



Commission on Equitable Early Childhood Education and Care Funding

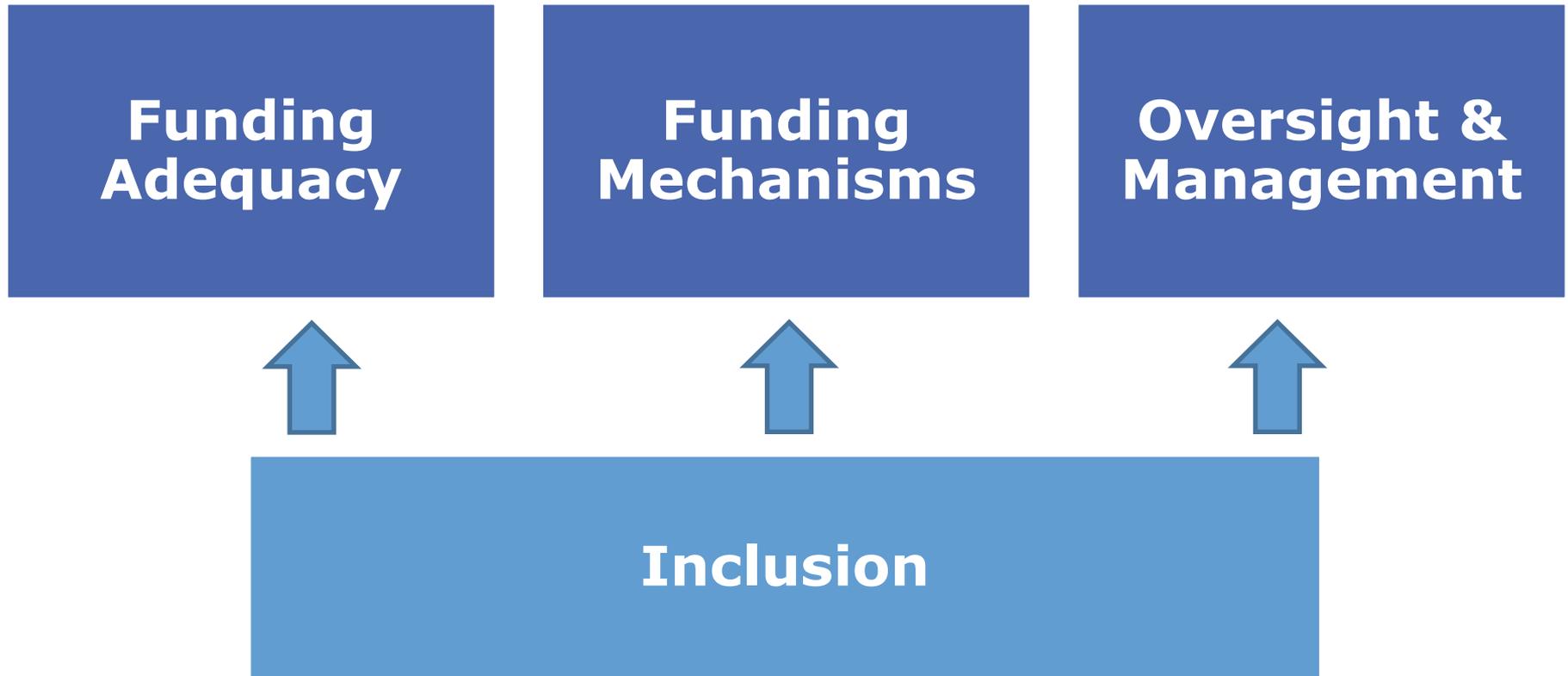
Inclusion Working Group
Meeting 3 – 4/27/2020

Inclusion Meeting 3 Agenda

Item	Time
Reorientation to our work	10:00 – 10:10
Discuss preliminary thinking of “equitable access” and what that means to this Working Group	10:10 – 10:40
M&O and Mechanisms objectives for ECSE and EI	10:40 – 11:30
Progress on Adequacy	11:30 – 11:45
Next Steps	11:45 - 11:55
Public Comment	11:55 – 12:00

Reorientation to Our Work

Commission Working Groups



Inclusion Charge

Goal: *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*

Key Questions to Answer:

- What is the cost for identifying students in need of special services and for serving children in inclusive environments? (Funding Adequacy)
- How should funding sources particular to Special Education / Early Intervention interact with other funding sources? (Funding Mechanism)
- How will funding particular to Special Education/ Early Intervention move from various sources to recipients? (Funding Mechanism)
- How do we ensure funding promotes seamless supports from identification to receiving services? (All three working groups)
- How do we ensure transparency, efficiency, effectiveness, and greater coordination in the system to enable state-level and community-level planning and accountability?

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 (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">• Opine on relevant cost modeling inputs• Develop future M&O / funding mechanism system requirements• Review research available to inform recommendations, including other states
June - July	<ul style="list-style-type: none">• Analyze future system options
July - Sept	<ul style="list-style-type: none">• Discuss interdependencies with other working groups and validate potential recommendations

Inclusion Meeting 3 Goals

- Discuss preliminary thinking on “equitable access” shared in virtual Commission Meeting
- Understand how this preliminary thinking impacts the work of this Working Group
- Unpack M&O and Mechanisms questions and develop a baseline for making recommendations
- Share the path forward to get to adequacy recommendations
- Determine next steps

