



Smart Start Child Care Contracts

Ad Hoc Advisory Group Meeting #8
September 8, 2023

GOALS

- Share initial reporting requirements for workforce compensation grants
- Discuss training and technical assistance needs for Smart Start
- Hear feedback and questions
- Provide preliminary cost model update and eligibility considerations

AGENDA

- Introductions & reminders
- Takeaways from the previous advisory group meeting
- Discuss Smart Start reporting requirements and training needs
- Share cost model process updates



Build **understanding and alignment** on strategic intent and goals



Provide **input and feedback** throughout the design process



Review and pressure-test relevant cost analyses, potential policy options, and administrative options

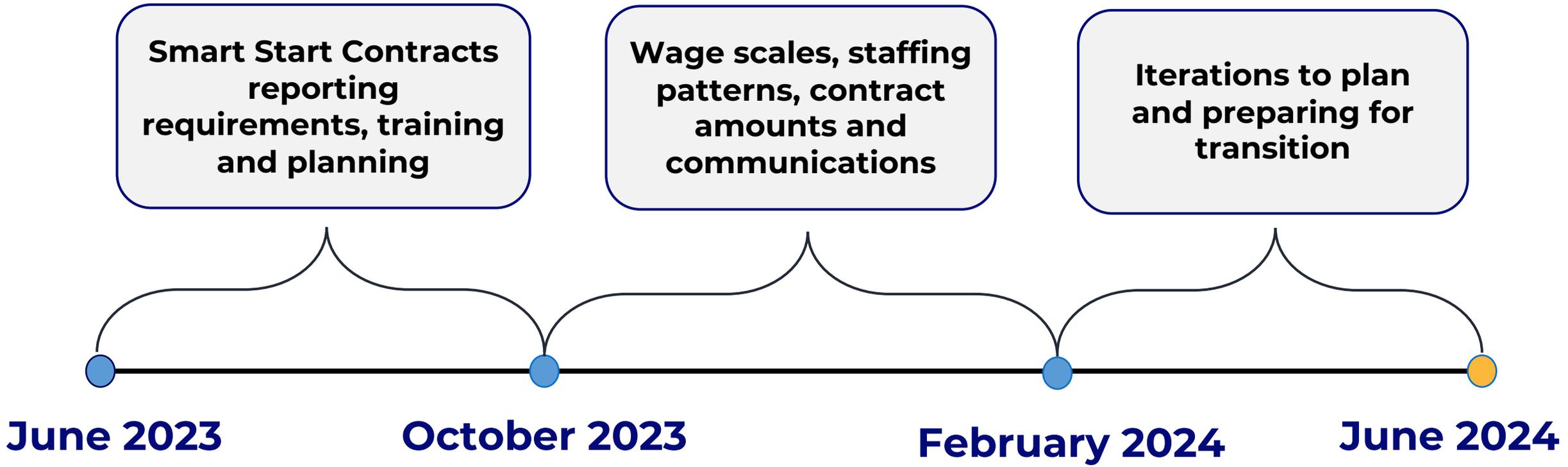


Surface any **potential risks and opportunities**



Support overall plan development and **champion it among stakeholder groups**

Reminder: Transition year advisory timeline



July '24
Begin Smart Start
contracts

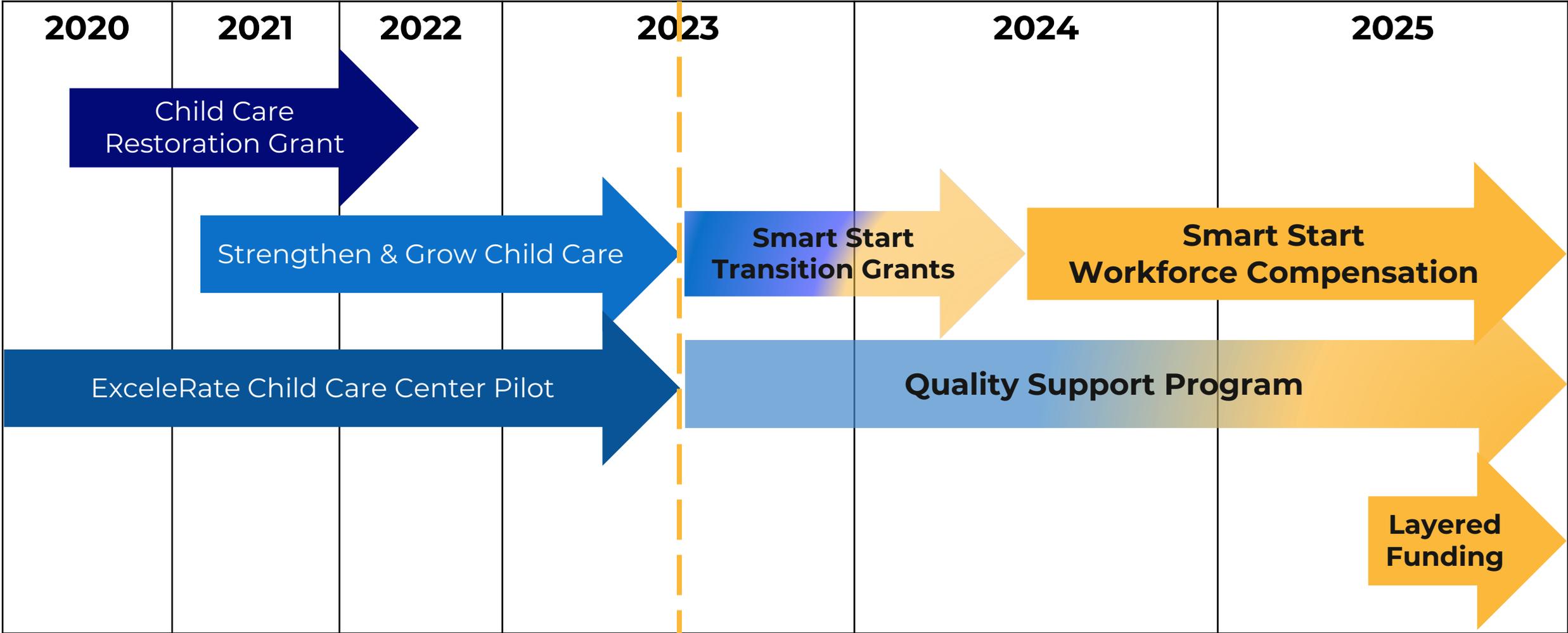
Common Themes

- Appreciation for stakeholder engagement and inclusion
- Appreciation for proposed flexibility in use of funds for programs already meeting the wage scale
- Unease around the sustainability and consistency of workforce compensation contracts
- Advisory members would like more clarity on program eligibility, especially for providers with layered funding

Questions and Concerns

- How will program participation in workforce compensation contracts affect teacher turnover?
- Providers near the proposed CCAP eligibility threshold may be concerned about participating if they could lose eligibility in future years.
- How should the State consider eligibility for programs in Chicago, where there are more pre-k slots?
- How will FCCs be supported with reporting requirements?
- Can Quality Supports grants fund support for children with additional needs or challenging behaviors?

We are in a year of thoughtful, inclusive planning for Smart Start Child Care



We are here

Smart Start Child Care

*Proposed Reporting
Requirements*



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Proposal Topics

Workforce Compensation Contracts:

