State & Federal Updates: Policy & Budget

June 27, 2019
Agenda

- IAFC Policy & Budget Agenda
- FY20 State Budget
- ECE & Additional Legislation
- Federal Budget
- Federal Policy Updates
- Q&A
IAFC Policy & Budget Priorities

- Responsible FY20 state budget with the following investments in early childhood:
  - $30M increase to CCAP
    - Increase eligibility to 200% FPL with a higher exit threshold
  - At least $100M increase to ECBG
    - Meet demand demonstrated in FY19 and continue to expand services
  - At least $7M increase for EI
    - Meet increased caseload demands and increase provider rates
  - Increase in IDHS Home Visiting programs
    - Restore services and program capacity lost under budget impasse
IAFC Policy & Budget Priorities

- $250M for early childhood capital campaign
  - Meet demand for new and improved ECE facilities, as evidenced by $550M in requests from 2011 grant opportunity

- Fair and sustainable revenue to continue investments in the state’s priorities into the future
  - Support efforts to get constitutional amendment on 2020 general election ballot that would allow the adoption of fair, progressive income tax
# FY20 Early Childhood Spending (GRF)

<table>
<thead>
<tr>
<th>PROGRAM</th>
<th>FY17 Actual</th>
<th>FY18 Actual</th>
<th>FY19 Approp.</th>
<th>FY20 Proposed</th>
<th>FY20 Approp.</th>
<th>Change FY19-20</th>
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</thead>
<tbody>
<tr>
<td>CHILD CARE</td>
<td>$322.5M</td>
<td>$357.3M</td>
<td>$401.8M</td>
<td>$431.8M</td>
<td>$430.6M</td>
<td>$28.8M</td>
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<tr>
<td>EARLY INTERVENTION</td>
<td>$92.7M</td>
<td>$96.7M</td>
<td>$96.7M</td>
<td>$103.7M</td>
<td>$108.7M</td>
<td>$12M</td>
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<tr>
<td>HOME VISITING</td>
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<td>$14.1M</td>
<td>$16.9M</td>
<td>$16.9M</td>
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<td>$0</td>
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<tr>
<td>EARLY CHILDHOOD BLOCK GRANT</td>
<td>$393.7M</td>
<td>$443.4M</td>
<td>$493.7M</td>
<td>$593.7M</td>
<td>$543.7M</td>
<td>$50M</td>
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Data Source: Governor’s Office of Management and Budget, Illinois State Budget Fiscal Year 2020; IL SB262 HFA#2 (FY20 appropriations bill)
FY20 Budget
Child Care Assistance Program

- $28.8M increase from FY19 appropriation

Data Source: Governor’s Office of Management and Budget, Illinois State Budget Fiscal Year 2020
FY20 Budget
Child Care Assistance Program

CCAP Certificates Caseload
June 2015 – January 2019

- 157,715 June 2015
- 125,545 July 2016
- 124,902 Jan. 2017
- 123,895 July 2017
- 120,139 Jan. 2018
- 122,960 July 2018
- 116,965 Jan. 2019

July 1, 2015 - Eligibility Restrictions In Effect
November 2015 - Partial Restoration
October 2017 - Full Restoration
**FY20 Budget**

**Early Childhood Block Grant**

- $50M increase from FY19 appropriation

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**Data Source:** Governor’s Office of Management and Budget, Illinois State Budget Fiscal Year 2020
FY20 Budget
Early Intervention

- $12M increase from FY19 appropriation
  - Increase will cover a larger EI caseload and other investments

El Funding (GRF)

Data Source: Governor’s Office of Management and Budget, Illinois State Budget Fiscal Year 2020
**Additional Legislation**

- **SJRCA 1** – Fair Tax Amendment. Must receive 60% of the vote in the November 2020 election

- **SB 687** – New Tax Rates. These tax rates go into effect if the Fair Tax amendment is adopted. Will provide tax relief for 97% of tax payers

- **HB 62** – Rebuild Illinois. This bill provides $100 million for the Early Childhood Capital Grant program.

- **SB 1952** – This bill eliminates the Basic Skills Test requirement for future teachers and allows for the payment of student teachers in schools and child care centers

- **HB 2237** – This bill creates a Children’s Savings Account (CSA) program, which would open automatically an account for every child born or adopted in Illinois
Fair Tax

8th most regressive taxing state in the nation

20% of Illinois’ lowest earners pay more than any other midwestern state and have 2 times the tax burden of the wealthy.
Fair Tax

TOTAL STATE & LOCAL TAXES IN ILLINOIS, 2018 (ITEP)

Shares of Family Income

Income Range

- **LOWEST 20%**: $21.8K
- **SECOND 20%**: $21.8K-$40.8K
- **MIDDLE 20%**: $40.8K-$63.8K
- **FOURTH 20%**: $63.8K-$109.5K
- **NEXT 15%**: $109.5K-$231.5K
- **NEXT 4%**: $231.5K-$537.4K
- **TOP 1%**: $+537.4K
The Governor’s Fair Tax plan would generate $3.4 billion in revenue per year, most of it from millionaires.

A Fair Tax could bolster funding needed for critical public investments without balancing the budget on the backs of low- and middle-income families.

Fair Tax Amendment will be on the November 2020 ballot
Federal Budget

- The House approved an FY2020 budget proposal on June 19th that invests more into early childhood programs.

- Department of Health and Human Services (HHS) Programs
  - $7.676 billion for CCDBG (a $2.4 billion increase)
  - $11.563 billion for Head Start (a $1.5 billion increase)
  - $350 million for PDGs (a $100 million increase)

- Department of Education Programs
  - $60 million for CCAMPIS
  - $1.3 billion for 21st Century Community Learning Centers

- Advocate are also asking for $1 billion increase is mandatory child care funding
Federal Policy: Census 2020

- $20 billion in federal resources come to Illinois each year, based on the state’s census data
  - In addition to funding infrastructure and roads, these resources serve low-income families and children, communities of color, and rural communities
- Census data also determines the number of Illinois representatives in Congress
- The State has appropriated $29 million for census outreach
- It is critical that all Illinois residents, regardless of immigration status, are counted in the 2020 census
Questions?
Contact Us

Samir Tanna, Director of Policy & Community Engagement
samir.tanna@actforchildren.org

Maria Estlund, Senior Policy Associate
maria.estlund@actforchildren.org