Equitable Access

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

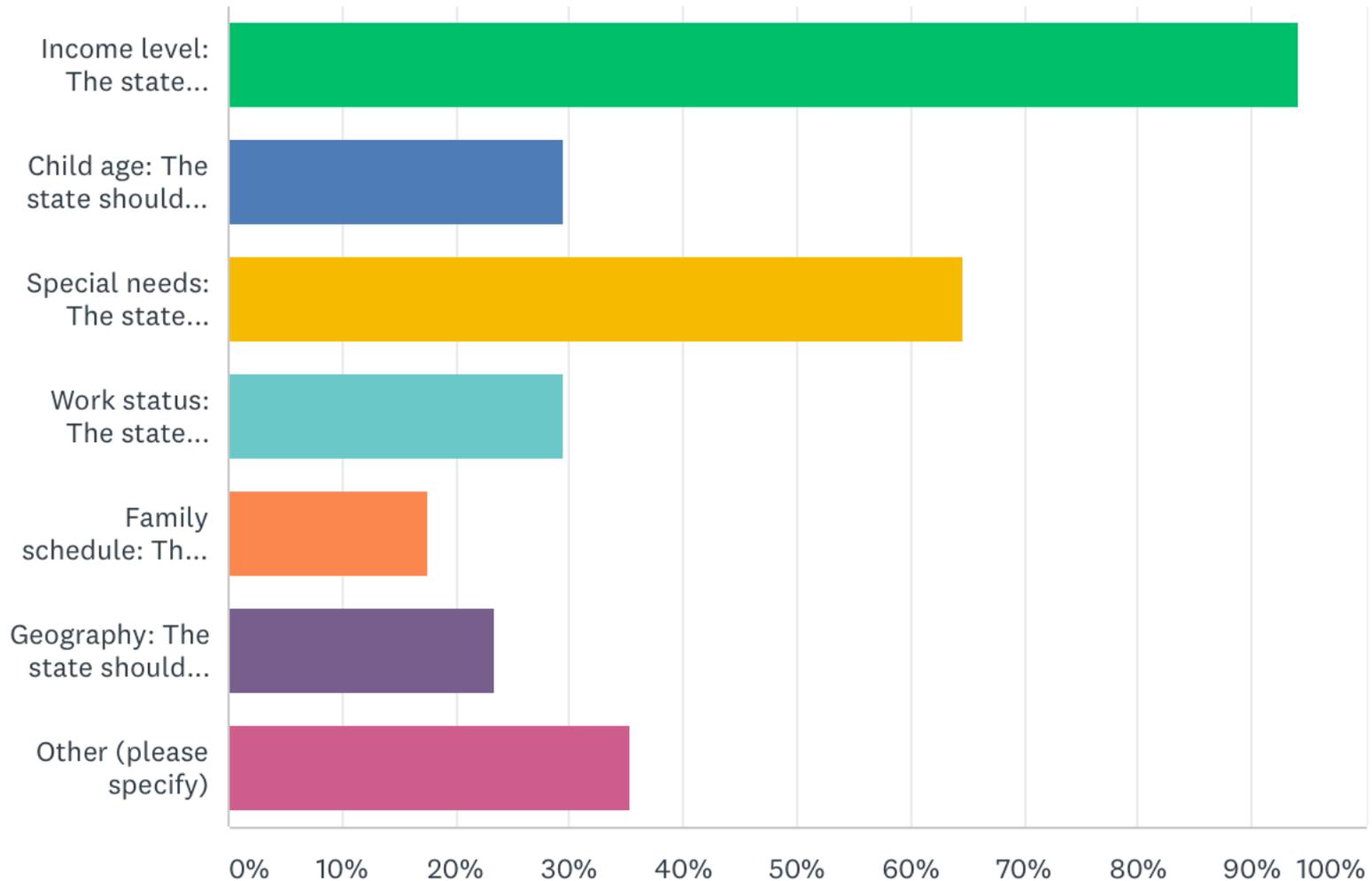
Work status

Family
schedule

Geography

Other

Survey Results: *What factors should determine the availability of state early childhood funds for families, in the long run?*



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 our
Working Group?

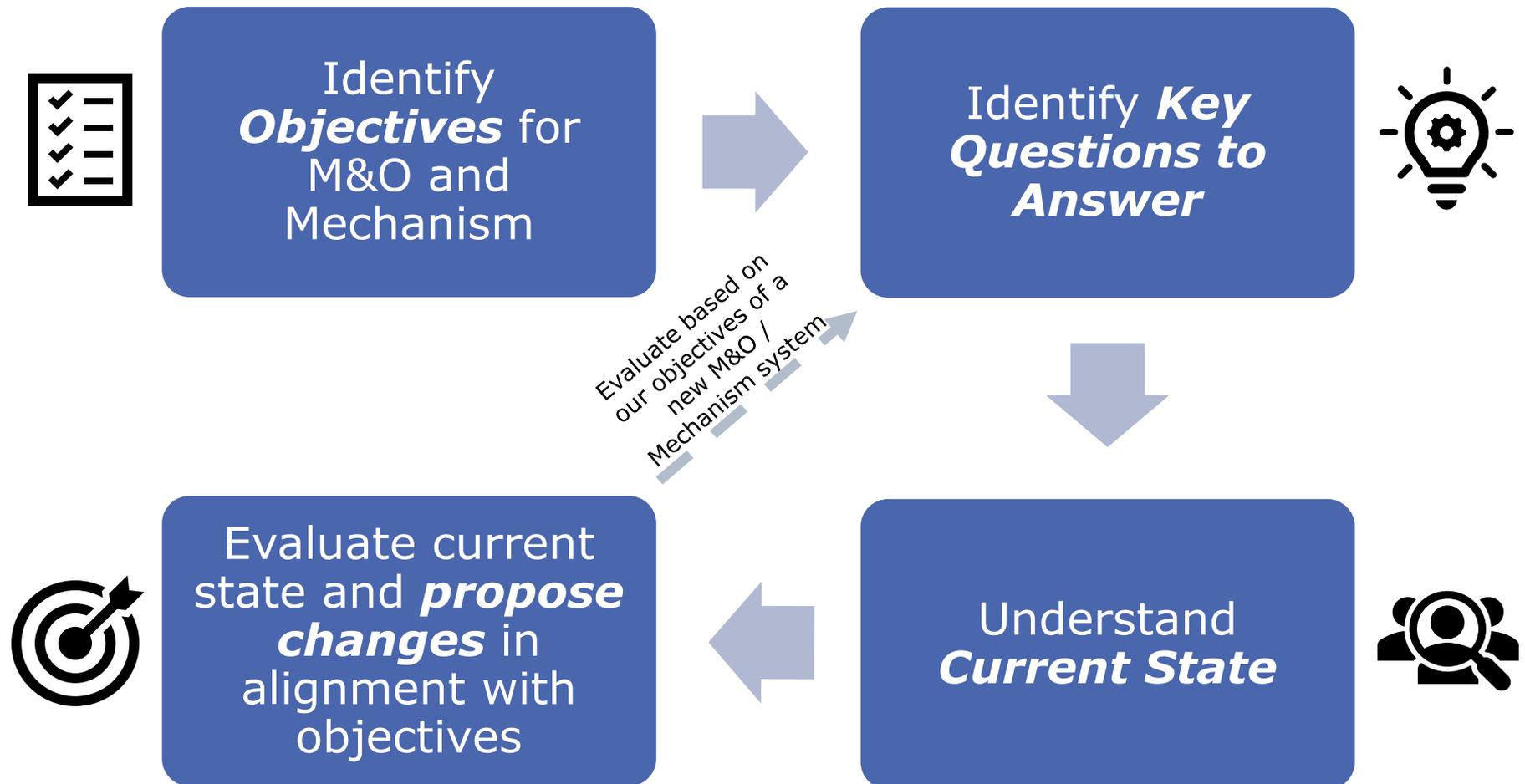
Management & Oversight and Funding Mechanism Recommendations:

