



Senate Bill 1419: Idaho Child Care Program (ICCP) Key Concerns with Legislation

1. **The bill adds new requirements that will make it harder for church and nonprofit child care providers to continue operations.**
 - In Section 1, 56-2506 (page 5, lines 7-15), the bill adds new child care provider requirements, including mandating that any provider operating a daycare center that is a nonprofit, must receive an annual financial audit.
 - **Takeaway:** Many of the small church-associated child care providers are nonprofits, and annual financial audits are estimated to cost between \$10,000 to \$20,000 and up, depending on budget size – a cost well outside these small providers’ budgets.
2. **The bill eliminates all ICCP rules, mandates that any future changes to benefits or costs be approved by the Legislature, and sunsets the entire program in 2028.**
 - In Section 1, 56-2502 (page 2, lines 20-31), the ICCP program is established in Idaho Code and directs DHW to “administer the program in a manner consistent with this chapter and with all applicable federal requirements.”
 - In Section 1, 56-2511 (page 8, lines 15-20), it states that DHW cannot expand benefits or increase any net cost to the state without obtaining state plan approval from the Legislature and only if provided in statute.
 - In Section 3 (page 9, lines 20-22), it eliminates all rules in IDAPA 16.06.12, stating they shall be “null, void, and of no force and effect” after the passage and approval of the bill.
 - In Section 4 (page 9, lines 23-24), it sunsets the contents of this bill (i.e. the new ICCP chapter) stating the act shall be “null, void, and of no force and effect” after July 1, 2028.
 - **Takeaway:** The sunset creates instability by eliminating ICCP unless the Legislature acts again before July 2028. It reduces DHW’s ability to adjust program operations through rulemaking or state plan changes without additional legislative action.
3. **It is not a clean transfer of ICCP rules to statute; it leaves out a number of important topics.**
 - The bill condenses 19 pages of current ICCP rules into roughly 3-4 pages in statute, with multiple important sections from IDAPA 16.06.12 missing. Missing sections include:
 - ICCP eligibility income exclusions, **including the exclusion of foster parent income when determining eligibility for foster children**, adoption assistance, TAFI benefits, and education scholarships
 - Application requirements
 - ICCP child care provider types
 - Qualifying activities such as a parent receiving preventive services to avoid foster care
 - ICCP in-home care requirements
 - Allowable child care costs and amount of payment
 - Provider eligibility, including health and safety training
 - Reporting requirements for providers
 - In Section 3 (page 9, lines 20-22), it eliminates all rules in IDAPA 16.06.12, including ICCP provider health and safety training requirements. Without the rule, general daycare licensure requirements in [Idaho Code 39-1119](#) would be in effect, requiring that each employee receives four (4) hours of ongoing training in child development areas related to daycare every twelve (12) months after the employee’s hire date.
 - *IDAPA 16.06.12 requires that each staff member who provides child care receives and completes twelve (12) hours of ongoing training every twelve (12) months after the staff member's date of hire in specific topic areas.*
 - **Takeaway:** If the statute does not fully replace the repealed rules, there could be implementation gaps. For example, the bill does not include the ICCP eligibility income exclusion of foster parent

income when determining eligibility for foster children who need child care. Another example, the bill reduces the amount of health and safety training ICCP providers have to engage in from 12 hours to 4 hours annually.

4. The bill imposes stricter income and asset limits that will push working families out of ICCP.

- In Section 1, 56-2504 (page 3, lines 33-34), it sets ICCP income eligibility at 135% FPL in statute.
 - *ICCP rules for income eligibility are 175% FPL. While current DHW practice has been 130% FPL since 2024, the federal CCDBG grant awarded to Idaho is large enough to cover a higher income eligibility FPL for subsidies.*
- In Section 1, 56-2504 (page 3, lines 31-32), it lowers the asset cap for eligible families to \$500,000. The program considers total assets without exclusions, and so homes, cars, and savings are included in the asset cap count.
 - *Current ICCP rules cap assets at \$1,000,000, as do 48 other states.*
- In Section 1, 56-2503 (page 2, lines 32-44), it rewrites the parent qualifying activities with significant changes, such as requiring that at least one parent in a two-parent household be working at least 30 hours a week. It does not allow both parents to be in school.
- **Takeaway:** With the program eligibility reductions and fewer qualifying activities, the number of families participating in ICCP will decline. Reducing ICCP participation will mean that fewer providers will be able to keep their doors open, especially following two years of decreasing participation and licensure changes.

5. It includes conflicting language around administrative rules and undefined/unclear terms.

- Conflicting language around rules promulgation includes:
 - In Section 3 (page 9, lines 20-22), it eliminates all rules in IDAPA 16.06.12, stating they shall be “null, void, and of no force and effect” after the passage and approval of the bill.
 - In four separate instances, the bill refers to “rules promulgated under this chapter” (page 2, line 7; page 6, line 41; page 6, line 47; page 7, line 35).
 - In Section 1, 56-2513 (page 7, line 35), it states “the department may promulgate administrative rules.”
 - In Section 1, 56-2513 (page 8, lines 35-38), it states DHW must move all rules related to this chapter into this chapter and eliminate any existing rules that are duplicative or conflicting by July 1, 2027.
- The bill uses important terms without clearly defining them, including “family,” “household,” “family assets,” “income,” “child with a disability,” “recognized or accredited school,” “training program,” “preapproved designee,” and “fraud detection and remediation system.” The bill also uses overlapping but not fully aligned terms such as “provider,” “child care facility,” and “daycare center.”
- In Section 1, 56-2505 (page 3, line 44), the title states the “authority to create a waiting list and adjust eligibility.” However, the section does not, in fact, allow any adjustment to eligibility.
- **Takeaway:** The bill would void the current ICCP administrative rules immediately, even though it directs DHW to continue moving rule content into statute over time and it refers to rules promulgated under the new chapter. Further, the lack of clear and consistent definitions could create confusion, inconsistent administration, and broad agency discretion.

6. The bill creates a new standard of “reasonable suspicion” to suspend ICCP payments and conduct integrity investigations.

- In Section 1, 56-2507 (page 5, lines 16-17), it creates a new program integrity system to suspend payments and investigate “reasonable suspicion” of fraud. However, “reasonable suspicion” is not defined in the chapter.
- **Takeaway:** These provisions give the agency substantial authority before any final adjudication and may create due process concerns, especially for providers that depend on ICCP reimbursements to keep their doors open.