State Budget Update
&
Call to Action

Illinois Action for Children
April 14, 2014
Governor Quinn presented two budgets in March: “recommended” and “not recommended” versions

Current tax rates expire on January 1, 2015
- Rate increase in January 2011 sunset and the end of 2014
- Rate reduced from 5% to 3.75% for individuals

Expiration will create, at minimum, a $2.3 billion hole in the FY15 budget, which begins July 1, 2014.
Revenue

With current available revenue, agencies will receive the following cuts:

$1 billion cut to education
$700 million cut to human services
$300 million cut to public safety
Governor Quinn’s FY2015 Budget Proposals

A Tale of Two Budget Proposals:

- “Recommended”: Includes Extension of current tax rates
- “Not Recommended”: Current law (loss of approx $2 billion in revenue = many harmful cuts will be made)
Governor Quinn’s FY2015 Budget Proposal (Not Recommended)

State Board of Education:

- $17 million reduction to the Early Childhood Block Grant
  - Another 5,000 3 and 4 year olds (30k over last 7 years) would lose school readiness programming
  - Nearly $100 million cut in last 7 years
- Flat funding for Bilingual Education
- $185 million cut to General State Aid
Governor Quinn’s FY2015 Budget Proposal (Not Recommended)

Department of Human Services:
Approx. $60 million CUT to child care services

- CCAP is over budget by est. $60 million in FY14 due to increased cost pressures, inc. cost would be carrying into FY15
  - 41,269 children (23,000 families) could lose Child Care*
  - 32,849 providers could be forced to close*

- Potential loss of $208 million in federal funding

*Est. of IDHS presented to House Human Services Appropriations Committee
Governor Quinn’s FY2015 Budget Proposal (Not Recommended)

Other Human Service Cuts:
• 18,000 teens would lose after school programs
• 2.4 million food pantry clients would not be served
• 7,300 children would lose Early Intervention
• 35,000 individuals will lose mental health services
Governor Quinn’s FY2015 Budget Proposal (Recommended)

The Governor’s Recommended Budget

- Includes the extension of current tax rates
- $166m increase to Child Care
  - Maintains current caseload
  - Accounts for parents choosing high-quality settings
  - Provides Home and Center Increases
- $8 million increase to Early Intervention
Governor Quinn’s FY2015 Budget Proposal (Recommended)

The Governor’s Recommended Budget

- $25 million restoration to the Early Childhood Block Grant
  - Restores a portion of the $80 million cut in the last 6 years
- $11 million increase to Bilingual Education
- $100 million of a proposed $1.5 billion investment in the Governor’s Birth to Five Initiative.
Governor Quinn’s FY2015 Budget Proposal (Recommended)

The Governor’s Recommended Budget

• $50 million increase to MAP grants
• Targeted tax relief to homeowners
• Continuing the pay down of past bills
Fair Tax – The “Third Way”

Requires a change to the State Constitution

• Must Pass the House and the Senate by May 1st with a 3/5ths majority
• Question will be placed on the ballot for the November 4th 2014 election
• Must receive 60% of the vote on 11/4/14
Fair Tax

• Endorsed rates give 94% of Illinoisans, or those making less than $205,000 a year, a tax CUT.

• A taxpayer earning the median Illinois income of $55,317 receives a $303 tax cut

• Find out how you would be impacted at: www.fairtaxcut.com
Next Steps

We must pass Fair Tax Amendment by May 1\textsuperscript{st}

• Find out where you members stand on:
  – HJRCA 49
  – SJRCA 40

• Call your Representative and Senator and ask them to support a Fair Tax

• Attend a Rally in Springfield on April 29\textsuperscript{th}

Register [HERE](#) or contact [Katherine.Rivera@actforchildren.org](mailto:Katherine.Rivera@actforchildren.org)
Supporters of the Fair Tax*

*As of April 14, 2014

**Senate Sponsors**

**House Sponsors**
Next Steps (continued)

Support the Governor’s Recommended Budget
• Extends current tax rates
• $166 million increase to Child Care
• $25 million restoration to ECBG

Stay tuned for actions after the May 1st deadline

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