Smart Start Child Care

Ad Hoc Advisory Committee Meeting #21

April 1, 2025

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GOALS

- Share the early childhood priorities in Governor Pritzker's budget proposal, including Smart Start Child Care.

- Share next steps for a SSQS family child care pilot co-design.

- Provide additional data and information about SSWG implementation.

- Gather feedback to inform SSWG implementation in FY 26.

AGENDA

- Welcome and introductions
- Governor's FY 26 Budget Proposal
- Smart Start Quality Support Program status update
- Smart Start Workforce Grants
  - Round 3 funding highlights and discussion
  - Implementation data follow-up
  - Outreach and technical assistance overview and discussion
- Public comment

Public Comment Instructions

- We set aside dedicated time for public comment at the end of the meeting.

- If you would like to provide public comment, please send a private chat to Rosie Dorsey. We will take comments in the order Rosie receives the names.

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 to **champion it among stakeholder groups**

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Ad hoc 2024-2025 timeline

Topics covered in the last year (July 2024 – February 2025)	Upcoming topics (June 2025 – December 2025)

• Smart Start Quality Support
  • ExceleRate Child Care Center Pilot lessons
  • Community engagement and program design
  • Accountability, policies, and procedures
• Smart Start Workforce Grants
  • Implementation updates
  • Impact pulse checks
	• Smart Start Workforce Grants:
	  • Year 1 reflection and learning
	• Smart Start Quality Support:
	  • FCC Pilot Design Workgroup
	  • Program enhancements
	• Smart Start Child Care
	  • Priorities for future investment

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Common Themes

- Participants were very pleased with the wealth of data shared and emphasized the positive impact that Smart Start Workforce Grants are having on the ECEC workforce.

- Ad hoc members and other attendees requested additional data to better understand the impact of Smart Start Workforce Grants, who is being served, who is not being served, and how participation and reach aligns with equity considerations and goals.

- Participants emphasized the need to share the impact of Smart Start Workforce Grants with policymakers to make the case for continued funding.
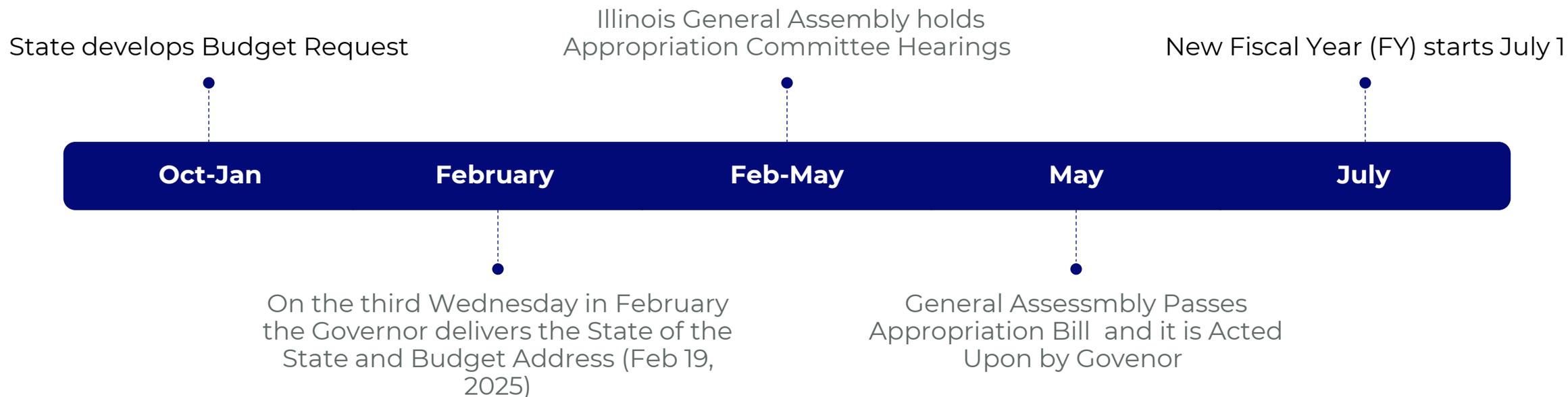
Questions and Concerns

- Participants had questions about Smart Start Workforce Grant outreach and technical assistance, including assessing where information gaps exist.

- There was concern about the sustainability of Smart Start Workforce Grants and consequences of losing funding for the program.

- Participants asked for more information about children served by CCAP and any disparities in enrollment based on race/ethnicity, income, geography, or other demographic factors.

Governor's FY 26 Budget Proposal

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Illinois Budget Development Process

The budget will not be finalized until the Illinois General Assembly sends an appropriation (budget) bill to the Governor for approval toward the end of May.

State develops Budget Request

Illinois General Assembly holds Appropriation Committee Hearings

New Fiscal Year (FY) starts July 1

| Oct-Jan | February | Feb-May | May | July |

On the third Wednesday in February the Governor delivers the State of the State and Budget Address (Feb 19, 2025)

General Assessmbly Passes Appropriation Bill and it is Acted Upon by Govenor

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Governor Pritzker's Proposed budget would increase the state's investment in critical early childhood programs and services.

