

BRIEF

ExceleRate Child Care Center Pilot
Preschool Development Grant, Birth to Five

Center Staffing for Quality: Data on Turnover, Recruitment, and Qualifications

A Stable, Adequate, and Well-Qualified Staff

The ExceleRate Child Care Center Pilot funded by the Preschool Development Grant Birth to Five (PDG B5) was designed to test whether new standards and supports for Continuous Quality Improvement (CQI), combined with a revised child care funding method to support execution of the new standards, will lead to broad-based program improvement in one region of the state. CQI at the child care center level requires a stable, adequate, and well-qualified early childhood education and care staff. The Pilot developed a new contract funding methodology to advance that goal. Contract payments support minimum salary standards based on staff qualifications, and minimum staffing patterns needed to achieve the Pilot standards for CQI. As staff qualifications increase, salaries increase, and the associated payment rates to centers cover those increases. Centers continue to collect and use Child Care Assistance Program (CCAP) and tuition payments according to their usual methods. The Pilot's expected results were reduced staff turnover, higher staff qualifications, and increased staff numbers to support CQI. This report examines the results.

Data Collection Timeframe

The ExceleRate Pilot Project began in November 2020 with 36 child care centers. Two centers closed. This report covers the 34 centers that participated from July 2021 through December 2022, when the sustainability plan was implemented and Pilot Project oversight was transferred from the Governor's Office of Early Childhood Development (GOECD) to the Illinois Department of Human Services (IDHS). The funding model used during the first fiscal year of the Pilot (November 2020 through June 30, 2021) was determined to be unsustainable and produced inconsistent staffing trends amongst the participating centers. Therefore, this report focuses on the

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ExceleRate Child Care Center Pilot
Staff Turnover, Recruitment, and Qualifications

turnover, retention and recruitment data from July 2021 through December 2022, after the funding model was revised based on learnings from the first year. Turnover data is analyzed in 6-month periods: July – December 2021; January – June 2022; and July – December 2022.

Salary Scale - FY22/FY23 Comparison

The increased minimum salary scale shown below was announced in March 2022 and implemented in July 2022. This scale was designed to make centers more competitive with other businesses in the tight post-Covid labor market. Several directors stated the new salary levels, supported by higher contract payments paid to centers, were instrumental in reducing turnover.

<i>Position/Credential¹</i>	<i>FY22 Hourly</i>	<i>FY23 Hourly</i>	<i>Increase</i>
<i>Director</i>			
DIR3	\$20.50	\$23.00	\$2.50
DIR2	\$19.00	\$22.00	\$3.00
DIR1	\$18.00	\$21.00	\$3.00
DCFS Director Qualified (no credential)	\$17.00	\$20.00	\$3.00
<i>Teaching Staff</i>			
ITC 5&6, ECE 5&6	\$16.50	\$19.00	\$2.50
ITC4, SAYD 5 (added to scale in FY23)	n/a	\$18.50	n/a
ECE4	\$15.00	\$18.00	\$3.00
ITC3	n/a	\$17.50	n/a
ITC 2, ECE3, SAYD4	\$14.00	\$17.00	\$3.00
ECE2, SAYD3 (added to scale in FY23)	n/a	\$16.75	n/a
SAYD2 (added to scale in FY23)	n/a	\$16.50	n/a
ECE1, SAYD1 (added to scale in FY23)	n/a	\$16.25	n/a
DCFS Qualified Teacher (no credential)	\$13.00	\$16.00	\$3.00
(FY23 only) DCFS Qualified Teacher Assistant (no credential)	\$12.75	\$15.25	\$2.50
(FY22 only) ECE or SAYD Level 2			
(FY22 only) ECE or SAYD Level 1	\$12.50		\$2.75
(FY22 only) DCFS Teacher Assistant	\$12.25		\$3.00

The remainder of this report is divided into four sections: *Turnover Rates, Recruitment and Additional Staff, Higher Staff Qualifications, and Challenges.*

¹ Credential abbreviations: DIR = Director, ITC = Infant Toddler Credential, ECE = Early Childhood Education, SAYD = School-Age and Youth Development

ExceleRate Child Care Center Pilot
Staff Turnover, Recruitment, and Qualifications

