Agenda

- Illinois Session Updates
  - Status of IAFC policy priorities
  - Additional ECE legislation
- State Budget Update
- What to Expect in Final Weeks of Session
- Federal Budget for FY17 & FY18
- American Health Care Act (AHCA)
  - Main policy proposals
  - Possible effects
- What to Expect in the Coming Months

(Photo: Facebook, Illinois Action for Children)
Earlier this year, IAFC outlined a lofty policy agenda to address a range of ECE issues

- Pass FY17 and FY18 Budgets
- Restore Access to CCAP
- Prevent Expulsions in Early Childhood Settings
- Support Early Childhood and K-12 Partnerships
- Maintain Investments in School Readiness Initiatives

IAFC has been dedicated to advancing these priorities through:

- Drafting and negotiating legislation
- Collaborating with advocacy partners
- Meeting with providers, state agencies, and other stakeholders
- Engaging providers in advocacy
Status of IAFC Policy Priorities

HB3213 (Representative Wallace – Senator Hutchinson)

- Restores access to the Child Care Assistance Program (CCAP) for parents enrolled in non-TANF education and training programs
- Adds education/training to priority populations for eligibility
  - Protects against disruptions in their education if eligibility is ever restricted in the future
- Illinois Action for Children estimates this would restore eligibility for at least 2,700 families and 4,000 children

Pass House
Pass Senate
Signed by Governor

Pass House Human Services Committee
Pass Senate Human Services Committee

Status of IAFC Policy Priorities

SB1705 (Senator Hutchinson – Representative Wallace)

- Identical to HB3213

Senator Toi Hutchinson and IAFC’s Samir Tanna testify on SB1705 in Senate Human Services Committee. (Photo: Twitter, Illinois Senate Democrats)
Status of IAFC Policy Priorities

SB1705 (Senator Hutchinson – Representative Wallace)

- Strong bipartisan support in full Senate vote

- May not be moving SB1705 forward in the House because of HB3213 progress through the Senate
  - Need to make sure Senators understand HB3213 is identical to SB1705 so they support again on the floor
Status of IAFC Policy Priorities

HB2663 (Representative Stratton – Senator Lightford)

- Ensures best practices in early childhood settings by prohibiting expulsions in licensed child care and programs receiving funds from the Illinois State Board of Education (ISBE)

- The legislation puts in place a process for providers, including:
  - Documentation
  - Attempting to access available resources
  - Engaging families in intervention and transitions

- Puts in place a system for data collection, which will help us understand the need for additional resources

Status of IAFC Policy Priorities

HB2663 (Representative Stratton – Senator Lightford)

- Strong bipartisan support seen in HB2663 sponsors, committee votes, and floor votes

- If HB2663 is passed and signed into law, the Department of Children and Family Services (DCFS) will set specific guidelines and implementation details for licensed child care facilities through the rulemaking process.
Status of IAFC Policy Priorities

HJR24 (Representative Willis – Senator Bertino-Tarrant)

- Creates Kindergarten Transition Advisory Committee
- Committee will develop legislative framework to encourage alignment between early childhood and K-12
- Encourage best practices for supporting transitions, such as:
  - Shared professional development opportunities
  - Data collection and data sharing
  - Family engagement
Additional ECE Legislation

HB2426 (Representative Flynn Currie – Senator Aquino)

- Cleans up CPS Early Childhood Block Grant statute to clarify that block grant requirements are aligned statewide
  - ECBG funds are used to supplement, not supplant, other funds already being used for early childhood programs
  - Requirement for 25% of any new funds to be dedicated to birth-to-three programs is the responsibility of both CPS and ISBE
Additional ECE Legislation

HB2388 (Representative Moeller – Senator Castro)

- Requires DCFS to add field(s) to the searchable database of licensed child care providers on the Sunshine website that indicate if:
  - Provider has had license revoked or surrendered during a child abuse or neglect investigation in the past 5 years
    - If so, date license was revoked/surrendered
  - Provider has been denied license renewal in the past 5 years
    - If so, date renewal application was denied
**Additional ECE Legislation**

**HB3167 (Representative Stratton – Senator Collins)**

- Requires IDHS to conduct study to determine adequate compensation levels to attract, support, and retain quality early childhood workforce
  - Cost of Quality study or amend existing IDHS survey(s) to capture the required information
- Use the information to set base payment rates for CCAP

