A Statewide Early Childhood Care and Education Needs Assessment for Illinois

Illinois Facilities Fund
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Preview

Tools, Benchmarks and Standards

Moving Towards A System
The Illinois Facilities Fund (IFF) is a statewide real estate lender, consultant and developer for nonprofits in Illinois. The IFF also conducts research and advocacy on behalf of nonprofit corporations that are serving low-income communities.

The IFF’s research work provides the data needed by elected officials and stakeholders to support informed public policy decisions and drive new project development. In 1997 the IFF developed a methodology for assessing subsidized child care supply and demand. Since developing the methodology, the IFF has used it to assess child care needs for dozens of communities in Illinois, including the cities of Aurora, Chicago, Elgin, Evanston and all municipalities in Cook County.

In 1999 the IFF’s Chicago Early Childhood Care and Education Needs Assessment, commissioned by the Chicago Department of Human Services, documented disparities in the supply of licensed child care among Chicago’s 77 Community Area and included recommendations for increasing licensed child care in the highest need communities. These recommendations became the basis for Mayor Daley’s initiative, the Chicago Children’s Capital Fund, a public/private partnership between the city and the IFF. The Chicago Children’s Capital Fund projects currently underway or nearing completion will create over 1,000 licensed child care slots in high-need communities.
In the fall of 2002, the IFF began this statewide comprehensive early childhood care and education needs assessment titled *Moving Towards A System*. The IFF analyzed the supply and demand for early childhood care and education for children from birth to five years of age in the 102 counties and 66 largest municipalities in Illinois.

*Moving Towards A System* is made up of three separate publications that assess the need for the following early childhood care and education options: child care for families of all incomes; child care for subsidy-eligible families; Head Start; and the Illinois Pre-Kindergarten (Pre-K) program. This—the first publication—is a preview of the full report, and it includes summary information on the need for early childhood care and education statewide and in the ten cities and ten counties in Illinois with the highest need for additional services. The second publication, *Moving Towards A System: Tools, Benchmarks and Standards*, is the full report. The full report presents detailed findings on the communities with the highest overall need as well as findings for each area of early childhood care and education. The third publication is a *Community Profiles Fact Book*. The Fact Book contains individual, detailed profiles for each of the counties and municipalities assessed.

To obtain additional copies of any of these publications, visit the IFF website at www.iff.org or call 312.629.0060. Each community profile is available individually on the IFF website. For questions about the report or the methodology used to conduct the assessment, email Elizabeth Kneebone at ekneebone@iffund.org.

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- Each of the State of Illinois Child Care Resource and Referral Agencies
- Illinois Network of Child Care Resource and Referral Agencies
- The State of Illinois Head Start and Early Head Start grantees

Research for this study was led by Joe Neri, Vice President of Lending at the IFF, and conducted by IFF staff members Elizabeth Kneebone, Morgana Bailey and Steve Meints. Though the IFF has completed many early childhood care and education needs assessments, this study is the first completed project by the IFF’s newly formed Research Department.
Child care for working parents operates under a variety of formal and informal organizational and corporate structures in every county in Illinois. The IFF has made substantial financial commitments to the nonprofit corporations in this field that are responding to increased demand for services as low-income parents are joining the workforce. Over the past 13 years, the IFF has loaned $11.7 million, invested $18 million, and packaged almost $44 million in public and private funding to build the child care field in Illinois. These financial commitments reflect the demand and the resulting rapid growth of the overall business of child care for low-income working parents. These commitments also reflect the IFF’s mission and commitment to improving the financial stability of nonprofits in Illinois.

One purpose of this assessment is to create a tool that will aid elected officials and other stakeholders in more efficiently allocating resources for early childhood care and education, both locally and statewide. Considering the complexity and variation that exist in the early childhood field, it is necessary to assess all three government-funded programs (subsidized child care, Head Start and Pre-K) and all-income child care, not just separately but in conjunction with one another. The following examples illustrate the importance of looking across types of care and education to create a comprehensive picture.

