

# Public Policy Year in Review

United Way of Illinois

Annual Meeting

July 30, 2015

# Today's Goals

1. Understand context and climate for United Way's public policy engagement
2. Review recent achievements and current activities
3. Identify opportunities for member engagement



# Current State of Economy

## National

- 223,000 jobs added to the economy in June
- 5.3% unemployment rate continues downward trend
- 8.3 million out of work, down from 9.5 million last year

## Illinois

- 5.9% unemployment rate in June is down from 6.9% in June 2014
  - Lowest rate in 7 years (since April 2008)
- But state lost 7,500 jobs and 33,600 people left the labor force since January

# Current State of Income



- Median household income in Illinois was **\$57,200** in 2013
- Increase from **\$50,700** in 2011
- It was **\$52,870** in 2009, when the recession ended
- **14.7%** of Illinoisans live in poverty = **1.85 million** residents
- Child poverty rate is **21%**
- Another **17.6%** are low-income = **2.21 million** residents

# Current State of Education



## State Funding

- Gov. Rauner approved Education funding in late June to make sure schools open
- **\$7 billion** for K-12 funding in FY '16 is level with FY '15

## High School Graduation Rate

- **86%** for the '13-'14 school year, up from **83%** in '12-'13
- Only **46%** of students college ready

## Common Core State Standards

- New assessments measure college and career readiness for all students

# Current State of Health

## The Uninsured Nationwide

- 47 million (18%) uninsured before ACA
  - 11.7 million bought coverage through marketplaces, up from 8 million in 2013-'14
  - Uninsured rate now 11.9%

## In Illinois

- 349,500 enrolled or re-enrolled through Get Covered Illinois
  - A 60% increase over the previous year
  - 572,112 now have Medicaid



# Current State of Health

## Obesity & Chronic Conditions

- 29.4% of Illinois adults are obese, up from 12.1% in 1990
- Illinois ranks 25<sup>th</sup> in adult obesity
- 11.5% of Illinois high school students are obese



## The Cost of Obesity:

- \$147 billion nationwide
- 75% of health care costs are spent on treating chronic conditions, many obesity-related
  - Heart disease, stroke, type 2 diabetes, some cancers

# Current Fiscal Climate



## In Illinois

- Temporary tax increases were not extended
- Loss of revenue helped create \$4 billion hole for FY'16
- Mandated expenses rising
- Illinois has the lowest credit rating of all states (A3 Negative from Moody's)
- Discretionary human service programs increasingly crowded out

# FY '16 State Budget

- **Budget Impasse Continues**
- Gov. Rauner wants union, workers' comp and tort reform as part of his "Turnaround Agenda"
- Dems sent him a budget with a **\$4 billion** hole
- Session is entering its **third month** of overtime
- FY '16 began **July 1** without a budget
- **Select expenditures** have been approved
  - Mandated expenses (pension, debt service)
  - Education appropriation (enacted)
  - State employee payroll, Medicaid (court orders)
- Human service programs still face uncertainty
- Delayed payment cycle likely to increase significantly

# State Pension Crisis

- State owes **\$105 billion** in unfunded pension liabilities
- IL Supreme Court struck down reform passed in 2013:
  - Court agrees with workers that benefits “shall not be diminished or impaired”
  - General Assembly did not come up with a fix during Spring session
- Other state priorities continue to be squeezed out



# Op-Ed: Human Service Investments Make Fiscal Sense

To the Editors,

While granted a small reprieve for FY 2015, human service programs across the state will once again face significant cuts in the state budget as Illinois rightly tries to put its fiscal house in order. Yet critical services to at-risk populations hang in the balance, as do long-term repercussions for the state's economy. The decisions made by state leaders over the next few months on details of human service policy and funding will have an impact on our future economic health as surely as unfunded pensions do today.

As a society, we invest in human services—education, health, job training, child care—to ensure a basic quality of life for our most vulnerable citizens, and to improve the economic future of our families and our state. The first we do to help those most in need in our communities, the second we do as an investment with genuine return on investment for the future. Early education is an area where most people fundamentally understand that funding for preschool and early learning pays off handsomely down the line for our youth. All of society benefits.

Yet “early intervention” to avoid cascading negative consequences applies to far more than pre-school. Targeted services to help the elderly or disabled stay in their home is far less expensive to society than institutionalization. Access to preventative health services and screenings is much less costly than dealing with untreated and full-blown health episodes. Providing after-school programs to at-risk youth is a small price to pay when weighed against the alternatives, including the astronomical costs of incarceration. These investments provide a moral dividend that is obvious, and an economic one we risk jettisoning without thoughtful decision-making.

