ECBG FY24/25 Equitable Funding Discussion

Early Learning Council Meeting
February 5th, 2024

Discussion Goals

1. Understand FY24 successes and FY25 ECBG continuous improvement goals

2. Share plan and progress on ECBG continuous improvement work to inform FY25 funding decisions

3. Gather feedback and discuss opportunities to engage ELC in throughout the process

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Several options to engage in discussion

We are excited to hear your questions and reactions. There are two ways to share:

Chat Box

- Enter in chat or raise your virtual hand **for clarifying questions** to ensure shared understanding of content being presented.
- Afton team will field clarifying questions in chat.

Padlet

- Click the **Padlet link** in the chat and **add feedback, and conceptual reactions and questions**.
- We will have an active discussion at the end.

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FY24 and FY25 ECBG Overview

In January 2024, Governor J.B. Pritzker announced major accomplishments for the FY24 ECBG grant programs

Awarded $8.4 million in additional grants to preexisting programs to promote quality and address pay disparity

Expanded services for children birth to 3, to serve additional 1,130 individuals

Created 5,886 new preschool seats across the state in **preschool deserts** (5,283 for PFA and 503 for PFAE)

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How do we build upon this in FY25?

☑ There is a shared desire to improve equitable access to high quality programs across the state

☑ This can be done through both increases in numbers of slots and funding per slot with a focus on closing deserts, and by increasing funding available to existing slots for quality improvement
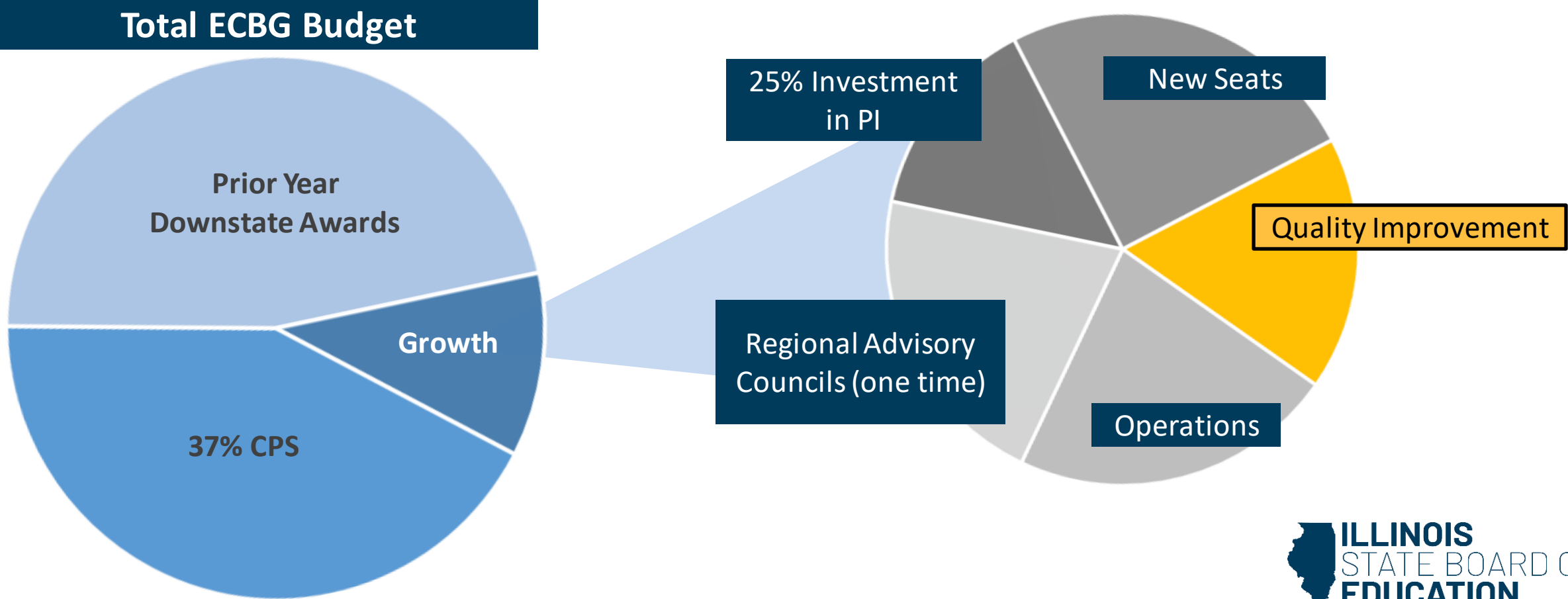
☑ There are non-negotiable commitments in a resource-constrained environment to increase slots toward closing deserts

Essential Question:
Given this, how can FY25 ECBG grant funding best advance the goal of equitable access to quality across the mixed delivery system?