- Reporting requirements
- Training

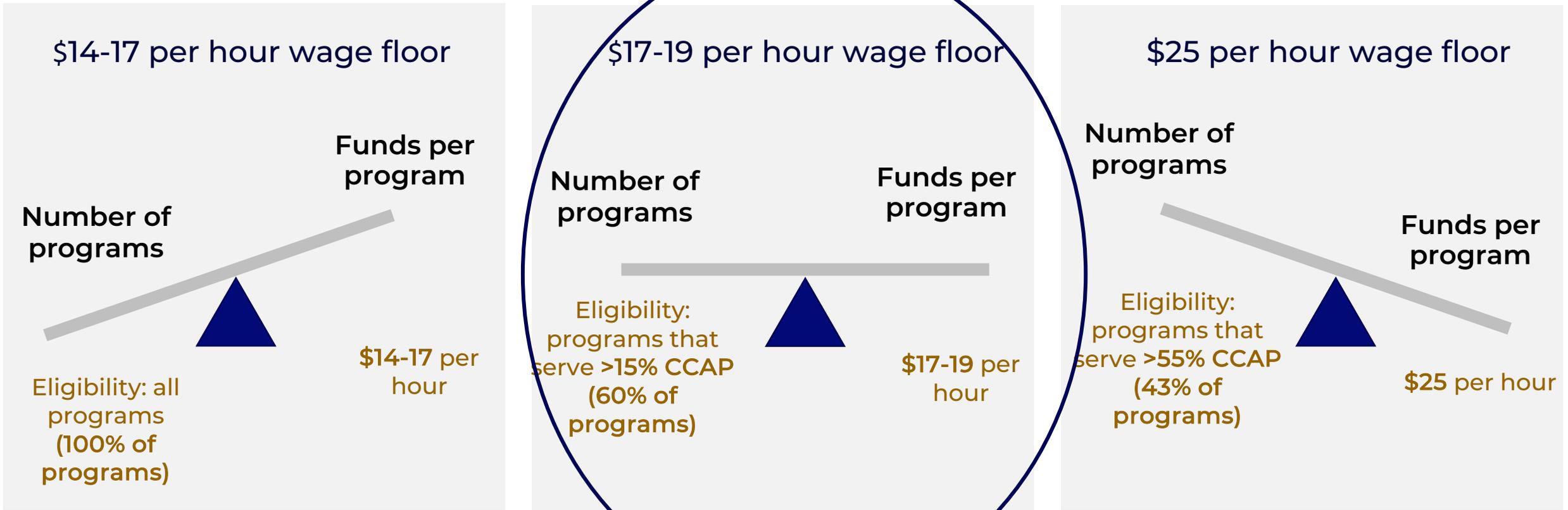
Small Group Discussion

- What types of **training and technical assistance** will be needed to meet these reporting requirements?
- What **unintended consequences** might reporting requirements have? Who might not be able to meet these requirements?

As shared by the Governor, Smart Start will support child care programs through workforce compensation contracts and quality support funding.

- **Workforce compensation contracts** will provide funding for staff wage increases, supporting child care sector stability
- **Quality support funding** will provide funding for staff wage increases based on credentials, supporting child care quality
- Pending funding in future fiscal years, Workforce Compensation Contracts will launch in July 2024 and Quality Support will expand in July 2025. The goal of these contracts is to support the child care workforce and, therefore, the field.

Smart Start Child Care must reach a significant portion of the field to positively impact the workforce. This will cap wage increases for child care workers.



This represents a proposal for Smart Start Child Care and not a final decision.

PROPOSED: Smart Start Workforce Compensation Reporting Requirements



Proposed Required Quarterly Reporting

- Providers will be required to submit quarterly reporting on use and impact of Workforce Compensation Contracts
- This includes:
 - **Staff Payroll**
 - Documentation that proves staff are paid base wages
 - **Narrative Report**
 - Data on number of classrooms, staff, and children served.
 - Monthly reporting and must be completed for each month of the quarter
 - **Approval Letter**

Proposed Timeline

	Timeline	Reporting Due
Q1 (SFY25)	October – December 2024	January 15 th , 2025
Q2 (SFY25)	January – March 2025	April 15 th , 2025
Q3 (SFY25)	April – June 2025	July 15 th , 2025
Q4 (SFY26)	July – September 2025	October 15 th , 2025

This represents a proposal for Smart Start Child Care and not a final decision.

Propose that INCCRRA and IDHS will verify reported information to ensure that providers are meeting the required wage floor.

- Center-based providers will upload payroll documentation to the Gateways Portal.
- Family child care providers will submit Schedule C IRS tax forms, similar to Gateways program requirements.
- INCCRRA will verify that center-based programs meet the required wage floor and will review total revenue and expenses for home-based providers.
- Programs that do not meet the required wage floor will be disqualified from future contract funding and may be subject to penalties.

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*Training & Technical
Assistance*



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Training and technical assistance supports from past funding initiatives could support providers with workforce compensation contracts

- Webinars
- Training videos
- FAQs documents and newsletters
- Technical assistance from CCR&R (coaches and navigators)
 - Business supports and budgeting
 - Policy and procedure development and implementation
 - Navigating the Gateways Director's Portal
- Technical assistance from INCCRRA
- Materials to spread awareness such as: social media blasts, flyers, postcard mailers

SMALL GROUP BREAKOUTS

- Group 1: Providers with ECBG and/or HS funding
- Group 2: Providers with CCAP only
- Group 3: Other Ad Hoc Members

Reminder: Today's discussion pertains to contracts for programs or classrooms with only CCAP and private tuition revenue.