[Flow chart showing the legislative process: Pass House Human Services Committee, Pass Senate Human Services Committee, Signed by Governor]
State Budget Update

(Photo: Facebook, Illinois Action for Children)
State Budget Update

- Illinois is approaching 2-year mark without state budget
- Continuing to pay for about 90% of services through continuing appropriations, court order, federal funds
  - CCAP paid through court order and federal funds
- IDHS Home Visiting programs are among several vital services without funding
State Budget Update

- **$14.3 billion backlog of bills** (Office of the Comptroller, 5/17/17)
- Even services with appropriations, like P-12 education, are struggling, because of delayed payments

Williamson County early childhood advocates fighting to keep their pre-k programs open at Early Childhood Advocacy Day
(Photo: Facebook, Illinois Action for Children)
Governor’s proposed FY18 budget has increases for many ECE services. These increases are in line with IAFC’s budget requests, reflecting increased costs associated with upcoming federal requirements for some programs and addressing unmet needs in others.

However, **these critical investments can only be made when there is adequate revenue to pay for it.** Every day without a budget, the backlog grows, requiring even more revenue and cuts to reach a balanced budget.

<table>
<thead>
<tr>
<th>Program</th>
<th>FY16 Actual (GRF)</th>
<th>FY17 Estimated (GRF)</th>
<th>FY18 Proposed (GRF)</th>
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<tr>
<td>Child Care</td>
<td>$328.1M</td>
<td>$400.0M</td>
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<tr>
<td>Early Intervention</td>
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Data Source: Governor’s Office of Management and Budget, Illinois State Budget Fiscal Year 2018
State Budget Update

Is there any hope of a budget before end of session (May 31)?

- Senate “Grand Bargain” negotiations continue, but votes have been stalled several times
  - Could be voted on today
  - Even if passed by Senate, it remains unclear what changes would be made in the House, and if those changes would make the Governor veto the end result

- SB6 introduced amendment today included ECE appropriations

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State Budget Update

- House formed working group to work with Governor’s office on “non-budget” reform items
  - Bi-partisan workgroup formed at Speaker Madigan’s request
  - House Democrats laid out proposals
Final Countdown: What to Expect for Remainder of Session

- All ECE legislation is expected to pass the Senate in the next couple weeks
- HB3213 is likely the only bill that may be vetoed by the Governor
  - Restoring eligibility for non-TANF education and training, as well as families earning up to 185% FPL, is included in Governor's proposed budget, but the Administration has not made it clear if Governor will sign the bill.
- Continued budget negotiations
- If little progress made on full budget negotiations, will likely see:
  - K-12 education appropriations bill
  - Federal pass-through funding bill
+ Federal Updates
FY 17 Federal Budget

- $1.18 trillion in total spending
  - $515.5 billion for non-defense discretionary programs

- Child Care & Development Block Grant - $95 million increase ($2.9 billion total)
  - To adequately fund CCDBG, we needed $1.1 billion

- Head Start - $85 million increase ($9.3 billion total)
  - $5 million will be for Early Head Start partnerships

- Nutrition Programs
  - Women, Infants, and Children (WIC) - $6.35 billion
  - Child Nutrition Programs - $644 million increase ($22.8 billion total)
  - Supplemental Nutrition Assistance Program (SNAP) - $2.4 billion decrease ($78.5 billion total)
FY 17 Federal Budget

- 21st Century Community Learning Centers - $25 million increase ($1.19 billion total)
- Flat funding for Preschool Development Grants - $250 million
- Department of Education
  - $1.2 billion cut
  - Individuals with Disabilities Education Act (IDEA)
    - Part B (3-21 years old): $368 million
    - Part C (0-2 years old): $459 million
Trump’s FY 18 Budget Proposal

- Department of Education
  - 13% funding cut
  - $1 billion increase for Title I
  - IDEA is flat-funded
  - Eliminates the 21st Century Community Learning Center Program

- Department of Health & Human Services
  - 17.9% funding cut
  - Eliminates the Low Income Home Energy Assistance Program (LIHEAP)
  - Eliminates the Community Services Block Grant

- Congress should begin negotiations for an FY18 budget soon
American Health Care Act (AHCA)

- Passed the House on May 4th

- Main Provisions:
  - Repeals the individual mandate
  - Replaces subsidies with tax credits
  - Restructures Medicaid
  - State Waivers
    - Essential Health Benefits
    - Community Rating
Repeals Subsidies

