

This case study is part of a series that documents and highlights the experiences of Child Care and Development Fund (CCDF) Lead Agencies that developed and implemented grants to stabilize child care in their service areas. This case study includes information from publicly available sources and an interview with CCDF staff who then reviewed this document for accuracy. To review the other case studies in this series, please visit this [link](#).

Background

Illinois created the Child Care Restoration Grants (CCRG) program as part of its Business Interruption Grant (BIG) program, which was funded by the Coronavirus Aid, Relief, and Economic Security (CARES) Act's Coronavirus Relief Fund to support businesses that lost revenue during the coronavirus disease 2019 (COVID-19) pandemic. CCRG 2020 began in the summer of 2020 to (1) help sustain child care providers that were required to operate at reduced capacity due to COVID-19 guidelines and (2) support the availability of child care as the state began to allow businesses to gradually reopen. CCRG 2020 provided three rounds of grants to child care providers through the end of 2020. Through Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act funding, Illinois was able to continue the CCRG program and launched CCRG 2021 to address reduced enrollment, increased operating costs, and staffing challenges for child care providers that remained open throughout the pandemic.

Illinois Child Care Restoration Grants At-a-Glance

Purpose	<ul style="list-style-type: none"> The CCRG program supports the economic health of child care providers that lost revenue due to COVID-19. The goal is to ensure the child care infrastructure in Illinois emerges from the pandemic as stable and able to continue to provide care as possible.
Timeline	<ul style="list-style-type: none"> The first round of CCRG 2020 applications launched in July 2020, and grant funds covered July, August, and September 2020. A second round of CCRG 2020 grant applications opened in October 2020, and grant funds covered the months of October and November 2020. In December 2020, a third round of grants were awarded with the remaining funds. The first round of CCRG 2021 applications opened in March 2021. This round was retroactive to cover expenses in January, February, and March 2021.
Funding	<ul style="list-style-type: none"> The Illinois General Assembly directed \$290 million of the state's allocation of the Coronavirus Relief Fund, established with CARES Act funding, for CCRG 2020. Illinois is using CRRSA Act funding for the first round of CCRG 2021.
Eligible providers	<ul style="list-style-type: none"> CCRG 2020 grants were available for licensed child care homes and licensed center-based providers that were open, caring for children, and operating at reduced capacity because of public health recommendations and guidelines from the Illinois Department of Children and Family Services (DCFS) for regulated care settings. The first round of CCRG 2021 grants was available for licensed child care homes, licensed center-based providers, and license-exempt child care centers that were open and caring for children by March 15, 2021, providing full-time care, and had at least 25 percent of their revenue received from private pay tuition, the Illinois Department of Human Services (IDHS) child care assistance program, or other private funding sources.

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Grant formula	<ul style="list-style-type: none"> Award amounts were determined based on several factors, including provider capacity, type of license, the area of the state in which a provider resides, ExceleRate Circle of Quality, and if a provider is in a COVID-19 disproportionately impacted area (DIA).
Allowable uses of grant funds	<ul style="list-style-type: none"> Allowable expenses directly related to lost revenue or incurred expenses due to COVID-19 include staff salary, rent or mortgage, insurance, cleaning supplies, contractual services, cleaning or maintenance services, and personal protective equipment supplies for staff.

Illinois’s Experience

Planning and Decisionmaking

Illinois’s early care and education system includes IDHS, the Illinois State Board of Education, and DCFS. As the CCDF Lead Agency, IDHS coordinated its child care response with these agencies, the Department of Public Health, the Governor’s Office, and the City of Chicago (the Mayor’s Office and the Chicago Department of Public Health). IDHS also worked closely with Illinois Network of Child Care Resource and Referral Agencies (INCCRRA) to mobilize supports for child care providers ([see administration and management](#)). Ongoing stakeholder engagement has also been instrumental in informing Illinois’s planning and decisionmaking ([see outreach and communication](#)).

IDHS’s initial pandemic response focused on ensuring health and safety, establishing emergency licenses for child care providers, and connecting essential workers to child care. Illinois used CARES Act Child Care and Development Block Grant (CCDBG) funding to provide supports such as enrollment-based billing, increased reimbursement rates, eligibility for essential workers, and waiving parent co-pays for subsidy providers. Illinois also used CARES Act CCDBG funding for small stipends for all open providers, regardless of participation in CCDF, to support increased operating costs early in the pandemic.

As Illinois neared the end of its 2020 legislative session, the Illinois General Assembly created the BIG program with leadership from the Governor’s Office and dedicated 50 percent of the state’s federal business relief funds from the CARES Act to provide grants for child care providers. The General Assembly directed funds to the Department of Commerce and Economic Opportunity (DCEO), and IDHS was named as the cognizant agency charged with designing and implementing the program. IDHS created a cross-functional team that included legal, policy, and program staff to plan the CCRG program. IDHS met weekly with DCEO to align the CCRG program with DCEO’s parameters for business grants while considering the unique needs of child care. To inform the design of the CCRG program, Illinois also engaged stakeholders and gathered provider input ([see outreach and communication](#)).