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Growth in ECBG funding is filtered through non-negotiable commitments which make ECBG funds for quality improvement limited

Total ECBG Budget

Prior Year Downstate Awards

Growth

37% CPS

25% Investment in PI

Regional Advisory Councils (one time)

New Seats

Quality Improvement

Operations

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ISBE seeks to continuously improve ECBG resource equity

This can be accomplished through thoughtful slot distribution and funding per slot

Slot Distribution
or where ECBG seats are awarded and exist

There are many regions in the State with high need but no ECBG slots, and other regions with more slots than are needed.

ISBE's quality desert analysis aims to add slots in regions that need them most
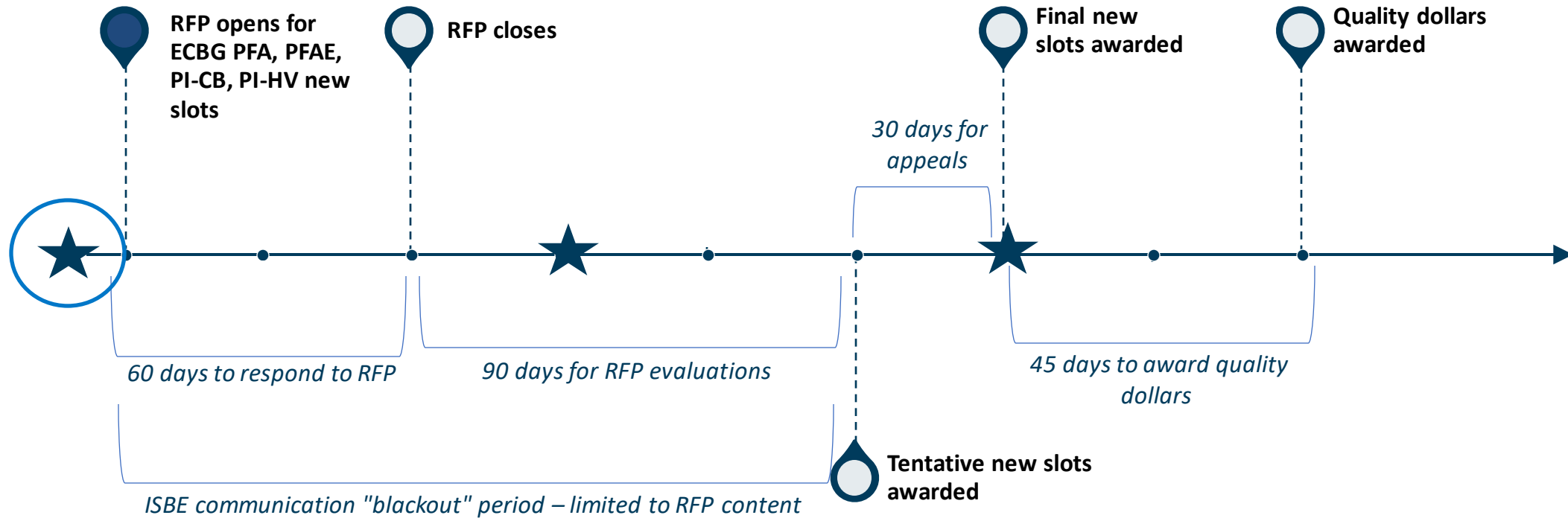
Funding per Slot
1) new slots and 2) quality funding to existing slots

There is wide variability in award amounts requested (and awarded) within and across provider setting types.

ISBE seeks to better understand program costs and funding sources to better allocate ECBG funds per slot

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Anticipated FY25 ECBG Grant Cycle Timeline

RFP opens for ECBG PFA, PFAE, PI-CB, PI-HV new slots

RFP closes

Final new slots awarded

Quality dollars awarded

30 days for appeals

60 days to respond to RFP

90 days for RFP evaluations

45 days to award quality dollars

Tentative new slots awarded

ISBE communication "blackout" period – limited to RFP content

ISBE to engage ELC on priorities and approach to support equitable funding decisions, particularly as it relates to the allocation of quality dollars.

