

December 6, 2010

NEW SURVEY REVEALS THE IMPACT OF STATE BUDGET CRISIS: ILLINOISANS LOSING ACCESS TO ESSENTIAL HUMAN SERVICES

Illinois' children, seniors, people with disabilities, and those experiencing homelessness are suffering as human service organizations cut essential programs, reduce hours, and curtail levels of service in the face of the state's budget crisis. In a new survey that gauges the impact of the crisis on critical services in Illinois communities, more than half of responding Illinois' human service organizations report taking actions that reduce access to vital programs and services by reducing hours or levels of service. Four in ten responding organizations report expanded waiting lists for services, and more than a quarter report that they have closed programs due to budget cuts. These cuts and closings come at a time when the need for human services is increasing, further exacerbating the gap between the demand and supply for human services across the state.

Illinois Partners for Human Services is calling on Illinois elected officials to work on a comprehensive, sustainable approach that solves the state's financial crisis. There must be shared responsibility in finding a solution. Illinois' children, seniors, and other needy residents have already shouldered more than their fair share.

SURVEY OVERVIEW:

282: Number of Illinois human service agencies that weighed in on the impact of state budget cuts and late payments

2,200: The median number of clients served last fiscal year by these organizations

\$2.3 million: The median annual operating budget of respondents' organizations

25 and 10: The median number of full-time and part-time workers currently employed by responding organizations

Over **70%** of responding organizations stated that their *programs and services* were directly negatively affected by the budget cuts and delayed payments, and **95%** of respondents indicated that their organization has been affected negatively in some way by the crisis.

The survey was sent to approximately 1,000 organizations, 282 of which responded, over a several week time period in October and November 2010. The most common services provided by responding organizations were youth services (48%), followed by mental health (36%), violence prevention and intervention (29%), aging (28%), housing and homelessness (28%), child welfare (27%), and developmental disabilities (23%). Fifty-one percent of responding organizations provide services in Cook County, 24% in northern counties, 22% in north-central counties, 16% in southern counties, and 13% in south-central counties. The survey was conducted by [Illinois Partners for Human Service](#) and [Illinois Collaboration on Youth](#), and the [Social IMPACT Research Center at Heartland Alliance](#) assisted in analyzing and summarizing the survey data. Additional regional fact sheets are available at www.illinoispartners.org.

December 6, 2010

EFFECTS OF THE CRISIS:

In response to state budget cuts and delayed payments, over half of responding organizations reduced their hours of operation or level of service. Over 40% of organizations grew their waiting lists, and 29% had to refer clients to other service providers with no guarantee that they'd be served. Another 28% of organizations closed programs outright, eliminating essential services and jobs in that community. These findings were remarkably similar across Illinois regardless of the region or size of the reporting organization.

The cumulative impact of these actions is a significant reduction in the availability of human services in all parts of the state. These reductions threaten not only the immediate health and well-being of Illinois residents, but also the foundational infrastructure for service delivery in our state.

STRATEGIES TO MITIGATE THE CRISIS:

In order to mitigate state budget cuts and delayed payments, over 60% of responding organizations tapped into cash reserves, and 49% tapped into additional lines of credit. For some organizations, these short-term solutions have stretched on for months at significant financial cost. For others, limited access to reserves and/or lines of credit restricted this as an option.

Sixty percent of responding organizations sought additional funding sources, often requiring program staff to refocus efforts away from service provision. Combined with the 49% that laid off employees, these organizations are severely hampered by both direct cuts and service reductions as well as reallocating staff to non-service specific functions.

Among organizations that implemented layoffs, the average organization laid off 13% of its staff. In comparison to larger organizations, smaller organizations laid off a larger percentage of their staff and were more likely to skip payroll, offer no raises, or have salary reductions. Larger organizations were more likely to tap lines of credit.

The uncertainty of the current environment, both for organizations as well as staff service providers, is adding additional strain to the already vulnerable human services infrastructure. A comprehensive, sustainable solution to the budget crisis is needed to put Illinois back on a path toward a sound financial future.

Effects of budget cuts and delayed payments on services provided

Number of respondents = 280		Percentage
Reduced hours or level of service		52.5%
Increased waiting list for services		41.1%
Referred clients to other service providers		29.1%
Closed programs		28.0%
No change to programs or services		27.3%
Other		7.8%
percentages do not add up to 100 because respondents could choose more than one answer		

Strategies used to mitigate the effects of the state's budget cuts and delayed payment schedule on the organization

Number of respondents = 282		Percentage
Tapped into cash reserves		63.5%
Increased private fundraising		59.6%
Lines of credit		49.3%
Implement staff layoffs		48.6%
Implement furlough days		16.0%
Other		13.1%
Stop raises / salary or benefit reduction		12.4%
No new hiring / attrition		11.0%
Skipped payroll		10.6%
Cut / reduce quality of service		6.0%
Not been affected		5.3%
percentages do not add up to 100 because respondents could choose more than one answer		