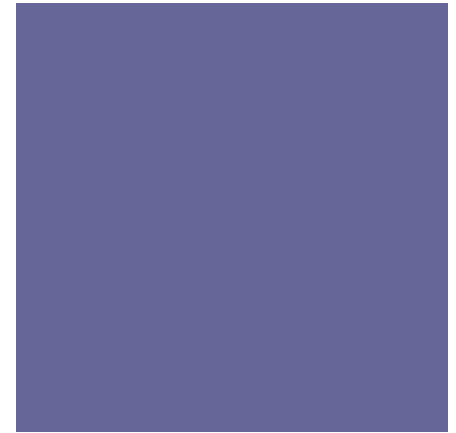




illinois
action for
children



State Policy & Budget Priorities

February 22, 2018

+ Agenda

- **Budget Updates**
 - Governor's FY19 State Budget Proposal
 - Federal Budget
- **IAFC Budget Priorities**
- **IAFC Policy Priorities**
- **Additional Early Childhood Legislation**
- **Advocacy Opportunities**
- **Q&A**

IAFC POLICY AND BUDGET PRIORITIES 2018 Legislative Session

- ❖ Pass responsible FY19 state budget
- ❖ Increase access to Child Care Assistance Program
- ❖ Improve quality and availability of preschool opportunities
- ❖ Implement fair and sustainable revenue
- ❖ Identify and promote strategies to address early childhood workforce challenges



Governor's FY19 Budget Proposal



- Governor Rauner delivered his Budget Address on February 14, 2018, unveiling his proposed budget for Fiscal Year 2019 (FY19)
- Estimated total revenue: **\$37.9B**
 - Reduces state income tax rate from 4.95% to 4.7% - leads to \$900 million decrease in revenue
- Total spending: **\$37.6B** in General Revenue Funds (GRF)
 - Increases to some services, like Early Intervention, and appropriations for programs that had been left out in recent years, like Teen Reach
 - Cuts to other critical services, including child care
- Appears to be \$350M surplus, but this budget relies on \$1.5B in savings from cost shifts that would require legislative action and would likely be challenged in court
 - Without these savings, this proposal has over **\$1B shortfall**



FY19 Proposed Budget: ECE Funding Levels



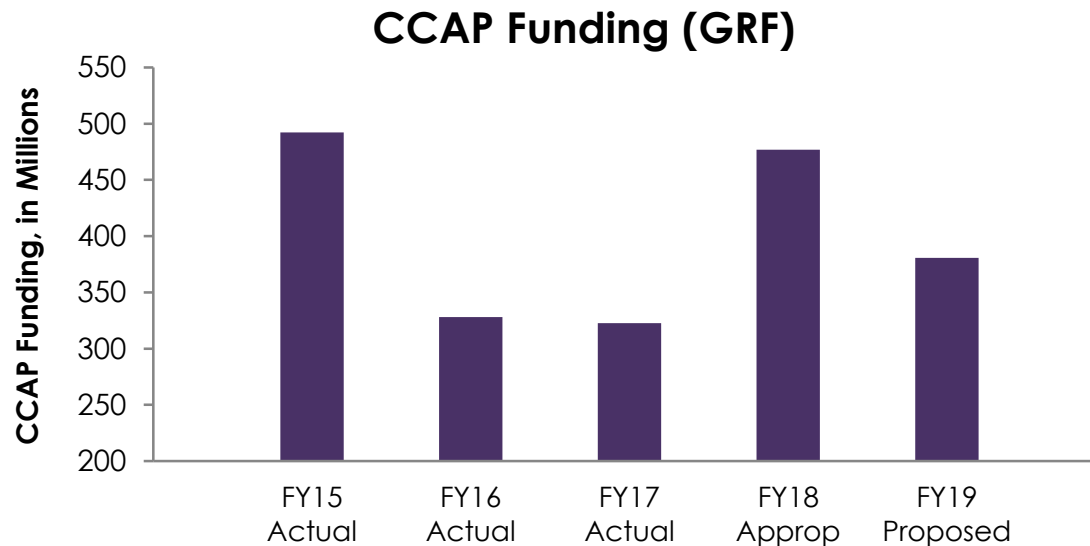
PROGRAM	FY16 Actual (GRF)	FY17 Actual (GRF)	FY18 Approp. (GRF)	FY19 Proposed (GRF)	Change FY18-FY19
CHILD CARE	\$328.1M	\$322.5M	\$476.8M	\$380.7M	(\$96.1M)
EARLY INTERVENTION	\$87.0M	\$92.7M	\$96.7M	\$99.7M	\$3.0M
HOME VISITING	\$16.2M	\$13.7M	\$16.9M	\$16.9M	\$0
EARLY CHILDHOOD BLOCK GRANT	\$318.8M	\$393.7M	\$443.7M	\$454.2M	\$10.5M



