

Child Care Restoration Grants 2020



The Illinois General Assembly directed \$290 million of the State's Coronavirus Urgent Remediation Emergency (CURE) Fund to support the economic health of child care providers as our economy reopened in the Summer of 2020. As part of CURE, the Business Interruption Grants (BIG) Program was specifically designed to support businesses who lost revenue due to the COVID-19 public health emergency. The Child Care Restoration Grants were part of the States' Business Interruption Grant (BIG) Program administered by the Illinois Department of Commerce and Economic Opportunity (DCEO).

Employers from all industries voiced concern about the availability of child care as the State reopened the economy; it was clear child care was foundational to our collective economic success. The State's [Restore Illinois](#) Plan allowed businesses to open (gradually) and staff to return to work; they needed child care in order to do so. We knew our State's recovery would rely on the economic survival of our child care system.

The DCEO, in partnership with the Illinois Department of Human Services (IDHS), was charged to develop a grant program for licensed child care. The Child Care Restoration Grants Program was designed by the IDHS and administered by the Illinois Network of Child Care Resource & Referral Agencies (INCCRRA) with the goal of helping child care providers survive during the pandemic. Our State's public health agency recommended reduced capacity for children in care in order to ensure social distancing and the safest environments for children and staff. Those recommendations informed the [child care](#) policy guidelines issued by the Department for Children and Family Services (DCFS), the agency responsible for licensing child care.

Under the new guidelines, child care programs were directed to operate at about 30% reduced capacity in Phases 3 & 4 of [Restore Illinois](#). However, despite reduced enrollments, operating costs for programs remained constant or increased as staffing and other fixed costs such as rent, and utilities did not change. The current child care business model in Illinois is dependent upon per-child tuition revenue and thus made reduced capacity unsustainable without significant financial supports. The Child Care Restoration Grants were designed to help sustain them through this difficult time.

Who were eligible for these grants?

The Child Care Restoration Grants were designed for licensed child care home and licensed center-based providers who had their operating capacity reduced as a result of public health recommendations and DCFS guidelines for regulated care settings.

Applicants had to demonstrate the 'business interruption' to their revenue due to newly issued child care guidelines for [Licensed Centers](#) and [Licensed Homes](#) by the Department of Children and Family Services.

Child care programs had to be open and caring for children to be eligible to apply.

What was the structure for the CCRG?

Like most of the nation, Governor JB Pritzker closed all child care and allowed for some programs to reopen to serve only the children of essential works. Through Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Relief funds received through the State's allocation of the Child Care and Development Block Grant (CCDBG), those child care providers were given small stipends or grants in addition to the administrative flexibilities allowed under the CCDBG CARES funding to hold providers harmless. Only a fraction of our early learning infrastructure reopened to care for essential workers early in the pandemic.

The CCRG program was developed as the State's economy reopened with the singular goal of ensuring our child care infrastructure survived. The grants had to be meaningful in amount and targeted based on demonstrated need.

To establish the grant amount, a formula was developed that considered the programs' quality rating, the geographic area in the State, and the impact on their enrollment based on the DCFS mandated reduction in capacity. Programs located in those areas in Illinois deemed Disproportionately Impacted Areas (DIA) by COVID-19 were given an additional 10% in their grant award. You can view the DIA zip codes here:

https://www2.illinois.gov/dceo/SmallBizAssistance/Documents/BIGDIAZipCodeList_062520.pdf

There was no minimum or maximum amount of the grant award. Instead the amounts varied based on the size of the program (number of classrooms and children). Grants were a per-month amount based on budget documents and the information drawn from their child care license, with the average monthly grant being \$25,000 for centers and \$3,000 for homes. The first round of the CCRG grants covered three months (July, August and September 2020) and the second round covered the months of October and November. A December 2020 round of grants was awarded with the remaining funds. Licensed child care centers (approximately 3,000) received 40% of their former monthly award. Licensed family child care homes and group family child care homes were returned to their full capacity in December 2020 and consequently were not included in the December round of grants. Finally, due to processing challenges, December awards were not distributed until February 2021. Each awardee was required to submit a financial and narrative report on how funds were spent for each month an award was received.

