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The Lake County *Scaling Up* Project

Final Report, January 2026

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Deep Dive Sites

Schools	Centers
Fox Lake District 114, Lotus Elementary	Peppermint Stick Children's Center, Round Lake Beach
Round Lake District 116, Early Education Center	Peppermint Stick Children's Center, Grayslake
North Chicago District 187, Green Bay School	Goddard School, Round Lake
LEARN Margaret Romano Early Childhood Academy, Waukegan	Start Early, Waukegan
LEARN Pre-K @ LEARN 6, Great Lake	Start Early, Beach Park

About this Analysis

The Lake County Scaling Up project was designed to determine the gap between current funding for Early Childhood Education and Care (ECEC) in Lake County and the total funding needed to make high-quality services available to all families who choose them. This is a pivotal moment for Illinois as it prepares to move all ECEC funding streams into the new Illinois Department of Early Childhood and continues to build the Smart Start Illinois funding initiative. Current information on needs and costs is essential for system development. This report builds on the information collected in the recent Birth to Five Illinois Needs Assessment (Region 34, Lake County)[1] and the Start Early Landscape Analysis (2022-23)[2], adding expanded demographic analysis and cost estimates.

The project included three components:

- **Demographic analysis:** How many Lake County children need high-quality ECEC services, and how many of them are from families with incomes below 200% of the federal poverty line?
- **Quality Gap assessment:** How many high-standard slots exist vs. how many are needed based on the demographic analysis?
- **Funding Adequacy Gap estimate:** How many additional dollars are needed to fund existing programs sufficiently to meet high standards and to make new high-quality slots available?

Taken together, these components deepen our understanding of who needs what in Lake County, how far current systems fall short of meeting that need, and what it would take to close the gap.

1. https://www.birthtofiveil.com/region34/#report
2. https://www.startearly.org/app/uploads/2024/05/FINAL-Lake-County-Early-Childhood-System-Assessment-Report.pdf

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Demographic Analysis

CELFE partnered with the research organization NORC at the University of Chicago to develop a method for producing demographic estimates that reflect the actual needs of children and families in Lake County. Understanding need is complex. Families' ECEC preferences and requirements are shaped by multiple overlapping factors, including children's ages, parents' work schedules, household income, primary language, and whether a child has a disability. These characteristics cannot be understood in isolation, and publicly available data sources are limited in their ability to show how they intersect at a local level. While American Community Survey (ACS) data from the Census Bureau can illustrate broad population patterns, they cannot reliably capture these overlapping characteristics for small geographic areas within Lake County.

To address this, CELFE, along with NORC, developed an approach that uses ACS data from all Collar Counties[3] to calculate the prevalence of key characteristics among young children across all five counties. These prevalence rates were then applied to Lake County's child population to estimate how many children are likely to need specific types of care arrangements (for example, full-workday care, or more comprehensive services). This method produces a more nuanced and realistic estimate of the number of children who would benefit from, and be likely to participate in, various models of early childhood services in Lake County.

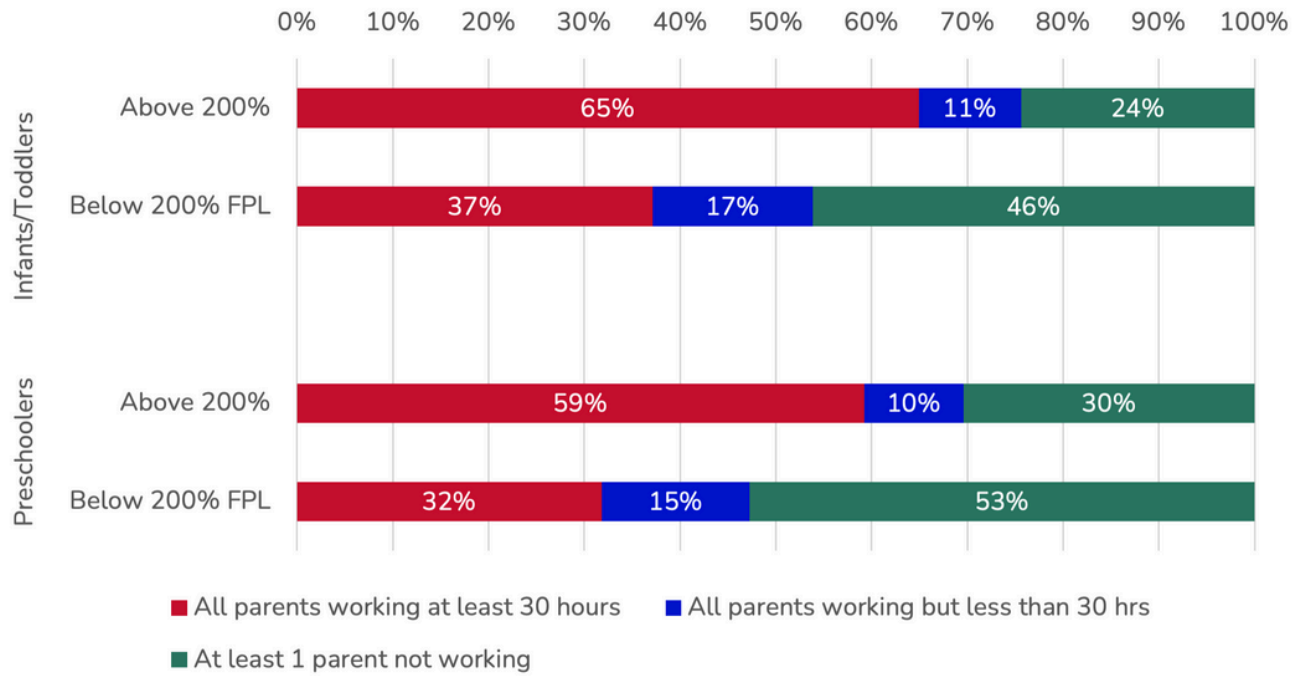
Families' ECEC needs differ widely, and these needs vary by age group and family circumstances. Among infants and toddlers, many are well served with a part-day program, while others require a full-workday because their parents are working. Those with a stay-at-home parent may not need access to a formal early learning setting. For preschool-age children, research suggests that all benefit from some form of early learning experience. However, the type and length of program that is appropriate depend in part on parents' work schedules. Children whose parents are not working full-time may be well served in a school-day or part-day public prekindergarten program, while those whose parents work full-time may require community-based programs that offer full workday ECEC.

Figure 1 presents the number of children ages 0–2 and 3–5 in Lake County, broken out by parental work status and family income. These estimates help illustrate how many children, by age group, are likely to require part-day or school-day versus full-workday programs and in which settings those needs can be best met. CELFE used family income below 200 percent of the federal poverty level as

3. Lake, DuPage, Kane and Will counties

an indicator of the potential need for comprehensive services, as income is closely associated with several factors that can shape developmental risk. Comprehensive services address additional child and family needs associated with learning and development. Head Start and the Preschool for All Expansion (PFAE) programs provide services with components addressing health, mental health, nutrition, disabilities, and family support. This figure shows that children in low-income households are less likely to have parents working full-time, suggesting that the need for full workday programs is somewhat less for this portion of the population.

Figure 1: Children by Parents' Work Status and Household Income



Program services and settings associated with child age, family work status, and family income

In order to estimate demand and then calculate the quality programs gap in Lake County, CELFE has applied the following assumptions to the demographic data:

Infants and Toddlers (0-2)

- Infants and toddlers with all parents working full-time are likely to require full workday ECEC.
- In addition, a subset (estimated at roughly 20%) of low-income infants and toddlers in families with a non-working parent may require a formal, in-person early childhood program regardless of parental work status due to extensive needs such as housing instability or other risk factors.
- Among low-income families using formal ECEC, children are likely to benefit from additional comprehensive services, including family support services, connections to community resources such as health and social services, and more.

