



Commission on Equitable Early Childhood Education and Care Funding

Funding Adequacy Working Group
Meeting 3 – 04/27/2020

Funding Adequacy Meeting 3 Agenda

Item	Time
Reorientation to our work	2:00-2:15
Discuss preliminary thinking of “equitable access” and what that means to this Working Group	2:15-2:45
Discuss plan to vet cost of quality	2:45-3:15
Hear from Working Group Subcommittee	3:15-3:45
Next steps and close out	3:45-3:55
Public Comment	3:55-4:00

Reorientation to Our Work

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?
- What is the **recommended timeline and prioritization** to get to the state's full investment?

Impact of COVID-19 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.

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 - June	<ul style="list-style-type: none">• Vet key drivers of the funding adequacy target• Discuss potential process re-evaluating adequacy over time
June - Aug	<ul style="list-style-type: none">• Envision end state funding sources• Develop a timeline to get to full investment• Determine prioritization of investments over that timeline
Aug - Sept	<ul style="list-style-type: none">• Discuss and revise based on full Commission feedback

Funding Adequacy Meeting 2 Recap

- We came to a ***common understanding of "adequacy"***
- We validated the ***list of programs/services*** included in cost model and what open items remain (namely, ECSE and EI)
- We discussed the major drivers of ***cost of high-quality ECEC*** by program/service
- We acknowledged our collective discomfort and need for a thorough plan to validate costs of quality

Funding Adequacy Meeting 3 Goals

- Discuss ***preliminary thinking on "equitable access"*** and impact on the work of this Working Group
- Fully ***understand our collective needs*** to feel comfortable with an eventual adequacy number and ***have a clear plan to get there***
- Hear from ***Working Group Subgroup*** on their findings and recommendations for the cost model
- Determine ***next steps*** toward a cost of adequacy

"Equitable Access"

Further clarity within the Commission's charge is required for the working groups

“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.”

