

# Working Towards Increased Compensation for the Early Childhood Workforce: Salary Scales and Initiatives

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## Session Objectives

- Understand the efforts undertaken by Colorado’s Department of Early Childhood and the State of Illinois to increase compensation and benefits for early childhood educators across their states
- Learn more about the regional salary scales developed as a blueprint for increasing wages across the field in both states

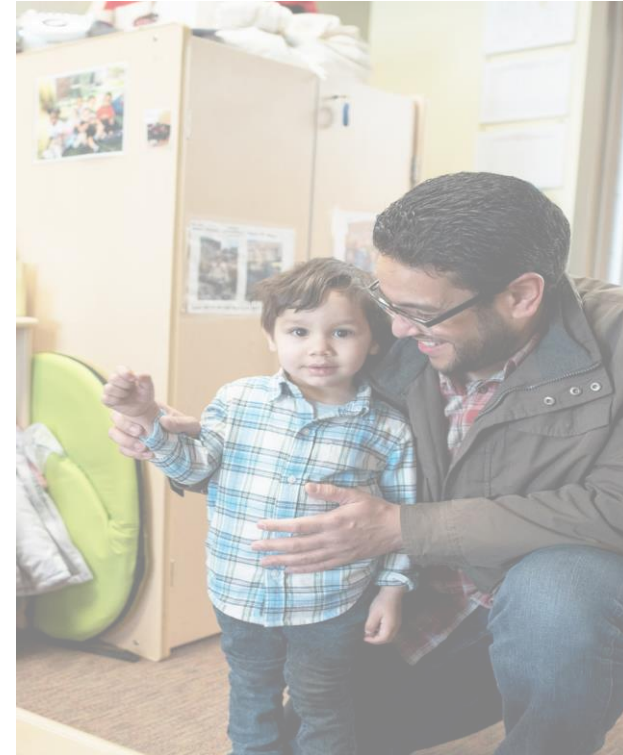


## Our Vision

All Colorado children, families, and early childhood professionals are valued, healthy, and thriving.

## History

- Established July 1, 2022
- Merged operations from Colorado Department of Human Services, Office of Early Childhood and Department of Education, Colorado Preschool Program
- Reason: Passage of Proposition EE to launch Universal Preschool supporting a minimum of 10 hours per week of preschool for all children, regardless of income, the year before they start kindergarten



# Who We Are: CELFE

**Center for Early Learning Funding Equity (CELFE)** builds capacity for assessing adequacy and equity in early learning funding systems through research and transformative partnerships. We create innovative approaches and funding mechanisms that support the diverse needs of children and families







# Early Childhood Compensation Task Force

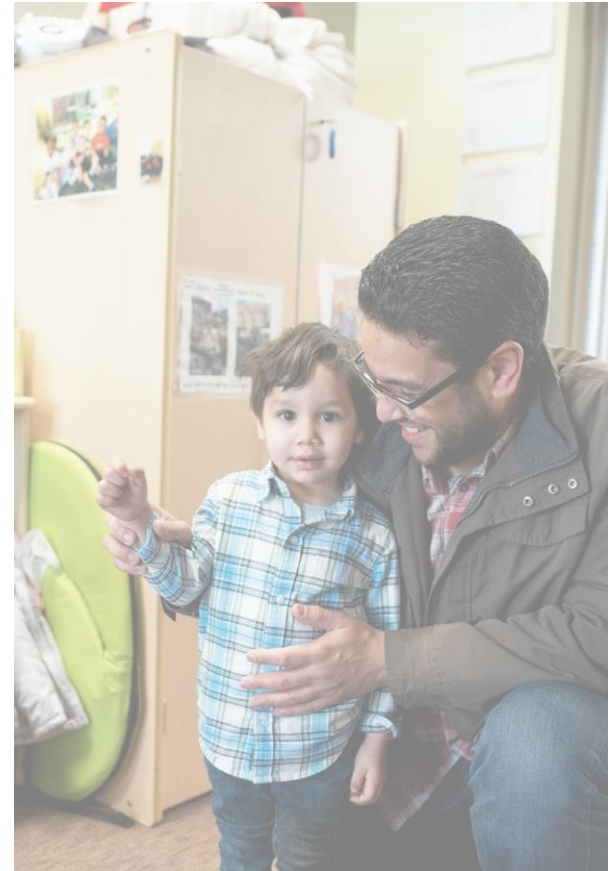


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# The Challenge: Colorado's early childhood workforce is under-compensated

These are national challenges but they are particularly acute in Colorado

- The current average pay for childcare workers is \$16.03/hour, significantly lower than K-3 teachers<sup>2</sup>
- One-third of early childhood workers in CO receive public assistance<sup>3</sup>
- Many workers don't receive benefits
- Providers report high turnover rates and challenges filling open positions<sup>4</sup>
- Staff are leaving for other industries that pay comparable wages and are less demanding
- Challenges have been exacerbated by COVID and Colorado's high cost of living



Develop a  
compensation and  
benefits plan for  
Colorado's early  
childhood workforce,  
building on the Early  
Childhood Workforce  
2020 Plan.



**Task Force Charge**



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## Aligning with and building on related work

The Task Force worked to align with and build on related efforts to increasing compensation in Colorado's early childhood field.

1. Built on the **Early Childhood Workforce 2020 Plan** and moved forward recommendations.
2. Leveraged successes and lessons learned from previous state-wide planning initiatives such as **Senate Bill 19-063**.
3. Worked to align with **Universal Preschool** roll out by meeting with state leads on UPK multiple times.



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# Salary Scales



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# Understanding Salary Scales



## What A Salary Scale Is

- Serves as a general guide for how wages should function in a given market by anchoring to economic indicators
- Honors educators' credentials
- Honors differences in labor and cost of living via regionality
- Makes clear distinctions amongst roles



## What A Salary Scale Is Not

- Doesn't prescribe pay associated with years of experience in detail
  - For example, in K-12, employees earn a "step" increase for each additional year of experience in a "step and lane" contract
- Not a "ceiling" for wages in the field

# Rationale

- Provides a transparent and objective tool with pre-established credentials associated to base wages
- Honors regional differences for cost of labor
- Serves as an input for cost modeling
- Has the potential to decrease wage disparities across settings, program type, and geography if universally applied
- Serves as a potential budget planning tool for providers
- With successful communication, it can help retain and attract new employees
- May serve as a tool to promote career growth

# WHY SALARY SCALES?

# Salary Scale Decision Points | General



## Parity

Does the scale aim to meet equivalency with any other system/entities?



## Economic Indicators

How will the system be anchored to or responsive to the current and future economy?



## Years of Experience

Should the scale address years of service?  
Should the scale cost out yearly adjustments?



## Geographic Boundaries

Will the scale serve the entire boundary, or will there be geographic distinctions?



## Eligibility

Who will qualify? Will the scale apply to both center-based and family-based providers?



## Additional Specializations

Will the scale have any adjustments for additional qualifications?