FY19 Proposed Budget: Child Care Assistance Program



- **Governor's Proposal: \$96.1M decrease from FY18 appropriation**
- Rationale for proposed cuts:
 - Decreased caseloads
 - Delayed implementation of 12-month eligibility



Data Source: Governor's Office of Management and Budget, Illinois State Budget Fiscal Year 2019



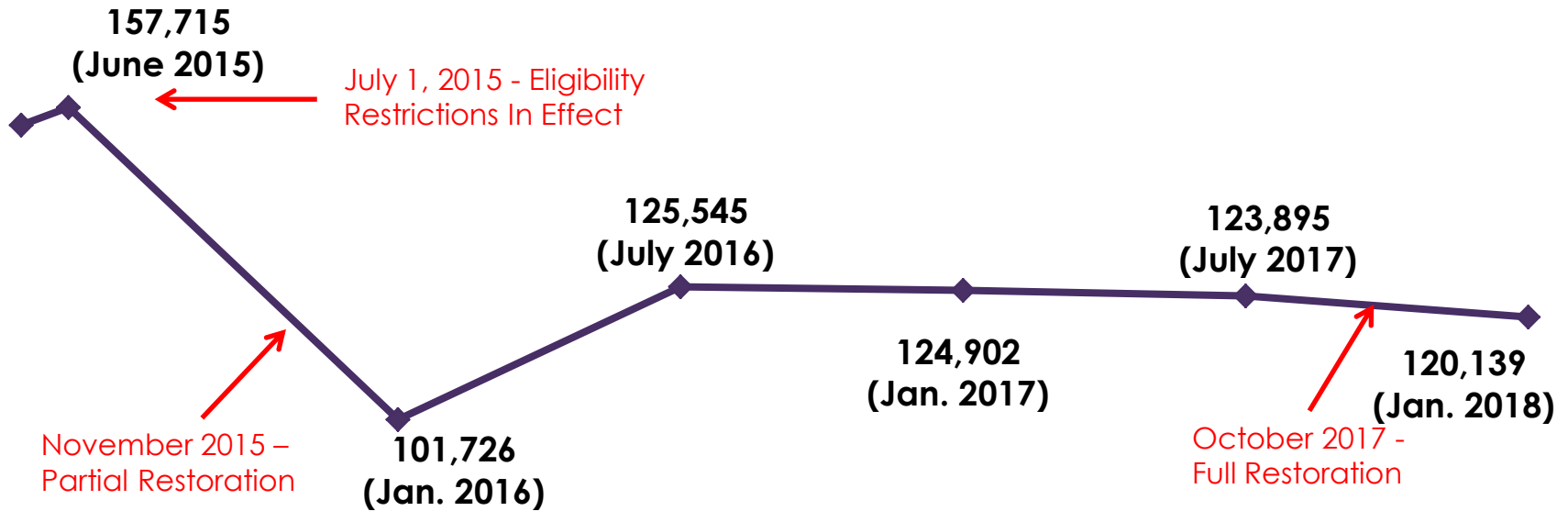


FY19 Proposed Budget: Child Care Assistance Program



- The decreased caseloads are a result of the administration's June 2015 eligibility restrictions
- Despite restoring eligibility, the caseload has remained suppressed since 2016

CCAP Caseload
June 2015-January 2018



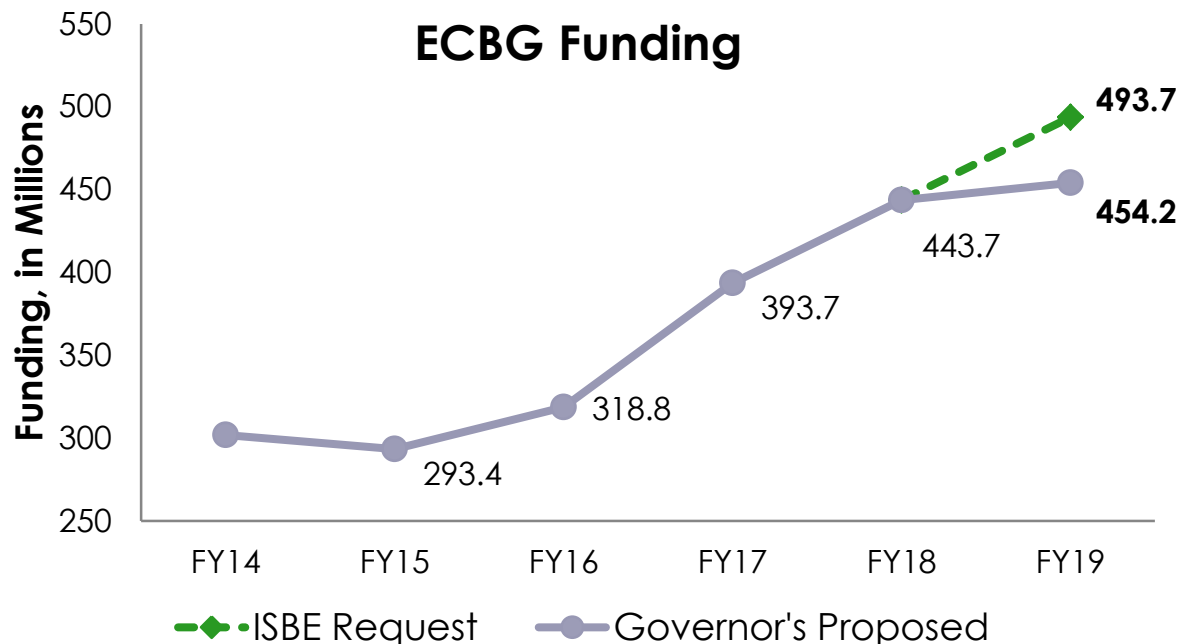
Data Source: IL Department of Human Services



