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RETREAT

ISSUE BRIEF

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FUNDING HIGH-QUALITY EARLY CARE AND LEARNING

Expanding access to high-quality early learning experiences is essential for fostering children's cognitive, social, and emotional development, laying the groundwork for lifelong success. [Research](#) consistently shows that children who participate in high-quality early education programs demonstrate improved academic achievement, better health outcomes, and enhanced social skills later in life. Moreover, early learning helps close achievement gaps, particularly for children from low-income families or disadvantaged backgrounds, by providing [equitable opportunities](#) for growth during this critical [developmental window](#). As evidence continues to emphasize the long-term benefits, expanding access to early education becomes a crucial strategy for promoting future success and well-being across diverse populations.

Figure 1: The Critical Importance of Early Care and Learning



Need for Child Care

Access to high-quality early care and learning is critical for children's [optimal development](#), parental [workforce participation](#), and [economic development](#). Illinois is home to [869,134](#) children aged five and under with approximately [68 percent](#) of parents in the workforce, the need for affordable high-quality care and preschool access is pressing. Within Illinois, children are cared for in a number of settings including child care centers, preschools,

Family Child Care (FCC) homes, Early Head Start, and Head Start programs. Despite a wide range of child care options, there is still a shortfall of [41 percent](#) of supply of care versus the potential need.

Illinois adopted a unified system of early childhood governance in 2023, which will take effect in 2026. The state currently has a [coordinated](#) system of governance, with the Illinois Department of Human Services (IDHS), the Illinois State Board of Education (ISBE), and the Department of Children and Family Services (DCFS). In 2026, federal and state funding will support a unified system of governance, housed within the newly created Illinois Department of Early Childhood. Systemwide, multiple early childhood indicators point to the necessity for continued improvement to further expand high-quality early education:

- **Affordability** | On average, center-based infant care [costs](#) almost 13 percent of the income of a two-parent family and over 45 percent of the income of a single parent family.
- **Education Wages** | Early Educators are paid [\\$14.98](#) per hour on average, well below the state's living wage of [\\$23.56](#) for an individual. Attrition is high in this workforce, with [38 percent](#) attrition in the Chicago area alone.
- **Economic Impact** | The annual economic impact of insufficient infant and toddler care in Illinois is estimated at [\\$4.9 billion](#).

Funding Strategies

Experts have highlighted the [broken](#) business model of child care as the root cause of the national child care deficit. The [true cost](#) of providing care is high and includes space, materials, salaries, food and other expenses. Revenue mainly comes from tuition, and for eligible centers, from the child care subsidy. [Cost modeling](#) is a methodology commonly used to estimate expenses and revenues for child care providers to reflect the true costs associated with operating a high-quality child care facility. Table 1 lists general costs and revenues informing cost models of child care settings.

Table 1: Typical Costs and Revenue of a Child Care Program

Costs	Revenue
<ul style="list-style-type: none"> ■ Space (rent) ■ Safety and health requirements ■ Educational Materials ■ Salaries ■ Benefits ■ Professional Learning Opportunities ■ Administrative Costs ■ Insurance 	<ul style="list-style-type: none"> ■ Tuition and fees by age group for enrolled children (size of business) ■ Child care subsidies ■ Other public funding (e.g., food subsidy) ■ Business partnerships ■ Grants ■ Donations

Table 2: Public Investment Strategies Supporting the Child Care Sector

The following funding strategies can support the stabilization of the child care sector and broaden access to affordable care for families:

Grant Programs	Federal funding to states to alleviate the pandemic-era child care crisis included valuable <u>stabilization grants</u> to child care programs. Programs used the funds to meet urgent expenses, as well as carry out long-term improvements and supplement staff compensation.
Increase Subsidy Reimbursement Rates	Developing systemic cost models that address the true costs of providing care will help set <u>realistic subsidy rates</u> . Increasing public investment in subsidies to reimburse child care programs at rates that align better with the true cost of providing care will ensure stability of these small businesses.
Braided and Blended Funding	<u>Blended</u> funds include funds from varied streams that are integrated to support a single initiative. Braiding is similar, with the difference that the various funding streams are tracked and accounted for separately.
Cost-Sharing	A <u>cost-sharing model</u> reduces the price of care for parents through splitting it three ways between the state, employers, and parents. This can also support a sustainable rate of revenue for child care programs.

State Examples

Across the country, states continue to seek solutions for funding early education and the right mix of delivery systems for a high-quality early education for children. The following are some examples of the diverse early care and learning systems utilized.

- **North Dakota** | Child Care Incentive increases [reimbursements](#) for infant and toddler care, incentivizing the expansion and availability of care for children under three. It provides more resources and support for child care programs through stabilization grants, incentives, and shared service resources. The Initiative expands the [Working Parents Child Care Relief Pilot Program](#), a cost-sharing program that helps lower the price of child care for families while securing the revenues of child care programs. Participating employers agree to offer monthly child care benefits of at least \$300, which is matched by the state. To be eligible, parents must be working and have a child younger than 36 months.
- **Michigan** | Launched as a pilot in March 2021, Michigan implemented a [Tri-Share](#) program, which shares costs among three parties: the employer, the employee, and the state. Tri-Share was initially [financed](#) through state funding, but later received significant philanthropic contributions. Tri-Share is sustainably operated by the Michigan Department of Labor and Economic Opportunity and the program now covers 59 counties.
- **New Jersey** | [New Jersey](#) is an example of a state implementing a mixed delivery system through braiding funding streams in which public preschool is offered at public schools as well as Head Start centers, child care programs, and private schools. Mixed delivery systems support improved access to early education for families and help stabilize business models of smaller child care and preschool programs.