Preschool-Age Children (3–5.5)

- All preschool-age children benefit from a structured early learning experience.
- Children with parents working full-time typically require a full-workday, full-year program, most commonly delivered by community-based organizations that can provide extended hours and minimize transitions across settings.
- Children with at least one parent working part-time or not working outside the home can be well served in a full-school-day, school-year program, such as those offered by school districts or charter schools.
- Among low-income families, children are likely to benefit from additional comprehensive services, including family support services, connections to community resources such as health and social services, and more.

Based on these assumptions, CELFE has taken a nuanced approach to defining quality for the purposes of this analysis. High-standards slots are defined as meeting ExceleRate Gold (Gold) and (for preschool-age children) Preschool for All (PFA) standards. Additionally, for programs that primarily serve low-income and priority populations, CELFE assumes quality where the program also offers comprehensive services (such as those required by Head Start and PFAE) in addition to the quality markers described above. Table 1 on the following page provides more detail.

Table 1: Assumptions Regarding Demographics and ECEC Demand

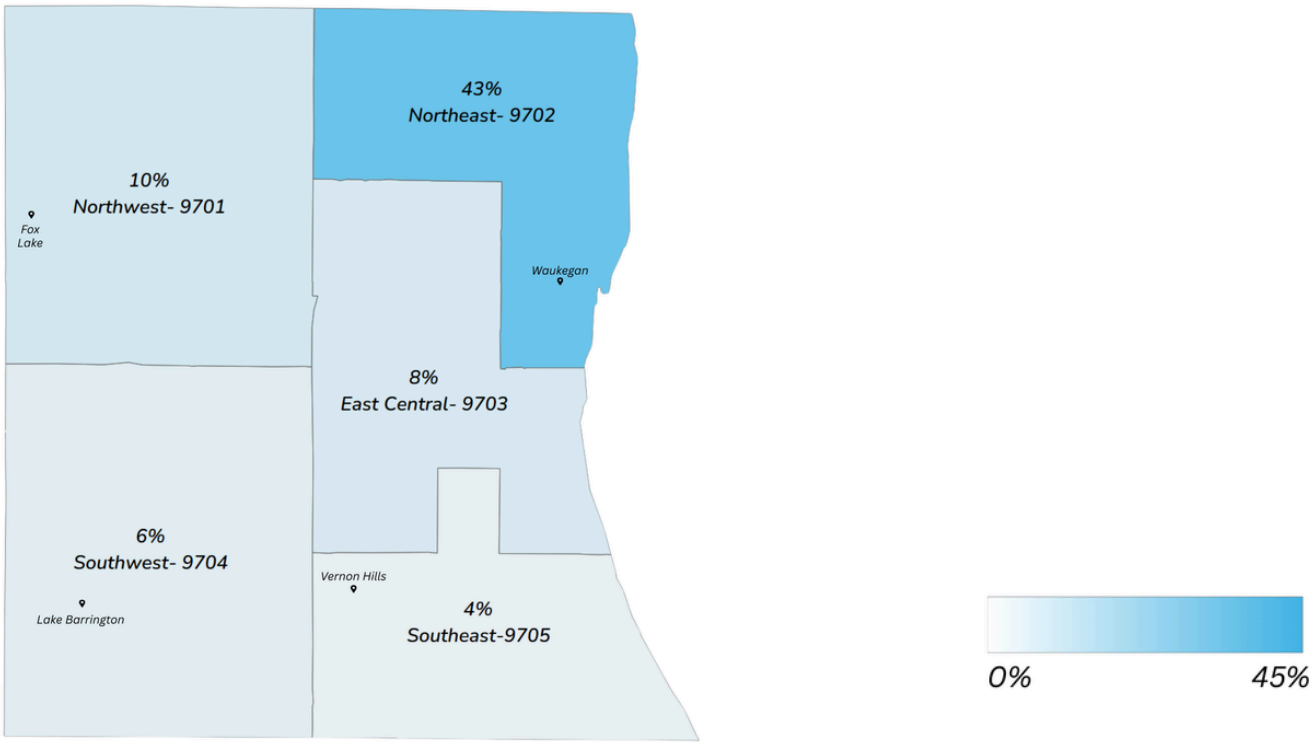
Age	Work Status	Program Length/Setting	Income	Standards
Infant and Toddlers	At least 1 parent not working full time	No formal ECE program	Under 200% FPL	NA
			Over 200% FPL	NA
Infant and Toddlers	All parents working full time	Community-based, full work day	Under 200% FPL	Gold + Comprehensive
			Over 200% FPL	Gold
Preschool	At least 1 parent not working full time	School-based, full school day	Under 200% FPL	Gold + PFA + Comprehensive
			Over 200% FPL	Gold +PFA
Preschool	All parents working full time	Community-based, full work day	Under 200% FPL	Gold + PFA + Comprehensive
			Over 200% FPL	Gold +PFA

Public Use Microdata Areas (PUMAs) are Census Bureau–defined geographic areas that each contain at least 100,000 people. They are used for reporting detailed data from the American Community Survey (ACS) and provide a consistent geography for analyzing population characteristics when smaller units (like census tracts) cannot be used due to privacy or sample-size limitations.

The map on the next page shows the percentage of children who come from families with incomes under 200% of the federal poverty line out of all children who need full work day, formal ECE care. Overall, in Lake County, a relatively small percentage of the children who need full work day care are from low-income families.

This variation has important implications for program design. In areas with a high concentration of low-income children, models such as Head Start may be well-suited, since programs can reliably fill classrooms with eligible children. In contrast, PUMAs with lower concentrations of low-income children may not be well served by Head Start or PFAE models, which depend on having enough eligible children to sustain full classrooms. It is worth noting that within any of the PUMAs, there can be communities with high concentrations of low-income families, such as Round Lake and Fox Lake in the NW area.

Figure 2: Of children who need formal full-workday ECEC, the concentration of children who are low income ranges from 4-43%,



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Quality Gap

Current Capacity

To understand how well existing programs meet families' needs, CELFE assessed the current supply of early childhood slots in Lake County meeting various standards and compared this supply to the demographic estimates. The analysis uses administrative data from the Illinois Network of Child Care Resource and Referral Agencies (INCCRRA), including licensing and ExceleRate status, funding, and enrollment information, as well as publicly available Head Start and Early Head Start funded enrollment data from HeadStart.gov. These data were mapped to each PUMA and categorized by program type and funding stream in order to determine where supply aligns with estimated need and where significant gaps remain.

Our analysis assumes that infants and toddlers enrolled in formal ECEC should be served in high-quality settings, specifically programs meeting ExceleRate Gold standards. Preschool-age children should be served in a program meeting ExceleRate Gold and PFA standards. Children of all ages from low-income families would benefit from programs offering comprehensive services, such as Early Head Start, Head Start or Preschool for All Expansion.

To assess how closely the current supply aligns with these needs, CELFE conducted a full review of licensed capacity and publicly funded slots across Early Head Start, Head Start, Preschool for All, and PFA-Expansion. CELFE then compared this supply, by PUMA, to the number of children estimated to need each type of care. Particular attention is given to community-based programs that currently offer licensed slots but lack the funding or support necessary to meet higher program standards, highlighting opportunities for strategic investment.

Figures 3 and 4 illustrate that the current supply of high-standard slots in Lake County is minimal, especially for infants and toddlers. Most existing capacity is in programs rated ExceleRate Silver or lower and that operate without any public funding that would require them to meet higher standards or comprehensive services. For preschoolers, there is greater availability of high-standard slots due to the presence of PFA; however, these slots are heavily concentrated in school-based programs. While school-based PFA plays a critical role in expanding high-quality access, its limited hours and school-year schedule may make it inaccessible to many working families who require full-day, full-year ECEC.