# Salary Scale Decision Points | Colorado Specific



## Parity

### Parity with K-12 educators

*Note: K-12 wages in Colorado are low compared to teachers in other states and their compensation should also be examined and increased.*



## Economic Indicators

Anchored bottom of the scale to living wage of one adult in each region using the MIT Living Wage Calculator



## Years of Experience

Used CDECs Early Childhood Professional Credential 3.0 System (PDIS) which assigns points based on educational attainment and years of experience



## Geographic Boundaries

Divided the state into three regions based on cost of living for 2 adults and 1 child based on the MIT Living Wage Calculator

*Note: A family of 3 was the most common family structure within the state*



## Eligibility

Staff who work with children ages 0-5 in licensed centers, licensed family child care homes, license-exempt centers, unlicensed homes (Family, Friend, and Neighbor care), and public schools



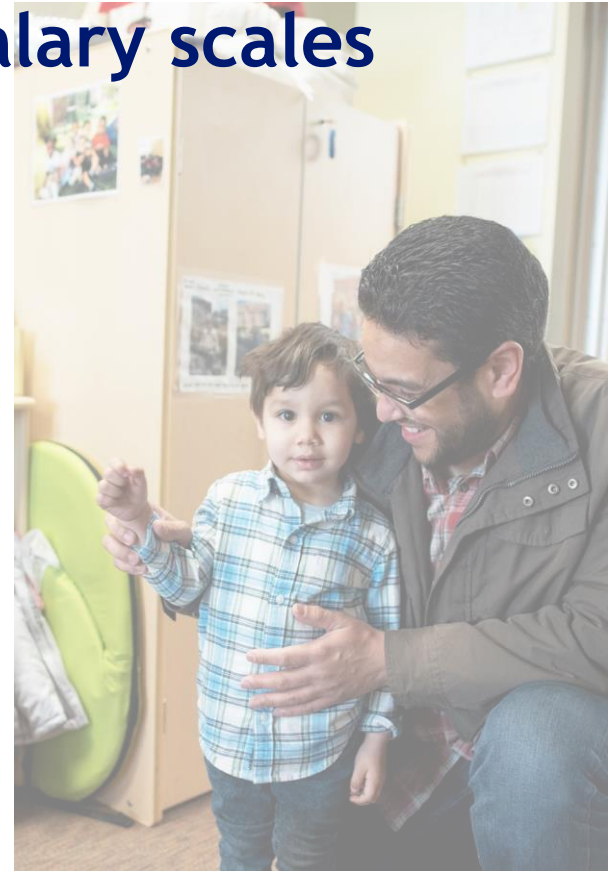
## Additional Specializations

Targeted stipends were recommended for: infant/toddler educators; multi-lingual educators; staff employed in regional shortage areas; staff serving more than 20 percent of children who are CCCAP eligible

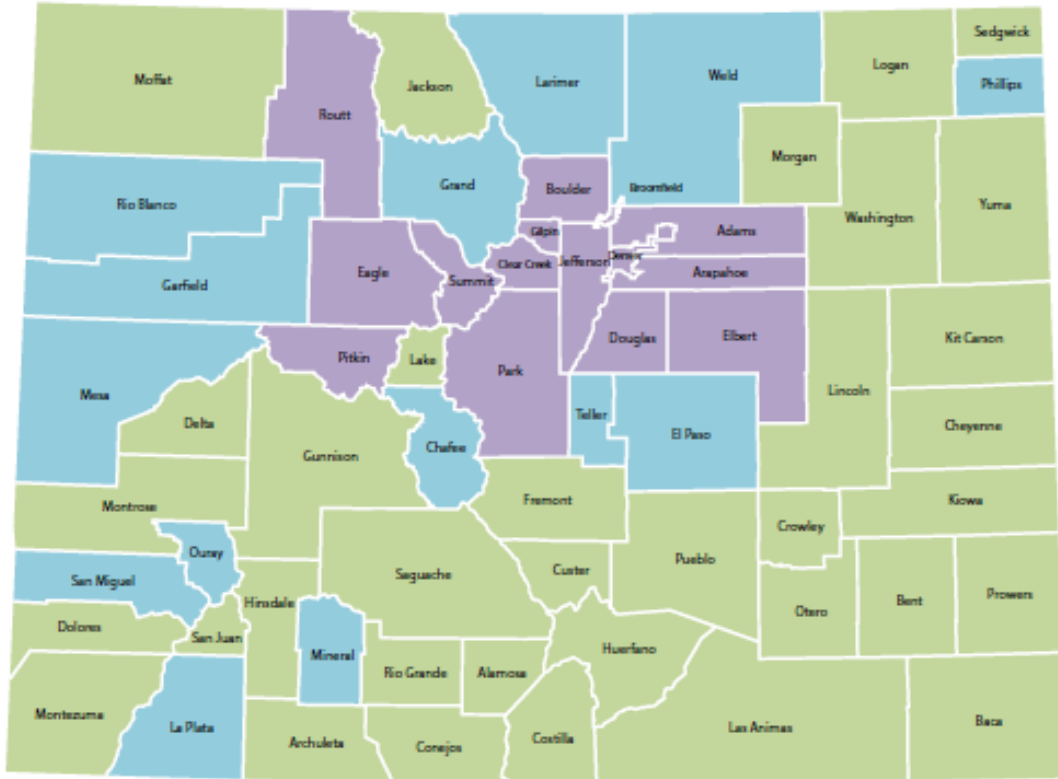
# Additional critical notes on the salary scales

- The wages represent pay floors, or the minimum that individuals in these positions should be paid
- FCC Owner wages represent net pay, or “take home” pay
- The scales serve as a guide for all early childhood care and education settings
- The scales should be updated annually to reflect changes in cost of living
- Salary increases should be implemented as funding becomes available
- The state should explore strategies to mitigate the benefit cliff effects

**These salary scales do not represent an unfunded mandate for providers nor do they represent a call for providers to increase the amount families pay.**



# Regionality + Economic Indicator



## Key:

### Purple = Zone A

- Average cost of living for a household of 3 (2 working adults, 1 child) = \$21.58/hour or \$44,883 annualized salary

### Blue = Zone B

- Average cost of living for a household of 3 (2 working adults, 1 child) = \$19.32/hour or \$40,184 annualized salary

### Green = Zone C

- Average cost of living for a household of 3 (2 working adults, 1 child) = \$17.28/hour or \$35,942 annualized salary

# Zone A Salary Scale

Zone A				
Position	Credential	Hourly	Annualized Salary	Notes
Large Center Director	Level VI	\$43.00	\$88,150	Parity with Elementary School Principal, Base + 0
	Level V	\$42.00	\$86,100	
	Level IV	\$41.00	\$84,050	
	Level III	\$40.00	\$82,000	Base Level Credential
CBO Small Center Director   FCC Owner	Level VI	\$36.00	\$74,880	Parity with Elementary School Assistant Principal, Base + 0
	Level V	\$35.00	\$72,800	
	Level IV	\$34.00	\$70,720	
	Level III	\$33.00	\$68,640	
Infant Program Supervisor	Level II	\$32.00	\$66,560	Base Level Credential
	Level VI	\$30.00	\$62,400	
	Level V	\$29.00	\$60,320	
	Level IV	\$28.00	\$58,240	
Early Childhood Teacher   Toddler Program Staff	Level III	\$27.00	\$56,160	
	Level II	\$26.00	\$54,080	Base Level Credential
	Level VI	\$26.00	\$54,080	Parity with K-12 Teacher, Base + 0 20% increase to account for <u>12 month</u> calendar
	Level V	\$25.00	\$52,000	
CBO Assistant Early Childhood Teacher   FCC Aide	Level IV	\$24.00	\$49,920	
	Level III	\$23.00	\$47,840	
	Level II	\$22.00	\$45,760	
	Level I	\$21.00	\$43,680	Base Level Credential
CBO Assistant Early Childhood Teacher   FCC Aide	Level VI	\$25.50	\$53,040	
	Level V	\$24.50	\$50,960	
	Level IV	\$23.50	\$48,880	
	Level III	\$22.50	\$46,800	
	Level II	\$21.50	\$44,720	
	Level I	\$21.00	\$43,680	Anchored to living wage analysis using 2 adults (both working), 1 child: Base Level Credential
	No Credential	\$20.00	\$41,600	Anchored to living wage analysis using 1 adult, 0 children



