

SMART START WORKFORCE GRANTS



SMART START WORKFORCE GRANT COMMUNITY ENGAGEMENT REPORT

[Spanish Version Available Here](#)

Introduction

In spring 2023, Governor Pritzker announced [Smart Start Illinois](#), a multi-year plan to invest in early childhood initiatives including increasing access to preschool, increasing funding to support child care providers to raise wages and investing in Early Intervention and Home Visiting. In State Fiscal Year 2024 (SFY24), this included \$100 million in State General Revenue Funds (GRF) and \$106 million in federal American Rescue Plan Act (ARPA) relief funds for Smart Start Child Care, which aimed to stabilize child care and improve wages across the field. This initiative invested in Illinois' early childhood programs.

Pending appropriation by the Illinois General Assembly, the Illinois Department of Human Services' (IDHS) Division of Early Childhood (DEC) will launch Smart Start Workforce Grants (SSWG) in State Fiscal Year 2025 (SFY25) and will build on previous investments in the child care field in Illinois, including the [Strengthen and Grow Child Care Grants \(2022-2023\)](#), the [ExceleRate Child Care Center Pilot \(2020-2023\)](#), when it became Smart Start Quality Supports), and the [Smart Start Transition Grants \(2023-2024\)](#). Over the past three years, Illinois has transitioned the focus of these grant programs from the focus on stabilizing the field during an emergency to a focus on investing in the child care workforce. The next step -- Smart Start Workforce Grants -- will help providers meet a new, higher wage floor for their staff, bringing further stability to the field and paving the way for child care to serve more families across Illinois.

Illinois Child Care Workforce Investments 2020–2024

Child Care Restoration Grant 2020-2022	Strengthen and Grow Child Care Grant 2021-2023	Smart Start Transition Year 2023-2024	Smart Start Workforce Grant 2024 and beyond
Stabilize the field through the height of COVID-19	Stabilize the field and invest in the workforce	Invest in the workforce and prepare to raise wages	Raise child care worker wages

Through Smart Start Illinois, the state is poised to invest in Smart Start Workforce Grants (SSWG). Participating programs will receive grants to help increase wages for personnel and will be required to pay teachers and assistant teachers at or above a wage floor. The predictable funding provided via SSWG will help programs attract and retain qualified staff, stabilizing the workforce and expanding families' access to quality child care.

Key Term: Wage Floor

The wage floor is a required baseline hourly wage paid to an employee. Programs that participate in Smart Start Workforce Grants will be required to adhere to an established wage floor but can choose to pay some or all staff above the required floor.

SMART START GUIDING PRINCIPLES

IDHS-DEC prioritized equity throughout the engagement process, using the following considerations to guide the development of Smart Start Workforce Grants in partnership with the Child Care Contracts Ad Hoc Committee of the Child Care Advisory Council and Early Learning Council.



Decisions must be grounded in equity, prioritizing programs with limited access to funding



Grants should maximize program reach while also setting a wage scale that creates competitive wages for the field



Decisions must be informed by child care providers and educators who stand to be most impacted by them



Grants must provide eligible programs with enough funding to cover the costs associated with requirements



The program must stay within the allocated budget and meet the Governor's stated goals



We recognize that we need to make decisions on a timeline with the best information we have

To better understand the priorities and challenges with the current early childhood education and care system, IDHS-DEC prioritized input from those working in and utilizing the system. For the SSWG, this effort began with an ad hoc committee of the IDHS-DEC Child Care Advisory Council, first convened in November 2022. The committee includes child care center providers and home-based providers, advocates, representatives of state agencies, parents, and Child Care Resource & Referral Agency (CCR&R) staff. The committee has provided insight and feedback, while raising questions and thoughts as IDHS-DEC began developing a plan for the SSWG.

The input received at monthly meetings (agendas available [here](#)) provided initial and ongoing feedback to IDHS-DEC, while the additional engagements described below built on the work of the ad hoc committee and further informed the development and planning for the SSWG. This brief will provide an explanation of the process, key findings, and implications of three wide-reaching stakeholder engagement efforts conducted over the course of 2023:

- Teach Plus Educator Focus Groups (Spring 2023)
- Provider Survey (September 2023)
- Provider Focus Groups (September 2023)

IDHS-DEC is deeply grateful for the constructive input and feedback of those who participated in the grant design process via these engagements, as well as the IDHS-DEC Child Care Advisory Council Ad Hoc Committee.