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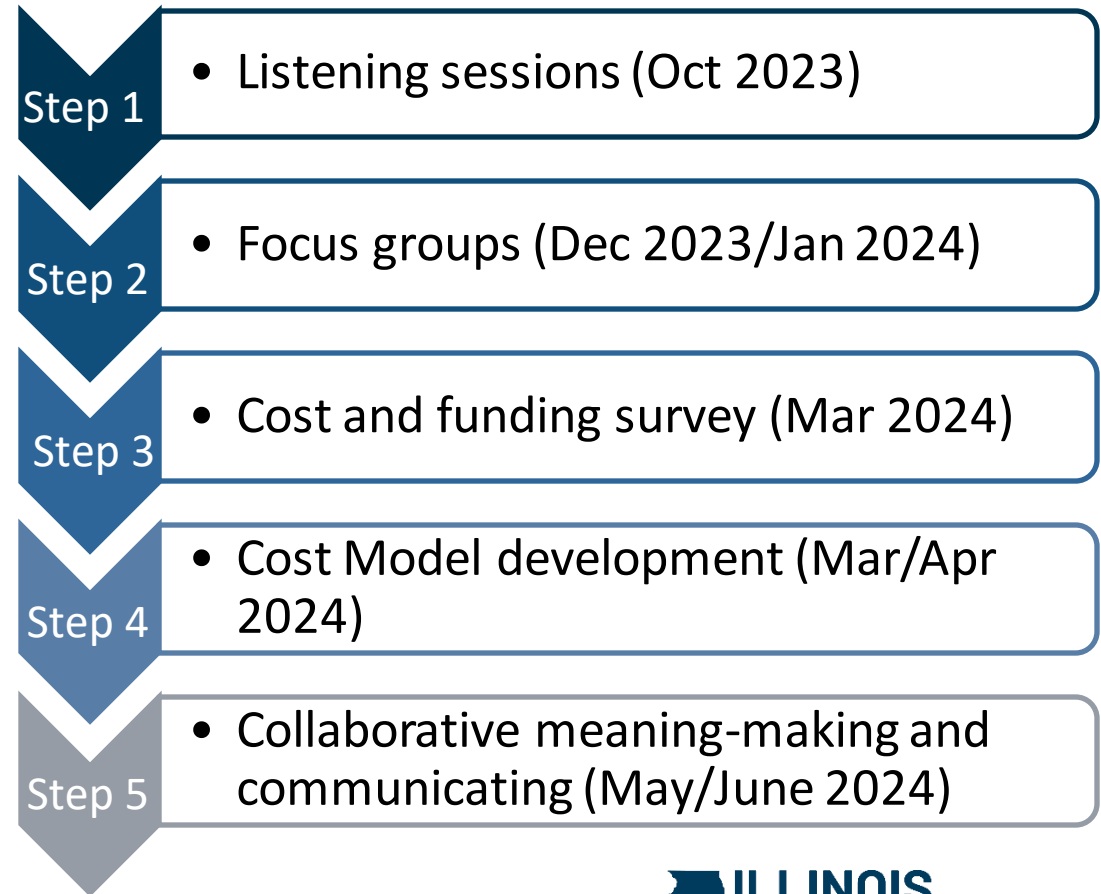# Informing FY25 Funding Decisions Through Cost Modeling

Cost Modeling Overview

- ISBE and Afton are mid-way through a **data analysis and stakeholder engagement process**, collectively referred to as "cost modeling"

- ECBG "cost modeling" is a **comprehensive initiative**, encompassing qualitative and quantitative data collection on costs of and funding sources for multiple program types (PI, PFA, PFAE) across myriad settings (districts, centers, etc.) across the state

  - *These data can help **inform equitable funding allocation decisions***

- Stakeholder engagement efforts will also inform continuous improvement in the **grantee experience**

- Interim data will be shared with this group for **collective meaning-making** to support key decisions in the ECBG cycle

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Prioritizing equity as part of continuous improvement requires both qualitative and quantitative data and analysis

Multi-step stakeholder engagement to hear directly from grantees and understand:

- Providers' experiences with the ECBG application and award process.

- The costs associated with running an ECBG program and the variability that exists across provider and program types.

- How providers use multiple funding sources to cover program costs and the challenges that exist.

- The data reporting challenges and practical options to enhance information collection to improve ISBE's funding practices.