Early Intervention and Early Childhood Special Education

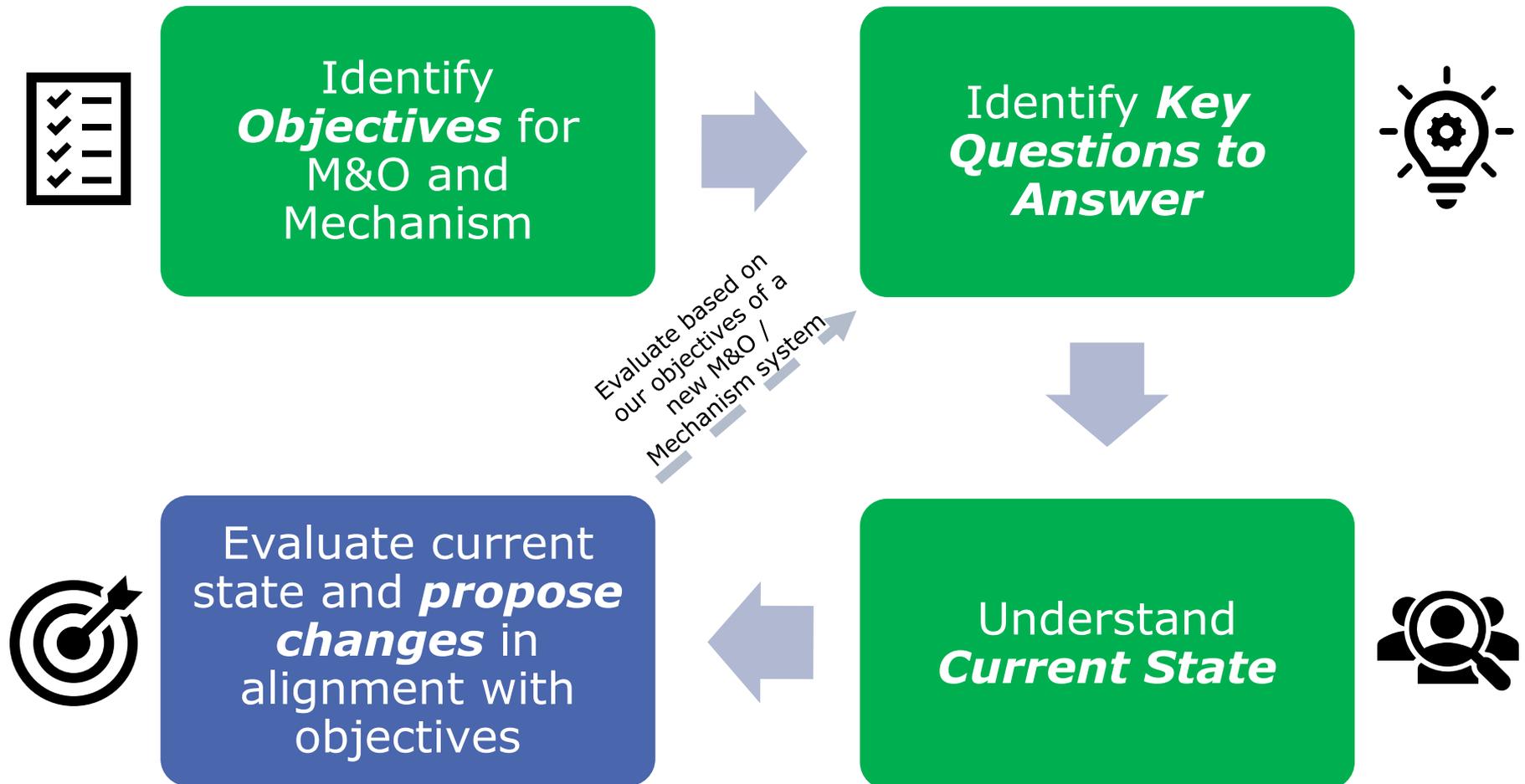
Reminder: ECSE and EI Funding Streams

- Managed and overseen by ***separate agencies***
 - ECSE = ISBE
 - EI = IDHS
- Each has ***multiple funding sources*** using ***various allocation mechanisms***
 - ECSE = IDEA Part B 619, EBF, Medicaid Reimbursements, Local Funds
 - EI = State Appropriations, IDEA Part C, Medicaid Reimbursements, Family Participation Fees

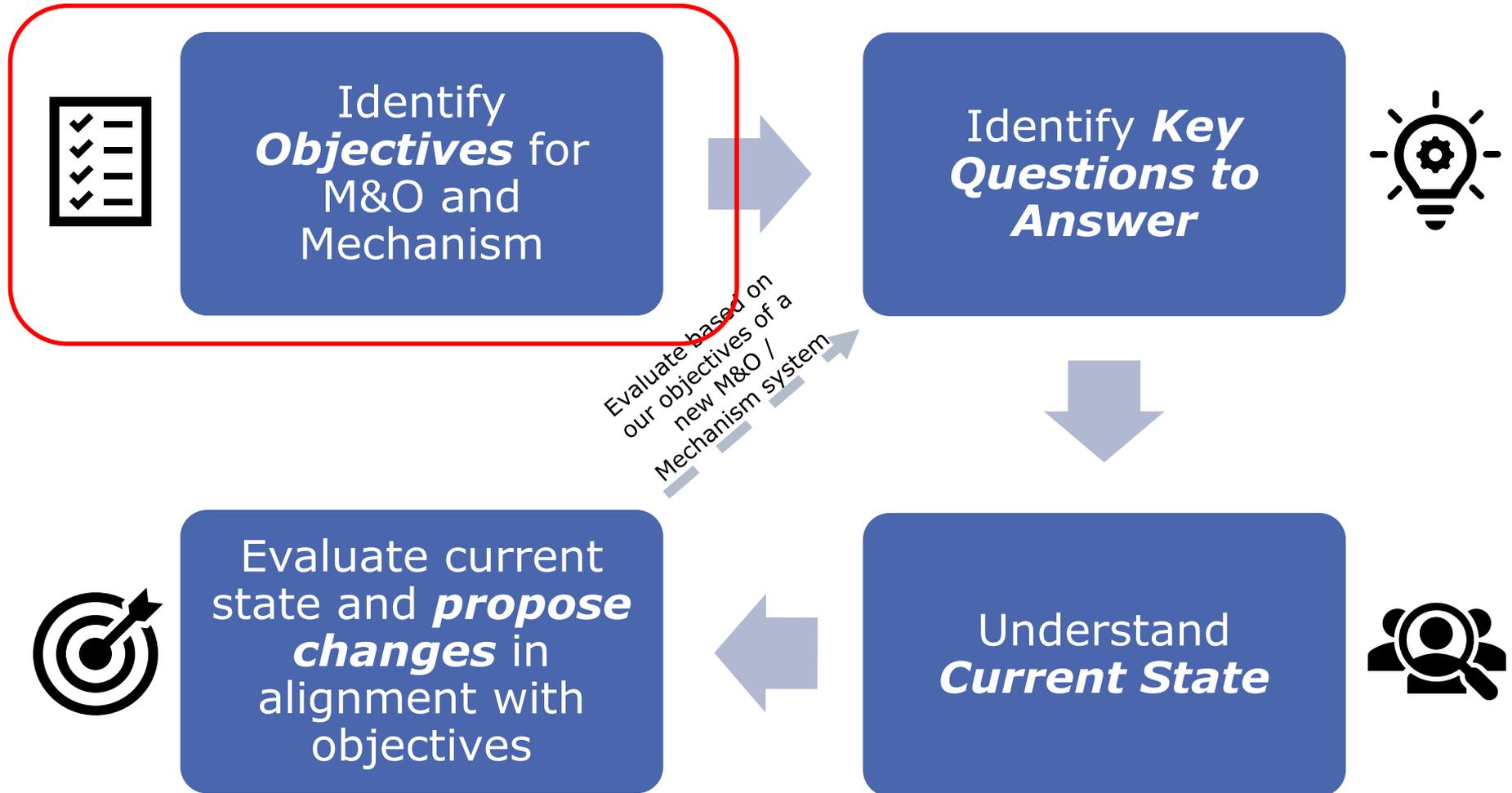
Process to get to M&O and Mechanism Recommendations for Inclusion



Process to get to M&O and Mechanism Recommendations for Inclusion – ***we have a lot of these pieces already started!***



Process to get to M&O and Mechanism Recommendations for Inclusion



Management & Oversight Objectives

Any changes for Inclusion?