We realize government cannot, and should not, fulfill our human service infrastructure needs alone. Sustaining quality and efficient human services in our state will require a collaborative effort among government, civic and private sectors, but private philanthropy can never play the primary role financially that the government plays.

State leaders have human services expertise available to them, including United Way's significant experience working with partners to focus and leverage resources. With an emphasis on prevention, integration of services, and measurable and meaningful outcomes, we and others in the nonprofit sector look forward to working with state leaders to effectively balance budget requirements and human needs.

Wendy DuBoe  
President and CEO  
United Way of Metropolitan Chicago

Mark Burton  
Chairman of the Board  
United Way of Illinois

**United Way of Illinois**



UNITED WAY OF ILLINOIS

## POSITION ON STATE FUNDING FOR HUMAN SERVICES



United Way of Illinois is a statewide association representing 52 local United Ways that works to promote the public policy interests of its members and their community partners by advocating for effective health and human services policies for the people of Illinois.

- > As the largest private funder of human services in the state, United Way of Illinois and its member United Ways understand that quality delivery of human services is critical to both serving our most vulnerable citizens, and to improving the economic future of our state.
- > We recognize the need to resolve the state's significant fiscal problems but are concerned about the impact of future state budget cuts to human services on Illinois children and families.
- > We realize government cannot fulfill our human infrastructure needs alone. We believe that sustaining human services in our state will require a collaborative effort among government, civic and private sectors and that we must act on this together now.
- > We look forward to working with the administration to help determine new service delivery approaches, to create and incentivize efficiencies, and to provide quality, cost-effective social services to the citizens of Illinois amidst considerable fiscal challenges.

**United Way can play a key role in a collaborative, cross-sector, non-partisan approach to developing effective public policy and creating a budget that is fiscally responsible.**

United Way of Illinois

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United Way of Illinois



June 30, 2013



**An Open Letter to the Leadership of the General Assembly and the Governor**

As the largest collective private funder of human services in the state, United Way of Illinois has serious concerns about the ongoing budget stalemate and what it means for the people of Illinois.

Non-profit organizations are the backbone for the delivery of state services to our most at-risk and vulnerable citizens. Hundreds of our partner agencies, who have worked for decades on the state's behalf to serve the people of Illinois, depend on elected leaders to pass a timely and fiscally responsible budget—a budget that provides funding for programs that ensure basic quality of life to our disadvantaged neighbors and that advances the collective economic strength of the region.

The 51 local United Ways that make up United Way of Illinois continue to provide support and funding to our partners, but private philanthropy cannot possibly fill the hole left in the absence of state funding. Nor can human service providers continue to do their critical work without a line of sight to what state funding they can operate with this coming fiscal year.

With the state's new fiscal year only a day away with no approved budget, nonprofit organizations are sweating with untenable uncertainty—planning for lay-offs, reducing client numbers and shuttering programs. United Way research shows that in large regions of our state, more than 75% of our partner agencies depend significantly on state resources to provide services. The nonprofit sector in Illinois has repeatedly answered the call to do more with less, and has delivered efficient, quality services. It relies on the state to pass a clear and timely plan for this fiscal year. Illinois needs to turn this corner and set a new path.

We ask that the General Assembly and the Governor work side by side to serve the citizens of Illinois by promptly passing a state budget.

Again, United Way of Illinois stands at the ready to partner with state leaders to make the most of a responsible state budget that serves the needs of all Illinois citizens.

Sincerely,

Mark R. Burton  
Chair, United Way of Illinois  
Chair, United Way of Quad Cities

