A Century of Caring for Children

A history of Federal and State child care legislation and programs for low income children in Illinois.

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Introduction

by Trinita Logue and Mae Hong

As the nation's social, political and economic landscape continues to change the relationship between the Federal and state government, it is important to understand and re-examine the role each has played in shaping child care and preschool programs for low-income families. The nation's unprecedented economic growth at the end of the century presents a unique set of opportunities and challenges for caring for the nation's children, since much of this growth is the result of a female work force. This analysis of the major legislation during the last 100 years provides a framework for shaping the debate on the future of the Illinois child care system. Furthermore, it reinforces the tension that has long existed among the four features of any successful system: standards, affordability, accessibility and ease of use. It also illustrates how public policy has attempted to resolve these tensions at different points and with various strategies.

From the 1960s until recently, the federal government laid the foundation for most child care and early education programs. Illinois has a long history of entering into contracts with nonprofit organizations as its primary method of service delivery for many publicly-funded programs, including child care. During the last 10 years, however, states have increasingly demanded or been given more initiative to design their own regulatory standards and delivery systems. Increased state control in child care spending poses several opportunities and challenges. By managing fewer funding streams, the state can reduce administrative costs and design a child care system that is more efficient and responsive to the needs of families. However, reduced federal involvement also presents new uncertainties. Child care demand will increase significantly as a result of federal policy, creating new pressures on the states.

"A 1994 report from the federal General Accounting Office (GAO) identified more than 90 federal early childhood programs in 11 federal agencies and 20 offices."

Louis Stoney and Mark Greenberg, "The Financing of Child Care: Current and Emerging Trends." *The Future of Children: Financing Child Care.* Vol. 6. No. 2. 1996.

The following history illustrates how government-funded child care and preschool services in Illinois have developed through the 20th Century. This overview emphasizes major legislation, regulatory and administrative changes, public policy initiatives, and funding, recognizing that legislation at all levels of government arises from the influence of many parties: other levels of government, advocates, concerned citizens, the media, the health of the economy and national sentiment. The numerous factors leading to the legislation are not discussed here, nor are minor changes, technical corrections or explanations of how programs operate.

This history may suggest several questions for researchers, policymakers, child care advocates, and child care providers: How should the state define its new relationship to the federal government? What body will hold the state accountable for appropriate allocation of child care funds and regulation? What new strategies or resources are needed to design a comprehensive early childhood development system that meets the needs of working families and prepares young children for school?

"Over the past 60 years, [child care] funding has fluctuated in amount and purpose, with the result that today's child care financing system is a confused collection of funding streams with no uniform goals, standards, or administrative structure . . . the federal child care financing system that has evolved is really no system at all."

Abby Cohen, "A Brief History of Federal Financing for Child Care in the United States", *The Future of Children: Financing Child Care*. Vol. 6. No. 2 1996.

By carefully analyzing the history of legislation and public policy initiatives, which represents and documents public policy, public attitudes toward low-income families, and public sentiment about where and how to allocate resources, leaders in the field of early childhood development should be able to anticipate—if not influence—system improvements.

Federal legislation appears in the left column and state legislation in the right. Comments and observations are interspersed throughout. Arrows indicate that a state initiative occurred in response to federal action. Legislative citations are listed when appropriate.

"Child care" is defined and used throughout this report as care provided to children from birth through five years old by an adult other than a child's parent. It includes programs also referred to as 'day care,' 'early childhood education' and 'child development.'

Prior to the 1950s, government support of child care and preschool programs as an ongoing commitment was relatively non-existent except during World War II. In the early half of the century, society's notion of child care was quite different from today's concept. The first laws dealt with orphanages and homes that served totally dependent and/or delinquent children, coinciding with the establishment of the country's first juvenile justice system. When child care and preschool were available in low-income communities, it stemmed from the initiative of private citizens. Jane Addams, for example, opened Chicago's first playground in 1884 and started a kindergarten at the Hull House settlement in 1889. Legislation first acknowledged "day nurseries" in the 1930s. The early laws set the precedent for future government regulation and funding of children's services.

