

# FY26 ICOY Legislative & Advocacy Agenda

## Priority Areas in Illinois General Assembly and United States Congress

For the FY2026 legislative session, Illinois Collaboration on Youth (ICOY) has several priorities that we are advancing to ensure that families, children, and young adults have the tools and skills needed to thrive, and that the organizations serving them have the capacity and resources needed to serve them effectively. As always, ICOY will engage with emerging issues that arise throughout the year when they align with our mission, vision, and values.

We continue to engage legislation with a racial equity lens with the intention of correcting systemic racism and promoting justice and equity. We will respond to budget proposals as they develop and advocate for adequate resources and investment needed to ensure that children, youth, and families have a strong foundation.

## ADVANCING CHILD AND FAMILY WELL-BEING

### Child Tax Credit: Minimum Credit

Ally

In partnership with the Illinois Cost-of-Living Refund Coalition, ICOY supports setting a floor for the Child Tax Credit. This would ensure that families with no reported income and families with low-income households that do not receive the full benefit are guaranteed to receive a minimum credit amount.

### Newborn Equity Support Transfers (NEST) (HB5238/SB3756)

Ally

ICOY supports the Illinois Cost-of-Living Refund Coalition's efforts to create a program to provide direct cash supports to mothers in their third trimester and who are on Medicaid or will qualify for Medicaid after birth. The program aims to reduce rates of preterm and low weight babies.

## STRENGTHENING THE HUMAN SERVICES SECTOR

### Background Check Delays

Champion

DCFS previously permitted community-based organizations to offer "conditional employment" at Child Care Institutions (CCI), Group Homes (GH), or Child Welfare Agencies (CWA). Conditional employment allowed agencies to make employment offers with a start date, and to onboard employees while waiting for pending background checks to be cleared. Under conditional employment, staff were able to participate in training and orientation activities while awaiting full background clearances. Conditional employees were not permitted to interact with children. Federal legislation eliminated conditional employment for all CCIs (residential treatment centers, shelters, and other congregate care settings) and GHs. However, DCFS has applied this policy across the board. The long period to attain background clearance, along with the limited number of facilities offering fingerprinting services, has resulted in many candidates finding other jobs and significant delays in onboarding the candidates that make it through the process.



## Community Partner Fair Contracting Package

In partnership with the Health and Human Services Coalition of Illinois, ICOY supports this comprehensive reform of the contracting process in Illinois. In 2026, this initiative will be supported in the form of three separate bills. These bills would amend various statutes that govern how the State conducts business with the social service providers to reduce the occurrence of late payments and contracts and introduce several reforms to the Court of Claims (CoC) process. View the Community Partner Fair Contracting Package Fact Sheet [here](#).

- **Expedite Small Payments in the Court of Claims (HB4340/SB2843)**

**Champion**

- This legislation, led by ICOY, introduces several reforms to the Illinois CoC process. This includes empowering State agencies to cover small claims of less than \$2,500 resulting from undisputed lapsed appropriations with any appropriated funding source, including current year funds. This legislation also applies timelines to every stage of the CoC process and requires the COC to create an online portal.

- **Promptly Issue and Fully Fund Grants and Contracts (HB4707/SB2844)**

**Ally**

- Led by Illinois Partners for Human Service, this legislation will amend the Grant Accountability and Transparency Act (GATA) to remove arbitrary caps on fringe benefits and prevents state agencies from limiting indirect costs in contracts or grant agreements to less than 20% or the federally negotiated rate.

- **Ensure Timely Payments (HB4288/SB2845)**

**Ally**

- Led by Forefront, ICOY supports expanding and clarifying advanced payment eligibility. This legislation would apply the Prompt Payment Act (PPA) to all community-based organizations and require grant agreements to specify payment dates and whether a grant is eligible under the PPA or for advanced payment.

## Liability Insurance Crisis

**Champion**

In Illinois, community-based organizations contract with the Department of Children and Family Services (DCFS) to provide services for more than 13,000 children in the Illinois foster care system (nearly 75% of all youth in care). To contract with DCFS and provide foster care and adoption services, these community-based organizations are required to maintain adequate liability insurance. Recently, insurance carriers have dramatically increased premiums or withdrawn from the market, refusing to renew policies regardless of an organization's claims history. The instability in the liability insurance market jeopardizes the ability of these organizations to continue offering vital services that children and families need. The Child Welfare Liability Insurance Survey Act ([PA 104-445](#)), signed by Gov. Pritzker in 2025, authorized the Illinois Department of Insurance (DOI) to conduct a comprehensive study into the underlying causes of the liability insurance crisis.