Figure 3: Current Capacity in Lake County, Infants and Toddlers

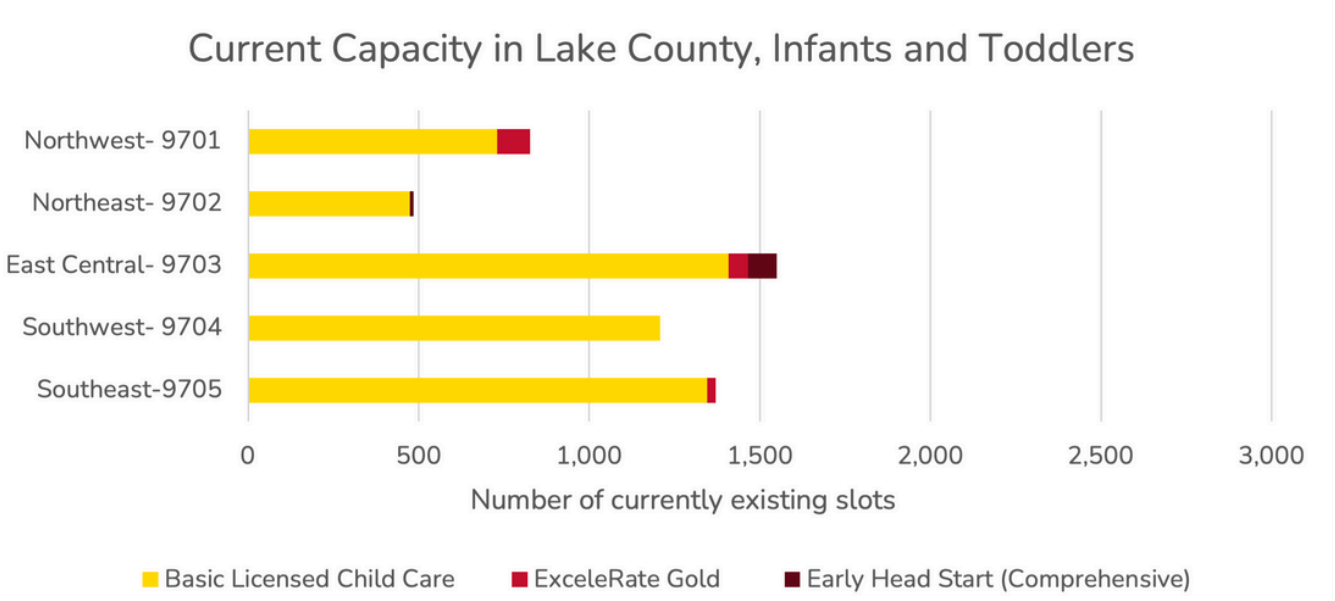
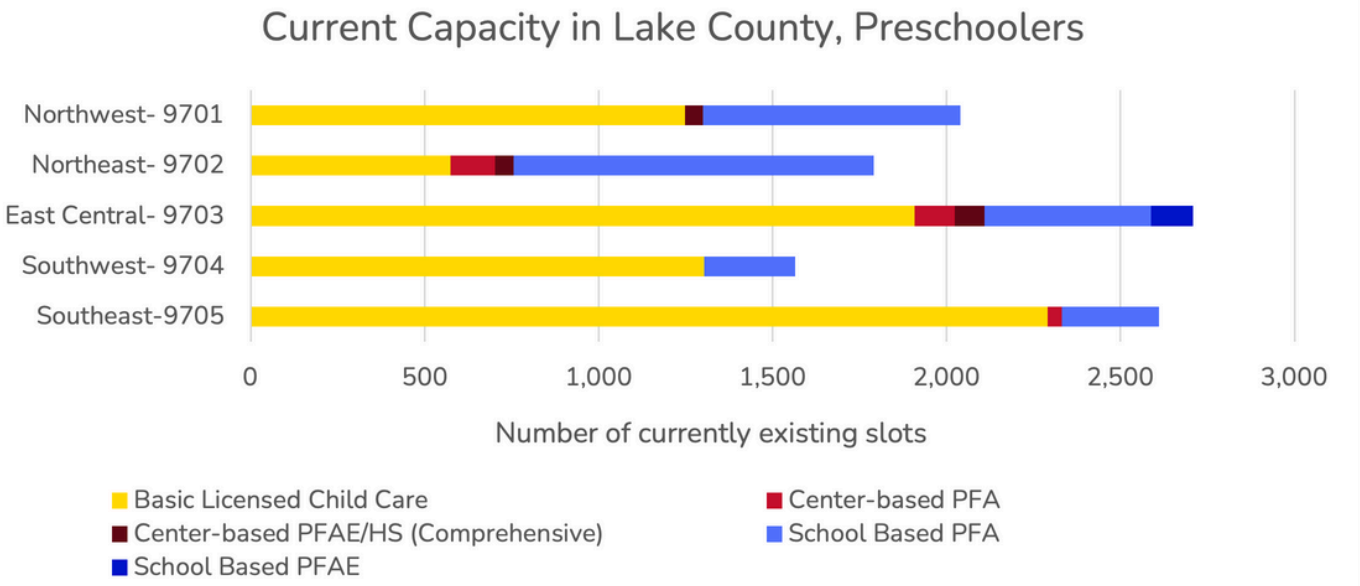


Figure 4: Current Capacity in Lake County, Preschoolers



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Needed Capacity

Using the demographic estimates presented in the previous section, along with uptake assumptions informed by national research on early childhood program participation (see the box below), CELFE estimated the total number of center-based and school-based early childhood slots required in each PUMA to meet family needs fully.[4]

Uptake Assumptions

While the demographic estimates in the previous section help identify the type of ECEC families may need if they choose formal early childhood education, not all families opt into publicly funded programs. National research shows that up to 30 percent of working families rely on informal, nonparental arrangements, such as family, friend, and neighbor care, rather than licensed settings. Even within the K–12 system, participation is not universal: approximately 85 percent of eligible kindergartners enroll in public school.

Given these patterns, CELFE applied uptake assumptions that more accurately reflect likely participation in Lake County. It assumes that only 50–60 percent of infants and toddlers and 75–85 percent of preschool-age children would enroll in publicly funded early childhood programs, even if high-quality slots were available.

Figure 5 shows the projected required capacity for infant-toddler Gold-rated and Gold-plus-comprehensive slots. Infant–toddler needs are similar across PUMAs except in the Northeast PUMA, where a larger share of infants and toddlers are in low-income households and, therefore, more likely to need programs with comprehensive services.

Figure 6 shows the projected required capacity for preschool center-based and school-based slots at the Gold/PFA and comprehensive/PFAE levels. These figures illustrate both the scale of need across Lake County and the variation in required program types by region. Again, the Northeast PUMA stands out with a significantly larger share of children who require comprehensive services, both in community-based and school-based settings. The Northeast PUMA also has a larger

4. A portion of families will continue to choose family child care (FCC) as their preferred early childhood education and care setting. While a full supply–demand analysis for FCC is beyond the scope of this project, CELFE assumes that participation in FCC will remain consistent with current patterns in Lake County. Therefore, the estimated number of children likely to enroll in FCC is removed from our demand estimates for center-based and school-based care. This ensures that projected slot needs for community-based centers and school districts are not overstated and more accurately reflect families' actual preferences.

population of children who could be served within schools due to their parents not working full-time. Other PUMAs show a more consistent pattern: more than half of the children need community-based care, and relatively few (10-15%) of children need comprehensive services.