Step 1
- Listening sessions (Oct 2023)

Step 2
- Focus groups (Dec 2023/Jan 2024)

Step 3
- Cost and funding survey (Mar 2024)

Step 4
- Cost Model development (Mar/Apr 2024)

Step 5
- Collaborative meaning-making and communicating (May/June 2024)

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What we currently know about ECBG per slot funding:

ECBG grantees have a wide range of programmatic and structural differences, needs, and resources.

There is wide variability in per-pupil award requested by grantees both within and across grantee types.

Many grantees use additional funding to support their program, but current reporting provides limited insight into source of funds, amount, and use of funds.

What we want to learn about ECBG per slot funding through this process:

What does it cost grantees to operate an ECBG funded program? How does this differ across provider/program types, and regions?

What other sources of funds are used for ECBG funded programs, and how are layered funders using ECBG funds to cover program costs?

What is the grantee experience with ECBG application and award cycle?

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Initial Learnings From Stakeholder Engagement

Variation between and within grantee types, including:

- Access to or ability to pursue other revenue sources
- Personnel costs: wage, benefits, classroom staffing patterns, overall operational capacity (admin, etc.,)
- Non personal costs (e.g., transportation and facilities)
- Supports to children with disabilities or developmental delays
- Ability to recruit and retain qualified staff

Common concerns on impacts to program quality due to:

- Workforce shortages (accessing, recruiting, retaining, and compensating qualified staff especially for centers)
- Greater supports needed for current demographics of children with post COVID trauma and SEL supports
- Increasing gap between cost (salaries, PD, transportation) and revenue over the years

Clear communication and transparency needed around:

- Approaches to per-pupil cost estimation for grantees especially around allowable costs

"This is the first year that I have considered not applying for the grant next year. Because, over the years - just like all the school districts - we have slowly had to supplement our grant, and a childcare center cannot do that. It is woefully underfunded. And, like most of you, most of our funds go to staff salaries to get and keep people."
-Center-based program provider
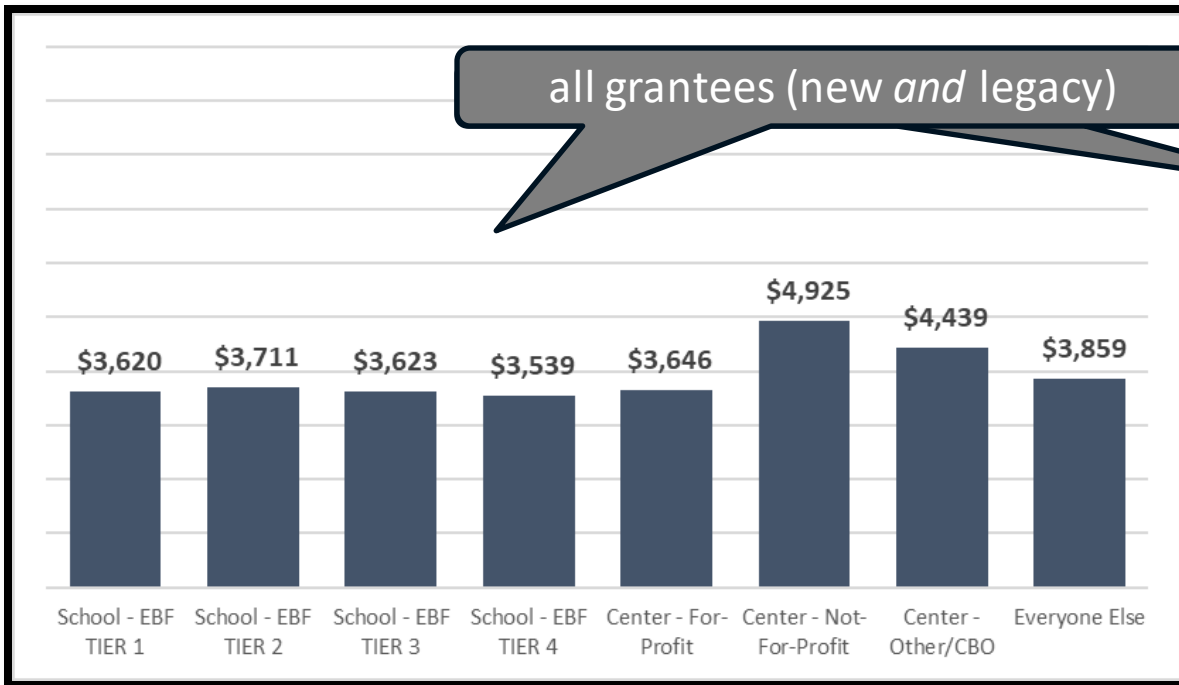
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In recent years ISBE has taken steps to address the wide variability in funding level to grantees