A management and oversight system done well will support the effective, efficient, and equitable delivery of high quality services for children (and families).

Plan Cohesively for Sustainable ECEC

- Unify vision, decision making, communication
- Unify the definition of quality
- Design program models and funding streams to respond to family and community needs and system gaps and inequities
- Meet regulatory requirements
- Navigate political and administrative changes

Improve Equitable Access to High Quality

- Ensure sufficient capacity at regional/local level
- Fund and incentivize high quality ECEC services

Ensure Equitable Outcomes

- Use data to inform decisions on resource allocation to meet system and community goals
- Prioritize resource distribution to achieve equitable outcomes
- Fund and incentivize high quality ECEC in areas of greatest need

Improve System Transparency, Accountability, & Efficiency

- Unify monitoring, data collection, & reporting
- Send funding allocations to providers with time to plan
- Implement systems to support simplified funding distribution and reduce duplication of effort

Respond to Family Need and Earn Public Trust

- Unify family engagement and community systems strategies
- Implement accountability that is focused on family perspectives and data

Reminder: anything we create for recommendations will be assessed using these objectives¹⁸

Funding Mechanism Objectives

Any changes for Inclusion?



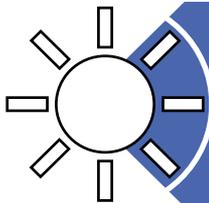
Stability and sustainability

- Support long term planning with funding allocation commitment durations
- Release funds to service providers predictably with consideration to annual planning
- Build and use state, regional, and local infrastructural capacity to support ECEC services
- Create conditions for all types of providers in the mixed delivery system to sustain high quality services



Equitable access to high quality ECEC

- Structure allocation methods to prioritize equitable distribution of and access to services
- Support and incentivize high-quality, effective service delivery
- Ensure specific consideration for program start-up, maintenance, and innovation
- Include resources to support Continuous Quality Improvement at the program and system levels



Transparency, accountability, and efficiency

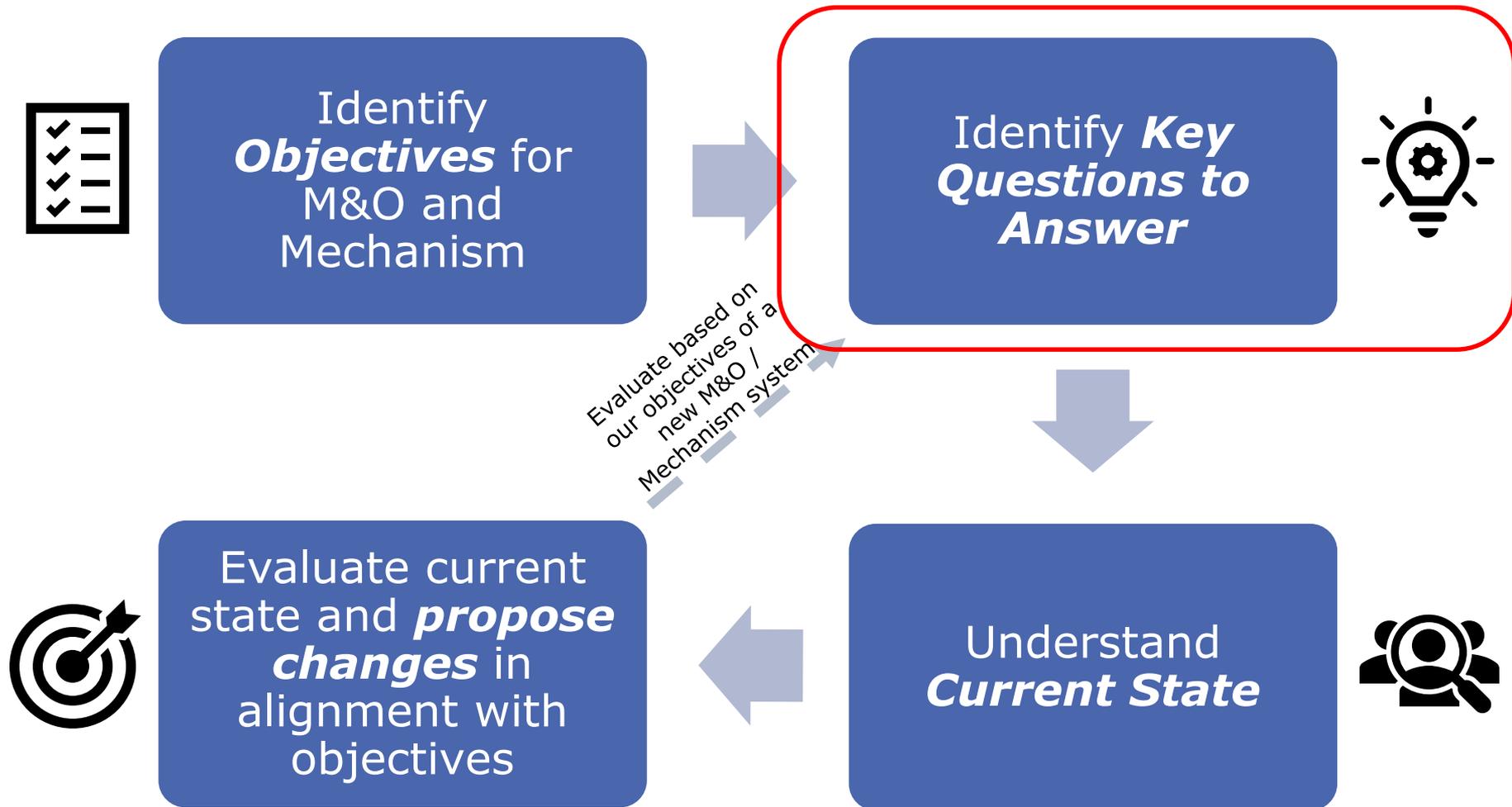
- Simplify access to funding for families and providers and reduce administrative burden
- Create clear, accessible communication on allocation process across the ECEC system
- Make clear how mechanisms are monitored and overseen
- Unify or sync funding distribution timelines



Responsiveness to community and family need

- Ensure Funding allocation considers individual community needs and context
- Incentivize flexible use of funds to meet community needs and context
- Continue support across the birth-5 continuum and a mixed delivery system

