This report presents proposals for cost effective strategies in the State of Illinois to help more children become healthy, well educated, and responsible citizens. The proposals are discussed in terms of the problem and the recommended actions in the areas of health, early childhood, education, poverty and economic opportunity, family stability, juvenile justice, and housing. They are divided into two sections: (1) a good start for babies and young children; and (2) a fair chance for families. The first section highlights preventive strategies and suggests proposals for medical insurance for uninsured pregnant women to reduce the need for neonatal intensive care, prenatal care to reduce childhood disabilities and infant death, decent preschools to help disadvantaged children reach first grade on a par with their peers, and adequate funding for Illinois schools. The second section includes recommendations for an economic strategy in addition to tax credit and welfare grant proposals. It also proposes a state housing trust fund of leveraged private dollars that would encourage the construction and rehabilitation of affordable housing. (RJC)
A Children's Agenda: Into the '90s
A Children’s Agenda: Into the ’90s

Voices for Illinois Children
A Children's Agenda: Into the '90s

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Forward

We all know the facts. Illinois has one of the highest infant mortality rates in the country. Five counties in southern Illinois lack a single hospital offering obstetric care. Our urban schools are failing to educate many of our children, and an increasing number of school districts across the state are on the verge of bankruptcy. Twenty percent of our children grow up in poverty households. In the inner cities the drug trade spells opportunity, and parents are hard-put to find the help they need to raise children in difficult and dangerous circumstances.

We are beginning to learn the consequences. More and more children are failing to make their way to independent adulthood ready to take their place as productive and responsible citizens. An increasing number of corporations worry about where the next generation of skilled workers is coming from, and we lose well paying jobs from our urban areas and from the state itself.

Here are our proposals for cost-effective strategies to help more children become healthy, well educated, and responsible citizens. Our recommendations do not constitute a complete strategy for improving the lives of children in Illinois, but they include some of the ways we can make a difference right now.1

We want to emphasize the most vital resource families need to raise children: an adequate income. An adequate income allows a family to develop its full capacities. While poverty has many causes and remedies, we have chosen to highlight the burden that an inequitable state and local tax system places on low-income families. Our proposal is for a state Children in Poverty Tax Credit that will relieve some of that inequity and help to make work pay for those in the worst paid jobs (see Page 17).

Families on welfare who are temporarily out of the work force also need an income that will buy food every day of the month, and cover the basic necessities of rent and clothing (see Page 18). The welfare grant in Illinois has lost 50 percent to inflation since 1970. It is a mockery of those families to demand that they be responsible when the grant that is supposed to sustain them is so cripplingly inadequate.

1. The Agenda summarizes a number of complicated issues. For more complete discussions see the list of Voices for Illinois Children occasional policy papers on Page 31.
We have divided our proposals into two sections:

I. **A Good Start for Babies and Young Children**

In the first section we highlight preventive strategies. Medical insurance for uninsured pregnant women will save millions of dollars by reducing the need for neonatal intensive care. Prenatal care also reduces childhood disabilities, and the avoidable heartbreak of infant death. Decent preschool has a proven track record for helping disadvantaged children reach first grade on a par with their more fortunate peers. The gains made at that early age continue into adulthood. Public education in Illinois will become more effective only if it is responsive to local communities and if it is adequately funded.

II. **A Fair Chance for Families**

In the second section we recommend an economic strategy in addition to the tax credit and welfare grant proposals. The massive reduction of Federal aid to housing for low-income families puts the burden on the state and the cities to develop effective housing policies. A state housing trust fund that leveraged private dollars would encourage the construction and rehabilitation of affordable housing.

We are also concerned about families whose children come to the attention of the state as the result of charges of abuse, neglect, or delinquency. While the demands of personal and community safety are paramount, many of these children could be helped in their own families and in their own communities if their families were given timely and appropriate help.

