

The child-care solution?

Welfare reform is a slippery slope. But the state has a \$100 million plan to put families back to work.



**BY JOLANDA YOUNG
PHOTOS BY JUDY SPENCER**

With an increase in state funding for child care, 60,000 more families are expected to receive subsidies that will help them become self-sufficient.

Brenda Lee placed her youngest child on a waiting list for subsidized day care at Springfield's Family Service Center while he was still in the womb.

Based on past experiences, Lee, who now has three children—two in day care—knew if she waited for her youngest to be born she would run the risk of never receiving long-term child-care assistance. And that would mean she would be unable to work.

When she began working at Union Baptist Church's day-care center, Lee received transitional child-care assistance from the Illinois Department of Public Aid (IDPA). But that was limited to twelve months. After the twelve-month period, she was expected to pay for child care on her own, which would have cost well over \$500 per month. (Child care averages between \$65 and \$120 per week per child, depending on the age of the child.)

As the end of the twelve-month period approached, Lee began to wonder what her future would hold. "I could have gotten a second job, which would have meant I would no longer be eligible for child-care assistance. I knew that I could not afford to pay the cost of day care for two children. To pay that much would mean I would have had very little money to buy clothes and other necessities."

Lee's alternative was to quit her job and reapply for child-care assistance. That would have started the twelve-month cycle over again.

Just as she was about to quit her job, Lee received a call from Family Service Center about an opening for her youngest

child, who was then two-and-a-half years old. "I was blessed," Lee said. "Some parents never move up on the list and aren't able to work."

Child-care providers have argued for years that a key to moving families such as the Lees from welfare to work hinges on the state's ability to provide adequate and affordable child care.

At last, their voices have been heard.

On May 31, as part of the state's welfare reform plan, the General Assembly passed legislation that will substantially increase the amount of money the state spends on child-care assistance.

The welfare reform plan, which Governor Jim Edgar is expected to sign into law in coming weeks, will provide child-care assistance for families who earn half the state's median income or less.

The legislation also increases the state's funding for child care from approximately \$280 million for fiscal year 1997 to \$380.6 million for fiscal year 1998.

"This will drastically change the way the state deals with child-care assistance," said Randy Valenti, administrator of the IDPA's division of family and support services.

And other child-care professionals such as Elissa Bassler, executive director of public education and advocacy for Illinois' Day Care Action Council, agree.

"This piece of legislation fixes at least some of the problems poor families with children have faced for years," Bassler said. "It expands assistance for the working poor whether they are on welfare or not."

But most importantly, since there are no limitations as to

how long families can receive child-care assistance, the welfare reform bill is expected to substantially reduce the number of families who are on waiting lists for subsidized child care.

Because no state department keeps track of the number of families in need of child-care assistance, it is difficult to say exactly how many families are on waiting lists for subsidized child care. But child-care providers and organizations such as the Day Care Action Council, which has offices in Chicago and Springfield, estimate that 20,000 to 30,000 Illinois families are presently on waiting lists for child-care subsidies. In many cases, parents who are willing to work are forced to remain on welfare due to a lack of child care. Simply put, there are currently far too many families who need and want work, and far too few day-care slots to put their children in.

According to Bassler, of the Chicago-based Day Care Action Council, the state's welfare reform plan is likely to eliminate the enormous waiting lists that now exist for subsidized child care across the state.

Bassler: "Many families apply for assistance immediately after their child is born. A lot of them never receive it because the state is saturated with families in need of assistance. If a new legislation drastically cuts down or eliminates the number of people on the waiting list, we will have made tremendous progress."

Although the effect the legislation will actually have on the working poor remains to be seen, day-care providers, parents and supporters of the bill are optimistic the legislation will eliminate one of the hurdles keeping families on welfare.

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An estimated 20,000 to 30,000 families are currently on waiting lists for child-care assistance in Illinois.

of child care. The \$380 million the state has allocated will be distributed without regard to an individual's participation in any one program. Under the new legislation, the state cannot give preference to individuals based on their receipt of benefits.

"The emphasis will be placed on how much money families earn," said Valenti. "This will allow us to serve everyone."

