



Child Care Contracts

Ad Hoc Advisory Group Meeting #3

January 13, 2023

GOALS

- Explore specifics what Quality Support means and could look like in contracts
- Share concerns and questions

AGENDA

- Introductions & reminders – 5 mins
- Takeaways from last meeting – 10 mins
- Further context on the Quality Support element of contracts – 60 mins
 - Goals
 - Eligibility
 - Requirements / Uses
- Discuss implementation timeline – 10 mins
- Feedback & next steps – 5 mins

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



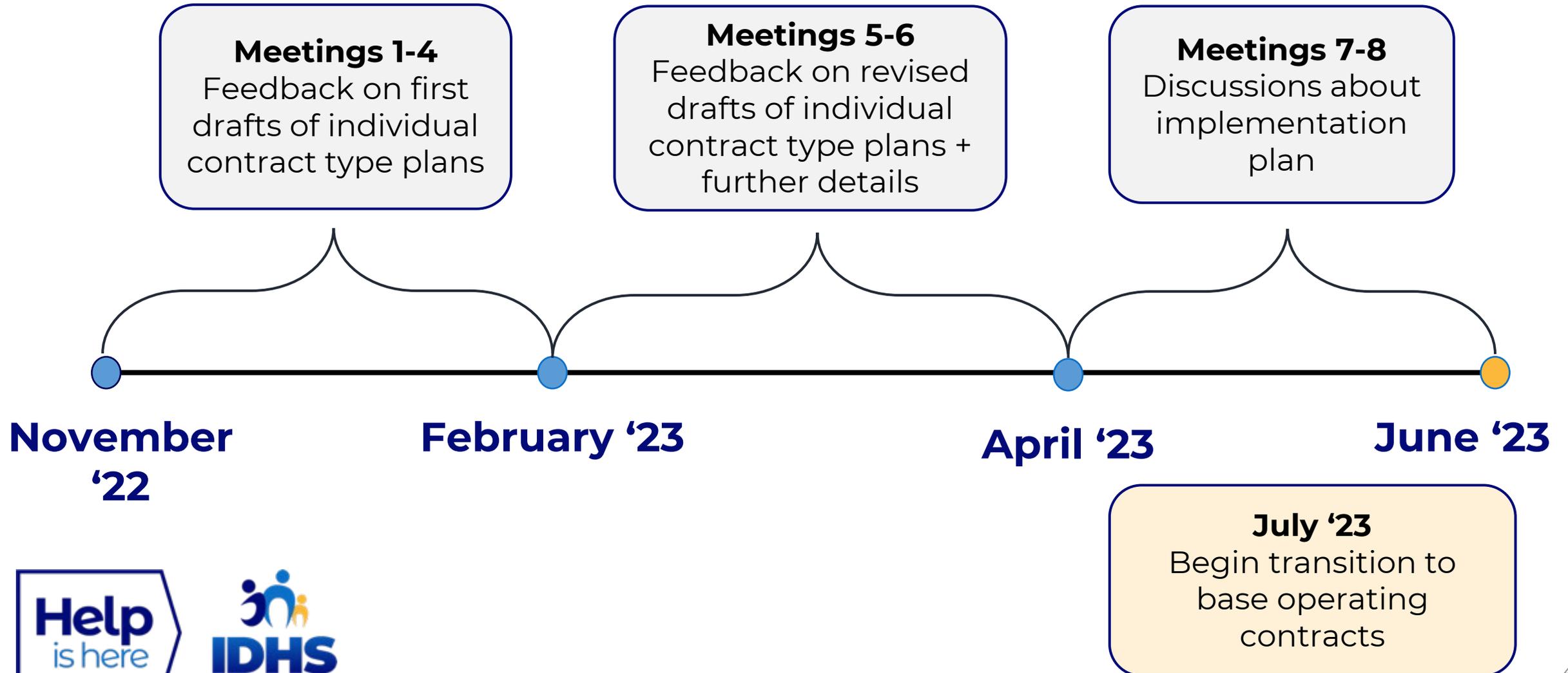
Surface any **potential risks and opportunities**



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



REMINDER: TIMELINE





Common Themes

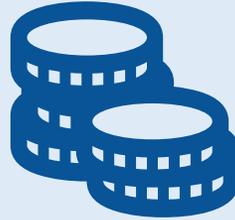
- Appreciation for transparency with compensation funding priorities.
- Equity needs to be prioritized and funds should be allocated to support children with special needs.
- Provide funding for livable wages; the wage scale as proposed is generally too low to meet goals.