Process to get to M&O and Mechanism Recommendations for Inclusion



M&O and Mechanism questions to answer as part of our charge



Management & Oversight

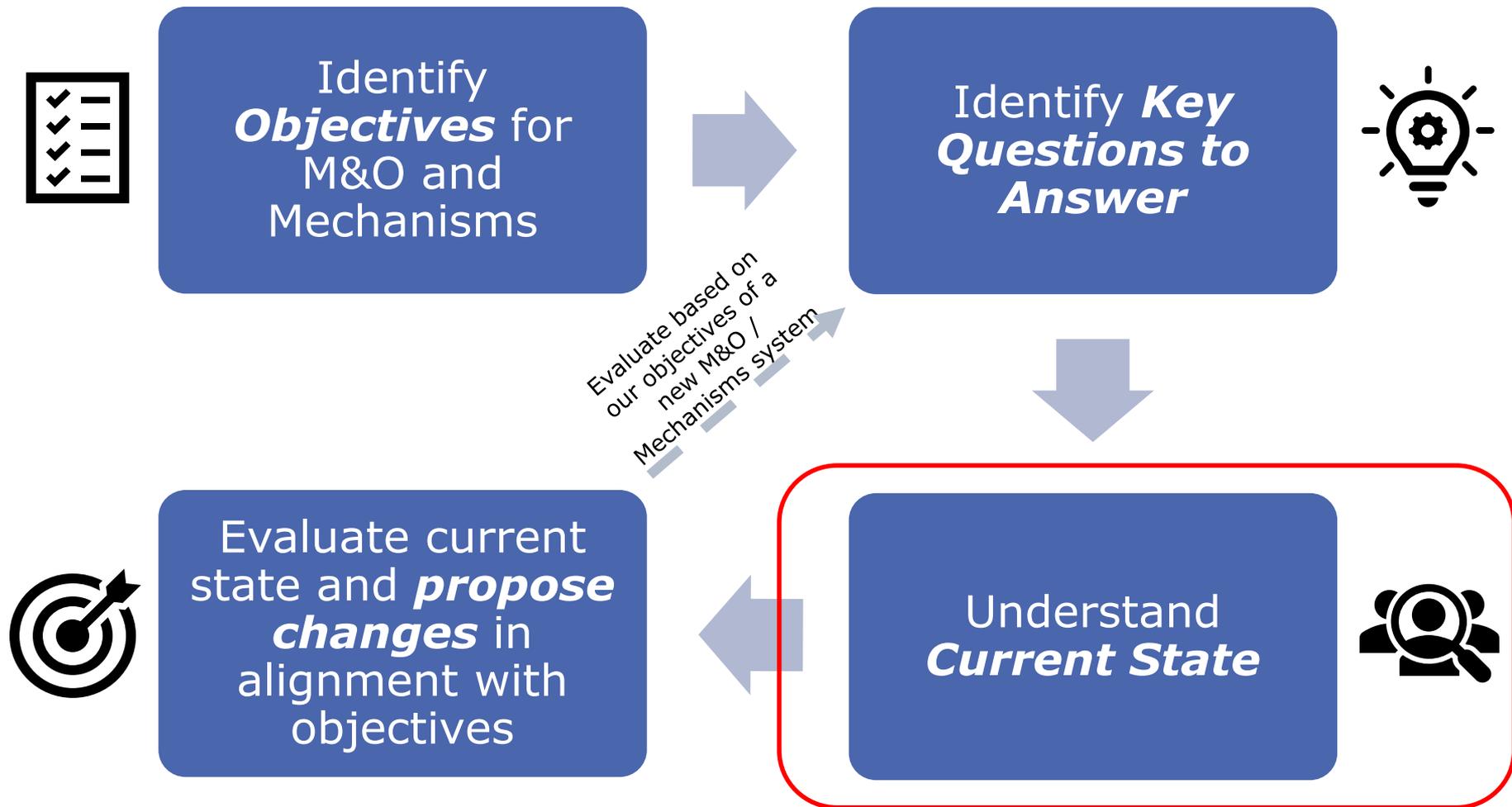
- Who sets the vision and maintains and updates policies and priorities for the overall ECEC system in Illinois?
- Who allocates funds and distributes them?
- Who holds recipients accountable for what they are doing with funding?

Funding Mechanism

- How will funding move from various sources to recipients?
- How will recipients of funding be determined?
- How do funding systems/structures interact with accountability systems/structures?

If we answer these questions for ECSE and EI, we will meet the M&O & Mechanism questions in our charge

Process to get to M&O and Mechanism Recommendations for Inclusion



What is the current state of Management & Oversight for EI and ECSE?



Current State of Management & Oversight for EI and ECSE

<i>Management & Oversight Key Question</i>	<i>Early Childhood Special Education</i>	<i>Early Intervention</i>
Who sets the vision and maintains and updates policies and priorities for the overall ECEC system in Illinois?	ISBE	DHS
Who allocates funds and distributes them?	IBSE	DHS
Who holds recipients accountable for what they are doing with funding?	ISBE	DHS

What are the current Funding Mechanisms for EI and ECSE?



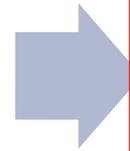
Current Funding Mechanisms for EI and ECSE

<i>Funding Mechanism Key Question</i>	<i>Early Childhood Special Education</i>	<i>Early Intervention</i>
How will funding move from various sources to recipients?	Most of the money comes from state and local dollars appropriated to school districts. Another portion is federal IDEA which flows from the feds through the ISBE to school districts.	These are primarily state appropriations that flow through DHS to providers. Medicaid is federal fee for service that cannot be changed by state policy.
How will recipients of funding be determined?	For ECSE, the recipient is almost if not exclusively school districts. While ECEC is a mixed delivery system, it is not for children 3-5 with special needs.	For EI, the recipient is the mixed delivery system.
How do funding systems/structures interact with accountability systems/structures?	TBD	TBD

Process to get to Inclusion Recommendations for M&O and Funding Mechanism



Identify **Objectives** for M&O and Mechanism



Identify **Key Questions to Answer**



Evaluate based on our objectives of a new M&O / Mechanism system



Evaluate current state and **propose changes** in alignment with objectives



Understand **Current State**



Refining major issues to address for Inclusion M&O and Funding Mechanism



Management & Oversight

- Who sets the vision and maintains and updates policies and priorities for the overall ECEC system in Illinois?
- Who allocates funds and distributes them?
- Who holds recipients accountable for what they are doing with funding?

Funding Mechanism

- How will funding move from various sources to recipients?
- How will recipients of funding be determined?
- How do funding systems/structures interact with accountability systems/structures?

Inclusion Questions

Should EI and ECSE be governed (policy, priorities, funding allocation, and accountability) under one or multiple state agencies?

How will funding move from sources to recipients?

- Pros/cons of current funding streams (EBF for ECSE, state appropriations for EI), barriers to change, and recommendations

How will recipients of funding to service inclusion children be determined?