Since those who have received cash benefits have had fewer problems obtaining child-care assistance, the working poor, who qualified but could not receive assistance due to program caps, are likely to gain the most from the new legislation.

In fiscal year 1997, the IDPA provided child care for approximately 100,000 children per month. "With the new legislation, we predict the department will be able to serve an additional 60,000 children—25,000 families—this fiscal year," said Valenti.

It is quite possible that the number of children DHS provides child care for could exceed the department's predictions. That's because the legislation authorizes DHS to raise the sliding-scale fees, if necessary, in an

attempt to serve all the families in need of assistance.

The sliding-scale fee dictates the amount of child-care expense parents are required to pay. The fee is based on a family's income, including any cash assistance received from the state and child support, and the number of family members. For example, based on income guidelines, a family of four with an annual income of \$15,585 would pay \$10 per week for child care for one child or \$14 for two children.

Under the current system, said Valenti, "There are families who are at or below the poverty level who pay as little as twenty-five cents a week for child care."

The sliding scale fee is certain to increase, according to Valenti. "The Senate asked us to come up with a scale charging additional fees for each child. This will allow the department to balance the amount of money allocated for child care with the number of families who are in need," she said.

"I have mixed feelings about raising parents' fees," said Wee Grow's Gibson. "I know there are lots of parents out there struggling to

child care. If you raise their fees, they will have an even bigger problem making the payments."

"There are people who desperately need help with child care," continued Lee. "I am a firm believer that it takes a village to raise a child. We all have to be willing to pitch in and help others who may be in need. That is the only way we are going to make it."

As a result of the additional funding the state plans to allocate for child care, a number of jobs in child care will become available, Valenti said. New child-care facilities are also expected to be built in disadvantage areas, opening up temporary construction jobs.

"In Chicago, six new day-care centers are expected to be built. Not only will the new centers serve more children, but there are plans to integrate other programs such as Head Start and prekindergarten into the facilities," said Valenti.

The state has also developed training programs to help individuals operate licensed home-based child care.

make ends meet, but raising the fees may be a good idea. It would take some of the burden off the state and possibly give those who've been on waiting lists for years an opportunity to receive assistance."

"Raising parents' fees could be a big mistake," said Brenda Lee, a single mom who receives child-care assistance for her two youngest children. "We already have parents on assistance who still cannot pay their portion of

Valenti: "There are lots of mothers who love children and want to stay home with their children. Our training programs allow mothers to stay home with their children and earn an income at the same time."

Family Service Center Director Forney disagrees.

"I don't think that home-care is the answer," said Forney. "Not everyone can take care of children. There are parents out there who neglect their children and are not interested in their own children's problems. It takes a very special person to care for children."

While Valenti supports the idea of welfare recipients participating in training programs and taking college courses in order to receive a certificate to provide licensed home-based care, he admits there has only been marginal interest in the programs so far. But he hopes that as the government begins moving people off the welfare rolls, more will become interested in starting day cares in their homes.

"The new legislation will allow the state to pay unlicensed relatives— aunts, uncles, cousins, or grandparents—to care for a child in their homes while parents work," Valenti said. Parents, however, cannot receive funds for caring for their own children, he noted.

The key to earning a modest income through home-based child care is becoming licensed, which requires participants to take a number of college courses. "Licensed child-care providers are paid more and are able to serve more children," Valenti said. Unlicensed relatives are only allowed to care for up to three children and are paid nine dollars a day for each child, while those who are licensed earn nearly twice as much.

Within the next year, DHS is expected to conduct a study to examine the child-care needs of the working poor. "This study will tell us if we need more center-based child-care facilities or home-based child care and where they are most needed," Valenti said.

While the success of welfare reform is uncertain, it is clear the General Assembly recognizes the need to provide child care to help parents become more self-sufficient.

"The bottom line is that if we do not offer welfare parents child care and job training, welfare reform is doomed," said Senator William Mahar (Republican, Orlando Park), who cosponsored the legislation. "I don't think the additional money will eliminate long waiting lists, but it is a good start in putting people back to work." ■

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EDITORIALS

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Can they afford to work?

There are women in the suburbs who have gotten off welfare and are struggling to make it in the world of work. Perhaps their biggest challenge is paying for child care. A single parent earning \$1,200 a month cannot spend \$800 of it on day care. It doesn't take a personal finance wizard to see how that would send such parents back onto the welfare rolls.

