

**Support SB3460  
to Improve the Early Childhood Capital Program**

***Ensure that Children in High-Need Communities Can Access Services***

*(Hernandez-Beiser-Davis, W.-Coulson)*

**THE NEED:** By providing \$45 million for early childhood facilities in the recently-enacted capital bill, the General Assembly and governor have expressed their strong support for ensuring access to early childhood services, particularly for children in high-need communities. However, **language in the capital budget implementation bill (BIMP) would inadvertently yet severely limit early childhood providers' ability to access these funds – and would compromise the goal of increasing services to underserved children.**

**REQUEST:** Pass legislation to strengthen the early childhood facilities language in the capital BIMP to (a) lower to 10 percent the required match in the early childhood capital program, and (b) ensure those facilities will continue to be used for early childhood services.

**BACKGROUND:** The early childhood facilities language in the capital BIMP mirrors that of the school construction program, requiring an equal match from applicants. However, this match is too high. The program is available to non-profit organizations as well as school districts; non-profit organizations do not have the same ability to access matching funds as do school districts. Providing capital funds to non-profit organizations is essential to the success of the program, particularly in high need communities where school buildings are already overcrowded and there is little additional space in schools for early childhood programs.

The Space Capacity Committee of the Illinois Early Learning Council had recommended that applicants provide a 10 percent match. This amount was based on the actual practices of organizations providing financing for capital projects for non-profit providers for more than 20 years. In nearly all of those cases, human service and early childhood-oriented facilities would not have been built if a 50% match had been required.

These agencies operate with tight cashflows and can support only a limited amount of debt. Non-profits have limited access to affordable capital even in good economic times. The current state of credit markets has made this even more difficult, with financing becoming a serious challenge for many companies, and even more so for non-profits and local governments. That leaves capital campaigns as the principal means of raising funds to meet a rigorous match requirement, and they are unlikely to be successful in the current economic environment.

The proposed legislation would also require programs that receive these funds to continue using the facility in question to provide early childhood services for 10 years, or else repay the funds. This protects the state's interests and ensures that the funds will be used long-term for the purpose for which they were intended.

*For more information:*

Martin Torres,  
**Latino  
Policy Forum**  
(312) 376-1766

Ireta Gasner,  
**Ounce of  
Prevention  
Fund**  
(312) 922-3863

Sessy Nyman,  
**Illinois  
Action for  
Children**  
(773) 315-1309

Tim Carpenter,  
**Fight Crime:  
Invest in Kids  
Illinois**  
(312) 339-0583

Kelley Talbot,  
**Voices for  
Illinois  
Children**  
(847) 372-8582

*March 2010*