

# SMART START



## SMART START ILLINOIS FREQUENTLY ASKED QUESTIONS ILLINOIS DEPARTMENT OF HUMAN SERVICES, DIVISION OF EARLY CHILDHOOD (IDHS, DEC)

### General

#### Overview

In February 2023, Governor Pritzker announced his plans for Smart Start Illinois, a multi-year plan to provide every child with access to preschool, increase funding to child care providers to raise wages and quality, and reach more vulnerable families with early support. Smart Start Illinois is a step towards making Illinois the best place to raise children with a clear ongoing commitment to children, families, teachers, and child care providers.

The State Fiscal Year 2024 (SFY24) Smart Start Illinois investments supported through the Illinois Department of Human Services, Division of Early Childhood (IDHS-DEC) includes the following General Revenue Fund investments:

- \$5 million to expand the Illinois Department of Human Services' Home Visiting Program so more families who want it can receive this early support;
- \$100 million for nation-leading Childcare Workforce Grants that will stabilize providers and give child care workers a raise;
- \$40 million for Early Intervention programs to enhance services for families and give providers a raise.

Governor Pritzker's proposal commits to continued investments in Illinois' Home Visiting, Child Care, and Early Intervention programs, allowing IDHS-DEC to use these funds towards long-term systems changes.

### Smart Start Home Visiting

#### What will the funding for Home Visiting be used for?

SFY24 (July 2023 – June 2024) will focus on fine-tuning the cutting-edge model already in use and sustaining slots that would otherwise end with federal relief funding:

- Sustain slots expanded with federal relief funds;
- Adjust grant amounts to ensure that all programs are sufficiently funded to deliver high-quality services (using a standard per-family amount based on the home visiting cost model);
- Invest in infrastructure to support expanded service delivery;
- Expand slots.

#### How many home visiting "slots" will be created each year through Smart Start Home Visiting?

By the end of SFY24, we expect to create about 300 additional slots, serving an additional 400 families in our evidence-based home visiting programs. ("Slots" represents the number of families that can be served at a single point in time. When a family "graduates" from home visiting, their "slot" opens up and can be re-filled by a newly enrolled family. Therefore, the total number of families served during a given year is usually more than the number of "slots.") This will be done by funding additional home visitor positions in selected grantees. During SFY24, we will also update the home visiting cost model. The adjusted cost model will be used to calculate the number of "slots" to be added and families to be served in SFY25 and subsequent years. There will be opportunities for stakeholder input when we are further along in the process.

## **By when will all home visiting grantees be required to meet the minimum salary requirements?**

All current home visiting grantees are required to meet the minimum salary requirements for home visitors by SFY25 as a condition of funding. Only a few SFY24 home visiting grantees have not yet met these minimum salary requirements. As we expand home visiting slots and grantees, we expect to require minimum salary levels for the new grantees as well.

We have not yet determined how to address salary levels for supervisors and other positions. We will engage stakeholders through the Early Learning Council's Health and Home Visiting Committee and Raising Illinois' Home Visiting Policy Work Group to determine this.

## **Smart Start Child Care**

### **General Grant Information**

#### **What are Smart Start Child Care Workforce Grants, and how are they different from the Child Care Assistance Program?**

Most child care programs cover the cost of care through private tuition and, if enrolled families participate, Child Care Assistance Program subsidy. However, families can only afford to pay so much in private tuition, and this amount is not typically enough to cover competitive wages for staff. This makes it challenging for programs to provide competitive teacher compensation, improve class sizes and ratios, and invest in classroom equipment.

Since CCAP is a voucher that follows the child, the split between CCAP and private tuition varies not only from provider to provider, but also can vary within one provider's revenues over time, as families move around. So, some providers may only have one or two families subsidized by CCAP, while others might have an even mix, and others might be almost entirely CCAP funded.

For this reason, changes to CCAP have a different effect on providers of different sizes, in different communities, and at different times.

Smart Start Child Care's Workforce Grant program can provide child care programs the stable, ongoing funds they need to cover costs and invest in quality without burdening families by raising tuition or co-pays. These grants will allow providers to cover higher staff wages through consistent base funding, helping to offset the unpredictable nature and fluctuation of private pay tuition and CCAP subsidy payments, considering the true cost of services, and paying in advance rather than in arrears. Providers receiving Smart Start Child Care through IDHS will be required to meet a specific base wage level, helping them to attract more staff and meet parents' need for child care at a rate they can afford.

