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This Issue: The Fight for a Fair Tax and More!

Happy spring early learning advocates! This issue of eAdvocate provides an overview of Governor Pritzker's Fair Tax plan and how you can engage in the fight for a fair, graduated income tax structure in Illinois. We also provide a breakdown of the Trump administration's proposed 2020 budget and what it means for children and families throughout the country.

Help Establish a Fair Tax in Illinois!



(<https://www2.illinois.gov/sites/gov/fairtax/Pages/default.aspx>) Illinois is one of only nine states to have a flat income tax system. This means that all Illinois households — whether their annual incomes are \$10,000 or \$10 million—currently pay state income taxes at a rate of 4.95 percent. A progressive income tax system, or a fair tax, means that people who make less money pay a lower rate, and people who make more money pay a higher rate. This is the system that the federal government uses/. Many of Illinois' neighboring states do, as well.

Last month, Governor Pritzker released his plan to implement a fair tax system in Illinois. In his February budget address, the Governor outlined the dire fiscal situation Illinois faces, with a \$3.2 billion structural deficit and \$15 billion in debt from unpaid bills. The Fair Tax would help address our state's fiscal challenges by raising \$3.4 billion in new revenue, while actually lowering taxes for 97 percent of families. As importantly, this system would allow the state to avoid devastating cuts to the health, education, and early learning programs that are absolutely crucial for so many children and families in Illinois. Here is how the plan would work:

- Illinois taxpayers making \$250,000 per year or less — again, 97 percent of all taxpayers — would see some tax relief. In some cases, the tax reduction would be modest. In others, it would mean hundreds of dollars for many families who could use that extra income.
- Only people making more than \$250,000 per year will see a tax increase under this plan. The lowest rate is 4.75 percent. The top rate, for those making more than \$1 million, is 7.95 percent.
- The proposal also provides tax relief for middle class families by increasing the property tax credit by 20 percent for single people making up to \$250,000 and couples making up to \$500,000 annually.
- Finally, the Fair Tax establishes Illinois' first ever Child Tax Credit program, giving families up to \$100 per child per year. The credit phases out as family income increases so working families get the most benefit, with a total phase out at \$80,000 for single parents, and \$100,000 for married couples.

Under Illinois' current tax system, lower-income people carry a heavier tax burden than higher-income people. This fair tax proposal would bring relief for working families, while producing stable and sustainable revenues to adequately invest in the early care and education programs that children and families throughout Illinois rely on.

Next Steps: Establishing a fair tax in Illinois requires a constitutional amendment. First, the General Assembly must vote, by a three-fifths majority in both houses, to put the question on the ballot in November 2020. Then a majority of the voters must approve the measure. If they do so, the new tax rates will go into effect on Jan. 1, 2021.

How to Get Involved: Contact your legislators in the Illinois House and Senate (https://actforchildren.secure.force.com/actions/kwac__takeaction?actionId=AR00255) and let them know how important a fair tax is for the children, families, and early childhood professionals in your community! Please also encourage others in your network to do the same!

Trump Administration's FY 2020 Budget Proposal

(<https://abcnews.go.com/Politics/agency-highlights-budget-proposal-white-house/story?id=61612701>)

On March 11, the Trump administration released its budget proposal for Fiscal Year (FY) 2020. As a reminder, the president's annual budget proposal is merely a blueprint, and the ultimate authority to set revenue levels and allocate funds lies with Congress, which is currently under divided control and is unlikely to approve many of the recommendations in this proposal this year. With that said, this budget is a roadmap to the types of policies the Administration will seek to implement with the tools at its disposal, including executive orders and regulatory changes.

Therefore, it is important to take stock of what is in this proposal and its implications for children and families throughout the country. If enacted, this budget would drastically undermine federal investments in early learning programs and ultimately harm children, families, and communities in Illinois and throughout the country. Below is a brief overview of the recommendations related programs that young children and families rely on.

