

Quality and Workforce Committee, Illinois Early Learning Council
Minutes – July 25, 2023, 1:00 – 2:30 PM

Committee charge: Address the urgent need to develop, recruit and retain a qualified, diverse workforce representative of the communities served. Identify steps to mitigate the systemic workforce problems without compromising high standards, including accessible pathways and equitable compensation to stabilize the workforce and enhance the public's perception of early educators. Identify and support efforts to improve program quality using a racial equity lens.

Present:

CO-CHAIRS: Bela Motè and Christi Chadwick

GOECD Staffer: Tom Layman

MEMBERS: Bryan Stokes, Brynn Seibert, Carisa Hurley Davis, Denise Monnier, Marcy Mendenhall, Josie Yanguas, Rochelle Golliday, Ruth Kimble, Sergio Hernandez, Stephanie Bernoteit, Teri Talan

OTHERS PRESENT: Angela Farwig (Illinois Action for Children), Beata Skorusa (Montessori Foundations of Chicago and CCAU), Benny Delgado (IDHS), Catherine Enright (Kids Above All), Debra Clark (Joliet Twp. Infant Childcare Center), Deyanira Cabrera (AOK Networks), Erika Mendez (Latino Policy Forum), Hollie Hoole (IDHS), Jamilah R. Jor'dan (GOECD), Jill Andrews (Kiddie Kollege), , Lori Harrison (IDHS-DEC Bureau of Quality Initiatives contracts unit), Lynn Burgett (The Center), Maria Najib (Easter Seals Total Rewards Consultant), Marie Masterson (McCormick Center), Mercedes Mondragon (Start Early), Theresa Hawley (CELFE), Trish Rooney (IDHS), Wendy Connell (McCormick Center)

Welcome and Introductions

Bela Moté welcomed attendees. Committee members and other participants put their names and affiliations in the Chat.

1. Minutes of May meeting

Bela asked for any corrections or discussion of the March meeting minutes. There were no corrections, and the minutes were approved. Bela also noted that committee members overwhelmingly approved the list of recommendations on compensation developed at previous meetings. The recommendations will be sent to the Executive Committee.

2. Fringe benefit strategies and resources – Presentation and discussion

Christi Chadwick introduced the topic of fringe benefits. The committee's compensation recommendations call for fringe benefit funding for health and retirement benefits comparable to those of school districts. The presenters will introduce the committee to the current landscape and thinking about fringe benefits. Christi introduced Sharon Easterling representing Opportunities Exchange, and Theresa Hawley representing CELFE. Selected presentation slides are pasted at the end of these minutes.

Sharon described the pyramid on slide 2 pasted below, saying that our field is used to working with progressive levels of quality, as in Quality Rating and Improvement Systems, and we can think of fringe benefit packages in levels as well. Tom added that the committee's compensation vision is based on an assumption of adequate funding, and probably we would want a fringe benefit vision to be based on the same assumption.

After some discussion, the presenters moved to the topic of retirement benefits on slides 10-13 below. Theresa Hawley covered this topic (out of order in the slides) because she had to leave early. Theresa

addressed ways to achieve parity with public school retirement plans. She pointed out that Illinois teachers participate in the Teacher Retirement System (TRS), but they do not participate in Social Security. She calculated that child care workers could expect comparable benefits to those of TRS if they had a retirement plan to supplement their Social Security, and that plan would require contributions of approximately 3% of salary from both the employer and employee. She discussed the benefits of a new law promoting Pooled Employer retirement plans now offered in the market and the new Illinois Secure Choice Savings plan. Discussion made it clear that Secure Choice provides employees with access to a savings vehicle but does not allow employer contributions. As an alternative, pooled (multi-employer) plans are available if employers choose to make contributions. CELFE has written a short paper on options, which was distributed to the committee. Bela raised the issue of employers contributing to a retirement plan and employees withdrawing the funds because of immediate financial needs. No solution was suggested.

Sharon then discussed the critical importance and availability of benefits brokers, as shown on slides 3 and 4. Committee members added that a payroll service can put employers in touch with benefits brokers. Professional Employer Organizations (PEOs) are similar services as well. Sharon stated that a central agency, intermediary organization, family child care network, or shared services alliance can do the shopping and connect their members with brokers.

Sharon then moved to the topic of health insurance, starting at slide 5. She described the value of using Affordable Care Act plans as part of a health insurance package. Many employers help employees access ACA plans and then add a supplemental plan like a Health Savings Account or other vehicles shown on slide 9. The federal ACA website can put individuals in touch with Navigators in their area to help. Some committee members have been unable to get responses from Navigators, and there was some discussion of other options such as health departments or CCR&Rs, and possibly having early care and education specific navigators.

