



Child Care Contracts

Ad Hoc Advisory Group Meeting #2

December 2, 2022

GOALS

- Explore specifics of the Workforce Compensation Contract
- Preview the Quality Support add-on grants
- Share concerns and questions



AGENDA

- Introductions & reminders
- Takeaways from last meeting and grounding questions
- Further context on the Workforce Compensation Contract
 - Goals
 - Eligibility
 - Requirements
- Preview the Quality Support add-on
- Feedback & questions

REMINDER: ROLE OF THE AD HOC ADVISORY GROUP



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

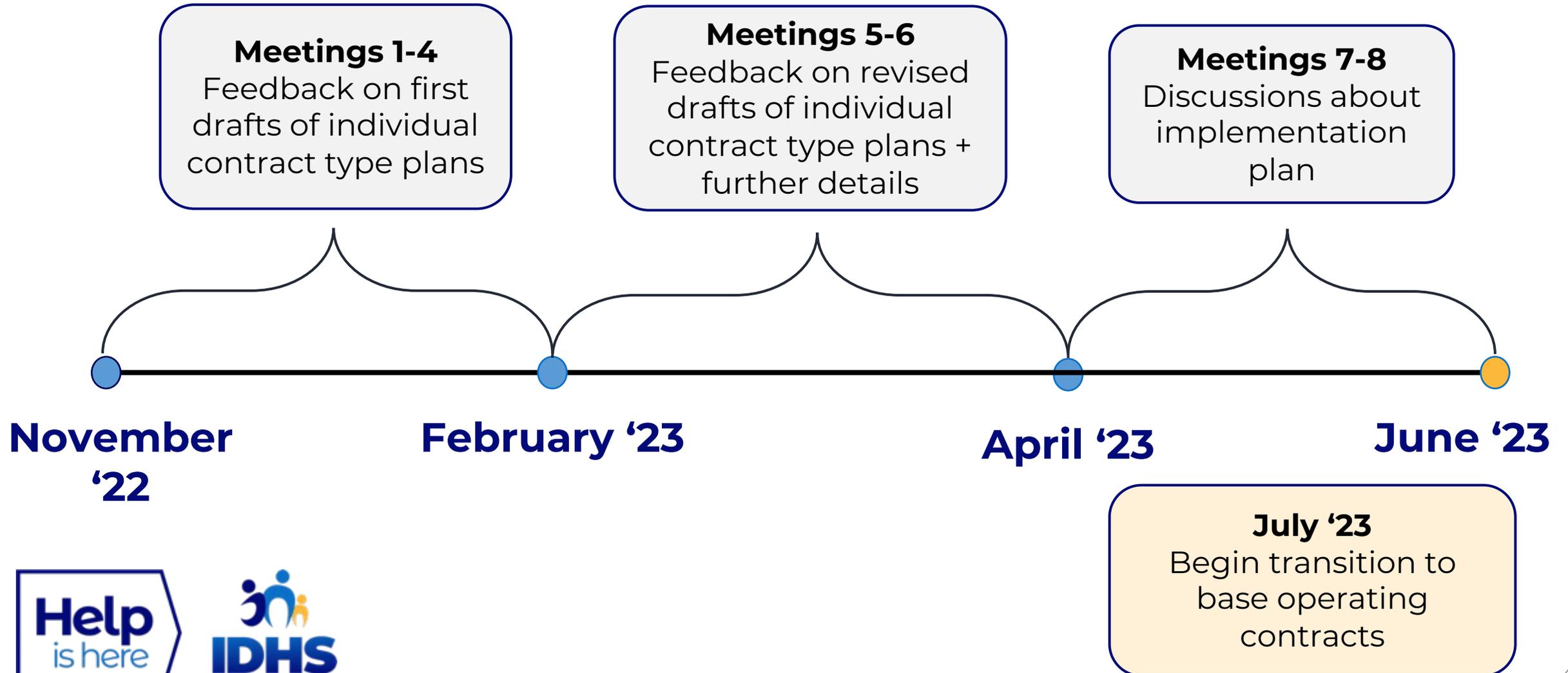


Surface any **potential risks and opportunities**



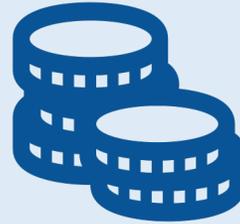
Support overall plan development and **champion it among stakeholder groups**