# Zone B Salary Scale

Position	Credential	Zone B		Notes
		Hourly	Annualized Salary	
Large Center Director	Level VI	\$42.00	\$87,360	Parity with Elementary School Principal, Base + 0
	Level V	\$41.00	\$85,280	
	Level IV	\$40.00	\$83,200	
	Level III	\$39.00	\$81,120	Base Level Credential
CBO Small Center Director   FCC Owner	Level VI	\$34.00	\$70,720	Parity with Elementary School Assistant Principal, Base + 0
	Level V	\$33.00	\$68,640	
	Level IV	\$32.00	\$66,560	
	Level III	\$31.00	\$64,480	
Infant Program Supervisor	Level VI	\$29.00	\$60,320	
	Level V	\$28.00	\$58,240	
	Level IV	\$27.00	\$56,160	
	Level III	\$26.00	\$54,080	
Early Childhood Teacher   Toddler Program Staff	Level VI	\$24.00	\$49,920	Parity with K-12 Teacher, Base + 0 20% increase to account for <u>12</u> <u>month</u> calendar
	Level V	\$23.00	\$47,840	
	Level IV	\$22.00	\$45,760	
	Level III	\$21.00	\$43,680	
CBO Assistant Early Childhood Teacher   FCC Aide	Level VI	\$23.50	\$48,880	\$1.00 incremental difference to honor increased educational attainment requirements between Levels III & Level VI
	Level V	\$22.50	\$46,800	
	Level IV	\$21.50	\$44,720	
	Level III	\$20.50	\$42,640	
	Level II	\$19.50	\$40,560	
	Level I	\$19.00	\$39,520	Anchored to living wage analysis using 2 adults (both working), 1 <u>child</u> ; Base Level Credential
No Credential	\$18.00	\$37,440	Anchored to living wage analysis using 1 adult, 0 children	

# Zone C Salary Scale

Zone C				
Position	Credential	Hourly	Annualized Salary	Notes
Large Center Director	Level VI	\$35.00	\$72,800	Parity with Elementary School Principal, Base + 0
	Level V	\$34.00	\$70,720	
	Level IV	\$33.00	\$68,640	
	Level III	\$32.00	\$66,560	Base Level Credential
CBO Small Center Director   FCC Owner	Level VI	\$30.00	\$62,400	Parity with Elementary School Assistant Principal, Base + 0
	Level V	\$29.00	\$60,320	
	Level IV	\$28.00	\$58,240	
	Level III	\$27.00	\$56,160	
	Level II	\$26.00	\$54,080	Base Level Credential
Infant Program Supervisor	Level VI	\$25.00	\$52,000	
	Level V	\$24.00	\$49,920	
	Level IV	\$23.00	\$47,840	
	Level III	\$22.00	\$45,760	
	Level II	\$21.00	\$43,680	Base Level Credential
Early Childhood Teacher   Toddler Program Staff	Level VI	\$22.00	\$45,760	Parity with K-12 Teacher, Base + 0 20% increase to account for <u>12 month calendar</u>
	Level V	\$21.00	\$43,680	
	Level IV	\$20.00	\$41,600	
	Level III	\$19.00	\$39,520	
	Level II	\$18.00	\$37,440	Base Level Credential
CBO Assistant Early Childhood Teacher   FCC A/de	Level VI	\$21.50	\$44,720.00	\$1.00 incremental difference to honor increased educational attainment requirements between Levels III & Level VI
	Level V	\$20.50	\$42,640.00	
	Level IV	\$19.50	\$40,560.00	
	Level III	\$18.50	\$38,480.00	
	Level II	\$17.50	\$36,400.00	
	Level I	\$17.00	\$35,360.00	Anchored to living wage analysis using 2 adults (both working), 1 <u>child</u> : Base Level Credential
	No Credential	\$16.00	\$33,280.00	Anchored to living wage analysis using 1 adult, 0 children

# Multiple stakeholders can take action to move forward these recommendations

<b>Policymakers</b>	Inclusive of legislators and state agencies	<a href="#">English</a> <a href="#">Spanish</a>
<b>Providers</b>	Across all settings, inclusive of both current and potential providers	<a href="#">English</a> <a href="#">Spanish</a>
<b>Supporters</b>	Inclusive of community members, advocates, businesses etc.	<a href="#">English</a> <a href="#">Spanish</a>

Final compensation report can be found [here](#).

Final benefits report forthcoming later this spring.

# Illinois' Story





- 80% of programs report a staffing shortage
- Nearly half of programs report that they are serving fewer children than they would like because they cannot find enough staff
- Efforts to expand state pre-k programs are hampered by a lack of qualified teachers
- While the crisis is decades in the making, the pandemic made it significantly worse



There is a staffing crisis  
in early childhood  
education and care

# Timeline

**2019**  
Proposed ExceleRate Pilot  
*(Fully launched in 2021)*

**2020-2021**  
PANDEMIC led to a historic level of ECEC Funding from the Federal Government

**2022**  
The State's looking for ways to sustain funding

2

4

6

1

**2017-2019**  
Despite IL's efforts, high-quality ECEC services remain inadequate and inequitable across race, ethnicity, income, geography, children's individual needs, & age.

3

**2020-2021**  
Funding Commission recommends new funding models

5

**2021**  
Relief grants focus on compensation (i.e., Strengthen and Grow)

# Steps in Addressing Compensation



**1** Set target for the level of compensation needed:  
**Salary Scale**

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**2** Understand the “delta” between current salaries and the need:  
**Cost Modeling**

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**3** Design new funding mechanisms to support better compensation:  
**ExceleRate, SGCC, and future initiatives**

# Why a Salary Scale?

- We are trying to capture the **TRUE COST** of providing high-quality care for children
- To do that we need to answer:
  - What are **COMPETITIVE WAGES** for early childhood teachers, assistant teachers, and staff in IL, that will attract and retain them in the field?
- To answer the above question, we have done research that helps us to understand:
  1. Wages across different industries across the state,
  2. Other states and their salary scale process, and
  3. Typical average wages across the state to have points of comparison

- To create a model salary scale(s) that will be used for cost modeling and in contracting with early childhood programs to ensure that funding is used to increase compensation for the EC workforce
- ***What makes this process different than what has been done in the years before?***
  - We looked at wages competitively across industries- i.e. How does ECE compete in the larger market with comparable professions and/or low-barrier positions in alternative sectors?
  - This scale will be dynamic and will move with inflation over time



## Illinois Salary Scale Purpose





## Our Process

We worked with existing state partners to create a working group that reviewed the scope of work and approach, decided on parameters of the salary scale, and integrated feedback from the field after CELFE held focus groups

### *Our Partners:*



**Illinois  
State Board of  
Education**

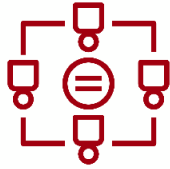


**Governor's Office of  
Early Childhood Development**





# Key Decision Matrix



## Parity

Does the scale aim to meet equivalency with any other system/entities?



