Federal & State Policy Updates

Illinois Action for Children

December 9, 2014
Federal Update

• Midterm Elections
  – U.S. House of Representatives
    • 435 Representatives
    • Determined by population; each state is different
    • Currently controlled by Republicans 246-186 and 3 vacancies
    • 18 from Illinois - 10 Dems and 8 GOP after election
  – U.S. Senate
    • Each State has 2 Senators
    • Illinois’ Senators are Sen. Durbin and Sen. Kirk
Federal Update

• Election Results
  – Illinois has 2 new Republican Representatives
    • Congressman Dold (10th District) – North Shore
    • Congressman Bost (12th District) - Murphysboro
  – No Change for Illinois’ U.S. Senators
    • Senator Durbin won re-election
    • Senator Kirk will face election in 2016
  – U.S. Senate now controlled by Republicans
    • First time since 2006
    • Republicans now control both chambers of Congress
Federal Update

• Child Care and Development Block Grant Reauthorization (S.1086)
  • The Child Care and Development Block Grant (CCDBG) is the law that states have to follow when using Child Care Development Fund (CCDF) dollars for child care assistance
  • CCDF is comprised of CCDBG discretionary funding of $2.35 billion in FY14 and $2.917 billion in mandatory funding. States may also use their own funding
  • Reauthorization is an update of the rules and standards governing child care in the states
  • First update since the program’s creation in 1996
Federal Update

- Reauthorization made changes in the following areas:
  - Consumer Education and Health and Safety Standards
  - Program Standards and Quality Improvement Activities
  - Family Friendly Policies
  - Payment Rates and Practices
Illinois Action for Children is a catalyst for organizing, developing and supporting strong families and powerful communities where children matter most.

Federal Update

- Many of the changes are already in effect in Illinois’ Child Care Assistance Program
- Some of the changes will need minor updates
- A few of the changes will be major and have a cost impact
- Changes must be made within 3 years
Federal Update

- Consumer Education and Health and Safety Standards
  - Required annual inspections of License-exempt providers
  - Mandatory health and safety trainings that must be completed pre-service. Will include license-exempt providers
Federal Update

• Program Standards and Quality Improvement
  • Illinois already meets a majority of the changes to the law, including:
    • Creating a tiered quality improvement system
    • Training requirements for providers
    • Creating developmentally appropriate class ratios
    • Setting aside funds for quality
Federal Update

• Family Friendly Policies
  – This area asks states to ensure they are serving the highest need children in the highest need areas.
  – Requires 12 month eligibility, regardless of change in work/education status of parent.
Federal Update

• Payment Rates and Practices
  – The state complies with all of these standards
    • Market rate survey
    • Sliding scale copayments
    • Differentiated payments based on age of children, geographic location of providers, etc
Federal Update

• The new law replaces the CCDF rules from 2013
• The IDHS Child Care Advisory Council has been tasked with advising DHS on CCDBG
• Feds will begin issuing guidance memos next spring/summer
• No guarantee of new federal or state money to cover the cost of the changes
Federal Update

• White House Summit on Early Childhood
  • December 10, 2014
• Federal Grant Announcements
  • $250 million in Preschool Development Grants
  • $500 million in Early Head Start – Child Care Partnerships
Next Steps

• Meet Your Federal Legislators
  • Have them visit your program
  • Teach them about the importance of child care and early childhood education
  • Illinois Action for Children is here to help!

• Call to Action
  • Federal Budget Advocacy
State Updates
State Update: Midterm Elections

- New Governor
- New Agency Staff
- House and Senate
- Ballot Questions
- Veto Session
State Budget & Revenue

• Current tax rates expire on January 1, 2015
  – Rate Reduced from 5% to 3.75%

• Impact on the current year’s budget
  – FY15 Budget is about $2B out of balance because it is based on FY14 spending, but with less revenue
  – Lawmakers expected to take action in January, but that seems unlikely since the election
  – Agencies are expect to run out of money in April
  – Unclear on how the new Governor will proceed
State Budget & Revenue

• Impact on Child Care
  – Child Care began year with a $190 million deficit
    • $84 million reduced appropriation
      – $24 million cut + $60 million non-annualized supplemental
    • Increased caseload
    • Consistent movement of families to more expensive care
    • Rate increases and copayment reduction
    • CCMS Issues
  – DHS has asked for a $300 million FY15 supplemental
State Budget & Revenue

• Going Forward Without Revenue
  – Budget hole in FY16 could be an additional $5.4 billion
  – 20% reduction in revenue and expenses
    • $1 billion from education and $1.1 from human services
  – Agencies have been asked to deliver budget scenarios to the new Governor portraying a 30% cut
  – Cuts will not be implemented across the board
Next Steps

Meet Your Legislators

• 2 new Senators; 17 new Representatives
• Have them visit your program
• Teach them about the importance of child care and early childhood education
• Illinois Action for Children is here to help!

Call to Action

• FY15 and FY16 Budget Advocacy
• State needs new revenue
Save the Date

• Regional Public Policy Caucus
  Thursday, January 22\textsuperscript{nd} - Naperville, IL
  Thursday, January 29\textsuperscript{th} – Bloomington, IL

• Spring into Action Conference
  April 21-22– Springfield, IL
Questions?