Finally, Sharon described the possibility of enhanced ACA access and benefits specifically for child care workers in Illinois. Illinois will soon have a state-sponsored ACA Health Benefits Exchange (marketplace), and the law allows state contributions (slide 8) that could enhance child care worker benefits as in Washington state and Washington DC (slides 6 and 7).

Concluding discussion included the following ideas:

- State-funded navigators for early care and education workers – for health insurance and for financial planning for retirement
- An ACA portal specifically for early care and education workers (as in WA or DC)
- Help for directors and family child care providers in accessing brokers and services, possibly including a basic overview training from INCCRRA
- Check with other human service providers to see if they have worked on these issues; possibly look at a joint approach
- Follow-up on Illinois' new ACA Marketplace law to introduce the possibility of a special fund to support health insurance for child care workers

Teri Talan also suggested more committee discussion on the benefit types in the bottom of the pyramid on slide 6. Tom noted that some of those are included in the proposed ExceleRate framework, which links them to proposed contract funding.

3. Next steps and next meeting

Christi thanked the presenters and thanked participants for the rich discussion and suggestions. She said she and Bela will discuss next steps, possibly looking further at benefits in the bottom layer of the pyramid. She this is Tom's last meeting as staffer. The funding for his position at GOECD has ended. A

new staffer has not yet been identified. The co-chairs will set the next meeting date when staffing plans are farther along. Participants thanked Tom for his work.

4. Public Comment

There was no public comment.

Selected presentation slides are pasted below.

We envision Illinois as a place where every young child – regardless of race, ethnicity, income, language, geography, ability, immigration status, or other circumstance – receives the strongest possible start to life so that they grow up safe, healthy, happy, ready to succeed, and eager to learn.

Racial Equity Definition: A racially equitable society values and embraces all racial/ethnic identities. In such a society, one's racial/ethnic identity (particularly Black, Latino, Indigenous, and Asian) is not a factor in an individual's ability to prosper. An early learning system that is racially equitable is driven by data and ensures that:

- Every young child and family regardless of race, ethnicity, and social circumstance has everything s/he/they need to develop optimally.
- Resources, opportunities, rewards, and burdens are fairly distributed across groups and communities so that those with the greatest challenges are adequately supported and not further disadvantaged; and
- Systems and policies are designed, reframed, or eliminated to promote greater justice for children and families.

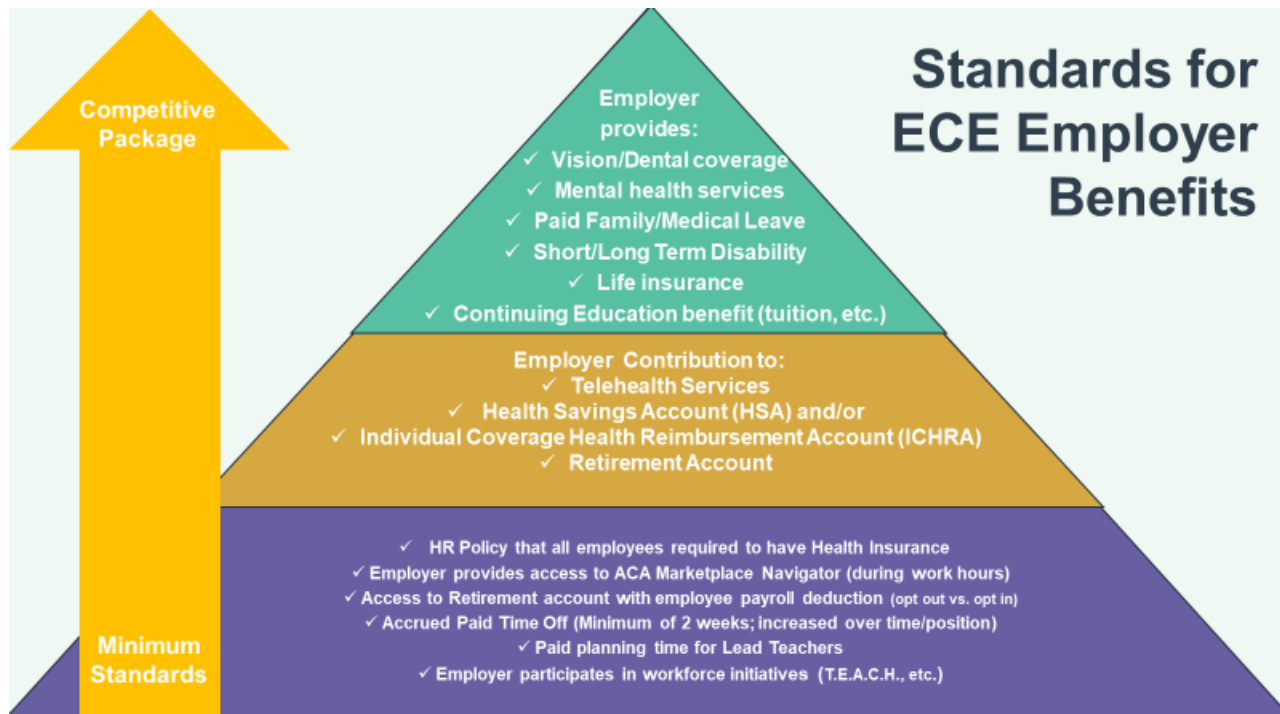
Racial Equity Priorities:

- 1) Align and standardize race/ethnicity data collection and reporting.
- 2) Evaluate and identify whether processes for distributing resources exacerbate racial disparities, including agency contracting.
- 3) Address race/ethnicity disparities in terms of workforce compensation and advancement.
- 4) Eliminate racial/ethnic disparities for children participating in all programs that contribute to school readiness and life success by addressing racial disparities in enrollment in preschool for 3- and 4-year-olds and in prenatal to age 3 services.


Slide 1

The slide features a white background with a dark blue and light green decorative border. On the left, there are two logos: the top one is for 'Opportunities Exchange' with a circular icon, and the bottom one is for the 'Center for Early Learning Funding Equity' at Northern Illinois University, featuring a colorful circular icon. The main title is 'Employee Benefits: A New Framework and Tools to Get Us There' in a large, bold, dark blue font. Below the title, it says 'Presented to Quality and Workforce Committee' and 'Illinois Early Learning Council' in a smaller, italicized font. At the bottom, the presenters' names and the date are listed: 'Sharon Easterling, Opportunities Exchange' and 'Theresa Hawley, Center for Early Learning Funding Equity | July 25, 2023'.

Slide 2



Slide 3





Access to Benefits Broker

through an Intermediary Organization

Central Agency Role	Program Director Role
Do the research to identify brokers who could service the population well (references from trusted partners)	Meet with central agency to understand the process and value of using benefits broker
Interview candidates; select best option for the Alliance (one broker/firm enables scaling)	Meet with selected broker and provide personnel information needed to price options
Work with program directors to understand the value proposition	Follow up for implementation

www.oocex.org

Slide 4

A Comprehensive Approach to Benefits Planning & Administration

Pricing Options via Broker	Communicating to Employees	Administering Benefits
<ul style="list-style-type: none"> • Benefits broker works at no cost to employer • Expertise to assist with pricing, affordability, and options • Budget scenarios and forecasting to determine feasibility 	<ul style="list-style-type: none"> • Written documentation to ensure legal and equitable treatment of all employees (e.g.-HR Manual, Job Descriptions, Salary Scale, Benefits Summary) • Emails, posted flyers, staff meeting announcements • Individual counseling 	<ul style="list-style-type: none"> • Systems (e.g.- automated timekeeping) • Determining Eligibility • Completing Enrollment • Analyzing Use • Assessing Value

Intermediaries/Networks can facilitate these services

www.odpex.org

Slide 5




Taking Advantage of NEW Health Insurance Subsidies through the ACA

- Marketplace plans are purchased by an **Individual** (vs. Employer)
- Program directors can facilitate access to Marketplace by engaging a **Navigator** (free of charge)
- Employers can **supplement employee health care costs** with a Health Reimbursement Account (HRA), Telehealth plans, and other benefits like short/long term disability coverage
- Employers **should engage a broker** to assist in identifying additional health related benefits

Open enrollment: Nov. 1 - Jan 15

www.odpex.org

Slide 6






Leveraging the ACA for Child Care

Washington state

Health Care Premium Assistance for Employees of Child Care Facilities

Employees of licensed child care facilities throughout Washington state may qualify for health insurance coverage for \$0 monthly premiums through *Washington Healthplanfinder*.

Slide 7


Other Languages [English - English](#)

Leveraging the ACA for Child Care

Washington D.C.

HealthCare4ChildCare Through DC Health Link: Affordable health coverage for early childhood providers and their teams

HealthCare4ChildCare:

- Helps OSSE licensed child development centers and homes provide affordable group health insurance for their employees through DC Health Link's Small Business Market (SHOP).
- Free and lower premiums are guaranteed for a full year once a resident or employer enrolls.
- Learn more about HealthCare4ChildCare Through DC Health Link.