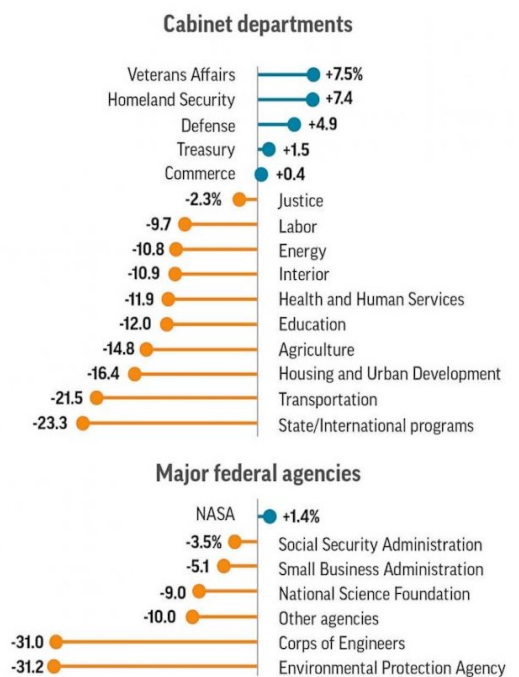
Flat funding for the Child Care and Development Block Grant and Head Start, when only one in six children eligible for assistance under federal rules currently receives it. Flat funding means many eligible children and families will continue to lack access to affordable, quality child care.

IAFC is advocating for a \$5 billion increase to CCDBG funding in FY 2020 to ensure that early learning professionals receive the compensation they deserve and that children and families in Illinois and throughout the country can access high-quality early learning programs.

- **Race to the Bottom on Child Care:** The budget proposes \$1 billion for a one-time funding opportunity for states to build the supply of child care, but only if they agree in their application for funding to roll back basic protections for children in child care. These basic protections are essential to keeping children safe and ensuring they are cared for in high-quality environments that help them learn.
- **Paid Family Leave:** The budget includes a proposal to give new mothers, fathers, and adoptive parents paid family leave. However, there is no mention of a set sum of money devoted to such goal or a fund. Additionally, by

Trump's 2020 budget

Most domestic spending would be reduced under a 2020 fiscal year budget submitted by President Donald Trump.



SOURCE: White House Office of Management and Budget

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limiting the policy to parents, the proposal excludes many of the people who need paid leave the most—like those caring for seriously ill family members or battling critical health conditions themselves.

- Cuts **Medicaid** by \$1.5 trillion over 10 years, implementing work requirements as well as eliminating the Medicaid expansion under the Affordable Care Act. The budget instead adds \$1.2 trillion for a “Market Based Health Care Grant” — a block grant to states, instead of paying by need.
- Cuts the **Supplemental Nutrition Assistance Program (SNAP)** by \$220 billion over 10 years, while implementing mandatory work requirements.
- Imposes a 9 percent cut overall to **Non-Defense Discretionary programs**, which would likely impact funding for affordable housing programs, the Women, Infants, and Children (WIC) program, the Low Income Home Energy Assistance Program, and many others.
- Permanently extends the **2017 tax law’s tax cuts for individuals**, which would cost \$275 billion in 2028 alone, according to Congressional Budget Office estimates.

Our country increasingly recognizes that investments in child care and early learning programs are an investment in our parents, children, and economy. However, this budget proposal flies in the face of this growing national consensus. By making the costly 2017 tax cuts — which largely benefit those who already have high incomes and wealth — permanent, and imposing sharp cuts to vital health and human service programs, this budget would increase income inequality, widen racial disparities, and shrink opportunities for those trying to get ahead.

As the FY 2020 appropriations process moves forward in Congress, IAFC will be sending out action alerts and other opportunities to tell your federal representatives why responsible investments in early care and education, along with the development of a fair budget with responsible revenue streams, are so important for communities throughout Illinois!

Spring Break Advocacy Activities



Both the House and Senate are on a two-week break, with session starting back up the week of April 29. Take advantage of this opportunity to reach out to your legislators while they are back home in their districts!

- Invite your legislator to tour your program
- Attend any town halls or other public events with your legislator
- Talk to your Senators about the importance of the CCAP income eligibility bill (SB1679 (<https://trackbill.com/bill/illinois-senate-bill-1679-dhs-child-care-income-levels/1691619/>))

Spring Into Action 2019 Recap

Illinois Action for Children’s 22nd annual public policy and advocacy conference, Spring into Action, was held on April 2-3 in Springfield Illinois. Spring into Action brings early childhood providers, stakeholders, and advocates together for policy-oriented workshops, capitol visits to speak with legislators, and networking opportunities to connect with other members of the field.

