

FEDERAL RECOVERY FUNDS AND THE STATE BUDGET: IMPLICATIONS FOR WOMEN AND GIRLS IN ILLINOIS

In mid-March, when Governor Quinn presented a state budget for the coming fiscal year (FY 2010), Illinois was facing a General Funds deficit of more than \$4 billion for the *current* fiscal year (FY 2009). This huge budget gap primarily reflected declining state revenue caused by the recession. Dismal revenue trends suggested a cumulative deficit of nearly \$12 billion for FY 2009 and FY 2010 combined. The Governor's plan for reducing the deficit included fiscal relief from the federal government, new revenue from state income taxes and other sources, restructuring of state-funded pension systems, and other spending cuts.

This report begins with a brief discussion of the federal American Recovery and Reinvestment Act (ARRA) and its implications for the state budget. The report then examines FY 2010 budget recommendations for a range of programs affecting women and girls in Illinois. The program sections encompass elementary and secondary education, higher education, economic security, health, freedom from violence, and energy. When relevant, separate figures are presented for the General Funds, special state funds, regular federal funds, and federal ARRA funds.¹ The report highlights the stark contrast between programs receiving increased funding (in most cases, with federal ARRA revenue) and programs slated for substantial reductions in state support.

FEDERAL RECOVERY FUNDS

The ARRA provides two forms of federal funds that are specifically designed for deficit reduction.² Illinois is eligible to receive more than \$2 billion from the State Fiscal Stabilization Fund, which is administered by the U.S. Department of Education. The state's allocation consists of an education block grant and a flexible block grant (although ARRA does not use those terms). The education block grant (about \$1.7 billion for Illinois) is earmarked for both elementary and secondary education and higher education. The flexible block grant (\$374 million for Illinois) can be used for education or other purposes.

The other source of ARRA fiscal relief is a temporary increase in federal Medicaid matching funds, which is designed to protect and maintain state Medicaid programs during the recession. For Illinois, the federal share of Medicaid costs has been raised from 50 percent to 60.48 percent, retroactive to October 2008. The state will receive about \$1.9 billion in additional

¹ The General Funds — which include the General Revenue Fund (GRF), the Common School Fund, and the Education Assistance Fund — support the regular operating and program expenses of most state agencies. Some line items for both GRF and special state funds have a mix of state and federal revenue.

² For a more detailed discussion, see “The Federal Economic Recovery Plan and the State Fiscal Crisis” (Budget & Tax Policy Initiative, Voices for Illinois Children, February 2009) <www.voices4kids.org>.

federal revenue for FY 2009 and FY 2010. In order to qualify for the enhanced federal match, the state cannot make its eligibility standards or enrollment procedures more restrictive, and it must assure prompt payments to Medicaid service providers (in most cases, within 30 days).

Aside from the federal funds designated for state fiscal relief, Illinois will be receiving various other ARRA grants that are intended primarily for expansion of programs and services rather than for maintenance of existing levels of support. Program areas receiving these earmarked ARRA funds include targeted education programs, child care services, employment and training, nutrition programs, and energy programs.

ELEMENTARY AND SECONDARY EDUCATION

In the Governor's budget, all federal revenue from the State Fiscal Stabilization Fund is being used to maintain funding for public school districts and for higher education. The Illinois State Board of Education (ISBE) is receiving \$964 million for FY 2009 and \$1.1 billion for FY 2010. Outside the General Funds, existing federal grants for school districts have been significantly enhanced with ARRA funds.

Increased funding

- Federal ARRA funds make it possible to increase appropriations for General State Aid, the largest part of the ISBE budget, by more than \$100 million (2%). ARRA is also used to boost funding for special education programs (8%), transportation for disabled students (12%), regular and vocational student transportation (3%), and bilingual education (10%).
- The Early Childhood Block Grant was increased by about 3 percent, although it does not have any designated ARRA funds.
- Under ARRA, federal funding for Title I (Education for the Disadvantaged) programs will increase by \$335 million.
- Special education programs funded under the Individuals with Disabilities Education Act (IDEA) will get an additional \$253 million from ARRA. IDEA preschool programs will receive more than \$9 million in supplemental ARRA funding.