Things IDHS Must Keep in Mind

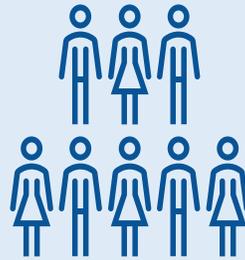
- Account for increased payroll taxes associated with higher salaries.
- Wage scale should adjust with inflation over time.
- Determine if increasing wages will impact child care providers' access to public benefits.
- Consider non-traditional programs that are not currently licensed.
- Compensate teachers for qualifications and credentials.
- Increase the pay differential between teachers and teaching assistants.
- Programs may follow different staffing patterns than suggested in the wage scale.

Illinois aims to **stabilize and improve the supply and quality of child care** in the state.

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** which would move us toward this goal by:



Increasing **compensation** to staff across the industry

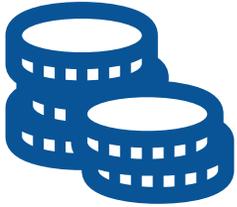


Supporting **structural quality**

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

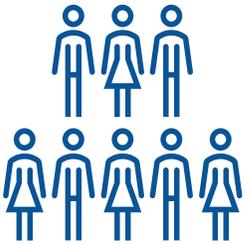


Compensation and Structural Quality



Compensation

- Fund a higher wage floor based on classroom roles



Structural Quality

- Fund quality improvement through pay increases for credentials and degrees
- Fund improved ratios and group sizes above licensing standards
- Fund support staff (admin assistants, specialists, etc.)
- Fund staff supervision and training

CONTRACTS ALIGN WITH PRIORITIES

Base operating contracts support compensation and structural quality

Providers with CCAP
and/or private tuition
revenue only*



**Workforce
Compensation**



Quality Support**



Targeted Supports



High quality
providers with
multiple public
funding streams*



**Layered Funding
Contracts**



Legend



Compensation



Structural Quality

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

** rollout beginning SFY 25

Quality Support

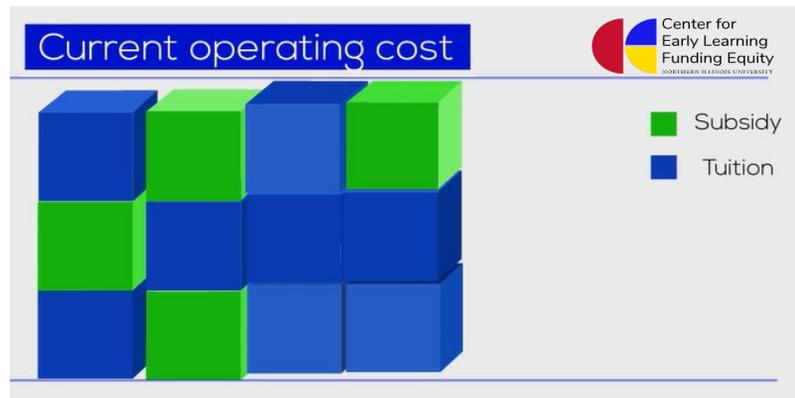


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Base operating contracts can support higher wages for the child care workforce and support quality.

Contracts will:

