



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

SB3612

Introduced 5/17/2018, by Sen. Iris Y. Martinez

SYNOPSIS AS INTRODUCED:

305 ILCS 5/9A-11

from Ch. 23, par. 9A-11

Amends the Illinois Public Aid Code. In provisions concerning the child care assistance program, requires the Department of Human Services to provide child care services to parents or other relatives who are engaged in a good-faith job search for a period of up to 6 months. Deletes certain provisions regarding eligibility of certain families eligible for child care assistance and factors for determining assistance. Adds language providing that no family shall be excluded from eligibility for child care benefits based solely on household income and that the amount of child care assistance shall (i) take into account the amount families can afford to pay based on the co-payment scale established by the Department and (ii) cover the cost of quality child care. Contains provisions limiting redeterminations to once every 12 months. Removes provisions authorizing the Department to lower income eligibility ceilings, raise parent co-payments, create waiting lists, or take such other actions during a fiscal year as are necessary to ensure that child care benefits paid under the Code do not exceed the amounts appropriated for those child care benefits. Contains provisions requiring the Department to: (1) establish a wage scale sufficient to recruit and retain a skilled and diverse child care workforce; (2) annually publish in draft form its determination of the cost of quality care; (3) adopt policies that maximize the participation of eligible children in Head Start and Early Head Start programs; and (4) submit annual reports to the General Assembly concerning certain matters.

LRB100 21883 KTG 39745 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning public aid.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Legislative findings.

5 The General Assembly finds that child care in Illinois is
6 often unaffordable for families, difficult for families to
7 access, and relies on a low-wage workforce.

8 The average annual cost of child care for an infant in a
9 licensed center is more than the cost of in-state tuition at a
10 4-year public university. Child care for 2 young children
11 exceeds the average cost of rent in the State. In Illinois, a
12 parent earning minimum wage would have to spend more than 55%
13 of their annual earnings on child care for a 4-year old, and
14 nearly 75% for an infant. Federal rules concerning the Child
15 Care and Development Fund recommend an affordability benchmark
16 of no more than 7% of a family's income be charged as
17 co-payment for child care assistance.

18 Child care services are not always available when and where
19 they are needed by families. There was a significant shortage
20 of licensed child care capacity in 60% of Illinois ZIP codes as
21 of 2016. Overall, the capacity to serve children ages 0-5 years
22 in licensed centers, license-exempt centers, and licensed
23 family child care homes was not sufficient to serve all
24 children in families below 185% of the federal poverty level in

1 2015. Many working parents in Illinois work "non-traditional"
2 schedules including nights and weekends. In 2016, almost twice
3 as many families made requests to child care resource and
4 referral agencies for weekend care as was reported by
5 providers.

6 The child care workforce is highly degreed and credentialed
7 but underpaid. Over 74% of child care teachers in Illinois have
8 completed a college degree, yet their average wage is only \$12
9 per hour. Licensed family child care homes report annual net
10 income of \$15,000 per year. The wages of both child care
11 workers and preschool teachers in Illinois declined in real
12 terms over 16 years from 1997-2013. Women make up 97% of this
13 workforce.

14 Section 5. The Illinois Public Aid Code is amended by
15 changing Section 9A-11 as follows:

16 (305 ILCS 5/9A-11) (from Ch. 23, par. 9A-11)

17 Sec. 9A-11. Child care.

18 (a) The General Assembly recognizes that families with
19 children need child care in order to work, that parental income
20 and economic stability is a key determinant of child outcomes,
21 that an adequately compensated child care workforce is central
22 to the quality of child care that young children receive, and
23 that it is therefore in the State's interest to support parents
24 in accessing child care services that best meet their family's

1 needs. Without assistance, working families often find quality
2 child care to be unaffordable and hard to find, particularly
3 for families with unpredictable work schedules or for those who
4 work non-standard hours. The child care workforce has
5 historically been paid poorly for its vitally important work.
6 The General Assembly declares that child care should be
7 affordable, accessible, and available to all parents including
8 those working all schedules, and should be provided by a
9 workforce that earns a living wage. ~~Child care is expensive and~~
10 ~~families with low incomes, including those who are~~
11 ~~transitioning from welfare to work, often struggle to pay the~~
12 ~~costs of day care. The General Assembly understands the~~
13 ~~importance of helping low income working families become and~~
14 ~~remain self-sufficient. The General Assembly also believes~~
15 ~~that it is the responsibility of families to share in the costs~~
16 ~~of child care. It is also the preference of the General~~
17 ~~Assembly that all working poor families should be treated~~
18 ~~equally, regardless of their welfare status.~~