Policy Considerations

- What infrastructure is needed to support public-private partnerships that could lead to expanded child care quality and capacity while addressing gaps?
- What are some ways to address the staffing crisis in the child care sector and support the workforce through competitive wages and benefits?
- How can policymakers support child care funding that prioritize underserved populations, including rural areas, low-income families, and children with special needs?



LESSONS IN UNIFIED EARLY CHILDHOOD GOVERNANCE

Research shows that cohesive governance is a [foundation](#) upon which a state can build a strong early childhood system, ensuring reliable, affordable, high-quality early care and learning. In October 2023, Governor JB Pritzker signed an [executive order](#) outlining a multi-year process to unify early childhood governance under a new state agency. In June 2024, the Governor signed [Senate Bill 1](#) to establish the Illinois Department of Early Childhood, the sole entity responsible for early childhood governance in the state. The agency will become fully functional in 2026.

Currently, the Illinois State Board of Education, the Department of Human Services, and the Department of Children and Family Services implement early care and education programs through a coordinated system. A multi-stakeholder

Transition Advisory Committee (TAC) will guide the move to unified governance. The new system aims to close service and communication gaps and leverage funding efficiencies to secure optimal early development, parental workforce participation, and economic productivity.

The Governance Spectrum

The pandemic highlighted the need for coherence in early childhood governance, as many child care programs struggled to survive and parents faced challenges continuing to work due to care shortages. Governance in early childhood refers to the entities with authority over policy, financing, and implementation of a state’s early childhood programs. Systems of early childhood [governance](#) vary widely across the country along the three-point [spectrum](#) of coordinated, consolidated, and created.

Table 3: Early Childhood Governance Models

Coordinated	Consolidated	Created or Unified
<ul style="list-style-type: none"> ■ Currently 25 states have coordinated governance. ■ Coordination of multiple government agencies that provide early care and learning programs. ■ Coordination across agencies to ensure coherent standards and measurements. ■ Funding goes into these separate agencies. 	<ul style="list-style-type: none"> ■ 14 states and the District of Columbia employ consolidated governance. ■ Consolidation of all early care and learning services into one already-established agency. ■ State consolidates data collection, quality standards, and implementation through one agency. ■ The selection of the designated agency is critical, as its capacity can affect future work. ■ Funding goes into one agency. 	<ul style="list-style-type: none"> ■ 11 states utilize a created or unified governance structure. ■ A dedicated government agency focused exclusively on early care and learning. ■ The state coherently implements early care and learning programs through one agency. ■ Funding is streamlined into the “created” agency.

[Source](#)

State Examples

States are employing diverse governance models to optimize early learning programs, reflecting their unique needs and priorities. The following examples illustrate some of the varied approaches being implemented across the nation.

- **North Dakota** | In 2021, North Dakota passed HB 1416, requiring all early childhood programs and functions to be consolidated within the Department of Health and Human Services' (DHHS) new Early Childhood Division. Previously, North Dakota coordinated governance across multiple agencies. A consolidated approach allowed streamlining of funds and functions. In 2023, Governor Doug Burgum signed HB 1540, allocating \$66 million of general funds to the state's Child Care Initiative, conducted by DHHS, to strengthen the child care sector.
- **Colorado** | In June 2021, Colorado passed HB21-1304, creating the Department of Early Childhood (DEC). The DEC oversees programs previously under the Department of Education and the Department of Human Services. This new state agency houses programs related to child care, home visiting, early childhood mental health, and child abuse prevention. The DEC will also house the new Colorado Universal Preschool program. A few early childhood programs remain with other agencies, such as Special Education with the Department of Education and the Child and Adult Care Food Program with the Department of Public Health and Environment. Colorado will evaluate integrating these programs within DEC by July 2025.
- **New Mexico** | In 2020, New Mexico transitioned from a coordinated to a created governance system. Table 4, shows how the functions of four different agencies were streamlined through creating the dedicated Early Childhood Education and Care Department (ECECD).