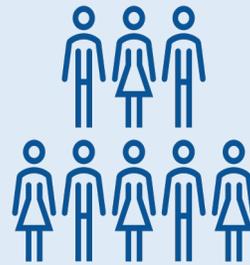


The Division of Early Childhood is working to develop a recommendation for the Governor's Office on a **sustainable contract-based child care funding mechanism.**

This would stabilize and improve the supply and quality of child care in the state by:



Increasing compensation to staff across the industry



Supporting more robust staffing patterns

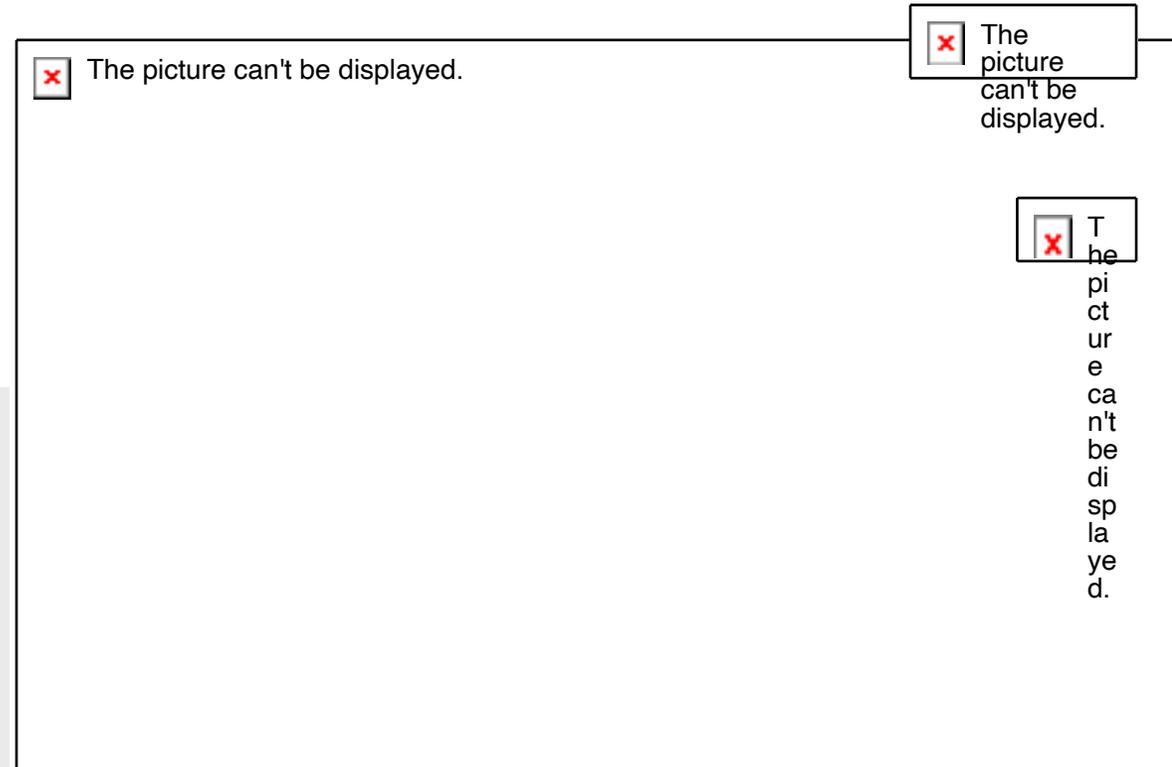
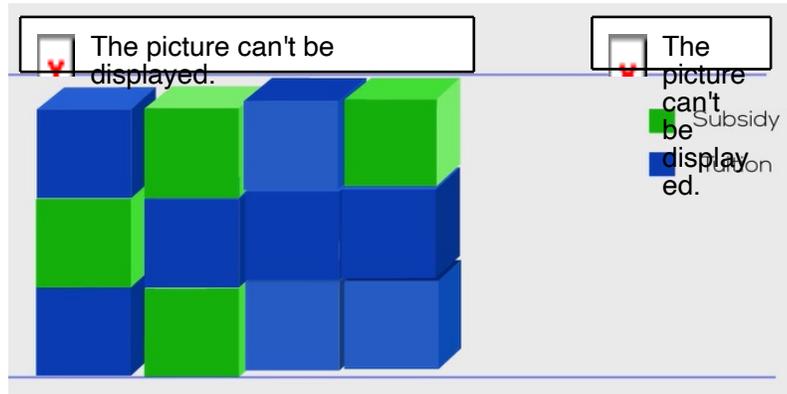
The goal is to submit a proposal to the Governor's Office and prepare for implementation **beginning in July 2023.**



Base operating contracts can support higher wages for the child care workforce and support quality.

