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

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

<table>
<thead>
<tr>
<th>Date</th>
<th>Caseload</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2015</td>
<td>157,715</td>
</tr>
<tr>
<td>Jan. 2016</td>
<td>101,726</td>
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<tr>
<td>July 2016</td>
<td>125,545</td>
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<tr>
<td>July 2017</td>
<td>124,902</td>
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<tr>
<td>July 2017</td>
<td>123,895</td>
</tr>
<tr>
<td>Jan. 2018</td>
<td>120,139</td>
</tr>
</tbody>
</table>

Data Source: IL Department of Human Services
FY19 Proposed Budget: Early Childhood Block Grant

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