

FY16 Legislative Session Webinar

Illinois Action for Children

June 8, 2015



illinois
action for
children

Agenda

- Overview of Revenue for FY15 and beyond
- FY15 Child Care Funding Crisis
- Governor Rauner's Proposed FY16 Budget
- FY16 Budget Status
- Child Care Cuts Proposed on June 2, 2015

Overview of Revenue for FY15

- The state income tax rate went from 5% to 3.75% on January 1, 2015
- Impact on the FY15 Budget
 - The FY15 budget began the year about \$2B lower than what's needed to maintain the current level of programs
 - In addition, there continues to be a historical backlog of unpaid bills
 - Lawmakers took no budget or revenue action

FY15 Child Care Funding Crisis

- Child Care needed nearly \$300 million to continue services in early 2015.
 - Underfunded by \$84 million
 - Increased Caseload
 - Consistent Movement of Families to higher quality care
 - CCMS Issues
- Early Intervention was underfunded by \$12 million

FY15 Child Care Funding Crisis

General Assembly passed HB 317 and HB 318, solving the Child Care Funding Crisis for FY15.

- \$1.3 billion in fund sweeps
- \$300 million in cuts represented in a 2.25% cut to most grant programs

FY15 Child Care Funding Crisis

- Final Appropriation Levels for Early Childhood Programs:
 - Child Care - \$494 million
 - Early Intervention - \$85 million
 - Early Childhood Block Grant - \$293 million
 - Bilingual Education - \$62 million

Questions on FY 15?

*Illinois Action for Children is a catalyst for organizing,
developing and supporting strong families and
Powerful communities where children matter most.*



Governor's Proposed FY16 Budget

- Governor Rauner proposed:
 - \$2.9 billion in pension and group health cuts
 - \$1.3 billion in reduced revenue sharing to local gov't entities
 - \$1.5 billion in cuts to Medicaid
 - \$900 million in other cuts — e.g. DHS, DCFS, public health, etc.

Governor's Proposed FY16 Budget

- Governor's Proposed Cuts to Child Care
 - \$156 million cut to \$338 million
 - Freeze intake for all children over age 5
 - Increase parent copays
 - Eliminate Relative Care
- Early Intervention
 - \$23 million cut to \$63 million
 - Reduce eligibility from 30% to 50% delay

Governor's Proposed FY16 Budget

- Governor Proposed a \$340 million Increase to the P-12 Education Budget:
 - \$25 million restoration for the Early Childhood Block Grant (PFA/PI)
 - \$290 million increase to General State Aid
 - Flat funding for Bilingual Education
- Other Proposed Cuts
 - Elimination of Teen REACH, Homeless Prevention Services
 - \$147 million cut to DCFS
 - 31% cut to Higher Education

Governor's Proposed FY16 Budget

- Proposed pension cuts impossible to achieve in FY16
- Cuts-only approach will have a lasting negative affect on families

FY2016 Budget Status

- Before the May 31st deadline, House and Senate Democrats passed an FY16 Budget.
- Annualizes \$2.25% cut for most programs
- No Republican Support
- Budgets are currently being held by leaders for summer negotiations



FY2016 Budget Status

Early Childhood

- \$480 million for Child Care
- \$82.5 million for Early Intervention
- \$63 million for Bilingual Education
- \$318 million for ECBG
- \$13 million for Teen REACH
- \$16.5 million for Home Visiting Programs

FY2016 Budget Status

P-12 Education Budget

- \$265 million increase
- \$25.3 million increase to ECBG
- \$1.5 million increase to Bilingual Education
- \$215 million increase to GSA

\$15 million cut for DCFS



FY2016 Budget Status

- Key dates:
 - July 1st - Beginning of FY16
 - July 15th – First State Payroll in FY16 is due
 - August 20th - First payments to schools due
- Agencies cannot obligate funds they have not been appropriated – so no guarantees if services provided after July 1st will be reimbursed

Revenue

- Budget is incomplete without a companion revenue package
- Many revenue options have been presented –but no action taken

Governor's Proposed Cuts – June 2, 2015

- Child care proposed changes include:
 - Increase parent co-pays
 - Stop intake for new families and create a waiting list
 - Require background checks for relative care-givers

Next Steps

- Legislature has been called into special session
- Governor wants non-budgetary issues (turn-around agenda) to be discussed before agreeing on a budget with revenue
- Stay tuned for alerts to take action and updates
- Governor's press release on June 2nd suggest cuts are coming regardless of whether there is a budget or not on July 1.

Join Us

- State Policy Caucus on June 23rd in Peoria
Registration now open on our website
www.actforchildren.org
- Like us on Facebook –
www.facebook.com/ILaction4children
- Follow us on Twitter - @IAFC_Cares

Questions?

*Illinois Action for Children is a catalyst for organizing,
developing and supporting strong families and
Powerful communities where children matter most.*