FEDERAL INITIATIVES

1912
The U.S. Department of Health, Education and Welfare established the Children's Bureau of the department. The agency established licensing standards for children's institutions.

1933
Approximately 75,000 children enrolled in 1,900 nursery schools established by the Works Progress Administration (WPA), one of the agencies established by the federal government to promote economic recovery from the Depression. Only children from "home relief" (an early version of public assistance) families were eligible. The last WPA school closed in 1943.

1935
Congress passed the Social Security Act, which established widow's pensions and other social benefits.

1940
Congress passed the Lanham Act, which provided federal grants and loans to public or private agencies for the operation of public works. A later administrative decree included child care facilities and programs in certain areas as eligible for these funds.

1942
The War Manpower Commission issued a statement articulating that employers should not set up barriers to maternal employment, and that hours and shifts should cause the least disruption in child rearing and family life. Furthermore, it stated that when needed, child care facilities under community auspices should be developed. Subsidies covered construction in addition to operating costs.

The $6 million that had been authorized in the WPA child care program was shifted to Lanham Act funds, which covered child care services so all mothers (not just those receiving "home relief") could be employed in wartime industry. Most child care was provided by education agencies in centers, which usually charged flat fees between 50 cents and 75 cents per day.

Initial public outcry at the prospect of terminating these programs after the war caused President Truman to request a $7 million appropriation to continue the child care programs through 1946. Funding ceased after 1946, and most states, including Illinois, closed their programs. A notable exception was California, which continued to provide child care. California had received the largest share of Lanham Act funds during the war.

Comment:
The WWII program established an important relationship between working and the provision of child care for all women. Later developments reinforced this relationship: The Equal Pay Act of 1963 and Titles VII and IX of the Civil Rights Act of 1964 made equal opportunity in education and employment for all women a national goal. Then in 1981, the Civil Rights Commission issued a report called "Child Care and Equal Opportunity for Women," which recognized the link between child care and women's opportunities. (Source: Abby Cohen, "A Brief History of Federal Financing for Child Care in the United States." ***The Future of Children: Financing Child Care.*** **Vol. 6. No. 2 1996.)**

STATE INITIATIVES

1905
Illinois authorized the operation of boarding homes and family homes for the care of orphaned and delinquent children. The only regulation for operators of these homes was to record the names of the children, their parents, siblings, and relatives. The state also established a team of "visitors" to oversee the homes.

From the first Illinois law: *". . . employees provided for and selected to control and manage such homes shall consist of a discreet woman of good moral character, or a man and a woman of good moral character, . . . and who shall reside therein, and at least one of whom shall be competent to teach and instruct children in branches of education similar to those embraced in the curriculum of the public schools of the county up to and including the eighth grade."*

1919
The Boarding House Bill introduced the first licensing requirements in homes for children. The bill also established guidelines about quality of care. Agencies were required to provide a level of care on par with that provided by "worthy parents from average homes." The Illinois Department of Public Welfare was charged with licensing and monitoring these homes.

1933
Legislation referred to "day nurseries" and "teaching schools" for pre-schoolers for the first time. However, the licensing and quality standards for these nurseries and schools were not differentiated from those required for orphanages and boarding homes. Emphasis remained on overseeing those providing room and board to orphans or delinquents.

1957
The Child Care Act of 1957 marked the first time that Illinois differentiated child care centers from institutions for wards of the state. Licensing and regulatory requirements were minimal, however.

1963
Illinois created the Department of Children and Family Services (DCFS) to enforce the Child Care Act of 1957 and to regulate most child and family social services in the state. In addition to these duties, DCFS was responsible for establishing day care programs in parts of the state without existing programs.
20 ILCS 505 1 et seq. and 20 ILCS 510/65.3.

Comment:
The 1957 Child Care Act and the creation of DCFS in 1963 were the first major state initiatives without a direct mandate from the federal government. The licensing standards established through the Child Care Act of 1969 set the precedent for staffing ratios, licensing standards and background checks. However, few programs without federal support have had enough funds to address needs on any scale.