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is here



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Small group questions and discussion

- What types of **training and technical assistance** will be needed to meet these reporting requirements?
- What **unintended consequences** might reporting requirements have? Who might not be able to meet these requirements?

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Smart Start Child Care

Cost Model Update



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Aiming to fully update the cost model by mid-September

Updating or validating:

- Current wages
- Non-personnel costs (e.g. rent, supplies, insurance)
- Staffing patterns for centers and homes
- Estimated programs eligible using CCAP enrollment data

Process and timing:

- **Provider survey open until September 11 (remind your networks!)**
- **Focus groups** provide input on staffing pattern and wage assumptions (September 18-25) – **sign up using google form**
<https://forms.gle/An4Z7NXEVzxMiGpS8>
- Collect and analyze existing state data (ongoing)
- Fully updated cost model and cost estimates by beginning of October

Multiple data sources are being used to update the Smart Start cost model

Data Source	Type of Data	General Trends
Provider survey	<ul style="list-style-type: none"> Classroom staffing patterns Expenses Home-based provider wages 	<ul style="list-style-type: none"> Survey deadline extended to Monday, September 11 1,101 fully completed responses received so far
Gateways Registry (INCCRRA)	<ul style="list-style-type: none"> Highest, lowest, and median wages by position Number of staff of each type by size of center Breakdowns by location, SGCC recipient vs. non-recipient 	<ul style="list-style-type: none"> Higher number of admin staff (e.g. assistant director) than we had assumed
Strengthen & Grow Grant Reporting	<ul style="list-style-type: none"> Grant participation, funding received Enrollment and capacity 	<ul style="list-style-type: none"> Consistent with previous rounds of reporting
CCAP enrollment data (Chapin Hall)	<ul style="list-style-type: none"> CCAP enrollment by provider by month 	<ul style="list-style-type: none"> More programs meet the CCAP minimum if we use their annual max enrollment than their annual average Home-based programs and centers have similar trends
Preliminary Market Rate Survey (INCCRRA)	<ul style="list-style-type: none"> Average private pay tuition rates by age of child and region 	<ul style="list-style-type: none"> Private pay tuition rates have increased since 2021 Along with current CCAP rates, allows us to estimate a typical program's revenue

We heard concerns about CCAP eligibility at our last meeting:

- Who would be excluded by a 15% CCAP eligibility threshold?
- Would providers whose CCAP eligibility fluctuates be discouraged from participating?
- How does the CCAP minimum affect home-based programs?

In response, we looked at monthly CCAP enrollments for 2022 to estimate how many providers would be eligible at different thresholds:

	Annual Average (2022)			Annual Max (2022)		
CCAP Minimum	Estimated # of Providers Eligible	% of Previous Grant Recipients	% of all Licensed Providers	Estimated # of Providers Eligible	% of Previous Grant Recipients	% of all Licensed Providers
5%	5,230	90%	68%	5,310	92%	69%
10%	4,958	85%	64%	5,106	88%	66%
15%	4,661	80%	60%	4,894	84%	64%
20%	4,414	76%	57%	4,672	81%	61%
25%	4,164	72%	54%	4,545	78%	59%

Family child care providers show a very similar pattern:

% CCAP Enrollment Minimum	Annual Average (2022)			Annual Max (2022)		
	Estimated # of Providers Eligible	% of Previous Grant Recipients	% of all FCCs	Estimated # of Providers Eligible	% of Previous Grant Recipients	% of all FCCs
5%	2,930	94%	61%	2,954	95%	62%
10%	2,870	92%	60%	2,931	94%	61%
15%	2,785	89%	58%	2,882	92%	60%
20%	2,701	87%	56%	2,830	91%	59%
25%	2,598	83%	54%	2,812	90%	59%

- There are not huge drop-offs in eligibility around either 10% or 15%

Next Meeting Date:
October 6, 2023, 11-1pm

Open Survey for Feedback:
<https://forms.gle/3DPPyPUcPQiTgbwX9>

Focus Group sign up:
<https://forms.gle/An4Z7NXEVzxMiGpS8>



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