Equitable access to publicly funded high-quality services

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

Income level

Child age

Special needs

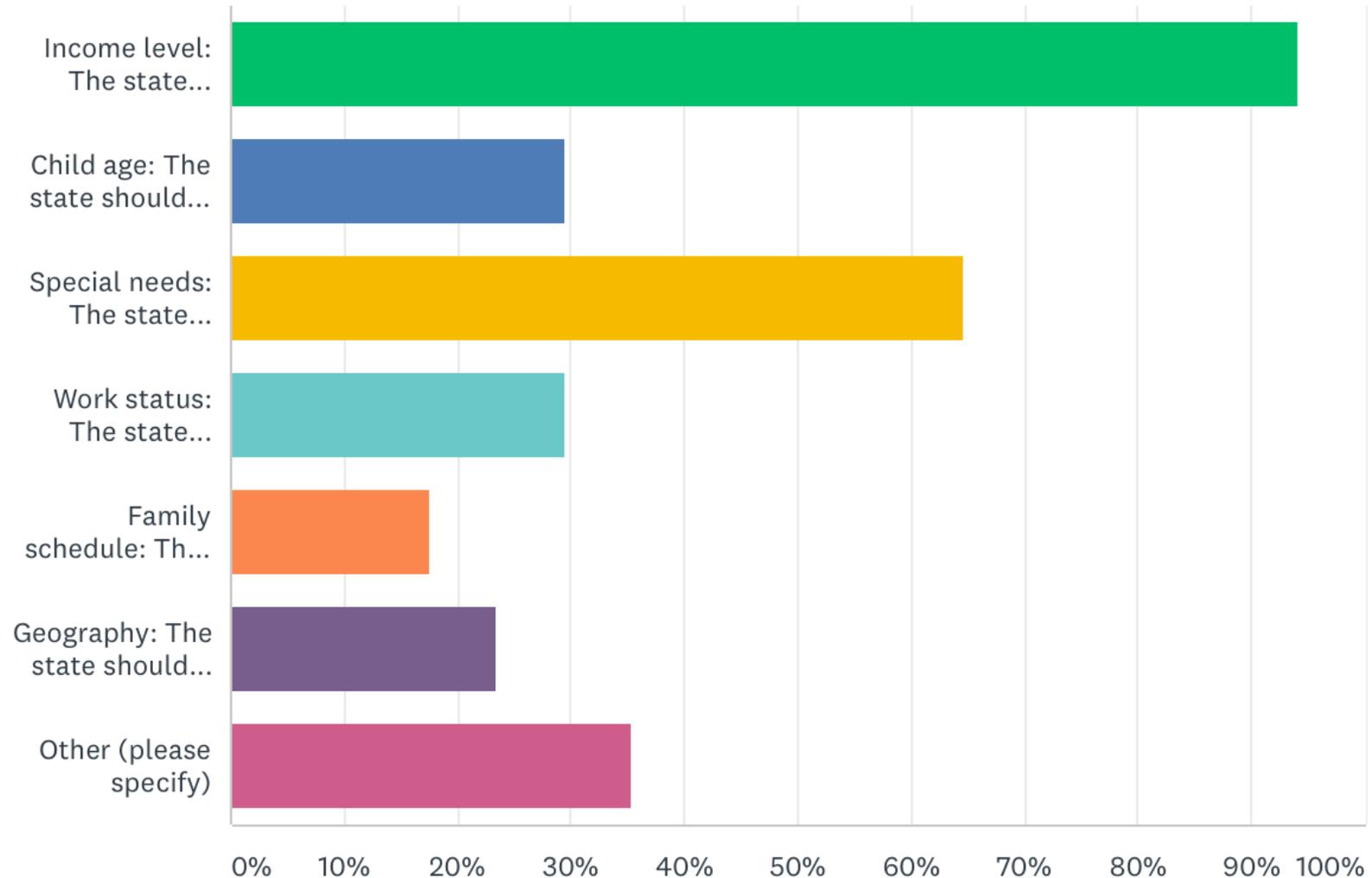
Work status

Family
schedule

Geography

Other

Survey Results: *What factors should prioritize limited or finite public investments in ECEC?*



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***

What would you question, change, or add?
What implications does this have for the work of
this Working Group?

Validating the cost of adequacy

Last Meeting's Outcome: "Adequacy" for Early Childhood Care and Education (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*

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

Total costs in the current draft of the cost model are \$11B. We will review the major assumptions (keeping order of magnitude in mind)

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.