FEDERAL INITIATIVES

The Children's Bureau created the first federal child care standards and recommended a staff-to-child ratio of one to 10.

1953
The Children's Bureau created new child care standards, but did not include any standards for children under the age of three.

1962
Title IV-A of the Social Security Act funded child care services for parents receiving Aid to Families with Dependent Children (AFDC). These funds allowed parents to participate in work and training programs. The program required a 25% state match.

1965
The Economic Opportunity Act created Head Start to provide a pre-kindergarten educational experience to children in poverty. It was also intended to reach the mothers with support services to assist them with health and social services and child development skills. The Act also provided grants to community action agencies for anti-poverty projects, including child care services. The first Head Start program in Illinois opened in the summer of 1966.

Head Start was intended to be a comprehensive child development tool rather than supervisory care for working parents. Head Start was modeled on nursery school programs for higher income families: part-day, part-week, part-year. This assumed that parents were not working and could participate in the programs with their children, just as higher income parents participated with their children in nursery schools. Most Head Start parents were also AFDC recipients.

Title I of the Elementary and Secondary Education Act established Compensatory Preschool Programs as part of a nationwide plan to provide compensatory education to disadvantaged children.

1967
Title IV-A of the Social Security Act established WIN Child Care Services to enable parents receiving Aid to Families with Dependent Children (AFDC) to participate in the Work Incentive (WIN) Program. The act required a state funding match of 25%.

1968
The government issued the Federal Interagency Day Care Regulations (FIDCR), which specified stringent staffing ratios and other requirements for child care programs receiving federal funds.

The new Special Food Service Program established a Child Care Food Program component to reimburse child care centers for meals provided to children.

1969
A federal Office of Child Development was established in the U.S. Department of Health, Education and Welfare.

STATE INITIATIVES

1969
Public school districts were allowed to establish child care and training centers "to assist preschool children with attaining their greatest potential during their school years and provide daycare when required by the absence of parents or guardians." School districts were required to pay the operating costs of these centers out of the districts' funds, except for the costs of providing services to children who receive Aid to Families with Dependent Children (AFDC) from the Illinois Department of Public Aid (IDPA). *105 ILCS 5/10-22-18a.*

DCFS began the Child Care Expansion Program to make grants to local government and nonprofits to expand existing child care facilities and to encourage development of new facilities. The maximum grant was $10,000. *20 ILCS 505/22.1*

1970
The Illinois Child Care Act (passed in 1969) defined various child care arrangements and set minimum licensing and performance standards for each. The majority of today's laws concerning the licensing and operation of child care institutions were included in this Act and amendments to it. The Department of Children and Family Services was designated with creating standards, licensing, and overseeing all child care in Illinois. *225 ILCS 10/1 et seq.*

1971
DCFS established day care facilities for the children of migrant workers in Illinois. *20 ILCS 505/22.1.*

1972
Townships were permitted to establish and fund contracts directly with other organizations to provide day care services for township residents. *60 ILCS 5/13-20.*

The State Superintendent of Education awarded Early Childhood Education Certificates. *105 ILCS 521-2.1.*

FEDERAL INITIATIVES

1971
This marked the first year of an organized, multi-faceted attempt by supporters of child care to achieve a comprehensive federal program. Stakeholders brought together the interdependent concerns about child development, working parents, economic development, and education to propose the Comprehensive Child Development Act of 1971. The bill declared that comprehensive child development should be available to all parents, on an income-based sliding scale, regardless of social or economic background. The bill was funded by the Congress at $2 billion in 1970 dollars. The bill also defined quality standards and allowed funds to be used to meet standards and to purchase facilities. Despite wide public support, President Nixon vetoed the bill. This Act represented the first and only effort to create a true system of early childhood care and education for all working parents.

1975
The federal government added Title XX to the Social Security Act, revising requirements for AFDC social services previously provided under Title IV-A, including child care. This expanded eligibility to include low-income families not receiving AFDC. States had broad discretion to fund an array of social services. Many states used Title XX as the only public source of funds for child care. The law required a state match of 25%. Title XX funds for child care increased in 1976 and 1978.*Federal Social Services Law, P.L. 93-647.*

AFDC Child Care Income Disregard allowed working AFDC parents to deduct child care expenses from their earned income when calculating their monthly grant.

