



Illinois Department of Human Services  
Division of Early Childhood  
401 S. Clinton  
Chicago, IL 60607

June 14, 2024

Dear. Ms. Rooney,

Thank you for the opportunity to provide public comment to the [Draft Illinois Child Care and Development Fund \(CCDF\) plan FFY 2025-2027](#). We, the Village Coalition has provided the below comments to consider before the Department submits the final CCDF plan. Our main concerns are within the following sections (hyperlinked for ease).

- Section 1: CCDF Program Administration
  - [1.3.2. Public Hearing Process](#)
- Section 2: Child and Family Eligibility and Enrollment and Continuity of Care
  - [2.1.1. Improving Practices to Reduce Barriers to Enrollment](#)
  - [2.2.4 Initial Eligibility: Income Limits](#)
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  - [2.5.2 Minimum 12-Month Eligibility](#)
  - [2.5.3. Job Search and Continued Assistance](#)
- Section 3: Child Care Affordability
  - [3.3.1 Waiving Family Co-Payment](#)
- Section 4: Parental Choice, Equal Access, Payment Rates, and Payment Practices
  - [4.2.1 Completion of the Market Rate Survey or ACF Pre-Approved Alternative Methodology](#)
  - [4.3.2 Base Payment Rates](#)
  - [4.4.1 Prospective and Enrollment-Based Payment Practices](#)
- Section 6: Support for a Skilled, Qualified, and Compensated Child Care Workforce
  - [6.1.1 Strategies to Improve Recruitment, Retention, Compensation, and Well-Being](#)
- [Appendix 1: Lead Agency Implementation Plan](#)

### **1.3.2. Public Hearing Process**

The CCDF state plan drives the state's direction for the upcoming three years and as such, we believe that opportunities to engage should be widespread, inclusive, and accessible. Following another state's example (i.e. New Mexico), we recommend IDHS to consider the following engagement opportunities for current and future CCDF plans:

- Publish the "Notice of Public Hearing" in multiple languages to make the opportunity accessible to broader audiences.
  - The engagement opportunities should be inclusive for non-english speaking populations. We encourage the Department to make future notices available in multiple languages. See example [here](#).
- Provide a summary of the CCDF state plan in a presentation.
  - It is prohibitive to ask members of the ECE ecosystem to read through such a lengthy document. To make it easier and more accessible to engage with the materials, the agency should summarize the changes made in each section of the plan. See example [here](#).
- Conduct public meetings for tailored audiences.
  - It is a given that there will be many perspectives who will want to engage in the CCDF state plan and therefore the Department should provide multiple webinars for specific audiences such as: ECE workforce members, members of state/local government, and/or parents. See example [here](#).
  - To accommodate those who do not have access to stable internet, we would recommend holding hybrid and/or in-person public meetings.
- Publish in real-time the public comments received.
  - For this process in other states, other states actually publish the public comments (anonymously) that they receive in real-time to ensure transparency for the broader public. See example [here](#). We encourage the Department to consider implementing this tactic for this year's public comment so the public can see what other members of the ECE ecosystem think should change.

We further recommend that all the above materials be translated into multiple languages and that live translation be available for any webinars.

### **2.1.1. Improving Practices to Reduce Barriers to Enrollment**

As we move to a single agency and continue to center the needs and preferences of families, we should continue to strive for the easiest possible way to engage with the ECE system. That begins with how families access and apply for services. While the Department develops an online subsidy application, it should also consider further reducing the burden on families by:

- Working to determine eligibility and redetermination within 10 working days upon receipt of all required documents from the family,

- Utilizing the Department’s database for information in lieu of some required documents to reduce repetition and redundancy for families, and
- Developing a plan for establishing presumptive eligibility and leveraging eligibility from other public assistance programs to improve services to families enrolling in child care assistance.

**2.2.4. Initial Eligibility: Income Limits**

We, the Village recommends the Department change its application and redetermination income guidelines to 85% of State Median Income, the maximum allowable under federal regulations, reducing the burden of the cost of child care for more families across the state.