## Economic Indicators

How will the system be anchored to or responsive to the current and future economy?



## Years of Experience

Should the scale address years of service? Should the scale cost out yearly adjustments?



## Geographic Boundaries

Will the scale serve the entire boundary, or will there be geographic distinctions?



## Eligibility

Who will qualify? Will the scale apply to both center-based and family-based providers?



## Additional Specializations

Will the scale have any adjustments for additional qualifications?

# Key Decisions

## 1 Parity

- The working group decided that teachers with a PEL should receive **comparable wages to a K-12 teacher** with the same degree attainment

## 2 Economic Indicators

- Used **living wage** as the economic measure to pin the scale to because it 1) maintains healthy distance from min wage, 2) data allows for geographic analysis, and 3) data updates annually and reflects changes in state min. wages

## 3 Years of Experience

- Accounted for years of experience with an assumption that there will be an approximate **20% band of salaries** for people at each level.
- The cost modeling work will attempt to pin at the mid-point

## 4 Geographic Boundaries

- Compressed scale to **Chicago Metro and Balance of the State** because when examining wage differentials of living wage and K-12 averages between suburban and Cook/Chicago, there was a minimal salary differential

## 5 Eligibility/Scope

- Scale starts with examining wages for **teachers and assistant teachers** in center-based only. The working group recognizes that more work would be needed to expand the scale to more positions and for home-based providers

## 6 Additional Specializations

- Scale assumes an **“add-on” rate for additional credentials**

# Geography for Illinois

Illinois is midway through implementing a \$15 per hour statewide minimum wage

This is leading to more consistency in child care wages across most of the state

The Chicago Metro area still has higher wages and higher cost of living than the rest of the state

About 75% of the state's population lives in the Chicago Metro area

Illinois decided to create two scales—one for Chicago Metro and one for the balance of the state

# Draft Salary Scale | Chicago Metro (2022)



Position	Credential Level/Degree Attainment	Target Hourly	Target Salary Annualized (12 mo.)	Notes
Teacher	Bachelors + PEL		\$61,000	Min salary set at parity with K-12 (12-month, BA teacher)
	Bachelors + ECE Level 5	\$26.50	\$55,120	Min salary set at 20% above AA
	Associates + ECE Level 4	\$22.25	\$46,280	Min salary set at 15% above Level 1
	ECE Level 2 or 3	\$20.75	\$43,160	Min salary set at 7.5% increment above Level 1
	DCFS minimum/ECE Level 1	\$19.25	\$40,040	\$1.25 pay differential between Teacher/Ass. Teacher
Assistant Teacher	Associates + ECE Level 4	\$20.75	\$43,160	Min salary set at 15% above Level 1
	ECE Level 2 or 3	\$19.25	\$40,040	Min salary set at 7.5% increment above Level 1
	DCFS minimum/ECE Level 1	\$18.00	\$37,440	Min salary set at 20% above Chicago's minimum wage or 10% above Chicago's living wage Approximate \$5/hour increase from current average wage

Pay increases for additional credentials include *ESL/Bi-lingual Endorsement: \$1.00 increase; Infant/Toddler Credential: \$0.50 increase*

# Draft Salary Scale | Balance of the State (2022)



Position	Credential Level/Degree Attainment	Target Hourly	Target Salary Annualized (12 mo.)	Notes
Teacher	Bachelors + PEL	\$49,522		Min salary set at parity with K-12 (12-month, BA teacher)
	Bachelors + ECE Level 5	\$22.75	\$47,320	Min salary set at 20% above AA
	Associates + ECE Level 4	\$19.00	\$39,520	Min salary set at 10% above Level 1
	ECE Level 2 or 3	\$18.00	\$37,674	Min salary set at 5% increment above Level 1
	DCFS minimum/ECE Level 1	\$17.25	\$35,880	\$1.25 pay differential between Teacher/Ass. Teacher
Assistant Teacher	Associates + ECE Level 4	\$17.50	\$36,608	Min salary set at 10% above Level 1
	ECE Level 2 or 3	\$16.75	\$34,944	Min salary set at 5% increment above Level 1
	DCFS minimum/ECE Level 1	\$16.00	\$33,280	Min salary set at ~35% above IL minimum wage or ~23% above the Balance of the State's living wage Approximate \$5/hour increase from current average wage


Pay increases for additional credentials include *ESL/Bi-lingual Endorsement*: \$1.00 increase; *Infant/Toddler Credential*: \$0.50 increase

# Table Talk: Salary Scales

- What are your initial reactions to these scales? What are you excited to see? What gives you pause?
- What questions do you have?
- What might you or your communities need to implement these scales?
- How have you been (or could you be) advocates for increased wages?







# Towards Solutions: Colorado's Stipends



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## Why Stipends?

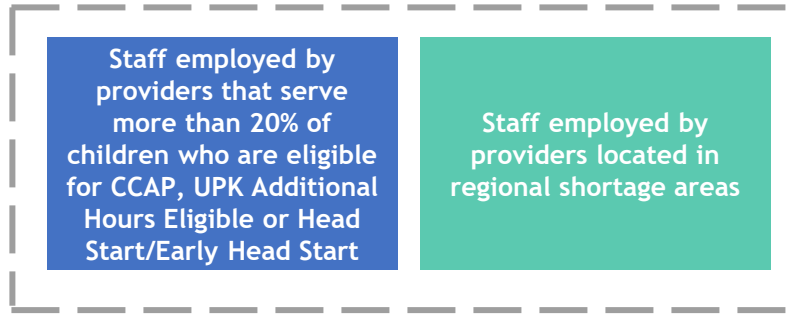
The Task Force chose stipends over other point-in-time financial supports because:

- Retention was a top priority given high turnover rates of early childhood educators
- Stipends, due to their recurring nature, support retention more than one-time bonus payments
- Focus group participants validated that stipends are more effective than bonuses at encouraging retention