Contracts will:

- **Take the cost burden off families**
- Be paid in advance (not in arrears)
- Be independent from CCAP
- Carry requirements (such as wage scales)



Takeaways & Grounding Questions

Meeting 1





Common Themes

- Appreciation for the process and opportunity for provider voice
- General agreement that contract funding could be beneficial
- Lack of clarity on Workforce and Quality Improvement Contract
 - We'll talk today about:
 - Workforce Compensation Contract
 - Quality Supports add-on

Things IDHS Must Keep in Mind

- Up front and consistent funding is crucial (common struggle with CCAP)
- Need to find opportunities to align requirements across funding streams to limit layers of reporting
- Need to find the right balance between flexibility and prescriptiveness
- Need to ensure competitive wages for all staff
- Need to find a way to better align wages across classrooms
- Ensure expansive access to contracts for providers
- Providers need more robust staffing in and out of classrooms

For providers relying solely on CCAP and parent payments (Workforce Compensation Contract):

- Are there any concerns about **focusing on compensation first**, before funding to improve staffing patterns or other critical components?
- What reactions do you have to the draft **wage scale** initial proposal?
- What are we missing with respect to **equitable and meaningful impact** on the ECE landscape?
- What other **concerns or questions** come to mind that we should address in future planning?
- *If time permits: what reactions do you have to the requirements for the Quality Support add-on?*

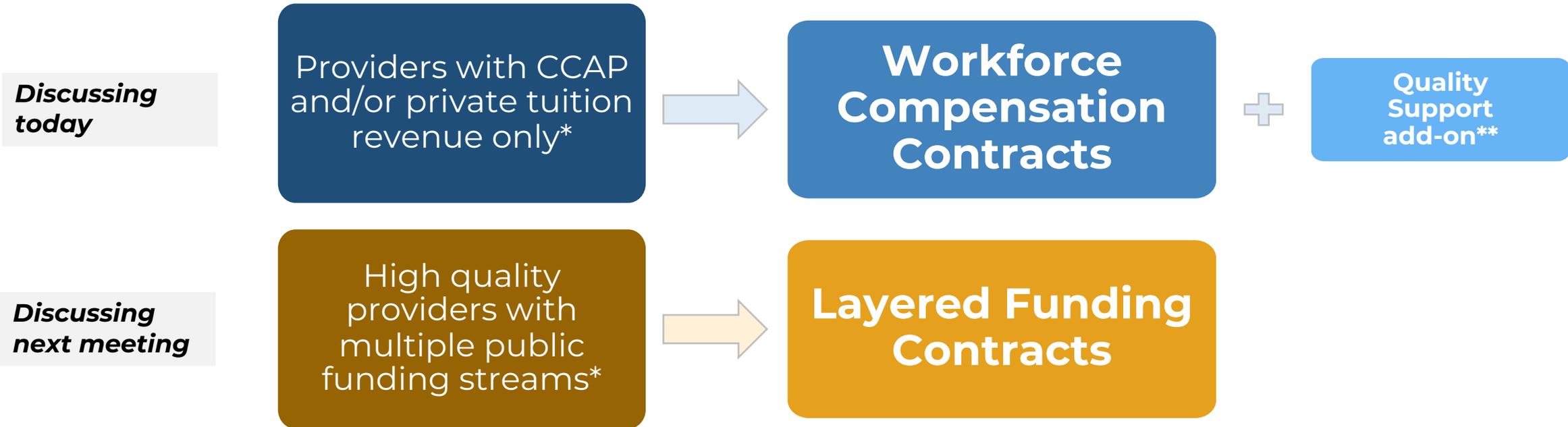


Contracts for Providers with CCAP and/or Private Pay only

Workforce Compensation
Quality Support



Two approaches to base operating contracts **for two distinct types of providers:**



*not including the Child & Adult Care Food Program or other DHS-DEC funds, such as ExceleRate pilot, SGCC, etc.

**rollout beginning SFY 25

WORKFORCE COMPENSATION CONTRACT

GOAL

Strengthen and grow the child care industry by funding competitive compensation



CURRENT STATE

Child care workers are among the lowest paid in the US economy

The child care workforce shortage crisis is harming the industry and getting worse

 The picture can't be displayed.