Many of these programs require more state funds. However, they all contribute to the long-term economic success of the state. Some of them will save the state money immediately. But the short-term costs can be met only through a significant tax increase. We are as concerned as any other group of taxpayers that public money be spent wisely. So every one of our proposals is directly concerned with helping children and young people become capable and responsible adults. The hard fact is that the state is not fulfilling its responsibility to our children. To give just one example, between 1976 and 1986 the state contribution to elementary and secondary education dropped from $2.13 billion to $1.68 billion in constant-value dollars. That is a reduction of 21 percent.

If we don't respond now we will all pay the long-term costs in dollars to support dependent adults, and in the unfulfilled potential of human lives.

This generation of children is our future. Please join us to secure their future.

Jeanette Bitter
Chair
PART I:

A Good Start for Babies and Young Children

Health 4
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Infant Mortality

Infant Mortality Rates for African American Babies in Illinois and Several Other States

Note: These are 1985 figures. The rates are infant deaths per 1,000 live births. The statewide average for white babies is 9.3 deaths per 1,000 live births.

A Children's Agenda: Into the '90s

Health

PROBLEM: Infant Mortality and Avoidable Childhood Disabilities

Illinois has one of the worst infant mortality rates in the country. Some population groups in the state have infant death rates considerably in excess of the national average of 10.6 deaths per thousand live births. In Chicago the overall rate is 16.6. For African-American babies, the mortality rate is 22.6. There is not even an accurate count of mortality among babies in the Hispanic community.

One factor in infant mortality is the lack of pre- and post-natal care. Inadequate prenatal care often leads to medical complications during pregnancy and child birth, complications that can result in low birth weight, infant death, and a lifetime of unnecessary handicaps. Low-birth-weight infants often require very expensive neonatal care, and sometimes long-term institutional and medical care. The most persistent element of infant mortality is post-neonatal mortality, which is a product of the living conditions faced by new mothers, conditions which include poverty and a lack of medical care for their babies.

Families on Aid to Families with Dependent Children (AFDC) are automatically provided with Medicaid benefits. The lack of medical coverage occurs for those families whose income is too high to qualify them for AFDC but too low to purchase health care at market rates. Although some of these families are eligible for some medical care through the Medical Assistance Non Grant (MA-7) program, that source of medical care is contingent on a complicated monthly calculation called a "spend down," which is similar to an insurance deductible. The complexities are such that many eligible women are discouraged from seeking medical care.

ACTION: Expand Medical Coverage for Uninsured Pregnant Women

The 1986 Sixth Omnibus Budget Reconciliation Act (SOBRA) established an unprecedented opportunity to use Federal money to help individual states by paying half the cost of prenatal and pregnancy-related care for this group of poor women and their infants. Illinois has taken advantage of the Federal program to the extent of providing such medical coverage to women whose income is at or below the poverty line, and to their children up to age one. However, the Federal program is much more comprehensive. It extends eligibility to women with family incomes up to 185 percent of poverty. It also provides matching funds for health insurance of children up to age eight in families whose incomes are between AFDC levels and the poverty line.

The state should extend its program to women whose family incomes are at or below 185 percent of the poverty line, and to eligible children up to age eight.
A Children's Agenda: Into the '90s

While the state's share of the initial gross cost of this extension is $8 million, the state is likely to experience a net cost saving in the first program year. This cost saving would result from a reduced need for neonatal intensive care and rehospitalization in the first year of life.

ACTION: Establish Presumptive Eligibility for Pregnant Women at their First Prenatal Visit

Presumptive eligibility allows a medical clinic to provide medical services to an uninsured pregnant woman before her financial eligibility has been confirmed by the state. The clinic merely has to ask the woman about her income and, if her answers indicate eligibility, may begin medical examinations immediately. The woman remains eligible for health coverage for a 45-day period, during which the state confirms or denies her eligibility. Under Federal law the state suffers no penalty if the woman is subsequently determined to be ineligible. The great advantage of presumptive eligibility is that a pregnant woman is enrolled in prenatal care on her first visit to a clinic. Since many low-income pregnant women delay their first visit, it is critical that they receive prenatal examination at that first visit.

