

AN ACT concerning public aid.

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

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

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

Sec. 9A-11. Child Care.

(a) The General Assembly recognizes that families with children need child care in order to work. Child care is expensive and families with low incomes, including those who are transitioning from welfare to work, often struggle to pay the costs of day care. The General Assembly understands the importance of helping low income working families become and remain self-sufficient. The General Assembly also believes that it is the responsibility of families to share in the costs of child care. It is also the preference of the General Assembly that all working poor families should be treated equally, regardless of their welfare status.

(b) To the extent resources permit, the Illinois Department shall provide child care services to parents or other relatives as defined by rule who are working or participating in employment or Department approved education or training programs. At a minimum, the Illinois Department shall cover the

following categories of families:

- (1) recipients of TANF under Article IV participating in work and training activities as specified in the personal plan for employment and self-sufficiency;
- (2) families transitioning from TANF to work;
- (3) families at risk of becoming recipients of TANF;
- (4) families with special needs as defined by rule; and
- (5) working families with very low incomes as defined by rule.

The Department shall specify by rule the conditions of eligibility, the application process, and the types, amounts, and duration of services. Eligibility for child care benefits and the amount of child care provided may vary based on family size, income, and other factors as specified by rule.

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

each family size.

In determining eligibility for assistance, the Department shall not give preference to any category of recipients or give preference to individuals based on their receipt of benefits under this Code.

The Department shall allocate \$7,500,000 annually for a test program for families who are income-eligible for child care assistance, who are not recipients of TANF under Article IV, and who need child care assistance to participate in education and training activities. The Department shall specify by rule the conditions of eligibility for this test program.

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

The Illinois Department is authorized 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 this Article do not exceed the amounts appropriated for those child care benefits. These changes may be accomplished by emergency rule under Section 5-45 of the Illinois Administrative Procedure Act, except that the limitation on the number of emergency rules that may be adopted in a 24-month period shall not apply.

The Illinois Department may contract with other State agencies or child care organizations for the administration of

child care services.

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

(1) a child care center which is licensed or exempt from licensure pursuant to Section 2.09 of the Child Care Act of 1969;

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

(3) a licensed group child care home;

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

(b-5) Solely for the purposes of coverage under the Illinois Public Labor Relations Act, child and day care home providers, including licensed and license exempt, participating in the Department's child care assistance program shall be considered to be public employees and the State of Illinois shall be considered to be their employer as of the effective date of this amendatory Act of the 94th

General Assembly, but not before. The State shall engage in collective bargaining with an exclusive representative of child and day care home providers participating in the child care assistance program concerning their terms and conditions of employment that are within the State's control. Nothing in this subsection shall be understood to limit the right of families receiving services defined in this Section to select child and day care home providers or supervise them within the limits of this Section. The State shall not be considered to be the employer of child and day care home providers for any purposes not specifically provided in this amendatory Act of the 94th General Assembly, including but not limited to, purposes of vicarious liability in tort and purposes of statutory retirement or health insurance benefits. Child and day care home providers shall not be covered by the State Employees Group Insurance Act of 1971.

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

(d) The Illinois Department shall, by rule, require co-payments for child care services by any parent, including parents whose only income is from assistance under this Code. The co-payment shall be assessed based on a sliding scale based

on family income, family size, and the number of children in care. Co-payments shall not be increased due solely to a change in the methodology for counting family income.

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

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

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

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

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

(e) The Illinois Department shall conduct a market rate survey based on the cost of care and other relevant factors which shall be completed by July 1, 1998.

(f) The Illinois Department shall, by rule, set rates to be paid for the various types of child care. Child care may be

provided through one of the following methods:

(1) arranging the child care through eligible providers by use of purchase of service contracts or vouchers;

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

(3) (blank); or

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

(f-5) The Illinois Department, in consultation with its Child Care and Development Advisory Council, shall develop a comprehensive plan to revise the State's rates for the various types of child care. The plan shall be completed no later than January 1, 2005 and shall include:

(1) Base reimbursement rates that are adequate to provide children receiving child care services from the Department equal access to quality child care, utilizing data from the most current market rate survey.

(2) A tiered reimbursement rate system that financially rewards providers of child care services that meet defined benchmarks of higher-quality care.

(3) Consideration of revisions to existing county groupings and age classifications, utilizing data from the most current market rate survey.

(4) Consideration of special rates for certain

types of care such as caring for a child with a disability.

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

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

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

(Source: P.A. 93-361, eff. 9-1-03; 93-1062, eff. 12-23-04; 94-320, eff. 1-1-06.)

Section 99. Effective date. This Act takes effect July 1, 2007.