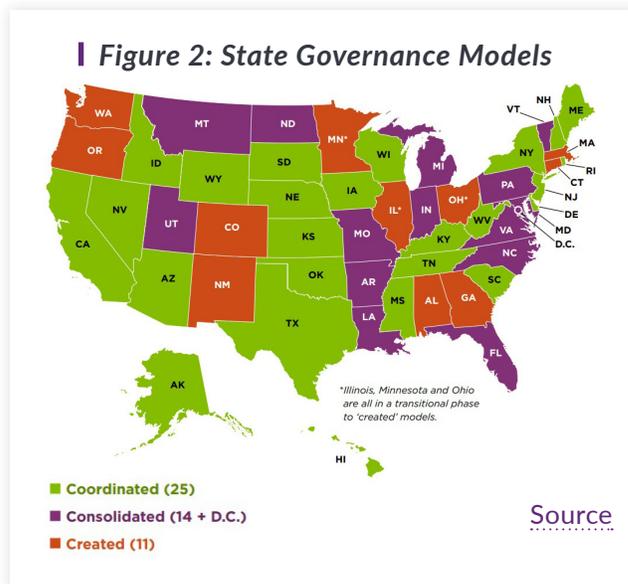
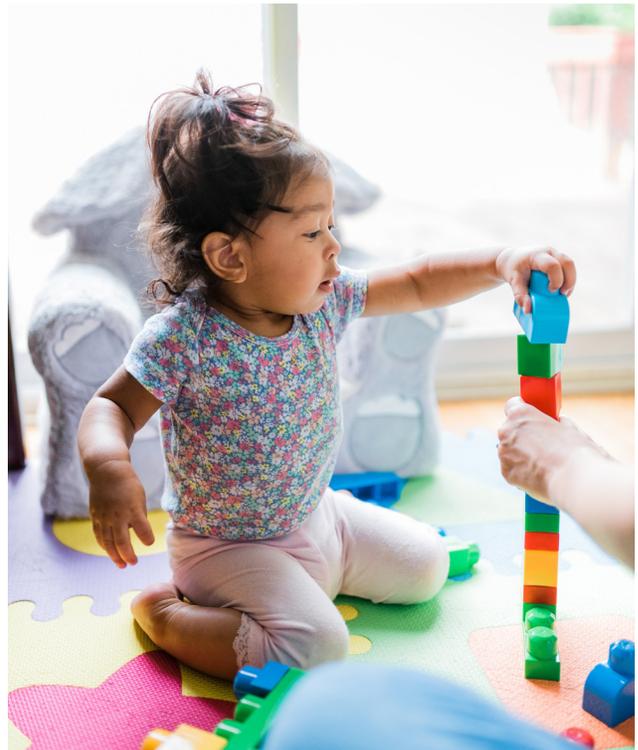


Table 4: New Mexico Early Governance: 2019 – 2024

State Agency 2019	Programs 2019	State Agency 2024	Programs 2024
Children, Youth and Families Department	<ul style="list-style-type: none"> ■ Child Care Assistance Program ■ Home Visiting Program ■ New Mexico PreK ■ Head Start Collaboration ■ Child and Adult Care Food Program 	Early Childhood Education and Care Department (ECECD)	<ul style="list-style-type: none"> ■ Child Care Assistance Program ■ Families FIRST Case management ■ Head Start Collaboration ■ Child and Adult Care Food Program
Department of Health	<ul style="list-style-type: none"> ■ Home Visiting Program 		<ul style="list-style-type: none"> ■ Home Visiting
Public Education Department	<ul style="list-style-type: none"> ■ New Mexico PreK ■ Special Education: Preschool Part B 619 ■ Birth to Three/Special Education Programs: Part C 		<ul style="list-style-type: none"> ■ New Mexico PreK ■ Special Education: Preschool Part B 619 ■ Birth to Three/Special Education Programs: Part C

Policy Considerations

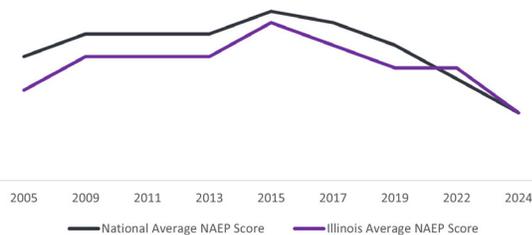
- What specific measures could be implemented to guarantee robust collaboration and coordination among relevant stakeholders, including educators, families, community organizations, and existing state agencies, to ensure a seamless and comprehensive early care and learning unified governance system?
- What evaluation methods and performance indicators could policymakers employ to measure the impact and financial sustainability of the new Department of Early Childhood’s early learning investments?
- What funding strategies could be braided to sustainably support unified governance in the long term?



EVIDENCE-BASED LITERACY INSTRUCTION

Implementing evidence-based literacy programs in classrooms to improve student reading levels is a core education value. According to The Hunt Institute's [Across the Aisle Survey](#), 64 percent of parents and voters strongly favor the use of evidence-based literacy programs to improve student literacy. While Illinois' [National Assessment of Educational Progress \(NAEP\) reading scores](#) are slightly above the nation's average, the 2024 data represents a decline from pre-pandemic scores. As Illinois works towards learning recovery, adopting evidence-based literacy instruction is essential to improving student literacy outcomes.

Figure 3: National v. Illinois Average 4th Grade Reading NAEP Score by Year



[Source](#)

Illinois Comprehensive State Plan

Illinois is a part of The Hunt Institute's [Path Forward initiative](#) to advance the evidence-based literacy practices in teacher preparation, licensure, and program approval. In 2022, the Illinois State Board of Education (IBSE) led a [Statewide Literacy Summit](#) to create a plan to strengthen and unify literacy efforts in the state. A year later, the Illinois General Assembly [commissioned](#) a comprehensive state plan with input from a diverse set of stakeholders. In 2024, IBSE created the [Illinois Comprehensive Literacy Plan](#) to consolidate and improve statewide literacy efforts, using the feedback from the Summit, focus groups, and listening sessions as a guide. The first goal of the literacy plan is for all

students to receive high-quality and evidence-based literacy instruction. The plan provides guidance on the [Every Student Succeeds Act \(ESSA\)](#) framework for classifying evidence-based instructional practices, the difference between explicit and systematic instruction, and links to [state standards](#). Moreover, it explores the science of reading through the [Seven Pillars of Literacy](#), including oracy, phonological awareness, word recognition, fluency, vocabulary, comprehension, and writing, and how schools can incorporate evidence-based practices during instruction. As part of IBSE's [2024-2027 Strategic Plan](#), Illinois plans to train all IBSE staff on the literacy plan, create a rubric to grade and select literacy curriculum, develop a district-wide literacy plan template, and provide a guidance document for equity-oriented literacy coaches on evidence-based instruction.