Turnover

This section shows consolidated data from all 34 participating centers. To some extent, the figures mask variation in turnover rates among centers. Employment opportunities in different counties might explain some of the differences. Working conditions also influence turnover. Some of the centers have a history of favorable working conditions. Director coaching and other supports were provided to help directors establish and maintain work environments that support continuous improvement. The lower turnover numbers overall probably reflect the combined effects of the new funding mechanism and improved work environments. The staffing numbers by center were too small and the Pilot time period too short to determine any correlation between individual centers' work environments and turnover rates. A separate report from the McCormick Center, "Final Internal Evaluation of Supports for Leadership Development and Continuous Quality Improvement", discusses the supports provided and results. **The report suggests that standards, funding, and coaching must be linked in order to achieve change.**

The turnover tables below represent loss of staff members in the positions listed on the Salary Scale table. Almost all were in classroom teaching positions (teachers and assistants). Also included are the 5 directors who left over the 1.5-year period – two to work in the school district, one to work as a teacher at another child care center, one accepted a position with the newly formed regional child care councils, and one decided to stay home with her children.

Turnover Rates Total education staffing for all centers = 678

<i>6-month Timeframe</i>	<i>Number of Staff Leaving</i>	<i>6-month turnover rate</i>	<i>Annualized Turnover Rate</i>
July 2021 – December 2021	248	37%	74%
January 2022 – June 2022	202	30%	60%
July 2022 – December 2022	146	22%	44%

Turnover Reasons - Summary

<i>Category</i>	<i>Total over 1.5 years</i>	<i>Percent of total turnover</i>	<i>July – Dec 2021</i>	<i>Jan – June 2022</i>	<i>July – Dec 2022</i>
Personal	216	36%	101	66	49
Better Pay	138	23%	71	38	29
Unknown	131	22%	32	58	41
Terminated (fired)	65	11%	24	27	14
College – full time	46	8%	20	13	13
	596	100%			

ExceleRate Child Care Center Pilot
Staff Turnover, Recruitment, and Qualifications

The top three categories in the above Summary table are broken down in more detail below. “Unknown” includes those staff who did not give a reason for leaving or fall into the “no call/no show/walked out” group. This large category represents limitations in the data. If this group’s reasons for leaving were known, the size of the other categories would change somewhat.

Turnover Detail: Personal

<i>Sub-Category as reported by exiting staff</i>	<i>Total over 1.5 years</i>	<i>Percent of total turnover</i>	<i>July – Dec 2021</i>	<i>Jan – June 2022</i>	<i>July – Dec 2022</i>
TOTAL	216	36%	101	66	49
Health Related*	39	7%	31	3	5
Moved	39	7%	8	18	13
Another Child Care Center/Nanny (lateral pay move)	18	3%	8	7	3
Stay Home	17	3%	8	4	5
Other Personal	14	2%	3	7	4
Did not like the work	14	2%	8	5	1
Transferred to non-teaching position in program	11	2%	3	4	4
Job Closer to home (lateral pay move)	10	2%	3	6	1
Family Issues/Responsibilities	9	2%	4	2	3
Stress	8	1%	6	1	1
Did not like policies	7	1%	1	3	3
Summer help only/return to teaching	7	1%	4	0	3
Transportation	6	1%	1	4	1
Scheduling Conflict	5	<1%	3	1	1
Child Care for own children	4	<1%	3	1	0
Retired	4	<1%	3	0	1
Started own business/family business	4	<1%	4	0	0

* A variety of health issues are included in this line. COVID-related responses appeared to be more prevalent in the earlier time periods, but note that all health-related reasons totaled only 7% of total turnover.

ExceleRate Child Care Center Pilot
Staff Turnover, Recruitment, and Qualifications

Turnover Detail: Better Pay

<i>Sub-Category (New Position)</i>	<i>Total over 1.5 years</i>	<i>Percent of total turnover</i>	<i>July – Dec 2021</i>	<i>Jan – June 2022</i>	<i>July – Dec 2022</i>
TOTAL	138	23%	71	38	29
Non-child care	95	16%	38	34	23
School District	28	5%	22	0	6
Benefits	7	1%	3	4	0
Private School	4	<1%	4	0	0
Regional Office of Education/Special Education	4	<1%	4	0	0

Note that persons leaving child care to work in a school district account for only 5% of total turnover. Outside reports of widespread loss of staff to school districts were not supported in this sample in rural counties.

