



Quality Services. Adequate Funding. Measurable Results.

**September 8, 2011**

### **Testimony submitted to the Illinois Human Service Commission**

Thank you for accepting testimony about the impact of the final FY12 budget cuts for the Department of Human Services (DHS) and how it affects providers across the state, and the implementation of Budgeting for Results.

My name is Judith Gethner and I am the Director of Illinois Partners for Human Service, a statewide coalition which, in the past two and a half years, has grown to over 650 human service providers, located in every legislative district in the State. Together, our members serve over two million Illinois residents with a workforce of nearly 400,000 full and part-time staff.

### **FY12 Budget Cuts to DHS**

Many of our member providers are funded through DHS. They provide services that keep those with disabilities in their homes, offer treatment to people suffering from mental illness, provide safety to victims of violence, keep seniors living independently in the community, and child care that helps children learn and keeps parents working. These services are cost effective and produce invaluable outcomes that contribute to everyone's quality of life. They are core to the strength of local communities and the economy of our state. Additionally, human service delivery saves taxpayers money in the long-run. Nonetheless, human services (and IDHS) consistently bear more of the burden caused by the budget crisis.

In the FY12 budget, IDHS received a 17.8% cut to their budget from FY11, a reduction of \$693 million, which only serves to intensify the reductions the department has faced in recent years:

- Over the last decade, the state has cut its real investment in various human service programs collectively by more than \$4.4 billion. None of the other core service areas – education, healthcare or public safety - have experienced cuts of that magnitude. <sup>1</sup>
- Between 2001 and 2004 alone, spending on human services decreased by \$387 million, or 10%. <sup>2</sup>

It seems that Illinois continues to view cuts to community based human services an easy step to take in the short-run as our state faces consistent budget shortfalls. The problem is that quickly there will be an increase in spending in other areas of state funded services. For example, in the past year, there has been significant growth in the use of costly emergency room beds by individuals with mental illness and substance abuse due to the cuts in those community based treatment and prevention programs. According to the Center for Tax and Budget Accountability, an \$85 million cut (adjusted for inflation) to homelessness services, mental health, and after school programs could end up costing the state \$433 million. <sup>3</sup> We urge you to ask yourselves as you eliminate funding for the community program where those people will turn to next for help from the state.

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<sup>1</sup> Center for Tax and Budget Accountability

<sup>2</sup> Center for Tax and Budget Accountability

<sup>3</sup> Center for Tax and Budget Accountability

Community based providers have a solid track record of performance at providing cost-effective solutions that keep people out of expensive institutions like nursing homes, prisons, and emergency rooms. These community-based providers are also employers of a sizable number of Illinois workers and are often the first choice of people receiving services.

As the reverberations from the cuts in the FY12 budget are felt across the state, Illinois Partners believes that the disproportionate cuts that have been shouldered by the human services sector are unwise and unsustainable. We urge the Human Services Commission, in its recommendations to the Governor's office and the General Assembly, to work to restore fiscal balance. Our recommendations are two-fold:

**1. Pay the backlog of bills to Human Service Providers.**

Human services and other providers are being used as unwilling lenders to the state of Illinois. Long-overdue payments to critical health and human services as well as schools and other providers total billions. Illinois must get caught up to a responsible payment cycle and lawmakers must decide on a reasonable restructuring plan to pay the funds owed to providers.

**2. Stop continued and disproportionate cuts on human services**

This trend is costly to our state in increased current and future years spending, and it is harmful to the Illinois residents who depend on and benefit from human services, and it is not in the best interest of the taxpayers. We urge you to support a balanced approach to the budget and to invest in human services.

In addition, we ask that the Illinois Department of Human Services continues to partner with the provider network across Illinois to address concerns regarding the FY12 DHS contracts and the contracting process moving forward.

### **Budgeting for Results**

Illinois Partners is following the work of the Budgeting for Results (BFR) Commission and the report they will prepare for the Governor in November with great anticipation. We ask that the Human Services Commission also monitor these efforts and recommend that the BFR Commission create a thoughtful process which engages human service providers in determining the sub-goals and outcomes for the sector. We also encourage the BFR commission to be mindful of the vision behind the mandates established by the state when evaluating them for elimination.

In the face of a difficult economy and continued fiscal challenges, Illinois' human services delivery system is especially vital to family budgets and local economies, assisting Illinoisans in every part of the state to live healthy, independent lives, to succeed in school and at work, and to participate in their communities. Over and over again, research shows that these services save the state money in the long run and that neglecting services to Illinois residents simply shifts costs to other, more costly systems. If state departments and commissions partner and collaborate with community providers, it will lead to greater efficiency, stronger delivery of services, and increase accountability. I urge you to stand with service providers and work with elected officials to protect and fortify the funding and delivery of human services in response to the irresponsible FY12 budget. Thank you.



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