



Smart Start Child Care Grants

Ad Hoc Advisory Group Meeting #9

October 6, 2023



GOALS

- Share overview of Smart Start Workforce Compensation data analysis & stakeholder input process
- Communicate takeaways from the Smart Start Workforce Compensation data analysis & stakeholder input process
- Hear feedback and questions

AGENDA

- Introductions & reminders
- Takeaways from the previous advisory group meeting
- Recap workforce compensation data analysis & stakeholder input process
- Share about trade-off considerations after data collection and stakeholder engagement process
- Hear feedback on 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

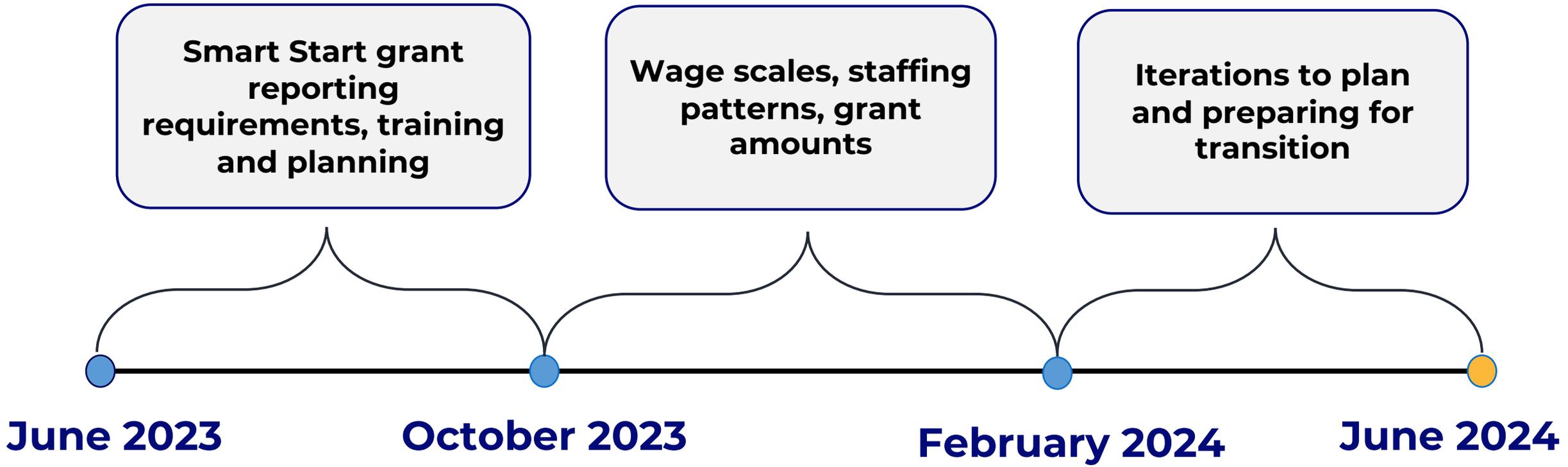


Surface any **potential risks and opportunities**



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

Reminder: Transition year advisory timeline



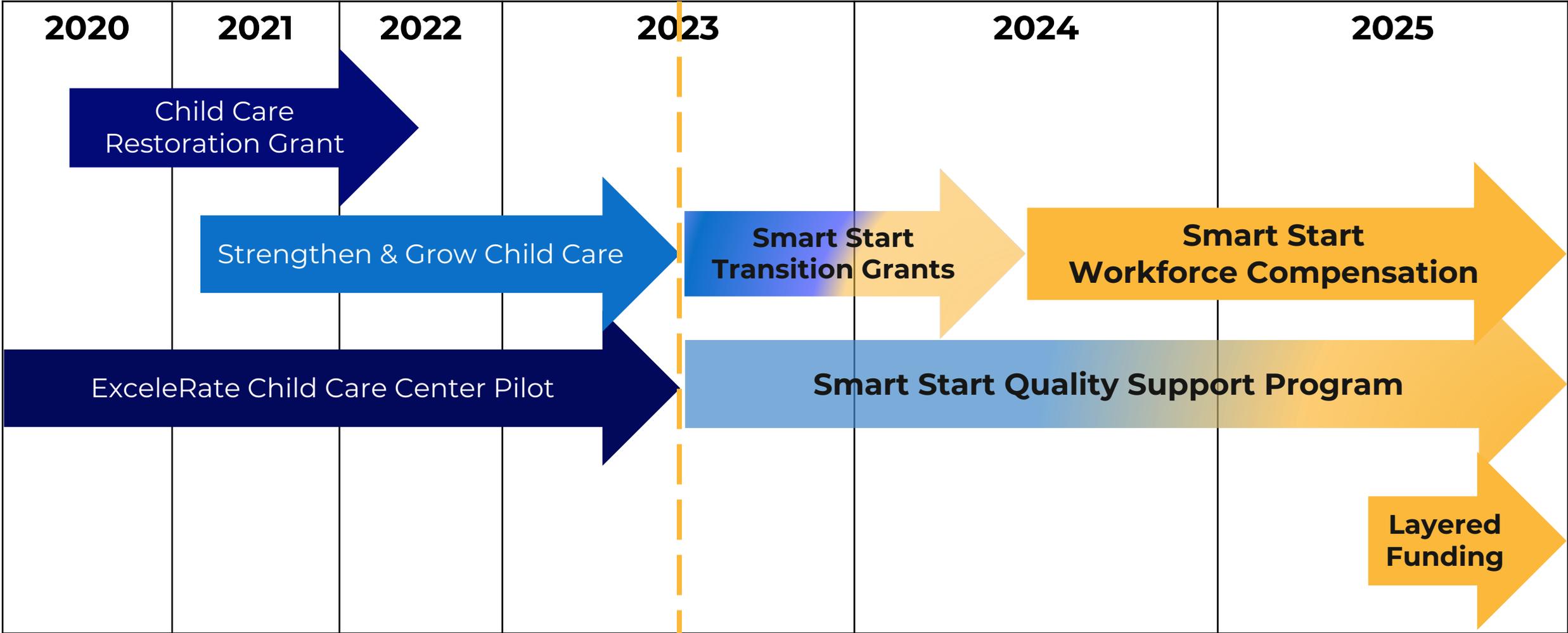
Common Themes

- Providers will need clear requirements and flexibility where available given range of provider size and system sophistication
- There will be a significant need for training and technical assistance (T/TA) for family child care homes and small centers, and T/TA should be tailored to unique needs of various provider types
- Advisory members mentioned the importance of considering impact on providers when designing reporting requirements

Questions and Concerns

- Will there be data collection on teacher retention and workforce to understand impact of Workforce Compensation grants?
- What are the parameters for reporting payroll and how will that look?
- Concern that small centers and homes may not have the capacity to meet some of the reporting requirements
- Does Schedule C provide the needed information for verification? Could unemployment insurance forms be used as a reporting/verification method for family child care homes?

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



We are here

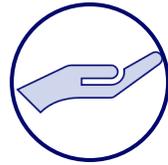
As shared by the Governor, Smart Start will support child care programs through workforce compensation grants and quality support funding.

- **Workforce compensation grants** 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 grants will launch in July 2024 and quality support funding will expand in July 2025. The goal of these grants is to support the child care workforce and, therefore, the field.