Figure 5: Total Estimated Demand, Infants and Toddlers

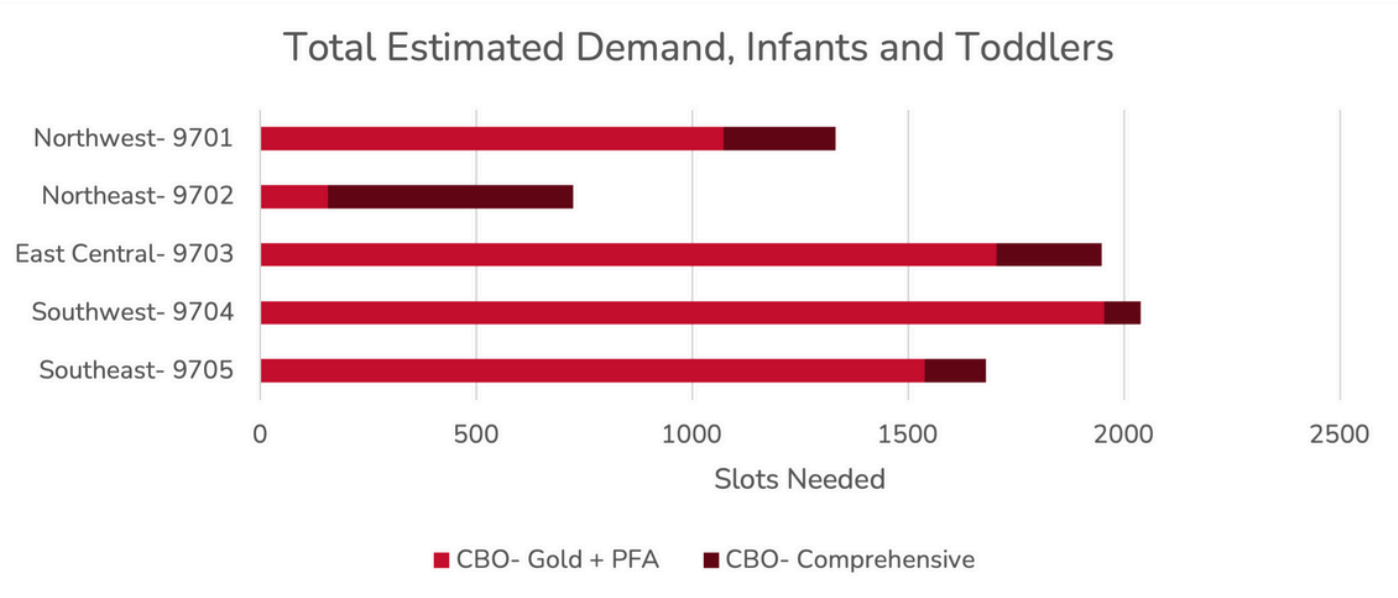

Figure 6: Total Estimated Demand, Preschoolers

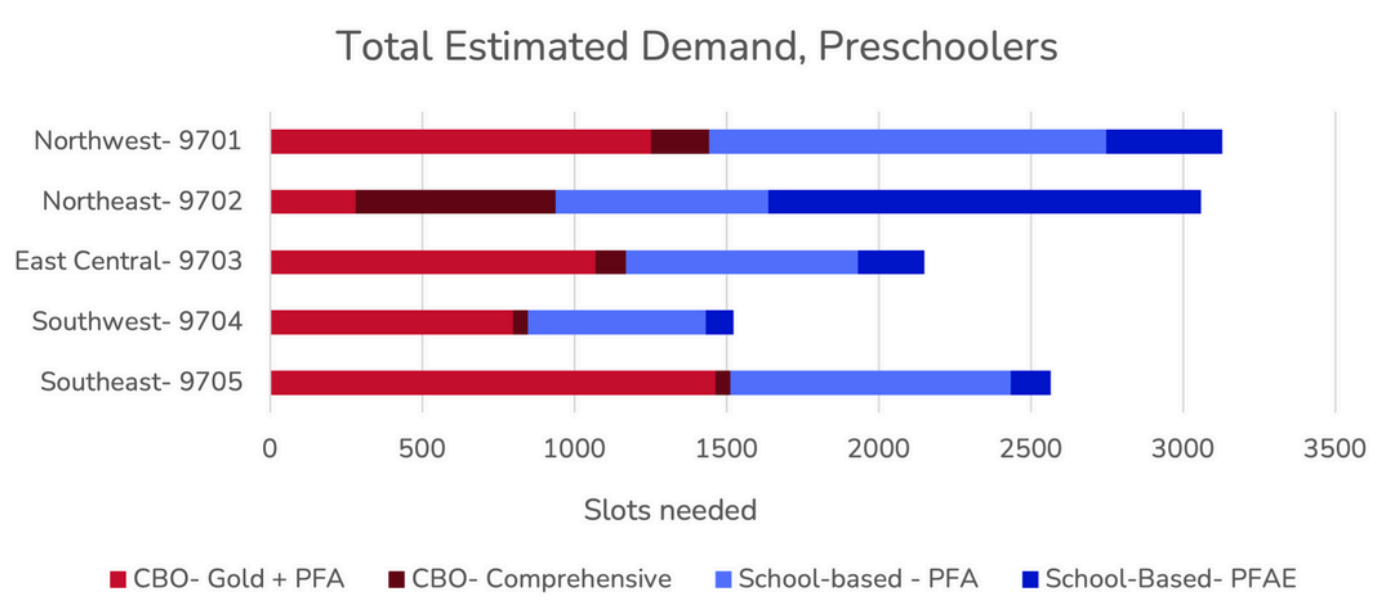

Table 2 presents the number of currently existing slots in Lake County, including licensed slots currently operating at lower standards (defined here as ExceleRate Silver or below, without PFA or Head Start funding). This comparison helps identify where Lake County already has significant center-based licensed capacity that could, with additional investment and support, be raised to higher program standards.

Table 2: Existing Slots in Lake County

PUMA	Age	Existing Slots				
		Community-Based			School-Based	
		Gold or PFA	EHS/HS	Licensed Slots	PFA	PFAE
Northwest-9701	Infant/Toddler	97	0	730	0	0
	Preschool	0	51	1,249	740	0
Northeast-9702	Infant/Toddler	0	12	473	0	0
	Preschool	128	53	575	1,034	0
East Central-9703	Infant/Toddler	56	84	1,409	0	0
	Preschool	116	85	1,907	480	120
Southwest-9704	Infant/Toddler	0	0	1,208	0	0
	Preschool	0	0	1,304	260	0
Southeast-9705	Infant/Toddler	26	0	1,345	0	0
	Preschool	40	0	2,291	280	0

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Table 3 details the number of additional high-standard slots by type (community-based vs school-based, and with or without comprehensive services) required in each PUMA based on the total estimated demand minus the supply of high-standard slots. It takes into account how many currently existing slots could potentially (with additional funding) be improved to meet higher quality standards, and how many entirely new slots would be needed. This table highlights substantial gaps between current capabilities and the requirements to meet demand in Lake County. In some PUMAs, particularly those in the Northeast (9702), the need for comprehensive slots is especially high, reflecting the large share of low-income families in this region. Throughout the county, the most significant gaps are for infant-toddler services.