- Pros/cons of ECSE primarily in school districts, barriers to change, and recommendations

Funding Mechanism and Management & Oversight for Inclusion: Next Steps

- Provide any further reflection on Objectives by end of week to Katie Morrison-Reed (kmorrisonreed@aftonpartners.com)
- Next meeting(s): Evaluate current state and propose changes in alignment with objectives 
- *What, if any, further contextual information do you need to feel prepared for this discussion?*

Adequacy: Progress and Path Forward

Our understanding of “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*

Current cost model inclusion assumptions

Children with IEPs in
public schools
\$0

- ***The ECEC cost model does not include additional costs for children served in school district settings***

Children enrolled in
community-based
child care
\$360M

- Comprehensive program staffing pattern is already intensive enough to account for supporting needs of children with mild delays
- Additional cost of providing supports (instructional aides, adaptive environment, professional development, etc.) for ***children with moderate to severe needs estimated at \$15,000/child***
- Estimated 10% of children need these additional supports = ***\$360M in cost model***

Early Intervention
\$0

- No additional costs for clinicians
- Home visiting is included for 50% of births

\$360M is included specifically for ECSE in CBOs,
about 3% of the draft cost model

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.

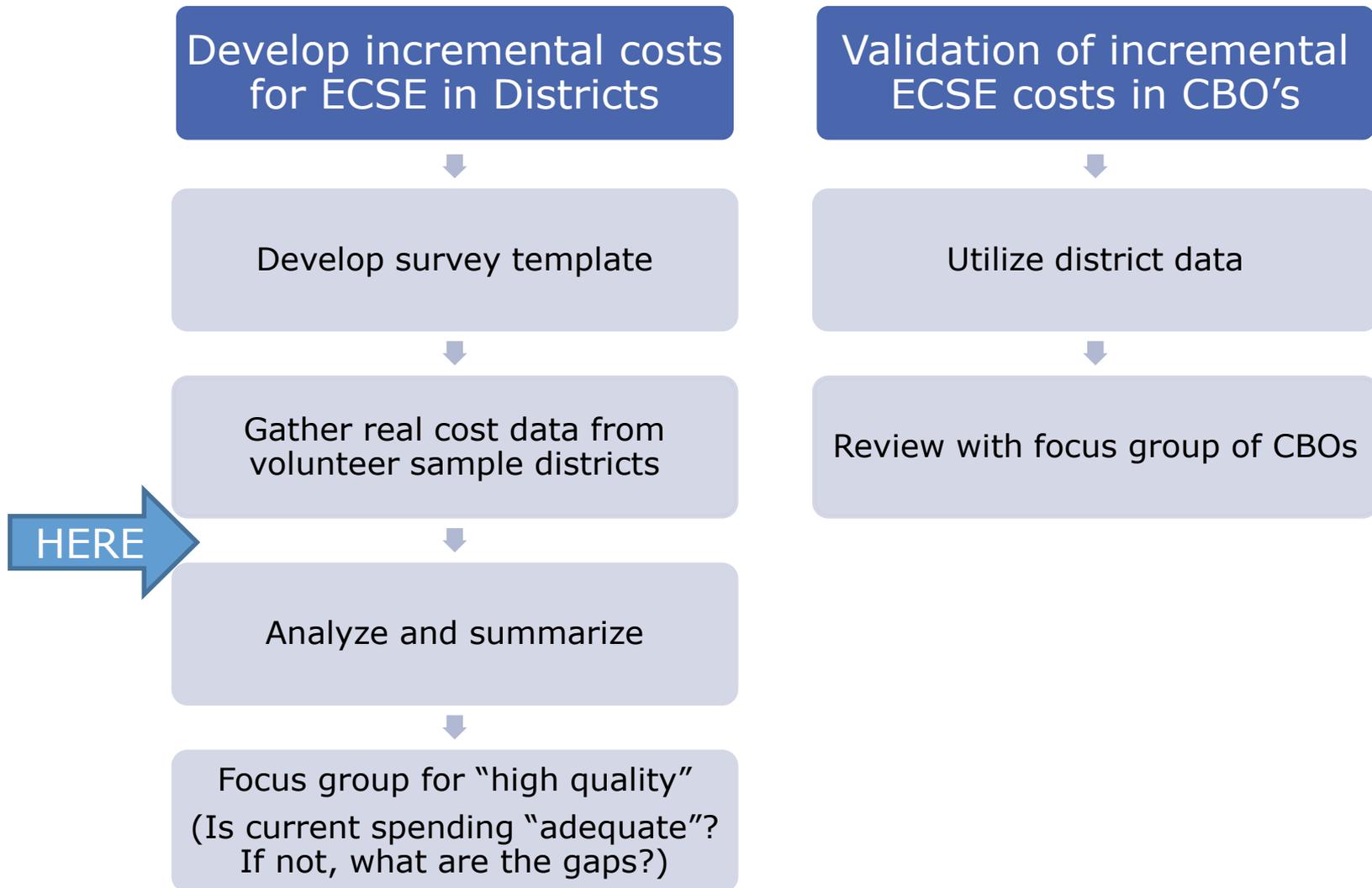
Outcome of last meeting: What do we know is missing or needs to be refined?

- Incremental costs for ECSE in District settings
- Validation of incremental ECSE costs in CBO's
- Early Intervention Services

Last meeting decision:

1. We determined a draft approach for calculating adequacy
2. volunteers identified to build out those plans and move the work forward

Plan to produce a cost of adequacy - ECSE



DRAFT plan to produce a cost of adequacy - EI

Identify categories of providers

- Independent direct-service providers (sole proprietors, individual contractor)
- Small practice/business providers (small business likely with 1099 contractors)
- Large practice/providers (such as Easter Seals or Lurie; likely W2 employees)

Use available data to estimate the count of providers by type and count of children served by each

Build cost categories (pro forma) by provider type

Gather cost information via survey of sample providers

Consolidate survey responses and analyze to estimate cost

Next Steps

Next Steps

- Determine update for May 11 Commission meeting
- Next steps identified today for:
 - M&O and Mechanisms
 - Adequacy
 - Other

THANK YOU



Appendix: Supplemental Slides

ECSE Services

- Services provided by school districts and cooperatives for Pre-K students with IEPs
 - CBOs provide services under the purview of districts
- Various program formats
 - Blended classrooms
 - Self-contained classrooms
 - Itinerant services
 - Therapeutic play groups
 - Child care
 - Walk-in therapy
- Types of personnel providing services
 - Teachers
 - Teacher Assistants
 - Clinicians
- Other service aspects
 - Transportation requirements
 - 70/30 blended requirement

ECSE Funding Sources

Purpose

- Supports educational services for children with disabilities ages 3 to 5 so that they may receive a high-quality education

Population served

- Ages 3-5 with IEPs
- # of children served = ~24,000 (2018)