The General Assembly required IDHS to prioritize providers in DIAs (zip codes based on the Centers for Disease Control and Prevention’s [Social Vulnerability Index](#) and COVID-19 cases) and distribute funds geographically and across program types, which informed Illinois’s application and funding formula for the CCRG program. IDHS also created a dashboard that allowed it to track progress on detailed metrics such as distribution of applicants, grant awards, and application appeals by location, DIAs, and program type. IDHS continues to use this data to assess its progress and inform decisionmaking through multiple rounds of the CCRG program.

Administration and Management

IDHS was tasked with creating and implementing the CCRG 2020 program, and DCEO was responsible for overseeing the funds and approving expenditures. Because CCRG 2021 was started with CRRSA Act funding, the funds flowed directly through IDHS. For both CCRG 2020 and CCRG 2021, IDHS decided to use a third party to administer the program because IDHS lacked the capacity internally to move as quickly as needed.

INCCRRA was named as a third-party intermediary to administer the CCRG program. INCCRRA had an existing contract with IDHS for quality improvement and child care resource and referral services, and IDHS added funds to the contract for the CCRG program. INCCRRA also manages Gateways to Opportunity Registry, Illinois's professional development and workforce support portal, which provided an opportunity to leverage an existing platform for all licensed providers with a strong data infrastructure. By building on INCCRRA's knowledge, database, and portal, Illinois administered the program and distributed funds more efficiently. INCCRRA also supported communications and technical assistance (TA) for providers for the CCRG application and reporting process.

Outreach and Communication

Illinois established robust stakeholder engagement and communications processes early in the pandemic to ensure that providers, essential workers, and stakeholders had the information and support they needed throughout Illinois's child care response. IDHS worked in partnership with the Governor's Office, the Department of Public Health, and DCFS to connect essential workers to child care and communicate with providers about health and safety guidance, emergency licensing policies, and available resources. Illinois built on this work to support outreach for the CCRG program. Its communications approach included the following:

- Focus groups—Illinois engaged child care resource and referral (CCR&R) agencies and providers in focus groups every 6 to 8 weeks to share regular updates, hear about challenges and needs, and get feedback on its child care response, including the CCRG program.
- Reopening committee—Illinois brought together providers, advocacy groups, and CCR&R agencies to inform its child care response, including the CCRG program. The committee included workgroups from across the field to focus on various aspects of the response such as communications, school-age care, and infant and toddler care.
- Intent to apply questionnaire—Illinois created an optional questionnaire for providers to share information about financial challenges they were experiencing to help inform a responsive CCRG program.
- Proactive communication and support—Illinois held webinars, made announcements, and shared information proactively about the CCRG program, eligibility requirements, and application process before launching the program to build awareness and give providers time to prepare and request assistance.

IDHS worked closely with INCCRRA to develop communications materials, guidance, and TA approaches to ensure that providers are aware of the CCRG program, support providers with their applications, and address any barriers encountered by providers in accessing the funding ([see technical assistance for providers](#)).

Application Process

CCRG program applications are available through the director portal on the Illinois Gateways to Opportunity Registry. Licensed providers are required to participate in this portal, and Illinois encouraged providers to ensure all of their information is up-to-date before applying. This allows the system to pre-populate key information for the CCRG program application based on providers' professional development profiles. Illinois

also created a process for providers that received a CCRG in 2020 to “opt-in” in the portal and accept the funding for CCRG 2021 grants rather than reapplying. These processes significantly streamlined the application process for providers and enhanced the accuracy of application information.

Application components for the CCRG program include information from the Gateways to Opportunity Registry portal such as provider name, registry ID number, address, license number, licensed capacity, program type, and quality rating and improvement system rating. Other application components include program funding sources, current capacity and enrollment, and the date the program reopened; confirmation that information provided is true and accurate; a DUNS number; a completed W-9 form; a Certificate of Good Standing; and payment details. Based on the information entered in the application, providers can see an estimated award amount in real time.

Technical Assistance for Providers

Illinois was intentional in developing an application that included sufficient information to ensure eligibility, program integrity, and accountability, while ensuring that the process was supportive of all providers. In particular, Illinois did not want to create barriers for smaller and more marginalized providers to access funding. Illinois provided significant “lead time” for provider outreach before releasing the first application so providers could review application and eligibility requirements, collect application information, and request assistance. Illinois proactively addressed specific barriers that some providers might face in accessing the CCRG program. For example, many center-based providers have a DUNS number, but many home-based providers do not. Before releasing the application, Illinois hosted tutorials and identified a DUNS representative specifically to support providers and manage the registration requests.