NEW APPROACH

Fund higher wages for the child care workforce through up-front contracts



OUTCOMES

Stable, predictable funding source for providers that isn't tied to child eligibility

Decrease workforce turnover



Ensure competitive wages without significant impact on family-paid fees



WORKFORCE COMPENSATION CONTRACT

Eligibility

- Full-day and full-year licensed centers and licensed homes
- Programs that do not receive Early/Head Start, Prevention Initiative, or Preschool for All funding

Funding Vehicle

- Per classroom/per home base operating grant
 - Funding amounts dependent on classroom age groups (more funding for Infant/Toddler classrooms)
 - Classroom enrollment minimum requirements

Comments

- Implement a baseline wage scale (at minimum) differentiated by **position type** and **geographic location**
- After meeting baseline wage scale, may invest remaining :
itional wage increases
mployee benefits (e.g., insurance, retirement, PTO,

Not Addressed in this Contract

- Health insurance benefits
- Additional administrative support staff
- Support for children with special needs
- Shared services
- Other needs

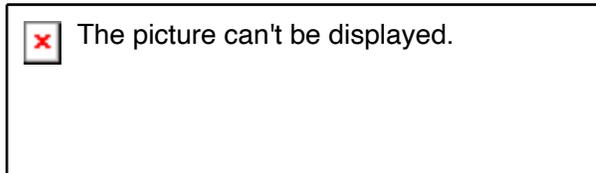
ILLINOIS SALARY SCALES

Illinois has developed several salary scales for the child care workforce in the last few years that are reflective of the current state and an adequate, well-compensated desired state.

In December 2021, to inform the state's strategies to address the major child care workforce shortage, the **Early Childhood Transformation Team (ECTT)** facilitated a **working group of representatives from different Illinois early childhood administering state agencies** to **create a model salary scale for the two major workforce regions of the state.**

Other Salary Scales

- [FY21 Illinois Cost Model for Early Childhood Education and Care Services](#)
- [FY22 Illinois Narrow Cost Analysis](#)
- [FY23 Illinois ExceleRate Pilot](#)



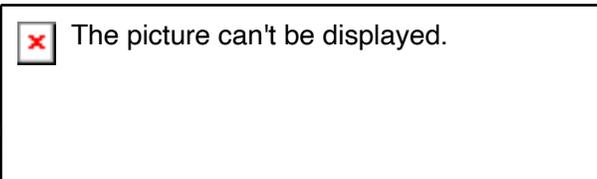
WORKFORCE COMPENSATION CONTRACT

FY22 Illinois Wage Scale – Starting Wages

CONTEXT	Balance of the State	Chicago Metro
State Minimum Wage	\$12.00/hr	\$15.00/hr

CONTEXT	Assistant Teacher	Teacher
Current Wage Avgs. (2021)	\$12.27	\$15.20

PROPOSED SALARY SCALE	Balance of the State		Chicago Metro	
Assistant Teacher / Classroom Aide	~\$16.00/hr	~35% above state minimum wage	~\$18.00/hr	20% above Chicago minimum wage
Teacher	~\$17.25/hr	\$1.25 pay differential between Teacher and TA	~\$19.25/hr	\$1.25 pay differential between Teacher and TA