19 (b) The ~~To the extent resources permit, the~~ Illinois
20 Department shall provide child care services to parents or
21 other relatives as defined by rule who are working, engaged in
22 a good-faith job search for a period of up to 6 months, or
23 participating in employment or Department approved education
24 or training programs. At a minimum, ~~the Illinois Department~~
25 ~~shall cover~~ the following categories of families shall be
26 included: recipients of TANF under Article IV participating in

1 work and training activities as specified in the personal plan
2 for employment and self-sufficiency; families transitioning
3 from TANF to work; families at risk of becoming recipients of
4 TANF; and families with special needs as defined by rule.+

5 ~~(1) recipients of TANF under Article IV participating~~
6 ~~in work and training activities as specified in the~~
7 ~~personal plan for employment and self sufficiency;~~

8 ~~(2) families transitioning from TANF to work;~~

9 ~~(3) families at risk of becoming recipients of TANF;~~

10 ~~(4) families with special needs as defined by rule;~~

11 ~~(5) working families with very low incomes as defined~~
12 ~~by rule; and~~

13 ~~(6) families that are not recipients of TANF and that~~
14 ~~need child care assistance to participate in education and~~
15 ~~training activities.~~

16 (b-1) The Department shall specify by rule the conditions
17 of eligibility, the redetermination of eligibility, the
18 application process, and the types, amounts, and duration of
19 services. ~~Eligibility for child care benefits and the amount of~~
20 ~~child care provided may vary based on family size, income, and~~
21 ~~other factors as specified by rule.~~

22 (1) No Illinois family shall be excluded from
23 eligibility for child care benefits based solely on
24 household income. The amount of child care assistance
25 provided shall take into account the amount families can
26 afford to pay based on the co-payment scale established by

1 the Department under subsection (d) and shall cover the
2 cost of quality child care as determined by the Department
3 under subsection (e-2).

4 (2) Eligibility for child care assistance shall be
5 redetermined no more often than once every 12 months.
6 Parents shall be required to notify the Department of any
7 material changes in circumstances related to the cessation
8 of work, training, or education. The Department shall take
9 steps to ensure that the requirements for redetermination
10 of eligibility do not cause undue disruptions to parents'
11 employment or the continuity of care for children.

12 ~~In determining income eligibility for child care benefits,~~
13 ~~the Department annually, at the beginning of each fiscal year,~~
14 ~~shall establish, by rule, one income threshold for each family~~
15 ~~size, in relation to percentage of State median income for a~~
16 ~~family of that size, that makes families with incomes below the~~
17 ~~specified threshold eligible for assistance and families with~~
18 ~~incomes above the specified threshold ineligible for~~
19 ~~assistance. Through and including fiscal year 2007, the~~
20 ~~specified threshold must be no less than 50% of the~~
21 ~~then-current State median income for each family size.~~
22 ~~Beginning in fiscal year 2008, the specified threshold must be~~
23 ~~no less than 185% of the then-current federal poverty level for~~
24 ~~each family size.~~

25 ~~In determining eligibility for assistance, the Department~~
26 ~~shall not give preference to any category of recipients or give~~

1 ~~preference to individuals based on their receipt of benefits~~
2 ~~under this Code.~~

3 ~~Nothing in this Section shall be construed as conferring~~
4 ~~entitlement status to eligible families.~~

5 ~~The Illinois Department is authorized to lower income~~
6 ~~eligibility ceilings, raise parent co payments, create waiting~~
7 ~~lists, or take such other actions during a fiscal year as are~~
8 ~~necessary to ensure that child care benefits paid under this~~
9 ~~Article do not exceed the amounts appropriated for those child~~
10 ~~care benefits. These changes may be accomplished by emergency~~
11 ~~rule under Section 5-45 of the Illinois Administrative~~
12 ~~Procedure Act, except that the limitation on the number of~~
13 ~~emergency rules that may be adopted in a 24-month period shall~~
14 ~~not apply.~~

15 The Illinois Department may contract with other State
16 agencies or child care organizations for the administration of
17 child care services.