- **$21.7 million** in operational funding for the Illinois Department of Early Childhood
- **$748 million** to maintain investment in ISBE Early Childhood Block Grant funding.
- Approximately **$200 million** investment in funding for nation-leading Early Childhood Workforce Compensation Contracts (Smart Start Workforce Grants)
  - Represents a **$90 million increase** coming from the State General Fund
- Other Early Childhood Investments include:
  - **$85 million** in additional investment to cover expected increased participation in the Child Care Assistance Program.
  - **$3.3 million** to continue expansion of Dolly Parton's Imagination Library.
  - **$10 million** to support rate enhancements for the Early Intervention service providers.

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All proposed funding levels are subject to appropriation from the Illinois General Assembly.

The proposal includes $212 million for Smart Start Child Care, a $90 million General Revenue Fund increase from FY25.

Smart Start Workforce Grants

- $200 million GRF (level funding, shift in funding source)

Smart Start Quality Support

- $10 million GRF (level funding, no change in funding source)

Smart Start Apprenticeships

- $2 million GRF (level funding, no change in funding source)

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All proposed funding levels are subject to appropriation from the Illinois General Assembly.

Implications for Smart Start Workforce Grants

The Governor's proposed FY 26 budget maintains support for the child care providers and members of the workforce who have benefitted from increased wages.

3,742 licensed child care centers and homes*	**15,000+** child care professionals*	**106,500+** children*

- **Program parameters and eligibility remain the same** under the proposed SFY26 budget.
- Funding is **sufficient for the levels of participation seen so far** in Year 1.
- If the number of eligible applicants increases, **IDHS may need to prioritize continuity for current grantees.**
- The Smart Start Child Care Ad Hoc advisory committee, as well as the IDHS DEC staff and partners, are **continually working to evaluate the efficacy of the program**.

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average across FY25 Rounds 1-3

All proposed funding levels are subject to appropriation from the Illinois General Assembly.

Smart Start Quality Support will continue with existing participants for State Fiscal Year 2026, providing more time for planning and community engagement to inform future growth.

We've heard that there's additional work before we're ready to implement an expansion to Smart Start Quality Supports, **particularly in planning for the inclusion of Family Child Care/Family Group Child Care Homes**.

- Existing **participants will have the opportunity to continue** participation.
- An **increase in employer contribution expectations** to $15/hour for teaching staff will move forward as planned.
- **Planning for the future of the program will continue** to ensure readiness should additional appropriations become available.

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All proposed funding levels are subject to appropriation from the Illinois General Assembly.

IDHS is launching a Family Child Care Co-Design Workgroup to plan for a quality support pilot for home-based providers.

The Workgroup will meet 6 times between May and July 2025.

- **Meeting #1**: Understand the goals of the design group
- **Meetings #2-4**: Engage in a structured brainstorming series to develop a prototype (pilot program) to test for FCC providers.
- **Meetings #5-6**: Refined the prototype and finalize recommendations

What is "co-design"?

- The purpose of a co-design process is to **intentionally engage the intended users** (FCC/FGCC providers) **of a product** (quality support program) **throughout the design process.**

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Outreach to identify design team begins in April

- Establishing a team of 12-15 members of family child care home providers, group family child care home providers, and partner organization representatives.
- Inviting partner organizations to help disseminate an interest form and are in our initial phases of outreach.
- Our first meeting will be on May 5th, 2025 from 7-8pm CT.
- Workgroup members will receive a $75 stipend for each session they attend.

Who else should we partner with to broaden our reach?

Partner organization

- SEIU
- GROW Developing Child Care Professionals
- SAL Home Child Care Network
- Kids Above All
- Community Child Care Connections
- We, the Village Coalition

