(https://www.actforchildren.org/champion/join-movement/e-advocate)

This Issue:
Federal Budget and Policy Update

Happy summer, early learning advocates! Now that the Illinois General Assembly has adjourned (check out IAFCs 2019 Legislative Session Recap Webinar (https://register.gotowebinar.com/recording/2078965781675558913)), this issue of eAdvocate will focus on the federal budget process and some of the recent legislative proposals coming out of Washington D.C. related to early childhood programs and services.

FY 2020 Federal Budget

Members of Congress and the Administration have until September 30 to set funding levels for the upcoming federal Fiscal Year (FY) 2020, which begins on October 1. While certain mandatory programs, like Medicare, Medicaid, and Social Security are funded automatically and are therefore not subject to the annual appropriations process, every other program, service and general operation that the federal government provides is subject to this

funding process. So-called discretionary funding programs amount to about $1.4 trillion in total, and include everything from child care assistance and subsidized housing to scientific research and the U.S. military budget.

Debt Ceiling and Budget Caps

Before lawmakers can pass a FY 2020 budget, they first need to clear several crucial, procedural hurdles. Congress must vote to raise the debt ceiling, which is a cap on the amount of money the Treasury Department is authorized to borrow. If Congress fails to increase this borrowing limit, the U.S. could risk defaulting on its debt— which would have ripple effects throughout the global economy. Fiscal analysts predict that the Treasury could lose the ability to pay its bills by October or early November under this scenario.

Congress must also reach a deal to raise the self-imposed budget caps on discretionary funding, which were originally put in place by the 2011 Budget Control Act and have been lifted periodically since then. Without a deal to lift the caps, discretionary funds would be subject to severe, across-the-board cuts. These cuts, known as sequestration, would impact funding for Head Start, child care, and many other crucial programs that low-income children and families rely on. So far, a deal has not materialized on either front. In the meantime, the House has moved forward with advancing its appropriations bills, but the Senate has thus far waited to proceed until a spending caps deal has been reached with the House and the Trump Administration.

Debt Ceiling and Budget Caps

As of July 1, the House has passed 10 of the 12 appropriations bills, which together determine the discretionary funding levels for FY 2020. While these funding levels are just the beginning of a negotiation that will still include input from the Senate and the Trump Administration, the House-approved FY 2020 appropriations bills include robust investments in many of the early learning programs most important to young children, families, and the early childhood workforce. Those investments include:

- **Child Care and Development Block Grant:** $7.676 billion ($2.4 billion increase from FY19)
- **Head Start:** $11.563 billion ($1.5 billion increase from FY19)
- **Preschool Development Grants:** $350 million ($100 million increase from FY19)
- **Child Care Access Means Parents in School (CCAMPIS) Program:** $60 million ($10 million increase from FY19)
- **21st Century Community Learning Centers:** $1.3 billion ($100 million increase from FY19)

This is a positive, encouraging first step in the appropriations process. Nevertheless, early learning advocates in Illinois and across the country need to continue to keep the pressure on lawmakers to ensure that debt ceiling is raised, the budget caps are lifted, and the final FY 2020 funding package includes robust investments in the health, development, and financial security of children and families throughout the country.

Federal Early Childhood Legislation

In 2019, we have seen a surge in national interest from elected officials in proposals to address child poverty, support low-income families, and invest in affordable, high-quality early learning programs. A few notable proposals are highlighted below. While these policy proposals differ on certain specifics, they all help work towards a future where all families have access to affordable high-quality early learning programs. For any of these bills to become law, it will require a sustained, nationwide effort from advocates across the country contacting their elected officials and urging them to support these efforts to invest in young children and families.