- AHCA would repeal subsidies available to enrollees
  - Under the Affordable Care Act (ACA or Obamacare), subsidies are available to enrollees based on their level of need
  - Subsidies are available for families under 400% FPL
  - Medicaid expansion: 138% FPL

- Under the AHCA, individuals would receive a tax credit based on their age, not income
  - Average person would insurance through the Marketplace would pay $2,400 more in premium costs
  - Deductibles and co-pays are also likely to rise

- For most, the tax credits will provide much less financial assistance compared to the subsidies
Restructuring Medicaid

- Cuts Medicaid spending by $839 billion over ten years (24% cut)

- States have the following Medicaid options:
  - Block grant
  - Per Capita Cap (PCC)
  - Impose strict work requirements on adults who are not elderly, disabled, or pregnant

- Freeze expansion enrollment (138% FPL)
Medicaid as a Block Grant Program

- Federal government reimburses states (50%-75%) for all health expenses for all Medicaid beneficiaries.

- Effects under a block grant or PCC:
  - States would receive a fixed amount of money to provide health care
    - Lower provider reimbursement rates
    - Cap the number of Medicaid enrollees & create a waitlist
    - Limit the types of health services covered
  - Eliminate Medicaid’s ability to respond to increases in need since it would no longer be an entitlement program.
MacArthur - Meadows Amendment

- States have the option to apply for two waivers
  - Essential Health Benefits
    - All health plans sold must provide coverage for 10 essential health benefits
  - Community Rating
    - Insurance companies base premiums on the health of the community, not just the individual
    - An individual cannot be denied coverage due to a pre-existing condition
      - States have to prove they have a program for those with pre-existing conditions
        - e.g.: high risk pools
Essential Health Benefits Requirement

- Under the ACA, insurance companies were forced to cover the following health benefits:
  - Hospitalization
  - Ambulatory services
  - Maternity care
  - Mental health & substance abuse disorders
  - Prescription drugs
  - Rehab services
  - Lab services
  - Emergency services
  - Preventative & wellness services
  - Pediatric services

- Prohibition on annual & lifetime limits for these essential health benefits
House GOP Plan Means Millions More Uninsured

Increase in uninsured compared to current law

- 2020: 21 mil.
- 2026: 24 mil.

Source: Center on Budget & Policy Priorities
Possible Effects Under the AHCA

- Over the next ten years:
  - 24 million people could lose health insurance coverage
  - 1 in 10 non-elderly Americans who have insurance under the ACA
  - Cut Medicaid by $839 billion
  - 14 million fewer people would be covered under the program

- Individuals who purchase insurance through the Marketplace will likely be forced to pay more for possibly less coverage
Medicaid and ALL Kids (CHIP) serve Illinois’s most vulnerable children.

A large share of at-risk children rely on public coverage, as reflected by the percentage of Illinois children in each group below that depend on Medicaid and ALL Kids (CHIP) for health care they need to thrive:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>84%</td>
<td>Children living in or near poverty.</td>
</tr>
<tr>
<td>45%</td>
<td>Infants, toddlers, and pre-schoolers during the early years that are key to their healthy development and school readiness.</td>
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<tr>
<td>42%</td>
<td>Children with disabilities or other special health care needs such as juvenile diabetes, congenital heart conditions, or asthma.</td>
</tr>
<tr>
<td>100%</td>
<td>Children in foster care who face poverty, family dysfunction, neglect, and abuse that result in high rates of chronic health, emotional, and developmental problems.</td>
</tr>
<tr>
<td>50%</td>
<td>Newborns in families to assure a healthy delivery and strong start during their critical first year of life.</td>
</tr>
</tbody>
</table>
What to Expect

- AHCA is in the Senate awaiting consideration
- FY 18 budget
- Tax Reform
  - Child Care tax plan
- Programs up for reauthorization – set to expire in September
  - Maternal, Infant, and Early Childhood Home Visiting (MIECHV)
  - Children’s Health Insurance Program (CHIP)
Questions?
Upcoming Events

- Policy Webinar (in Spanish) – May 22\textsuperscript{nd}
- Partner, Plan, Act Conference – June 13\textsuperscript{th}
  - Bloomington, IL
- Statewide Public Policy Caucus – June 22\textsuperscript{nd}
  - Normal, IL
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