An example of the complexity facing any child care research project is found in the government-subsidized licensed child care program for low-income families, which has changed dramatically in recent years as part of welfare reform. In the past, Illinois relied on contracts with licensed providers to serve a set number of children from low-income families whose parents worked. Today’s system is primarily reliant on certificates that are portable (certificates for child care subsidies are currently available to working families with incomes at 50 percent or less of the 2002 state median income). These certificates can be used in any licensed center or home that will accept them, but a center or home that will accept certificates is not required to reserve any set number of slots for subsidy-eligible children. Because of this shift, the number of slots that providers report as “open to certificates” becomes a kind of potential supply—the number of subsidy-eligible children that could be served by licensed care if every slot available to them were filled by a certificate-holder. In reality, any number of the slots available to certificates may be filled with a non-subsidy-eligible child (the higher the need for child care for families in general, the higher the likelihood that a non-certificate-holder will fill a slot open to certificates). This makes it necessary to assess the need for child care for families of all incomes as well as subsidy-eligible families. In addition to licensed subsidized child care, Moving Towards A System also looks at the number of license-exempt certificates used in unlicensed homes to estimate how many subsidy-eligible children are being served in informal settings. Only by looking at the subsidized child care assessment (including both licensed and license-exempt care) in conjunction with the all-income child care assessment can a community get an accurate picture of the child care need facing all of its working families.

While licensed child care has an educational component, two programs were created to focus on early education. Head Start (a child development program for children in families at or below the Federal Poverty Level) and Pre-K (a school readiness program for children at risk of educational failure) are part-day, part-year programs, with a few exceptions. Head Start serves children from the poorest families, and income correlates highly with many of the risk factors of educational failure that qualify a child for Pre-K. This means that there is a high likelihood that families most needing Head Start and Pre-K services have also been affected by welfare reform.

The work requirements implemented by Temporary Assistance for Needy Families (TANF) make it difficult for families enrolled in TANF to continue to use part-day programs. Many providers have begun combining programs to provide full-day alternatives for these families. To fully understand how these early childhood care and education programs work together to meet need, fail to meet need, overlap, or compensate for one another in each community and statewide, it is necessary to look across all program areas.
This assessment—a snapshot in time of the early childhood care and education services offered in communities throughout Illinois—provides data that allow stakeholders to assess the need in their communities, first in each separate area of early childhood care and education and then overall. Moving Towards A System also establishes benchmarks of service provision at the state, county, and municipality levels. These benchmarks allow communities to compare their level of service to that of similar communities, and track their performance within a statewide context. They also allow stakeholders at the state level to assess the distribution of resources across Illinois and identify areas in need.

To determine overall need for early childhood care and education, counties and municipalities are first ranked in terms of need for each of the three government-funded programs and for all-income child care. The rankings are based on two comparisons of supply and demand: service level and slot gap. Service level measures the percent of potential demand (the number of children needing service) that can be met by existing slots. Slot gap measures the number of children who cannot be served by available slots. Potential demand is calculated based on eligibility criteria, such as work status and income, depending on the program. Data on work status and income are taken from the 2000 U.S. Census. Estimates of available slots are based on data received from a variety of sources including the Illinois Network of Child Care Resource and Referral Agencies, Illinois Department of Human Services, Illinois State Board of Education and the U.S. Department of Health and Human Services, Region V. The individual care and education rankings are then combined into an overall ranking.

Overview of Statewide Service Levels

- **Full-day full-year all-income child care**: 52 percent of children in families with working parents can be served, leaving a slot gap of 183,000.
- **Full-day full-year licensed subsidized child care**: the service level statewide is 85 percent, leaving a slot gap of 17,519.
- **Unlicensed subsidized child care**: 40 percent of subsidy-eligible children statewide are served in unlicensed homes with license-exempt certificates.

- **Head Start**: 45 percent of eligible children can be served by existing slots, leaving a slot gap of almost 47,800.
- **Pre-K**: the statewide service level is 34 percent, leaving almost 107,500 children unserved.

Note: Some children may be counted in the demand estimates for multiple programs. See Appendix A in Moving Towards A System: Tools, Benchmarks and Standards for the detailed methodology.

A Program-by-Program Look

**All-Income Child Care**

For child care, the IFF documents approximately 384,000 children in Illinois between birth and five years in working families of all incomes that potentially need full-day, full-year child care. Only 52 percent of these children can currently be served with full-day, licensed care, leaving almost 183,000 children without licensed care.

**Government-Funded Programs**

*Families Qualifying for a Child Care Subsidy*

Furthermore, the IFF identifies almost 120,500 children in working families that potentially need child care and also qualify for child care subsidies based on family income. Of the 120,500 subsidy-eligible children potentially needing care, only 85 percent can be served by licensed child care slots reported as available to subsidy. That leaves at least 17,519 subsidy-eligible children who are not able to use licensed care.