Child Care for Working Families Act
On February 26th, U.S. Senator Patty Murray (D-WA) and U.S. Representative Bobby Scott (D-VA) re-introduced the Child Care for Working Families Act (https://www.help.senate.gov/imo/media/doc/CCFWFA%20Fact%20Sheet%20116th%20Congress%20FINAL.pdf). This legislation would ensure that the cost of child care is capped at 7 percent of income for all families making less than 150 percent of the state median income, which in Illinois equates to 366 percent of the federal poverty level (FPL) for a family of four (or about $92,000, annually). Illinois families making less than $45,000 per year would not have to pay anything at all.

Furthermore, the bill calls for a significant increase in compensation and training for the child care workforce to ensure that our nation's early learning professionals have the support they need to thrive and best support the children they are caring for. Both Senators Durbin and Duckworth from Illinois have signed on as cosponsors, and the House version of the bill currently has 148 cosponsors (https://www.congress.gov/bill/116th-congress/house-bill/1364/cosponsors?r=1&s=3&q=%7B%22search%22%3A%5B%22H.R.1364%22%5D%7D). If your representative is not yet a cosponsor, you can call and tell him or her (https://www.govtrack.us/congress/members)to show their support for young children and families by signing on to this bill!

Universal Child Care and Early Learning Act
On June 18, Senator Elizabeth Warren (D-MA) and Representative Deb Haaland (D-NM) introduced the Universal Child Care and Early Learning Act (https://www.warren.senate.gov/imo/media/doc/Universal_Child_Care_Policy_One-Pager_Final_6-10-19.pdf), which would establish a network of federally-funded, locally-administered child care programs while preserving funding for Head Start and CCDBG to ensure low-income families have a variety of quality care options. Families below 200 percent of FPL (approximately $51,500 for a family of four) could access these public child care programs at zero cost. Families with higher incomes would pay a subsidized fee on a sliding scale based on their income, but no family would pay more than 7 percent of their income for these public child care options.

The legislation also provides funding to allow child care programs to adequately invest in quality improvements and much needed increases in pay for providers. This ambitious legislation still requires some consideration in terms of the potential impact on the current early care and education system. However, it also has the potential to shift the way that policymakers and citizens think about child care in this country by adequately investing in early learning programs and working towards universal access for all children and families.

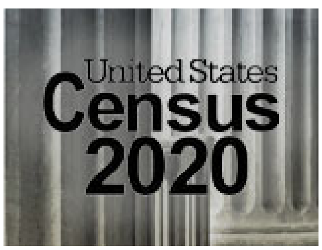
Economic Mobility Legislative Package
On June 20, the House Ways and Means Committee approved a slate of bills aimed at reducing child poverty, providing tax relief for low-income families, and making high-quality child care more affordable. Taken together, this legislative package (https://www.cbpp.org/sites/default/files/atoms/files/6-25-19tax.pdf)would:

- Make the **Child Tax Credit (CTC)** fully refundable for families who currently make too little to receive the entire credit, allowing all families to receive the full credit of $2,000 per child. The legislation would also create a new Young Child Tax Credit so that children under 4 would receive a $3,000 credit rather than a $2,000 credit. The bill's CTC changes would benefit more than 42 million children under age 17.
- Expand the **Earned Income Tax Credit (EITC)** for workers without dependents by raising their maximum EITC benefit from roughly $530 to $1,460 and raising the income eligibility threshold for childless workers from about $16,000 a year to about $21,000. This would raise the after-tax incomes of roughly 16 million childless adults. While the people who stand to benefit from this EITC expansion by definition do not have dependents, many still care for noncustodial children or children of friends, relatives, and neighbors.

- Expand the **Child and Dependent Care Tax Credit (CDCTC)**, so that families with incomes up to $120,000 (indexed for inflation) could claim a credit for 50 percent of qualifying expenses, before the rate begins phasing down at higher income levels. In addition, it would double the maximum credit to $6,000 for one child and $12,000 for more than one child. The bill would also make the CDCTC refundable so that it would be available to lower-income families who now are excluded because they have no federal income tax liability to offset.
- **Strengthen the Child Care and Development Fund** by increasing the amount that is considered mandatory funding—and therefore not subject to the annual appropriations process—by $1 billion a year in 2020 and 2021, from $2.9 billion to $3.9 billion. This increase in the amount of federal funds provided for Illinois' Child Care Assistance Program (CCAP) would also trigger additional state matching funds. Estimates indicate that this legislation would give as many as 183,000 additional low-income children nationwide access to child care assistance.