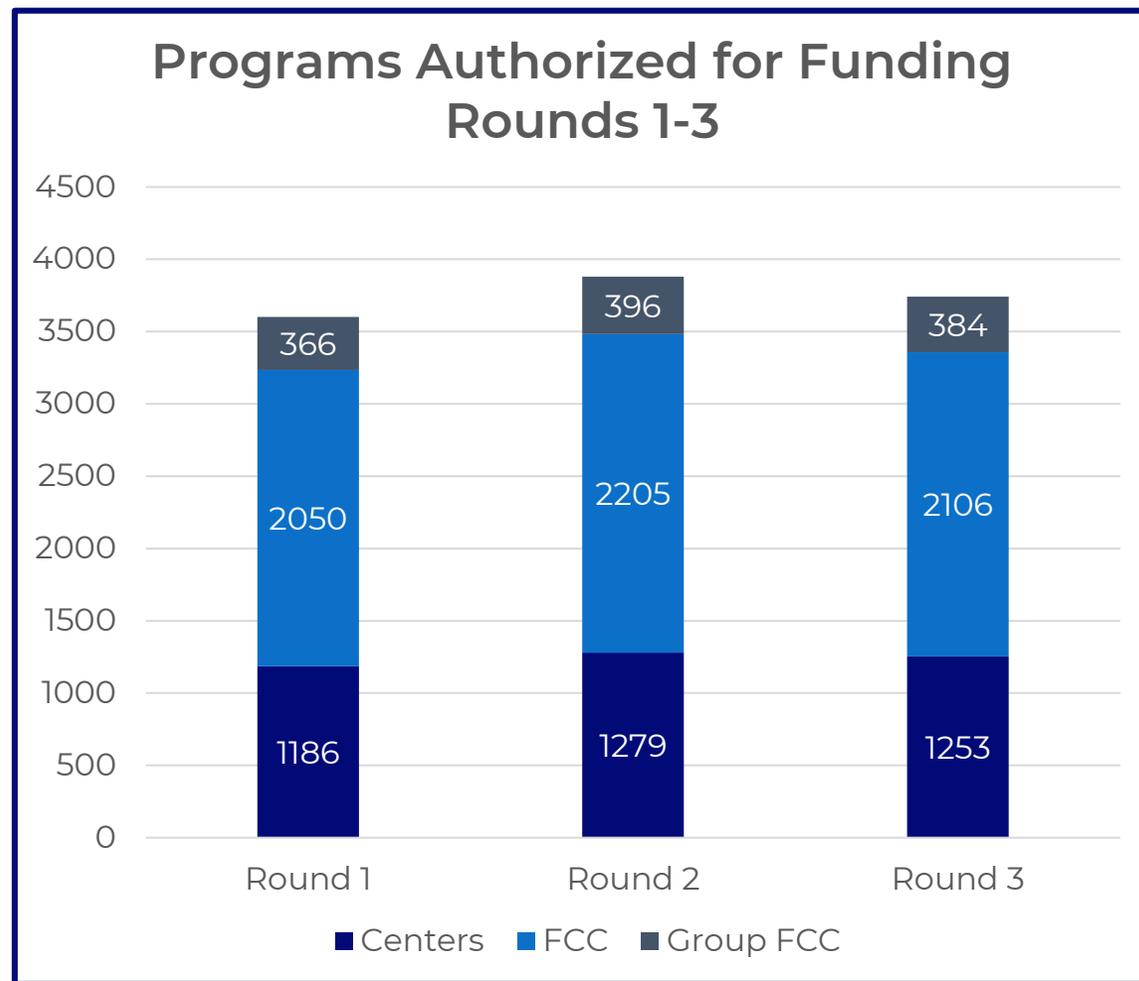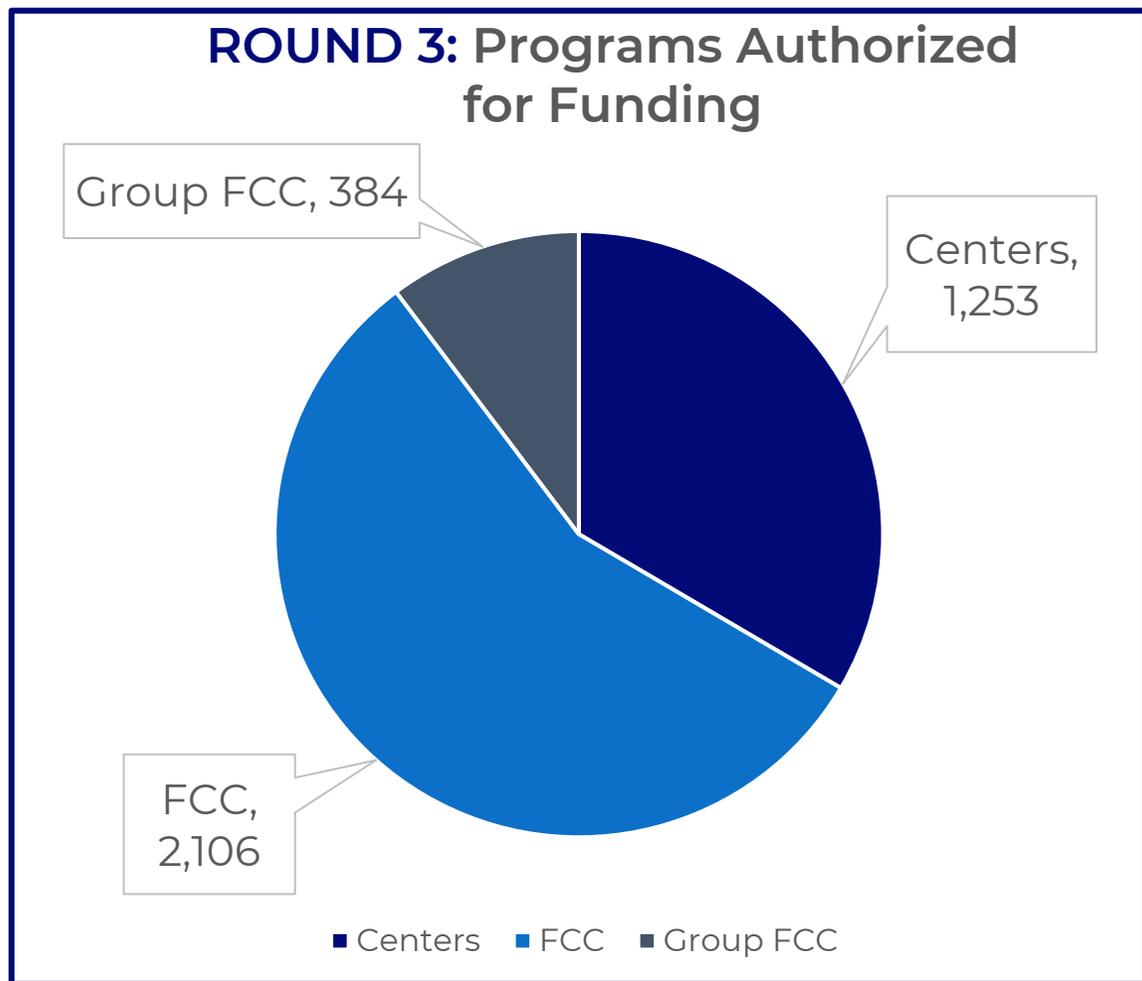**Membership criteria**