The federal government implemented new FIDCR rules, then suspended them when it was discovered that most states weren't meeting the original FIDCR requirements.

The government established the Child Care Food Program as a separate program and expanded it to include family day care providers. *P.L. 94-105.*

1976
The government established the Child and Dependent Care Tax Credit. This allows working families to claim a credit against taxes owed for up to 20% of their expenditures for child care, based on income. The credit applied to the first $2,000 in expenses for the first child and the first $4,000 for two or more children. *Tax Reform Act.*

Comment:
Federal programs implemented during the 1960s were the foundation of today's child care system for low-income families. The federal government has continued its role in designing and funding child care and preschool programs to this day. As the 1960s progressed, states became increasingly beholden to Washington's new-found interest in anti-poverty programs.

STATE INITIATIVES

1975
The General Assembly mandated DCFS to complete an annual statewide plan for child care, subject to the Governor's approval. The plan must emphasize increasing the amount of child care available in low-income areas and to AFDC recipients in employment training programs. *20 ILCS 505/5.*

1976
In *Youakim v. Miller* the Supreme Court ruled that Illinois had discriminated against foster parents caring for children related to them by denying them the same financial support received by unrelated foster parents, including eligibility for child care services. *225 ILCS 10/2.05.*

The state defined child care as a 100% reimbursable service that can be paid by DCFS. *20 ILCS 505/5a.*

The Child Care Act was amended to expand the definition of "day care agency." The new definition included organizations that provide consulting, technical assistance, evaluation, referral, and health or social services under contract to child care providers. *225 ILCS 10/2.11*

Licensed day care centers are included with organizations that are awarded service and sales tax exemptions.
35 ILCS 115/2c and 35 ILCS 120/2h

The Township law is amended to allow townships to contract for subsidized child care with for-profit agencies.*60 ILCS 5/13-20*

Comment:
Before Title XX in 1975, little attention had been paid to the premise that child care was an important tool for keeping working poor parents employed. Title XX, which greatly increased the funds available for child care, also gave the states freedom to distribute money among different programs. This, along with the relaxed FIDCR, was an early indication that the federal government would assume less regulatory responsibility in the future.

Like other social service programs, child care and preschool funding took a hard hit in the early 1980s. As the decade progressed, however, funding for most programs was restored to previous levels and some new programs were introduced. During the 1980s, the federal and state government struggled to meet the existing goals of the child care and preschool programs and respond to new challenges: providing preschool to disabled and educationally at-risk children, providing child care for the working poor, and using child care as a means of moving families off welfare.

FEDERAL INITIATIVES

1980
The government again adopted new FIDCR rules to ease staffing ratios. The regulations were never implemented, and the federal government stopped regulating child care altogether, leaving this responsibility to the states.

1981
The Economic Recovery Act revised the Child Care Tax Credit. Taxpayers could claim up to 30% of child care expenses up to $2,400 for one child and $4,800 for two or more. It was also structured as a sliding scale to provide more relief to those earning less income.

1982
The federal government established nine Block Grants, restructuring federal funding of health and human services. Title XX became the Social Services Block Grant and was reduced by 23%. The $200 million portion of Title XX that had been earmarked for child care was eliminated, as were the various reporting and regulatory requirements tied to child care funds. The goal was to reduce the size and involvement of the federal government and give more discretion to the states in providing an array of social services. The SSBG incorporated a Certified Local Effort Grant to subsidize child care for families employed or in a training program. Local government provided a 25% match. The law abolished the Community Services Administration, but funding for community action agencies, some of which provided child care, continued through the Community Services Block Grant.
Omnibus Budget Reconciliation Act of 1981.

The government cut the Child Care Food Program by 30%, reducing meal reimbursements.

It also capped the AFDC Child Care Income Disregard at $160 per month per child.

Comment:
These two provisions acknowledge that all parents—poor and not poor—need assistance with child care expenses.