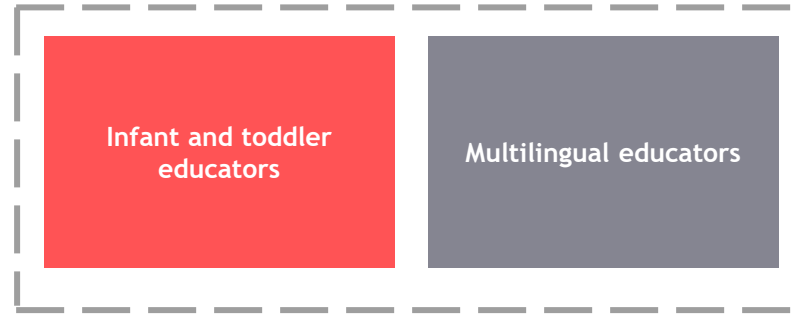


# Stipend flow chart

## Provider Characteristics



## Educator Characteristics



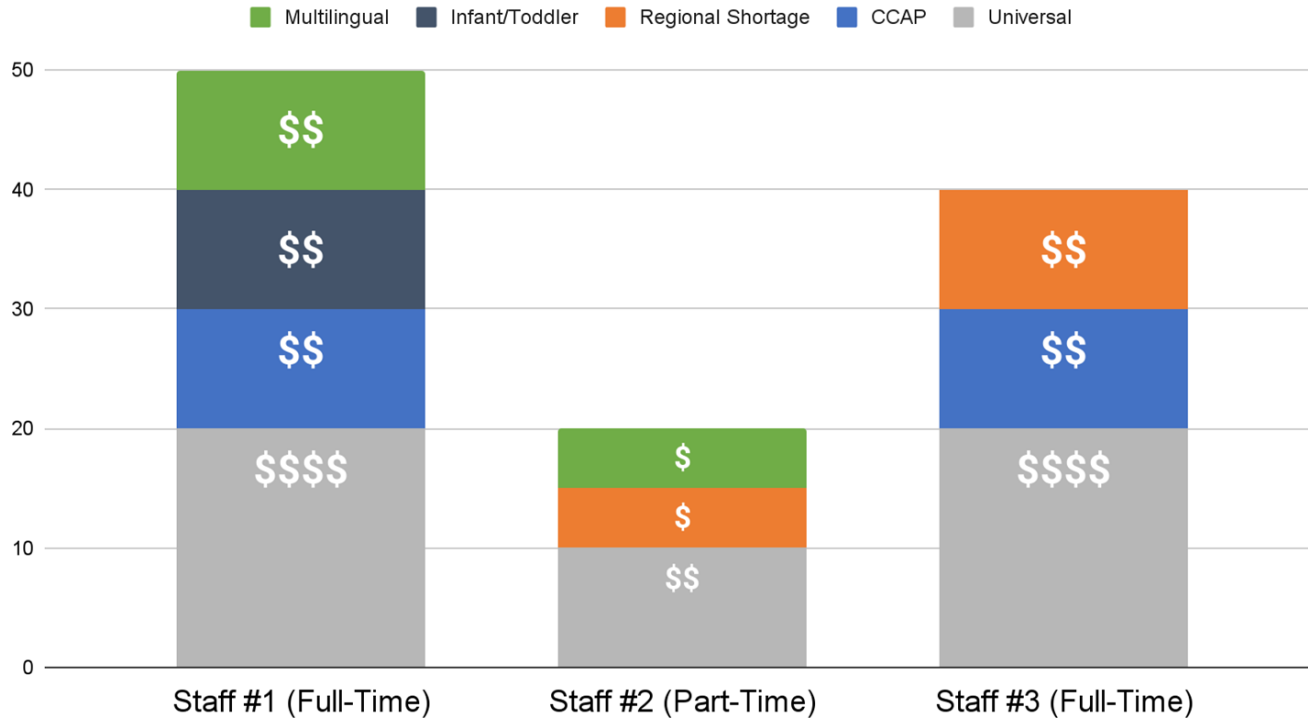
Stipend amounts are **layered** and **tiered** by part/full-time status (i.e., educators receive different stipend amounts based on status). In addition to the **universal stipend**, each educator could receive a **targeted stipend** based on their **employer and individual characteristics**.



Universal stipend: all instructional, support, and administrative staff in all settings except for family, friend, neighbor care

# Example staff profiles

Example staff profiles





# Looking Ahead



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**INNOVATING FINANCIAL SYSTEMS TO  
BUILD CAPACITY FOR INCREASED AND  
SUSTAINABLE EARLY CHILDHOOD  
EDUCATION (ECE) COMPENSATION**



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# The Collaborative's Vision

These grants will support partnerships between fiscal agencies and program departments to catalyze transformative change in ECE workforce compensation. The grantees will focus on innovations in financial systems, including new dedicated revenue streams and revamped spending, enhanced data collection and modeling to inform policy, and greater collaboration between agencies in support of improving workforce compensation.

Read the full [press release](#) and learn more about the work of each grantee partnership on the Collaborative's [website](#).





## Overview

- **Timeline:** 3 year capacity-building grant
- **Award:** \$3.85M
- **Purpose:** Grant funds should support implementation activities towards long-term, sustained increases to the salaries and benefits of lead teachers and other ECE professionals. Implementation is focused on putting plans into action and disbursing increased payments through enhanced financing mechanisms.
- **Exclusions:** Lobbying, direct compensation for ECE workforce



# Oversight

## State Agency Core Team

1. CDEC - Department of Early Childhood
2. CDHE - Department of Higher Education
3. CDE - Department of Education
4. CDHS - Department of Human Services
5. CDLE - Department of Labor and Employment
6. OEDIT - Office of Economic Development and International Trade
7. Governor's Office

\*\*\*Create a Stakeholder Advisory Council to work under the Early Childhood Workforce Development Subcommittee to advise on grant implementation.

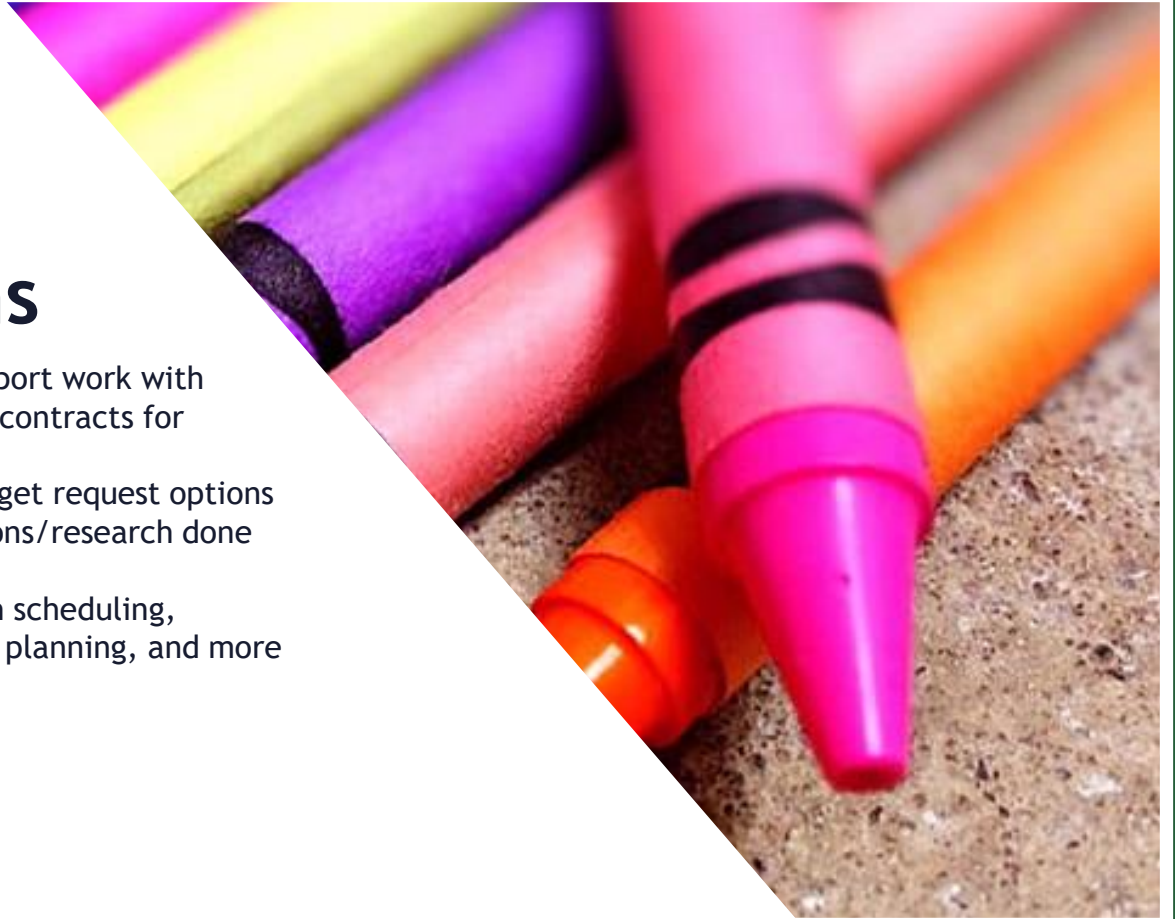


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# CDEC Positions

- Compensation Manager - support work with liaison positions and support contracts for research/facilitation
- Budget Analyst - explore budget request options based on any recommendations/research done during the grant period
- Program Assistant - help with scheduling, meeting management, event planning, and more