(12-15 members)

- Family child care providers who serve children enrolled in CCAP
- Family group child care providers who serve children enrolled in CCAP
- 1-2 non-provider representatives
- Geographic representation across all regions of the state

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Smart Start
Workforce Grants

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Smart Start Workforce Grants - Round 3 funding highlights
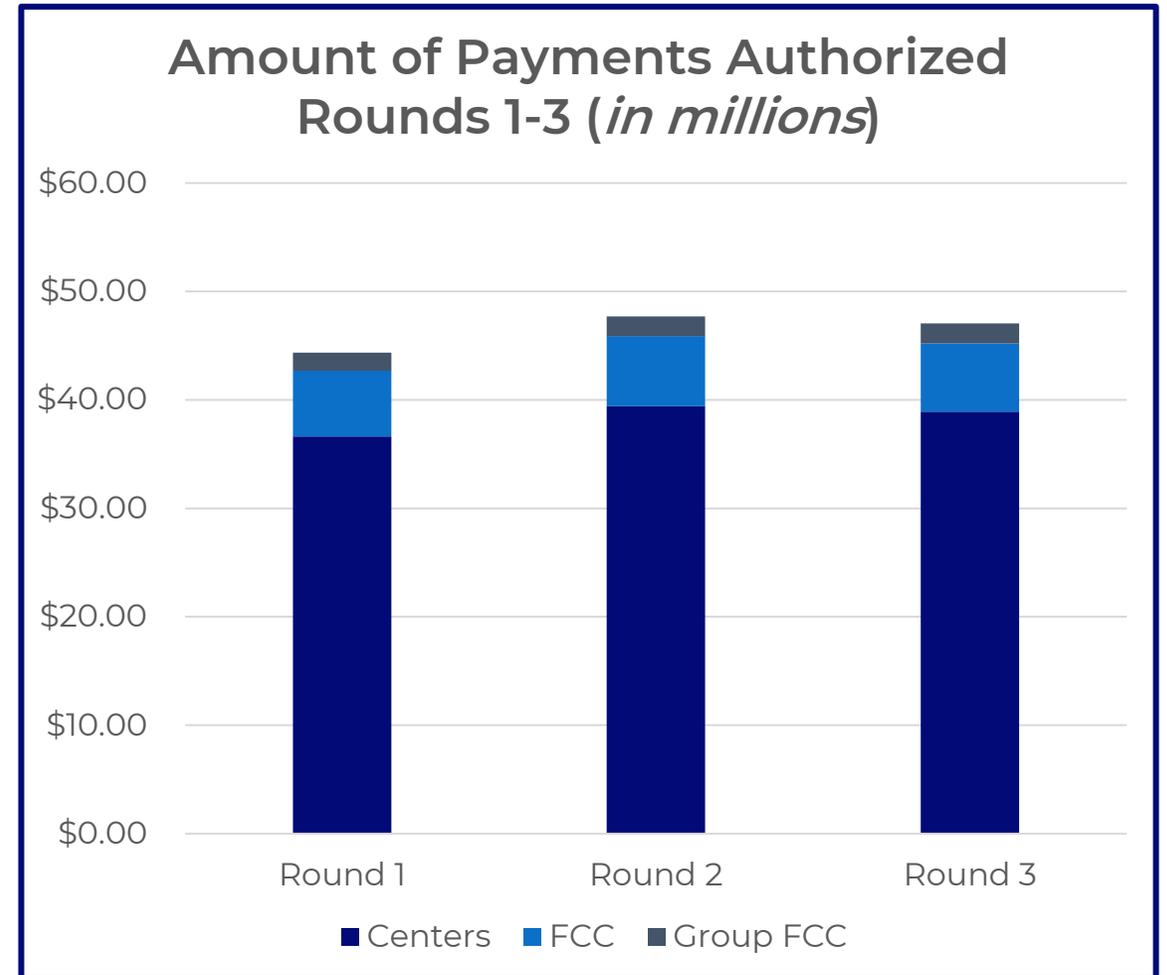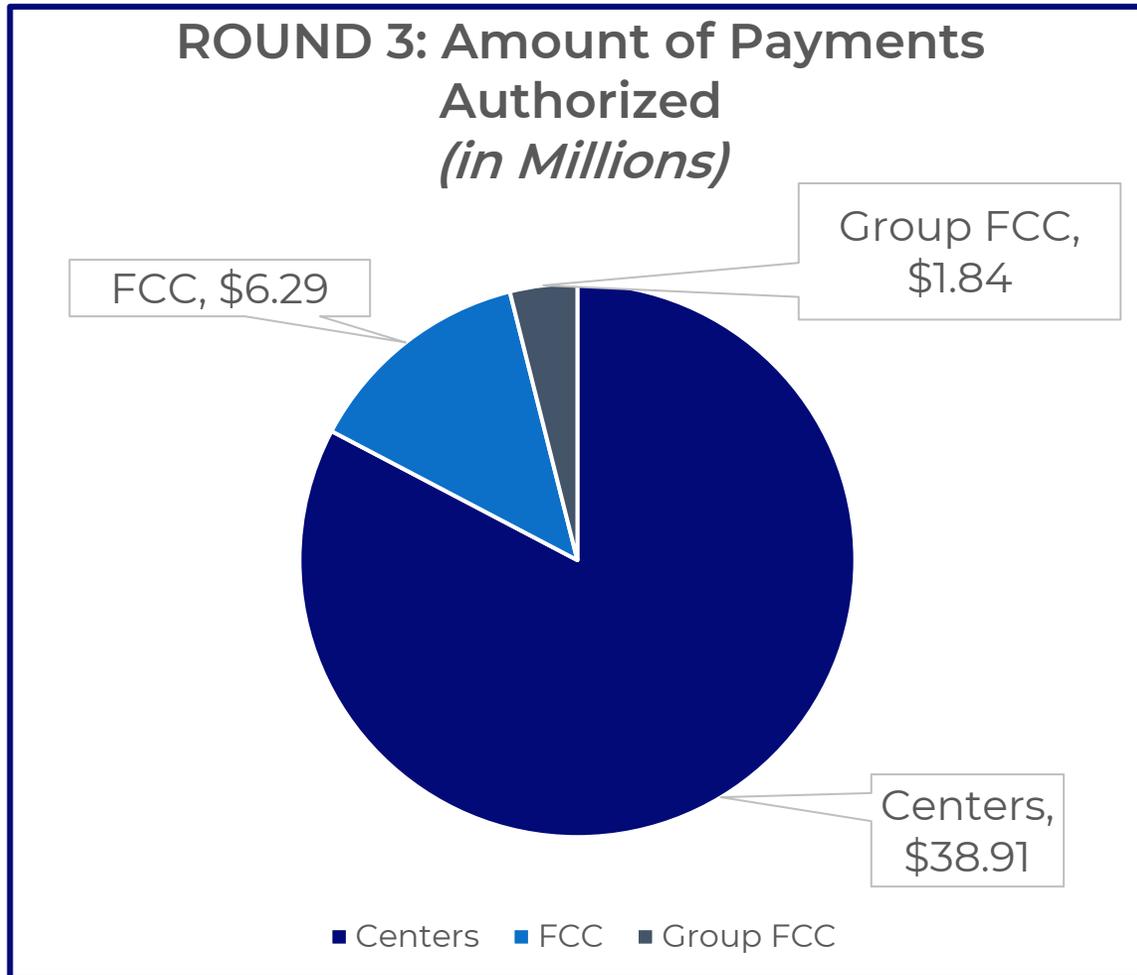
After a peak in Round 2 – due to auto-renewal of all Round 1 grantees – 3,743 programs were authorized for funding in Round 3.

ROUND 3: Programs Authorized for Funding

Group FCC, 384
Centers, 1,253
FCC, 2,106

■ Centers ■ FCC ■ Group FCC

Programs Authorized for Funding Rounds 1-3

	Round 1	Round 2	Round 3
Group FCC	366	396	384
FCC	2050	2205	2106
Centers	1186	1279	1253

■ Centers ■ FCC ■ Group FCC

Spending for Smart Start Workforce Grants continues to be on target with budget projections, with $47.04 million distributed in Round 3.

