



# Smart Start Child Care Contracts

Ad Hoc Advisory Group Meeting #7

August 11, 2023

## GOALS

- Reaffirm goals for Smart Start Child Care
- Share Smart Start Workforce Compensation Contracts proposal that balances eligibility and meaningful award amounts across the field
- Discuss initial plan for Smart Start Quality Support funding
- Hear feedback and questions

## AGENDA

- Introductions & reminders
- Takeaways from the previous Advisory Group meeting
- Discuss Smart Start Workforce Compensation Contracts eligibility and use of funds
- Feedback & questions



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**

# Reminder: Transition year advisory timeline



**July '24**  
Begin Smart Start contracts

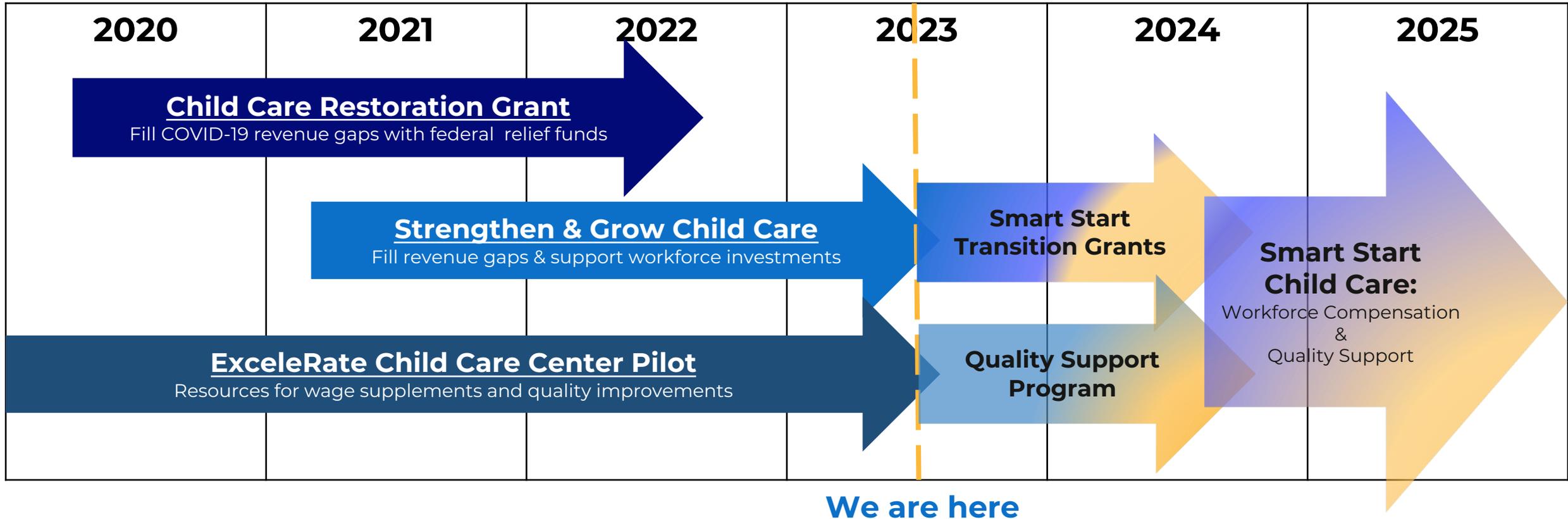
## Common Themes

- Appreciation for transparency in cost modeling and how it informs Smart Start contracts; enthusiasm for engagement in summer/fall cost modeling.
- In discussion on Transition Year Contracts, advisory members generally agreed that increased funding for infant/toddler classrooms is needed and appropriate.
- Several advisory members continued to recommend that salary scales be connected to credentials.
- Consideration for wage compression in salary scales is needed.

## Questions and Concerns

- Cost model assumptions are accurate for some scenarios and inaccurate for others. Key considerations include:
  - PTO should be included as part of benefits
  - PD should be tied to number of teachers instead of number of children
- Are cost models accounting for current or desired wages and staffing structures? How can we move toward desired wages and staffing structures?
- How will eligibility work for transition year funding if CCAP enrollment percentages fluctuate month to month?
- Will the Great Start program still be available when Smart Start Contracts launch?