Reduced funding

Some ISBE line items had their funding eliminated entirely: for example, Mentoring, After School, and Student Support; Class Size Reduction Pilot Project; Fast Growth Schools; Jobs for Illinois Grads; and many other smaller programs.

Little or no change

ARRA funds are being used to maintain existing support for the Truant Alternative and Optional Education Program and the Teacher and Administrator Mentoring Program. The budget also freezes funding for career and technical education, School Safety and Educational Improvement Block Grants, Reading Improvement Block Grants, and various other programs.

TABLE 1: ELEMENTARY AND SECONDARY EDUCATION (selected programs in \$1,000s)

	FY 2008 Actual	FY 2009 Approp.	FY 2010 Budget proposal	Change FY 2009- FY 2010	Pct. change
State Board of Education - General Funds					
General State Aid	4,444,977	4,616,366	4,722,633	106,267	2.3%
General funds - state revenue	4,444,977	4,616,366	3,927,440	-688,927	-14.9%
Federal ARRA funds	0	0	795,194	795,194	-----
Special education (mandated)	963,509	1,021,551	1,106,837	85,286	8.3%
General funds - state revenue	963,509	1,021,551	965,863	-55,688	-5.5%
Federal ARRA funds	0	0	140,974	140,974	-----
Disabled student transportation	355,718	383,300	429,700	46,400	12.1%
General funds - state revenue	355,718	383,300	355,718	-27,582	-7.2%
Federal ARRA funds	0	0	73,982	73,982	-----
Transportation - regular/vocational	305,860	339,500	351,100	11,600	3.4%
General funds - state revenue	305,860	339,500	312,819	-26,681	-7.9%
Federal ARRA funds	0	0	38,281	38,281	-----
Bilingual education	74,552	75,652	83,557	7,905	10.4%
General funds - state revenue	74,552	75,652	41,779	-33,874	-44.8%
Federal ARRA funds	0	0	41,779	41,779	-----
Early Childhood Block Grant	345,529	380,261	392,761	12,500	3.3%
Career and technical education programs	63,876	98,562	98,562	0	0.0%
Reading Improvement Block Grant	75,740	76,140	76,140	0	0.0%
School Safety & Educ. Improvement Block Grant	74,841	74,841	74,841	0	0.0%
Truant Alternative & Optional Education Program	20,076	20,078	20,078	0	0.0%
Teacher and Administrator Mentoring Program	529	14,000	14,000	0	0.0%
Children's Mental Health Partnership	2,988	3,000	3,000	0	0.0%
Mentoring, After School, and Student Support	2,616	9,700	0	-9,700	-100.0%
Class Size Reduction Pilot Project	7,645	8,000	0	-8,000	-100.0%
Fast Growth Schools	7,500	7,500	0	-7,500	-100.0%
Jobs for Illinois Grads	4,000	4,000	0	-4,000	-100.0%
State Board of Education - Federal Funds					
Title I programs	583,141	735,000	1,070,337	335,337	45.6%
Regular federal funds	583,141	735,000	735,000	0	0.0%
Federal ARRA funds	0	0	335,337	335,337	-----
IDEA - Part B	477,664	570,000	823,240	253,240	44.4%
Regular federal funds	477,664	570,000	570,000	0	0.0%
Federal ARRA funds	0	0	253,240	253,240	-----
IDEA - Preschool	16,236	25,000	34,156	9,156	36.6%
Regular federal funds	16,236	25,000	25,000	0	0.0%
Federal ARRA funds	0	0	9,156	9,156	-----

HIGHER EDUCATION

In FY 2010, public universities and community colleges in Illinois are receiving \$119 million from the State Fiscal Stabilization Fund. For the most part, these federal ARRA funds are being used to maintain existing levels of state support.

- GRF appropriations for state universities will increase only 1 percent.
- The Illinois Community College Board will get a 5 percent increase.
- The Illinois Student Assistance Commission, which does not have any designated ARRA funds, will get a 2.5 percent increase.