ROUND 3: Amount of Payments Authorized *(in Millions)*

- FCC, $6.29
- Group FCC, $1.84
- Centers, $38.91

■ Centers ■ FCC ■ Group FCC

Amount of Payments Authorized Rounds 1-3 (*in millions*)

■ Centers ■ FCC ■ Group FCC

Looking ahead to SFY26 (July 2025-June 2026)

- **Round 1 of new fiscal year:** Applications open April 1, funds will be issued in June and July 2025

- As of the most recent round, **all eligible applicants can be funded within budget**
  - FY 25 Round 3 (current round): **$47 million** issued

- **Budget for FY26: $200 million total**
  - Includes administrative support (application processing, accountability, T/TA, etc.)
  - Approximately $48 million per round available for grants

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Smart Start Workforce Grants – planning for FY26

IDHS is closely monitoring SSWG applications to ensure that funds are sufficient for the entire year.

We are currently in the "Green" scenario, but if applications increase in the next round, we will approach the "Yellow" scenario.

Scenario 1: Eligible applications total less than budget (~$48 m) ➡ *No change*

Scenario 2: Applications are near or equal to available budget ➡

Scenario 3: Applications are greater than 25% of total budget ➡

Considerations may include:
- Prioritizing continuing applicants
- Limiting waivers
- Modifying eligibility for future applicants
- Decisions informed by Guiding Principles for SSWG decisions, including equity considerations

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Small group discussion

1. If eligible applicants exceed the budget, how might we use our guiding principles to balance:
   - New applicants
   - New classrooms or assistants for current grantees
   - Current grantees

2. What other concerns or unintended consequences should IDHS consider in a "Yellow" or "Red" scenario?

Questions from the February Smart Start Child Care Ad Hoc Advisory Committee fall into three categories:

- Additional analysis of existing data that **can be answered today**
  - *Ex. Number of children served in each setting type*
- Analysis or data that we **expect to have later** in implementation
  - *Ex. Analysis of programs not participating in SSWG and any barriers to participating*
- Analysis or data we are not sure we will have but are **exploring options**
  - *Ex. Impact to staff in non-SSWG classrooms including changes to wages, staff morale, and turnover*

Smart Start Workforce Grants primarily reach children in center-based settings and those enrolled in CCAP.

- In Round 3, **107,800 children** have teachers receiving support for higher wages.
  - Centers: 79,830
  - Family child care: 21,669
  - Family group child care: 6,301

- **Roughly 86,600 children enrolled in CCAP** are served by providers* receiving Smart Start Workforce Grants.

Distribution of children served by setting type

FGCC 6%
FCC 20%
Centers 74%

■ Centers ■ FCC ■ FGCC
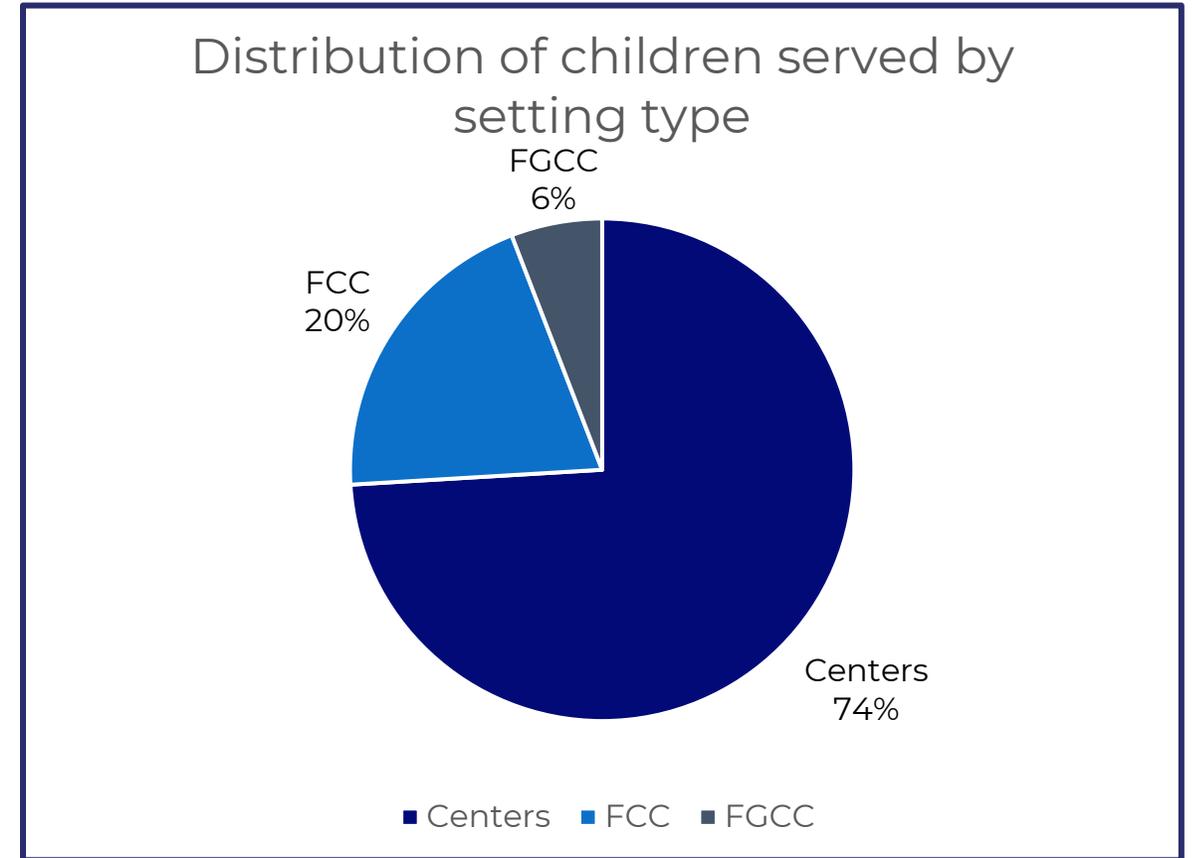
*Data notes:
- _Includes_ the highest number enrolled throughout the past year, including classrooms without SSWG funding.
- _Does not include_ site administered CCAP or DCFS Foster Care Child Care Payments.