PROBLEM: Absence of Prenatal and Obstetric Care in Southern Illinois

The five southernmost counties of Illinois lack a single hospital offering obstetric services. Maternity wards in six hospitals have closed in the past eighteen months. There is also a severe shortage of obstetricians willing to take low-income patients. The seven southernmost counties are officially designated high infant mortality areas. The problem is exacerbated by the low state Medicaid reimbursement rate for prenatal care and delivery.

ACTION: Extend the Pilot Prenatal Care Incentive Program to the Southern Counties with High Infant Mortality Rates

In 1988 the state Department of Public Aid began a pilot project to increase the number of obstetricians taking Medicaid patients by increasing the reimbursement for prenatal care and delivery from $435 per patient to $775. The state should extend this program to all areas of the seven counties as quickly as possible. The cost of this extension is approximately $240,000 annually.
PROBLEM: Lead Poisoning

Lead poisoning is a very real menace to the health of children in Illinois. At high blood lead levels (25 micrograms of lead per deciliter), lead stunts the growth of a child, slows down learning capacities, and causes brain damage. Lower levels of lead poisoning cause developmental problems that are often dismissed as learning or behavioral problems. Children ingest lead by eating peeling lead-based paints in their homes, and are exposed to lead sources from car emissions, soil, water, and food, and even in their toys and playground facilities.

The state and local response to lead poisoning is woefully inadequate. The state does not even issue a report on the numbers of children at risk, screened, and treated. In Chicago only 17 percent of eligible children aged nine months to six years are screened for lead poisoning. Chicago has only 13 lead paint inspectors, and that number is so low that, when the inspectors are called out to investigate an apartment with a confirmed case, they are unable to check out the other apartments in the same building.

While the state lacks adequate information on the extent of the problem, East St. Louis reports 100 active cases at any given time, and in 1987 Chicago reported 2,164 confirmed cases.

The inadequacy of the screening is matched by the inadequacy of the lead abatement programs. Hospitals which treat children for lead poisoning are very often forced to release their patients back to the same hazardous environments that caused the original poisoning. A recent study showed that, in a random sample of cases in Chicago, the average length of time between a complaint of lead paint in an apartment and the completion of lead abatement was 518 days. The same study showed that, even when abatement teams worked on an apartment, the process of abatement was often so inadequate that the risks to the family were increased.

ACTION: Increase the Number of Children Screened for Lead Poisoning and Increase the Rate and Quality of Abatement in Discovered Cases

Lead-paint-induced lead poisoning should no longer be a danger to the children of Illinois. The state should issue an annual report detailing the percentage of at-risk children screened, the number of successful lead abatement episodes as a percentage of discovered cases, and the number of poisonings reported for each county. The report should also detail state spending for local lead poisoning detection and abatement and recommend long-term solutions to the problem.

---

Chicago should add 20 more inspectors to the current 13 (for an additional cost of $500,000). This will restore the number of inspectors to pre-1980 levels. The city should require inspectors to inspect all the units of a building where a case of lead poisoning has been reported. The Chicago Department of Health should double the number of high-risk children screened (for an additional $600,000), and conduct a public awareness campaign to inform parents of the hazard. Chicago currently has one van for door-to-door blood screening (St. Louis has 13), and that van is currently inoperative. In the next fiscal year Chicago should purchase one van for mobile screening ($150,000).

Abatement is primarily the responsibility of landlords. Once a source of lead poisoning has been identified, strict timetables for abatement should be established, and be enforced by fines. Local governments should also develop financial incentives for the removal of lead sources from buildings, to be awarded on the basis of financial need.
The Illinois Need for Day Care in 1990

Figure 1: Children with Working Mothers

Total number of children aged 0-5 = 1,163,000

Children with working mothers = 667,000 (57%)

Figure 2: Children Who Need Market Care

Children aged 0-5 with working mothers = 667,000

Children who need market care = 393,000 (59%)

Figure 3: The Market Care Gap

The gap between availability and projected need = 247,888

Most children who receive market care are not served in licensed day care centers. At present, only day care centers and homes that serve more than three unrelated children come under the licensing code. In addition, some centers operated by churches and public schools are exempt.