TABLE 2: HIGHER EDUCATION (in \$1,000s)

	FY 2008 Actual	FY 2009 Approp.	FY 2010 Budget proposal	Change FY 2009- FY 2010	Pct. change
State universities	1,374,894	1,393,589	1,409,556	15,967	1.1%
General funds - state revenue	1,374,894	1,393,589	1,290,833	-102,756	-7.4%
Federal ARRA funds	0	0	118,723	118,723	-----
Illinois Community College Board	354,589	347,639	364,701	17,061	4.9%
General funds - state revenue	354,589	347,639	348,656	1,017	0.3%
Federal ARRA funds	0	0	16,044	16,044	-----
Illinois Student Assistance Commission (GF)	425,936	429,205	440,062	10,857	2.5%

ECONOMIC SECURITY

Increased funding

- The Department of Commerce and Economic Opportunity is responsible for employment and training programs administered under the federal Workforce Investment Act (WIA), as well as several smaller state-funded programs. The WIA programs will receive \$160 million in ARRA funds, increasing the total appropriation by 58 percent.
- The Department on Aging administers the federally funded Title V Employment Services Program and the state-funded Senior Employment Specialist Program. Title V services will see an increase of \$1.35 billion (31%), which includes \$950,000 in ARRA funds and an additional \$400,000 in regular federal grants.
- In the Department of Human Services (DHS), the Emergency Food Assistance Program will receive \$11.5 million in ARRA funds. The state GRF appropriation will be reduced 3 percent, resulting in a net increase of 76 percent.
- DHS child care services include the Child Care Assistance Program (CCAP), Migrant Day Care Services, and the Great START program. CCAP will get \$74 million in ARRA funds, but this would be largely offset by a \$51 million cut in the GRF budget line. The net appropriations increase will be only 3 percent.

Reduced funding

- The Homeless Youth program (DHS), which serves young people who cannot return home and/or lack the housing and skills necessary to live independently, is slated for a 15 percent cut.
- DHS immigrant and refugee services will be cut by 4 percent.
- Child support enforcement, administered by the Department of Healthcare and Family Services, is listed for a budget cut of \$9.6 million (about 4%), even though the state will be receiving \$37 million in enhanced federal matching funds over two years.

Little or no change

- The DHS appropriation for Temporary Assistance for Needy Families (TANF) includes revenue from both the federal TANF block grant and state maintenance-of-effort (MOE) funding.³ The TANF appropriation is increased by less than 2 percent for FY 2010 and remains lower than actual expenditures in FY 2008. In FY 2009, the maximum level of TANF monthly cash benefits was raised by 9 percent, the first increase since 2002.
- Several other DHS programs are recommended for flat or nearly flat funding: employment and training services and homelessness prevention.

	FY 2008 Actual	FY 2009 Approp.	FY 2010 Budget proposal	Change FY 2009- FY 2010	Pct. change
Department of Human Services					
Child care services	730,204	783,046	805,762	22,716	2.9%
General Revenue Fund	589,875	642,201	590,917	-51,284	-8.0%
Regular federal funds	140,329	140,845	140,845	0	0.0%
Federal ARRA funds	0	0	74,000	74,000	-----
Temporary Assistance for Needy Families (GRF)	110,731	97,515	99,298	1,783	1.8%
Employment and training services	32,051	142,299	141,334	-965	-0.7%
General Revenue Fund	28,888	31,344	30,379	-965	-3.1%
Regular federal funds	3,163	110,955	110,955	0	0.0%
Immigrant and refugee services	15,754	23,527	22,592	-934	-4.0%
General Revenue Fund	10,496	13,032	12,098	-934	-7.2%
Regular federal funds	5,258	10,495	10,495	0	0.0%
Emergency food and shelter	11,797	14,668	25,870	11,202	76.4%
General Revenue Fund	9,653	9,668	9,370	-298	-3.1%
Regular federal funds	2,144	5,000	5,000	0	0.0%
Federal ARRA funds	0	0	11,500	11,500	-----
Homelessness Prevention Act (GRF)	10,992	11,000	11,000	0	0.0%
Homeless Youth	4,721	4,748	4,024	-723	-15.2%
General Revenue Fund	4,721	4,653	3,929	-723	-15.5%
Special state funds	0	95	95	0	0.0%

³ The TANF budget line, which is used for cash assistance and related services, represents less than 10 percent of total TANF and MOE spending in Illinois.