Representative Danny Davis (IL-07) is a lead sponsor for two of the bills approved by the Ways and Means Committee, and has been a strong advocate for many of the legislative efforts to reduce child poverty and more adequately support low-income families in Illinois and across the country. If you are a constituent of Mr. Davis, you can call and thank him for his efforts thus far. And if not, please call your elected officials (https://www.govtrack.us/congress/members)and tell them to support this package to strengthen our support for low-income children and working families.

2020 Census



On June 27, The U.S. Supreme Court affirmed the crucial importance of an accurate and inclusive census by ruling that the citizenship question cannot be added to the 2020 U.S. Census. In an opinion authored by Chief Justice John Roberts, the court questioned the administration's reasoning for adding the question and ordered the case to be reconsidered by a lower court. It remains unclear whether the Trump Administration will continue its uphill legal battle to include the citizenship question or whether it will begin printing the census forms without it.

The census is a constitutional requirement conducted every 10 years to count every person residing in the country. The results are used to draw federal and state legislative district maps, as well as to allocate approximately $800 billion in federal funds annually for programs like Medicaid, SNAP, Head Start, and CCDBG. Certain groups, including people of color (https://www.urban.org/sites/default/files/publication/100324/assessing_miscounts_in_the_2020_census.pdf)and young children under 5 (https://www.census.gov/programs-surveys/decennial-census/2020-census/research-testing/undercount-of-young-children.html), have historically been undercounted in the census. By adding a citizenship question to the census form, families, who may be concerned about their immigration status or that of a family member, are less likely to fill out the form, leading to an even less accurate count. Illinois stands to potentially lose one, and maybe two, seats in the U.S. House of Representatives, impeding our political voice, access to federal resources, and several Electoral College votes.

While it looks like the citizenship question will be left off of the 2020 census form, significant harm and fear has already been caused by the attempts to get it included in the first place. It will, therefore, take a strong and united effort to help ensure that everyone in each of our communities completes the census form. Because the U.S. Census has historically undercounted young children, the early childhood community plays a key role in this effort to ensure a fair and accurate count in 2020. Census efforts will pick up this fall and into next year, so be on the lookout for IAFC resources and training opportunities so that you can be a part of this effort to ensure your community is accurately counted!

Exciting Recent CCAP Policy Improvements!

On July 3, the Illinois Department of Human Services (DHS) distributed a memo announcing that, effective July 1, 2019, CCAP client co-pays will decrease to no more than 9 percent of a family's gross income, allowing more families to participate in the program and more children to access high-quality early care and education programs. Also announced within the policy memo are improvements to the Gateways to Opportunity Scholarship Program and the Great START Wage Supplement Program, allowing more early care and education professionals to advance their education and skills, as well as increase their compensation. Finally, effective October 1, 2019, IDHS will increase the income eligibility guidelines for CCAP to 200 percent of FPL and create an exit ramp at 225 percent of FPL. For more details on these changes, the memo can be found here in English (http://www.actforchildren.org/wp-content/uploads/2019/07/201907-Child-Care-Update-Memo-3.pdf) and Spanish (http://www.actforchildren.org/wp-content/uploads/2019/07/201907-Child-Care-Update-Memo.-Spanish-3.pdf).

Each of these programmatic improvements is the result of our consistent and united advocacy efforts over the past year. So thank you and job well done to all of the early learning advocates throughout our state, who advocated for these changes. Illinois Action for Children, along with our network of advocates and partners, will continue to advocate for policy changes that increase access to high-quality early learning programs for children and families, while expanding opportunities for the early care and education workforce.