Smart Start Workforce Compensation Program: Guiding Principles for Decisions

Guiding principles have guided Smart Start Workforce Compensation Grants



Decisions must be grounded in equity, prioritizing programs with limited access to funding



Decisions must be informed by those who stand to be most impacted by them



The program must stay within the allocated budget and meet the Governor's stated goals



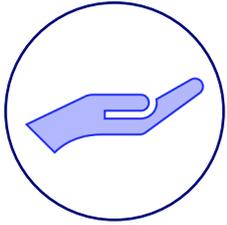
Grants should maximize program reach while also setting a wage scale that creates competitive wages for the field



Grants must provide eligible programs with enough funding to cover the costs associated with requirements



We recognize that we need to make decisions on a timeline with the best information we have



The following equity considerations have also guided Smart Start Workforce Compensation Grants decisions

- Center children and families, especially the [ELC priority populations](#), focusing on racial equity
- Focus on the needs and priorities of historically disenfranchised children and families, providers, workforce, and communities
- Consider how our decisions may benefit or harm historically disenfranchised children and families, providers, workforce, and communities
- Seek the expertise and input from stakeholders already engaged with our historically disenfranchised children and families, providers, workforce, and communities
- Where possible, consider data that provides insight into the relative impact on historically disenfranchised children and families, providers, workforce, and communities

To inform the design of Smart Start Workforce Compensation Grants, DEC engaged in the following activities:



We gathered data from existing sources to learn about program costs, personnel, and revenue.

Smart Start Provider Survey

- Staffing patterns
- Expenses
- Home-based provider wages

Gateways Registry (INCCRRA)

- Wages by position
- Number and type of staff
- Breakdowns by location

Strengthen & Grow Grant Reporting

- Grant participation
- Enrollment and capacity

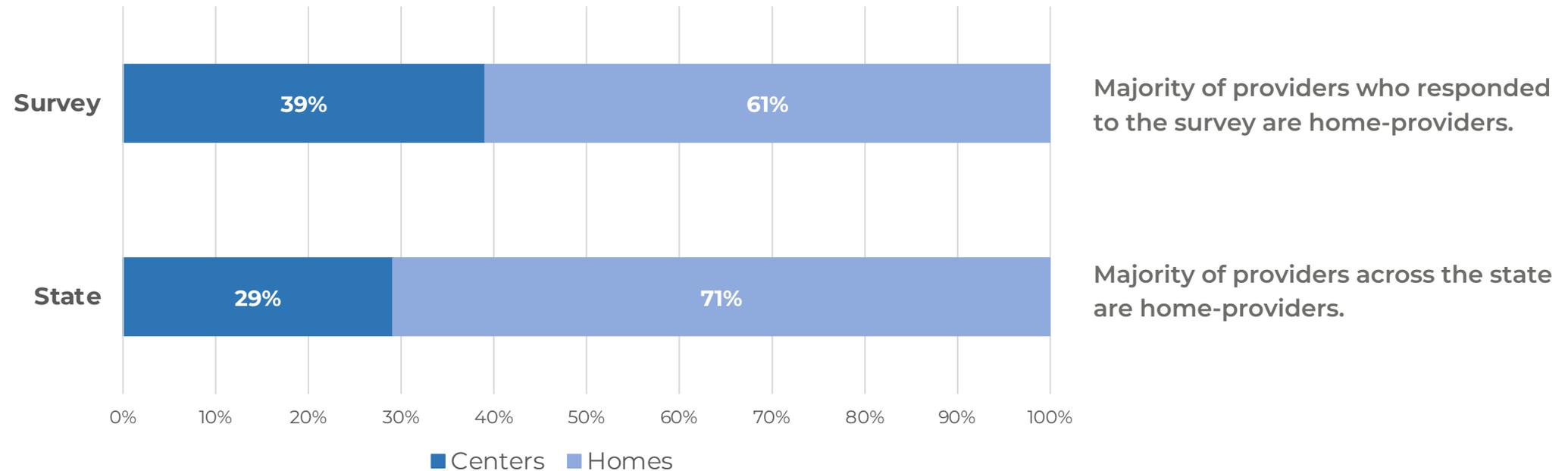
CCAP Enrollment Data (Chapin Hall)