Table 3: Additional Slots Needed, by Type

PUMA	Age	Community-Based					School-Based			
		Existing Slots to be Upgraded to		New Slots		Potential Oversupply	Existing Part Day PFA Slots Converted to		New Slots	
		Gold or PFA	Comprehensive	Gold + PFA	Comprehensive		Full Day PFA	PFAE	Full Day PFA	PFAE
Northwest-9701	Infant/Toddler	730	0	246	260	0	0	0	0	0
	Preschool	1,249	0	2	140	0	740	0	563	382
Northeast-9702	Infant/Toddler	157	317	0	240	0	0	0	0	0
	Preschool	154	420	0	182	0	698	336	0	1,086
East Central-9703	Infant/Toddler	1,409	0	239	161	0	0	0	0	0
	Preschool	953	16	0	0	938	480	0	282	97
Southwest-9704	Infant/Toddler	1,208	0	745	85	0	0	0	0	0
	Preschool	799	49	0	0	457	260	0	324	91
Southeast-9705	Infant/Toddler	1,345	0	167	143	0	0	0	0	0
	Preschool	1,423	50	0	0	818	280	0	641	130

These comparisons highlight four key findings:

1. **Lake County already has a sizable base of licensed slots,** especially for preschool-age children and in the higher-income areas of the county, but most fall below high-quality standards.
2. **With targeted investment, the quality of many of these existing slots could be improved,** reducing the need to build entirely new capacity.
3. The Northeast and Northwest region of Lake County has **a small supply of existing licensed slots and a high need for more comprehensive services.**
4. While much of Lake County's high quality ECE exists in schools, these slots could be improved by being extended to a full school day. In the Northeast area, conversion of some PFA slots to PFAE is also needed so that low-income children can access comprehensive services.

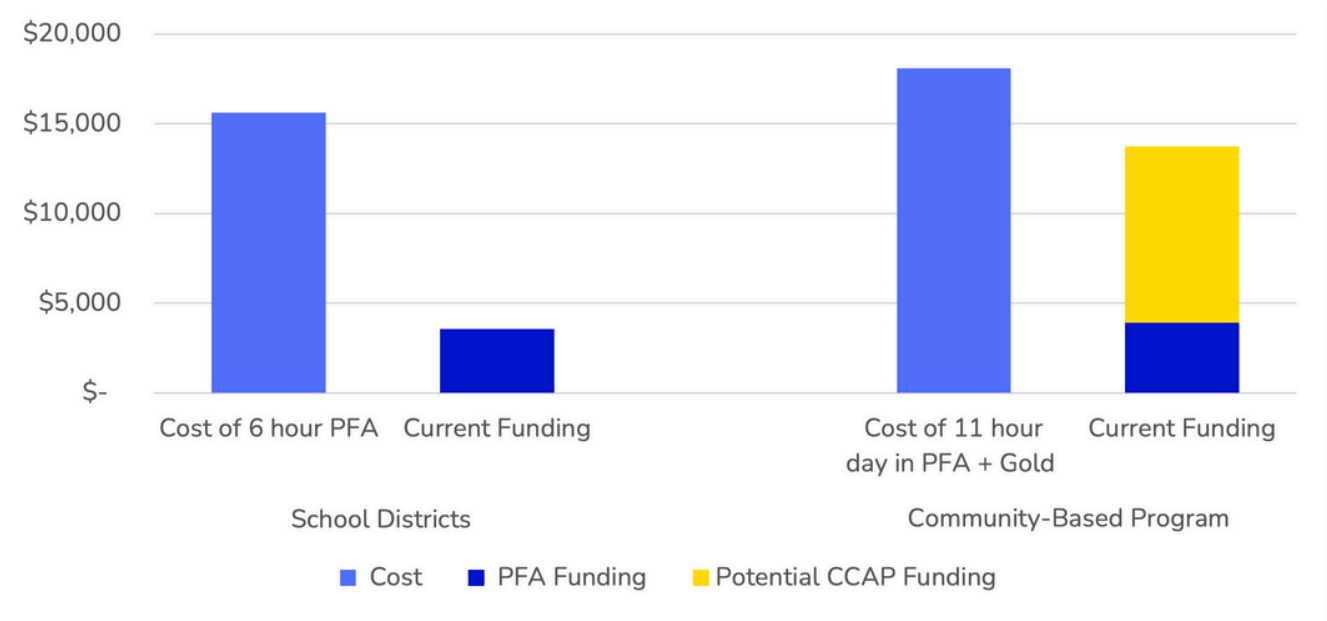
Funding Adequacy Gap

To estimate the investment required for Lake County to add high-standard slots or upgrade existing slots to high standards, CELFE developed a set of cost models that calculate the full cost of meeting the standards, with competitive wages.[5] A cost model does not represent the costs of any single program, nor is it a budget template for individual programs. Instead, it estimates typical costs in ways that can inform funders and policymakers. Once the full cost of a high-standards slot is established, CELFE compares it to the estimated current funding available to programs. This comparison generates an adequacy gap, or the difference between what programs currently receive and what it would actually cost to deliver high-standard ECEC.

Figure 7, on the next page, looks across two of the models, school-based and center-based, to display adequacy gaps related to PFA funding. Those models assume a 6-hour day for schools and an 11-hour day for center-based programs. The maximum potential funding from the Child Care Assistance Program is included for center-based care, as working families may be eligible for this program. The analysis shows that current PFA funding is far below what is needed to serve children in a high standards program, even if that program has additional CCAP funding. Although current PFA funding is based on a part-day model, even doubling the per-child amount would be far too little.

5. The models include the cost of competitive wages based on comparable positions in the broader labor market, because maintaining a stable, well-qualified staff is critical for quality. School-based and center-based wages are aligned with K–12 salaries for comparable positions. Other cost categories include benefits, non-personnel operating expenses, and the additional resources needed for comprehensive services. The school-based model also includes the costs districts incur for daily transportation and support services that go beyond the typical PFA classroom-approved budget.

Figure 7: Per-Child PFA Costs and Current Funding in Lake County.



A few center-based programs in Lake County receive additional funding to provide comprehensive services through Head Start and the PFA Expansion model. Those amounts are not shown in the graph because the total amounts are unclear and apply to so few programs. Overall, few center-based programs receive any funding to braid with CCAP in order to meet high standards. Findings from the cost models are clear: While the availability of high-standard services in Lake County falls short of what is needed to reach every child, the centers and schools currently providing these services are also not being adequately funded to provide a high-quality, full day program.

CELFE estimates that $160 million in total public funding and parent tuition is currently flowing into Lake County's system; however, it would cost nearly $500 million (an additional $340 million) to meet the total estimated need. For context, in FY2024, Lake County school districts spent a total of approximately $3.2 billion on prek-12th grade education. The additional resources needed to provide high-quality ECEC would be approximately 11% of current overall expenditures on prek-12.

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Center-Based Cost Model

Three types of center-based models were developed to understand the fiscal gap between the current state and a higher-quality system. These models illustrate how costs increase as programs move toward smaller class sizes, higher staff qualifications, and more comprehensive services.

Current State

Licensed- Represents the cost of care in Lake County for a child care center that meets the ExceleRate Licensed Circle of Quality. Over 90 percent of licensed slots in the county are in programs meeting these basic standards. This model assumes current wage levels.

Desired State

Gold + PFA- Represents the needed level of quality for children birth to five in Lake County, with programs meeting ExceleRate Gold standards for all age groups and Preschool for All requirements for preschool classrooms. Importantly, it also includes wages competitive with the K-12 system in Lake County.

Gold + PFA+ Comprehensive- Reflects additional resources made available to low-income families and other priority populations. For children, the model builds upon Gold + PFA by further reducing class sizes, improving staff qualifications, and lowering ratios. For families, it includes making connections to health, social services, and other community resources.

Comparing these three models allows CELFE to estimate the incremental cost of achieving high-quality, equitable early care and education across Lake County.