Turnover Detail: Unknown

<i>Sub-Category</i>	<i>Total over 1.5 years</i>	<i>Percent of total turnover</i>	<i>July – Dec 2021</i>	<i>Jan – June 2022</i>	<i>July – Dec 2022</i>
TOTAL	131	22%	32	58	41
Unknown (gave notice)	76	13%	16	33	27
No call/no show/walked out	55	9%	16	25	14

Detail tables related to the summary table categories “Terminated” and “College – Full Time” are not included, as those categories are self-explanatory.

Director Comments on Staff Retention

As indicated in the tables above, fewer staff are leaving their positions. Several directors shared observations as they started to experience less turnover:

- Six directors report “Morale is up!” and “Teachers feel more appreciated.” Two Quality Specialists have also reported that teachers are feeling more appreciated.
- One director reports that her teacher assistants are willing to pursue their CDAs, which moves them to the DCFS Qualified Teacher category and helps her to “grow” her teachers from within.
- Another director is hoping that with the wage increases, more staff will be interested in planning for their futures by participating in the open retirement plans through the Secure Choice Illinois program.
- One director reports that her staff are not out looking for jobs right now and she attributes this to the Pilot wages.

ExceleRate Child Care Center Pilot
Staff Turnover, Recruitment, and Qualifications

Recruitment and Additional Staff

The Pilot theory of change holds that improving program quality requires stable and adequate staffing. “Stable” so staff members can improve their skills over time in conjunction with overall program improvement, and “adequate” so classrooms are fully staffed and Continuous Quality Improvement (CQI) team meetings and reflective supervision can occur on a regular basis. Therefore, in addition to higher wages, Pilot funding supports improved staffing patterns, beyond licensing requirements, to meet the new ExceleRate Performance Standards being tested. This section of the report examines how the funding strategy impacts the ability to recruit and add additional staff.

Recruitment

Directors report they are more successful in their recruitment efforts as a result of higher compensation. The table below shows that centers were able to replace employees and add a modest number more.

<i>Timeframe</i>	<i>Number of Staff Leaving</i>	<i>Recruitment</i>	<i>Gain/Loss</i>
July 2021 – December 2021	248	191	-57
January 2022 – June 2022	202	276	74
July 2022 – December 2022	146	164	18
<i>Totals:</i>	<i>596</i>	<i>631</i>	<i>35</i>

It is important to mention that while recruitment numbers are trending in a positive direction, some directors report the salaries are still not competitive in the marketplace. They report that retail and fast-food establishments are advertising \$16.00 to \$22.00 per hour. Another challenge with recruitment that directors report is the inability to pay benefits. While the data does not support staff turnover based on benefits (see Better Pay table), directors report that lack of benefits is a deterrent to recruitment as stated by applicants when declining job offers.

Despite on-going challenges, the majority of directors are reporting more successful recruiting as a result of the salary increase.

- One director reported that prospective employees are willing to commute from the next town over for the higher salary. This director is pleased to be able to compete for quality staff.
- Another center director reports that salary increases encouraged someone with an ASEC (Associate in Applied Science in Early Childhood Education) degree to return to the child care program. This teacher originally left for employment at the local school district where she could earn a higher salary.

ExceleRate Child Care Center Pilot
Staff Turnover, Recruitment, and Qualifications

- Two directors have reached out to previous staff who left because of their long commutes for low pay. They were willing to return under the new Pilot salaries
- One director stated, "I was rather skeptical about the additional funds encouraging staff to return or enter the field but I am becoming more and more encouraged that this program will help turn things around."
- Two directors report that staff from other local child care centers are willing to leave to work in centers that can provide the additional pay.
- One director stated, "This is the first time that I have people begging me to work here because of the wages!"

Additional Staff

With retention and recruitment stabilizing, some directors have successfully increased their staff numbers above licensing requirements. The data in the above table does not distinguish between replacement staff and additional staff. Nevertheless, several directors have commented on the ability to increase their staffing.

- With the new staffing patterns required by the Pilot, two directors report they are able to hire staff and implement the practice of moving teachers instead of kids; resulting in a positive impact on the quality of the program.
- Four directors are reporting the biggest impact on quality is the number of staff in the classroom.
- One director reports, "I totally see the benefits of having the extra staff and totally appreciate it, the classrooms are running so much smoother and the children are acting so much better."