Teach Plus Educator Focus Groups

Purpose: In Spring 2023, IDHS-DEC partnered with Teach Plus Illinois to engage educators from community-based child care settings. The focus groups collected information on educator's experiences with previous child care grants, reactions to draft salary scales, and ideas for program accountability to ensure grant funding is distributed as intended.

Process: A group of Teach Plus Illinois Early Childhood Education Policy Fellows hosted a series of ten independent virtual focus groups in April and May 2023, providing IDHS-DEC with the analysis as well as preliminary and final reports.

Response and Representativeness: The Teach Plus focus groups engaged 55 educators from Illinois child care programs, including lead classroom teachers, teaching assistants, and other classroom-based personnel. The majority of participants were from the Chicago Metropolitan area.

Key Findings:

- **Educators are excluded from decisions that determine how they receive compensation and are unaware of what funds their centers receive and how those funds are being used.**
- **Educators want a salary scale that exceeds a livable wage, reflects wage increases with each year of experience, and differentiates wages for different levels of education.**
- **Educators desire transparency and predictability around compensation from their centers and the institutions that fund them.**

When presented with a draft salary scale, educators expressed differing opinions. All agreed that wages need to exceed a livable wage and should reflect the intensive work of educating young children. Some participants wanted the wage scale to account for educators with different levels of education and experience. There were also concerns that the wages were still below pay in other fields that are less intensive and have fewer requirements.

Educators wanted transparency and predictability around compensation and suggested that IDHS-DEC could hold centers accountable through audits with special attention to payroll. They also suggested that centers could be required to share compensation information with staff. Other suggestions made by educators included paying teachers directly, establishing a regulatory committee, and making information public with opportunities for input.



Provider Survey

Purpose: In September 2023, IDHS-DEC conducted a provider survey to develop a more comprehensive understanding of the true cost of care for child care providers, specifically focusing on staffing patterns, expenses, and home-based provider wages. The survey built on previous data¹ and allowed IDHS-DEC to confirm and update numbers to ensure accuracy in a tool called a “cost model.” The cost model relies on having accurate and valid data, including information from current providers and practitioners in the field about current costs, staffing patterns, and other factors affecting costs in the early childhood system.

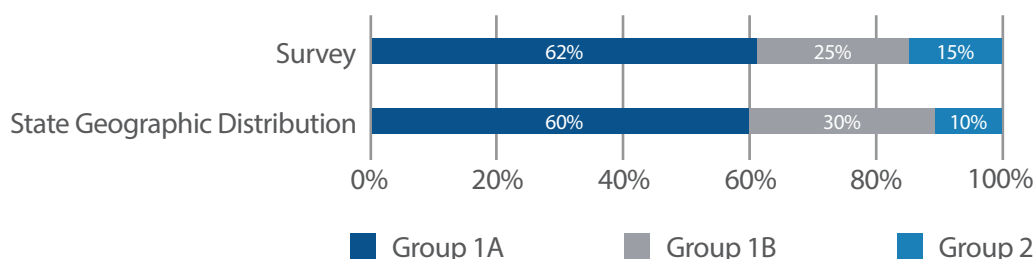
Key Term: Cost Model

A cost model is a flexible tool that measures the cost to provide a service like child care and can be used to estimate the impact of various program decisions on the overall cost and reach of a program. It draws on data about current costs, especially wages and compensation, to estimate the cost of making changes to program eligibility, funding amounts, and other factors across the system.

Process: The survey was sent to all licensed, full-day and full-year providers in the state of Illinois, as those are requirements to participate in current Smart Start Transition Grants. Given the different structures and needs of child care centers and homes, two separate surveys were distributed accordingly. Surveys were available in both English and Spanish.

Response and Representativeness: A total of 1,675 licensed child care centers and homes responded to the survey, which is approximately 22% of all licensed, full-day, full-year programs in Illinois. This included 654 (39%) center-based respondents and 1,021 (61%) home-based respondents, with 159 surveys completed in Spanish. The distribution between home-based providers and centers responding to the survey is similar to the distribution within the state.²

Responses were geographically representative of the state, with a roughly similar distribution between Groups 1A, 1B and 2.³



Survey respondents also served a demographically diverse set of families, determined by the program serving at least one child in each of the categories named in the chart.

Program has at least one child who...	Center Responses	Home Responses
Participates in the Child Care Assistance Program (CCAP)	89%	71%
Is a dual language learner	59%	50%
Has an Individualized Education Plan (IEP) or Individualized Family Service Plan (IFSP)	69%	32%
Receives CACFP (subsidized meals)	59%	60%

¹ Previous data sources include the Gateway Registry (INCCRRA), Strengthen and Grow Grant Reporting, CCAP Enrollment Data (Chapin Hall), the preliminary Market Rate Survey (INCCRRA).