# We are beginning a year of thoughtful, inclusive planning for Smart Start Child Care



## Smart Start Transition Grants form the bridge to Smart Start Child Care

- Infant-toddler classroom (\$28,000/yr) awards are larger than Preschool awards (\$24,000/yr) to account for staffing / operational cost differences.
- Providers must invest 75% of award in personnel, up from 50%.
- Eligible providers qualify for additional funding for quality supports.

# Smart Start Child Care

*Workforce Compensation  
Contracts Proposal*



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## Proposal Topics

### Workforce Compensation Contracts:

- Eligibility criteria
- Use of funds
- Reporting requirements

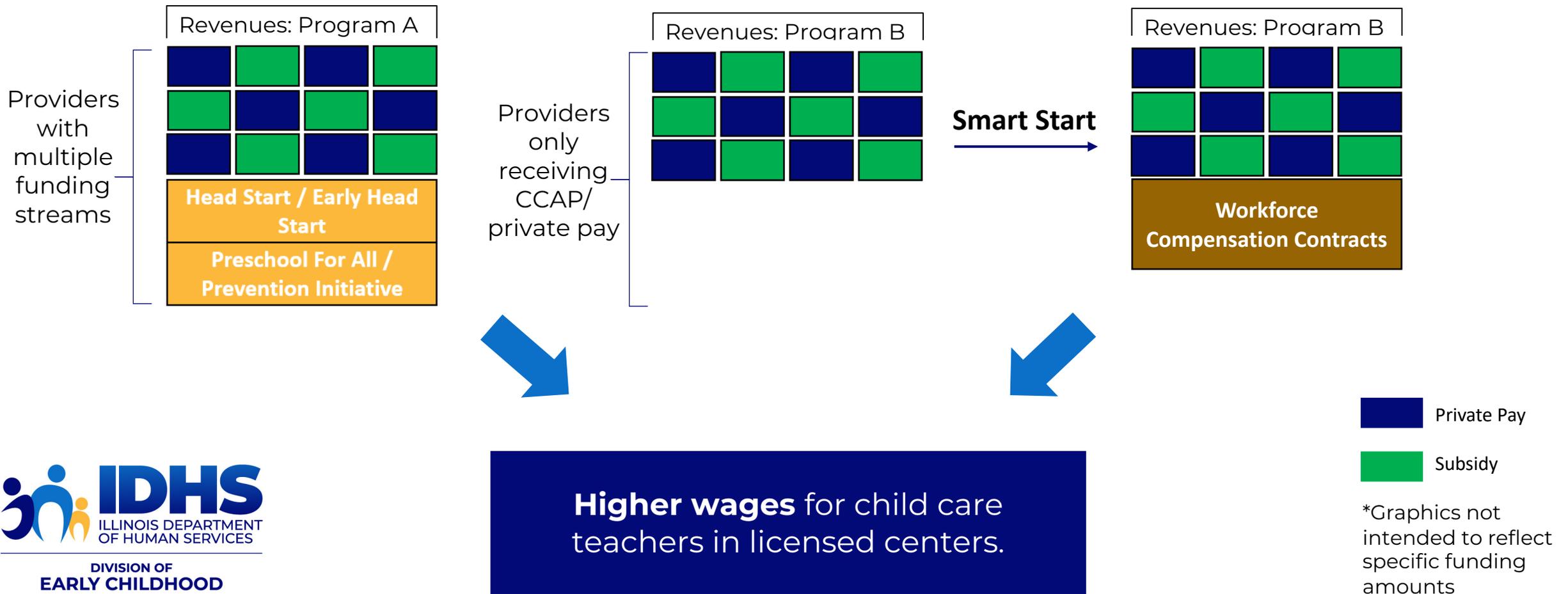
## Small Group Discussion

- What **unintended consequences** might eligibility requirements have? Who might be left behind?
- What are your **reactions** to the use of funds scenarios? What **other scenarios** could you envision?
- Do the reporting requirements seem **feasible**? What supports would providers need to meet these requirements?