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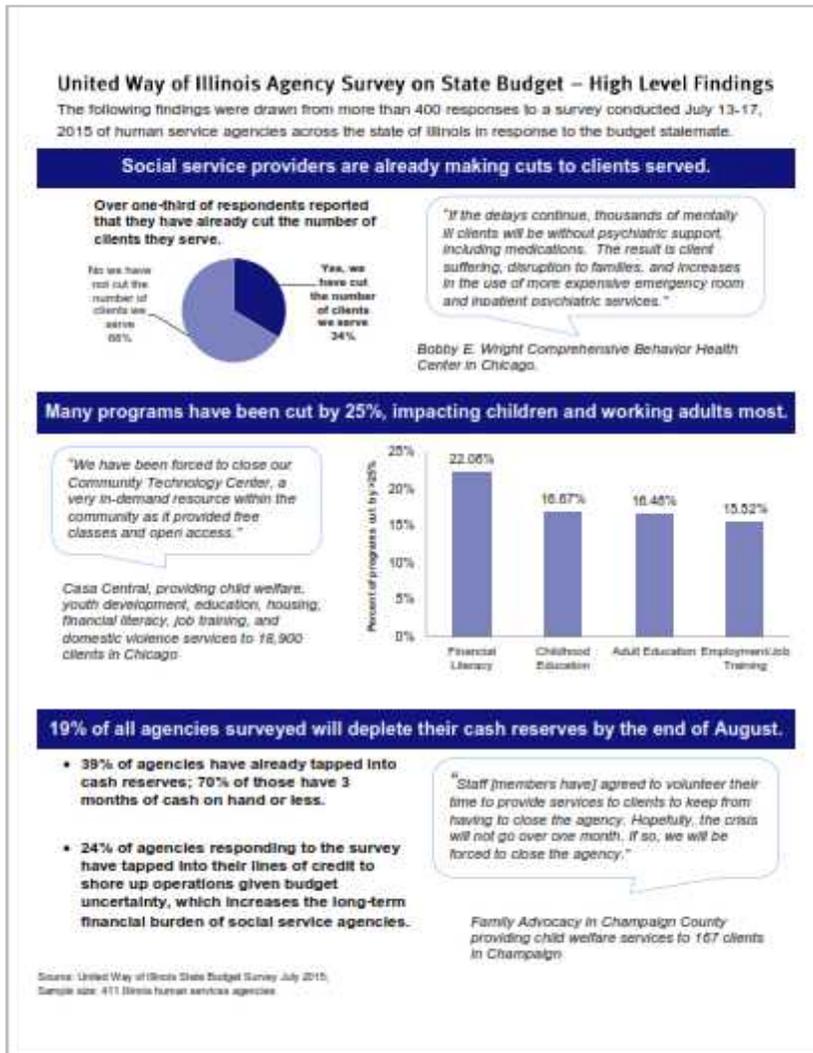


# State Budget Survey



- Need for assessment of impact state budget stalemate has on delivery of human services in Illinois
- Survey conducted week of July 13-17 through outreach by UWI member network
- 411 responses received reflecting all service types, organizational sizes and locations

# Budget Survey – High Level Findings



## Top Line Findings:

- Current and any ongoing state budget delays have a serious impact on those in need of services.
  - Continued delays on FY 16 budget decisions in Springfield are leaving human service agencies and people in need of services in peril
- The limited financial reserves many agencies are relying on to continue operations dry up in August and early September.
- United Way of Illinois urges immediate action on the FY 16 budget to remedy the disruptions and operational uncertainty for human service providers.

# Income: UWI Success

## Earned Income Tax Credit



- Bipartisan support to increase Illinois' EITC to 20% of the federal EITC, from the current 10%
- 900,000 families saved **\$160 million** in their taxes in 2013
- Average low-income family gets **\$300** more in annual income, would rise to **\$600**
- Boosts local economies through increased consumer demand
- MyFreeTaxes link added to Dept. of Rev. website

UNITED WAY OF ILLINOIS

## POSITION ON EARNED INCOME TAX CREDIT



United Way of Illinois is a statewide association representing 52 local United Ways that works to promote the public policy interests of its members and their community partners by advocating for effective health and human services policies for the people of Illinois.

As the largest private funder of human services in the state, United Way of Illinois and its member United Ways are partners with government in delivering quality services in education, income, health and basic needs.

### WHY DOUBLE THE ILLINOIS EARNED INCOME TAX CREDIT (EITC) FROM 10% TO 20%?

- > The EITC lifts more low-paid workers out of poverty than any other policy tool. From 2009-2011 in Illinois, 294,000 recipients were lifted out of poverty, including 146,000 Illinois children.
- > Doubling Illinois' EITC puts an additional \$300 back in the pockets of hard-working individuals and families who qualify, helping ensure that people who work are able to make ends meet and avoid poverty.
- > Doubling the state EITC could yield an estimated \$322 million in additional local economic activity across the state, boosting local business and economies.
- > Doubling Illinois' EITC improves children's chances of success as adults.



Building on fifteen years of bipartisan support and efforts to lift working families out of poverty and boost local economies, lawmakers should take immediate steps to double Illinois' EITC to 20 percent of the federal credit over five years.