- CCAP enrollment by provider by month

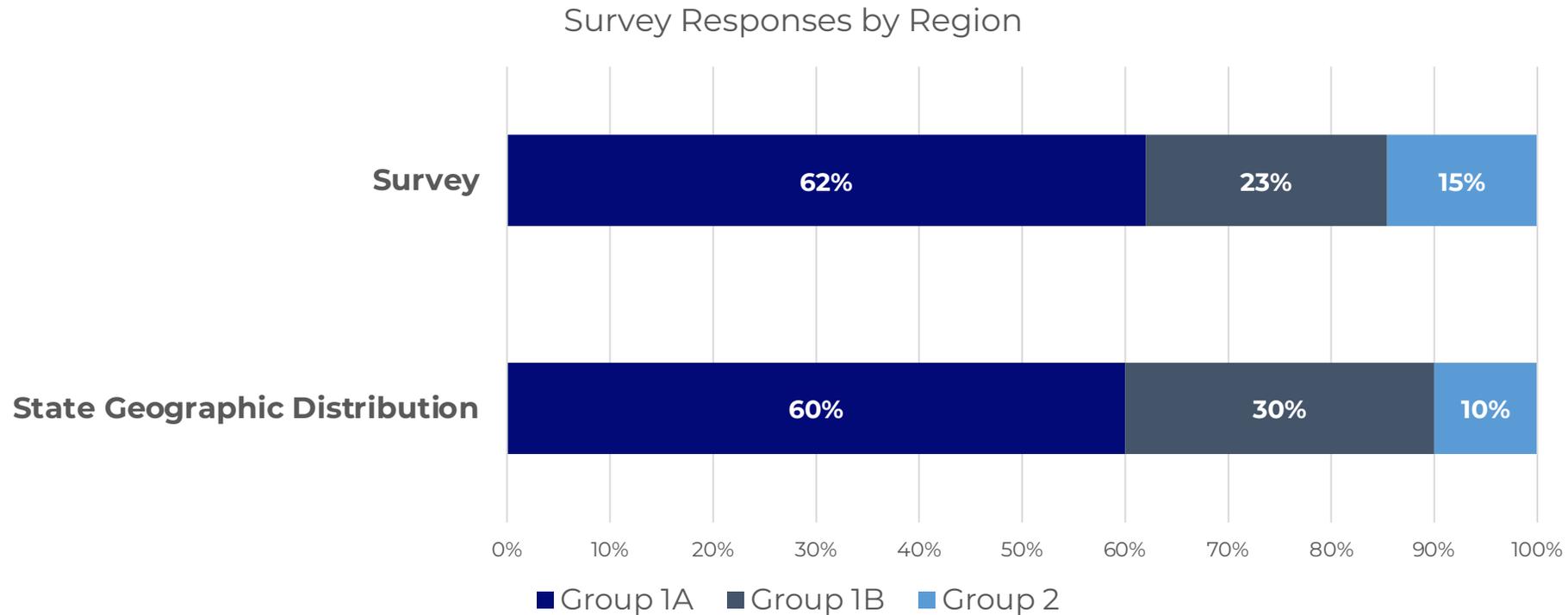
Preliminary Market Rate Survey (INCCRRA)

- Average private pay tuition rates by age of child and region

1,675 licensed child care centers and homes responded to the survey, approximately 22% of all licensed, full-day, full-year programs. This included 1,021 homes and 654 centers.