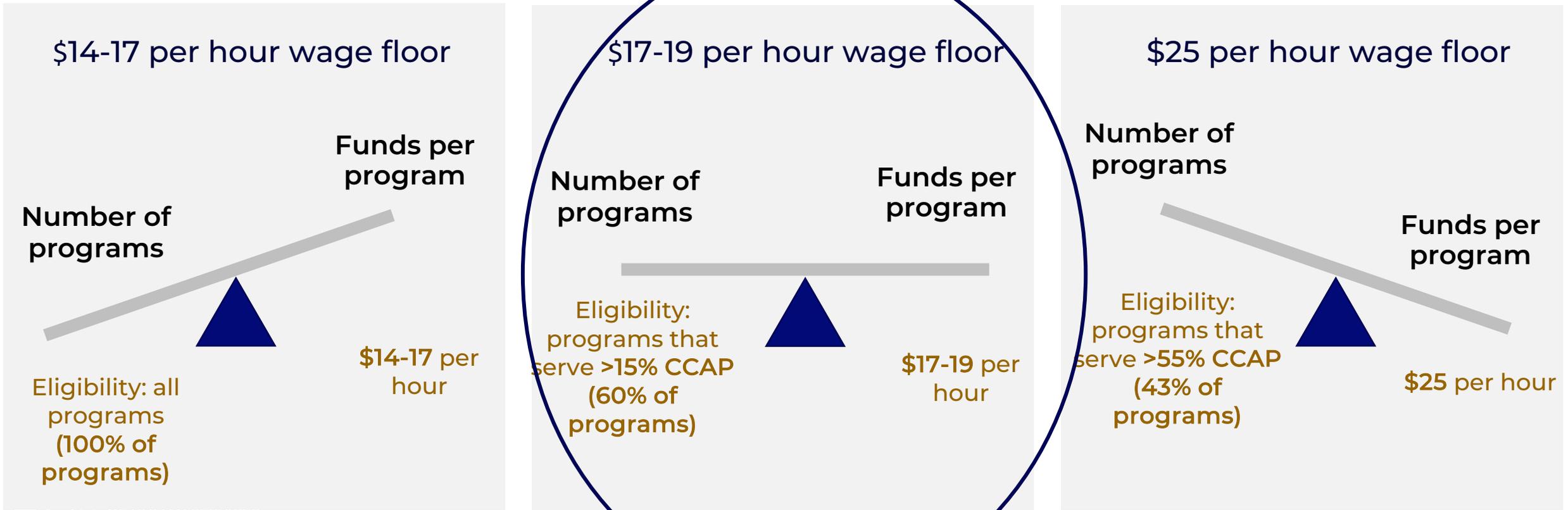
**As shared by the Governor, Smart Start will support child care programs through workforce compensation contracts and quality support funding.**

- **Workforce compensation contracts** will provide funding for staff wage increases, supporting child care sector stability
- **Quality support funding** will provide funding for staff wage increases based on credentials, supporting child care quality
- Pending funding in future fiscal years, Workforce Compensation Contracts will launch in July 2024 and Quality Support will expand in July 2025. The goal of these contracts is to support the child care workforce and, therefore, the field.

## Smart Start Workforce Compensation Contracts will support providers with limited funding streams to compensate the child care workforce.



