

## Concluding Essay: Securing the Future for Children and Families



# Securing the Future for Children and Families

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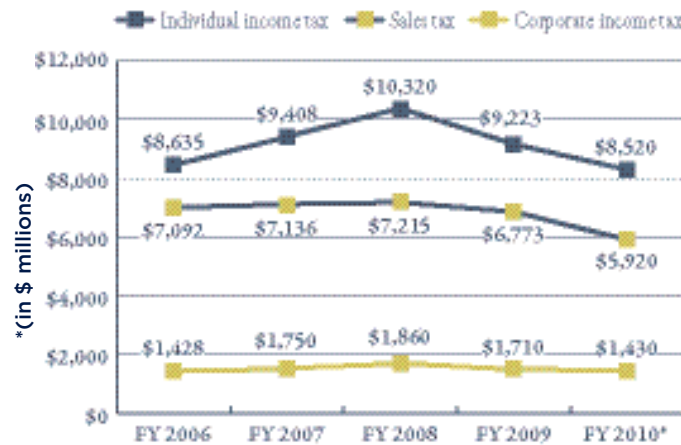
President, *Voices for Illinois Children*

The trends documented in Illinois Kids Count not only begin to reveal the effects of the economic crisis on children, families, and communities in the state. Newer data on income and poverty from the U.S. Census Bureau will undoubtedly show declining family income and increasing child poverty in 2009 and 2010. For example, the substantial increase in Food Stamp participation in Illinois suggests that the state's child poverty rate will jump from 17 percent in 2008 to about 19 percent in 2009.<sup>1</sup> Even more disturbing is the prospect that child poverty will continue to rise after the economy recovers.

## State Budgets Strained

The economic crisis has also contributed to a severe fiscal crisis in Illinois. Revenues from major state tax sources have plummeted during the recession and are projected to be \$3.5 billion lower in fiscal year 2010 than in fiscal year 2008 (see graph). The state has begun cutting budgets for preschool programs, mental health services, youth services programs, and a wide range of other priorities. Long delays in payments to community agencies are further undermining public services in Illinois. The continuing bleak fiscal outlook threatens even deeper cuts.

Major State Revenue Sources in Illinois (in \$ millions)



\*Projections by Budget & Tax Policy Initiative, Voices for Illinois Children, based on tax receipts for the first half of the fiscal year.

Source: Commission on Government Forecasting and Accountability

## Decade of Progress for Children Threatened

Over the course of this decade, Illinois has made substantial progress in several critical policy areas for children. These investments can have long-term benefits for children, their families, and the state as a whole. But the state fiscal crisis puts these gains in serious jeopardy.

- *Illinois has become a prominent leader in early childhood care and education.* Some 90,000 young children participate in state-supported

pre-kindergarten programs operated by local school districts and qualified community agencies. The state also funds programs for infants and toddlers through the Prevention Initiative and other home-visiting services. In 2008, Illinois was ranked first among the states in access to preschool for 3-year-olds and ninth in preschool quality

standards. Research has consistently demonstrated the long-term educational and economic benefits of investing in high-quality early learning programs.<sup>2</sup>

- *The state has dramatically improved health care coverage for children.* Medicaid, the Children's Health Insurance Program (CHIP), and All Kids expansion now serve more than 1.6 million children. The proportion of Illinois children without health

insurance has significantly declined, and racial-ethnic disparities in coverage have narrowed. Children with health insurance are more likely to have a regular source of care, more likely to receive preventive care, and less likely to have unmet medical needs.<sup>3</sup>

- *Access to child care services has been expanded.* The Illinois Child Care Assistance Program provides access to affordable child care services for nearly 100,000 low-income working families. Research shows that child care subsidies are associated with higher employment rates and improved employment outcomes for low-income mothers.<sup>4</sup> The state has committed resources to help families achieve economic self-sufficiency and to contribute to the healthy development of children.
- *The state is improving the scope and quality of children's mental health services.* Through the efforts of the Illinois Children's Mental Health Partnership, the state has been building a comprehensive, coordinated system of services to promote the healthy social and emotional development of children. Notable improvements include reaching more

children at younger ages and earlier stages of need; reducing fragmentation of services; enhancing interagency collaboration; and preventing unnecessary psychiatric hospitalizations.<sup>5</sup>

- **Children are safer and in more stable homes.** Since the late 1990s, the state's child welfare system has greatly improved its efforts to protect children from abuse and neglect and provide them with stable, permanent living arrangements. The Department of Children and Family Services has received national recognition for innovations that have reduced the number of children in substitute care, increased adoptions and subsidized guardianships, and encouraged family reunification.<sup>6</sup>

Formidable challenges remain in these and other key policy areas affecting children and

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families. The state's economic and fiscal crises will make it even more difficult to sustain progress and preserve existing gains.

#### **Balanced Approach to State Fiscal Crisis Needed**

Tough economic times require everyone, state government included, to tighten their belts, but recessions as deep as this current one call for a balanced solution to the fiscal crisis. The state has already begun trimming both essential and nonessential services. A more balanced approach must include raising new revenue while offering targeted tax relief to struggling families.

Closing a \$13 billion gap—the estimated budget shortfall for fiscal year 2011—without additional revenue will require drastic,

and devastating, spending cuts. This shortfall is greater than combined general funds spending for the State Board of Education, the Department of Human Services, the Department of Children and Family and Services, and the Department of Public Health. The entire general funds budget, aside from mandatory spending for pension costs, debt service, and other statutory transfers, is approximately \$26 billion.

It is vital in this time of need to protect families, build on successful policies, and set a foundation for a prosperous future.

Too many families risk losing their tenuous hold on economic security. Children who fall into poverty during a recession fare worse, even well into adulthood, in education, work, and health than their peers who avoid poverty in recession years.<sup>7</sup> We must be vigilant about the well-being of those children who are most affected by the economic crisis. They do not have the luxury of rewinding history and starting over with a new beginning.



<sup>1</sup> See Julia B. Isaacs, "The Effects of the Recession on Child Poverty: Poverty Statistics for 2008 and Growth in Need during 2009" (Washington, DC: Brookings Institution and First Focus, December 2009). Estimate for Illinois by the Budget & Tax Policy Initiative at Voices for Illinois Children.

<sup>2</sup> W. Steven Barnett et al., *The State of Preschool 2008: State Preschool Yearbook* (New Brunswick, NJ: National Institute for Early Education Research, Rutgers University, 2008); Committee for Economic Development, "The Economic Promise of Investing in High-Quality Preschool: Using Early Childhood Education to Improve Economic Growth and the Fiscal Sustainability of States and the Nation" (Washington, DC: CED, 2006).

<sup>3</sup> Kaiser Family Foundation, "The Impact of Medicaid and SCHIP on Low-Income Children's Health" (Washington, DC: KFF, February 2009).

<sup>4</sup> Stephanie A. Schaefer et al., "Parent Employment and the Use of Child Care Subsidies," Research Connections, April 2006.

<sup>5</sup> Illinois Children's Mental Health Partnership, *Building a Comprehensive Children's Mental Health System in Illinois: FY 2009 Annual Report to the Governor* (Chicago: ICMHP, 2009).

<sup>6</sup> Children and Family Research Center, "Child Welfare in Illinois: From 'Calcutta' to the 'Gold Standard'" (Urbana: School of Social Work, University of Illinois at Urbana-Champaign, 2008).

<sup>7</sup> First Focus, "Turning Point: The Long-Term Effects of Recession-Induced Poverty" (Washington, DC: First Focus, 2009).