



BUILDING BETTER LIVES

Protect children's health & well-being, especially in the toughest times

Testimony for the Senate Committee on Deficit Reduction

Tuesday 10 March 2009

Voices for Illinois Children is a multi-issue children's advocacy organization, championing the well-being of children from their earliest years of life to adulthood. We work to promote a range of important programs that are critical to kids' health, learning and overall well-being. And we're particularly concerned about preserving them from threats posed by our state's mammoth fiscal crisis.

Illinois is ailing badly on many levels from crumbling finances and a shaky revenue system. Yet even in this year of tough funding decisions, we strongly urge legislators to live by the doctor's dictum: "First, do no harm." Our state's most vital investments in the health and well-being of children cannot be cut without great pain to kids, great hardship to their families and communities, and great costs to Illinois' future workforce and social stability.

These hard times are exactly the time that children and families need help the most. We cannot afford to fail our kids now; we will not get a second chance to help them off to the healthiest possible start in life.

Voices long has called for fairly crafted revenue increases to stabilize and strengthen health and human services and our education system. We renew that call today, as our fiscal crisis underscores the importance of adequacy and fairness in funding these priorities that are critical to children. After detailing several program concerns, we will close with a reiteration of our revenue recommendations.

In the area of health and human services, the focus of today's hearing, our top concerns include these:

Children's mental health – Children's academic success and overall wellness cannot be ensured without addressing their mental health needs. Research indicates that children's social and emotional well-being is as important as their physical and cognitive health. Investments in the policy priorities of the Illinois Children's Mental Health

Partnership (ICMHP) total \$6 million, split evenly between IDHS and ISBE, and have begun to bolster children's development by:

- Expanding children's mental health services, including services for children from birth to age 5 and for youth who have experienced trauma (e.g. violence, abuse);
- Providing early intervention services to children and adolescents who might not meet the criteria for a formal mental health diagnosis, but who still require services to help prevent more serious problems in the future;
- Implementing the Illinois Social and Emotional Learning Standards in schools, to strengthen children's social wellness and ability to achieve academic success; and
- Providing psychiatric services to children and youth in areas of the state where communities do not have access to a board-certified child psychiatrist, through the Telepsychiatry Pilot Project.

This work has its roots in the 2003 passage of the Children's Mental Health Act, which led to the creation of the Illinois Children's Mental Health Partnership (ICMHP). The Partnership is a statewide group of agencies, organizations and individuals committed to improving the scope and quality of mental health programs, services and supports for Illinois children and their families. Working together, Partnership members developed a strategic plan for building a comprehensive mental health system, and identified several key priorities most in need of investment.

Through these efforts, Illinois has been able to serve more children at younger ages and earlier stages of need with more effective mental health supports. Our state has reduced fragmentation of services and enhanced interagency collaborations. And the Partnership's work has helped the state avoid approximately \$19 million a year in costs of unnecessary psychiatric hospitalizations and related expenses.

Illinois has become a nationally acknowledged leader and model in promoting children's mental health and social and emotional learning through innovative programs. Yet, while we've made considerable progress, children's needs remain considerable, too. In Illinois, one out of 10 children suffers from a mental illness severe enough to cause impairment, yet only 20 percent of the children who need services ever receive them.

The state's \$6 million investments in Partnership priorities remains \$14 million short of the total amount needed to implement all of ICMHP's initial priorities – an important down payment toward better meeting children's mental health needs.

Research has shown prevention and early intervention programs are cost-effective, improve school readiness and achievement and reduce the need for special education. We must continue our progress and not cut-back on these already scarce resources.

Home-visiting / “parent-coaching” programs – Several voluntary, IDHS programs – totaling about \$20 million – offer “coaching” to new parents of at-risk

children from birth to age 3. Through such efforts as Healthy Families Illinois and Parents Too Soon, moms and dads can learn how to foster the healthiest possible relationship with their children, how to strengthen their development and how to connect with community-based resources.

However, the approximately 7,500 children whose families rely on this help represent only about 7 percent of at-risk youngsters who stand to benefit. We must protect these children, their families and the programs they need.

So, how do we at Voices for Illinois Children propose shoring-up these and other important investments in the well-being of kids, families and communities?

Fair and adequate revenues – Even at a time of fiscal crisis such as this, a general revenue increase is advisable if it can shore-up critical state programs upon which kids and families depend, and if it can be done fairly. Voices advocates a “Fairness for Working Families” approach that accomplishes both.

It consists of:

- **An income tax increase** – In approaching a multibillion-dollar deficit, Illinois must turn to a revenue source that’s big enough to handle the work. The income tax is this tool, and we believe the personal income tax should be raised as high as 5 percent to help cover Illinois’ most critical needs.

This tax reflects families’ ability to pay, making it the fairest of state revenue sources. Yet even our income tax is not as fair to families as it could be, as it combines today with other state and local taxes to claim a disproportionately large share of the earnings of low- and moderate-income families, compared with wealthier households. This problem can be remedied with some simple fairness reforms that the context of an overall rate increase would allow.

- **A tax-fairness package** of three components –
 - **An increase in the Illinois Earned Income Tax Credit**, targeting tax relief to low- and moderate-income families
 - **Creation of a state Child Tax Credit**, piggybacking on the federal CTC and targeting tax relief to families raising children
 - **An increase in the income tax’s personal exemption**, providing some tax relief for all families

The individual variables of this fairness package can be set at various levels to shape its effects differently. But, taken together, these measures can lower the tax bills of many low- and moderate-income families, even within the context of an income-tax increase producing greater resources for important state services. That’s because greater tax

responsibility is shifted further up the earnings scale, resulting in a more progressive tax structure without having to employ graduated rates.

Another option to consider is adding more services to the base of our existing state sales tax, which currently includes very few services and thus fails to realistically reflect our present-day economy. In the context of service-tax inclusion, Illinois might even be able to lower its state sales-tax rate and still produce some necessary, net-revenue gains.

We strongly urge policymakers to consider these possibilities for helping to solve our longstanding but worsening fiscal problems. Deep state spending cuts would devastate many kids and families who already are suffering from cuts or payment delays in the programs on which they depend. And cuts also could damage our state economy further, according to two experts: Joseph Stiglitz, a Nobel Laureate and economist at Columbia University, and Peter Orszag, who directs the President's Office of Management and Budget.

Orszag and Stiglitz insist measures to raise new state revenues more fairly are preferable to budget-cutting moves that would inadvertently hurt the fiscal activity necessary to jump-start a failing economy. Voices emphatically agrees with this analysis.

Voices is pleased to work with policymakers on revenue options that can help protect our state's crucial yet threatened investments in children, families and communities. Children are young only once; it's our responsibility to help those years form a solid foundation for health and success in life.