

PRESS RELEASE

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ILLINOIS HAS SHORTCHANGED HUMAN SERVICE PROVIDERS \$4.4 BILLION OVER THE LAST EIGHT YEARS

Springfield, IL (February 24, 2010) -- The Center for Tax and Budget Accountability (CTBA) released a study today which sheds a light on state funding for human services over the last decade. The study, entitled *Illinois State Funding for Human Services in Context: Reduced funding in FY 2011 would continue long-term pattern of cuts, harm vulnerable populations and fall disproportionately on small to midsized businesses, hurting the state economy*, finds that after adjusting for inflation and population growth, Illinois under funded human services by \$4.4 billion from Fiscal Year 2002 through Fiscal 2010.

Ralph Martire, Executive Director of CTBA, noted that this finding "is striking when you consider that, despite our state's high wealth compared to the rest of the nation (13th in per capita income), Illinois was already significantly under-funding human services relative to other states (ranking between 30th and 40th among the states depending on the measure used) in FY2002, the starting point for the analysis in this study."

To make matters worse, the study finds that the state's disinvestment in human services has resulted in an estimated loss of over 62,000 mostly private sector jobs in Illinois since FY2002.

Ron Baiman, the CTBA's Director of Budget and Policy Analysis and the study's principal researcher, said "Illinois has consistently cut payments to the private sector, nonprofit companies that provide the vast majority of direct human services in Illinois. This is the worst strategy during a recession, as it both reduces access to services when the need for them is greatest, and forces cutbacks and closures among nonprofit private businesses, further shrinking the Illinois economy and exacerbating overall unemployment in Illinois.

"Last year, state government appropriated approximately \$26 billion for public services out of the General Fund. Nine out of 10 of those dollars will be spent on education, health care, human services and public safety. This year legislators are facing an even greater deficit than last year: \$13 billion. Given the substantial cuts made to human services over the last several years, further cuts will destroy the safety-net many people rely on in difficult economic times. It's time the state faced facts and reformed its tax system to ensure sufficient revenue is generated to cover the cost of delivering vital human services."

Jack Kaplan, Director of Public Policy and Advocacy for United Way of Metropolitan Chicago and United Way of Illinois, whose service provider survey is referred to in the report, stated "In spite of increasing reliance on private, not-for-profit organizations to deliver the wide range of human services that our citizens depend on, our state has continued to disinvest in those resources which now threatens their very existence."

"Clearly, this report aptly articulates concerns community agencies have expressed over the years regarding inadequate funding for quality services," said Donald Dew, President of Habilitative Systems, Inc and Co-Chair of the Black Executive Directors Coalition. "Despite this most alarming condition, our agencies continue to commit their best efforts to serve Illinois' most vulnerable citizens."

The report is being released in the Press Room at the State Capitol in Springfield, IL at 1:30 p.m. on Wednesday, February 24, 2010. Speakers confirmed at this time are Donald Dew, President of Habilitative Systems, Inc and Co-Chair of the Black Executive Directors Coalition; Gina Guillemette representing Illinois Partners for Human Services and Director of Policy and Advocacy for the Heartland Alliance for Human Needs & Human Rights; Sean Nobel, representing the Responsible Budget Coalition and Director of Government Relations for Voices for Illinois Children; and Rev. Daniel Schwick, Director of Church and Government Relations at Lutheran Social Services of Illinois.

Press and public are invited to attend.

The Center for Tax and Budget Accountability, established in 2000, is a bi-partisan 501(c)(3) research and advocacy think tank that promotes fair, efficient and progressive tax, spending and economic policies. For more information on CTBA, visit www.ctbaonline.org.

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