18 (b-2) ~~(c)~~ Payment shall be made for child care that
19 otherwise meets the requirements of this Section and applicable
20 standards of State and local law and regulation, including any
21 requirements the Illinois Department promulgates by rule in
22 addition to the licensure requirements promulgated by the
23 Department of Children and Family Services and Fire Prevention
24 and Safety requirements promulgated by the Office of the State
25 Fire Marshal and is provided in any of the following:

26 (1) a child care center which is licensed or exempt

1 from licensure pursuant to Section 2.09 of the Child Care
2 Act of 1969;

3 (2) a licensed child care home or home exempt from
4 licensing;

5 (3) a licensed group child care home;

6 (4) other types of child care, including child care
7 provided by relatives or persons living in the same home as
8 the child, as determined by the Illinois Department by
9 rule.

10 (c-5) Solely for the purposes of coverage under the
11 Illinois Public Labor Relations Act, child and day care home
12 providers, including licensed and license exempt,
13 participating in the Department's child care assistance
14 program shall be considered to be public employees and the
15 State of Illinois shall be considered to be their employer as
16 of the effective date of this amendatory Act of the 94th
17 General Assembly, but not before. The State shall engage in
18 collective bargaining with an exclusive representative of
19 child and day care home providers participating in the child
20 care assistance program concerning their terms and conditions
21 of employment that are within the State's control. Nothing in
22 this subsection shall be understood to limit the right of
23 families receiving services defined in this Section to select
24 child and day care home providers or supervise them within the
25 limits of this Section. The State shall not be considered to be
26 the employer of child and day care home providers for any

1 purposes not specifically provided in this amendatory Act of
2 the 94th General Assembly, including but not limited to,
3 purposes of vicarious liability in tort and purposes of
4 statutory retirement or health insurance benefits. Child and
5 day care home providers shall not be covered by the State
6 Employees Group Insurance Act of 1971.

7 In according child and day care home providers and their
8 selected representative rights under the Illinois Public Labor
9 Relations Act, the State intends that the State action
10 exemption to application of federal and State antitrust laws be
11 fully available to the extent that their activities are
12 authorized by this amendatory Act of the 94th General Assembly.

13 (d) The Illinois Department shall establish, by rule, a
14 co-payment scale that provides for cost sharing by families
15 that receive child care services, ~~including parents whose only~~
16 ~~income is from assistance under this Code~~. The co-payment shall
17 be based on family income, and family size, and the number of
18 children needing care and may be based on other factors as
19 appropriate. The co-payment scale shall ensure that:

20 (1) no family is required to pay more than 7% of its
21 family income toward the cost of quality child care as
22 determined by the Department under subsection (e-2);

23 (2) low-income and moderate-income families are
24 required to pay no more than they can reasonably afford;
25 and

26 (3) co-payments are ~~Co payments may be~~ waived for

1 families whose incomes are at or below the federal poverty
2 level.

3 (d-5) (Blank). ~~The Illinois Department, in consultation~~
4 ~~with its Child Care and Development Advisory Council, shall~~
5 ~~develop a plan to revise the child care assistance program's~~
6 ~~co-payment scale. The plan shall be completed no later than~~
7 ~~February 1, 2008, and shall include:~~

8 ~~(1) findings as to the percentage of income that the~~
9 ~~average American family spends on child care and the~~
10 ~~relative amounts that low income families and the average~~
11 ~~American family spend on other necessities of life;~~

12 ~~(2) recommendations for revising the child care~~
13 ~~co-payment scale to assure that families receiving child~~
14 ~~care services from the Department are paying no more than~~
15 ~~they can reasonably afford;~~

16 ~~(3) recommendations for revising the child care~~
17 ~~co-payment scale to provide at risk children with complete~~
18 ~~access to Preschool for All and Head Start; and~~

19 ~~(4) recommendations for changes in child care program~~
20 ~~policies that affect the affordability of child care.~~

21 (e) (Blank).

22 (e-1) The Department shall, by rule, establish a wage scale
23 sufficient to recruit and retain a skilled and diverse
24 workforce. All child care providers receiving payment from the
25 Department shall be required to meet or exceed wage standards
26 under the wage scale. The wage scale shall be established and

1 updated annually in consultation with unions representing the
2 child care workforce and shall:

3 (1) at a minimum, provide a living wage for family
4 child care providers and all staff of child care providers;
5 as used in this paragraph, "living wage" means an hourly
6 wage that is sufficient for a full-time year-round worker
7 to cover the basic self-sufficiency needs of a family of 4
8 in the geographic area in which the worker resides;

9 (2) ensure wages for family child care providers and
10 staff of child care providers that are comparable to wages
11 for elementary educators with similar qualifications and
12 experience; and

13 (3) recognize variations by geographic area.