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

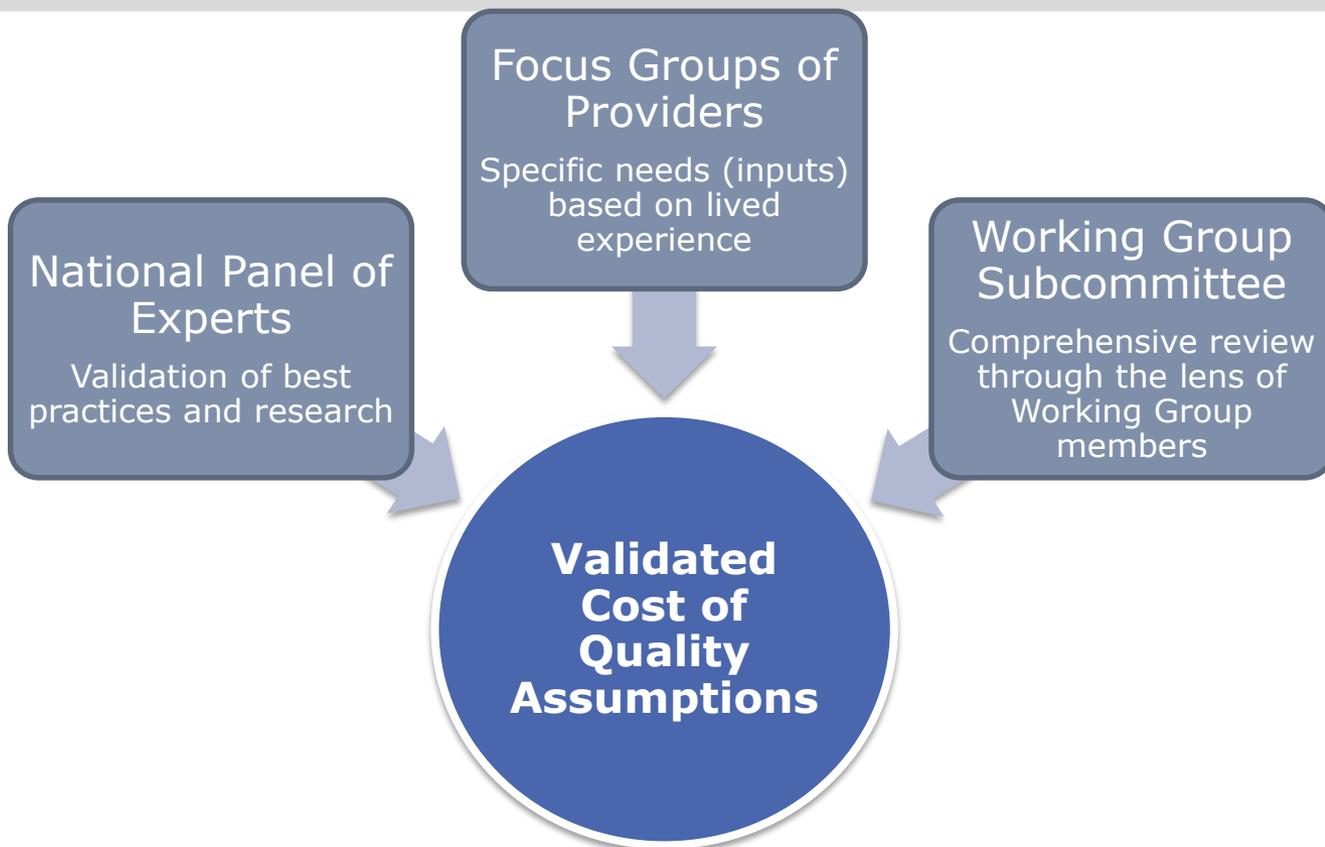
- What is the total child count eligible for program models?
- What is the estimated percent of families in each age/%FPL group opting into services and selecting which program

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?

5 Calculate total cost of services

Will this validation approach help us answer our working group's key question: ***what is the cost of providing high quality ECEC ?***



What do you need to learn from these?

1. What do you need to understand better?
2. What do you need validated?
3. What inputs do you disagree with?

How will you know you are ready to sign off on the model?

Focus Groups of Providers

4/22 District PreK Focus Group: key takeaways

- General comfort with the approach to developing assumptions
- Specific feedback on the cost model for our consideration
 - Emphasis on need for social/emotional supports (Behavioral specialist or social worker is needed)
 - Floater time should be increased for assessments
 - Potential overage in Family engagement specialists and prep time is too high, particularly for ½ day classrooms
 - O&M should be allocated by square feet as opposed to per pupil and need to ensure we consider unique aspects such as bathrooms, special play spaces and equipment
 - Transportation must be included in support of access, particularly in underserved communities
- Multiple districts are open to engaging further, including sharing data to help quantify transportation costs
- Noted concern for costs of adding facility capacity

Priorities for future focus groups?