Higher Staff Qualifications

Minimum salaries based on Gateways credential levels provided an incentive for staff to attain and increase their credentials. The table below shows results. Staff earned 208 credentials during the Pilot – counting only those staff members employed during the entire Pilot duration, from start to finish. The director comments following the table call attention to the substantial time commitment required to earn a credential and the dedication of their staff members. Many directors and staff are continuing work toward credential attainment.

The table also documents the *creation of a teacher pipeline* within the centers. Over the span of the Pilot, 52 teacher assistants continued their education and became teacher qualified. Creating a pipeline of qualified staff within the organization is a strategy to help address the teacher shortage.

ExceleRate Child Care Center Pilot
Staff Turnover, Recruitment, and Qualifications

<i>Position</i>	<i>Credentials Earned</i>	<i>First time Credential</i>	<i>Increased Credential</i>	<i>Teacher Assistant to Teacher</i>
Director	8	6	2	N/A
Teaching Staff	200	166	34	52
<i>Totals:</i>	<i>208</i>	<i>172</i>	<i>36</i>	<i>52</i>

Directors reported that basing the salary scale on qualifications supports recruitment and retention of higher qualified staff members and the professional growth of staff. Each of the statements below represents a comment from a different director.

- “Our staff feels more valued and more validated in the field, and I have at least 8 employees currently working on going up credential levels due to the increase in pay that is available to them.”
- “As staff work toward a higher credential, these more qualified staff improve our ability to adequately staff our classrooms.”
- “All our teaching staff are encouraged to increase their credentials. Currently we only have one staff member without a credential, and everyone else has enrolled in classes to level up.”
- “I have several teachers and assistants going back to school to get their degree and credentials so that they can earn an even higher rate of pay.”
- “Near the beginning of the pilot. I made it clear that I was not interested in returning to college. I am proud to say that I completed my first quarter at National Louis University this past fall, as I am pursuing my bachelor’s degree!”
- “My teaching staff is on board with furthering their education; however, there has been some disappointment as the teachers did not realize it would be so much hard work to increase their credential levels.”
- “I did it! I received my level 2 director credential!”
- “Both my director and assistant director have level 1 director credentials now! I am so proud of them!”
- “Sharing some great news! I have two teachers and one director leveling up their credentials. So, this has resulted in the first time we have NOT had to submit a CQIP [Continuous Quality Improvement Plan] at our annual ExceleRate renewal!! AWESOME!!!”
- “Our program has four employees that received their self-study CDA [planning to become teacher qualified], one that will finish her bachelors, and several others that have increased their credential levels.”

ExceleRate Child Care Center Pilot
Staff Turnover, Recruitment, and Qualifications

- “Due to pay increases based on credentials, I have had many employees further their training and education. Since they are guaranteed a pay increase from higher credentials, they have chosen to go back to school. The increased wages have also benefited staff morale. The pay increases give employees something to look forward to knowing when and how much their next raise will be.”
- “The wage supplements have motivated many of our staff to work on credentials. We have four staff enrolled in college!”

Challenges

While the ExceleRate Child Care Center Pilot has achieved success in its goal to stabilize the early childhood workforce at the participating centers, some directors have reported some challenges with the increased salaries.

- One director reported that staff who received other public benefits requested not to receive the salary increase due to the impact on their benefits.
- One director mentioned that while her staff are very excited about the salary increases, recruiting remains challenging because the salaries are still not competitive in her town. Non-early childhood positions pay higher and are more attractive than teaching in a child care center.
- One director reports that some staff who have been in their positions for a while have questioned why credentialed staff with less longevity are making as much or more than they are.
- One director mentioned the need for training on how to utilize additional staff, as increased staffing has also increased call ins, because teachers know there is coverage if they miss a day.

Conclusion

The ExceleRate Child Care Center Pilot funding resulted in a dramatic reduction in turnover, an increase in staffing numbers at the centers, and more highly qualified staff. Overall turnover rates are still too high. Some Pilot centers report much lower rates, which might be a result of favorable work environments. More experience will be needed before conclusions can be made about needed funding levels or about the impact of leadership supports in improving work environments. Fortunately, IDHS was involved in sustainability planning from the beginning, the Pilot handoff was executed according to plan, and data collection will continue under IDHS management. On a larger scale, the Pilot experience has informed planning for Illinois’ new Smart Start Quality Contracts by testing a model that can be implemented statewide over time. Participating directors are delighted with the Pilot’s impact and look forward to continued success.