If welfare reform is to succeed in Illinois, a realistic solution is essential. Gov. Jim Edgar has included additional money for child care subsidies in his proposed budget, along with a fair plan for distributing them. His measure is a good start, but doesn't go far enough. It limits subsidies to parents who earn \$17,000 or less. However, single parents who earn \$17,000 to \$26,000 are still unable to pay market rates for child care and, without state assistance, may have to go back on welfare.

Illinois House Bill 630, which enjoys the support of several suburban legislators, presents a workable solution. It would offer day-care subsidies on a sliding scale to parents who earn up to \$26,000. Parents would have to pay a portion of the cost, which would be higher for those with higher incomes. The bill would help the 30,000 families now waiting for day-care assistance. It also would provide specific child care help for parents who work unusual shifts or have special-needs children, who have a harder time finding care.

Of course, there is a cost for all of this. Edgar would increase current spending by \$70 million in his plan; House Bill 630 would require \$50 million beyond that.

The House stayed in session until late Thursday night to approve the bill. Now that it has passed, the Senate ought to give it due consideration.

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▶ FIGHT FOR AFFORDABLE CHILD CARE

Hundreds rally to increase

income guidelines for aid

By Tim Murphy
SI Springfield Bureau

At age 15, Annette Epps had her first child and had to survive primarily on welfare. Today, the 29-year-old mother of three and her husband hold full-time jobs.

But the Carbondale woman said she couldn't do it without child care assistance from the state.

Epps pays about \$100 a month for day care. That could change under guidelines set last year that lowered the amount someone could earn and still get assistance. She said the change could more than triple her costs.

She said some families may be forced to quit their jobs to watch their children and then go back on welfare.

"There are some people who abuse the system but there are those who want to work," Epps said, adding that quality and affordable day care is needed so families can continue working.

Epps isn't alone. She joined hundreds of people Monday from around the state rallying at the State Capitol to urge lawmakers to address the issue.

The Day Care Action Council of Illinois estimates a total of 2,700 Il-

linoisans will lose child care assistance on July 1 unless lawmakers change the income guidelines. The parents fall just above the state income cap that allows them to qualify.

Elissa Bassler, director of the public policy program at the council, said there are still a few gaps in the system that prevent parents from moving to self-sufficiency.

"These families are not in the position to afford child care on their own," Bassler said at a news conference. "That means they'll probably have to move their children to less acceptable care to keep their jobs."

She said a better transition out of the subsidized day care program is needed.

For example, a family of three cannot get child care assistance if its income exceeds \$21,819 or 50 percent of the state median income, Bassler said.

Legislation introduced by Rep. Gwen Klingler, R-Springfield, would allow families to keep their assistance until their incomes reach 60 percent of state median income, which is \$26,230 for a family of three.

The measure has passed the House and Klingler hopes it gets Senate approval this week. Patty

President James "Pat" Philip, R-Wood Dale, said that is unlikely.

"We passed a comprehensive program last year," Schuh said. "You have to give it an opportunity to work and it seems it's working very well."

She said participants affected

by last year's lowering of the income cap already had a transition. They were given a year of eligibility so they could adjust to it. That ends July 1.

This year's state budget gives the day care program \$380 million. Gov. Jim Edgar's proposed budget

for the fiscal year that begins July 1 calls for \$404 million. The governor's budget could cover the \$5 million for the higher income eligibility.

Schuh said the state day care budget will have about \$50 million left over at the end of this fiscal

year because there weren't enough participants. As a result, she said Philip favors maintaining current funding levels.

An answer will come soon. The Legislature is scheduled to finalize a budget deal and adjourn by Friday.

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SUBURBS

Sunday, May 17, 1998

Daily Herald

State legislature considers extending child-care subsidies

Day care helps moms get jobs, advocates say

By KATE CLEMENTS
Daily Herald Staff Writer

SPRINGFIELD — Aisha Sheppard is a single mother who already juggles her job as a bill collector with her duties as a mother.

But her life is about to get much brighter.

Sheppard, 21, of Hoffman Estates, is getting by right now, but will lose her state child care subsidy July 1. She may have to quit her job to stay home with her 14-month-old son because she will not be able to afford day care.