Smart Start Workforce Grants – raising ECEC wages

Reporting for centers participating in Round 1 demonstrates that wages now meet or exceed the wage floor across all groups for lead teachers and assistant teachers.

ECE professionals in SSWG classrooms earning wages that meet or exceed the wage floor

Teachers/ leads
N=6,707

39%

98.6%

Assistant teachers
N=4,971

15%

99.1%

Before SSWG   After SSWG
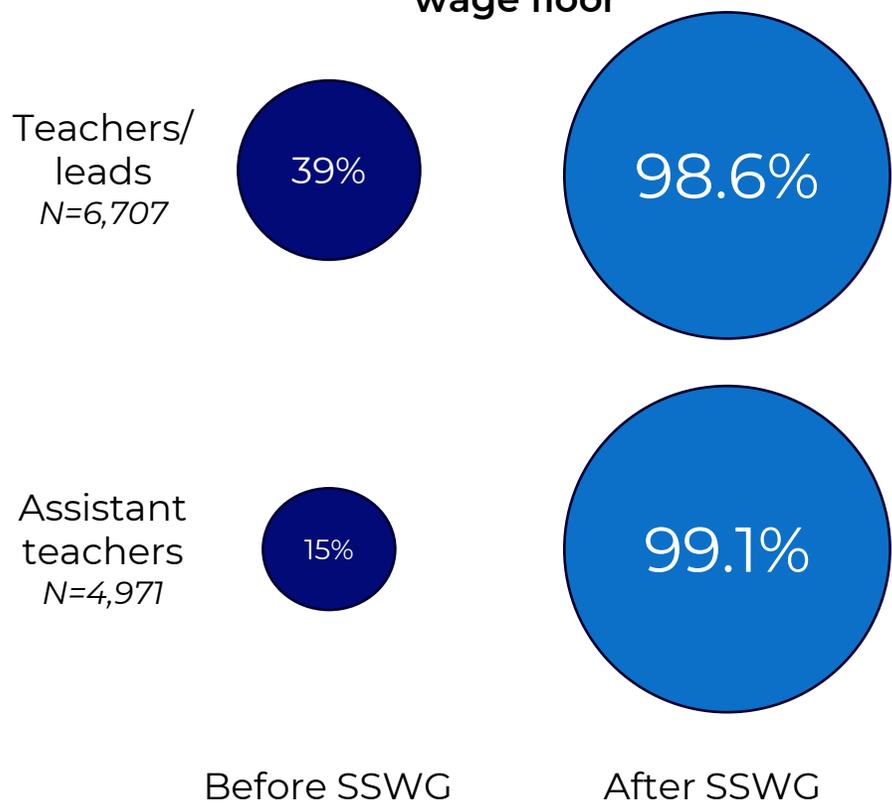
Group	Teachers/Leads		Assistant Teachers	
	Wage floor (hourly)	**Avg. Hourly wages Round 1**	Wage floor (hourly)	**Avg. Hourly wages Round 1**
Group 1A	$19.25/hr	**$21.16**	$18.00	**$18.45**
Group 1B	$18.50/hr	**$19.81**	$17.25	**$17.51**
Group II	$18.25/hr	**$19.23**	$17.00	**$17.23**

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

Discrepancies with reported wages in the first round of reporting led to additional technical assistance efforts and supports.

About 5% of Round 1 grantees reported wages below the wage floor (55 centers, 102 FCC and 20 FGCC)

Common reasons for reporting wages below the wage floor:
- Reporting issue
  - reported wages paid prior to receiving the grant
  - for FCC and FGCC, provider listed themselves as "teacher" or "assistant teachers" (wage floor applies to teachers and assistants, but there is no wage floor for provider/owners)
- Compliance issue
  - Not paying the wage floor

Technical assistance
- Grant specialists reached out to all programs reporting wages below the wage floor.
- For reporting issues, specialists have offered assistance and options to correct the issue.
- If programs did not pay the wage floor, they must provide back pay to employees not paid the correct wage and provide proof of the correction.
- Programs notified on March 21 that Round 3 checks withheld, and they will be ineligible for FY 26 funds until any issues are resolved or corrected.

