ELC Smart Start Update

November 2023

IDHS Home Visiting is preparing for expansion in SFY25 as a part of Smart Start Illinois.

- Work is underway to identify priority counties for expansion based on latest available data.

- Home Visiting cost model will be updated by June 2024.

- IDHS-DEC is supporting Raising Illinois to host a town hall series to seek input on home visiting topics including family engagement and workforce support.

IDHS-DEC continues to study Early Intervention funding strategies to identify ways to better support service providers and service coordinators.

- Initiated discussion with Illinois Interagency Council on Early Intervention on EI cost modeling

- Analyzing data on service coordinator caseload and service provider turnover

- Preparing to hold focus groups with stakeholders gather information on barriers faced by service providers, service coordinators, and families

Smart Start Child Care: Planning Update

Help is here

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In February 2023, Governor Pritzker announced Smart Start Child Care

Smart Start Child Care will provide every child with access to preschool, increase funding to child care providers to raise wages and quality, invest in new expanded early childhood facilities, and reach more vulnerable families with early support.

This ad hoc committee has and will advise on:

- **Workforce compensation grants** that will **provide funding for staff wage increases**, supporting child care sector **stability**. Anticipated launch is October 2024.

- **Quality support funding** that will provide funding for staff wage increases **based on credentials**, supporting **child care quality**. Anticipated expansion is October 2025.

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Compensation for the early childhood workforce in Illinois is low
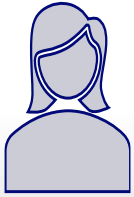
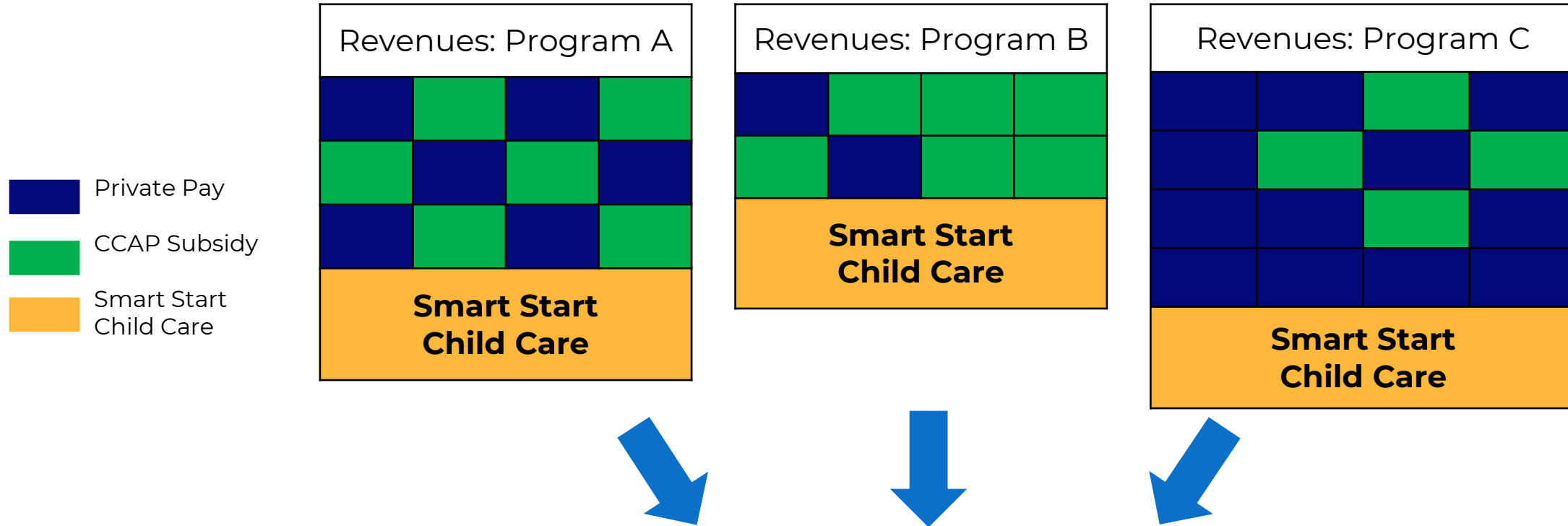**71,337** early childhood educators working in licensed centers or homes[1]
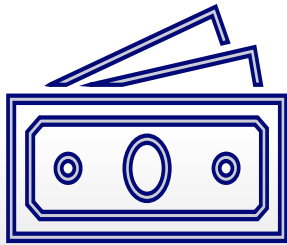
Mean wage for early education professionals[1]:

$23.52 per hour / **$48,922** per year- Center directors

$17.47 per hour / **$36,338** per year- Center teachers

$14.54 per hour **/ $30,243** per year- Center assistant teachers

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Sources:: 1: INCCRRA/Gateways Registry, March 2023

Smart Start Child Care can address this with investments programs need to pay attractive wages without raising costs for families

Legend:
- Private Pay (navy)
- CCAP Subsidy (green)
- Smart Start Child Care (orange)

Revenues: Program A
Smart Start Child Care

Revenues: Program B
Smart Start Child Care

Revenues: Program C
Smart Start Child Care

$17-19 per hour wages on average for child care teachers in licensed centers.

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Focus groups, survey responses, and administrative data helped inform updates to the cost model

	Child Care Centers	Child Care Homes
Personnel	**Increased the number of staff**, especially for 2-5 year old classrooms **Personnel costs make up 70-80% of total expenses**, on average, across all three regions	Includes **provider/owner compensation as a personnel cost** (usually thought of as net profit) **Personnel costs make up 50-70% of total expenses**, on average, across all three regions
Non-Personnel	**Updates to all non-personnel expenses**, such as rent/mortgage, food, and other supplies	

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If Smart Start Workforce Compensation requires raising wages above a wage floor, Smart Start Workforce Compensation must cover the cost to get there.