Early Childhood

PROBLEM: Young Children at Risk of Educational Failure

Too many Illinois children are dropping out of school. Too many who stay in school are failing to learn. The roots of high school failure go back to the earliest years of a child's life. Children who enter first grade behind their peers are likely to stay behind, partly because they are not given the opportunity to catch up, and partly because they are labeled "failures" at that early age.

ACTION: Expand Early Childhood Education

Preschool education programs have a proven record of helping less-prepared children get ready for school. The standard-bearing preschool program is Head Start. The landmark Ypsilanti Perry Preschool project, a 22-year study, reported in 1984 that these preschool children were much more likely to graduate from high school and to find employment quickly than were children in a non-preschool control group. They were also much less likely to be arrested, or receive welfare assistance.

Illinois has 25,000 children enrolled in Head Start. At the beginning of the 1988/89 school year there were 7,000 three-to-five year olds registered in the state-funded Children at Risk of Educational Failure preschool program, with an estimated end-of-year enrollment of 14,000. Although the budget of the Children at Risk program doubled in 1988/89 to $24 million, the two programs in combination serve only about one third of the 120,000 eligible children in Illinois. In 1987 the State Board of Education made an initial request to expand the Children at Risk budget to $75 million. The Children at Risk budget should be expanded from $24 million to $75 million for 1989/90, to add places for another 30,000 children.

ACTION: Design More Effective Preschool Programs

The Children at Risk program must accommodate the majority of low-income parents who work, as well as those who are homemakers. The goal for the children of working parents should be the provision of enriching preschool activity in the context of safe and secure full-day child care. This goal can be achieved by placing Children at Risk sites in or near day care centers, or by devising creative in-home Children at Risk programs. The State Board of Education must articulate this goal clearly to school districts.
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To be effective, preschool programs must include parents as active participants. Opportunities for parents to develop their own abilities increase their children's chances. Parents' active presence in these programs will have benefits both at the preschool and at home. Individual school boards should offer a variety of programs sufficient to meet the range of children's and parents' needs, and encourage creative variations among the programs.

PROBLEM: The Centralization of the Chicago Children at Risk Program

Statewide, 14 percent of Children at Risk funds are contracted out by local school boards to qualified not-for-profit community agencies. The Chicago practice of establishing state-funded programs only in Board of Education schools has several harmful effects. It prevents not-for-profit organizations' establishing programs, ones which would have more effective parent involvement; it penalizes Hispanic neighborhoods, where the public schools are too crowded for preschool programs; and it reduces the creative competition that would result from a greater variety of programs. The Chicago budget for general administration of the preschool program has increased 512 percent since 1986, and the cost of central services, 684 percent. This trend is ominously similar to the Board's record in elementary and secondary education.

ACTION: Establish by Contract Not-for-Profit Community Preschool Sites in Chicago

Chicago receives about 45 percent of the state Children at Risk appropriation. The legislature should provide that a minimum of 20 percent of the funds awarded to the Chicago Board of Education for the Children-at-Risk program be subcontracted to not-for-profit organizations for the provision of community-based preschool programs, particularly in neighborhoods where the public schools do not have the space to house these programs.

PROBLEM: Insufficient and Inadequate Day Care for Children of Working Parents

Mothers of young children are entering the work force at an increasing rate. Currently, half of all married mothers with infants under age one are in the labor force, representing a 108-percent increase since 1970. In 1986, 60 percent of mothers whose youngest children were between three and five years old were employed.
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But child care opportunities have not kept pace with this trend, and those child care facilities that do exist are not affordable. Some of them are not of high enough quality to assure young children of a good start in life.

The paucity of decent subsidized day care keeps some women out of the work force and on AFDC. Therefore it keeps some families in poverty who could otherwise move out of poverty by a combination of work and day care subsidies, and it robs some young children of an experience that could prepare them for school and put them on an even footing with their more fortunate peers.

ACTION: Increase State-Funded, Good-Quality Child Care for Low-Income Families

In FY '89 the Department of Children and Family Services (DCFS) budget includes approximately $44 million for day care, funding 19,000 day care slots. Even adding the Department of Public Aid's $10-million line item for extended day care, this leaves the state far short of providing subsidized day care for all eligible children. There are an estimated 100,000 children under six in Illinois with employed parents who are financially eligible for this service.