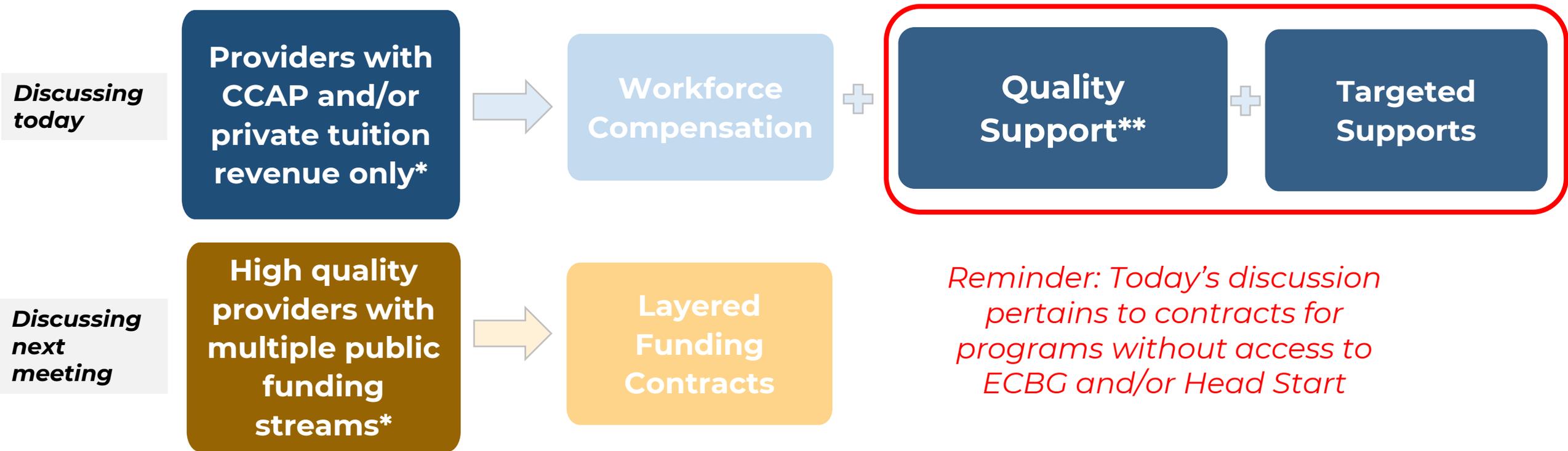
- **Take the cost burden off families**
- Be paid in advance (not in arrears)
- Be independent from CCAP
- Carry requirements (such as wage scales)



True Cost of Quality Care



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



Reminder: Today's discussion pertains to contracts for programs without access to ECBG and/or Head Start



* not including the Child & Adult Care Food Program or other DHS-DEC funds, such as ExceleRate pilot, SGCC, etc.
** rollout beginning SFY 25

Future funding

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

OUTCOMES

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

Programs will be better positioned to successfully apply for PFA/PI funding with improved structural quality

NEW APPROACH

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

Provide funding to increase compensation for providers with higher credentials

Future funding

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

- Balance between a custom amount (Excelerate pilot-like) and a fixed amount (SGCC-like)
 - Custom amounts can provide more specific, targeted funding levels but often require significant work to calculate and administer
 - Fixed amounts may not adequately or equitably fund providers but are simpler to calculate and administer

Requirements

Allowable uses of funding:

- a) Increase wages for higher credentialed staff
- b) Increase classroom staff above licensing standards
- c) Add support staff
- d) Pay for staff professional development

Quality Support funding could fund:

Higher wages for staff with higher credentials

Examples include:

- Fund a wage scale that includes higher wages for staff with higher credentials

Additional classroom staff above licensing standards

Examples include:

- Fund additional classroom staff to improve adult to child ratios and allow for time outside of classroom for reflective supervision, planning, etc.
- Fund smaller group sizes

Additional center staff

Examples include:

- Fund administrative support, specialists, finance, budget, or contract management staff
- Fund mentor teachers or program leaders to provide embedded coaching and PD

Aligned professional development supports

Examples include:

- Funding directly to TA/training orgs to support programs in implementing changes required with structural quality funding

Targeted Supports funding could fund:



Intensive supports for dual/multi language learners. For example, fund staff with specialized qualifications, additional training for all staff, and additional materials.



Specific resources to support inclusion of children with special needs. For example, fund staff with specialized qualifications, additional training for all staff, and additional materials.



Intensive Family Support services for families with substantial challenges and/or involvement with other systems. For example, fund dedicated family support staff with appropriate qualifications, additional training for all staff, and staff that can support collaboration with other service sectors.