# Liaison Positions

- CDLE - support access to workforce development funding for the ECE workforce
- OEDIT - support business training and small business supports for child care programs
- CDHS - support understanding of public benefits utilization and plan for benefits cliff mitigation
- CDHE - support alignment across early childhood qualifications and training opportunities





## Research and Policy

- Support additional planning, cost modeling, and research for strategies identified in the Compensation and Benefits Task Force Report through a robust facilitation/research budget
- Enhance the Colorado Early Childhood Teacher Salary Increase Pilot by gathering data on compensation parity for early childhood teachers
- Support the Family Child Care Home Benefits Pilot to understand barriers to accessing affordable health care, making retirement contributions, and taking paid time off







# Questions?

Angela Ben-Zekry, [angela.ben-zekry@state.co.us](mailto:angela.ben-zekry@state.co.us)

Ellen Johnson, [ejohnson@aftonpartners.com](mailto:ejohnson@aftonpartners.com)



# SMART START:

An Investment in Illinois  
Early Childhood Education & Care

1. Where have we been?  
Strengthen and Grow Child Care  
ExceleRate Child Care Pilot
2. What have we learned?  
Business operations subsidies at  
market-wide scale
3. Where are we going?  
Smart Start Child Care:  
Workforce Compensation  
Contracts



DIVISION OF  
EARLY CHILDHOOD

# Where have we been?

## Strengthen and Grow Child Care Grant Program

### Background

- Began in 2022 with \$300 million ARPA funding
- Up-front funding for licensed child care centers and homes
- Providers invest at least 50% of the funding in personnel
- Available to providers participating in child care subsidy with <75% of revenues from other public funding

### Lessons

- **Significant potential** (with sufficient funding) to address the early childhood compensation challenge.
- **Very popular with providers:** 72% of eligible centers and over 90% of eligible homes participated in first round.
- Intermediary demonstrated how to **effectively implement** the program at scale with minimal overhead.
- **Temporary nature** of the program limits its effectiveness. Providers are cautious about using time-limited funds to raise wages and benefits. Instead, many programs are providing bonuses, which are unlikely to be as effective in attracting and retaining qualified child care staff.

## Background

- “Funding-first” contracts piloted with 35 child care centers
- All located in rural communities with >40% child care subsidy enrollment
- Funding purposes:
  - Raise staff wages based on credential attainment
  - Add staff beyond licensing standards to provide adequate planning, collaboration and PD time
- Programs pay staff at/above State-developed wage scale and implement continuous quality improvement practices

## Lessons

- Funding allows providers to **pay higher wages and implement a staffing pattern** allowing for reflective practice and continuous quality improvement.
- **Wage increases were insufficient** to optimally recruit and retain staff; raised grant amounts in July 2022 to support a significantly higher wage scale.
- **Administration and reporting was complex;** with intermediary, developed an efficient administrative structure to minimize reporting burden and support accountability.

# Forward-Looking Early Childhood Investments

Strengthening and growing early childhood requires field sustaining funding reform *and* investment in affordability for families.

State investment can build on the federal relief funds that have kickstarted transformational investments and moved the State towards the Early Childhood Funding Commission's recommendations and Governor Pritzker's vision of making Illinois the best state in the country to raise young children.

Minimize child care deserts, raise child care wages, address the teacher shortage, and expand child care quality through investment in [business operations subsidy contracts for child care providers](#), and [apprenticeships and scholarships for staff](#).



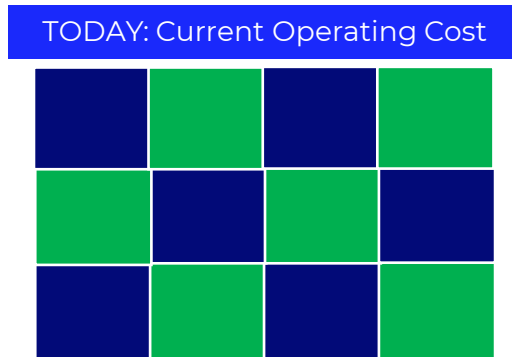
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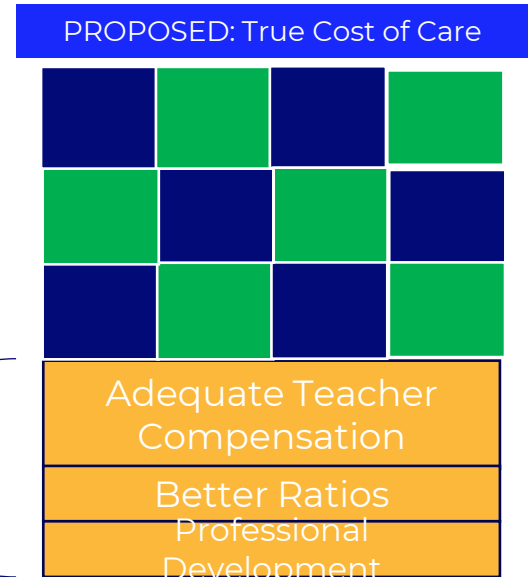
## What is a business operations subsidy contract???

A business operations subsidy contract can provide the necessary resources to support **higher wages** for the child care workforce and **support quality** across the field.

- Private Pay
- Subsidy
- Contract



*Base Operating Contract remains consistent despite dynamic nature of subsidy and tuition*



# SMART START: Child Care



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## Smart Start Workforce Grants are one component of Smart Start Illinois, administered by IDHS and ISBE

IDHS: Smart Start  
Child Care

- **Smart Start Workforce Grants:** Help child care providers meet a new, higher wage floor for their staff
- **Smart Start Quality Supports:** Invest in increased staffing and compensation for educator credentials