Thank you to all the providers, teachers, community partners, organizers, and presenters who attended Spring Into Action! This year’s keynote address by Rachel Giannini focused on understanding of the value of families, parents, teachers, and early childhood professionals advocating to ensure each and every child is safe, healthy, and ready to succeed and eager to learn at any time and any pace. Every year, 30 percent of early childhood educators leave the field. Illinois is losing talented preschool teachers. Teachers, families, and children deserve more. The presentation explored all the ways that we can use our powerful outdoor voices to make a real difference.



During this year's Legislative Networking Reception there was a short screening of the film *No Small Matter*. *No Small Matter* is a documentary film and national engagement campaign that brings public attention to Early Childhood Education by sharing powerful stories and stunning truths about the human capacity for early intelligence and the potential for quality early care and education to benefit America's social and economic future. Attendees were able to connect and mingle with other early childhood professionals, as well as the Representatives and Senators that joined us for the evening.

Spring into Action culminated with a successful day at the Capitol, where early childhood advocates spoke with lawmakers about the importance of investing in early childhood and supporting children

and families by passing critical legislation.

If you were not able to join us you can check out the workshop presentations (<https://www.actforchildren.org/for-advocates/advocacy-events-webinars/advocacy-events/>).

ISBE and DFSS Release FY20 RFPs for Early Childhood Funding



The Illinois State Board of Education (ISBE) and the City of Chicago Department of Family Support Services (DFSS) have released Request for Proposals (RFPs) for early childhood programs to apply for funding for FY20. All applicants outside of the Chicago city limits need to apply through ISBE's RFP process, while all applicants inside the Chicago city limits must go through the DFSS RFP.

ISBE has RFPs open for the following Early Childhood Block

Grant (ECBG) funded programs:

- Preschool for All (PFA) for 3-5 year olds
- Preschool for All Expansion (PFAE) for comprehensive services for 3-5 year olds
- Prevention Initiative (PI) for 0-3 year olds

Final applications for all three ISBE RFPs must be submitted electronically, mailed, or delivered to ISBE by June 10, 2019 at 4 p.m. Programs must also complete **pre-application documentation** as a first step.

The RFP process is open to both early childhood programs not currently receiving ECBG funds as well as currently funded programs seeking to expand services. Programs that were awarded grants in FY19 are funded for five years, and only need to submit an application for FY20 if they are seeking to offer additional services or increase the number of slots. **More information, including the required pre-application process and proposal documents, can be found on ISBE's early childhood website (<https://www.isbe.net/Pages/RFPs.aspx>).** Information on available technical assistance resources should be posted soon. If you have any questions, contact ISBE's Division of Early Childhood at earlychi@isbe.net (<mailto:earlychi@isbe.net?subject=Early%20Childhood%20RFP>) or 217.524.4835.

DFSS has RFPs open to apply for funding to deliver one or more of the following programs:

- Preschool for All (PFA) for 3-5 year olds
- Head Start for 3-5 year olds

- Prevention Initiative (PI) for 0-3 year olds
- Early Head Start for 0-3 year olds
- Early Head Start-Child Care Partnerships for 0-3 year olds

Please note that applicants seeking funding to serve children 0-5 years old must submit separate proposals for 0-3 year-old services and 3-5 year-old services. **Final proposals for DFSS funding must be submitted through the electronic application system by May 15, 2019 at 12 p.m.** Applicants must **first register on the City's new electronic vendor system**; please note that it can take up to a week to process this initial registration.

The DFSS RFP is open to all early childhood providers, regardless of current funding status. Programs currently funded for FY19 must re-apply for FY20 funding. **More information on the application process and materials can be found on the DFSS website**

(<https://www.chicago.gov/city/en/depts/fss/provdrs/child/alerts/2019/april/department-of-family-and-support-services--chicago-early-learnin.html>), along with details on upcoming webinar and in-person informational sessions for interested applicants. If you have questions, contact Julia Talbot at DFSS at Julia.talbot@cityofchicago.org (<mailto:Julia.talbot@cityofchicago.org?subject=Early%20Childhood%20RFP>).