State Examples

Nationwide, states are continuing to grapple with literacy education, a challenge highlighted by recent poor NAEP scores. With most states now having literacy laws, the focus is shifting to effective implementation:

- **California | Early Literacy Support Block Grant:** The [California Early Literacy Support Block Grant](#) provided a sum total of 50 million dollars for 75 schools with the greatest proportion of students in grade three at the lowest achievement level. The grant [required](#) a root cause analysis and a needs assessment to explore the schools' climate, socio-emotional learning, and the causes of low achievement in English. It also established a [Literacy Lead](#) from within the county or from a local nonprofit or higher education institution. After developing the root cause analysis and needs assessment, each school was required to create a [literacy action plan](#) to improve literacy instruction and measure impact. [Grant funds](#) could be used to access high-quality literacy teaching, literacy learning support, pupil support, and family and community support. A [study](#) of the impact of the grant found higher gains for 3rd graders compared to 5th graders. The grant was also [cost-effective](#), creating a larger return on investment compared to a general increase in school funding.
- **Indiana | Literacy Endorsement:** Supported by The Hunt Institute's [Path Forward](#) network, Indiana created a requirement in 2024 for educators that teach grades PK-5 to obtain an [Early Literacy Endorsement](#) when renewing their Professional Educator License. This requirement was adapted as part of Indiana's goal to prepare educators to implement evidence-based literacy practices and ensure that [95 percent](#) of students can read by 2027. The [endorsement](#) teaches educators how to integrate the science of reading and is aligned with Indiana standards. The [program](#) is paid by the state budget and educators are given a stipend after completion.

- **Louisiana | Approved Curriculum List and Accredited Science of Reading Training:** Louisiana accomplished the largest gains in Reading in the nation according to 2024 [NAEP](#) scores. The Louisiana Department of Education gives control to districts to choose instructional materials but provides a [list](#) of materials rated by alignment with state standards. The state also has online reviews of instructional materials to offer guidance to districts. Louisiana banned the three-cueing system and visual memory of word recognition in instructional materials through [Act Number 517](#) to align with the science of reading. Louisiana's [Act 108](#) requires that K-3 teachers and administrators be trained on the science of reading by an approved professional development vendor.

Policy Considerations

- How can Illinois provide guidance and support to districts on high-quality instructional materials to ensure that literacy materials align with the science of reading?
- How can the state advance equity by providing literacy support for struggling readers in low-performing schools?
- How can Illinois provide professional development and training for educators to help integrate the science of reading into instruction?



RECRUITING AND RETAINING A DIVERSE EDUCATOR WORKFORCE

Research [indicates](#) that teachers are the most important school-based factor for student growth and achievement. Students taught by highly effective educators are [more likely](#) to graduate from high school, attend college, be employed, and earn higher wages.

Extensive research has [also found](#) that a diverse educator workforce is beneficial to all students, but especially students of color. When students are taught by an educator who reflects their racial identity, student [test scores improve](#) in both math and reading in early grades, and they are less likely to face exclusionary discipline practices and more likely to attain a postsecondary credential or degree.

Nationally, the teaching profession is largely white and female, a trend that has been persistent; over the last [30 years](#), the percentage of teachers who are women has increased and while the profession has become slightly more diverse, the percentage of Black teachers has declined. Educators of color experience significant barriers both before and throughout their professional careers, making it more difficult for these individuals to enter or stay in the teaching profession.

Barriers to Recruiting & Retaining a Diverse Educator Workforce

Due to barriers faced by people of color that begin long before college or other educator preparation programs, students of color experience [lower enrollment and graduation rates](#) from postsecondary institutions, making diverse educator recruitment difficult. Growing up, students of color are [more likely](#) to attend schools where the majority of students are also low-income or of color. These schools tend to be underfunded, have fewer qualified educators, and sparse educational offerings, [reducing the likelihood](#) these students will

matriculate to college. Low-income and students of color who do attend college are [more likely to be enrolled in remedial courses](#), delaying their graduation and thus increasing the cost of their education.

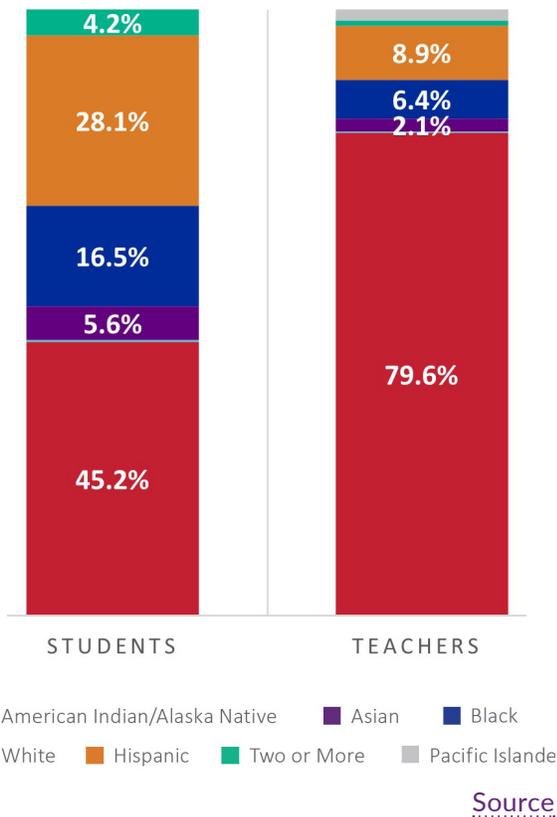
Educators of color, particularly Black educators, are [more likely](#) to have financed their college education through student loans, causing them to carry more debt. Therefore, students of color and low-income students, who often lack generational wealth or may be supporting additional family members, take on [additional risks](#) when attending college, likely leading them to pursue more financially lucrative careers.

