THE EARLY CHILDHOOD INVESTMENT CORPORATION

CAPITOL CORNER

STATE UPDATE

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Matt Gillard
mgillard@ecic4kids.org

The Legislature completed work on the fiscal year 2011 General Fund budgets this week, one day before the October 1st deadline. After numerous failed attempts, the House of Representatives was finally able to pass the state employee retirement reforms last week. That action allowed the remaining General Fund budgets to be completed this week. The budget agreement was cobbled together with a combination of spending cuts, policy reforms, and one-time federal money. The Legislature can be commended for completing the budget before the deadline and therefore averting another government shutdown, but they did very little to address the serious structural deficit that our state faces and the problems looming ahead for the next administration and Legislature are massive. The incoming administration and Legislature will immediately inherit a budget deficit of around $1.6 billion and a tax structure that is undeniably antiquated.

Early Childhood programs fared reasonably well in the final FY 2011 budget bills passed by the Legislature. The vast majority of programs that affect young children saw their funding maintained at current year levels for the next fiscal year. Two unfortunate exceptions to this were the elimination of funding for the Child Care Enhancement Program (CCEP); $1 million in the Department of Community Health (DCH) budget, and a $12.1 million decrease in the Child Care Development Fund (CCDF) in the Department of Human Services (DHS) budget. This decrease was predicated on the notion that a significant portion of the currently enrolled providers will not meet the new training requirements that are in the process of being implemented and therefore caseload numbers will diminish. It would be much more beneficial for young children in this state if these dollars were re-invested in the program rather than siphoned off for other uses.

The Legislature also this week passed a School Aid supplemental directing the distribution of over $300 million in one-time "Edu Jobs" federal dollars. The United States Congress passed the "Edu Jobs" bill this past summer in an effort

to help states avoid teacher layoffs. After much debate, the Legislature finally passed House Bill 5872 which fully restored the previous per-pupil cuts made to the K-12 districts, but refused to fully restore funding to the intermediate school districts (ISDs). This is a significant hit to the early childhood community because many ISDs use their general fund dollars to supplement early childhood services and programs in their area. Look for efforts to restore the ISD funds to continue in the lame duck session after the election. The Legislature is not likely to be back in session until after the November general election.

The election is really starting to heat up and we are seeing an unprecedented level of attention being paid to early childhood issues by candidates throughout the state. Dozens of Legislative Forums focusing on early childhood issues have been held throughout the state and many more are scheduled. All legislative and gubernatorial candidates are being asked to indicate their position on early childhood issues. I urge you to become informed and learn about the candidates running to represent you in our state government.