Expert Panel

- **Participants:** at least three ECEC experts who have done cost modeling for other systems
- **Anticipated scope:**
 - Is the model approach appropriate and based on best practice? Are there recommendations to enhance the approach?
 - Are the model inputs for cost of quality based on sound research and best practice? Is there other research we should be incorporating for adequacy across settings?
 - Other recommendations to enhance the model
- **Expected Timeline:** anticipated to be complete prior to next Working Group meeting for review

Working Group Subcommittee



ECEC Model Subcommittee Review and Analysis

Christina Hachikian
Craig Esko
Kate Ritter

Introduction

- After our last meeting, there was recognition that our committee needed a mechanism to dig more deeply into the model in a productive way.
- To facilitate this, a working group of the committee met to review the model and develop a deeper understanding of the underlying structure, inputs, and calculations in the model.
- Today, we want to (1) share our working group's plan and progress, (2) what we have found thus far and (3) identify open issues and validation questions.

Today's discussion

- In our discussion today, we will discuss:
 - Model approach: how does this model work?
 - Guiding values: what values underpinned the development of this model?
 - Proto-typical center as a starting point: how costs of quality are developed for an average center
 - Staffing schedules and ratios (starting this)
- In future communication(s), we will share thoughts on:
 - Salary schedule and benefits
 - Non-personnel costs
 - Infrastructure costs
 - Resulting per child costs
 - Child counts and setting choices

For these, we will provide our viewpoint on open issues and validation questions

**Note: Costs to support children with special needs and dual-language learners will be reviewed through the Inclusion Working Group*

What do we mean by open issues and validation questions?

When we get to the end of this presentation, we will provide our thoughts on and be looking for feedback on three things:

1. What would you like to understand better?

- This model is based on significant research using data collected for a variety of sources, especially those working in the field.
- What information will ensure you understand how this model and these inputs were developed?

2. What requires additional validation?

- A national panel of experts is being convened and we can ask them for their opinion on this process or any of these inputs.
- What would you like outside perspective on? What might we want to ask a focus group?

3. Do you have feedback on specific inputs?

- As you review the salary schedule, the staffing patterns, or other inputs, do you have any specific feedback from your area of expertise?

Before diving in...a reminder about the point of the model

- The model is *only* used to quantify a target dollar figure to “describe” a complete and *adequate* ECEC system for Illinois.
 - It DOES NOT actually model the real world.
 - Nor does it provide input on elements like reimbursement rates, co-pays, flows of funding, or sources of funding.
- In fact, it *necessarily* oversimplifies the system so that it can quantify it.
- This may seem cold for those of us working on the front lines, since this model doesn’t capture the difficult nuances of our day-to-day realities.
- However, we have to suspend that reflection in pursuit of a mechanism that reflects the *average reality* of the entire system so as to land a specific, quantifiable figure that captures all that nuance. We do by developing an average per-child cost.

A good total system estimate is heavily dependent on a good cost-per-child estimate

- The importance of this per-child calculation is that it serves as the basis for the overall system calculation. **Thus, the first question for this committee: do we have an estimate for a per-child cost that represents adequacy?** (We will discuss the first part of this today, and the rest next time.)
- The second question for this committee: do we have a good estimate for child counts across various settings. (We will discuss this at a future meeting.)

Taken together:

total per child cost based on the model \times the total number of children enrolled in the system = total estimated cost of care

- Adding in infrastructure, home visiting, and additional supports, (which we will also review later), provides the total estimated cost for the system (right now about \$11B.)

The original model was built using a set of guiding values that are important reference points

- It's important to remember this model was built based on significant research and with values in mind that mirror those of the committee.

- Program models that meet families' needs and preferences for schedule and setting;
- Program models that provide comprehensive services that are sufficient to address the needs of children who are furthest from opportunity, including those in poverty or experiencing homelessness or child welfare involvement;
- Program models that are culturally and linguistically appropriate and meet the full range of special needs that young children have;
- Parity in compensation and benefits across the profession, commensurate with varying characteristics such as qualifications and role, to ensure highly qualified teachers and staff are hired and retained;
- Staffing patterns that allow for adequate time for teacher's engagement in lesson preparation, professional development, parent engagement, and consultation services;
- Class sizes and staff-to-child ratios that reflect best practice for each age group;
- Adequate infrastructure investment to ensure appropriate quality improvement supports are available as well as opportunities to build a highly qualified workforce.