Findings

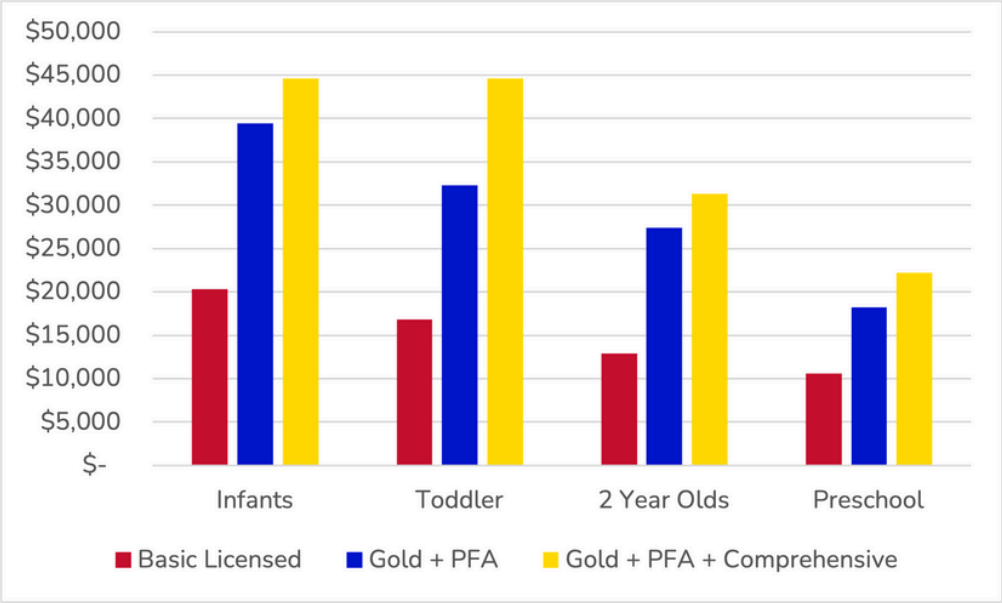
Figure 8 illustrates the estimated per-child cost of delivering center-based early childhood education and care under the basic, Gold + PFA, and Gold + PFA + Comprehensive quality scenarios. Across all age groups, the chart illustrates a substantial gap between the current system's cost (red bars) and the cost of delivering high-quality programming (blue and yellow bars).

For infants and toddlers, the cost difference is especially large. Current cost is only about $16,000–$19,000 per child, while the cost of a Gold-level program is more than double that, and the cost of

providing comprehensive services with lower class sizes reaches approximately $44,000–$45,000 per child.

Costs decline as children age and can be cared for in larger groups, but even for preschoolers, the cost of basic licensed care of roughly $10,000 per child falls far short of the $18,000 needed for a Gold-level program with competitive wages, or the approximately $22,000 required when comprehensive services are added.

Figure 8: Center-Based Care, Cost Per Child



School-Based Cost Model

CELFE modeled both PFA and PFAE school-based costs. Although current PFA funding is based on 2½ hour classroom sessions, CELFE modeled full-school-day (6-hour) sessions for those classrooms along with additional staff time for family support. These changes were largely driven by feedback from the advisory group, which indicated that children need access to enhanced instructional support and family engagement services, regardless of family income.

Findings

For standard school-based classrooms, the estimated annual cost is $15,597 per child under PFA and $15,724 under PFAE. Schools serving children enrolled in Early Childhood Special Education

show meaningfully higher costs, reflecting the additional staffing, services, and supports required. Annual cost per child for these classrooms are $22,261 under PFA and $24,512 under PFAE.

	School-Based Cost Per Child (6-hour day)	
	PFA	PFAE
Standard	$15,597	$15,724
Inclusive Classroom- ECSE	$22,261	$24,512

Family Child Care Model

CELFE's assumptions for licensed family child care build upon the School Year 2024 Workforce Compensation Model developed by Afton Partners and adopted by the State of Illinois to inform the Start Smart Workforce Grants. CELFE's cost analysis used that model as the most accurate representation of base operating costs.

CELFE focused its efforts on identifying the additional costs associated with improving the quality of FCC programs and providing comprehensive family supports where appropriate. Staffed family child care networks are an effective vehicle for those purposes. Networks in Illinois are currently funded through both the Early Head Start Family Child Care Option and the Illinois Department of Human Services' (IDHS) network model. CELFE based its network cost estimates on the IDHS model with a focus on comprehensive services for families. See Appendix D for details.

Findings

CELFE's estimates of the full cost of a high-quality FCC slot in Lake County include:

Cost Component	Amount per slot
Base New Slot Cost (including cost of higher wages)	$16,161
Cost of Higher Wages in Existing FCC Programs	$1,495
Network Services Cost (quality supports & family engagement)	$5,401

Overall, the analysis indicates that each new FCC slot would require approximately $21,500 to operate at a high-quality standard, with compensation levels calibrated to the broader early childhood workforce. Existing slots would require $6,895 more to improve compensation and support high quality.

Other Findings from Deep Dive and Advisory Input[6]

The need for more intensive services and for reaching children earlier

The deep dives and Advisory meetings revealed a growing need, at least in the selected lower-income communities, to serve children and families with multiple needs. Although prior years' data was not collected, deep dive sites report that this year, 25% to 45% of the children in preschool classrooms – in both schools and centers – have identified or suspected disabilities or developmental delays. In part, these percentages reflect the PFA, PFAE, and Head Start enrollment priority to serve children with multiple risk factors. However, experienced school and center program directors reported that the numbers are higher and the delays more serious than in previous decades.

The deep dive school districts are committed to meeting these needs, using local tax dollars to pay social workers, speech pathologists, occupational and physical therapists, and psychologists (and to provide transportation for the majority of their children in this geographically widespread county). Nevertheless, local tax dollars are insufficient. One district reported a need for more intensive birth-to-three services so children are better prepared to participate when they arrive at preschool. It wants to add social workers and therapists to its Prevention Initiative home visiting staff because the reach of Early Intervention is limited.

The child care centers interviewed in the deep dives are using multiple funding streams to help address the need. One site uses funds from Head Start, Preschool for All Expansion (PFAE), the Smart Start Workforce Grant, and the 10% add-on incentive for ExceleRate Illinois Silver status.

6. For more information about the deep dive and advisory group process, see Appendix A.

In response to a question about children with increased needs, the center director wrote:

"Yes, I agree that children are entering early childhood settings with heightened social, emotional, developmental, and behavioral needs, including more sensory challenges and speech delays. As a result, we have devoted more time to staffing adjustments, additional supports, intentional leadership, and teacher training. Without these measures, the risk of teacher burnout would be even greater than what we are already experiencing. Fortunately, the Smart Start Workforce Grant, along with other funding sources, has allowed us to increase wages while also providing the extra staffing support necessary to meet these rising needs."

"I have to carefully balance wages with the need for additional supports. If we staffed only to meet ratio requirements, our current teaching staff could receive higher wages. However, the increase in challenging behaviors has required us to add more staff to help reduce teacher burnout, which means the available wage funds must now be distributed across a larger team. As a result, while staffing levels have improved to meet children's needs, it has limited how far we can raise individual wages."

Conclusion

It is no surprise that the early childhood education and care needs of Lake County children far exceed the public resources available to meet them. Families, educators, and policymakers are broadly committed to addressing that need as resources become available. The Scaling Up Project has analyzed the need and broken out the costs of delivering the specific ECEC services that Lake County children and families need. It has identified the incremental cost of upgrading existing slots to high standards and the full cost of new slots needed to serve Lake County's population. As Illinois develops its new ECEC funding system within the Department of Early Childhood, CELFE encourages state officials, advocates, and other stakeholders to use this report and the associated cost models as resources.

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Appendix A: The Cost Modeling Process

CELFE used a five-step process to construct the models.
1. Establish an Advisory Council to help guide the work.
2. Collect and analyze service data reported to state and federal agencies by Lake County programs.
3. Conduct in-depth budget reviews and interviews with a small number of schools and centers ("deep dives").
4. Discuss preliminary findings and questions with the Advisory group at monthly meetings.
5. Refine and finalize the model.

Step 1

During the summer of 2025, CELFE began forming an Advisory group of schools, child care programs, and community organizations representative of the ECEC field and the diversity of Lake County. At its first meeting, held in August, the group recommended additional members, who were then invited. The group met monthly through December to answer questions posed by CELFE and to raise issues.