Governance

- ISBE

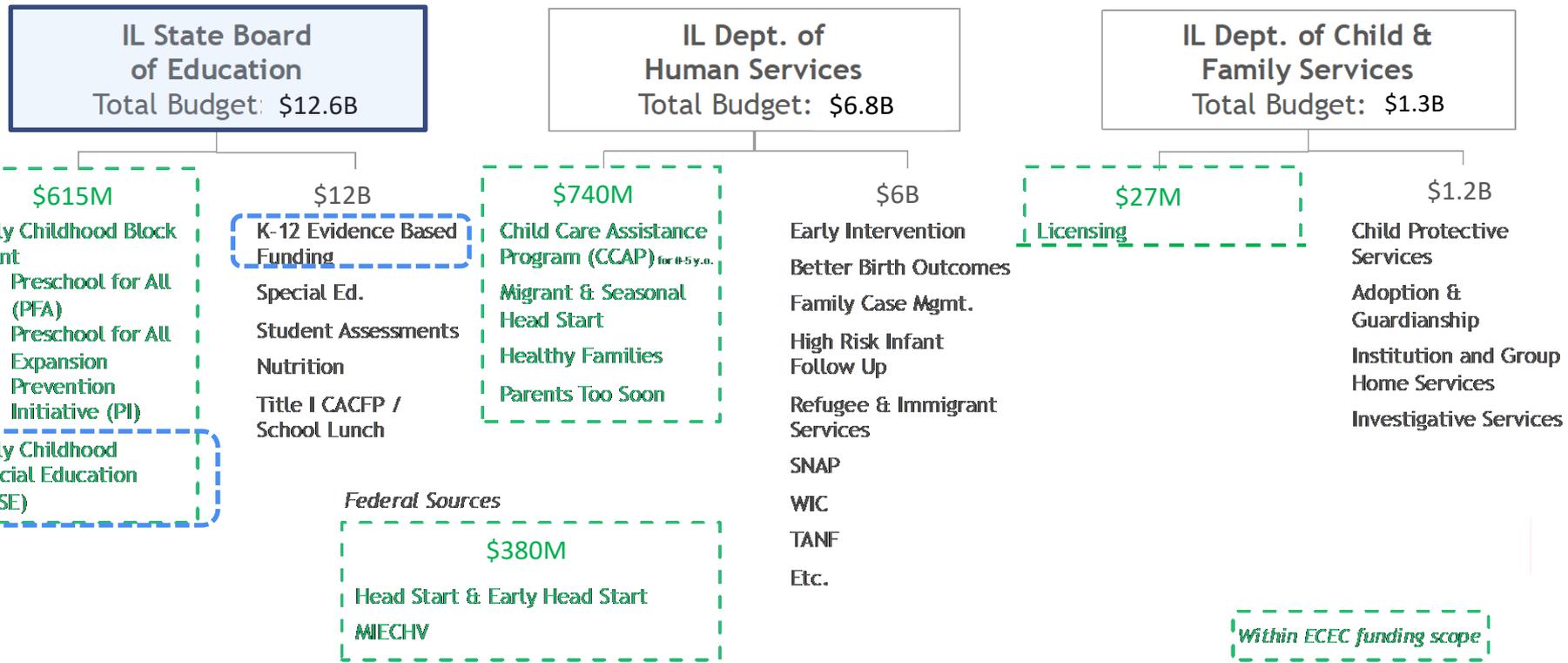
Funding Sources

- IDEA Part B Section 619 = ~\$18M
- Evidence-Based Funding (EBF) = ~\$75M*
- Federal Medicaid Reimbursements = ???
- Grant & Local Funding = ???

*Adequacy amount; not funding. Each LEA receives a different portion of state funding vs local contributions based on their ability to pay (property tax value)

ECSE funding oversight

2020 allocations



Source: IL FY 2017 Budget; assuming funding spread evenly across 0-5 y.o., 6-12 y.o.

EI Services

- Access:

- Families access the Part C EI Program through one of 25 local Child and Family Connections (CFC) offices
- They are assigned a Service Coordinator (sometimes called a Case Manager in other social service programs)

- Services:

- The EI Program provides 16 EI services and other family supports through a variety of individual and agency providers, some not-for-profit and some for-profit
- The providers enroll and sign provider agreements with DHS
- The most frequently provided services are speech therapy and developmental therapy

EI funding sources

Purpose

- The Early Intervention (EI) program provides screening and treatment for developmental disabilities for children from birth to age 3

Population served

- Ages 0-3
- # of children served = ~42,000 (2018)

Governance

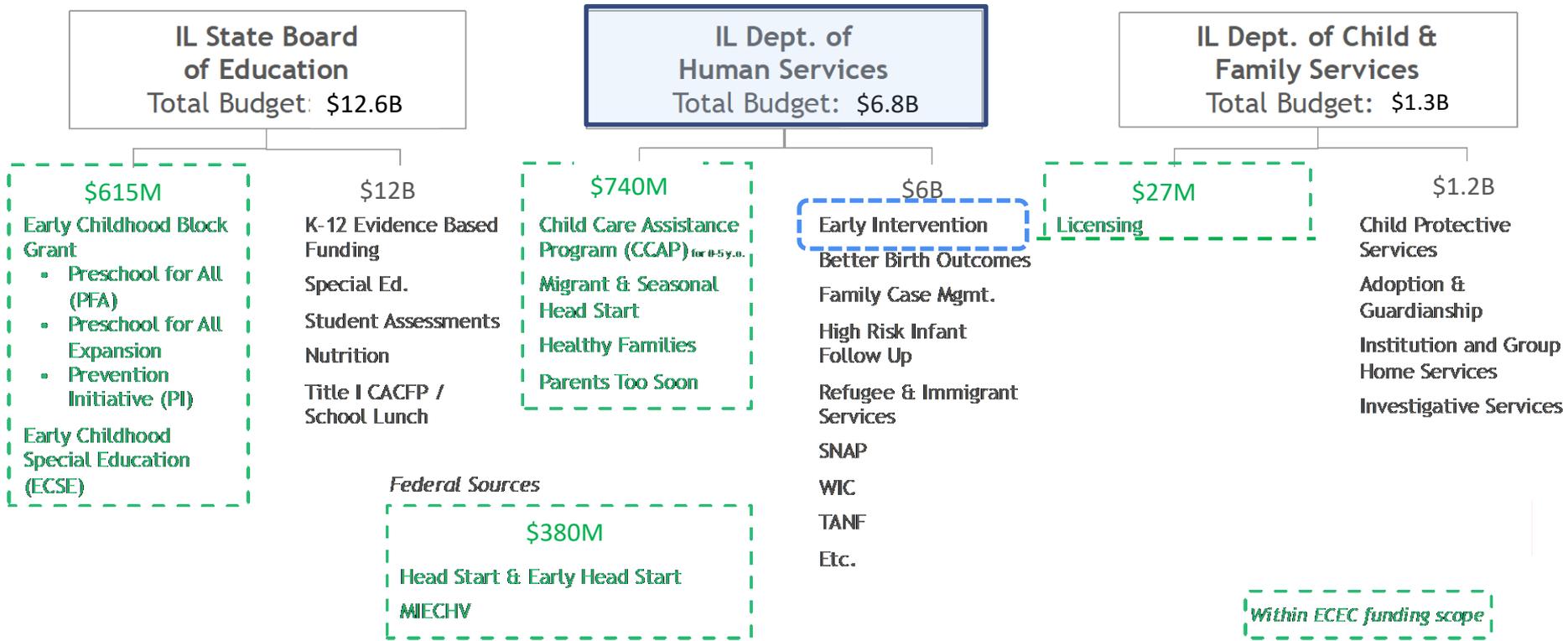
- IDHS

Funding Sources

- State Appropriations = ~\$108M
- IDEA Part C = ~\$17.5M
- Medicaid Reimbursements = ~\$50M
- Family Participation Fees = ~\$5M

EI funding oversight

2020 allocations



Source: IL FY 2017 Budget; assuming funding spread evenly across 0-5 y.o., 6-12 y.o.

