ECEC centralized enables deeper collaboration** across other areas of the early childhood ecosystem, public and private

What is behind the M&O recommendation to centralize rather than coordinate general ECEC?



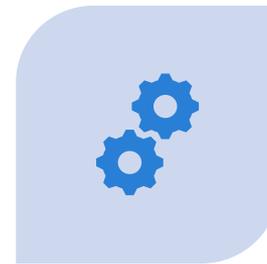
POLICY LEADERSHIP

WE NEED ONE VISION,
ONE SET OF QUALITY
STANDARDS, ONE
AUTHORITY FOR
PROVIDERS



FUNDING & OVERSIGHT

WE NEED SIMPLIFIED,
STREAMLINED FUNDING
ALLOCATION AND
DISTRIBUTION



INFRASTRUCTURE

WE NEED SYSTEMWIDE
DATA AND UNIFIED
EFFORTS ON
WORKFORCE
DEVELOPMENT AND
QUALITY IMPROVEMENT



COMMUNICATIONS

WE NEED A CLEAR,
UNIFIED ABILITY TO
LISTEN AND ENGAGE

Should ECSE and EI be included in the centralized M&O entity?

Key Outtakes from our last discussion



What we like:

- The idea of the system being built intentionally for all children is appealing
- Promoting the connection between EI and ECSE is important for families and children
- Unified vision, standards, and systems (including data) between EI and ECSE and general ECEC are appealing



Our considerations:

- Concern over losing the connection between ECSE and K12 Special Education if removed from ISBE (though the transition is not extremely smooth as it is today anyway)
- Concern over losing the education focus if removed from ISBE
- Leadership may matter more than the structure

The M&O Group is strongly considering creation of a new agency. How does this impact our thinking?

Next Steps

Next Steps

- Prepare update for September Commission Meeting
- Anticipate an optional joint Funding Adequacy and Inclusion meeting prior to October Commission Meeting (likely week of September 28) to discuss EI and ECSE Adequacy estimates

THANK YOU

Your dedication, insight, and collaborative spirit have been exceptional. We look forward to continuing to engage with you over the Commission's remaining time together.



The Technical Working Group can address questions to determine feasibility of recommendations

-  What is required to move a **bargaining unit** from one agency to another?
-  What would be the impact on various **types of labor** with a move from one agency to another?
-  What **laws, rules, and policies would need to be changed** to move various early childhood functions from one agency to another?
-  Is it possible to **move each source of funding** in the way our recommended centralized system of funding envisions?
-  Which agency capacities and/or provider service areas might require a **regional structure** to be successful?
-  What is required from **advisory groups** to support a successful new system?
-  What is the **one-time and recurring cost impact** associated with creating or consolidating into one agency?
-  What is the **cost of inaction** for the various alternatives proposed in the recommendations?
-  What is the **plan for implementing** the Commission's recommendations?