Step 2

CELFE collected and analyzed data from Illinois Network of Child Care Resource and Referral Agencies (INCCRRA), the Illinois State Board of Education (ISBE), and the Occupational and Employment Wage Statistics program (OEWS) of the Bureau of Labor Statistics. INCCRRA data included information on program-licensed capacity, enrollment, funding sources, and ExceleRate rating. ISBE data included funded enrollment and grant amounts. OEWS wage data helped CELFE construct target salary scales that are competitive in the larger employment market.

Step 3

CELFE then worked with ten "deep dive" sites to reveal the current cost of meeting high standards and responding to needs in Lake County, with a focus on lower-income communities. Target communities included those identified by Start Early in its Lake County Early Childhood System Assessment (2023) and by Illinois Action for Children in its Community-Based Planning for Expansion report (2022). CELFE selected three school districts (North Chicago, Fox Lake, and Round Lake), 2 charter schools (in Waukegan and Great Lakes), and five child care centers (in Beach Park, Waukegan, Round Lake, Round Lake Beach, and Grayslake).

The deep dive process began with an email invitation to selected schools and centers, followed by a brief virtual meeting to explain the project's goals and the expected commitment from participating programs. Sites then submitted classroom and budget information, and discussed that information with CELFE in follow-up interviews.

Each child care center submitted the following four documents:

- An Excel workbook that asks basic information about classrooms, enrollment, staffing, and selected costs,
- The site's annual expenditure report for its classroom-based ECEC program for the previous fiscal year,
- Its published salary scale, and
- Its private tuition rates, if applicable.

Each school submitted the following three documents:

- Its ISBE budget or budgets for its early childhood classroom-based programs, and any available information about other funding,
- A brief Excel worksheet listing classrooms, enrollment, and funding sources per classroom, and
- Its salary scale.

Sites were assured that their individual site information would remain confidential and that only consolidated results would be shared. After reviewing the submitted information, staff developed interview questions for each site. The goal was to learn about program operations and priorities, as well as to understand the costs associated with those operations. Following the interviews, staff reviewed the complete set of operational and cost information across all sites. Where outliers became evident or additional information was needed, they sent follow-up questions by email.

Step 4

At monthly Advisory meetings, CELFE shared preliminary findings for review and posed questions to guide future work. The group made recommendations regarding target staffing patterns, salary levels, class sizes, the inclusion of children with disabilities and developmental delays, and other associated costs.

Step 5

CELFE used the findings and recommendations from steps 1-4 to refine the models.

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Appendix B: Center-Based Cost Model Assumptions

Model assumptions were drawn from four key sources:
1. ExceleRate Gold and Preschool for All Standards for staffing and quality requirements
2. Program deep dives to collect budget information and validate data in program experience
3. The federal government's Provider Cost of Quality Calculator[7] to inform costs related to non-personnel costs
4. Advisory feedback to refine staffing and cost assumptions

Maximum group sizes, as outlined in the standards, are shown in Table 4. Group size is a critical cost driver in the model, as smaller groups substantially increase the per-child cost of ECEC.

Table 4 : Maximum Group Sizes Assumptions

	Licensed	Gold + (for preschool) PFA	Gold + PFAE (Comprehensive)
Infants	12	8	8
Toddlers	15	12	8
2-Year-Olds	16	12	12
Preschool	20	20	18.5

The largest contributor to the cost of in all models is staffing. Illinois licensing standards, Preschool for All standards, and Head Start standards were used to inform staffing assumptions for each quality level. CELFE also incorporated findings from the deep dives and feedback from the Advisory group. Table 5 outlines the staffing applied in the model. The cost model includes enough staff to maintain these standards for an 11-hour operating day assuming some regrouping at the beginning and end of the day. The model also incorporates additional planning time for teaching staff in the higher-quality tiers.

7. The Provider Cost of Quality Calculator (PCQC) is an interactive tool provided by the U.S. Department of Health & Human Services, Administration for Children and Families, designed to help child care program directors and policymakers estimate the annual costs and potential revenue associated with operating a child care program, including center-based and home-based settings. The calculator enables users to model expenses such as staffing, facilities, and supplies to better understand the financial implications of providing high-quality care. pcqc.acf.hhs.gov

The model assumes that in Gold classrooms for infants, toddlers, and twos, at least half of the teachers hold a bachelor's degree (BA), resulting in an assumed staffing mix of 0.5 BA and 0.5 AA per classroom. For the Preschool age group, all teachers need the appropriate PEL with Early Childhood endorsement.

Table 5: Center-Based Classroom Staffing Pattern Assumptions

		Licensed		Gold + PFA		Gold + PFAE (Comprehensive)	
		FTE	**Credential**	**FTE**	**Credential**	**FTE**	**Credential**
Infant	Teacher	1.75	Less than AA	0.5 0.5	BA + IT Lvl 3 AA + IT Lvl 3	1	BA + IT Lvl 3
	Assistant	1.75	HS/GED	1 1	ECE Lvl 3 CDA	1 1	ECE Lvl 3 CDA
Toddler	Teacher	1.75	Less than AA	0.5 0.5	BA + IT Lvl 3 AA + IT Lvl 3	1	BA + IT Lvl 3
	Assistant	1.75	HS/GED	2 1	ECE Lvl 3 CDA	1 1	ECE Lvl 3 CDA
2 yr Old	Teacher	1.2	Less than AA	0.5 0.5	BA + IT Lvl 3 AA + IT Lvl 3	1	BA +IT Lvl 3
	Assistant	1	HS/GED	1 1	ECE Lvl 3 CDA	1 1	ECE Lvl 3 CDA
Preschool	Teacher	1.2	Less than AA	1	BA + PEL	1	BA + PEL
	Assistant	1	HS/GED	1 1	ECE Lvl 3 CDA	1 1	ECE Lvl 3 CDA

Table 6 presents CELFE's assumptions for non-classroom staff. The staffing levels for clerical staff and food aides represent the minimum needed to operate effectively, as determined by the advisory group, with the model adding an additional 0.2 FTE per classroom for centers with more than five classrooms.

Table 6: Center-Based Non-Classroom Staffing Assumptions

Position	Licensed FTE	Gold + PFA FTE	Gold + PFAE Comprehensive FTE	Unit
Director	1 (AA in ECE)	1 (BA+ IDC Level 2)	1 (BA+ IDC Level 12)	Per center
Clerical Staff	1	2.5	3	Per center
Food Aide	1	1	1	Per center
Family Service Worker	0	1	3	Per 100 children
Professional Support Staff	0	0.1	0.533	Per classroom

Salary assumptions for the current state (basic licensed model) are based on current salary data collected from INCRRA or the Illinois Department of Employment Security through the OEWS for the Lake County Metropolitan Division.

Table 7: Salary Assumptions, Basic Licensed Center-Based Model

Position	Salary Assmption	Source
Director	$59,488	Average wage according to INCCRA
Teacher	$38,084	Average wage according to INCCRA
Teacher Assistant	$31,847	Average wage according to INCCRA
Clerical Staff	$49,150	OEWS: Median 2024 Wage: Office and Administrative Support Occupations
Food Aide	$33,966	OEWS: Median 2024 Wage: Fast Food Workers

The ideal state models utilize salaries based on a target salary scale developed by CELFE, which considers K-12 parity in Lake County and the minimum salary of $18 per hour required by Illinois Start Smart Grants. The salaries used in the ideal state models are below.