1986
The government established the Handicapped Preschool Program. This required states to provide early education to all preschoolers with mild disabilities within five years or lose all special education funding for the age group. Therapeutic services had to be provided in mainstream settings whenever possible.
Amendments to the Education for the Handicapped Act. P.L. 99-457.

The government established the Early Intervention Program. This gave states incentives to set up comprehensive systems for identifying and serving infants and toddlers with disabilities, developmental delays, or risk conditions.
Amendments to the Education for the Handicapped Act, P.L. 99-457.

STATE INITIATIVES

1984
The General Assembly passed the General Obligation Bond Act, which made $241,665,468 in bonds available to fund child care facilities, mental health and public health facilities, and facilities for the care of disabled veterans and their spouses.
30 ILCS 330/3

1986
The Illinois State Board of Education established pilot programs to provide services to academically at-risk pre-schoolers and their families. Through contracts with public or nonprofit agencies, the program required a parent education component and a case management component to coordinate the program with existing services. This became known as Pre-Kindergarten.
105 ILCS 5/2-3.88.

The state established the Emergency Employment Development Act to provide training and employment for persons in high unemployment areas. Funds from the program may be used to provide child care services or subsidies to applicants employed under the program. DCFS was required to provide parents with lists of licensed local day care centers. IDPA was required to inform each applicant for public aid about the program and the availability of child care.
20 ILCS 630/6 and 7.

The State Agency Employees Child Care Services Act allowed the Department of Management Services to authorize other state agencies to contract for child care services for their employees. For this purpose day care centers were allowed to operate in state owned or leased facilities. *30 ILCS 590 et seq.*

FEDERAL INITIATIVES

Comment:
The Family Support Act (FSA) of 1988 and the Child Care and Development Block Grant (CCDBG) in 1990 improved the quality, affordability, and accessibility of child care for low-income families. To be eligible for these funds, parents had to be working or in training, or need child protective services or foster care. Family income could not exceed 75% of the state median income. The laws also capped reimbursement rates to providers at 75% of the current market rates based on biennial market surveys.

1988
Title IV-A of the Social Security Act established the Transitional Child Care program and the AFDC Child Care Guarantee. The former required states to provide 12 months of transitional child care to all AFDC parents who became employed, beginning April 1990. This required a 50% state match. The latter required states to guarantee child care for all AFDC parents who were working or in education and training programs, beginning October 1990. Title IV-A funds were also available to states for child care services provided to AFDC parents participating in the new federal JOBS program. This also required a 50% state match. *Family Support Act P.L. 100-485.*

Comment:
These provisions marked the first time that child care became an entitlement for those meeting the eligibility requirements. It also made the policy link between child care and self sufficiency for the first time.

The AFDC Child Care Income Disregard increased to $175 per month for children over age two and $200 per month for younger children. *Family Support Act P.L. 100-485.*

"[The Family Support Act] marked the first time public subsidies were linked to the private child care market. States conducted market rate surveys to determine payments for child care, with varying results across states. . . Higher rates tended to encourage more providers to accept children with subsidies, thereby expanding the child care choices of low-income families."

Abby Cohen, J.D., Child Care Law Center "A Brief History of Federal Financing for Child Care in the United States"
The Future of Children: Financing Child Care. Vol. 6. No. 2 1996

STATE INITIATIVES

1988
Public aid recipients who gain employment were guaranteed child care for twelve months after the cancellation of their aid. Eligibility for the subsidy and the amount of child care provided by IDPA was determined by family size and income. Former recipients who needed child care to remain employed were also eligible for assistance.
305 ILCS 5/9-6.3 and 6.4.

1989
The Child Care Expansion Program, a state income tax return check-off system, is established. Approximately $75,000 was raised the first year. A negligible amount of money has been raised since then.
ILCS 5/507B.

1989
Governor James Thompson, at the urging of the directors of the Departments of Public Aid and Children and Family Services, convened a Child Care Summit to recommend non-budgetary short and long term strategies for improving the existing child care delivery system. The report identified ten different child care programs within state government that could be working together more closely for the benefit of families and to improve government efficiency. The report also identified eight principles to guide the development of a new child care system.