Free or lower premium health insurance coverage

DC Health Link emailed all OSSE licensed child development centers and homes in October. **If you did not receive an email,** please email us at HealthCare4ChildCare@dc.gov or [schedule time](#) with us.

Slide 8



Illinois Health Benefits Exchange Law

House Bill 0579 will transition Illinois from Healthcare.gov to a state platform by Plan year 2026

- The Director of Insurance may elect to add a small business health options program (SHOP) to the Illinois Health Benefits Exchange to help small employers enroll their employees in qualified health plans in the small group market. The General Assembly shall appropriate funds to establish the Illinois Health Benefits Exchange
- There is created a special fund within the State treasury to be known as the Illinois Health Benefits Exchange Fund. .. shall be the repository for moneys collected pursuant to fees or assessments on exchange issuers, federal financial participation as appropriate, and other moneys received as grants or otherwise appropriated for the purposes of supporting health insurance outreach, enrollment efforts, and plan management operations through an exchange.

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Slide 9



Health Plan Comparison

Flexible Spending Account (FSA)	Health Reimbursement Account (HRA)	Qualified Small Employer Health Reimbursement Account (QSEHRA)
Offered by an employer to give employees a tax-free way to save on medical and dependent care expenses not covered by the health plan	Employer-funded account that reimburses employees and/or retirees for out-of-pocket medical expenses. The employer can decide which services will be reimbursable under the HRA plan	Employer-funded account that reimburses employees and/or retirees for individual health coverage premiums and/or most eligible medical expense as defined in the Internal Revenue Code (IRC) Section 213(d)

Individual Coverage Health Reimbursement Account (ICHRA)	Excepted Benefit Health Reimbursement Account (EBHRA)	Health Savings Account (HSA)
Beginning in 2020, employer-funded account that reimburses employees and/or retirees for individual health coverage premiums and/or most unreimbursed eligible medical expenses as defined in the Internal Revenue Code (IRC) Section 213(d)	Beginning in 2020, employer-funded account that reimburses employees and/or retirees for unreimbursed eligible individual health coverage medical expenses (except premiums) as defined in the Internal Revenue Code (IRC) Section 213(d)	Tax-advantaged medical savings account available to taxpayers who are enrolled in a qualified high-deductible health plan (HDHP).

www.opdex.org

Slide 10



Retirement Benefits

- Most individuals will need up to 80% of their preretirement income to maintain their standard of living once they stop working.
- That means if you are making \$35,000 today, you will need to have \$28,000 a year from when you retire onward.
- Average benefit paid by the Social Security Administration is only \$14,400 a year, leaving a large gap for many people to retire comfortably.

The importance of saving NOW

www.odpex.org

Slide 11



Parity with public school teachers means supplementing Social Security with a retirement plan

- But it is important to note that the gap is not overwhelming
- Public school teachers do not receive Social Security and current Tier II benefits are low, especially for teachers who do not stay in system more than 20 years
- A similar retirement income can be gained by combining Social Security with a defined contribution plan with both the employee and the employer contributing about 3%
- The portability of Social Security plus a defined contribution retirement plan can be a big benefit for those who may move in and out of the workforce or change careers

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Slide 12



Pooled Employer Plans (PEPs)

- Setting Every Community Up for Retirement Enhancement (SECURE) Act allows for the establishment of multi -employer retirement savings plans.
- Pooled Employer Plans (PEPs) can reduce employer costs and allow employees access to a more robust set of investment offerings.
- Participating in a PEP can be much less complicated than implementing a single - employer retirement savings plan. Many investment companies now offer these PEPs, and
- There is a tax credit of up to \$5,000 available for employers establishing a new retirement plan.

Even the smallest business can now support retirement benefits!

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Slide 13



Retirement Benefits Strategies

- **Include the cost of employer retirement contributions in cost modeling** . Employer retirement contribution of approximately 3% should be included in any model of the cost of providing child care services.
- **Spread awareness of the new Illinois Secure Choice Savings mandate among child care providers.** The program's gradual roll -out may mean that many child care providers will not be required to participate for a few years, knowing that the requirement is coming may spur many providers to act sooner to set up a qualifying retirement plan for their employees.
- **Provide technical assistance and incentives for child care providers to join a Pooled Employer Plan for retirement benefits** . For example, the State could provide small grants (perhaps matching the amount of the federal tax credit) to providers that join one of these plans and who provide a minimum level of employer contribution to the plan.

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Slide 14



 Opportunities Exchange

For More Information ...

Opportunities Exchange

Profiles, Tools, Resources, Metrics, Issue Briefs and more ...

www.oppex.org

Slide 15

Thank you!

celfe.org