Program-level costs add up to state-level costs

Cost per classroom/home to support a **wage increase** above a **required wage floor**

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Total number of eligible **classrooms** in child care **centers** and child care **homes** across Illinois

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Total State Cost of Smart Start Workforce Compensation program

These are draft figures for a "typical" program and are subject to change. They are not meant to represent any individual program.

Strengthen and Grow Child Care and Smart Start Transition Grants have supported the child care workforce with significant investments

Strengthen and Grow Child Care (first year)

$169 million (federal relief)

- 4,000+ sites awarded

- Grant Amounts (annual)*:

  - Centers: $25,000

  - Group Homes: $15,000

 - Homes: $10,000

- 25% of award invested in wage increases

Smart Start Transition Grants (SFY24)

$196 million (federal and state)

- 3,731 programs awarded in Round 1

- Grant Amounts (annual)*:

  - Centers (Infant-toddler): $28,000

  - Centers (preschool): $24,000

  - Group Homes: $15,000

  - Home: $10,000

*Amounts may be greater based on Social Vulnerability Index (SVI)

To date, stabilization grants have reached as many programs as possible with meaningful award amounts.

| Number of programs | | Funds per program |
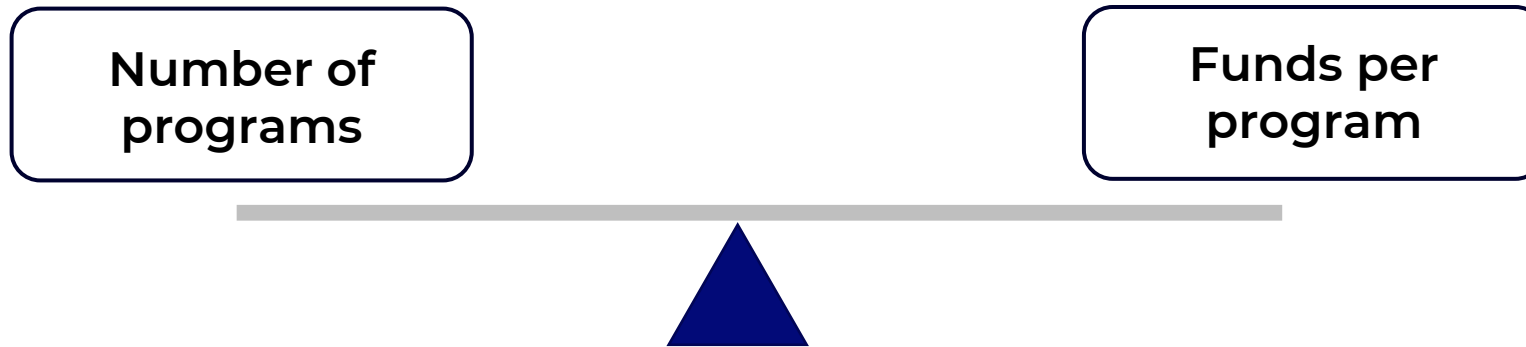
With **Strengthen and Grow Child Care,** $169M was distributed to 4,000+ centers and homes in the first year.

Cost Per Classroom:
Center: $25,000 / classroom / year
Home: $15,000 / program / year
Group Home: $10,000 / program / year

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4,000+ child care centers and homes

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$169M

Guiding principles have informed Smart Start Workforce Compensation Grants decisions
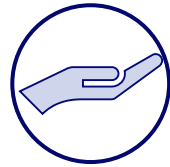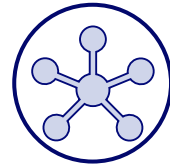
Decisions must be grounded in equity, prioritizing programs with limited access to funding

Decisions must be informed by child care providers and educators 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

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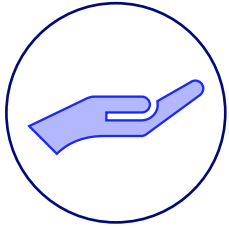
The following equity considerations have also guided Smart Start Workforce Compensation Grants decisions

- 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

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Within a limited budget, CCAP eligibility thresholds prioritize programs in the highest need areas

Where are programs with at least 10% CCAP enrollment located?

SVI Score	% of Eligible Centers	% of Eligible Family Child Care Homes	% of Eligible Group Homes
Highest Need (SVI of 0.75-1)	31%	45%	41%
Mid-High Need (SVI of 0.5-0.75)	26%	31%	30%
Mid-Low Need (SVI of 0.25-0.5)	25%	16%	19%
Lowest Need (SVI of 0-0.25)	18%	8%	9%

57% of eligible centers and **76%** of eligible family child care homes are located in higher-than-average SVI areas.

SVI- Social Vulnerability Index considers socioeconomic status, household characteristics, racial & ethnic minority status, and housing type & transportation in communities. Higher SVI indicates greater social vulnerability.

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If we change the CCAP eligibility threshold, will eligible providers be in more or less high-need areas?

SVI Score	10% CCAP Eligibility	15% CCAP Eligibility	20% CCAP Eligibility
Highest Need (SVI of 0.75-1)	40%	41%	42%
Mid-High Need (SVI of 0.5-0.75)	29%	30%	30%
Mid-Low Need (SVI of 0.25-0.5)	19%	19%	18%
Lowest Need (SVI of 0-0.25)	12%	11%	10%

Higher CCAP eligibility thresholds mean that a slightly larger proportion of eligible providers will be in high-need areas, but the differences are small.

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SVI- Social Vulnerability Index considers socioeconomic status, household characteristics, racial & ethnic minority status, and housing type & transportation in communities. Higher SVI indicates greater social vulnerability.

Thank you!