# ADDRESSING RACIAL JUSTICE AND EQUITY

- **Juvenile Fitness to Stand Trial (HB5270/SB3526)**

**Champion**

This legislation creates a new standard for assessing whether a young person has the mental capacity to stand trial that is developmentally appropriate and trauma-informed. The bill expands the criteria in fitness evaluations to include traumatic stress, substance use disorder, and chronological, developmental, and relative immaturity. This would allow mental health evaluators to make a determination of 'unfitness' beyond solely a diagnosis of mental illness. Unlike many other states, current Illinois law applies the same standard to adults and children alike. Children and youth of color are disproportionately involved in the justice system; Black children especially experience "adultification".



This legislation was developed in coalition with several justice and youth advocacy organizations including the Illinois Children’s Mental Health Partnership, the Loyola University Civitas ChildLaw Center, The Cook County Public Defenders’ Office, the Illinois Alliance for Reentry and Justice, and the Chicago School of Professional Psychology, among others.

# ILLINOIS STATE BUDGET

## **FY27 Illinois State Budget**

**Champion**

ICOY is a fierce advocate to ensure that community-based providers have adequate resources to support children, youth, and families to reach their potential and contribute back to their communities.

- **Funding for a Robust Human Services System**

- ICOY advocates for a robust human services budget to ensure adequate investments in human service programs for children, youth, and families.

- **Human Services Professional Loan Repayment Program**

- Illinois human service providers are facing a workforce crisis that directly impacts the children they serve. ICOY advocates for this loan repayment program to help recruit and retain human services professionals to work for community-based providers.

- **Investments in the Child Welfare Workforce**

- The wage disparity between the public sector and community-based child welfare workforce, which is predominantly female and BIPOC, is large and growing. We have advocated that the budget includes funds to support comprehensive wage increases.

- **Redeploy Illinois**

- ICOY advocates for a statewide expansion of Redeploy Illinois, a community-based alternative for youth facing incarceration in a DJJ youth prison, to provide all Illinois justice involved youth a positive pathway to adulthood.

## **Funding for Afterschool and Community Schools**

**Ally**

ICOY supports calls from ACT Now Illinois to bolster appropriations for after school and youth development programs. Including their calls for creating a new \$50 million annual appropriation to fund community learning centers to ensure stable funding for the 21st Century Community Learning Centers (21st CCLC) programs.

## **State Guaranteed Income Fund**

**Ally**

In partnership with the Illinois Cost-of-Living Refund Coalition, ICOY supports the creation of a statewide fund that would support and expand local guaranteed income programs. Guaranteed income programs can lift families out of poverty and allow them to build healthy lives.



# UNITED STATES CONGRESS

## **Ensuring Medicaid Continuity**

**Ally**

ICOY continues to work in coalition with other state and national advocates to exempt Qualified Residential Treatment Programs (QRTPs) from being considered Institutions for Mental Diseases (IMDs) and ensure continued Title IV-E reimbursement for Medicaid coverage for children in foster care while placed in that QRTP.

## **Federal Runaway and Homeless Youth and Trafficking Prevention Act**

**Ally**

ICOY supports the efforts of the National Network for Youth (NN4Y) in championing legislation to reauthorize key federal grant programs to provide states with funding to help thousands of homeless youth nationwide. This reauthorization would expand protections to youth who are particularly vulnerable to human trafficking.

## **Foster Youth and Driving Act**

**Ally**

The Act creates a grant that would enable states to institute driving programs. This would provide financial assistance to help foster youth complete driver's education classes, obtain auto insurance, obtain a driver's license, and purchase a vehicle. This financial assistance would NOT be included in the child's gross income or count against them in applying for other federal benefits.

## **Juvenile Justice and Delinquency Prevention Act Reauthorization**

**Ally**

ICOY joins efforts by Act 4 Juvenile Justice to reauthorize the federal standards to ensure a minimum level of safety and equitable treatment for youth who come into contact with the juvenile justice system. The Act provides states access to federal funding for delinquency prevention and improvements in juvenile justice programs if they meet certain requirements around the time a youth is detained, offering community-based services in place of detention for some offenses, keeping youth out of "Sight and Sound" contact with adults, and assessing and addressing the racial and ethnic disparities in the juvenile justice system.