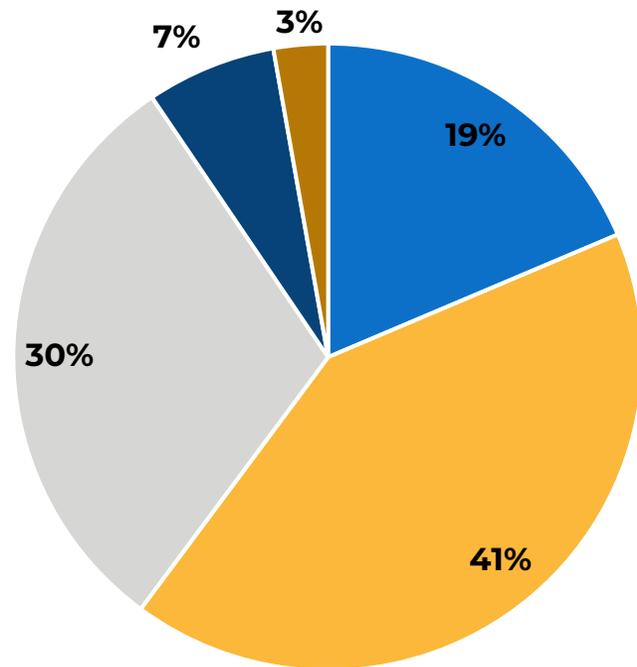


Responses were geographically representative of the state with a roughly similar distribution between the three regions.



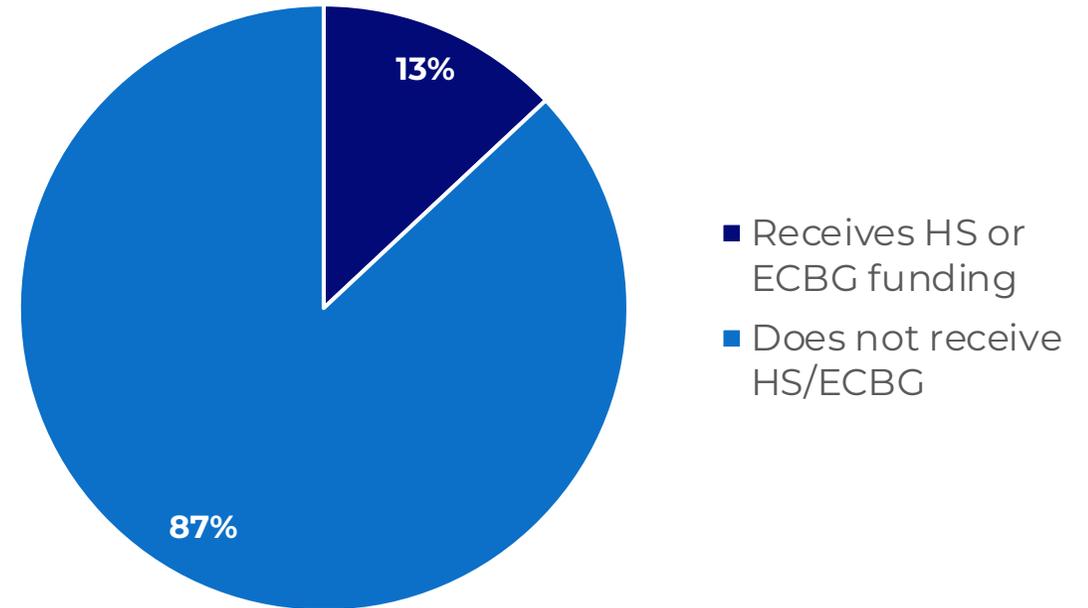
Program size and funding streams varied across the 654 responses from centers.

Number of Open Classrooms



- 1 to 3 classrooms
- 4 to 6 classrooms
- 7 to 9 classrooms
- 10 to 12 classrooms
- > 12 classrooms

Program funding streams



- Receives HS or ECBG funding
- Does not receive HS/ECBG

Survey respondents generally served demographically diverse families:

Program has at least one child who...	Center Responses	Home Responses
Receives CCAP	89%	71%
Is a dual language learner	59%	50%
Has an IEP or ISFP	69%	32%
Receives CACFP (subsidized meals)	59%	60%

Survey respondents themselves were also linguistically diverse:

- 9.4% of responses were submitted in Spanish

Center-based survey findings:

- **Staffing patterns:**

- Confirmed our assumptions about staffing infant/toddler classrooms
 - 2 teachers and 1 assistant is most common staffing pattern
- Survey showed additional lead teachers in center-based preschool classrooms:
 - We had previously assumed 1 teacher and 1 assistant per preschool classroom
 - Survey showed 2.5 total staff per classroom – reflects staffing over a longer day