**2.3.1 Lead Agency Definition of Priority Groups**

Given the expected increased CCDF funding at the federal level, it is critical for the Department and its Division of Early Childhood to be forward-thinking about the inclusion of priority populations that reflect the demographic shifts for children and families 0-5. Over the years, the multilingual learner (MLs) population has increased significantly, with no signs of slowing down given the influx of new arrivals. In 2023, MLs represented 14.6% of the student population, a jump from 11.7% in 2018. The majority of English Learners are concentrated in the early years (birth to third grade). Access to critical early care and education services, like childcare, has life-long benefits for this population.

Recommendation- Add Item C and D as defined priority groups.

- Item C: Families in the process of seeking asylum and refugee legal protection.
- Item D: Multilingual learner (ML) are children with a home language other than English. They are learning multiple languages and require services like Bilingual Education or ESL.

**2.3.2 Prioritization of Childcare Services**

We, the Village recommends the Department amend how the Department will prioritize childcare services for the following children and families in section 2.3.2 to include:

- Multilingual Learner- Pay higher rate for access to higher quality care.
- Families seeking Asylum and Refugee protections- Waive copayments described in 3.3.1.

These recommendations are consistent with those in the previous section.

**2.5.2 Minimum 12-Month Eligibility**

We, the Village recommends the Department implement 12-month minimum eligibility when children are newly added to a family already participating in the subsidy program. Extending eligibility beyond 12 months when a new child is added to a family already participating in child care subsidy will eliminate additional bureaucratic barriers and support continuous care for all children. This policy incurs minimal to no costs on the state, as redeterminations for families with multiple children narrowly result in denials for the first child. We urge the Department to strongly reconsider this policy and take the steps necessary to implement.

### **2.5.3. Job Search and Continued Assistance**

We recognize that through June 30, 2024, parents/guardians can request child care assistance for a 3-month Initial Activity Search (IAS). IAS is particularly important to families both our recommended priority populations and current priority populations, such as families facing barriers due to immigration status and parents of children with disabilities, who are less likely to have informal child care supports to help them find work or enroll in school. Further, supporting families who face barriers to finding work and further their education through child care subsidy has the potential to grow the Illinois economy and reduce other state benefits needed to support these families. Lastly and most importantly, continuity of care provides stability for children ultimately supporting the healthy development of children.

We strongly encourage the Department to prioritize funding and sustaining IAS in future appropriations activities.

### **3.3.1 Waiving Family Co-Payment**

We, the Village recommends the Department waive co-payments for eligible families with income up to 150 percent for the Federal Poverty Level. Lowering child care costs for families is central to removing barriers and supporting equal access to care. Unaffordable co-payments for families with very low income undermine parental choice. By waiving these co-payments all together, we are decreasing barriers and are supporting families that are most in need of state support to access high-quality child care.

### **4.2.1 Completion of the Market Rate Survey or ACF Pre-Approved Alternative Methodology**

The Department uses the market rate survey, a methodology that sets future maximum payment rates based on past market rates charged, making them unresponsive to market or economic changes. By the final year the Department uses the payment rates, the underlying data could represent the child care market of up to five years prior. The Department should incorporate both a market rate survey and an alternative methodology such as the Narrow Cost Analysis as was done in 2022 - or at the least

update the 2022 model every year. While it is noted in section 4.2.2. that the previous narrow cost analysis estimates cost of care for base licensing requirements, the model should go further and estimate the cost of higher-quality care, as was done in the 2021 Funding Commission Report. The Department should model costs that go above and beyond licensing standards and estimate costs associated with services in an adequate system. Reflecting current costs reflects just that, and does not allow the Department to envision a system that is more adequate and equitable for children.

This is a particularly relevant issue now given the updated information on rates in the recently released FY23 Market Rate Survey. See below:

#### Licensed Child Care Centers

- In FY23, IDHS' subsidy rates fell below the 50th percentile of the market rate in Chicago for all age groups - *a stark departure from the FY21 subsidy rates*. In FY23, subsidy rates in Chicago fell between 16-18%.
- In FY21, IDHS' subsidy rates in Group II (anything outside of Chicago and the Chicago suburbs) covered between 80-90% of the market. In FY23, subsidies cover between 65% and 76%.