TABLE 3: ECONOMIC SECURITY- continued (in \$1,000s)

	FY 2008 Actual	FY 2009 Approp.	FY 2010 Budget proposal	Change FY 2009- FY 2010	Pct. change
Dept. of Commerce and Economic Opportunity					
Workforce development and employment	177,093	292,138	460,392	168,254	57.6%
General Revenue Fund	16,239	14,138	20,392	6,254	44.2%
Special state funds	350	3,000	5,000	2,000	66.7%
Regular federal funds (WIA)	160,505	275,000	275,000	0	0.0%
Federal ARRA funds (WIA)	0	0	160,000	160,000	-----
Department on Aging					
Employment services for seniors	3,305	4,364	5,714	1,350	30.9%
General Revenue Fund	259	264	264	0	0.0%
Regular federal funds	3,046	4,100	4,500	400	9.8%
Federal ARRA funds	0	0	950	950	-----
Department of Healthcare and Family Services					
Child support enforcement	198,903	230,631	221,035	-9,597	-4.2%
Child Support Administrative Fund	167,068	192,458	184,020	-8,438	-4.4%
Other funds	31,835	38,173	37,015	-1,159	-3.0%

HEALTH

Increased funding

- The Department of Healthcare and Family Services (DHFS) has primary responsibility for the state's medical assistance programs, most of which are funded through Medicaid. In order to receive enhanced federal matching funds, the state must reduce its backlog of unpaid Medicaid bills, which totaled about \$2 billion at the end of FY 2008. ARRA funds are being used for a supplemental DHFS appropriation of nearly \$1.5 billion for FY 2009; the FY 2010 appropriation will be \$650 million higher than the FY 2009 base.
- In DHS, funding for the Women, Infants, and Children (WIC) nutrition program will increase by almost \$50 million (17%), which reflects both regular federal grants and ARRA funds.
- The Early Intervention program (DHS), which provides support services for families with children under age three who are experiencing developmental delays, has a budget increase of 13 percent. This includes \$10 million from ARRA and \$10 million from regular appropriations.
- DHS family planning programs get a 9.5 percent increase.
- In the Department of Public Health (DPH), refugee health care is increased about 10 percent.
- In DHS, federal funding for maternal and child health services is increased 5 percent, while the much smaller maternal and child health programs in DPH get a 33 percent boost.

Reduced funding

- State funding levels for community mental health services (DHS) are reduced by varying amounts. For example, mental health grants for adult services were cut by \$13.9 million (6%),

community transitions by \$390,000 (2%), individual care grants for children and adolescents by \$562,000 (2%), and the Children’s Mental Health Partnership by \$354,000 (12%).

- Funding for the Teen Parent Services program (DHS), which targets pregnant or parenting low-income teens who do not have a high school diploma or its equivalent, is cut by 15 percent.
- Healthy Families Illinois (DHS) has its funding cut by 10 percent. This program provides voluntary home visits that help new and expectant parents strengthen their families' functioning and reduce their risk for child abuse or neglect.
- Parents Too Soon (DHS), which serves new and expectant teen parents in high-risk communities through home visits and parent support groups, is cut by 7 percent.
- Targeted Intensive Prenatal Case Management (DHS), which offers services to women who are at risk of having premature births or low-birthweight babies, is cut by 15 percent.
- In DHS, infant mortality programs, as well as addiction prevention and treatment programs, will be cut 5 percent.

Little or no change

- The DPH budget provides flat or nearly flat funding for perinatal services, AIDS/HIV services, women’s health programs, and breast and cervical cancer programs.
- The DHS budget provides flat funding for various community mental health programs and for abstinence education.