² As of November 2022, the total number of licensed, full-day, full year child care centers in Illinois is 7,705 with 2,243 (29%) centers and 5,462 homes (71%) homes (family and group), meaning that survey results slightly over-represented centers.

³ Group 1A: Cook, DeKalb, DuPage, Kane, Kendall, Lake, and McHenry counties.

Group 1B: Boone, Champaign, Kankakee, Madison, McLean, Monroe, Ogle, Peoria, Rock Island, Sangamon, St. Clair, Tazewell, Whiteside, Will, Winnebago, and Woodford counties.

Group 2: all counties not listed in Group 1A or 1B

Key Findings:

- **Preschool classrooms (serving 3-5 year-old children) have more lead teachers than expected.**
- **Almost 75% of home-based providers reported having an assistant.**
- **Owners of home-based child care programs reported a median annual net income of \$15,000 and almost 20% reported no net profit or running a deficit.**
- **Non-personnel costs such as rent, insurance, and supplies have gone up in recent years.**

The survey confirmed many of IDHS-DEC's existing assumptions about staffing in infant and toddler classrooms at centers. However, the survey showed additional lead teachers in preschool classrooms that had not previously been accounted for in the cost model. The increased staffing in preschool classrooms reflected staffing needed to cover a longer day. This increase in estimated staff means that it will be more expensive to raise wages across a center.

For home-based providers, 74% of survey respondents reported using a paid or unpaid assistant or both, which is a higher percentage of programs with assistants than had been reported in previous data⁴. One possible explanation is that homes with assistants were more likely to have time to respond to the survey. For those with paid assistants, wages tended to be equivalent to assistant teacher pay at centers.

Provider-owners of family child care programs reported a median annual net income of \$15,000, in line with previous data collected in 2021. Provider-owners can deduct some of their housing and utilities costs from their income, so their net income appears to be slightly lower. Almost 20% of provider-owners of family child care programs reported that they had \$0 in net income, or their business runs a deficit.

"Payment to me is a foreign language because I pay myself from what's leftover once staff and supplies are taken care of. Pay varies a lot with enrollment and maintenance."

– Home-based provider, Chicago area

Aside from staffing and wages, providers reported recent increases in non-personnel costs such as rent, insurance, and supplies, and the model was updated accordingly.

The survey asked about payroll services and 76% of centers and 22% of homes reported using payroll services. The use of a payroll system could help simplify the reporting process for SSWG. This data indicates that centers are far more likely than homes to already use a payroll service and points to a potential need to support homes with reporting wages.

⁴ Previous data sources include the Gateway Registry (INCCRRA), Strengthen and Grow Grant Reporting, CCAP Enrollment Data (Chapin Hall), the preliminary Market Rate Survey (INCCRRA).

Provider Focus Groups

Purpose: During September 2023, IDHS-DEC engaged center- and home-based providers in focus groups to further inform the design of the SSWG. The goals of the focus groups were to pressure test cost parameters developed from quantitative data, receive feedback on accountability plans, and understand training and technical assistance needs of providers in each setting.

Process: To ensure diverse participation, IDHS-DEC partnered with the following organizations to co-host a total of eight focus groups:

- GROW Developing Childcare Professionals
- We, the Village Coalition, convened by Illinois Action for Children
- Latino Policy Forum's Education Acuerdo
- Raising Illinois, convened by Start Early
- Southern Illinois Early Childhood Action Team

Organizations were chosen specifically to include those who have historically faced barriers in receiving funding, including providers in rural areas, Spanish-speaking providers, and home-based providers. To ensure inclusivity and maximum participation, focus groups were held virtually at various times, including evenings and weekends. Sessions were also offered in Spanish.

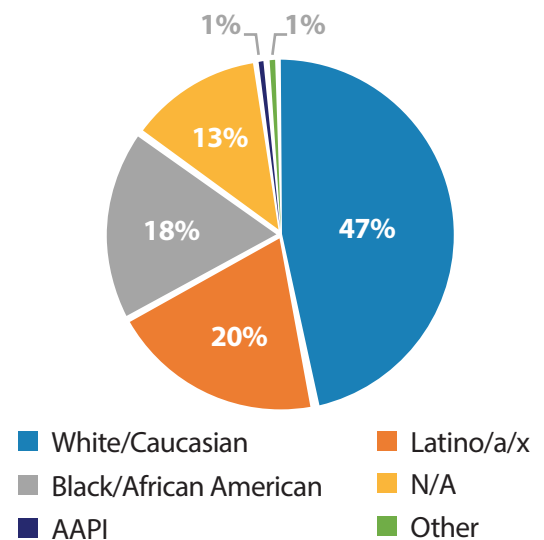
Response and Representativeness: A total of 110 providers attended focus groups, with 43 homes and 67 centers represented, including participants from across the state. 1% of providers were Asian American; 18% of providers were Black or African American; 21% were Latino/a/x; 47% were White or Caucasian; and 13% did not disclose. 17 providers participated in Spanish-language sessions.