➡ ***Updated cost model to show more staff per classroom in preschool classrooms***

- **Non-personnel costs such as rent, insurance, supplies:**

- Many categories have increased since data were last updated

➡ ***Updated cost model to more accurately reflect current costs for rent, supplies, etc.***

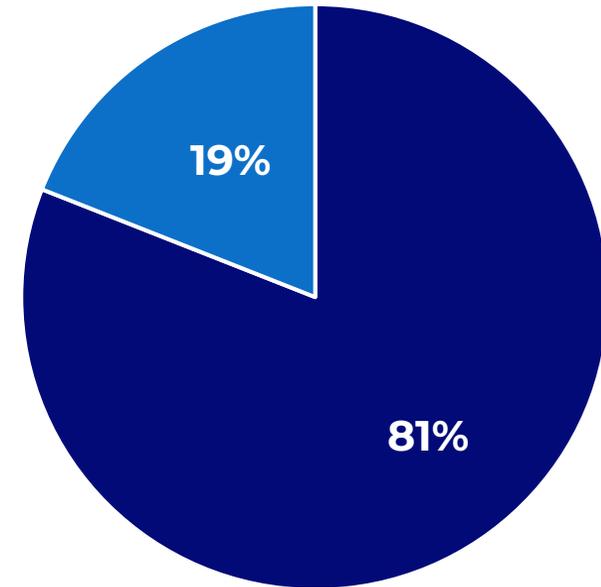
- **Payroll services:**

- 76% of centers and 22% of homes use a payroll service
- Median cost of about \$1,500 per site for centers and \$1,100 for homes

Most home-based programs who responded to the survey have an assistant.

- **Paid assistants are most common:**
 - 67% have a paid assistant
 - 23% have an unpaid assistant
 - 74% of respondents have either a paid or unpaid assistant, or both
- **Assistants' pay in homes is equivalent to assistant teachers' pay in centers:**
 - Home-based programs pay their assistants a median hourly wage of **\$15/hr** in Group 1A and **\$14/hr** in Groups 1B and 2
- **Provider-owners had a median net income of \$15,000** after expenses and tax deductions
 - 81% of provider-owners reported that they had a positive net income after expenses and tax deductions

Provider Net Income



■ Positive Net Income ■ \$0 Income or Deficit

Focus groups engaged a diverse group of providers to learn about their staffing, wages, grant reporting experiences, and technical assistance needs.

8 focus groups

- 3 breakout groups in Spanish, reaching 17 providers
- 14 breakout groups in English, reaching 93 providers

110 attendees

- 43 homes
- 67 centers
- 47% White/Caucasian, 21% Latino/a, 18% African American, 1% Asian Americans and Pacific Islander, and 13% other

Regions across the state represented

- 57% providers were from outside of Chicago and surrounding suburbs
- 30% providers were from Chicago
- 13% providers were from surrounding suburbs

Key takeaways on staffing patterns and wages from focus group include:

Staffing patterns

- Staffing patterns varied and programs receiving public funding streams (Head Start and PFA) often had additional staff.
- Most center-based programs employed cooking/cleaning staff and floaters. Many home-based programs employed someone to support with cleaning.

Wages

- Programs generally pay more than what is included in the presented wage scale. Many programs described how they need to pay higher than suggested wage floors to recruit and maintain staff in their program.

“We pay more than the new wage floor because it's hard to attract and keep staff. These grants would be very helpful to maintain these wages.”- Center-based provider

Key takeaways on reporting and training and technical assistance from focus groups include:

Reporting

- Overall, current reporting requirements for transition year grants have been straightforward.
- Center-based programs are generally not concerned with submitting payroll but many home providers do not use a payroll system.

Training and technical assistance

- Many providers receive assistance to apply for grants and complete reporting requirements through informal groups such as social media and friends.
- Satisfaction levels with current technical assistance for transition grants varies. Many providers indicated that they would like localized support from CCR&Rs and support in Spanish.