FY19 Proposed Budget: Early Childhood Block Grant



- Governor's Proposal: \$10.5M increase from FY18 appropriation



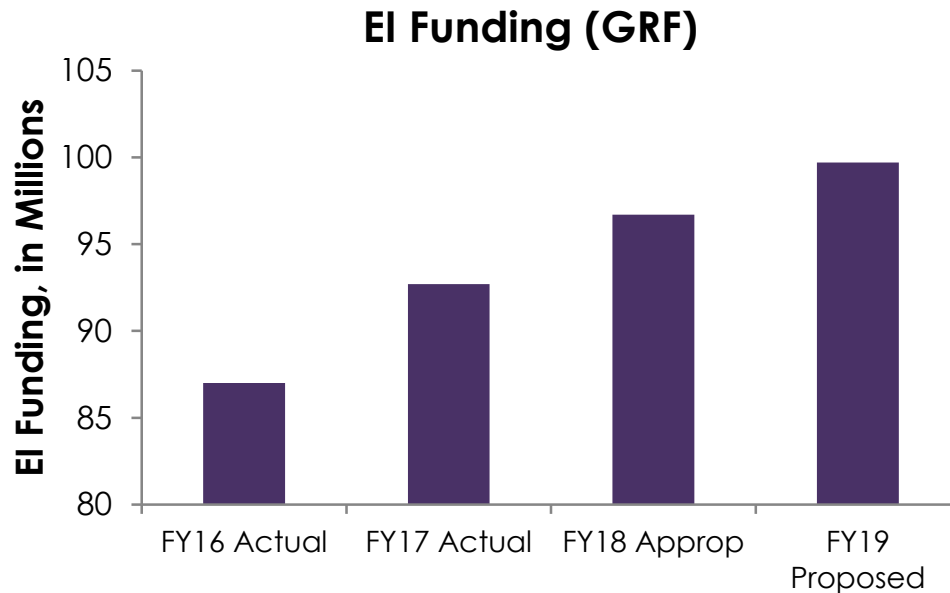
Data Source: Governor's Office of Management and Budget, Illinois State Budget Fiscal Year 2019



FY19 Proposed Budget: Early Intervention



- Governor's Proposal: \$3M increase from FY18 appropriation
- Increase proposed to respond to larger EI caseload



Data Source: Governor's Office of Management and Budget, Illinois State Budget Fiscal Year 2019

+ State Budget: Next Steps



- Governor Rauner's budget proposal is a starting point for negotiations in General Assembly (GA)
- GA will hold appropriations hearings in coming months to hear from state agencies and advocates about the impact of proposed budget
- Elected officials must find an agreement on a state budget that adequately funds our state's priorities by the end of legislative session (May 31)

+ Federal Budget Updates



- Congress passed Continuing Resolution to fund government through March 23rd
- Included 2-year high-level budget agreement, with increased investments for several early childhood programs
- Child Care and Development Block Grant (CCDBG) – \$5.8 billion increase over 2 years
 - \$75-100 million additional for Illinois
- Maternal, Infant, and Early Childhood Home Visiting (MIECHV) – \$400 million/year for 5 years
- Children’s Health Insurance Program (CHIP) – reauthorized for 10 years

+ Federal Budget Updates



- President Trump's FY19 budget proposal negatively impacts working families by cutting vital supports, including:
 - Medicaid and the Affordable Care Act (ACA)
 - Temporary Assistance to Needy Families (TANF)
 - Supplemental Nutrition Assistance Program (SNAP)
 - Student aid and loan forgiveness programs
- These harmful cuts would pay for the recent tax cuts passed by Congress, which overwhelmingly benefit the wealthy

+ IAFC Budget & Policy Priorities



Williamson County early childhood advocates fighting to keep their pre-k programs open at Early Childhood Advocacy Day 2017