IDHS: Home Visiting

- Expand **Home Visiting** so more families can receive this support

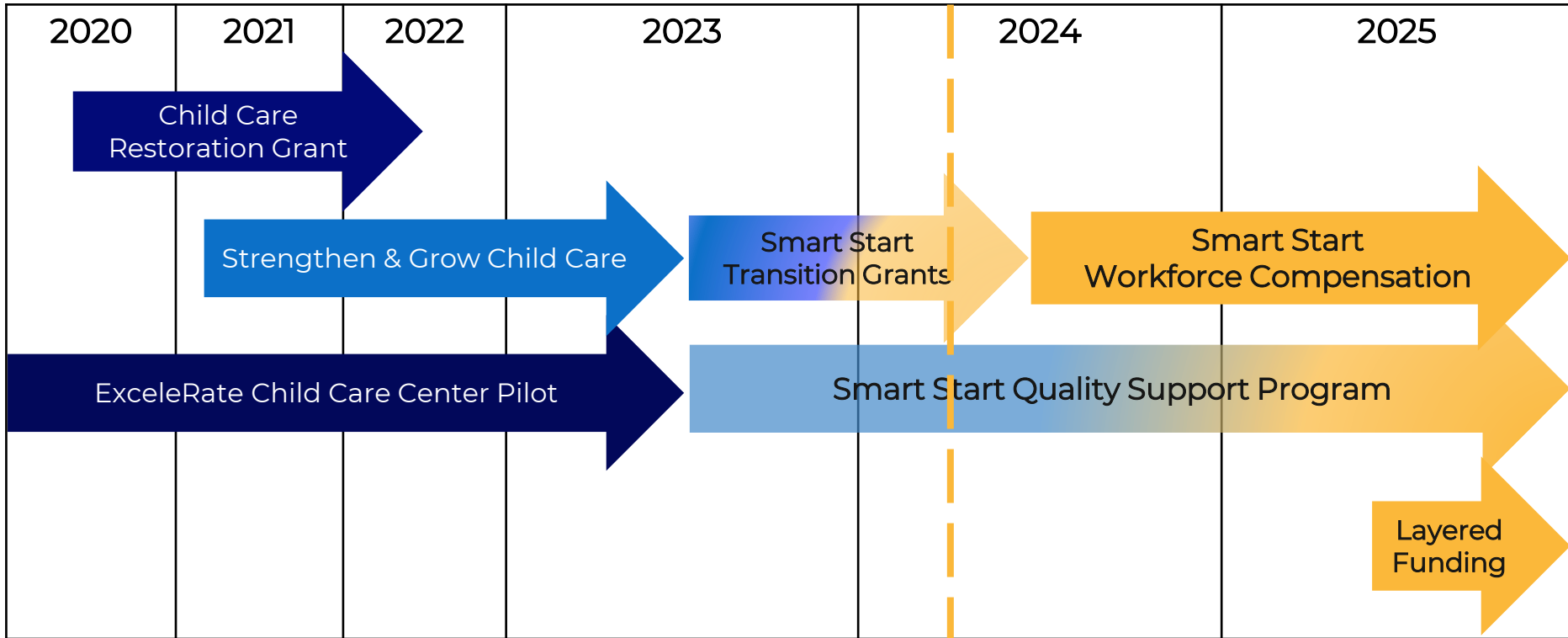
IDHS: Early  
Intervention

- Invest in **Early Intervention** to enhance services for families and give providers a raise

ISBE: Early  
Childhood Block  
Grant (ECBG)

- Increase funding for ECBG to create new preschool seats and improve overall access and care quality

# Illinois is in a year of thoughtful, inclusive planning for Smart Start Child Care



We are here

## Guiding principles have informed Smart Start Workforce 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

### Workforce Compensation Contracts

In SFY24, SMART START will implement Illinois' evolution from Strengthen & Grow Child Care (SGCC) relief contracts to Workforce Compensation Contracts.

**Workforce Compensation Contracts will create financial reliability to increase access to higher wages and quality child care programs by:**

- Providing base funding that that remains consistent despite the dynamic nature of subsidy and tuition
- Calculating base funding using a model that assumes wages at \$17 - \$19/hr. and the true cost of services
- Paying in advance (not in arrears)

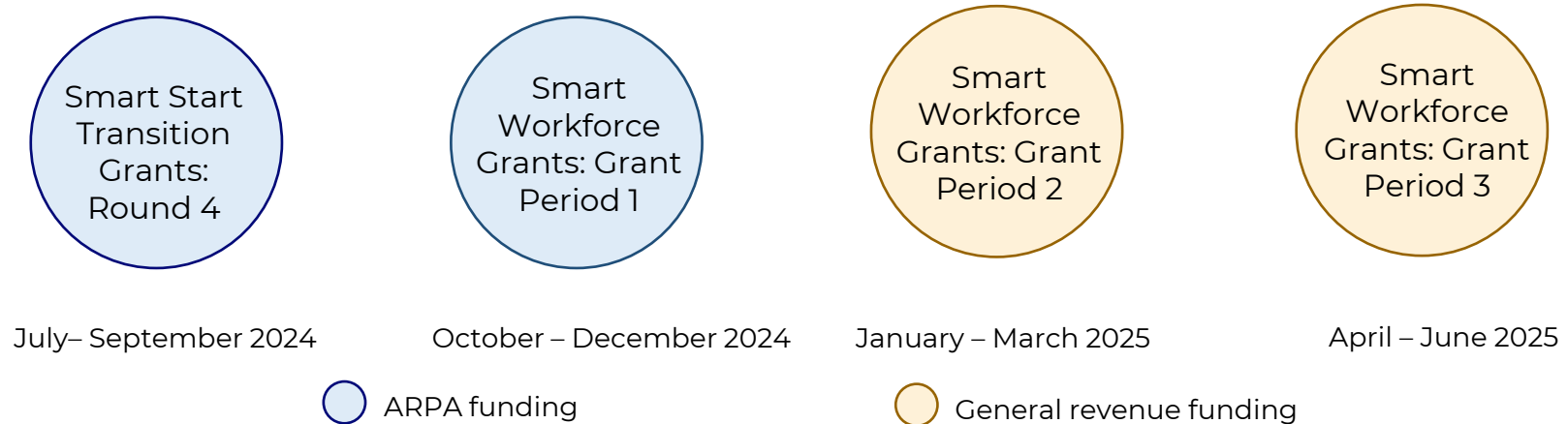
### Quality Support Contracts

- **Quality Support Add-On:** Additional funding to Workforce Compensation Contract providers to work towards increasing capacity, high quality and readiness to implement pre-school and Head Start. This includes investments in:
  - Credential-based wage scale
  - More robust staffing patterns
- **Layered Funding Contracts:** A path toward consolidated funding for high quality providers with multiple public funding streams.



## The Governor's proposed FY25 budget funds Smart Start Workforce Grants with ARPA funding and state general revenue funding (GRF) appropriations

- **\$200M** is the proposed annualized cost of the Smart Start program in State Fiscal Year 2024 and State Fiscal Year 2025
- **ARPA funding** would cover Smart Start Transition Grants for July – September 2024 and Smart Start Workforce Grants for Grant Period 1 (October – December 2024)
- GRF funding for Smart Start Workforce Grants begins in January, so Governor Pritzker's budget proposal **represents half of the annualized cost**



# Smart Start Workforce Grant parameters



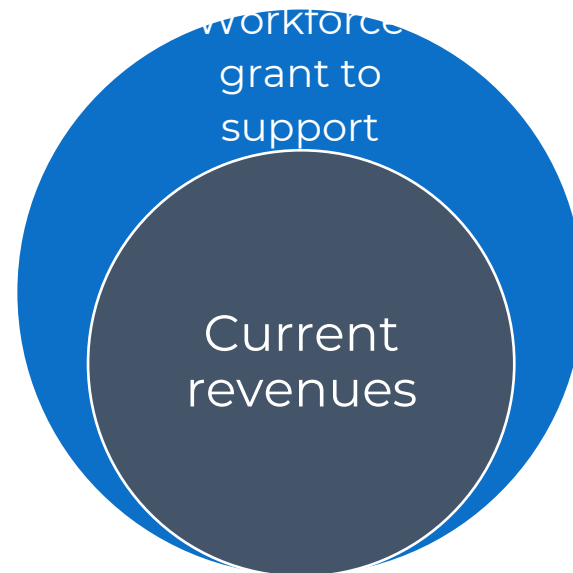
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These **draft parameters** are based on the Governor's SFY 25 Budget proposal.