Illinois Teacher Workforce

Like other states, Illinois has a predominantly white teacher workforce. In fact, [80 percent](#) of the teachers in Illinois are white compared to [46 percent](#) of students. The Illinois State Board of Education is committed to supporting diverse educator recruitment through the [Diverse Educator Recruitment and Success Project](#), which consisted of partnering with Educator Preparation Programs (EPPs) through coaching sessions, strategizing, progress monitoring and strategy implementation. In January 2025, the participating Illinois EPPs submitted their final action plan to the Illinois State Board of Education.



Figure 4: Illinois Student vs. Teacher Demographics | 2023-2024



Best Practices for Recruiting and Retaining a Diverse Workforce

Across the country, states are looking for ways to strengthen their teacher workforce. Common practices include reducing barriers to entry such as providing paid opportunities to gain instructional experience, improving licensure practices by aligning requirements to classroom realities, and strengthening mentorship for new educators. The following states offer examples for how to recruit and retain diverse educators.

- Alabama | Adjusting Teacher Licensure Requirements:** Teacher Licensure Exams, as requirements for licensure, are encountering growing resistance across the country. Tests that were once regarded as benchmarks for

preparation are increasingly identified as barriers to profession entry. Common criticisms of licensure tests include their [lack of predictability](#) related to teacher effectiveness and the misalignment of test content and curriculum content. For example, candidates of color are [more likely to fail](#) licensure exams and less likely to retake the exam if they fail compared to white teacher candidates.

In 2022, [Alabama](#) announced flexibilities in licensure requirements that maintain the testing requirement, but allow for teacher candidates to pass with a 2.75 GPA in their subject area and a passing score on the pedagogy exam. Students who are unable to meet the GPA requirement may pass with 100 hours of state-approved professional development. These alternative standards do not apply to the recent Foundations of Reading exam.

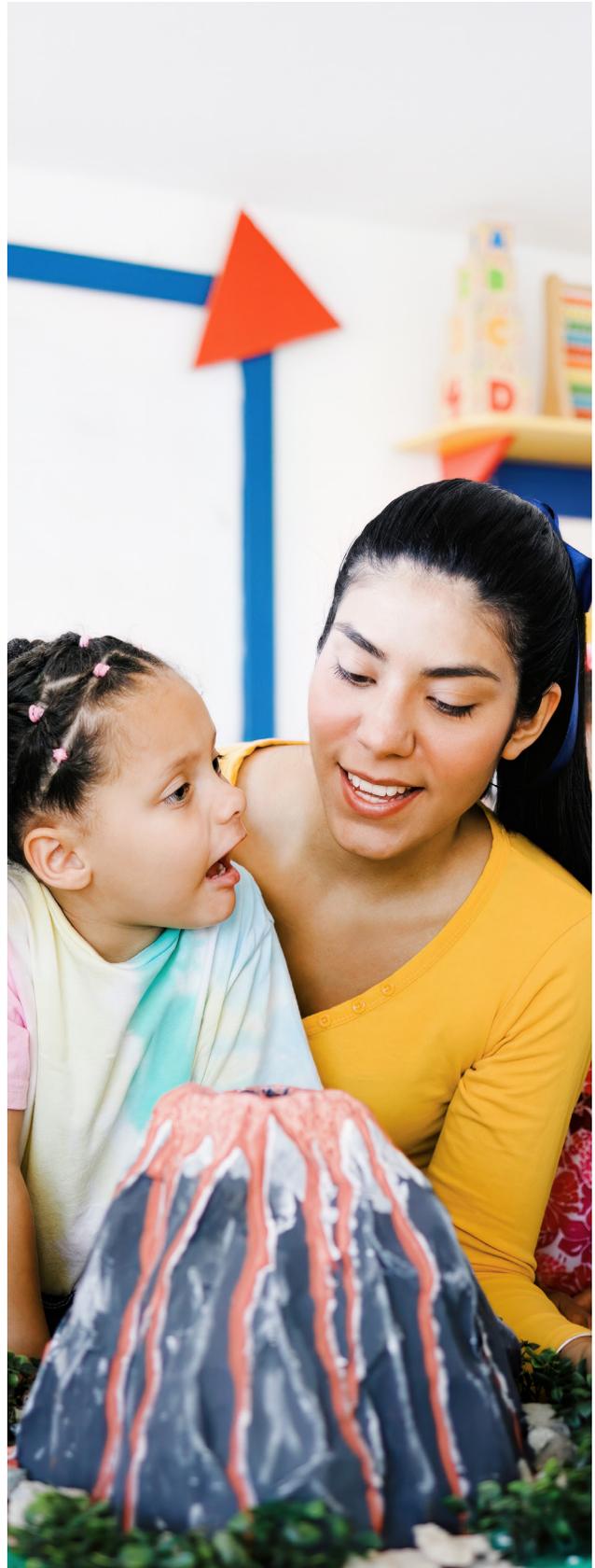
- North Carolina | Career Ladders and Support for Beginning Educators:** North Carolina is in the process of implementing the [Advanced Teaching Roles model](#), which provides opportunities for educators to advance their career through multiple professional stages once demonstrating effectiveness and leadership. This model offers clear steps for career and salary advancement while keeping highly effective educators as mentors and leaders within their classroom and school building. This process addresses concerns about teaching as a “flat career” with little advancement opportunities, offers a more lucrative salary over time, and systematizes professional support for novice teachers. Teachers who move into Teacher Leader roles are able to split their time between the classroom and coaching newer teachers to improve the capacity of educators across their campus. This is particularly significant as mentorship is a key lever for [retaining teachers](#) in the profession.