The analysis of license-exempt subsidized care shows that these certificates serve 40 percent of subsidy-eligible children throughout the state. (See Appendix A in Moving Towards A System: Tools, Benchmarks and Standards for a detailed discussion of the process used to identify licensed and license-exempt subsidized child care supply and demand.)

*Early Learning Programs: Head Start and Pre-K*

The IFF identifies over 83,800 children throughout Illinois as eligible for Head Start. Only 45 percent of these children can be served by existing Head Start slots, leaving almost 47,800 without access to Head Start programs.

For Pre-K, the IFF documents over 162,000 eligible children in Illinois, and the available slots can serve only 34 percent of them. Almost 107,500 children potentially needing Pre-K services cannot be served by the existing supply of slots.
Though the highest-need communities are highlighted here and in the full report, it is important to note that many communities may have considerable need in certain program areas even if they are not ranked among the top ten for overall need. Communities outside the top ten may also face issues of unequal resource distribution.

**Municipalities**
The full report on the Needs Assessment findings prioritizes the 66 municipalities and 102 counties in terms of need for early childhood care and education services by combining rankings of need for each of the program areas studied. The top ten municipalities in need of early childhood care and education services based on the IFF ranking methodology are:

1. Cicero
2. Berwyn
3. Aurora
4. Bolingbrook
4. Mount Prospect
5. Aurora
6. Calumet City
7. Elgin
8. Waukegan
8. Chicago Heights
10. Chicago

Available slots in these ten municipalities can serve 43 percent of the children from working families of all income in need of full-day care, but 74,903 of these children are left without care.

For subsidized care, 58 percent of subsidy-eligible children can be served by licensed slots reported as open to subsidy in these areas, leaving over 26,000 subsidy-eligible children for which there are no licensed slots. Of the 43,465 children eligible for Head Start, the available slots in these communities cannot serve 23,168. Almost 55,600 of the 79,121 Pre-K eligible children cannot be served by existing slots in these municipalities.

**Counties**
The top ten counties in need of early childhood care and education as determined by the IFF methodology are:

1. Kane
2. Boone
3. Will
4. Suburban Cook
5. La Salle
6. DuPage
7. Shelby
8. Grundy
9. Montgomery
10. Lake

Less than half of the 147,540 children from working families of all incomes that live in these counties can be served by the existing supply in these areas, leaving almost 77,500 children unserved. For subsidy-eligible families, over 2,300 children cannot be served by the licensed slots reported as open to subsidy. Only 33 percent of the almost 19,000 Head Start eligible children can be served by the available slots in these counties. That leaves almost 13,000 eligible children without Head Start services. For Pre-K, only 26 percent of the Pre-K eligible children in the top ten counties can be served by existing slots, meaning 32,115 eligible children are left unserved.
Using the Data to Identify Patterns

While the overall rankings are important, it is critical to understand the patterns of usage of the three government-funded programs and all-income child care that lead to the overall rankings.

Most communities have a usage emphasis in one of the programs. The following examples illustrate the different ways components are used together and how these usage patterns can inform communities as they move toward a comprehensive system by setting early childhood care and education standards.
Springfield

Springfield is an example of a city with relatively high service provision in all early childhood care and education areas.

Springfield is above the state average for service provision in each area of early childhood care and education. Springfield is ranked 64th out of the 66 municipalities in need of child care for families of all incomes and 62nd out of 66 in need of subsidized child care (both licensed and license-exempt subsidized care are considered in this ranking). Springfield can serve over half its Head Start eligible children with its existing slots (51 percent) and 43 percent of its Pre-K eligible population, giving it a Head Start ranking of 26 and Pre-K ranking of 27.

Focusing on the detailed, local picture allows stakeholders to identify the particular needs and issues facing their community. Springfield leaders might use the data to set standards that further improve coordination and efficiency—possibly saving resources—and to challenge themselves to even higher levels of service provision. Other communities of the same size might use Springfield as their benchmark.

Peoria

Peoria’s strength is full-day, full-year child care, which keeps it off the top ten list even though Peoria has not developed high service provision for Head Start or Pre-K.