**Smart Start Child Care must reach a significant portion of the field to positively impact the workforce. This will cap wage increases for child care workers.**



## Smart Start Workforce Compensation Contracts prioritize programs that need funding to meet wage requirements.

Program Eligibility	Rationale
Operate a <b>licensed child care center, licensed child care home, or licensed child care group home</b>	Child care licensing provides <b>information needed</b> to determine number of staff, wage requirements for contracts, etc.
Operate <b>full-day and full-year</b> , defined as a program that is open and offering at least <b>eight consecutive hours of care per day, five days per week, 47 weeks per year</b> .	Full day, full year programs tend to have <b>similar staffing and wage needs</b> . Investments in full day, full year programs help to make child care a more attractive field.
Providers must have maintained an average of <b>15% CCAP enrollment based on a 12-month average</b> (e.g., July 2023 – June 2024)	Smart Start Child Care prioritizes programs <b>serving low-income families</b> and incentivizes programs to accept CCAP.
Receive <b>private pay and CCAP funding exclusively</b> . Individual classrooms funded with only CCAP and private tuition will remain eligible.	Programs that receive private pay and CCAP funding exclusively often <b>do not have the revenue to pay their staff</b> \$16.50-\$20 per hour.



**Eligibility will be determined at the beginning of the grant year with opportunities to apply each quarter.**

CCAP enrollment will be based on licensed capacity and determined by a 12-month average (e.g., July 2023 – June 2024)

Programs that do not meet eligibility criteria during Q1 can qualify during Q2, Q3, or Q4 if they meet the criteria.

Programs will remain eligible for the remainder of the fiscal year once they qualify.

Eligible providers will be required to use funds to pay teachers and teacher assistants at or above required wage floor.

Position	Balance of the State	Chicago Metro
Teacher Assistant/Aide	<b>\$15.62/hr</b>	<b>\$18.50/hr</b>
Teacher	<b>\$16.87/hr</b>	<b>\$19.75/hr</b>
Site Director	<b>\$21.17/hr</b>	<b>\$24.36/hr</b>

**Notes:**

- These wages may change as the cost model is validated this summer.
- Smart Start awards must be sufficient to cover wages + payroll taxes.

## Uses of Funds Scenarios

What if eligible providers have funds left over after meeting the required wage scale?

- All funding available after meeting wage scales must be used for personnel funding and supports  
Examples include:
  - Wages beyond wage scale requirements
  - Paid time off
  - Benefits
  - Additional staffing
- Providers will report out on use of funding

What if eligible providers do not meet the required wage scale?

Providers must meet required wage scale to participate in Smart Start Workforce Compensation Contracts. If providers do not meet the wage scale, they will not be eligible to receive workforce compensation funding.

## Proposed Required Quarterly Reporting

- Providers will be required to submit quarterly reporting on use and impact of Workforce Compensation Contracts
- This includes:
  - **Expense Report**
    - Will include submitted application budget
    - Input what was *actually* expended for each expense category
  - **Narrative Report**
    - Questions specific to enrollment
    - Monthly reporting and must be completed for each month of the quarter
  - **Approval Letter**

## Proposed Timeline

	Timeline	Reporting Due
Q1 (SFY25)	October – December 2024	January 15 <sup>th</sup> , 2025
Q2 (SFY25)	January – March 2025	April 15 <sup>th</sup> , 2025
Q3 (SFY25)	April – June 2025	July 15 <sup>th</sup> , 2025
Q4 (SFY26)	July – September 2025	October 15 <sup>th</sup> , 2025

## Quality Support funding will address additional needs in child care programs.

- Starting in July 2025, programs that receive a workforce compensation contract may be eligible to receive Quality Support funds that support investments in staff including:
  - wage increases based on credentials
  - additional support staff
  - staff professional development

## SMALL GROUP BREAKOUTS

- Group 1: Providers with ECBG and/or HS funding
- Group 2: Providers with CCAP only
- Group 3: Chicago providers
- Group 4: Other Ad Hoc Members

***Reminder: Today's discussion pertains to contracts for programs or classrooms with only CCAP and private tuition revenue.***

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## Small group questions and discussion

- What **unintended consequences** might eligibility requirements have? Who might be left behind?
- What are your **reactions** to the use of funds scenarios? What **other scenarios** could you envision?
- Do the reporting requirements seem **feasible**? What supports would providers need to meet these requirements?

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Next Meeting Date:  
**September 8, 2023, 11-1pm**

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