- Tennessee's Teacher Apprenticeship | A Grow Your Own Model:** Grow Your Own (GYO) programs [recruit teachers](#) from members of the community, working to identify potential teaching candidates as early as middle school and/or to recruit existing paraprofessionals and career changers to become certified teachers. These programs serve to increase a state or district's local pipeline of future teachers and can also support the increased diversity of the local educator workforce. A [majority of states](#) now have some form of GYO models.

Tennessee has been a national leader in rethinking educator preparation and creating pathways. Established in 2020, the state's [GYO competitive grant program](#) has allocated \$6.5 million to support 14 educator preparation programs and 63 school districts to develop GYO programs that provide tuition-free pathways to future teachers. Key components of the Tennessee program [include](#): on-the-job competency-based learning, progressive wages that increase as apprentices increase their skills and knowledge, graduation within three years, guaranteed employment in the district for apprentices that become fully licensed teachers, deep district involvement in the training process, and sustainable funding.

Policy Considerations

- How might state agencies partner with Historically Black Colleges and Universities and Tribal Colleges and Universities to create direct pipelines into the teaching profession?
- What partnerships can be leveraged to offer paid internships and apprenticeships that allow candidates to gain classroom experience without taking on financial hardship?
- How should districts implement meaningful mentorship and support networks for teachers with intentional programming and support teachers of color?



INVESTING IN HIGHER EDUCATION TO SUPPORT ATTAINMENT

Postsecondary attainment significantly influences an individual's employment prospects and drives state economic growth. [Research](#) indicates a clear correlation between increased education levels and higher employment rates, as well as greater earning potential. Furthermore, a rise in the proportion of a state's population holding bachelor's degrees directly contributes to its economic expansion. Specifically, a one percentage point increase in bachelor's degree attainment growth is associated with a measurable increase in state GDP growth of approximately \$130.5 billion. These findings underscore the critical role of continued investment in higher education to bolster both individual employability and overall economic prosperity.

[Recent financial analysis](#) conducted by the State Higher Education Executive Officers Association (SHEEO) finds that higher education was Illinois' third highest expenditure in fiscal year 2023. Specifically, Illinois allotted \$6.3 billion in state and local funding for the nearly 284,000 full time students enrolled in their respective postsecondary institutions. Illinois ranks 12th amongst states in full time enrollment and its [\\$20,977 per-student appropriation](#) that fiscal year was nearly [1.9 times higher](#) than the U.S. average.



Credentials of Value in Illinois

Higher education research from Lumina Foundation notes that [nearly 47 percent](#) of Illinois' labor force has a credential of value — a post-high school degree, certification, or certificate. These credentials correlate with a fifteen percent increase in median annual salary compared to high school graduates, highlighting the importance of higher education stakeholders creating effective pathways to boost the labor force's acquisition of these valuable credentials.

Illinois ranks 13th among the 50 states in post-high school credentials and wages, and their labor force's credential of value attainment figure is 2.7 percentage points higher than the national average. Illinois' continued investment in higher education will only increase their labor force's workforce participation and lead to economic growth in the coming years.

Funding Higher Education

Public higher education institutions are funded through various sources, including federal, state, and local governments, tuition, and investment incomes from endowments.

Federal government funding for institutions of higher education (IHEs) is split into the following three categories:

- **Student Aid** – The largest of the three categories, student aid is distributed individually through loans and grants to help pay for tuition. One of the largest vehicles for student aid is the [Pell Grant](#), which helps low-income undergraduate students pay for college.
- **Research and Development** – [\\$54 billion](#) was allocated towards IHEs for research and development in 2022, accounting for over half of all IHE research and development spending. These funds are typically project specific.

- **Institutional Support** – Authorized by the Higher Education Act, Institutional support is allocated towards IHEs serving students of color who have been historically underrepresented in higher education. In fiscal year 2022, these grants totaled [\\$843 million](#).

State governments are also significant funders of public higher education. In fiscal year 2023, state governments provided more than [\\$112 billion](#) to support higher education. Known as a “base-plus” approach, state funding for public IHEs is typically determined based on factors like enrollment and prior-year allocations. Once total state funding is decided, the state determines how much is allocated to each IHE.

Local governments primarily use revenue to fund community colleges. The primary source of local revenue is property tax, followed by sales tax and income tax. In fiscal year 2022, local dollars represented [20 percent](#) of community college revenue in the United States.

