

Federal & State Policy Updates

Illinois Action for Children

December 9, 2014



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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

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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

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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

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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

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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

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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

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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

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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

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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

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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

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State Updates



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State Update: Midterm Elections

- New Governor
- New Agency Staff
- House and Senate
- Ballot Questions
- Veto Session

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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

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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

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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

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Save the Date

- Regional Public Policy Caucus
Thursday, January 22nd - Naperville, IL
Thursday, January 29th – Bloomington, IL
- Spring into Action Conference
April 21-22– Springfield, IL

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Questions?

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