



BUILDING BETTER LIVES

*Families & communities are everybody's business*

## **Slashing human services is bad for business**

*Senate Human Services Committee hearing – Feb. 24, 2011*

In recent years, no area of the state budget has suffered as much as human services. No Illinoisans have felt as much pain as the children, families and communities who need vital, human-service help that's badly eroding through deep budget cuts and long-unpaid bills.

Since FY2009, the state has slashed about \$750 million – about 20 percent – from Department of Human Services grants to community-based providers, with far more cuts on the way. Few programs and service providers who receive state funding even know what their “final” budget resembles at any given time, due to the twin problems of unpaid bills and the ongoing threat of still further, mid-year budget cuts – factors that destroy providers' ability to plan and prepare on even the most basic level.

Such are the results of Governor's-office decisions that are not only allowed but encouraged by the “lump-sum” appropriations and “emergency budget” powers that legislators have given to the Governor in the last two fiscal years – irresponsible approaches we cannot continue in the future.

The kids, families and communities who need human-services help already are suffering greatly, pain that will increase dramatically if we further curtail or eliminate such priorities as these:

- **Illinois Children's Mental Health Partnership** priorities have been cut-back several times in recent years, through reductions in the two ICMHP budget lines (in the Illinois State Board of Education and the Department of Human Services). The Partnership's DHS funding could be **cut a further \$510,000** for the final four months of FY11 – and is slated for **outright elimination** in the Governor's introduced budget for FY12.

ICMHP resources are critical to supporting the healthy social and emotional development of children from birth to adulthood. Priorities include early intervention, prevention and treatment services. At stake are Partnership successes such as these:

- Over 1,500 children younger than 5 have received early intervention mental health services, and more than 400 kids and their families at risk of mental health issues received other early intervention supports that increased their protective factors.
- More than 200 youth discharged from Illinois Youth Centers have been linked to community services, to help avert their re-entry into the juvenile-justice system.
- More than 600 primary-care providers have been able to access a DocAssist line, designed to improve early detection and prompt initiation of mental health services – something particularly critical to physicians who, in rural areas, are frequently the only

potential provider of mental health services.

- Parents in more than 100 Illinois counties have received education and supports that decrease their isolation while increasing their capacity to effectively parent youths with mental health diagnoses and access important services.

In addition, the Partnership uses a small amount of state funding to leverage significantly more in savings and efficiencies. The ICMHP has helped bring about greater coordination among multiple state agencies, strengthening the cohesion of the mental health system and reducing duplication of services. In fact, the state has avoided about \$19 million annually in costs associated with unnecessary psychiatric hospitalizations – a savings of \$133 million over the last seven years.

It's important to note that, in addition to the Partnership, many community-based mental health services have been slashed significantly in FY11 and face further, drastic cuts in FY12 – representing some of Illinois' worst budget reductions of the past several years.

- **Teen REACH after-school programs** also have been slashed deeply and repeatedly in recent years, including this year. Now, they face **near-elimination** in the remaining months of FY11 and in FY12, under proposals the administration is considering.

Nearly 20,000 youths throughout Illinois could lose Teen REACH, with catastrophic consequences for them and their families. With approximately 200 sites statewide ending the Teen REACH program, youth will be left with no place to go after school and in the summer. Working families will be forced to make a tough choice: Leave their kids at home alone, in neighborhoods frequently plagued by crime and violence, or look for options that are largely unaffordable, unavailable and unable to provide the support and skill-building kids need.

Teen REACH represents a proven prevention effort with a track record of providing high-risk youth, primarily those aged 11-17, with safe environments during critical hours when they are out of school. These programs include academic supports, skill-building efforts, mentoring and job preparation to ensure youths' future success in school, in the workforce and in life.

Low- and middle-income parents need affordable, safe and secure environments for their children and teens after school and during the summer, while moms and dads are at work. Because of Teen REACH, parents do not have to choose between their much-needed jobs and the safety and well-being of their children; their kids are in safe, supportive learning environments in their own neighborhoods.

- **Child care assistance** for low-income, working families already has been trimmed in FY11 and faces **further and far deeper cuts** for the remainder of FY11 and in FY12.

Child care represents not only a critical component of the early education system for young children, but a vital work support for parents who seek an affordable, reliable place for their youngsters while mom and dad are on the job. Yet tens of thousands of children and their families are in danger of losing this critical assistance.

Several budget moves that have taken place this calendar year – or that are scheduled to take place later this spring – already will have reduced the child care caseload by about 20,000 in April. Yet the administration is considering still other measures that could take effect within

days or weeks, including:

- Reducing child care eligibility to 185 percent of the federal poverty level (from 200 percent), potentially stripping services from more than 15,000 children.
- Increasing families' co-payments to an even higher level than originally projected in April, after Illinois runs-out of extra federal dollars for child care (from the American Recovery and Reinvestment Act). This could cost nearly 17,000 children their child care services.
- Eliminating funding that supports child care for non-TANF parents in education and training programs, as well as resources to strengthen programs' quality.

In fact, another proposal would set a cap for the program, barring from entry any new parents seeking child care – a dreadful first for the state of Illinois and its working parents and their children.

We must avoid further human services cuts in FY11 and FY12, if we are to avoid:

- **Far greater strains on children, families and communities** at the very time they need help most.
- **A loss of family job supports** – such as when working moms and dads lose the child care assistance or after-school programs on which they depend for their youngsters, while parents are on the job.
- **A loss of jobs**, when small businesses providing vital services are forced by budget cuts and unpaid bills to lay-off staff, cut-back on their hours and pay – or close their doors entirely.
- **A heavy, overall blow to our state's economic-recovery efforts**, when we harm our small-business community in these ways.

Indeed, through the rents and taxes they pay and the goods and services they purchase, non-profit service providers contribute about 9.4 percent of the state's Gross Domestic Product – roughly \$59.7 billion in 2008, according to the Donors Forum. Two years ago, non-profits employed nearly 485,000 workers throughout Illinois – more than the financial services, manufacturing and insurance sectors combined.

**On nearly every level one can measure, slashing human services is – literally and figuratively – bad for business.**

Our ongoing budget pressures will necessitate further budget cuts and restraints. But we must avoid making human services continue to shoulder such an enormous share of cuts; more shared sacrifice is necessary across state agencies and issue areas. Overall, we must determine cuts very strategically, avoiding greater harm to proven investments in the well-being of kids, families, communities – and our entire state's economic recovery and well-being.