



**Capitol Corner**  
**An ECIC Legislative Update**  
**August 24, 2007**

**Budgets Start to Move...In Opposite Directions**

On Wednesday, the House and Senate both began to move their “first House” budget bills out of their chambers and over to each other. Each chamber appears to be moving in the opposite direction from the other. The Senate, for the most part, continued to make budget cuts to departments and the House, for the most part, increased the budgets for the departments. This action comes on top of the on-going discussions between the Speaker and Senate Majority Leader on how to resolve the budget impasse.

The House was in session from 1:30 PM on Wednesday until 6 AM on Thursday morning. The Senate had a long day, but nothing compared to the House. In both chambers, the budgets passed mostly along partisan lines. With first House bills that isn't so unusual. What is unusual, is how late first House bills are moving this year. It will be a real race and struggle to get all of the budgets and necessary revenue bills completed by October 1, 2007, the beginning of the fiscal year. The clock is ticking.

**Speaker and Majority Leader Trade Budget Ideas**

After holding private conversation the past several weeks it was reported, in the press and around the Capitol, that Speaker Dillon presented to Senator Majority Leader Bishop his ideas on raising revenue, areas to cut, and reforms to state government. Bishop responded with his own ideas on more cuts and reforms.

The new revenue sources have been identified as follows:

- Increasing the income tax;
- Placing a 6 % sales tax on some services and entertainment;
- Increasing the liquor tax;
- Increasing the tobacco tax; and,
- Revisiting the idea of racinos, allowing slot machines at horse race tracks. It is estimated that the revenue from racinos could range from \$300 million to \$500

million annually. A vote of the people is needed to approve this new gambling in the state before it can process, but the legislature can place it on the ballot with a 2/3 vote by each chamber. Talk in and around the Capitol is that the voters would be given an option between continuing with a higher income tax or approving racinos and seeing their income tax rate reduced. It was reported in MIRS, that polling data shows 75% of the voters supported the idea of allowing racinos when it is tied to lower income tax rates.

### **Early Childhood a Winner in House Education Budgets**

House Bill 4359, the School Aid budget would substantially increase the state's investment in early childhood education and care. The Budget itself is over \$300 million more than the current year, providing funding increases for the every school district and then some. The bill increases the per-pupil foundation grant by \$100 and there is an equity payment of \$23 that is rolled up into the base foundation grant for eligible districts. The equity payment is an ongoing effort to try to close the gap between the school districts receiving the lowest per-pupil foundation grants and those districts receiving the highest amounts. There is an additional \$16 million for districts with declining enrollment for a total of \$36 million. And, the House added \$20 million for transportation grants.

**Early Education:** One of the biggest increases in spending, if passed into law, is in the area of early education and care. The House adds over \$110 million towards new investments in early childhood. The bill would fund, at \$43.7 million, a new full-day preschool program for at-risk children for up to 11,000 children. Additionally, it would fund, at \$43.7 million, a new universal full-day preschool program for up to 11,000 children. Both programs would not start until the second half of the year.

School Readiness Program, district grants, would be increased by \$4.6 million, a per-child allocation increase from \$3,200 to \$3,500; and competitive grants would be increased by \$800,000, increasing the per-child allocation from \$3,300 to \$3,500.

0-3 Secondary Prevention Early Childhood Grants would see their funding increased \$750,000 for interagency early childhood grants.

Great Start Communities (ECIC) would be increased by \$1.5 million for competitive grants to ISDs to expand the GSC system.

The Intermediate District Parent Involvement Grants would see a gross funding increase of \$22.5 million. This would maintain the current \$5.0 million for the Great Parent, Great Start programs. It would add \$22.5 million for new comprehensive services grant program for children, prenatal to 3 years of age, and their families. This is based off of the Illinois 11% set-aside for community programs aimed at children (0 to 3) and their families. All programs funded under this section must use research-based program

models and will adhere to principles shown to improve chances for success in school and life, including but not limited to, all of the following:

- High-quality services and referrals that promote physical, social, emotional, cognitive, and language development;
- Comprehensive developmental screening for all children;
- Comprehensive and flexible programs that respond to the varied needs of families;
- Family-centered and community-based programs that focus on the child and the family together in the context of their culture and community;
- Caring, responsive, and well-trained staff who have knowledge of infant and toddler development and can understand and address parental needs and concerns;
- Programs that support parents as primary nurturers, educators, and advocates for their children; and,
- Programs that provide smooth transition into high-quality preschool or other appropriate programs and collaborate with other community resources.

To receive a grant an ISD would submit a plan to the MDE and the plan would be reviewed. The plan must establish a community-wide continuum of services; demonstrate adequate collaboration of local entities involved, including any early intervention, early head start, and 0-3 Secondary Prevention programs. If a Great Start Collaborative (GSC) has been established in area, the ISD must demonstrate that the GSC is involved in the plan and its implementation. If a GSC has not been organized in that area, then a similar existing collaborative body must be involved in the plan and implementation.

The House also included intent language in the bill that states by the Fiscal Year 2011-2012, all districts will provide universal full-day preschool for 4-year-olds, and that it is the intent of the Legislature that at least 11% of the total appropriation spent on 4-year-old preschool programs be appropriated for 0-3 and 0-5 early childhood programs.

In the Department of Education budget bill, the House included funding for 4 new FTEs to help support the early childhood programming in the School Aid budget.

### **Senate Passes Budgets:**

The Senate passed out its first House budget bills including:

Department of Human Services (SB 232); General Government (SB 2290); Transportation (SB 240); State Police (SB 238); Department of Labor and Economic Growth (SB 234); Agriculture (SB 222); Strategic Fund (SB 239); Judiciary (SB 233); Military Affairs (SB 235); and, History, Arts and Libraries (SB 231).

### **House Passes Budgets:**

The House passed out the following first House budget bills:

School Aid (HB 4359); Department of Education (HB 4346); Community Colleges (HB 4360); and Higher Education in two bills, one containing funding for University of Michigan, Michigan State University, and Wayne State University (HB 4351) and another providing funding for the other 12 public universities (HB 4350).

The House had earlier this summer passed out the budget bills for Community Health; Natural Resources; Environmental Quality; and, Corrections.

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