"What happens then? I have no idea," she said.

Sheppard currently pays \$40 a week to Community Child Care Center of Palatine to care for her son. Without the subsidy, her costs would more than quadruple to \$185 a week, which is way out of her price range.

Sheppard is one of more than 2,700 mothers who will lose child care assistance on July 1, unless state lawmakers approve a bill that extends the subsidies. The bill also would allow mothers who are not on cash assistance to continue receiving child care subsidies while in school or job-training programs. Otherwise, they, too, will lose their assistance July 1.

"School helps families increase their earning potential so they can improve their economic position," said Elissa Bassler, public policy director for Child Care Action Council of Illinois. "Cutting them off only forces families to stay in dead-end jobs."

Child care advocates from 14 organizations plan to rally Monday at the state Capitol to lobby for the bill, among other child care initiatives.

Currently, families whose income exceeds 50 percent of the state median income (\$21,819 for a

family of three) would not qualify for assistance. At that level, a two-parent family where both parents earned minimum wage may not qualify for child care subsidies.

The bill would allow families with incomes of up to 60 percent of the median income (\$26,000 for a family of three) to keep their subsidies.

"I would keep a number of families from having to become part of the welfare system," Bassler said. "The July 1 change is really cutting families off at a level they cannot afford. Their lives will be incredibly disrupted by this."

The bill would allow low-income families to continue receiving child care subsidies while they work their way into a higher-paying job.

A family of two loses its subsidy if its income is greater than \$17,663. Sheppard earns \$8.91 an hour, or \$18,533 a year, and so will lose her assistance July 1.

"If you really believe you want to move people from welfare to work you have to recognize that you need to help," said Republican state Rep. Corinne Wood of Lake Forest. "How do you expect any woman to break that cycle of dependency when they have no one to leave their children with?"

Wood, who also is running for lieutenant governor, is one of the bill's sponsors in the House. Wood said the bill has been stuck in the Senate because of budget negotiations but she hopes it will pass before the end of the session.

"If the bill passes, it's going to be great," Sheppard said. "I'm going to be able to keep working and my son can stay at his day care."

Sheppard has applied at an assortment of cheaper day care centers in hopes of keeping her job, but has had no luck yet.

There is a dearth of affordable day care in the area and many

centers have waiting lists, Bassler said.

"This is particularly a problem in the suburbs," she said. "I promise you, there is almost nowhere in the Northwest suburbs with low rates. Even people who get assistance are having difficulty getting anyone to take their children."

Another bill winding its way through the legislature is designed to enhance the quality and increase the supply of child care in Illinois, Bassler said.

It would set aside a portion of the state's child-care budget to help child-care providers improve their facilities and increase the supply of infant and toddler programs, special-needs programs and before-and-after-school care.

The legislation also would cap the copyments families have to make for subsidized child care to 10 percent of the family's income, Bassler said. "Currently, some families pay as much as 16 percent of their income in child-care co-payments."

Gov. Jim Edgar proposed \$404 million for child care in his budget for next year, an increase of \$24 million over this year's budget. Lawmakers hope to approve the budget this week.

"It's critical that we fully fund the governor's request," Bassler said.

The proposed increase is under discussion in the budget negotiations, said Patty Schuth, spokeswoman for Senate President James "Pat" Philip.

Last year, the state appropriated an extra \$98 million for reforms to the child-care subsidy program.

The newly overhauled child care assistance program still had \$50 million left unspent at the end of the year, leading some state lawmakers to question why the program would need the funding increase Edgar proposed. Schuth



Aisha Sheppard, 21, of Hoffman Estates, on July 1 will lose day-care assistance for her 1-year-old son, Demarco. Sheppard is one of more than 2,700 mothers who will lose child-care assistance, unless state lawmakers approve a bill that extends the subsidies. Daily Herald Photo/John Starks

said. Bassler said the reforms were implemented gradually, and about 30,000 families were included this year, some as recently as last month. But the program is continuing to grow and Bassler predicted that 60,000 families would be participating by the end of next year.

"A new program always costs more money in the second year," she said.

Bassler remained hopeful that the funding would come through.