- Historically, grant awards were primarily informed by what the applicant requested in the application, which was reviewed for reasonableness.
  - There was high variability in both what was being requested, and what was being awarded.
- ISBE shifted approach to award allocations to address inequity. In FY24, all new PFA grantees were awarded $3,900 per slot, and all new PFAE grantees were awarded $8,500 per slot.
  - Data on other funding sources in addition to ECBG was also collected in applications.
- In FY23, ISBE prioritized quality increase to CBOs. In FY24 ISBE prioritized preschool deserts to address inequity in seat distribution across the state.
- Acknowledging equal is not equitable, for the FY25 cycle, ISBE is gathering additional data – as detailed in the cost modeling overview – to further inform funding decisions.
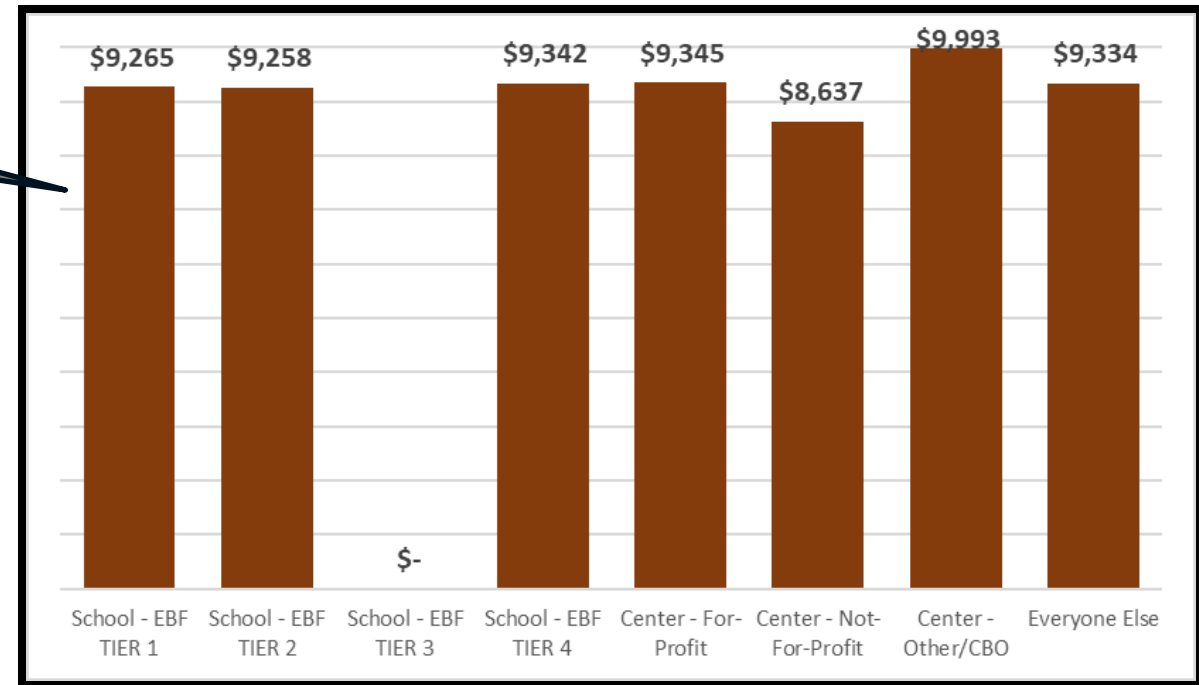
New data, new approach, better informed decisions

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Grantees' *average* ECBG funding per child looks relatively close across grantee types

FY24 PFA Funding per Child – Average – All Grantees

all grantees (new *and* legacy)

School - EBF TIER 1	School - EBF TIER 2	School - EBF TIER 3	School - EBF TIER 4	Center - For-Profit	Center - Not-For-Profit	Center - Other/CBO	Everyone Else
$3,620	$3,711	$3,623	$3,539	$3,646	$4,925	$4,439	$3,859