Programs that offer services targeting families in need of child care during **nontraditional hours.**

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 contracts for programs without access to ECBG and/or Head Start

Help
is here

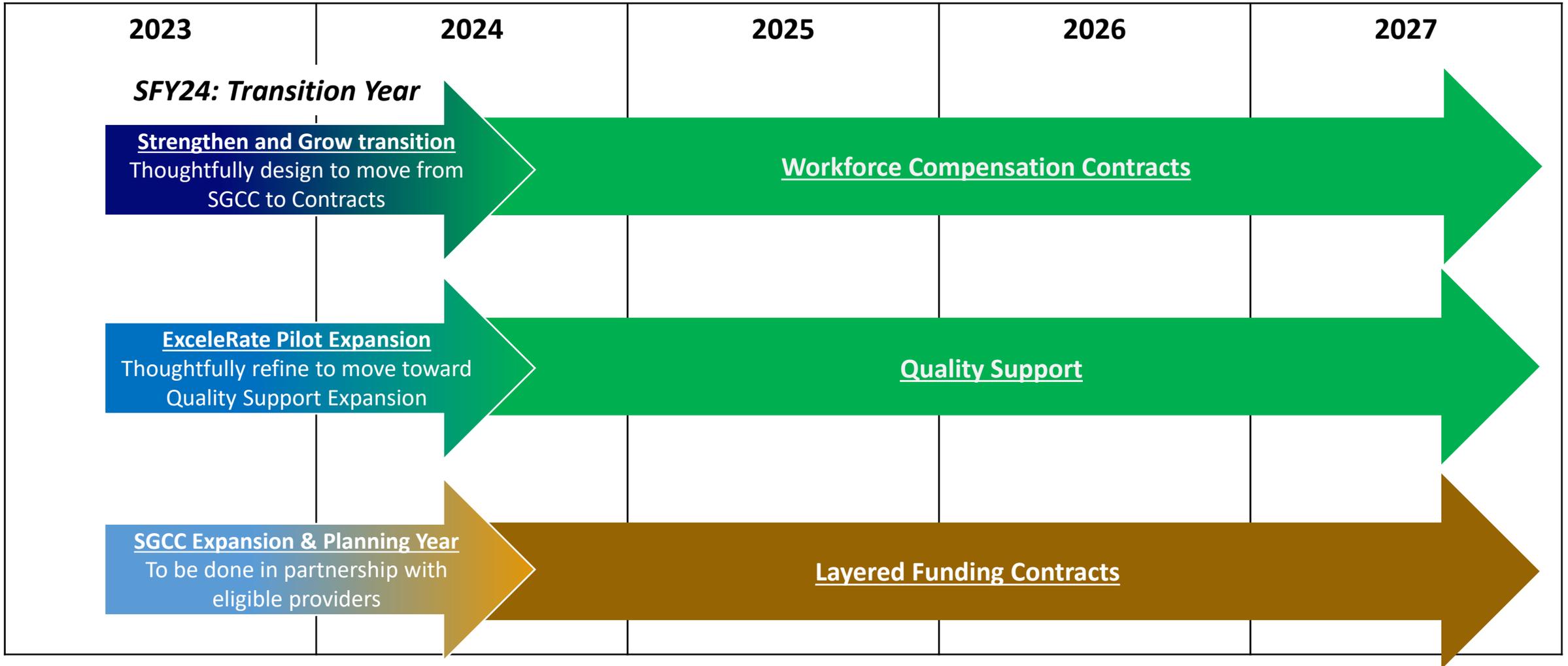


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Small Group Questions

- Do the proposed uses of Quality Support funding resonate? Is anything missing?
- Which uses of Quality Support funding are most helpful/urgent? Which should be done first?
- What would this need to look like/include to encourage CCAP-only providers to participate? Why might they not?
- Who will benefit from this program? Who will not be able to access this program? What are the barriers?
- For providers who receive CCAP or private pay only, would Quality Support funding encourage you to eventually seek other funding opportunities like Early Head Start, Head Start, or PFA?

IMPLEMENTATION TIMELINE, INCLUDING TRANSITION YEAR



Next Meeting Date: **February 3, 2023, 11-1pm**

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

Topics of Discussion:

- **Layered Funding Contracts**

Open Survey for Feedback:

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



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Thank You!



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