Provider resources and technical assistance

- Overview of resources and technical assistance

- Technical assistance impact

- Changes for Year 2

- Discussion

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A suite of support and resources help eligible child care providers understand the requirements and access Smart Start Workforce Grant funding.

Resources and technical assistance support...

- Was **shaped by community engagement** with providers and the Ad hoc.
- Serves as a feedback loop to **improve program administration.**
- Has evolved over time to **meet emerging needs**.

Smart Start Workforce Grants Website

Webinars & Information Sessions

INCCRRA Help Desk & Grant Eligibility Specialists

Local Experts

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The Smart Start Workforce Grants website – available in English and Spanish – is a one-stop-shop for all grant information, resources, and support.

Resource	Available in Spanish
All grant information: eligibility, applications, award amounts, wage floors, timelines, links to all resources listed below, etc.	✔
Tip sheets: 12 unique tip sheets covering applications, staff listings, funding requests, etc.	✔
Frequently Asked Questions: Centers FAQ and Family Child Care and Family Group Child Care FAQ	✔
Reporting Guide: Centers Guide and Family Child Care and Family Group Child Care Guide	✔
Resources from Civitas Strategies: guides and videos to help providers understand tax, employment and business best practices, including how to leverage SSWG	✔

Webinars

- Options to attend live, watch recordings and/or view slides posted online
- Recordings and slides available in English and Spanish
- Webinars in Year 1 included:
  - Technical Assistance Webinar
  - Reporting Webinar – Centers
  - Reporting Webinar – Family and Family Group Child Care

Information sessions

- 55 sessions held between June 2024 – October 2024 to introduce local experts and technical assistance resources.
- Virtual or in-person
- Sessions also offered in Spanish

"I am glad I was able to attend the information session. It **answered most, if not all of my questions** and **made me feel more confident**, knowing I was implementing the grant instructions properly."

Smart Start Workforce Grant Local Experts provide 1-on-1 technical assistance and support to child care providers in their SDA.

"As a childcare provider, my experience with **Local Expert technical assistance has been incredibly helpful**. They provided clear guidance on improving my program's quality, helped navigate grant requirements, and offered useful resources tailored to my needs. **Their support made the process much smoother and more manageable.**"

- Local Experts are dedicated staff who can help providers:
  - understand grant requirements
  - navigate CCAP
  - complete applications
  - documentation
  - submit reporting materials
- Local Experts conduct proactive outreach to support:
  - All eligible Smart Start Transition Grant recipients (prior to applications opening in Year 1)
  - Programs with "draft" or "information required" status for applications, funding request or reporting.
  - All limited waiver recipients
  - All programs with an audit finding (starting in April 2025)
- Communicate updates and important deadlines from INCCRRA, as needed

Most grantees have received some form of technical assistance.

- **60% of Round 1 grantees indicated that they received some form of TA from their local expert.**
  - 42% attended an information session
  - 17% had an in-person or virtual consultation
  - 28% received TA via email or phone
- Between May and October 2024, Local Experts **spent over 4,336 hours** providing technical assistance to programs across the state.
  - Avg. time spent per program: 44 min
  - Month with most time spent on TA: July
- **544 providers attended information sessions**, including **120 Spanish-speaking providers**

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The majority of providers appreciated the technical assistance for Smart Start Workforce Grants.

- Based on responses from Round 1 reporting, 81% of programs said they would use local expert TA again
  - 81% centers
  - 81% FCC
  - 76% FGCC
- On a survey distributed last fall to 200 providers, **93.8% of Spanish-speaking respondents** would use Local Expert TA again

"**All questions have been answered** with clear instruction on how to do so. I am **glad there's bilingual staff to help me**."

"**La ayuda que e recivido es verdaderamente importante** ya que a sido un poco complicado rara mi comprender el proceso **estoy muy agradecida por su ayuda**."

"Through these sessions I was able to **acquire more knowledge** on how to gather and submit documentation for the grant. They were able to **guide me in creating a budget to implement in my grant**."

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Using Local Expert and provider feedback from Year 1, we are planning some changes to make application and reporting processes easier.

Orientation	Applications	Program administration
✓ Will be required before applying each year starting in FY26 ✓ Options to attend in-person or virtual orientations, or access on-demand through iLearning	✓ Updated language to better explain waiver options ✓ New question about all forms of subsidy to streamline eligibility determinations	✓ Enhance communication between eligibility specialists and local experts to help resolve application issues ✓ Adjust the timeline for reporting to eliminate overlap with application processing ✓ Review payroll reporting to identify wage floor issues as part of reporting acceptance

Small group discussion

1. Share any initial reactions about the SSWG resources and technical assistance and use/uptake of these resources.

2. Why might providers rely on Facebook or other sources to seek out information about SSWG? What can we do to redirect them to official sources?

3. What other updates should be considered for Year 2?

Public Comment

Next Smart Start Child Care Ad Hoc Advisory Committee Meeting

Friday, June 6, 11 AM – 1 PM

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

Thank you!