1990
Child Care was guaranteed for individuals receiving public aid to take part in employment and job training programs, including all federal JOBS programs. Illinois began to use an increasing amount of child care funds in voucher programs for these individuals. Child care also was guaranteed for recipients of Supplemental Security Income as well as foster parents receiving AFDC. *305 ILCS 5/9A-11.*

The General Assembly mandated a statewide day care plan that would include recommendations for increasing wages and an evaluation of the fee structure and income eligibility. DCFS also was required to establish the Child Care Resource and Referral (CCR&R) system throughout the state by 1992. (CCR&R maintains a database of providers, conducts parent education, assists applicants for subsidized care, and offers a variety of services to maintain and strengthen child care providers.) *20 ILCS 505/5.*

The State Board of Education provided grants for model early childhood and parent training programs. Districts were authorized to contract directly with public or nonprofit agencies to provide training in prenatal development, child growth, and parenting skills. Districts could also provide the services directly. *105 ILCS 5/2-3.71a.*

1991
The General Assembly established a special Child Care and Development Fund through the State Treasurer's Office. Deposits to this fund consisted of receipts from the federal Child Care and Development Block Grant Program. *30 ILCS 105/5.314.*

1990

Congress created the Child Care and Development Block Grant (CCDBG) to improve the quality, affordability and accessibility of child care for low-income parents who were working or in some work-related education or activity. The block grant required states to use 75% of their CCDBG funds for subsidies to families and 25% for early childhood development, school age programs, and quality improvement projects. No other regulatory requirements were included. The program was authorized at $2.5 billion over five years, with reauthorization set for 1995. No state match was required. *Omnibus Budget Reconciliation Act of 1990, P.L. 101-508.*

Title IV-A of the Social Security Act established the At-Risk Child Care Program to provide child care to families at risk of welfare dependency. This program was funded at $300 million annually for five years with a required state match of 50%.
Omnibus Budget Reconciliation Act of 1990, P.L. 101-508.

The federal government reauthorized Head Start at levels intended to serve all eligible three and four year olds within four years, increasing Head Start funding from $1.6 billion in 1990 to an authorized $7.6 billion in 1994. The amount actually appropriated for 1994 was $3.3 billion. Reauthorization required 25% of new funds to be used for quality improvements, half of which must be spent on increased salaries. *H.R. 4151, Human Services Reauthorization Bill.*

The federal government expanded the Earned Income Tax Credit (EITC) for working families with children. A young child supplement and a health care supplement also was included but was eliminated in 1994 to fund greater expansion of the basic EITC.
Omnibus Budget Reconciliation Act of 1990, P.L. 101-508.

The federal government enacted the Americans with Disabilities Act (ADA) to ensure that all individuals with disabilities have reasonable access to public accommodations; including child care facilities, beginning January 26, 1992.

Child Care Facility Development Program

As a result of the Governor's Summit on Child Care, the Department of Children and Family Services entered into a real estate development partnership with the Illinois Facilities Fund to construct seven child care centers in underserved communities throughout the state. The innovative partnership resulted in 1,200 new licensed slots, including an increase in infant care of more than 5% for the state.

1992

The state established the Child Care Providers Demonstration Project to meet the demand for child care in the state. Funds for this program came from the Child Care and Development Block Grant. The program provided training to people to become home child care providers and provided grants to renovate and convert existing child care centers. *20 ILCS 505/34/10*

1993

The state eliminated the Income Disregard and introduced Work Pays: AFDC Plus Direct Pay Child Care to support families transitioning off AFDC. Work Pays allowed AFDC recipients to continue to receive a cash grant that was reduced $1 for every $3 earned until their earnings exceeded the federal poverty level. Participants also kept their Medicaid assistance. Child care vouchers continued to increase dramatically.

As a result of *Dubose et al v. Bradley*, IDPA was required to provide child care assistance to AFDC recipients enrolled in any approved education or training activity, regardless whether the program was funded by the federal JOBS program.