Table 8: Salary Assumptions, Ideal State Models (Gold + PFA and Gold + PFA + Comprehensive Services)

Position	Credential	Salary Assumption	Source
Director	BA + IDC Level 2	$69,212	Target salary scale designed by CELFE
Teacher	ECE Level 5 + PEL in ECE	$65,208	
	ECE Level 5, BA +IT Level 3	$61,204	
	ECE Level 4, AA + IT Level 3	$56,056	
Teacher Assistant	ECE Level 3 + IT Level 3	$44,044	
	ECE Level 3	$43,472	
	CDA	$42,900	
Professional Support Staff		$71,729	
Clerical Staff		$49,150	OEWS Median 2024 Wage: Office and Administrative Support Occupations
Food Aide		$33,966	OEWS Median 2024 Wage: Fast Food Workers
Family Support Staff		$49,005	OEWS 25th Percentile 2024 Wage: Child and Family Social Workers

The model included the following assumptions for benefits, which did not differ across standards levels, except that health insurance and retirement are assumed to cover more employees in higher-quality programs.

Table 9: Center-Based Benefits Assumptions

Benefits	Amount	Unit
FICA	7.65%	Per Salary Amt
Health Insurance	$8,634	Per FTE
Worker's Compensation	0.45%	Per Salary Amt
Retirement Contribution	3%	Per Salary Amt
SUTA Rate	0.75%	Per Salary Amt
Federal Unemployment Tax	$42.00	Per FTE

Non-personnel costs were primarily informed by CELFE's program deep dives and the Provider Cost of Quality Calculator. The cost model assumes that most non-personnel expenses remain consistent across quality levels, with two key exceptions: classroom supplies and equipment costs increase for comprehensive programs, and professional membership expenses are excluded from the licensed basic model.

Table 10: Center-Based Non-Personnel Costs

Cost	Licensed	Gold + PFA	Gold + PFA + Comprehensive	Unit
Food & Food Prep	$1,450	$1,450	$1,450	per enrolled child
Kitchen Supplies	$160	$160	$160	per enrolled child
Classroom Supplies	$350	$350	$400	per enrolled child
Office Supplies& Equipment	$170	$170	$170	per enrolled child
Insurance and Advertising	$150	$150	$150	per enrolled child
Professional Memberships		$80	$80	per teacher
Occupancy	$32,000	$32,000	$32,000	per classroom
Telephone & Internet	$5,000	$5,000	$5,000	per site
Audits & Legal Fees	$2,000	$5,000	$5,000	per site
Licensing Fees and Permits	$556	$556	$556	per site
Professional Services and Fees	$4,500	$4,500	$4,500	per site

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Appendix C: School-Based Cost Model Assumptions

School-based preschool programs build upon the foundational costs of operating within a public school setting. These baseline costs include:

- Facilities and utilities
- Principal and administrative leadership
- Core classroom teachers and specialist instructors
- Support staff (librarian, nurse, counselor)
- Central office and district overhead

In the model, these core components are derived from the state's Evidence-Based Funding (EBF) Formula, which calculates per-student "adequacy" targets based on staffing ratios, salaries, and student demographics. To estimate preschool-specific costs, CELFE used EBF to determine baseline school costs, then added preschool-specific resources, such as teacher assistants and family engagement specialists.

Model assumptions were drawn from four key sources:

1. **PFA and PFAE Standards** for staffing and quality requirements
2. **Illinois's EBF Formula** to align cost categories and adequacy targets
3. **Program deep dives** to validate data in program experience
4. **Advisory feedback** to refine staffing and cost assumptions

EBF primarily informed personnel quantities and salaries. The table on the next page outlines the staffing and salary assumptions, primarily driven by EBF and calculated on a per student basis.

Table 11: School-Based Model Staffing Assumptions

	FTE Per Student		Salary	Source
	PFA	PFAE		
Principal	0.0022	0.0022	$123,329	EBF
Additional Professional Staff	0.02	0.02	$62,614	EBF[8]
Family Engagement Specialists	0.003	0.01	$49,005	PFA/E Standards[9]
Instructional Facilitator	0.005	0.005	$73,183	EBF
Administrative Assistant	0.004	0.004	$38,660	EBF

8. The FTE for professional staff use an aggregated total from the school counselor, nurse, supervisory aide, librarian, librarian aide, assistant principal, social worker, and school psychologist.
9. Family engagement specialist ratios were informed by PFA/PFAE standards, and salary was taken from the Bureau of Labor Statistics 25th percentile salary for Child and Family Social Workers.

Teacher and assistant staffing within the school-based model is driven by the number of classrooms, rather than the number of children. The number of staff and their salaries per classroom are taken directly from the EBF and PFA/E Standards.

Table 12: School-Based Classroom Staff Assumptions

Standard Classroom (20 children)	FTE Per Classroom		Credential/Certification	Salary
	PFA	PFAE		
Teacher	1.2	1.2	PEL	$73,183
Teacher Assistants	1	1	Paraprofessional	$32,218
Inclusive Classroom (20 children)				
Special Education Teacher	1	1	Dually endorsed PEL with ECE and SPED	$73,183
Teacher (For non-core classes)	0.2	0.2	PEL	$73,183
Teacher Assistants	2	2	Paraprofessional	$32,218

CELFE added an additional 30% of total salaries for benefits, as estimated in EBF. CELFE also included the following per-child non-personnel costs in the school-based model. These costs remained unchanged across the PFA and PFAE models.

Table 13

Items	Cost	Unit
Instructional Materials	$341	Per child
Computer Tech Equipment	$286	Per child
Student Activities	$30	Per child
Assessments	$34	Per child
Maintenance & Ops	$2,120	Per child
Central Office	$1,608	Per child
Staff Training & Education	$125	Per child
Consultation (mental health, nutrition, health, etc.)	$100	Per child
Student Transportation	$1,032	Per child

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Appendix D: Additional Family Child Care Network Cost Model Assumptions

CELFE has estimated the cost of expanded network services in Lake County that meet IDHS standards. First, we reviewed IDHS performance and staffing requirements and discussed operations with a well-established network provider. Next, we refined the staffing structure to ensure that child and family supports similar to those in Early Head Start are addressed (child development, family engagement, connections to health services, etc.) Finally, we developed a salary scale based on comparable roles in the center-based model and on Bureau of Labor Statistics Occupational Employment and Wage Statistics data for Lake County.

Table 14 : Family Child Care Network Staffing Cost Assumptions

Position	FTE	Salary	Source
Network Manager/Program Coordinator	1 per network	$62,790	Center-based Model Director Target salary
Finance staff (bookkeeper)	0.5 per network	$51,064	OEWS Median 2024 Wage: Bookkeeping, Accounting, and Auditing Clerks
CCAP Eligibility Specialist	1 per network	$49,150	OEWS Median 2024 Wage: Office and Administrative Support Occupations
Child Dev. Specialist (incl. Disabilities)	1 per network	$59,280	Center-based Model Professional staff salary
Family Engagement Coordinator (incl. Health, & Mental Health)	1 per 40 children	$49,005	OEWS 25th Percentile 2024 Wage: Child and Family Social Workers

CELFE assumes that the staffing outlined in the table above supports one family child care network serving 12 homes. Benefits for these positions were calculated using the same rates applied in the center-based model (see Appendix A). In addition to personnel costs, CELFE included $46,762 per network in non-personnel expenses, which covers items such as supplies, curriculum, training, space, and utilities.

Table 15: Family Child Care Network

Non-personnel Cost	Annual Cost Per Network
Annual Travel Cost	$8,064
Insurance	$500
Accounting	$5,000
Audit	$750
Office Supplies	$2,000
Telephone & Internet	$1,125
Child Screening & Assessment Tools (ASQ, ASQ-SE, TS Gold, BAS, FCCERS)	$4,000
Training/Professional Development	$3,000
Professional membership dues	$945
Curriculum	$1,260
Books and materials	$1,200
Occupancy Cost	$18,750