Illinois' ability to implement and distribute \$290 million within six months speaks to the robust infrastructure the State has established through the Illinois Network of Resource and Referral Agencies (INCCRRA) and the 16 Child Care Resource and Referral Agencies (CCR&Rs) distributed throughout the state. The IDHS amended the state contract with INCCRRA to expand their scope of services to administer the CCRG program, including application, reporting, training and technical assistance, and communication. The IDHS has continued to fund the grant infrastructure through INCCRRA in anticipation of additional federal relief funding. Subsequent grant programs will continue to be administered through INCCRRA with greater efficiency and ease based on what we already have in place combined with all we have learned since the start of the COVID-19 pandemic.

How many grants have been awarded through the CCRG and what have we learned?

Because the CCRG program worked with the understanding that the funds would expire on December 30, 2020, we worked with the goal to expend all funds by the end of December. In total, 4,993 grants were awarded in 95 (of Illinois 102) counties. Grant recipients include licensed child care center and home-based providers with a total grants awarded at \$290 million, representing 100% of the CCRG grant funds.

Monthly reports from recipients indicate that licensed child care centers have, as expected, faced severe financial hardship due to reduced capacity and low enrollment. On average, center enrollment is about 50% of pre-pandemic capacity. Licensed child care homes have fared somewhat better, but also face enrollment shortfall of about 30%. The CCRGs replaced an average of approximately 40% of the operating expenses for centers (a comparable statistic for homes cannot be reliably calculated). Overwhelmingly, providers have indicated that the CCRGs were essential to their ability to operate and remain solvent through the second half of 2020. Many providers have reached out to the State to express their concern that their program will not be able to remain open once the CCRG program ends. The need for additional relief for providers is truly urgent.

A list of grant recipients and the amount of their grant award can be found on the DCEO website.

<https://www2.illinois.gov/dceo/SmallBizAssistance/Documents/Total%20CCRG%20awards.pdf>

What other supports has Illinois put in place for child care providers?

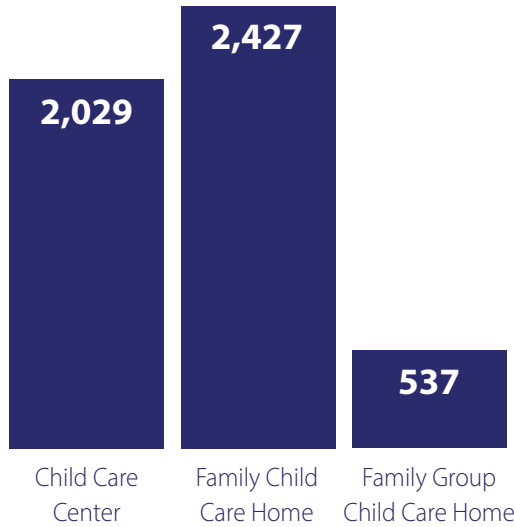
It is important to note that the CCRG program was provided IN ADDITION to significant supports to child care providers funded through the child-care specific (CCDBG) CARES Act funding. Illinois provided supports such as enrollment-based billing, increased reimbursement rates, eligibility for essential workers, and no parent co-pays for subsidy providers. Further, the State made small stipends and grants available to all open providers to help with the increased operating costs in the earliest months of the pandemic. Although the State has not yet drawn down all of its CCDBG funding (due to cash flow management considerations), the costs of these policy accommodations far exceeded the State's CARES Act allocation.

For more information about the CCRG: <https://www.ilgateways.com/financial-opportunities/restoration-grants>.