Peoria provides an example of unequal early childhood care and education service provision. Peoria lacks school-readiness programs for at-risk children from three to five years of age, ranking as 3rd highest in need for Pre-K and 12th highest for Head Start, meaning that service levels are low for qualifying families and children. In fact, with service levels of 13 percent for Pre-K and 43 percent for Head Start, 2,070 Pre-K eligible children go unserved, while 862 Head Start-eligible children cannot be served by existing slots. However, its relatively strong child care showing—with a combined ranking for all-income child care and subsidized child care (including license-exempt care) of 60th—gives Peoria an overall rank of 32nd among the municipalities.

In Peoria, stakeholders might use the data to inform discussions about how to better balance, coordinate and enhance services in order to increase school readiness opportunities for children from low-income families.
Joliet provides a different example of unequal service provision with its high usage of license-exempt certificates and high Head Start service level but low all-income child care and Pre-K service levels.

Joliet ranks 4th in need of all-income child care. Looking at licensed subsidized care only, Joliet ranks 14th in need. Joliet, however, has a high use of license-exempt certificates, which affects its all subsidized care rank (including both licensed and license-exempt care) considerably, moving it to 54th. Joliet serves 82 percent of its subsidy-eligible children in unlicensed settings. Combining Joliet’s child care rankings with its Head Start ranking of 42 and Pre-K ranking of 8 gives Joliet an overall ranking of 14.

Again, stakeholders in Joliet may want to use the data to look at how resources are distributed and discuss whether this very high level of unlicensed care is meeting the need to prepare children for kindergarten.

Cicero is number one in overall need. Ranked first in need for both all-income child care and subsidized child care, there are almost 2,700 children from working families of all incomes that go unserved by licensed care and over 1,100 subsidy-eligible children that cannot be served by licensed or license-exempt subsidized slots. Cicero, ranked 3rd for Head Start need, can only serve 18 percent of its Head Start-eligible children, meaning over 980 go unserved. Cicero has only enough Pre-K slots to serve 8 percent of its Pre-K-eligible children, leaving over 2,500 without Pre-K services for a Pre-K ranking of 2nd in need.

For Cicero and other cities on the top ten list, it is clear that additional government resources and any improvement in collaboration or coordination will make a marked difference.
Discussions started locally can add context to the data derived by this needs assessment. Whether certain needs or patterns in service have been caused by recent population growth or decline, or by shifts in local industries and economies, discussions at the local level can add the qualitative story to the data presented in order to identify and spur the changes and innovations needed in each community. Planning for the future is critical in these changing communities.

The data provided by this assessment become the tools that inform each community’s discussion of performance and efficiency in meeting the needs of low-income working families with preschool-age children. This discussion allows stakeholders to use the benchmarks provided—or generate their own—to move their communities towards achieving locally identified standards of early childhood care and education service provision. Questions each community might address as they review the data in Moving Towards A System include:

- What other communities should be used for comparison purposes?
- How much licensed care and how much unlicensed care is appropriate?
- Are more resources the only answer, or can collaboration across program areas and coordination of existing resources be realigned to better meet the existing need?
- How can the state support local efforts?

The service provision benchmarks and standards generated through local discussions, in conjunction with state-level support, will lead to an improved, comprehensive early childhood care and education system in Illinois.

The IFF is playing a lead role in these conversations through a newly created program called Building Blocks. Funded by a grant from the Grand Victoria Foundation, this five-year program will use data from this needs assessment to undertake community planning with local leaders and community members. After communities establish goals to address the supply and demand as well as collaboration issues, the IFF will help them achieve these goals by facilitating classroom improvements, capital investments for new facilities and management assistance for the child care field.

This program is one example of how the data presented in Moving Towards A System can be used to inform change and improvements in the early childhood care and education field throughout the State of Illinois.

For more information on Building Blocks, contact Elizabeth Evans at eevans@iffund.org.

To learn more about the early childhood care and education needs of a particular community or to obtain detailed findings statewide, visit the IFF’s website www.iff.org. All three publications that make up Moving Towards A System are available online:

- Moving Towards A System: Preview
  A description of the full report.

- Moving Towards A System: Tools, Benchmarks and Standards
  A full report on findings in the highest-need communities in Illinois and for each type of early childhood care and education throughout the state.

- Moving Towards A System: The Community Profiles Fact Book
  A collection of profiles for each of the 102 counties and 66 municipalities assessed. The profiles summarize the supply and demand in each community for the three government-funded care and education programs and all-income child care. The profiles are available individually on the IFF website.
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