For more information, please visit Designing Funding Mechanisms | [Center for Early Learning Funding Equity \(celfe.org\)](https://centerforearlylearning.org/funding-equity) (video 1min 53 sec)

#### **What are the different types of Smart Start Child Care Programs, and what is the difference between each of them?**

IDHS-DEC is exploring the four following types of Smart Start Child Care Programs: Workforce Grants, Quality Supports, Layered Funding, and Targeted Supports, pending appropriation from the Illinois General Assembly.

- **Smart Start Workforce Grants** are designed to help child care providers meet a required wage floor for staff that is higher than what providers can typically offer with current revenues. Pending funding appropriation, Smart Start Workforce Grants will be available in SFY25 (July 2024 – June 2025).
- **Quality Supports** are designed to help programs to increase wages based on staff credentials, hire additional support staff, and provide staff professional development.

The Quality Supports Program began in 2020 as the ExceleRate Child Care Center Pilot program. Quality Supports will be expanded beginning State Fiscal Year 2026 (July 2025 – June 2026). The dates applications will open and funding will be distributed are yet to be determined.

- **Layered Funding** will be available for programs with multiple public funding streams, such as the Early Childhood Block Grant and Head Start, pending funding.

IDHS-DEC is engaging child care providers with layered funding to understand their needs. Layered Funding will be available beginning State Fiscal Year 2026 (July 2025 – June 2026). The dates applications will open and funding will be distributed are yet to be determined.

- **Targeted Supports**, pending funding, will be available for child care programs that may need specific targeted supports such as for dual/multi language learners, inclusion supports for children with disabilities, intensive family support services for families with substantial challenges and/or involvement with other systems, and providing child care during nontraditional hours if such needs are not met by the other Smart Start Child Care Programs.

The timeline for Targeted Supports has yet to be determined.

## Smart Start Workforce Grants: Eligibility

### Who is eligible to participate in Smart Start Workforce Grants?

Eligibility for the Smart Start Workforce Grants program is dependent on an updated cost model and appropriation for State Fiscal Year 2025. IDHS-DEC continues to explore eligibility criteria with the Child Care Contracts Ad Hoc Committee.

## Smart Start Workforce Grants: Funding Amounts & Requirements

### If my program is determined eligible for the Smart Start Workforce Grants program, how much funding will my program receive?

The amounts for the Smart Start Workforce Grants program are not yet determined. They will work best when all participating programs receive enough funding to raise staff wages to a set wage floor. IDHS-DEC conducted surveys and focus groups over Summer/Fall 2023 to understand the actual, current costs of providing child care, which will be used to determine the award amount needed for a provider to meet the wage floor.

### How will Smart Start Workforce Grant award amounts be determined?

The amounts for the Smart Start Workforce Grant program are not yet determined, since they are dependent on an updated model of the costs to provide child care in today's market. IDHS-DEC uses a cost model to set a "per classroom award amount" based on the difference between a provider's current revenues and the revenues that a provider would need to pay wages above a set wage floor. The model also considers factors such as the amount of funding appropriated to the Smart Start Workforce Grant program, the amount of programs eligible for Smart Start Workforce Grants, and the wage floor programs will be required to meet.

Once the Per Classroom Award Amount is determined, programs that apply will receive awards based on the number of classrooms eligible for Smart Start Workforce Grant pending appropriation from the Illinois General Assembly.

### What requirements will programs that receive Smart Start Workforce Grant program funds have to meet?

Requirements for the Smart Start Workforce Grant Program are still being developed, in partnership with the Child Care Contracts Ad Hoc Committee. It is expected that the main requirement of the program will be for recipient providers to use Smart Start Workforce Grant program funds to meet a required wage floor and pay associated payroll taxes. This wage floor must be met through wages, not through bonuses or one-time incentives.

### If we qualify for these programs, when will we receive payments?

Similar to current and previous federal relief grant programs, payments for Smart Start Child Care programs will be made in advance, not in arrears. The timing of the payments for Smart Start Child Care Programs have not yet been finalized. This will be discussed during upcoming conversations within the Child Care Advisory Committee's Child Care Contracts Ad Hoc Committee.

### What factors helped to determine the minimum salary/wage versus the number of programs that can receive the Workforce Grant Program?