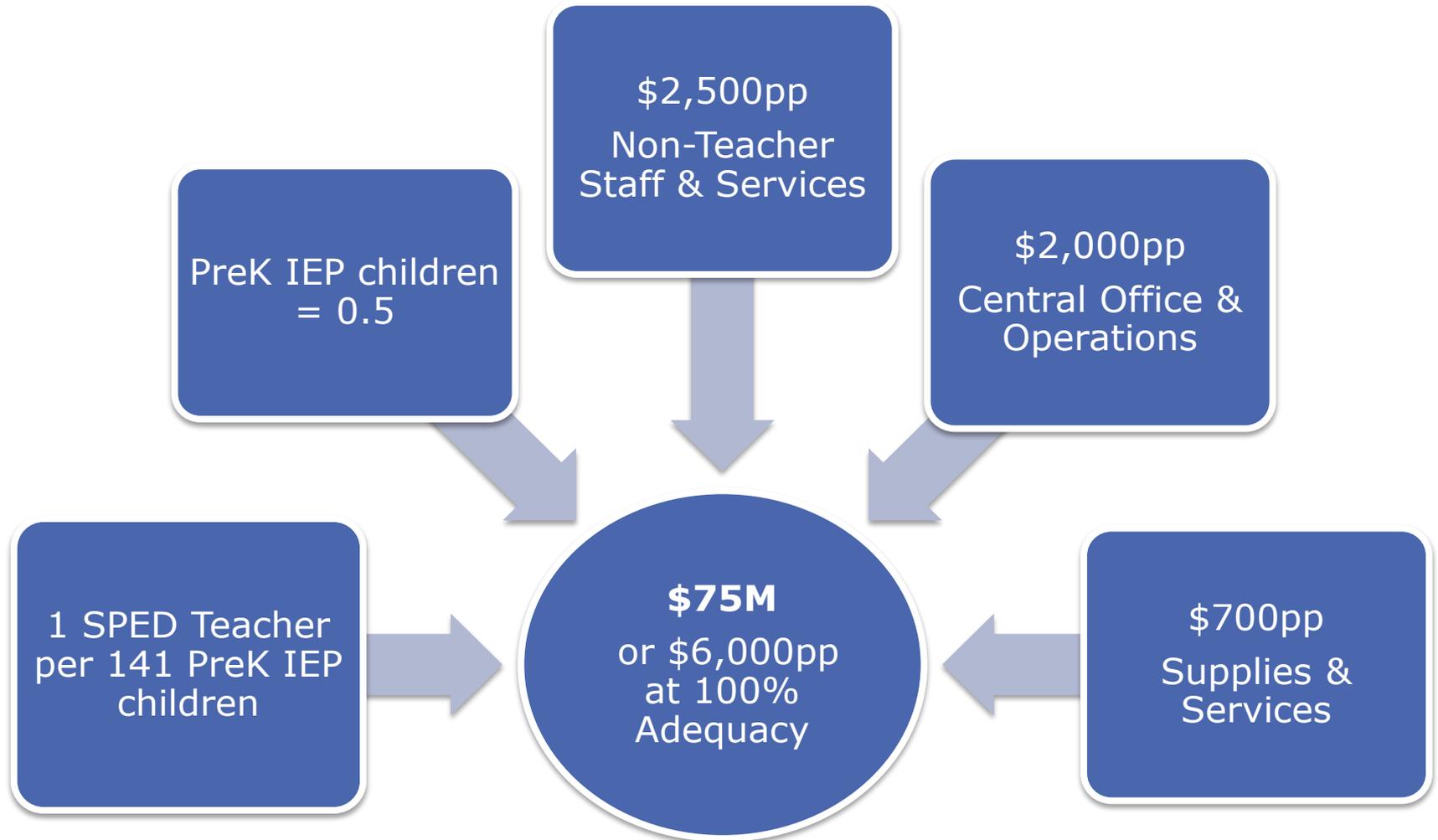
Revise EBF to include true adequacy for ECSE? Create ECSE funding mechanism separate from EBF?

Mechanism strategy	+	-
Revise EBF	<ul style="list-style-type: none"> • Aligns with mandate for LEA responsibility • “Forces” local contribution from LEAs • Simplicity for LEAs • Formula approach 	<ul style="list-style-type: none"> • LEAs don’t “see” this funding in the formula • Revising EBF will increase EBF adequacy target but not funding allocation • Does not account for specific student needs
Separate from EBF	<ul style="list-style-type: none"> • Brings attention to true cost 	<ul style="list-style-type: none"> • Complicates existing local contribution

*What do you see as pros and cons?
Open questions?*

First stop: Evidence Based Funding

The K12 Funding Formula (EBF) includes Pre-K students with IEPs.
What is included in EBF for ECSE services?



Cannot possibly represent adequacy

Major issues to address

Is this comprehensive? What would you add or change?



- Should EI and ECSE be governed (policy, priorities, funding allocation, and accountability) under one or multiple state agencies?
 - What are the pros/cons of each? How does that align to our objectives?
 - What would the barriers be to consolidating them?
 - If M&O were to consolidate ECEC under one existing agency, which of the existing would best serve inclusion children? Why?
- How will funding move from sources to recipients?
 - What are the pros/cons of ECSE funded through EBF (partially discussed last meeting). What are the barriers to changing it?
 - If funding through EBF could be changed, how would using certain other kinds of mechanisms be helpful to meeting inclusion objectives
 - What are the pros/cons of EI funded through state appropriation? What are the barriers to changing it?
 - If funding through EI funding mechanism should be changed, how would using certain other kinds of mechanisms be helpful to meeting inclusion objectives?
- How will recipients of funding to service inclusion children be determined?
 - What are the pros and cons of ECSE being done exclusively by school districts?
 - If that is better changed, what are the barriers to changing it?
 - If this is done through a mixed delivery model, how will qualified providers be determined?
 - What are the pros / cons of the mixed delivery system for EI?
 - If that is better changed, what are the barriers to changing it?
 - If there were regional entities as an intermediary between state money and providers, how could that improve the system if at all? What would the challenges be?