Key Findings:

- **Providers were most concerned about their eligibility for grants and were specifically worried about Child Care Assistance Program (CCAP) requirements, which have been a challenge for some programs in previous grants.**
- **Staffing patterns varied across program times and funding streams, with many programs noting that they have had to increase wages to retain quality staff.**
- **Providers raised the importance of pay that aligns with qualifications as an incentive for experienced teachers.**
- **Clear, consistent, and timely training and technical assistance was important for providers to be successful in completing applications and meeting reporting requirements, especially for family child care homes.**
- **There was a desire for additional localized support tailored to providers, including assistance in Spanish.**

Providers' main concern with the SSWG was eligibility. Many expressed how external circumstances impact their ability to meet CCAP enrollment requirements for different grant programs. Programs wanted predictability in whether they will continue to be able to meet eligibility requirements year after year, as grant funding will directly impact staff wages. Previous experiences with CCAP, including delayed and inconsistent payments, and challenges with low enrollment in areas with universal preschool caused concern about eligibility tied to a CCAP enrollment threshold for the SSWG.

Participant Race and Ethnicity



Among focus group participants, staffing patterns varied and often depended on whether programs received public funding streams. When presented with a draft wage scale, providers felt they would need to pay higher wages than presented to recruit and retain staff. Providers wanted to see pay that aligns with qualifications, as it is an important recruitment and retention incentive.

“When we reopened after covid, we made the decision to go from three groups in nurseries to two because of staffing, we’ve shortened our hours ... it’s been almost 1 year for a teacher qualified staff to apply. If I lose another teacher there, then I disenroll kids and put them out of care if we don’t get new teachers. We have been fortunate that we have gotten every grant and have poured that into raises and bonuses and wages. Our lowest paid people have doubled their wages in the last 3 years, but we can’t get anyone to apply to work or stay.”

-Center-based provider, Southern Illinois

In terms of training and technical assistance, providers need support that is clear, consistent, and timely. Home-based providers specifically noted that more assistance is needed to adhere to reporting requirements, with current barriers including technical difficulties, language access, and capacity issues. Multiple providers mentioned the need for increased collaboration across programs to simplify processes and reduce administrative burden. There was also a desire for more localized support from Child Care Resource & Referral agencies.

Many providers mentioned the use of payroll systems to track wages for their staff, which make reporting hours and wages more easily verifiable. Center- and home-based providers who already use a payroll system found this process simple and noted a desire to maintain the same reporting structure in new grants. Reporting wages may be more challenging for small centers and home-based providers who do not use a payroll service.



Implications and Conclusion

The various forms of research and community engagement shared above supported IDHS-DEC in developing estimates for the cost of SSWG and provided guidance for future planning of training and technical assistance. Specifically, the input resulted in:

- Updates to the cost model, including increased preschool classroom staffing and higher non-personnel costs such as rent and supplies.
- Planning to ensure training and technical assistance meets the diverse needs of providers, including center- and home-based providers, including Spanish-language support.
- Additional consideration on how to ensure educators receive and access grant information and opportunities for reporting programs that are not meeting the required wage scale.
- Insight about the impact of eligibility requirements on providers, and how to better support providers to meet grant requirements.

The input gathered from community engagement influenced the grant design process, and IDHS-DEC is committed to continuing to hear from providers and the workforce throughout the launch and implementation of Smart Start Child Care. IDHS-DEC especially seeks to include the voices of those who have been historically disenfranchised. Feedback from individuals who will be directly impacted by these grants has surfaced equity considerations, unintended consequences, and opportunities to create accessible and inclusive Smart Start Workforce Grants. Continued engagement and feedback from various organizations, providers, and the workforce is invaluable to create a Smart Start Child Care program that works for providers across the state and provides quality, accessible, and affordable child care for families and their children.

Looking for more information on Smart Start Child Care? Check out the [Smart Start](#) page on the Gateways Portal to learn more about the current status of funding, eligibility, program requirements and timing for funding. Click here for a Spanish version of this brief.