Primer on how the model calculates a per-child cost

To create simplicity, the model imagines that there are five care situations.

1. Two center-based settings – a high-quality and a comprehensive version
2. Two home-based settings – a high-quality and a comprehensive version
3. A school-based setting

And each is identical across the entire state.*

*There are regionalization factors included to account for variability of costs in different parts of the state, but the items included are the same.

Starting point: a proto-typical center

- The model begins with a “proto-typical” center. It assumes there are only two center types across the whole state – one that is called “high-quality” and one that is called “comprehensive”*.
- In all cases, this proto-typical center has the following classrooms:
 - 2 infant classrooms
 - 2 toddler classrooms
 - 2 two year old classrooms
 - And 4 classrooms that have a mix of 3 and 4 year olds
- In total, this “proto-typical” center has about 120 children
 - In reality, the average center across the state has between 1 and 200 children, though actual size varies a lot

In this proto-typical center, staffing patterns indicate staff in the following way

Age group	High-quality		Comprehensive	
	Max group size	Staff in class	Max size group	
Infants (6 wks to 14 mo)	8	1 teacher, 1 assistant, 1 aide	8	1 teacher, 1 assistant, 1 aide
Toddlers (15 mo to 23 mo)	12	1 teacher, 1 assistant, 1 aide	8	1 teacher, 1 assistant, 1 aide
Two-year olds	12	1 teacher, 1 assistant	8	1 teacher, 1 assistant, 1 aide
Preschool (3-4 yo)	20	1 teacher, 1 assistant	17	1 teacher, 1 assistant, 1 aide

- + 2 Lead Floaters/subs (0.2 per classroom x 10 classrooms)
- + 4 Assistant Floaters/subs (0.4 per classroom x 10 classrooms)
- + 3.5 Family engagement specialists (127 kids x 1 for 35 kids)
- + a site director, administrative assistant
- + 2.5 "Additional Professional Staff" (such as consultation, nurse, etc.)

- + 4 Lead Floaters (0.1 per classroom x 10 classrooms)
- + 5 Assistant Floaters/subs (0.5 per classroom x 10 classrooms)
- + 3.25 Family engagement specialists (114 kids x 1 for 35 kids)
- + a site director, administrative assistant
- + a cook and an assistant cook
- + 2.5 "Additional Professional Staff" (such as consultation, nurse, etc.)

At this point, what questions do we have? What do we need?

1. What would you like to understand better?

- This model is based on significant research using data collected for a variety of sources, especially those working in the field.
- What information will ensure you understand how this model and these inputs were developed?

2. What requires additional validation?

- A national panel of experts is being convened and we can ask them for their opinion on this process or any of these inputs.
- What would you like outside perspective on? What might we want to ask a focus group?

3. Do you have feedback on specific inputs?

- As you review the the staffing patterns, or other inputs, do you have any specific feedback from your area of expertise?

Possible prompting questions...

- Does the model approach make sense and is it aligned with other states' (best?) practice for costing adequacy?
- Are there any guiding values that we disagree with or would question?
- Does the fundamental proto-typical center size make sense?
- Re: staffing patterns:
 - Should there only be a “high-quality” and a “comprehensive” option? Is there something less robust than that we should consider (i.e. current licensed standards?)
 - Does the high-quality staffing pattern represent adequacy?
 - Does the comprehensive staffing pattern represent adequacy?
 - Does that proto-typical center have too many staff, just the right amount, or not enough? Consider the same for school-based and home-based.
- Assume in answering this that dual language learners and children with special needs are provided extra funding (and therefore staff) so this is just the view for based costs.

Next Steps

Next Steps

- Working Group Update for May 11th Commission meeting
- Continue Validation Plan progress including Expert Panel and further focus groups
- Updates to Adequacy Model from Validation Plan feedback
- Contemplate goals and methods for periodically reviewing adequacy

THANK YOU