14 (e-2) The Department shall annually publish in draft form
15 its determination of the cost of quality care which shall be
16 revised based upon public review and comment. The determination
17 of the cost of quality care shall be based on a statistically
18 valid and reliable cost estimation process, established by
19 rule, that:

20 (1) collects information about actual costs and
21 expenses;

22 (2) recognizes variations in the cost of child care
23 services by geographic area, type of provider, and age of
24 child;

25 (3) recognizes the additional costs associated with
26 providing quality and inclusive child care services for

1 children with disabilities;

2 (4) recognizes the additional costs associated with
3 providing child care during non-traditional hours or in
4 cases where work hours and care needs vary from week to
5 week;

6 (5) includes a process to define the cost of quality
7 child care provided by a family member, friend, or neighbor
8 that takes into account the unique needs and
9 characteristics of this type of care;

10 (6) is based upon definitions of quality care
11 established in consultation with parents, unions
12 representing the child care workforce, and other
13 stakeholders;

14 (7) accounts for the costs of paying all family child
15 care providers and all staff of child care providers at or
16 above the wage scale established in subsection (e-1); and

17 (8) is updated annually.

18 (f) Rates shall be set at levels that cover the full cost
19 of quality child care, as established under subsection (e-2),
20 and shall be updated annually in consultation with parents,
21 unions representing the child care workforce, and other
22 stakeholders. ~~The Illinois Department shall, by rule, set rates~~
23 ~~to be paid for the various types of child care. Child care may~~
24 ~~be provided through one of the following methods:~~

25 ~~(1) arranging the child care through eligible~~
26 ~~providers by use of purchase of service contracts or~~

1 ~~vouchers;~~

2 ~~(2) arranging with other agencies and community~~
3 ~~volunteer groups for non-reimbursed child care;~~

4 ~~(3) (blank); or~~

5 ~~(4) adopting such other arrangements as the Department~~
6 ~~determines appropriate.~~

7 (f-5) (Blank).

8 (g) Families eligible for assistance under this Section
9 shall be given the following options:

10 (1) receiving a child care certificate issued by the
11 Department or a subcontractor of the Department that may be
12 used by the parents as payment for child care and
13 development services only; or

14 (2) if space is available, enrolling the child with a
15 child care provider that has a purchase of service contract
16 with the Department or a subcontractor of the Department
17 for the provision of child care and development services.
18 The Department may identify particular priority
19 populations for whom they may request special
20 consideration by a provider with purchase of service
21 contracts, provided that the providers shall be permitted
22 to maintain a balance of clients in terms of household
23 incomes and families and children with special needs, as
24 defined by rule.

25 (h) The Department shall establish, by rule, policies that
26 maximize the participation of eligible children in Head Start

1 and Early Head Start programs. The Department shall facilitate
2 the coordination of the delivery of services under this Section
3 with the goal of increasing participation in Head Start and
4 Early Head Start programs in the State.

5 (i) No less than 9% of the funds appropriated in any fiscal
6 year for the purposes of this Section shall be dedicated to
7 improving the quality of child care in the State. The
8 Department shall determine the utilization of these funds by
9 regularly consulting with parents, unions representing the
10 child care workforce, and other stakeholders to identify
11 quality improvement strategies, goals, and priorities.
12 Allowable uses of funds under this subsection include:
13 improving the skills and qualifications of the existing
14 workforce; increasing workforce compensation; and building the
15 supply of quality care, including provider start-up and
16 expansion.

17 (j) The Department shall annually provide a report to the
18 General Assembly that includes the following:

19 (1) how the Department is ensuring a sufficient supply
20 of quality child care programs to meet the needs of
21 families in the State, including access to non-standard
22 hour care, care for children with special needs, and care
23 for English language learners;

24 (2) how quality standards and quality funding are being
25 coordinated to minimize barriers to quality improvement
26 and ensure the continued employment of an experienced,

1 diverse workforce; and
2 (3) how the Department is minimizing barriers to
3 provider participation in the child care assistance
4 program funded under this Section, including, but not
5 limited to, following generally accepted payment practices
6 and ensuring timeliness of payments.

7 The report to the General Assembly shall be filed with the
8 Clerk of the House of Representatives and the Secretary of the
9 Senate in electronic form only, in the manner that the Clerk
10 and the Secretary shall direct.

11 (Source: P.A. 100-387, eff. 8-25-17.)