#### Licensed Child Care Homes

- There has been a steady decline in the purchasing power of the subsidy across the entire market for family child care homes. In FY23, subsidy rates in Chicago fell between 20-32%.
- In FY21, IDHS' subsidy rates in Group II (anything outside of Chicago and the Chicago suburbs) covered between 91-95% of the market. In FY23, subsidies cover between 43-53% - *this is a drastic change for family child care providers*.

By using a narrow cost analysis in addition to market rates, the Department can better evaluate the gap between costs and payment rates as part of their strategic, long-term approach to setting rates that support equal access across geography, program type, and age group served.

#### **4.3.2 Base Payment Rates**

As evidenced by the data presented above, there have been significant decreases in the CCAP subsidy and the purchasing power of the subsidy across the market for both licensed child care centers and homes. We, the Village recommends that the Department pay at least the Federally recommended benchmark of the 75th percentile for base rates. Low rates reduces CCAP family choice and cause many CCAP families to pay additional costs. As evidenced in the FY23 Market Rate Survey:

- For Licensed Child Care Center Providers, roughly 77% of all centers charge a registration/application fee and 27% required an additional deposit

- For Licensed Family Child Care Providers, roughly 23% of all family child care providers charged a registration/application fee and approximately 27% required an additional deposit.
- For Licensed Family Child Care Group Home Providers, over one-quarter (29.7%) charge a registration fee while 33% require a deposit.

Charging additional fees is a widespread and common practice across all provider types due to low rates - passing on additional financial burden to families who are already limited in their financial resources.

#### **4.4.1 Prospective and Enrollment-Based Payment Practices**

We understand the Department has submitted a 2-year waiver to make the policy change to pay providers prospectively instead of in arrears in accordance to updated CCDF federal regulatory changes. We applaud the Department for taking this step - as it will likely have a massive impact on current providers. Lastly, as noted as one of the barriers to provider participation in the program - retrospective payments was listed. By changing this payment structure, we expect an increase in provider participation rates.

To keep consistency with the updated CCDF federal regulatory changes, the Department should pay providers by authorized enrollment instead of by child's attendance. Providers need predictable, stable, and adequate funding. An analysis of enrollment and payment data performed by Child Care Aware® of America showed a stabilizing effect for reimbursing providers based on enrollment<sup>1</sup>. Cost modeling reveals that making the change permanent is viable with additional resources. Predictable and stable funding can increase supply by reducing attrition and attracting new providers to enroll children with subsidies. We urge the Department to make this change.

#### **6.1.1 Strategies to Improve Recruitment, Retention, Compensation, and Well-Being**

In this section, the Department notes its work to provide health insurance benefits to home providers within SEIU. We, the Village recommends exploring options to extend this benefit beyond home providers within the union to improve recruitment, retention, and well-being across the child care sector.

#### **Appendix 1: Lead Agency Implementation Plan**

Federal CCDF rules require the Lead Agency to submit a plan with action steps, responsible entities, and expected completion date for each area of non-compliance within the plan. This section was not completed in the plan provided for public comment. We, the Village recommends that the Department share its action plans with the field, both to support transparency and to help those impacted prepare for changes

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<sup>1</sup> <https://info.childcareaware.org/blog/child-care-payments-attendance-vs.-enrollments>

to CCDF administration that may occur between now and the next iteration of the plan in 2027.

## **Conclusion**

Thank you for the opportunity to submit public comment on the [Draft Illinois Child Care and Development Fund \(CCDF\) plan FFY 2025-2027](#). The above recommendations reflect a joint effort among advocates, providers, and organizations working across the early care and education system. We believe that implementation of these recommendations would help to create a more transparent and more equitable system for child care providers and families. We would be happy to discuss these recommendations further, should it be helpful.

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We, the Village Coalition is a group of advocates, non-profit organizations, child care providers, school districts, parents and others who have come together to fight for the well-being of Illinois' youngest children. We seek adequate, equitable, sustainable, reliable funding for children's services from birth through age five. We want to ensure all children can access quality education and care, as their parents choose. We want resources to be invested in the children and communities that need it most, in order to eliminate racial, socio-economic, and other disparities. We are working together to make sure that ALL families and early childhood providers have the resources they need to help children succeed.