	FY 2008 Actual	FY 2009 Approp.	FY 2010 Budget proposal	Change FY 2009- FY 2010	Pct. change
Department of Healthcare and Family Services					
Medical Assistance (GRF only)					
Before FY 2009 supplemental	6,891,898	6,923,679	7,573,868	650,189	9.4%
Revised With FY 2009 supplemental	6,891,898	8,415,200	7,574,100	-841,100	-10.0%
Department of Public Health					
AIDS/HIV services	64,444	77,158	76,588	-570	-0.7%
General Revenue Fund	20,656	22,506	21,936	-570	-2.5%
Special state funds	1,875	4,400	4,400	0	0.0%
Regular federal funds	41,913	50,252	50,252	0	0.0%
Breast and cervical cancer programs	13,731	23,325	23,224	-101	-0.4%
General Revenue Fund	6,033	11,225	11,124	-101	-0.9%
Special state funds	3,157	6,100	6,100	0	0.0%
Regular federal funds	4,541	6,000	6,000	0	0.0%
Women's health programs	3,166	4,942	4,880	-62	-1.2%
General Revenue Fund	2,094	2,142	2,080	-62	-2.9%
Special state funds	163	200	200	0	0.0%
Regular federal funds	909	2,600	2,600	0	0.0%
Maternal and child health (regular federal funds)	2,494	3,337	4,435	1,098	32.9%
Refugee health care (regular federal funds)	1,694	2,250	2,464	214	9.5%
Perinatal Services (GRF)	1,103	1,137	1,137	0	0.0%

TABLE 4: HEALTH - continued (in \$1,000s)

	FY 2008 Actual	FY 2009 Approp.	FY 2010 Budget proposal	Change FY 2009- FY 2010	Pct. change
Department of Human Services					
Community mental health services - general	436,426	467,761	462,535	-5,226	-1.1%
Mental health grants (GRF & other state)	230,897	231,037	217,087	-13,950	-6.0%
Community transitions (GRF & other state)	22,453	22,983	22,592	-391	-1.7%
Supportive housing (GRF & other state)	14,168	18,250	17,965	-285	-12.6%
Mental Health Block Grant (regular federal funds)	11,518	13,025	13,025	0	0.0%
Medicaid Trust Fund (federal matching funds)	82,241	105,690	115,690	10,000	9.5%
Community mental health services - children					
Children & adolescent grants (GRF & other state)	36,368	36,975	36,975	0	0.0%
Individual care grants (GRF & other state)	28,059	28,113	27,551	-562	-2.0%
Children's Mental Health Partnership (GRF)	3,000	2,940	2,586	-354	-12.0%
Mental Health Block Grant (regular federal funds)	3,823	4,342	4,342	0	0.0%
Teen Suicide (regular federal funds)	0	206	206	0	0.0%
Addiction prevention and treatment	240,155	266,786	253,881	-12,905	-4.8%
General Revenue Fund	103,269	50,919	49,914	-1,005	-2.0%
Special state funds	7,669	62,020	50,120	-11,900	-19.2%
Regular federal funds	129,218	153,847	153,847	0	0.0%
Women, Infants, and Children (WIC) Program	284,533	299,411	349,394	49,983	16.7%
Regular federal funds	284,533	299,411	324,394	24,983	8.3%
Federal ARRA funds	0	0	25,000	25,000	-----
Early Intervention services	134,784	150,412	170,412	20,000	13.3%
General Revenue Fund	71,641	79,077	78,817	-260	-0.3%
Other state and federal funds	63,143	71,335	81,595	10,260	14.4%
Federal recovery funds	0	0	10,000	10,000	-----
Maternal and child health (regular federal funds)	19,903	28,034	28,034	0	0.0%
Infant mortality programs	47,289	49,639	47,385	-2,254	-4.5%
General Revenue Fund	45,639	44,726	42,472	-2,254	-5.0%
Special state funds	0	913	913	0	0.0%
Regular federal funds	1,650	4,000	4,000	0	0.0%
Targeted Intensive Prenatal Case Management	4,893	5,150	4,391	-759	-14.7%
General Revenue Fund	4,893	5,047	4,288	-759	-15.0%
Special state funds	0	103	103	0	0.0%
Parents Too Soon	11,209	11,376	10,605	-771	-6.8%
General Revenue Fund	7,558	7,711	6,940	-771	-10.0%
Regular federal funds	3,651	3,665	3,665	0	0.0%
Healthy Families (GRF)	9,930	11,248	10,123	-1,125	-10.0%
Teen Parent Services (GRF)	7,079	7,021	5,959	-1,062	-15.1%
Family planning services	8,635	8,986	9,840	854	9.5%
General Revenue Fund	944	966	820	-146	-15.1%
Special state funds	0	20	20	0	0.0%
Regular federal funds	7,691	8,000	9,000	1,000	12.5%
Abstinence Education (regular federal funds)	1,897	2,500	2,500	0	0.0%