FY24 PFAE Funding per Child – Average – All Grantees

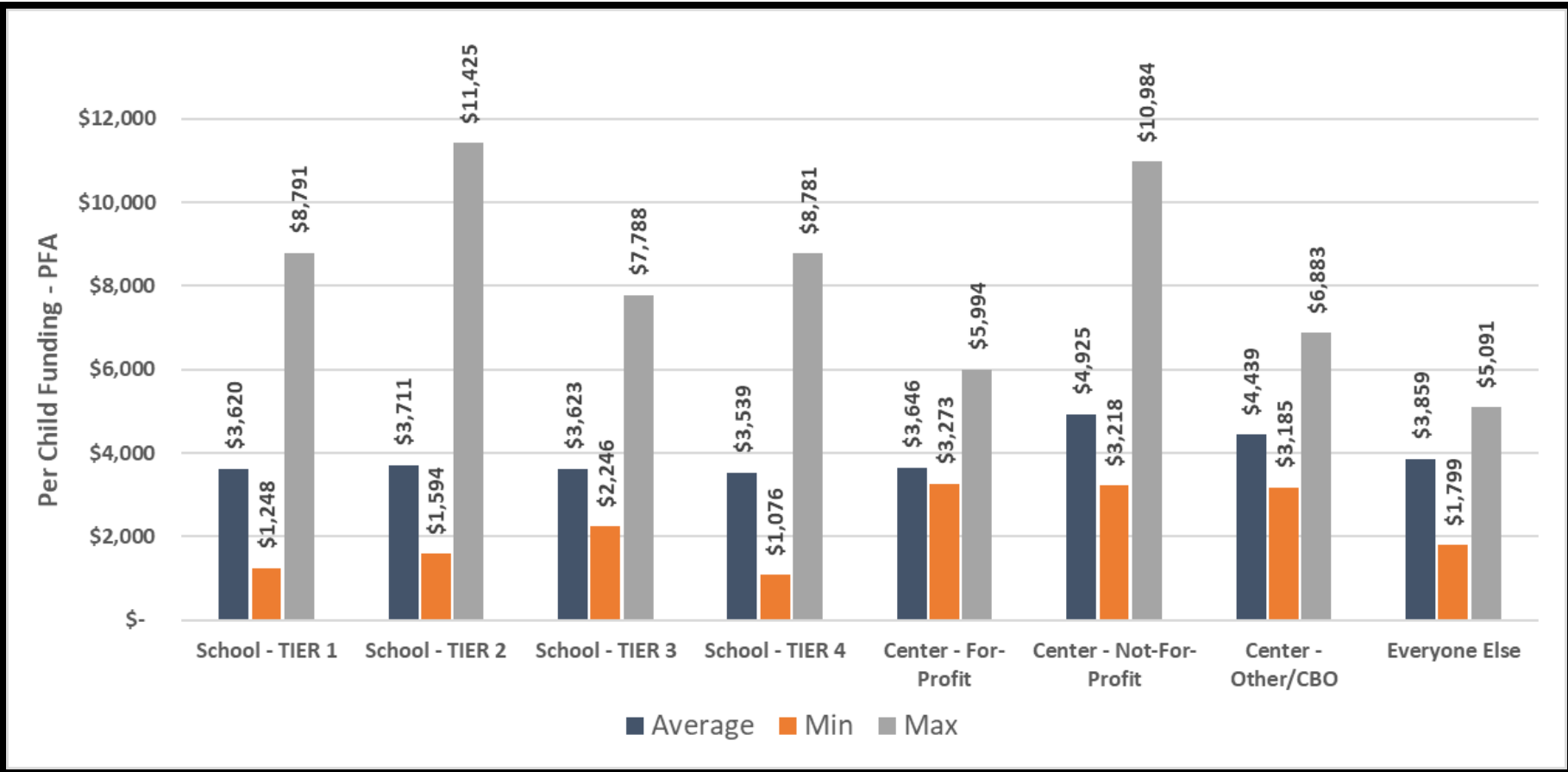| School - EBF TIER 1	School - EBF TIER 2	School - EBF TIER 3	School - EBF TIER 4	Center - For-Profit	Center - Not-For-Profit	Center - Other/CBO	Everyone Else
$9,265	$9,258	$-	$9,342	$9,345	$8,637	$9,993	$9,334