State Funding Metrics

Illinois is one of approximately [30 states](#) that utilize a base-plus funding model to determine state allocations towards IHEs. However, the Illinois General Assembly (ILGA) has been considering adopting a new funding model in recent years. In 2021, the ILGA passed [SB 815](#) (Public Act 102-0570), creating the Commission of Equitable Public University Funding to provide recommendations to the ILGA to adequately, equitably, and stably fund public universities while evaluating current funding methods. The Commission released their [recommendations](#) in March 2024.

The outcome of the study includes a framework for a funding model that will provide funding based on students’ needs, distribute funds through an equity allocation, increase accountability, hold institutions harmless, and calculate adequacy. There is currently legislation under consideration in both the Senate ([SB 13](#)) and House ([HB 1581](#)), that provides for equitable higher education funding.

Policy Considerations

- How can policymakers and businesses leverage regional initiatives to collaborate in aligning credentials to local workforce needs?
- To what extent do student and institutional needs factor into Illinois’ IHE funding model?
- What accountability metrics should Illinois consider as part of a proposed equitable funding formula for IHEs?



INNOVATIVE PARTNERSHIPS TO FOSTER WORKFORCE ALIGNMENT

In today’s rapidly evolving job market, the alignment of credentials and degree pathways to workforce needs is paramount for Illinois residents and businesses. Credentials, ranging from degrees and certifications to badges and micro-credentials, serve as indicators of an individual’s skills and competencies. The true value of postsecondary education lies in personal development and its relevance to the labor market’s demands for a skilled and ready workforce. Research indicates that [72 percent](#) of jobs will require additional education beyond high school by 2031, emphasizing the need for postsecondary education to meet the needs of the workforce.

Anticipating the need for its working age population to upskill, reskill, and attain credentials, the state of Illinois, in collaboration with the Lumina Foundation, created state attainment goals for their adult aged population. Established in 2009 by the [Illinois Public Agenda for College and Career Readiness](#), the state set a goal that 60 percent of adults will have a high-quality postsecondary degree or credential by 2025. Through the creation of various initiatives aimed at credentialing the adult aged working population, Illinois has achieved 57.1 percent attainment.

Pathways and Partnerships

Inextricably tied to attainment and credentialing is workforce participation and employability for working aged adults. Illinois policymakers, higher education stakeholders, and industry leaders have collaborated to create pathways for innovative partnerships to foster workforce alignment. To further this goal, the state established the [Illinois Workforce Innovation Board](#) (IWIB) comprised of leaders from state, business, industry, labor, education, and community-based organizations to evaluate and meet the workforce needs of Illinois employers and workers.

In conjunction with this initiative, Illinois developed a [workforce portal](#) where job seekers and employers can access virtual job fairs, training services, and a public-private education partnership called [Illinois Pathways](#). The Illinois Pathways program supports local implementation of the [National Career Clusters Framework](#) and Programs of Study helping to coordinate and reduce the transaction costs among the statewide partnerships.

The Illinois Pathways Program career pathways outlined include career options in finance; education and training; arts, audio/visual technology, and communications; government and public administration; and health science amongst others. Illinois Pathways provides job seekers with immediate access to information about each career pathway by providing quick facts exclusive to the career they seek. As an example, Table 5 below showcases career pathway information for aspiring accountants and auditors in the state of Illinois.

Table 5: Career Pathway Facts – Accountants and Auditors

Quick Facts: Accountants and Auditors	
Wages	\$79,286 per year (Median)
Employment	Very large occupation
10 Year Growth	Average Growth (10.6%)
Annual Openings	Very High (5468)

[Source](#)

In addition, job seekers can learn about the requisite skills and training required for each career, relevant high school coursework that could aid in their preparation, and postsecondary licensure and credentialing options through the portal.

By creating streamlined depositories where job seekers can access information on employment opportunities, policymakers and industry stakeholders are utilizing their partnerships to create opportunities for Illinois residents easily accessible.



Educating Incarcerated Individuals

When discussing workforce development, it is important to consider all aspects of education. In [2023](#), Illinois had over 53,000 residents behind bars in various facilities and an incarceration rate of 433 [per](#) 100,000 residents. Since many of these individuals will eventually reintegrate into society, equipping them with the necessary credentials and skills is crucial to support Illinois' attainment goal.

On July 1, 2023, Pell Grant eligibility was [reinstated](#) for incarcerated students in adult correctional and juvenile justice facilities, marking a significant shift in U.S. education policy, reversing nearly three decades of restrictions that began with the 1994 Violent Crime Control and Law Enforcement Act.

Before 1994, Pell Grants [provided](#) critical funding for prison education programs, helping incarcerated individuals pursue degrees and certifications that facilitated their reintegration into society. Studies [showed](#) that access to education in prison reduced recidivism rates and improved post-release employment prospects. However, after Pell Grant eligibility was revoked, prison education programs across the country were dismantled, leaving private loans—often with higher and fluctuating interest rates—as one of the few, and largely inaccessible, alternatives for incarcerated students seeking a degree.

Education is a powerful [tool](#) for rehabilitation. Approximately 95 percent of incarcerated individuals will reenter their communities, making them an important portion of the potential workforce. [Research](#) has shown that the existence of [correctional education](#) in the prison system is correlated with lower rates of recidivism and provides an increased chance of [higher quality employment](#) upon release.