FREEDOM FROM VIOLENCE

Increased funding

- The Illinois Criminal Justice Information Authority is receiving \$4 million in federal ARRA funds from the Violence Against Women formula grant program and \$1.4 million for crime victim assistance, which includes services for victims of child abuse, domestic violence, and sexual assault. Most of these funds will be distributed on a competitive basis to local governments, non-profit organizations, and other community groups throughout the state.

Reduced funding

- In DHS, appropriations for rape prevention and sexual assault services, which include the Sexual Assault Prevention and Response Program (SAPRP), are reduced by \$570,000 (about 8%).
- Programs administered by the Illinois Violence Prevention Authority have their funding cut by \$90,000 (3%).

Little or no change

- In the Department of Children and Family Services (DCFS), there is a modest overall increase for child protection services, which include child protection regional operations, children's advocacy centers, cash assistance and housing locator services, and protective and family maintenance day care. Family Preservation Services gets a small increase, while the Family Centered Services Initiative has flat funding.
- In DHS, recommended appropriations for treatment and detention of sexually violent persons are slightly lower than in FY 2009.
- The FY 2010 budget provides flat funding for various violence prevention and victim assistance programs in the Department of Public Health, the Office of the Attorney General, and the Department of Human Rights.

TABLE 5: FREEDOM FROM VIOLENCE (in \$1,000s)

	FY 2008 Actual	FY 2009 Approp.	FY 2010 Budget proposal	Change FY 2009- FY 2010	Pct. change
Department of Children and Family Services*					
Child protection services	115,622	114,045	118,596	4,551	4.0%
General Revenue Fund	107,267	104,215	107,920	3,705	3.6%
Special state funds	5,075	5,330	5,384	54	1.0%
Federal Projects Fund	3,281	4,500	5,293	793	17.6%
Family Preservation Services (special state funds)	17,142	17,642	18,047	406	2.3%
Family Centered Services (special state funds)	16,362	16,490	16,490	0	0.0%

* Estimated expenditures for FY 2009.

TABLE 5: FREEDOM FROM VIOLENCE - continued (in \$1,000s)

	FY 2008 Actual	FY 2009 Approp.	FY 2010 Budget proposal	Change FY 2009- FY 2010	Pct. change
Department of Human Services					
Sexually Violent Persons Program (GRF)	29,221	29,111	29,032	-79	-0.3%
Domestic violence programs	28,499	28,499	28,263	-237	-0.8%
General Revenue Fund	22,470	22,233	21,996	-237	-1.1%
Special state funds	1,052	1,289	1,289	0	0.0%
Regular federal funds	4,978	4,978	4,978	0	0.0%
Rape prevention and sexual assault services	6,139	7,400	6,830	-570	-7.7%
General Revenue Fund	5,800	5,800	5,230	-570	-9.8%
Special state funds	100	100	100	0	0.0%
Regular federal funds	1,500	1,500	1,500	0	0.0%
Department of Public Health					
Youth Violence Prevention (special state funds)	0	2,000	2,000	0	0.0%
Illinois Violence Prevention Authority					
Grants for Violence Prevention Programs (GRF)	2,085	2,128	2,064	-64	-3.0%
Illinois Family Violence Coordinating Council (GRF)	832	850	824	-26	-3.0%
Office of the Attorney General					
Violent crime victim assistance (special state funds)	7,871	8,150	8,150	0	0.0%
Automated Victim Notification (special state funds)	690	800	800	0	0.0%
Sex Offender Management Board (GRF)	15	500	500	0	0.0%
Department of Human Rights					
Commission on Discrimination and Hate Crimes (GRF)	155	155	155	0	0.0%
Illinois Criminal Justice Information Authority					
Violence Against Women Act					
Regular federal funds	3,373	NA	NA	-----	-----
Federal ARRA funds	0	0	4,000	4,000	-----
Victims of Crime Act					
Regular federal funds	16,000	NA	NA	-----	-----
Federal ARRA funds	0	0	1,400	1,400	-----