While ***average*** per child funding looks relatively close across grantee types, grantees experience a wide range of per-child funding levels
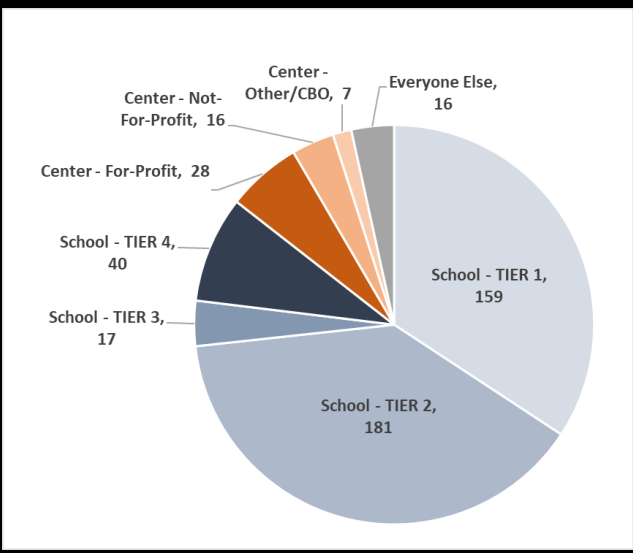
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We see high variability in ECBG per-child award amounts within each grantee type (Part I - PFA)

all PFA grantees (new *and* legacy)

Count of PFA Grantees

Pie chart: School - TIER 1, 159; School - TIER 2, 181; School - TIER 3, 17; School - TIER 4, 40; Center - For-Profit, 28; Center - Not-For-Profit, 16; Center - Other/CBO, 7; Everyone Else, 16

FY24 PFA Funding per Child – Average, Minimum, Maximum – By Grantee Type

Per Child Funding - PFA

Grantee Type	Average	Min	Max
School - TIER 1	$3,620	$1,248	$8,791
School - TIER 2	$3,711	$1,594	$11,425
School - TIER 3	$3,623	$2,246	$7,788
School - TIER 4	$3,539	$1,076	$8,781
Center - For-Profit	$3,646	$3,273	$5,994
Center - Not-For-Profit	$4,925	$3,218	$10,984
Center - Other/CBO	$4,439	$3,185	$6,883
Everyone Else	$3,859	$1,799	$5,091