The Smart Start Child Care Workforce Grant program will have the greatest impact when it can reach as many child care programs as possible and raise wages for staff by a meaningful amount. This requires a tradeoff, though: the higher the per-classroom award amount (and the higher the wage increase for staff), the fewer total programs can be funded. The goal is to increase funding for wages by as much as possible and reach as many programs as possible.

## **How much funding would be needed to offer a \$25 per hour minimum for all or the majority of programs?**

In February 2023, the Governor proposed a \$130 million General Revenue Fund investment in Smart Start Child Care for Workforce Grants, matched with \$66 million in American Rescue Plan Act funding for the program. In May 2023, \$100 million in General Revenue Funds and \$96 million in American Rescue Plan Act federal COVID-19 relief funding was appropriated by the General Assembly. Current cost modeling estimates that it would cost significantly more to fund all licensed centers and homes with awards to cover wage increases to \$25 per hour.

## **Other Child Care Questions**

### **What new funding is available for scholarships and apprenticeship programs for those looking to become child care workers?**

Smart Start Illinois includes continued funding for the Early Childhood Access Consortium for Equity, or ECACE, scholarships through SFY24. More information is available [here](#). In addition, IDHS-DEC and ISBE continue to fund the Gateways to Opportunity scholarship; more information is available [here](#).

### **Does Smart Start Illinois provide any specific assistance for the children of child care workers?**

IDHS-DEC recently lowered copays to \$1/month for Child Care Assistance Program eligible families with a parent or guardian working in the child care field. This will continue under Smart Start Illinois.

## **Smart Start Early Intervention (EI)**

### **How are the increased funds going to be used for EI?**

Smart Start Illinois SFY24 investments included \$20 million for caseload maintenance and \$20 million to increase provider and service coordinator reimbursement rates by 10% in State Fiscal Year 2024.

This 10% reimbursement rate increase will help cover inflation over the past 20 years and serve as a down payment towards better supports for EI service providers and the value they bring to the lives of young children and families they serve.

### **Who will lead the cost modeling process that IDHS-DEC is embarking on for EI?**

The cost modeling process is led by Afton Partners, who has supported the Governor's Commission on Equitable Early Childhood Education and Care Funding and Smart Start Child Care cost modeling. Afton Partners will support IDHS-DEC with evaluation and strategic design of improvements to the State's Early Intervention program delivery structures and funding mechanisms and will establish an understanding of competitive rates for Early Intervention service providers in order to more equitably and effectively serve children and families. Afton Partners will collaborate with the workforce workgroup of the Illinois Interagency Council on Early Intervention (IICEI) to identify current needs and gather input on options for system improvements.

### **How will Smart Start Illinois support workforce recruitment and retention for EI?**

In addition to the increased rate, IDHS is utilizing American Rescue Plan Act (ARPA) dollars to provide incentive pay to the EI workforce between August and October of 2023 in recognition of the value of providers in Illinois who deliver therapies to infants and toddlers.

The incentive pay will be provided through one-time bonus payments up to \$1,300 to EI Providers, Associate Providers, Service Coordinators, and Interpreters who are credentialed, enrolled, and are carrying a caseload as of June 30, 2023. Eligible providers will be identified through their credentialed enrollment and billing status and need not apply for the incentive payments.

IDHS-DEC will also be initiating a targeted awareness campaign and workforce recruitment effort for the early childhood field, including Early Intervention.

IDHS-DEC will collaborate with the IICEI to identify barriers and potential strategies for expanding and diversifying the workforce while enhancing cultural competence.

## **How will Smart Start Illinois help address services delays and increase equitable access to EI services for families in Illinois?**

IDHS-DEC has made updates to the way Child and Family Connections Offices (CFCs) are funded, at no additional cost, that has allowed for CFCs to hire additional Service Coordinators. In partnership with the Illinois Interagency Council on Early Intervention, IDHS-DEC is researching national best practices for funding EI services that could be implemented in Illinois' unique context and that we can pilot through demonstration projects in high areas of need where families have historically experienced barriers to accessing services timely.

In addition, regular pay increases for therapists will help with the retention and recruitment of more providers into the EI program, reducing service delays.

If you would like to learn more, please visit <https://www.ilgateways.com/smart-start> to find additional resources and ways to engage in the planning & implementation process.