NA = data not available

ENERGY

The Department of Commerce and Economic Opportunity now has principal responsibility for the state's energy programs. Programs involving assistance to low-income households were recently transferred from the Department of Healthcare and Family Services.

Increased funding

- Low-Income Home Energy Assistance, the largest DCEO energy program, will get a small funding increase (less than 2%).
- The Illinois Home Weatherization Assistance Program (IHWAP) is designed to help low-income residents save fuel and money, while increasing the comfort of their homes. In FY 2009, total funding consisted of \$26.3 million in federal grants. For FY 2010, the state will receive \$250 million in ARRA funds as well as an additional \$8.6 million in regular federal grants.
- Other DCEO energy programs focus on energy efficiency, clean energy, and renewable energy resources. These programs will receive \$12 million less in state funding but an additional \$308 million in federal ARRA funding, including the State Energy Program Formula Grant and the Energy Efficiency and Conservation Block Grant.
- Another new source of federal funding is the Innovation Technology Loan Guarantee Program (\$300 million), which is intended to provide adequate capital to construct a new generation of renewable energy projects.

TABLE 6: ENERGY (in \$1,000s)

	FY 2008 Actual	FY 2009 Approp.	FY 2010 Budget proposal	Change FY 2009- FY 2010	Pct. change
Dept. of Commerce and Economic Opportunity					
Low-Income Home Energy Assistance	224,669	406,937	413,723	6,786	1.7%
Special state funds	90,334	106,050	112,836	6,786	6.4%
Regular federal funds	134,336	303,037	303,037	0	0.0%
Home weatherization programs	11,614	17,750	276,350	258,600	1456.9%
Regular federal funds	11,614	17,750	26,350	8,600	48.5%
Federal ARRA funds	0	0	250,000	250,000	-----
Other state energy programs	12,674	56,551	374,000	317,449	561.3%
Special state funds	5,208	23,569	11,500	-12,069	-51.2%
Regular federal funds	7,466	32,982	54,500	21,518	65.2%
Federal ARRA funds	0	0	308,000	308,000	-----
Innovation Technology Loan Guarantee Program (federal ARRA)	0	0	300,000	300,000	-----

GOOD NEWS AND BAD NEWS

The proposed state budget for FY 2010 contains both good news and bad news for programs affecting women and girls in Illinois. In some parts of the budget, federal ARRA funds are being used to maintain previous levels of support or to expand services. Other parts of the budget, however, are marked for substantial reductions in state funding.

Elementary and secondary education, higher education, and Medicaid constitute more than half of General Funds spending. Federal ARRA funds have protected these major program areas from budget cuts. This is especially important for women in Illinois, who represent 54 percent of enrollment in public universities and 58 percent of students in community colleges. Moreover, about 60 percent of Medicaid recipients are female, and children represent 60 percent of enrollment in all medical assistance programs, including Medicaid, the Children Health Insurance Program (CHIP), and All Kids expansion.