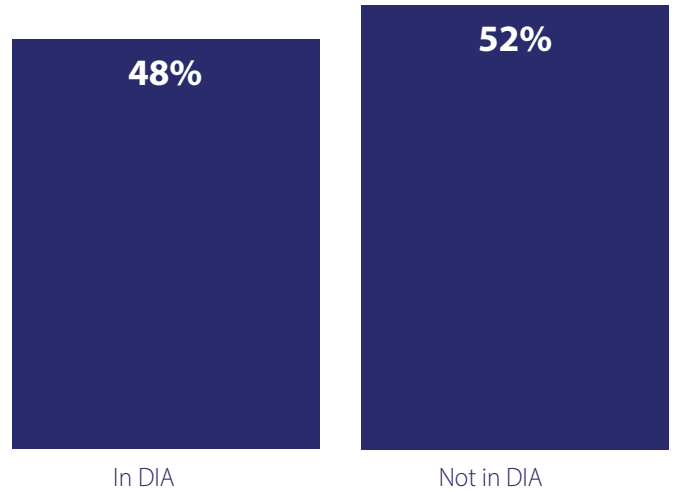
CCRG 2020

4,993 Licensed Child Care Programs received a Child Care Restoration Grant award.

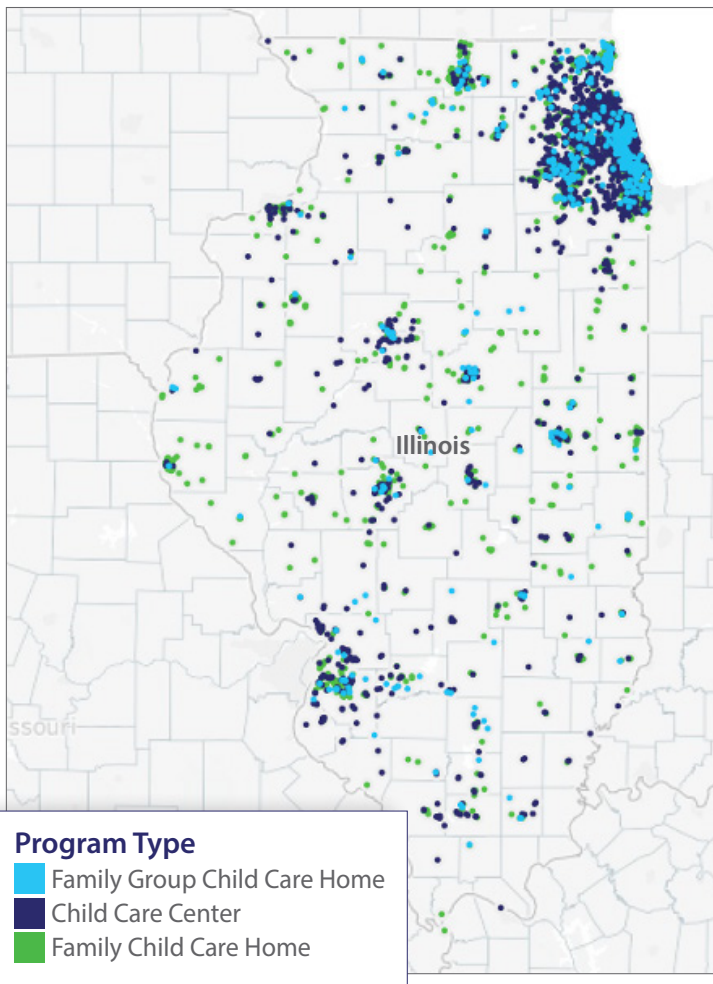
Grants Awarded by Program Type



Percent of Grants Awarded by Disproportionately Impacted Areas (DIA)



Grants Awarded by Location



2020

CCRG 2020

Payments by Round

Grant Round	New	Renewal	Grand Total
Round 1	4,688	-	4,688
	\$156,820,505.00	-	\$156,820,505.00
Round 2	305	4,590	4,895
	\$4,819,208.00	\$105,985,777.00	\$110,804,985.00
December Round	305	1,887	2,192
	\$2,411,185.00	\$20,000,000.00	\$22,411,185.00
Grand Total	4,993	4,590	4,993
	\$164,050,898.00	\$125,985,777.00	\$290,036,675.00

Average Monthly Award by Program Type

Program Type	Average Monthly Award
Child Care Center	\$24,806
Family Child Care Home	\$1,475
Family Group Child Care Home	\$2,981