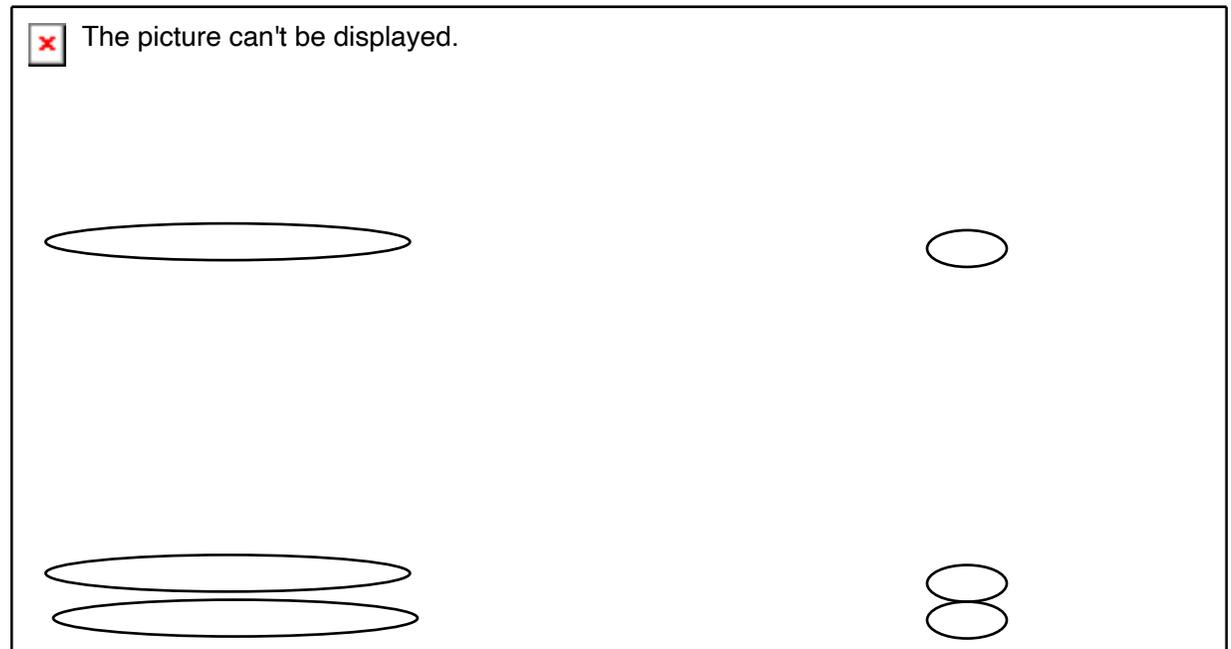


WORKFORCE COMPENSATION CONTRACT

Comparison: FY23 ExceleRate Pilot Salary Scale

BACKGROUND INFO	Balance of the State
State Minimum Wage	\$13.00/hr

SALARY SCALE	Balance of the State
Assistant Teacher/Classroom Aide	\$15.25/hr
Teacher	\$16.00/hr
Director	\$20.00/hr



Small Group Questions

- What reactions do you have to the starting wages scale? What works? What doesn't?
- If this scale was a floor, how would it compare to your current average wages for teachers and TAs?
- Do you have any thoughts on the pay differential between TAs and teachers?
- Who will this work for? Who will it not work for?



Preview of Quality Support contracts

An add-on to the Workforce Compensation contract



QUALITY SUPPORT ADD-ON

Future add-on

GOAL

Support and adequately fund the pathway to higher quality **with a focus on equity**

CURRENT STATE

Quality improvement is needed statewide, but not all providers have what they need to jump into rigorous PFA/HS standards

There are not enough PFA/HS funds for all providers that would like to implement higher quality standards

NEW APPROACH

Provide funding for more robust staffing patterns and participation in PD/coaching

Provide funding to increase compensation for providers with higher credentials

OUTCOMES

Child care workers with higher credentials will receive higher compensation tied to those credentials

Programs will have what they need to successfully apply for PFA/PI funding by meeting similar quality requirements



QUALITY SUPPORT ADD-ON

Future add-on

Eligibility

- Already receiving Workforce Compensation contract
- Full-day and full-year licensed centers and licensed homes
- Programs that do not receive Early/Head Start, Prevention Initiative, or Preschool for All funding

Funding Vehicle

- To be determined

Examples

Example uses of funds includes

- a) Increase wages for higher credentialed staff, and/or
raise classroom staff above licensing standards, and/or
support staff (admin assistants, specialists, legal/audit supports, etc., and/or
higher credential attainment cost for staff, and/or
or staff professional development courses/events

Next Meeting Date: **January 6, 2023, 11-1pm**

- Tentative plan: first Friday of each month from 11-1pm through June 2023

Topics of Discussion:

- **Quality Support add-on**
- **Implementation Timeline**

Open Survey for Feedback:

<https://forms.gle/3DPPyPUcPQiTgbwX9>



Appendix



ECTT Draft Salary Scale | Chicago Metro



Position	Credential Level/Degree Attainment	Target Hourly	Target Salary Annualized (12 mo.)	Notes
Teacher	Bachelors + PEL		\$61,000	Min salary set at parity with K-12 (12-month, BA teacher)
	Bachelors + ECE Level 5	\$26.50	\$55,120	Min salary set at 20% above AA
	Associates + ECE Level 4	\$22.25	\$46,280	Min salary set at 15% above Level 1
	ECE Level 2 or 3	\$20.75	\$43,160	Min salary set at 7.5% increment above Level 1
	DCFS minimum/ECE Level 1	\$19.25	\$40,040	\$1.25 pay differential between Teacher/Ass. Teacher
Assistant Teacher	Associates + ECE Level 4	\$20.75	\$43,160	Min salary set at 15% above Level 1
	ECE Level 2 or 3	\$19.25	\$40,040	Min salary set at 7.5% increment above Level 1
	DCFS minimum/ECE Level 1	\$18.00	\$37,440	Min salary set at 20% above Chicago's minimum wage or 10% above Chicago's living wage Approximate \$5/hour increase from current average wage