“More support in Spanish is needed. We deserve to know how these grants will come about, and we need to be informed.” – Spanish-speaking home provider

Findings from the surveys and focus groups will now be used to hone Smart Start Workforce Compensation Grants design.

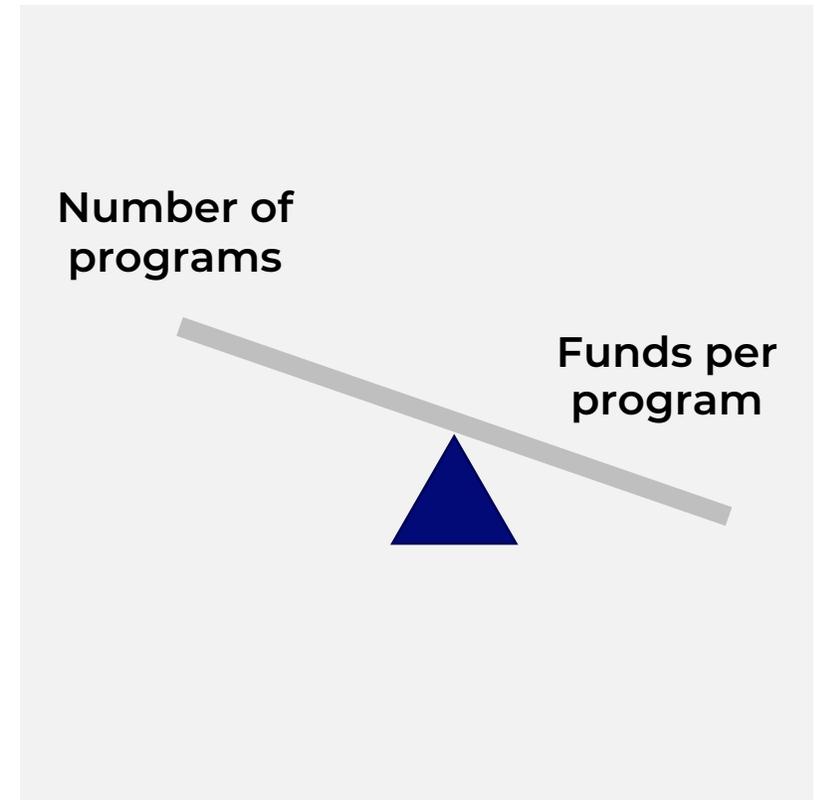
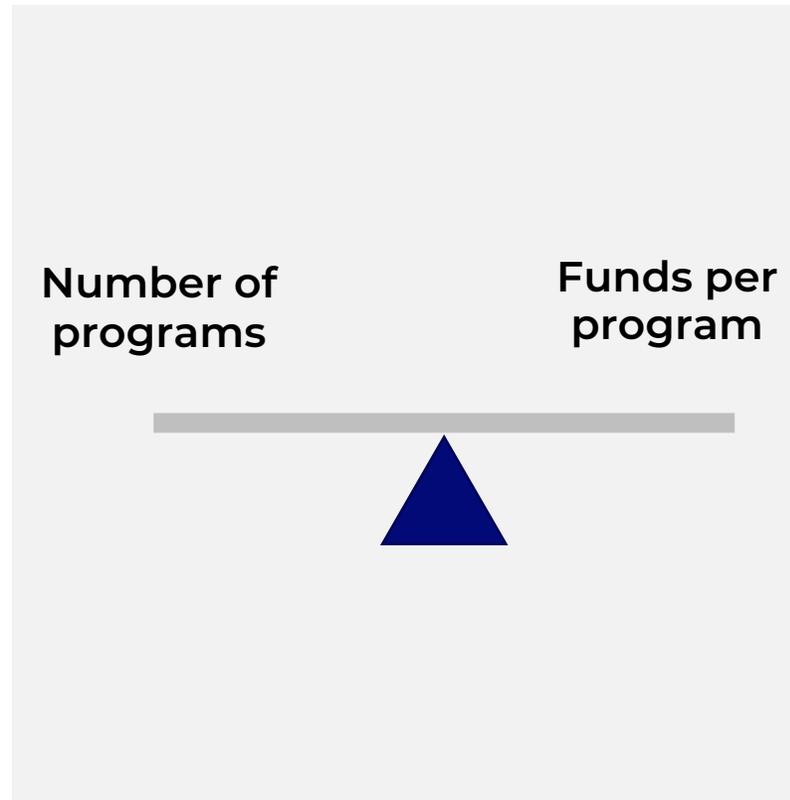
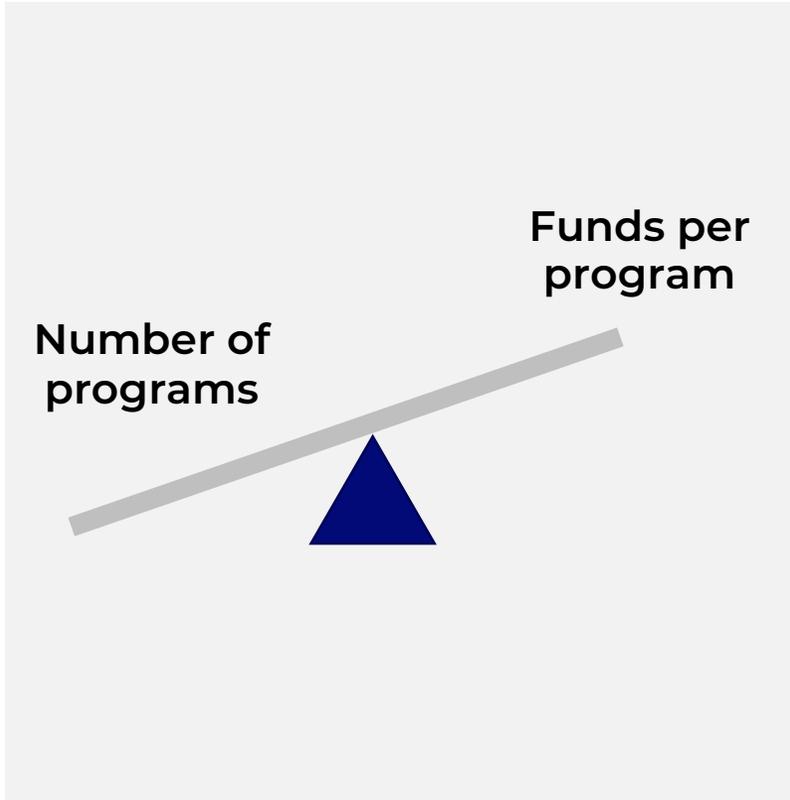
1. We heard from surveys and focus groups that programs now have more staff per classroom.

- This means that Smart Start Workforce Compensation per classroom award amounts will need to be larger to allow programs to meet the same wage floor for all of their staff.
- This will require trade-off decisions, such as lowering the required wage floor or tightening eligibility requirements.

2. At the same time, we have heard from this group and other providers that eligibility for Workforce Compensation grants is a concern.

- Programs want to know that they will be able to consistently qualify for the grants year after year to be able to sustain wage increases.
- Programs that are not eligible may struggle to compete for staff with programs that receive funding.
- Eligibility should be easy to understand, predictable, and attainable.

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.



SMALL GROUP BREAKOUTS

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

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

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Small Group Discussion Questions

- What surprised you about what was learned from the survey and focus groups?
- With these findings, tough decisions will need to be made. Which would you prioritize: more expansive eligibility, or funding for higher wages?
- Which trade-off- fewer programs served or lower wages- is most concerning to you, and why?
- What is most important to keep in mind in order to meet the Governor's stated goals?
- What is a meaningful staff wage increase that could help with recruitment and retention?

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Next Meeting Date:
November 9, 2023, 11-1pm

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



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