Outside the General Funds, some important program areas affecting women and girls have received substantial supplemental funding from ARRA. Examples include the following:

- The Child Care Assistance Program provides low-income working families with access to affordable child care services. CCAP serves an average of about 100,000 families and 175,000 children each month. The program is supported by state revenue and by federal funds from the TANF block grant, Social Services Block Grant, and Child Care and Development Fund (CCDF). Under ARRA, Illinois is receiving an additional \$74 million from CCDF, but the state GRF budget line for child care is being cut by \$51 million.⁴
- The Women, Infants, and Children (WIC) nutrition program in Illinois includes 220 clinic sites that serve approximately 40 percent of the state's live births. In FY 2008, the WIC program had over 500,000 participants. Additional ARRA funding of \$25 million for WIC will go towards efforts to increase participation rates of women who are pregnant, breast-feeding, and postpartum, as well as children up to age five who have medical or nutritional risks.
- The Early Intervention (EI) Program had a record caseload in FY 2008, serving more than 18,000 infants and toddlers who are experiencing developmental delays. Services include developmental evaluations and assessments, physical and occupational therapy, speech and language therapy, service coordination, psychological services, and social work services. The EI program will benefit greatly from \$10 million in ARRA funds.

Only a handful of programs have recommended funding increases in the absence of ARRA funds. Most of these increases reflect larger regular federal grants, not state GRF appropriations. Some programs in the General Funds budget are slated for substantial cuts and face the prospect of restricting access to vital services:

- Targeted Intensive Prenatal Case Management (15% cut) serves nearly 5,000 women with at-risk pregnancies in 34 targeted communities around the state.

⁴ There is concern among advocates that the GRF budget cut could jeopardize receipt of ARRA child care funds. The program instruction from the U.S. Department of Health and Human Services specifies that the ARRA funds "must be used to supplement, not supplant, state general revenue funds for child care assistance to low-income families" <www.acf.hhs.gov/programs/ccb>.

The program helps pregnant women receive prenatal care and other needed medical and social services, including WIC. Case managers, including registered nurses and social workers, visit eligible participants twice each month.

- The Teen Parent Services program (15% cut) serves a population of more than 7,000 pregnant or parenting teens. The program is designed to increase high school completion, reduce subsequent pregnancies, and improve parenting skills, as well as to ensure access to preventive health care for children.
- The Homeless Youth program (15% cut), which is administered by 21 community-based agencies across the state, provides transitional living support, emergency and interim housing, and outreach and referral services. The program seeks to meet the immediate survival needs of homeless youth (food, clothing and shelter) and assist them in becoming self-sufficient.
- Healthy Families Illinois (10% cut) provides home visiting services for over 4,000 families with newborns who are at risk of child abuse or neglect. Participants receive information and referrals to improve family functioning, promote health child development, and promote positive parent-child relationships.

Many other programs are designated for smaller cuts or for flat or nearly flat funding. The Governor's budget would also impose additional across-the-board reductions of 2 percent for all GRF awards and grants, except in education and health care.

CONCLUSION

Closing the state's massive budget deficit in a responsible way will require some combination of revenue increases and spending restraints. Those who want "spending cuts first" or "spending cuts only" are either ignoring fiscal realities or asking the state to abdicate its social responsibilities. Education and medical assistance, which comprise more than half of the General Funds budget, are largely protected by federal ARRA funds. Various statutory commitments – for example, pension contributions, long-term debt service, and revenue-sharing with local governments – bring mandated spending to two-thirds of the budget. Trying to close the deficit with spending reductions alone would entail decimating programs and services in the remaining, unprotected portion of the budget.⁵

The state must raise a substantial amount of new revenue. The Governor's plan would, among other things, increase the individual income tax from 3 percent to 4.5 percent. In order to protect essential programs for vulnerable populations and to avoid much deeper cuts than those already proposed, an even higher rate may well be needed. In the midst of a recession, a solution to the state fiscal crisis must involve both fiscal responsibility and social responsibility.

This report was commissioned by the Chicago Foundation for Women and prepared by the Budget & Tax Policy Initiative (BTPI) at Voices for Illinois Children. The authors are Larry Joseph, BTPI director, and Manya Khan, BTPI policy analyst.

⁵ See "Roots of the State Fiscal Crisis: Budgetary Myths and Realities in Illinois" (Budget & Tax Policy Initiative, Voices for Illinois Children, May 2009) <www.voices4kids.org>.