State universities were allowed to expend funds to provide day care services for their employees. *305 ILCS 305/1d; 520 ILCS 305/1d; 605 ILCS 305/1d; and 705 ILCS 305 1d*

Comment:

By the 1990s, Illinois' child care and early education system consisted of numerous programs and funding streams. Other than the core programs to subsidize care for low-income families, programs created during this era include: The Dependent Care Block Grant to expand or improve school-age child care programs; The Temporary Child Care and Crisis Nursery Program to serve children at-risk of an out-of-home placement because of health or abuse problems; and The Donated Funds Initiative to encourage social service agencies to deliver child care by matching privately raised dollars 3-to-1. ISBE used federal Chapter 1 funds and funds from The Individuals with Disabilities Act to provide a range of educational services for at-risk children. Protective Service Child Care provided services to children at risk of abuse, neglect, or exploitation without removing them from the home. Families with a Future provided care for children under one year of age at risk of infant mortality. ISBE's Prevention Institute served children from this program and other children from identified geographic areas.

FEDERAL INITIATIVES

1993
The Family and Medical Leave Act gave employees of large businesses the right to take an unpaid leave upon the birth or adoption of a child or serious illness of a family member. Employees were entitled up to 12 weeks per year.

1994
In response to legislation supported by the Clinton Administration, the Department of Health and Human Services announced that it would grant waivers from federal welfare laws in order for states to develop welfare reform demonstration projects. By March 1996, 43 states had instituted demonstration projects.

The 1994 reauthorization of Head Start created a new initiative to extend Head Start to infants, toddlers, and pregnant women and their families. The new Early Head Start stemmed from the growing recognition that the period from birth to three years is critical to health, development and school readiness. The program began in 1995 with $47 million but grew to more than $300 million by the end of the decade.

1995
The Child Care Bureau was established in the Administration for Children and Families of the Department of Health and Human Services in January 1995, to administer federal child care programs to states, territories and tribes for low-income children and families. The Bureau has initiated a variety of activities to improve the quality, availability and affordability of child care across the country.

1996
The Federal Budget passed in April cut Social Security Block Grant (SSBG) funds by 15%, and Title IV-A At-Risk Child Care by 16%. It eliminated the Dependent Care Block Grant. Head Start funding increased 3% from the previous year. CCDBG funding remained stable.

In August President Bill Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, which eliminated all federal entitlements to individuals and replaced them with block grants to states.

Comment:
In Illinois, expenditures for welfare-related child care increased more than 300 percent from 1993 to 1996, due to the increase in AFDC recipients participating in the Work Pays initiative. When child care had been a welfare-related entitlement, the federal government matched half of these additional expenditures. Under the new Child Care Block Grant, all growth in child care beyond the state's capped allotment must be covered entirely by the state.

STATE INITIATIVES

1994
A portion of the funds for the Guaranteed Job Opportunity Act, which used federal funds to provide training and subsidized employment for unemployed adults, are set aside for child care. *20 ILCS 1510/40*

1995
In mid-1995 the state announced its intention to effectively challenge the decision in *Youakim v. Miller.* If successful, the state could reduce payments to foster parents caring for children related to them, including for child care services.

In October the state's welfare reform demonstration project was approved by the federal government. Two of the primary components of the project were the Get a Job Initiative and the Targeted Work Initiative. Both programs imposed work requirements. The former required job-ready applicants with children between five and 12 years to take part in a job search program for up to six months. No support for child care was mandated for participants in the program. Transitional Child Care continued to operate. *Federal Register, Vol. 60, Page 41706.*

1996
On July 1, 1996 Governor Jim Edgar announced a plan to consolidate all or parts of seven Illinois human service agencies into a single Department of Human Services, effective July 1, 1997. All child care functions previously handled by DCFS and DPA were to be handled by the new department. This coincided with the consolidation of the various child care funding streams at the federal level. This presented Illinois with the first opportunity to create a single, seamless child care system. Head Start and Pre-Kindergarten programs were not included in the consolidation.

In September Illinois began a public process to include all appropriate stakeholders in the development of the state's plan for child care under welfare reform. DPA conducted public hearings to address eligibility factors, parent fees, quality, reimbursement rates and target populations. The new plan was submitted for federal approval by July 1, 1997.