■ Average ■ Min ■ Max
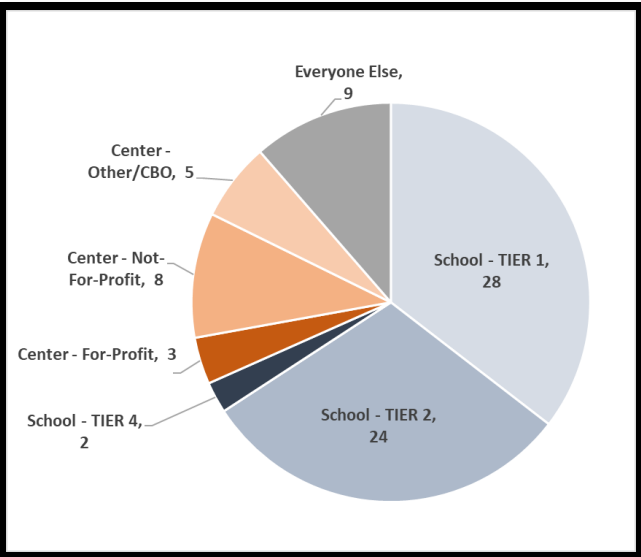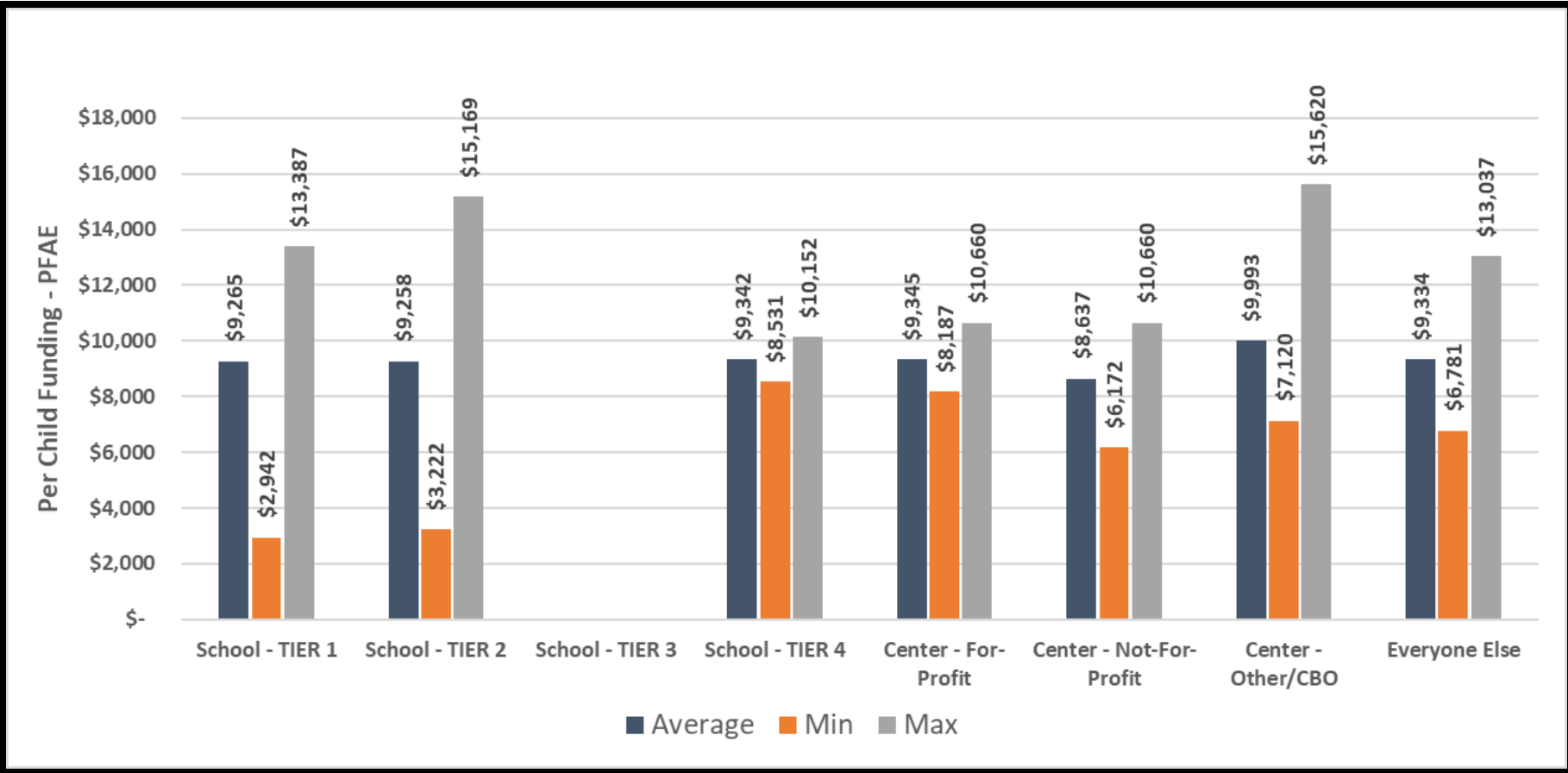
We see high variability in ECBG per-child award amounts within each grantee type (Part II - PFAE)

all PFAE grantees (new *and* legacy)

Count of PFAE Grantees

- Everyone Else, 9
- Center - Other/CBO, 5
- Center - Not-For-Profit, 8
- Center - For-Profit, 3
- School - TIER 4, 2
- School - TIER 1, 28
- School - TIER 2, 24

FY24 PFAE Funding per Child – Average, Minimum, Maximum – By Grantee Type

Grantee Type	Average	Min	Max
School - TIER 1	$9,265	$2,942	$13,387
School - TIER 2	$9,258	$3,222	$15,169
School - TIER 3			
School - TIER 4	$9,342	$8,531	$10,152
Center - For-Profit	$9,345	$8,187	$10,660
Center - Not-For-Profit	$8,637	$6,172	$10,660
Center - Other/CBO	$9,993	$7,120	$15,620
Everyone Else	$9,334	$6,781	$13,037

Per Child Funding - PFAE

Legend: ■ Average ■ Min ■ Max

Open Discussion

Discussion Questions

1) The state is committed to eliminating preschool deserts. What *equity factors* should be considered in prioritizing where *new slots* are added?

2) In addition to efforts to understand program costs and funding availability, *what information* could inform quality improvement funding priorities?

3) How would you prioritize where to allocate the "*next dollar in*"?

4) What *other input or feedback* would you like to share?

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Next Steps & Thank You