The General Assembly must submit a budget bill to the Governor for signature in May.

## Smart Start Workforce Grants will invest in programs to pay attractive wages without raising costs for families

- Eligible child care providers will receive Smart Start Workforce Grants to support higher wages for their staff members
- Those who participate in the program must pay teachers and teaching assistants at or above a required wage floor
- All grant funding must be spent on wages
- Illinois is the first state in the nation to implement this type of workforce compensation program



**Center-based programs will be required to pay teachers and teacher assistants at least an established wage floor\***

Role	Region		
	Group 1A	Group 1B	Group 2
<b>Wage floor for lead teachers</b>	<b>\$19.25 per hour</b>	<b>\$18.50 per hour</b>	<b>\$18.25 per hour</b>
<i>Current median wage</i>	<i>\$17 per hour</i>	<i>\$16 per hour</i>	<i>\$15.40 per hour</i>
<b>Wage floor for assistant teacher or floater</b>	<b>\$18 per hour</b>	<b>\$17.25 per hour</b>	<b>\$17 per hour</b>
<i>Current median wage</i>	<i>\$15 per hour</i>	<i>\$14 per hour</i>	<i>\$14 per hour</i>

\*A **wage floor** is a minimum required wage but is different from the legally required minimum wage. For SSWG, the wage floor is a requirement that programs agree to when they accept the grant.

**Group 1A:** Cook, DeKalb, DuPage, Kane, Kendall, Lake, and McHenry counties.

**Group 1B:** Boone, Champaign, Kankakee, Madison, McLean, Monroe, Ogle, Peoria, Rock Island, Sangamon, St. Clair, Tazewell, Whiteside, Will, Winnebago, and Woodford counties.

**Group 2:** all counties not listed in Group 1A or 1B

*Draft parameters are subject to appropriation from the Illinois General Assembly.*

## Home-based programs will be required to pay teacher assistants at least an established wage floor\*

	Region		
Role	Group 1A	Group 1B	Group 2
Wage floor for home-based assistants	\$18 per hour	\$17 per hour	\$17 per hour
Current median wage	\$15 per hour	\$14 per hour	\$14 per hour

\*A **wage floor** is a minimum required wage but is different from the legally required minimum wage. For SSWG, the wage floor is a requirement that programs agree to when they accept the grant.

Home-based provider/owners may use the rest of their grant funds for their own compensation, or to invest in their home-based business.

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**Group 1A:** Cook, DeKalb, DuPage, Kane, Kendall, Lake, and McHenry counties.

**Group 1B:** Boone, Champaign, Kankakee, Madison, McLean, Monroe, Ogle, Peoria, Rock Island, Sangamon, St. Clair, Tazewell, Whiteside, Will, Winnebago, and Woodford counties.

**Group 2:** all counties not listed in Group 1A or 1B

*Draft parameters are subject to appropriation from the Illinois General Assembly.*



# Smart Start Workforce Grant Awards



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## Smart Start Workforce Grants will support center-based programs to increase wages for assistant teachers, teachers, and other program staff




*Center-based programs will be eligible for the following grant awards for each classroom:*

Classroom type	Annual award	Quarterly award
Smart Start Workforce Grants, Infant/Toddler	\$27,000	\$6,750
<i>Smart Start Transition Grants, Infant/Toddler</i>	<i>\$28,000</i>	<i>\$7,000</i>
Smart Start Workforce Grants, Ages 2-5	\$24,000	\$6,000
<i>Smart Start Transition Grants, Ages 2-5</i>	<i>\$24,000</i>	<i>\$6,000</i>

## Smart Start Workforce Grants will support family child care providers to increase their wages and their assistants' wages

Family child care homes and group homes will receive a **base award of \$9,000 annually** and additional funding if they have an assistant, based on the number of hours assistant(s) work

Payment to me is a foreign language because I pay myself from what's leftover once staff and supplies are taken care of.”  
 – Focus Group Participant

	Assistant weekly hours	Annual grant award	Quarterly grant award
<b>Workforce Grants: Family Child Care Homes and Group Homes</b>	0-20 hours/week 	\$9,000	\$2,250
	20-60 hours/week 	\$16,000	\$4,000
	60+ hours/week (only available for group homes) 	\$23,000	\$5,750
Transition grants, Family Day Care Home	N/A	\$10,000	\$2,500
Transition grants, Group Day Care Home	N/A	\$15,000	\$3,750

### Meeting the wage floor may vary across different programs

#### ABC Child Care

Before receiving Smart Start Workforce Grants, ABC Child Care, a center in Region 1A, paid starting teachers **\$17/hr** and **assistant teachers \$15/hr**.

With SSWG, they will **raise starting wages to at least \$19.25/hr** and **\$18/hr** respectively, bringing staff salaries to at least the wage floor.

#### Sonny's Sunshine Care

Sonny is in Region 2 and operates a family child care program out of her home. She has one full-time assistant who works 40 hours/week. Prior to receiving a SSWG, Sonny **paid her assistant \$14/hr**. With the grant, Sonny will **increase her assistant's wage to \$17/hr** and **increase her own compensation**.

## Smart Start Workforce Grant recipients will demonstrate they meet the wage floor



Center-based programs and **home-based programs employing an assistant(s)** will be required to upload **quarterly payroll documentation** showing they meet the wage floor for teaching staff in grant funded classrooms



**Home-based programs** will be required to upload **Schedule C documentation**

# Smart Start Workforce Grant Eligibility



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## Smart Start Workforce Grants program eligibility criteria include:

Licensed centers and family child care

Open and caring for children by the first of the month prior to application

Operate full-day and full-year, defined as a program that is open and offering at least eight consecutive hours of care per day, five days per week, 47 weeks per year

Enroll a minimum percentage (centers) or number (homes) of children receiving CCAP



Programs must **enroll a minimum number of children receiving CCAP** in any one month between January 2023 and the date of application\* to be eligible for Smart Start Workforce Grants.

- Child Care Centers: 15% or more of licensed capacity
- Family Child Care Homes: 1 or more
- Group Child Care Homes: 2 or more

**What we heard from providers:**

“Eligibility needs to be predictable throughout the year”

### Investments in the workforce to support advancement

- **Early Childhood Apprenticeship Program:** Launching a new employer level support to increase wages and provide structured on the job training and mentorship for those staff going back to school
- **Gateways to Opportunity & Early Childhood Access Consortium for Equity (ECACE) Scholarships:** Funding to maintain scholarship support to build workforce capacity by supporting the field to attain degrees and credentials



# Table Talk: Compensation Initiatives

- What excites you about the Colorado and Illinois initiatives
- What questions do you have?
- Where do you anticipate the states will meet success, and what challenges do you think they will encounter?
- How might your state or community begin to design and implement strategies like these?

