

# **Federal Recovery Funds and the State Budget: Implications for Women and Girls**

Analysis of Governor Quinn's  
Proposed Fiscal Year 2010 Budget

## ***Executive Summary***

Chicago Foundation for Women  
May 13, 2009

### Introduction

Chicago Foundation for Women believes that government budgets are moral documents that demonstrate the state's priorities. Since women and girls are disproportionately reliant on public services, examining budgets through a gender lens allows us to learn how the state is supporting or shortchanging the residents who need it most. The Foundation commissioned Voices for Illinois Children to analyze Governor Quinn's proposed FY2010 budget to provide more transparency regarding programs related to the wellbeing of women and girls.

Illinois also faces one of the largest state deficits in the nation—more than \$12 billion when FY2009 and FY2010 are combined. Governor Quinn has proposed several measures to reduce this deficit in FY2010 including federal fiscal relief, new revenue from state income tax increases, restructuring state debt and spending cuts.

Federal stimulus funding is providing stopgap relief for critical services, while state funding is cut or left at 2009 levels in almost every program outlined in the report. To balance the budget, we must identify new and lasting revenue sources, not rely on spending cuts to programs that can make life better for women and girls.

Education and Medicaid, both key to women's and girls' well-being, are shielded from cuts thanks to stimulus funding. Many areas, especially elementary and secondary education, will receive increases thanks to federal help. Stimulus funds are also used for temporary increases to food and nutrition programs, job training, child care, domestic violence services and early intervention for children with developmental disabilities.

On the other hand, cuts are proposed to homeless youth programs, prenatal services for women with high-risk pregnancies, sexual assault programs, child support enforcement and teen parent services.

## The Budget Picture

Education and Medicaid constitute more than half of Illinois General Funds spending—making those big-ticket programs vulnerable to severe budget cuts. However, both of these areas receive major federal stimulus help and maintain at least level funding. If a given program does not qualify for federal stimulus money or other federal grants, few state dollars have been allocated to increase these vital programs even when they are needed most.

Stimulus funds have allowed Illinois to **maintain or slightly increase existing levels of support:**

- The Department of Healthcare and Family Services will see \$650 million more Medicaid funding than FY2009, as part of a temporarily raised federal match. Illinois will qualify as long as the state reduces its backlog of unpaid Medicaid bills.
- The Illinois State Board of Education's General State Aid budget—its largest line item—will receive a \$100 million increase, 2 percent of its FY2009 budget.
- Special education programs will see a \$253 million increase, about 8 percent.
- The Early Childhood Block Grant will receive a 3 percent bump—one of the only programs to be increased without federal stimulus funding.

Stimulus funds have allowed other programs to **temporarily expand:**

- The Child Care Assistance Program will receive a net increase of \$24 million, thanks to \$74 million from federal stimulus funding offset by a \$50 million cut in state spending. The program serves an average of 100,000 families and 175,000 children each month.
- The Women, Infants and Children (WIC) nutrition program will see an additional \$25 million from the federal stimulus. WIC serves 40 percent of the states' live births and served over 500,000 participants in FY2008.
- The Early Intervention Program will receive \$10 million in stimulus funding. This program served more than 18,000 infants experiencing developmental delays in FY2008.
- The Illinois Criminal Justice Information Authority will get \$4 million from the Violence Against Women formula grant program, plus \$1.4 million for Crime Victim Assistance.

The following programs will receive **level or nearly level funding compared to FY2009:**

- Public universities and community colleges
- Perinatal services through the Department of Public Health
- HIV/AIDS services
- Women's health programs, including the statewide breast and cervical cancer program
- Abstinence-only programs, which Chicago Foundation for Women opposes

A sadly long list of programs that help women and girls will see **budget cuts:**

- Targeted Intensive Prenatal Case Management will see a 15 percent cut. This program serves nearly 5,000 women with at-risk pregnancies.
- The Teen Parent Services program will also receive a 15 percent reduction. This program serves more than 7,000 pregnant or parenting teens.
- The Homeless Youth program also faces a 15 percent cut.
- Healthy Families Illinois will lose 10 percent of its budget. This provides home visiting services for more than 4,000 families with newborns at risk of child abuse or neglect.
- The Sexual Assault Prevention and Response Program will see an 8 percent cut. This program serves about 20,000 clients statewide.
- Child support enforcement will receive a 4 percent cut, even though the state will be receiving \$37 million in enhanced general matching funds over two years.

## Conclusion

Maintenance of education and Medicaid funding is crucial, as is the temporary expansion of programs such as Child Care Assistance, WIC and Early Intervention. The cuts and level funding to important programs is disappointing. New revenue streams are promising, however, and advocacy will continue to ensure that women and girls are being prioritized by Illinois.

Women and girls, especially in women-headed families, should be at the center of the budget-making process because they are more likely to be left behind when programs that help low-income families are cut or leveled off, despite increasing demand.

Chicago Foundation for Women is part of the Women's Economic Security Collaborative, an effort with other women's funds across the country to put women's needs at the center of public discourse on economic and financial wellness. Learn more at [www.cfw.org/WESC](http://www.cfw.org/WESC).

## Recommendations

In response to the Governor's proposed FY2010 budget, Chicago Foundation for Women supports the following local legislative and advocacy efforts that, if implemented and fully funded, would help make our communities safe, just and healthy places for all women and girls:

- End Illinois funding for abstinence-only-until-marriage programs, especially since President Obama has proposed ending federal support for abstinence-only programs in FY2010.
- Increase Illinois' Earned Income Tax Credit to make it at least 20 percent of the federal EITC from its current 5 percent level, as recommended by the Make Work Pay campaign.
- Fully fund the Ensuring Success in School Task Force, an existing state program to help students who are pregnant, parenting or survivors of domestic or sexual violence complete their education.
- Pass the Healthy Workplace Act (HB3665), to give all employees the opportunity to earn up to seven paid sick days each year to care for themselves or a sick child.
- Fully fund the Illinois Commission on the Eradication of Poverty, which aims to cut extreme poverty in half by 2015.
- Reform unemployment insurance to qualify Illinois for additional federal stimulus funding as part of the Unemployment Insurance Modernization Act. Through the "agreed bill" process, Illinois can choose to make more people eligible for unemployment benefits and/or increase benefits for those already eligible to receive \$200 million in federal aid.
- Pass Expedited Partner Therapy (SB212), a CDC-supported public health policy to help stem the spread of sexually transmitted infections.
- Pass SB1563 to create the Children's Savings Accounts Task Force. The Children's Savings Account Act passed in 2007 but the program has not yet begun. The program would create savings and investment accounts for children, to be used later for education, a home or a small business.
- Support the Reproductive Health and Access Act in the next legislative session. Women have the right to a continuum of choices throughout their reproductive lives.

This summary and the full report are available online at [www.cfw.org/Illinois2010](http://www.cfw.org/Illinois2010).

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