



# FISCAL YEAR 2027 LEGISLATIVE AGENDA

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JANUARY 2026

# Address Rising Cost of Child Care Liability Insurance Premiums

## THE ISSUE

Recently, insurance premium prices have risen exponentially across the nation; child care providers for years have been raising concern over the increasing cost of premiums for liability insurance. Mandatory for state licensing requirements, increases to liability insurance have become a significant financial burden for child care providers. Combined with the already high cost of operating a child care program, this pressure continues to grow. Many child care providers are also having to deal with changes to their policy, coverage denials, and non-renewals—making it even harder for them to keep their insurance coverage.

Liability insurance barriers are challenges providers should not have to navigate or spend valuable time trying to resolve. These challenges intensify the already overwhelming pressures child care providers face every day. We must take meaningful action to reduce these burdens. This will ensure children and families receive high-quality early care and education, as well as support the long-term sustainability of child care programs.

## OUR ASK

Urge the Illinois Department of Insurance create a survey and/or collect data to understand the causes and impacts of rising liability insurance premiums on child care providers. The findings from this survey will help inform future solutions to address this growing concern, reduce unnecessary burdens on providers, and strengthen the child care workforce.

# Protect and Strengthen Child Care Programs in Illinois

## THE ISSUE

Child care is an essential building block—supporting families, strengthening communities, and shaping the next generation. It is important that children and families have access to safe, affordable, and high-quality child care. However, the underfunding in the early care and education system creates barriers for families in accessing quality and affordable child care. Child care educators also remain significantly underpaid, leading to challenges in recruitment and retention, and impacting the overall quality of care provided to children. Furthermore, child care funding at large is facing threats at the federal level, which further exacerbates the existing challenges within the system.

Without additional investments for child care programs and increased support for the workforce, families' ability to access quality care for their children may suffer. We must support increased funding for the Child Care Assistance Program (CCAP) to help working families access affordable child care and ensure children receive high-quality care while their parents are at work. By investing in programs like CCAP, we can improve the overall well-being of children and support the workforce by allowing parents to remain employed.

## OUR ASK

Urge the Illinois General Assembly to include an increase of \$80 million for CCAP in the FY27 budget. The increase will maintain the current caseloads and provide a reimbursement rate increase for home-care providers and center-based programs.

# Sustain and Strengthen Smart Start Child Care

## THE ISSUE

As the state enters the fourth year of the Smart Start Initiative, it is critical that the Smart Start Workforce Grants and other Smart Start Initiatives continue to receive full funding. Smart Start Workforce Grants have been essential for child care programs and providers across the state. They provide stable funding to attract and retain qualified early childhood educators in an already strained system. We must support the current early childhood workforce so they can provide children with high-quality care and education, all while investing in the future workforce of this essential field.

## OUR ASK

Urge the Illinois General Assembly to include a \$50 million increase in the Smart Start Child Care budget for FY27 to support the workforce and provide other program improvements to meet the program's increasing demand.

# Maintain Investments for the Early Childhood Access Consortium for Equity (ECACE) Scholarships

## THE ISSUE

In 2021, the state of Illinois established the Early Childhood Access Consortium for Equity (ECACE) scholarship program with the goal of increasing access to and completion of credentials and degrees for Illinois' early childhood workforce. The program aims to address the shortage of qualified early childhood educators in this field by helping individuals already in the field to advance their education and training. By maintaining investments in the ECACE scholarships, the state can continue to support the workforce and ensure a well-qualified pool of early childhood educators for Illinois' children.

Unfortunately, in FY26 ECACE faced the expiration of federal relief funding, impacting current funding levels that are falling short of the demand for scholarships for eligible applicants. In FY26, of the 1,518 applicants, only 666 students were awarded a scholarship, and 534 candidates were left without financial support to complete their programs.

## OUR ASK

Urge the Illinois General Assembly to include a \$5 million increase in the ECACE scholarship for the FY27 budget to help students who are closest to completing their program. This will increase the number of qualified early childhood educators, and support the state's overall goal of expanding preschool slots and child care access.



## CONTACT US



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