INCCRRA provided TA in a variety of formats to assist providers with their CCRG applications and reporting throughout the life of the CCRG program, including:

- Creating a [CCRG webpage](#) for centralized information and resources
- Hosting instructional webinars in English and Spanish for each specific eligible provider group before opening the application period to guide them through the opt-in and application processes
- Posting CCRG frequently asked questions (FAQs) in English and Spanish
- Offering a CCRG help desk through email and phone
- Making TA available for all providers completing CCRG monthly reporting ([see transparency and accountability](#))

This TA was combined with other supports such as the series of ‘reopening’ videos to support providers. In partnership with the Erikson Institute, videos such as preparing for the reopening of child care, health guidance, child development, and social emotional needs were developed and released in Spring 2020.

Transparency and Accountability

DCEO focused early on program integrity and audit potential for the CCRG program. IDHS and INCCRRA created robust reporting requirements and guidance on reporting for how CCRG funds were used. Providers that receive CCRG funding are required to submit a financial and narrative report on how funds were spent in each allowable category for each month that funding was received. The CCRG Expenditure Report also asks about monthly capacity and enrollment. To support providers with reporting requirements, INCCRRA made TA available, including webinars, online video tutorials, and other resources such as an instruction worksheet and FAQs.

Illinois has not required providers to submit receipts, but providers are required to maintain receipts for 5 years for federal and state auditing purposes.

Outcomes and Lessons Learned

Through the CCRG 2020 program, IDHS awarded 4,993 grants in 95 (out of 102) Illinois counties. Grant recipients included licensed child care center and home-based providers. \$290 million in total CCRG 2020 funds were awarded, representing 100 percent of the CCRG grant funds. Overwhelmingly, providers shared that the CCRG program was essential to their ability to operate and remain solvent through the second half of 2020.¹

Illinois's goals for the CCRG program were to stabilize child care providers, help providers keep their doors open, and keep their revenues steady while traditional revenue streams are down. In looking at its provider and enrollment data, IDHS sees evidence that it was able to help sustain the industry. IDHS has not seen a dramatic increase in the number of providers that have closed and it does see child care enrollment numbers pick up, which provides a secondary data source for assessing its impact.

As Illinois continues to implement its CCRG program, it shared the following lessons learned:

- Existing partners and systems—Illinois partnered with an existing contractor, INCCRRA, and was able to leverage INCCRRA's experience, processes, and Gateways to Opportunity Registry portal to set up the CCRG program. Leveraging these existing systems, particularly around technology, was instrumental in helping Illinois distribute the funding to providers efficiently.
- Provider-friendly applications—Illinois was intentional in developing a provider-friendly application process. Illinois connected the application to its Gateways to Opportunity Registry portal to pre-populate key application components and developed an opt-in process so existing CCRG recipients would not need to re-apply each round. Illinois also learned that creating application fields in drop-down formats rather than having open-ended questions could help streamline the application and provide the state usable data to inform decisions going forward. Opened-ended questions yielded too much data and were not useful in real-time. These steps, combined with a proactive and comprehensive TA strategy, helped to significantly simplify the application process for providers; improve efficiency of application review, analysis, and processing; and enhance the accuracy of information submitted. Overall, the error rate for CCRG applications was less than 5 percent.
- Data and impact—Illinois has been thoughtful about using data to document and conduct process and outcome evaluations. It developed dashboards to track progress and continues to use this data to assess and communicate progress and inform its approach. Illinois's focus groups also provided valuable information and feedback. Moving forward, Illinois is working to identify additional data points to assess outcomes and shared that it is has been difficult to disentangle supply and demand data to understand the impact of the CCRG program. For example, IL now asks providers about "enrollment capacity" and "average enrollment," which they can compare to licensed capacity to understand changes in enrollment over time.
- Provider supports for business practices—Illinois learned that providers were overwhelmed with certain aspects of the application and reporting and needed support in areas such as understanding budget and

¹ Illinois Department of Commerce and Economic Opportunity, Illinois Department of Human Services, Governor's Office of Early Childhood Development, & INNCRA (n.d.) Child Care Restoration Grants 2020. <https://www.ilgateways.com/docman-docs/financial-opportunities/covid-19-relief/2109-ccrg-2020-funding-summary/file>

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revenue streams. Illinois continues to strategize about ways to support providers with business practices, particularly family child care providers.

As Illinois prepares for future rounds of CCRG programs, it is considering strategies to address sustainability and ensure that CCRG funds are getting to the providers that need the funding the most.

Would you like to know more about Illinois's approach? Please contact the Office of Child Care Regional Office, the State Capacity Building Center's State Systems Specialist, or the Emergency Preparedness and Disaster Response and Recovery Team member for your region to arrange a peer to peer with CCDF staff or request additional information.



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