The law replaced AFDC with the Temporary Assistance to Needy Families (TANF) block grant, and imposed work requirements and time limits for benefits on all recipients. At the same time, the law repealed all federal child care guarantee provisions for welfare recipients. The child care entitlements under Title IV-A (AFDC, Transitional, and At-Risk child care) were consolidated with the Child Care and Development Block Grant to create a Child Care and Development Fund (CCDF). The CCDF is administered as a block grant to states. Although the law contained basic requirements, most decisions about the use of funds were left to the states. The welfare reform law significantly increased the need for child care because of the strict work requirements placed on parents receiving TANF. However, the new provisions do not guarantee child care services in order to fulfill the work requirements. Funding for TANF and child care is capped. No changes to the half-day Head Start programs in purpose or structure were made.

1998
Congress reauthorized Head Start for another five years, through FY 2003. The reauthorization occurred without specific funding levels, which means Congress will decide annually how much to spend on the program. No minimum or maximum levels were outlined. The reauthorization included several key changes to the Head Start Act: it allowed for-profit corporations to become Head Start providers; it required that 60% of the funds be used for quality (rather than expansion), declining to 25% in FY 2003; it encouraged more and better collaboration with other early childhood care and development programs in order to "plan for the provision of full working day, full calendar year early care and education services for children." *P.L. 105-285.*

Conclusion

Although Illinois has made significant progress over the last century in allocating resources and developing programs to meet the needs of children and families, numerous challenges remain. Too many communities throughout the state still have no licensed or center-based child care; too many children are in piece-meal arrangements that jeopardize consistent and stable child development; too many parents have little or no choice in child care options; too many children enter kindergarten unprepared.

A century of caring for children has created a state child care system—despite its many resources—that is still fragmented and unnecessarily complex. Competing goals, values and needs preclude a concerted effort for systematic improvement. The current structure presents nothing short of an imperative for a new vision. The next century of caring for children will require leadership, creativity and tenacity. Illinois is well-positioned to take the first step in leading the drive toward a true system of early care and education for all children.

1997
Illinois' new child care plan went into effect. The new system serves all working families earning less than 50 percent of the State Median Income, regardless of welfare status. The consolidated system eliminated the dichotomy between working poor parents and welfare recipients. Eligibility for the child care subsidy is determined exclusively by income and work status. The new system also increased parent fees substantially (in some cases by more than 100 percent) in order to cover more families. The new system serves all eligible families below the income level and thereby eliminates waiting lists for subsidies. This does not, however, mean that waiting lists for a particular type of care have been eliminated.

1998
The Illinois Department of Human Services increased significantly the reimbursement rates for child care.

1999
The Illinois Department of Human Services expanded child care eligibility to non-welfare parents who participated in education or training activities. A series of conditions and time limits applies. However, this represented a significant shift recognizing that providing child care for parents in education and training could be important factors in a family's economic well being.

“The relationship between child care and the tax system illustrates the evolution of the recognition that all parents — poor and not poor — need assistance with child care expenses. Prior to 1950, the U.S. Tax Court prohibited women from deducting their child care expenses from their gross income because of its “inherently personal” nature. In 1954, the Court allowed a special dependent care deduction (up to $600) for employed widows and widowers, mothers with husbands who were unable to work, and divorced or separated parents. Deductible amounts and income limits changed ten years later. In 1976, the deduction was replaced by a tax credit, reflecting the desire to assist all taxpayers, particularly those earning less income.”

“The tax credit is nonrefundable, which means that those earning too little to pay taxes cannot benefit from the credit. It does not cover the cost of child care, and it requires parents to pay out-of-pocket first and then claim the credit at the end of the year. Despite these limitations, it remains the largest public investment in child care.”

(Source: Abby Cohen. “A Brief History of Federal Financing for Child Care in the United States.” *The Future of Children: Financing Child Care.* Vol. 6. No. 2 1996.)

Illinois Facilities Fund
300 West Adams
Chicago, Illinois 60606

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