Prison Educational Programs

The Federal Bureau of Prisons (BOP) [provides](#) a range of educational opportunities across all institutions, including literacy classes, English as a Second Language, parenting courses, wellness education, adult continuing education, library services, and leisure-time activity instruction. Vocational and occupational training programs are designed based on inmate needs, general labor market conditions, and institutional labor force demands. Additionally, BOP [supports](#) post-secondary education in vocational and occupational fields, with some traditional college courses available; however, inmates must cover the costs of these courses themselves.

Higher education in prison (HEP) [provides](#) incarcerated individuals with access to academic, postsecondary education through courses offered by or in partnership with regionally accredited two- and four-year colleges or universities. These programs may include credit and non-credit coursework, degree and non-degree pathways, as well as extracurricular activities. As of January 2023, [Illinois](#) has 14 HEP programs, with 13 operated by state colleges and universities and one run by an independent nonprofit organization that collaborates with faculty from multiple higher education institutions.

In 2023, the U.S. Department of Labor, in partnership with the Department of Justice, [awarded](#) over \$63 million to expand the Bureau's rehabilitation and reentry efforts across 11 additional states. The Partners for Reentry Opportunities in Workforce Development grants [aim](#) to help individuals in federal custody successfully reintegrate by providing pre- and post-release training, job placement, and supportive services.

[Research](#) indicates that finding quality employment is one of the biggest challenges for formerly incarcerated individuals, yet stable jobs significantly reduce the risk of recidivism. Gaining meaningful employment not only [supports](#) successful

reintegration but also enhances public safety, strengthens communities, and benefits the overall economy. Depending on the state, however, there may be certain [eligibility requirements](#) one would have to meet to be eligible for certain educational opportunities while incarcerated.

Economic Impact of Education in Carceral Spaces

Incarceration [costs](#) U.S. taxpayers an average of \$31,286 per inmate annually, placing a significant financial burden on states, with approximately 2.2 million incarcerated individuals nationwide. Research [shows](#) that investing in prison education is nearly twice as cost-effective as incarceration, preventing over 600 crimes per \$1 million spent compared to 350 crimes prevented through incarceration. Every \$1 invested in prison education saves taxpayers \$4-\$5 in re-incarceration costs within the first three years of release.

Data [shows](#) that investing in prison education reduces recidivism and boosts an individual's socioeconomic mobility, benefiting communities as a whole. While secondary-degree programs reduce recidivism by 30%, postsecondary education tends to [yield](#) even better results. [Research](#) shows that when prisons introduce a strong education program, the rate of repeat offenders drops significantly—by nearly 200 times over the course of 10 years.

A Northwestern [study](#) of over 400,000 incarcerated individuals across 30 states found that 68 percent were rearrested within three years, and 77 percent within five years, with most rearrests occurring in the first year. However, prison education programs [reduced](#) recidivism by 43 percent, with higher education levels leading to even lower reoffending rates.

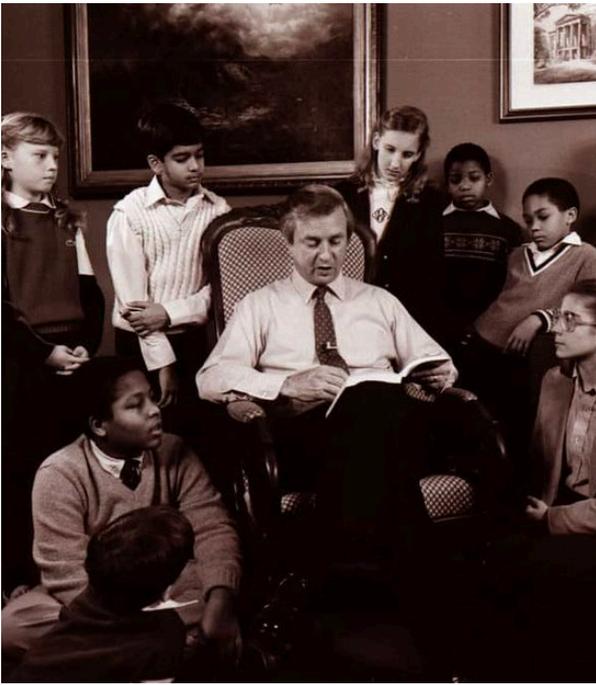
Formerly incarcerated individuals face an unemployment rate of 27 percent. Unemployment is even higher for those without a high school diploma, ranging from 25 percent for white men to 60 percent for Black women, highlighting the compounded challenges of criminalization and educational exclusion.

Expanding access to postsecondary education for incarcerated individuals has the potential to support workforce development and reduce reentry challenges. With the restoration of Pell Grant eligibility, Illinois has new opportunities to align education programs in correctional settings with labor market needs. Continued collaboration among policymakers, education providers, and industry partners can help ensure these efforts are responsive to the state's economic and workforce goals.

Policy Considerations

- What strategies can be considered to expand access to education and vocational training for individuals in state prisons, while ensuring these programs are responsive to workforce needs in Illinois??
- What steps can Illinois take to increase collaboration between state agencies and local businesses to create more seamless pathways from incarceration to employment, thereby reducing recidivism rates and strengthening local economies?
- How can the state incentivize partnerships between higher education institutions and regional employers to ensure programs meet workforce needs?





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4000 Centregreen Way | Suite 301 |
Cary, NC 27513 | 984-377-5200