Pay increases for additional credentials include *ESL/Bi-lingual Endorsement: \$1.00 increase; Infant/Toddler Credential: \$0.50 increase*

ECTT Draft Salary Scale | Balance of the State



Position	Credential Level/Degree Attainment	Target Hourly	Target Salary Annualized (12 mo.)	Notes
Teacher	Bachelors + PEL		\$49,522	Min salary set at parity with K-12 (12-month, BA teacher)
	Bachelors + ECE Level 5	\$22.75	\$47,320	Min salary set at 20% above AA
	Associates + ECE Level 4	\$19.00	\$39,520	Min salary set at 10% above Level 1
	ECE Level 2 or 3	\$18.00	\$37,674	Min salary set at 5% increment above Level 1
	DCFS minimum/ECE Level 1	\$17.25	\$35,880	\$1.25 pay differential between Teacher/Ass. Teacher
Assistant Teacher	Associates + ECE Level 4	\$17.50	\$36,608	Min salary set at 10% above Level 1
	ECE Level 2 or 3	\$16.75	\$34,944	Min salary set at 5% increment above Level 1
	DCFS minimum/ECE Level 1	\$16.00	\$33,280	Min salary set at ~35% above IL minimum wage or ~23% above the Balance of the State's living wage Approximate \$5/hour increase from current average wage

Pay increases for additional credentials include *ESL/Bi-lingual Endorsement: \$1.00 increase; Infant/Toddler Credential: \$0.50 increase*

EXCELERATE PILOT FY23 SALARY SCALE

Beginning July 1st, 2022



Minimum salary center must pay to receive increment

	Credential Level	Pilot Salaries	52 payrolls	26 payrolls	24 Payrolls	Hourly	Increment Earned	Full Rate Position
Director	IDC III	\$47,840.00	\$920.00	\$1,840.00	\$1,993.33	\$23.00	\$6.00	n/a
	IDC II	\$45,760.00	\$880.00	\$1,760.00	\$1,906.67	\$22.00	\$5.00	n/a
	IDC I	\$43,680.00	\$840.00	\$1,680.00	\$1,820.00	\$21.00	\$4.00	n/a
	DCFS Director Qualified	\$41,600.00	\$800.00	\$1,600.00	\$1,733.33	\$20.00	\$3.00	n/a
Teaching Staff	ITC 5 & 6, ECE 5 & 6	\$39,520.00	\$760.00	\$1,520.00	\$1,646.67	\$19.00	\$7.00	\$19.00
	ITC 4, SAYD 5	\$38,480.00	\$740.00	\$1,480.00	\$1,603.33	\$18.50	\$6.50	\$18.50
	ECE 4	\$37,440.00	\$720.00	\$1,440.00	\$1,560.00	\$18.00	\$6.00	\$18.00
	ITC 3	\$36,400.00	\$700.00	\$1,400.00	\$1,516.67	\$17.50	\$5.50	\$17.50
	ITC 2, ECE 3, SAYD 4	\$35,360.00	\$680.00	\$1,360.00	\$1,473.33	\$17.00	\$5.00	\$17.00
	ECE 2, SAYD 3	\$34,840.00	\$670.00	\$1,340.00	\$1,451.67	\$16.75	\$4.75	\$16.75
	SAYD 2	\$34,320.00	\$660.00	\$1,320.00	\$1,430.00	\$16.50	\$4.50	\$16.50
	ECE 1 and SAYD 1	\$33,800.00	\$650.00	\$1,300.00	\$1,408.33	\$16.25	\$4.25	\$16.25
	DCFS Qualified Teacher	\$33,280.00	\$640.00	\$1,280.00	\$1,386.67	\$16.00	\$4.00	\$16.00
	DCFS Qualified Teacher Assistant	\$31,720.00	\$610.00	\$1,220.00	\$1,321.67	\$15.25	\$3.00	\$15.25