

# Prevent Cuts to Early Childhood; Extend the Current Tax Rates

Illinois Action for Children

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action for  
children

# Revenue

- 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 \$2.4 billion hole in the FY15 budget, which begins July 1, 2014.

# Projected Cuts

- 23,000 families (41,000 children) would lose access to **child care assistance** and 32,000 child care providers could close their doors to families
- An \$18 million cut to the **Preschool for All** budget, denying access to 6,000 more children
- A \$4.1 million cut to **home visiting** programs that would trigger the state to *pay back* additional \$31 million in federal funding
- A \$12 million cut to **Early Intervention** services for children

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# *Cuts will be even worse in FY16*

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# Governor's Recommended Budget

- Extends the current income tax rates
- Invests in Human Services and Education
- Provides Property Tax Relief
- Doubles the Earned Income Tax Credit

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# Human Services

- \$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

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# State Board of Education

- \$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.

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# Next Steps

Legislators must extend Illinois' current income tax rates by May 31<sup>st</sup> so they can pass a budget that protects early childhood funding.

Look for an alert with talking points and flyers for the parents you serve in English and Spanish.

Call your legislators today! Every call helps!

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# Questions?

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