Pass Responsible FY19 State Budget



- Illinois' two-year budget impasse inflicted unnecessary and devastating harm to our families and the social service infrastructure that supports them.
- Illinois must end the yearly battle for program funding by enacting a responsible budget that adequately funds our priorities with sustainable, fair revenue.
- **IAFC request:** Enact a full-year state budget with adequate funding before the regular legislative session adjourns



Enact Fair & Sustainable Revenue



- Illinois' flat, regressive income tax structure is unfair and unsustainable
 - Structural changes are needed to create sustainable increases in revenue and prevent yearly battles to fund vital services
 - Illinois is one of only 8 states with flat tax
- IAFC supports a Fair Tax: progressive income tax structure with lower rates for lower incomes and higher rates for higher incomes
 - Capturing the growth at the top income levels would provide long-term, sustainable revenue growth
 - Provides income tax relief for majority of Illinois families
- **IAFC request:** Pass Constitutional Amendment Resolution by May 9th to put a question on the November election ballot, asking voters whether or not Illinois should adopt a Fair Tax



Increase Access to CCAP



- Due to decreased CCAP caseloads caused by the 2015 eligibility restrictions, Illinois has reduced CCAP spending
- Instead of cutting appropriation levels, the state could increase investments in other aspects of the system that improve access for families
 - Increase eligibility period from 6 to 12 months
 - Increase provider reimbursement rates
- **IAFC Request:** Reject Governor's proposed \$96.1M cut to CCAP funding



Improve Pre-K Quality & Availability



- Despite increases over the last 3 years, Illinois is still not serving all eligible children.
- As part of Illinois' federal Preschool Development Grant plan, the state committed to increasing Early Childhood Block Grant (ECBG) funding by \$50 million for 5 years (FY16-FY20)
- **IAFC Request:** Support ISBE's request to increase ECBG by \$50M



Increase Access to CCAP



- Reauthorization of federal Child Care and Development Block Grant (CCDBG) requires states to have 12-month eligibility periods for families receiving CCAP
 - Promotes continuity of care for children
 - Reduces disruptions to families' work, education, or training schedules
 - Eases administrative burden for the state
- Illinois has requested waivers to delay implementing the shift from 6-month to 12-month eligibility
- **IAFC Request:** Extend eligibility period to 12 months



Address Workforce Challenges

Alternative Pathways



- Staffing challenges persist across the ECE system
 - Finding and retaining Preschool for All teachers has been particularly challenging for many programs
- Alternative pathways to degrees and credentials benefit would support recruitment and retention:
 - Grow the pool of high-quality candidates for employers
 - Provide opportunities for those already working in the field to move up the educational and career ladder
- **IAFC Request:** Temporarily allow alternative qualifications for Preschool for All teachers, such as the Level 5 Early Childhood Credential



Address Workforce Challenges

Access to Professional Development



- Challenges with accessing critical professional development opportunities are contributing to the shrinking supply of qualified ECE professionals
 - Costs associated with new health and safety training requirements
 - Lack of teaching programs statewide
 - Absence of adequate training dollars
- **IAFC Request:** ISBE and IDHS should invest significant new resources into professional development funds to help improve the supply of qualified ECE professionals
 - Provide scholarships for trainings and coursework
 - Support the development of new models for degrees/credential programs at institutions of higher education



Address Workforce Challenges

Provider Compensation

- Historically, one of the primary challenges to recruiting and retaining qualified early childhood practitioners is the low compensation in the field
- Illinois' insufficient CCAP reimbursement rates are a significant factor
 - Reimbursement rates are far below market rates in most regions, providers do not have adequate revenues to offer competitive wages for staff
 - Reimbursement rates must also take into account forces like changes in the minimum wage
- **IAFC Request:** IDHS should increase CCAP reimbursement rates for all provider types, taking into account important factors such as minimum wage increases



Early Childhood Legislation



- HB 4965 (Wallace)
 - Extends CCAP eligibility period from 6 to 12 months
- SB 1829 Amendment #2 (Hutchinson)
 - Creates temporary alternative qualifications for Preschool for All teachers
- SB 2227 Amendment #1 (Hutchinson-Althoff)
 - Appropriates capital funds for early childhood construction grants
- SB 3253 (Oberweis)
 - Extends licensure period for licensed centers, homes, and group homes from 3 to 5 years

+ Advocacy Opportunities



- Look for IAFC alerts to take action on legislation
 - Call your legislators and urge them to support or oppose bills
 - File witness slips to state your support or opposition to bills in committee hearings
- Spring into Action Conference – April 9-10, 2018
 - Join other ECE professionals to learn about important policy issues facing the field
- Early Childhood Advocacy Day – April 10, 2018
 - Engage in legislative advocacy at the State Capitol with early childhood advocates from across Illinois



Contact Us



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