United Way of Illinois

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# Education: UWI Success

## Attendance Commission awaiting Governor's enactment

- Commission would study chronic absenteeism and recommend strategies to prevent it
- UWI advocated for legislation that would create the Commission
- United Way rep will serve on the Commission



# Health: UWI Successes

## Insurance Coverage Expands

- **Marketplaces:**
  - 349,500 adults buy policies
    - 50% were new enrollees
    - 78% qualified for subsidies
    - Enrollment was 60% higher than 2014
- **Medicaid/CHIP:**
  - 3.17 million now are covered
  - Programs add 538,475 enrollees since mid-2013
  - A 20.5% increase in about 2 years



# 2-1-1 Illinois

## Statewide coverage continues to expand

- 33 counties added in 2014, more than doubling the number of counties with service to 53
- 98 of the state's 102 counties have service agreements to a call center
- 27% of Illinoisans have service in their area



# Lobby Day

## Springfield highlights

- 50+ UW advocates met with leadership from legislative and executive branches
  - Meetings held with Governor and leaders of all 4 caucuses
  - Key messages:
    - Human services critical to serving most vulnerable citizens and improving economic future of state
    - Offer to work collaboratively with state government to address state budget challenges
    - Expansion of EITC will lift more working families out of poverty

# Lobby Day in Springfield



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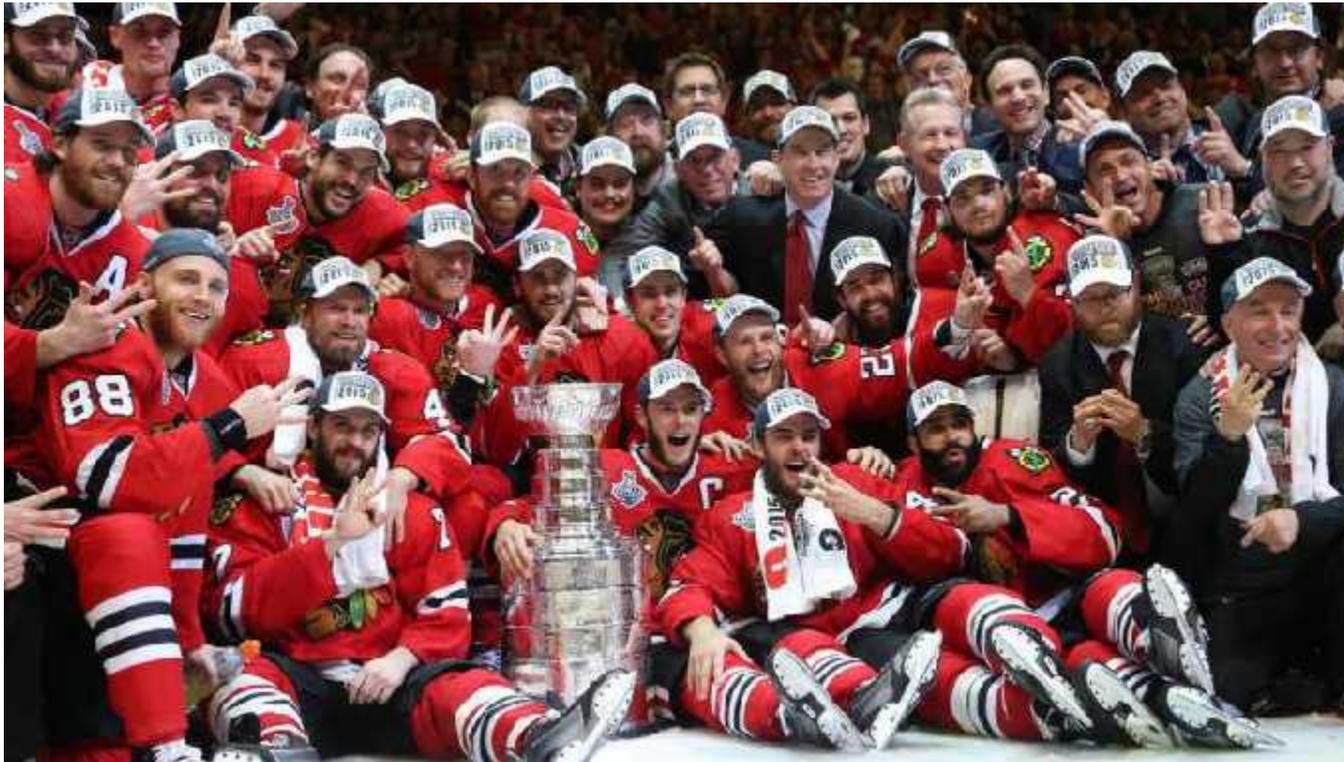
# QUESTIONS?



“Nearly all men can stand adversity, but if you want to test a man’s character, give him power.”

– Abraham Lincoln, 16<sup>th</sup> President

# THANK YOU!



“We need to lead, we need to grab the rope and start pulling for the rest of the guys, and it starts with myself.”

– Jonathan Toews, Messier Leadership Award winner

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