Age-appropriate preschool education should be a regular part of all publicly supported day care. The DCFS day care appropriation should be increased by $30 million in FY '90, to begin the process of catching up with demonstrated need. In addition, the Legislature should require the Department of Children and Family Services to establish a low-interest loan fund program to help child care centers and family day care homes establish and improve day care services for children from low-income families.

ACTION: Support the Recommendations of the Governor’s Task Force on Day Care

Employment policies make a significant difference in a working family's capacity to cope with the demands of the job and child-rearing. Employer support ranges from day care referral services to financial assistance and on-site day care. The Governor’s Task Force on Day Care recommended a series of personnel policies that would ease the burden on working parents. These include the introduction of flextime, job sharing and dependent care sick leave, and changes in maternity and paternity leave. The state should provide financial incentives for employers who adopt these measures, to offset some of the costs of implementation.
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ACTION: Support Proposed Federal Legislation for Day Care Funding

The nationwide Alliance for Better Child Care has drafted Federal legislation called the Act for Better Child Care (ABC), which would authorize $2.5 billion in new grants for FY '90. Approximately $94 million would be allocated to Illinois. Seventy-five percent of the new allocations to states would be reserved to help purchase child care for families whose earnings do not exceed their states' median incomes. The legislation, which failed to pass in the last Congress, will be reconsidered this year, as will several other day care proposals.

PROBLEM: Parents Lack Information on the Availability of Day Care

Parents seeking day care for their children lack an easily accessible source of current information on day care options in their neighborhoods. This makes the already difficult task of finding good day care even more difficult. Parents spend large amounts of time discovering who provides day care, and then calling to see which centers have openings.

ACTION: Support Legislation to Establish a State-Sponsored Day Care Resource and Referral System

The Department of Children and Family Services should establish, either within the Department or by contract with local and regional agencies, a resource and referral service that provides information to parents on the availability of day care services in their neighborhoods. The system should also report on the aggregate supply and demand for day care in localities throughout the state, and should provide technical assistance and training to child care providers. First-year start-up costs are estimated to be $1 million.

PROBLEM: Lack of Effective, Accessible Help for Families Whose Children's Physical and Mental Development is at Risk

In 1986, responding to a growing understanding of the ways in which appropriate early intervention can transform the potential of infants and toddlers with, or at risk of, developmental delays, Congress passed PL 99-457. This group of children includes many thousands with diagnosed disabilities and delays, and many more who are at risk of developmental delay due to chronic illness and environmental causes. The Federal legislation challenges Illinois to ensure that all of these children from birth to three, and their families, have access to effective early intervention.
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The Illinois PL 99-457 planning group, the Interagency Coordinating Council on Early Intervention, must devise a strategy which fully meets the requirements of the Federal law in a way that empowers families by providing effective early intervention services at the community level throughout Illinois.

ACTION: Fund Parent Support and Training Under Illinois SB 1926

In 1988 the state legislature approved but did not fund SB 1926. This legislation provides that the State Board of Education make grants to public school districts for model training programs for parents of children between birth and kindergarten (programs under SB 1926 are open to parents of all children, including children at risk). The Act should be funded, with several amendments.

In Chicago at least 50 percent of the funds should be contracted out to qualified not-for-profit community organizations. The Act should also provide a role for community-based, trained child development and health aides to support and assist new parents in their homes and in community centers. The cost of this demonstration is $160,000 a year.
Imagine a School System That Puts Kids First

* The Board of Education and the Central Administration will assist Local School Councils, principals, and schools and make sure they follow basic rules of fairness and honesty.

* Each school is run by its own Local School Council.

* Teachers, parents, and community residents are elected to the Local School Council.

* Local School Councils hire their own principal.

* Principal manages school; reports to the Local School Council.

* District Coordinating Councils help Local School Councils share ideas and develop joint programs to serve more than one school.

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Education

PROBLEM: Inadequate Financing of Illinois Public Schools

There is a statewide school funding crisis in Illinois. The state share of the total education budget has dropped from 48 percent in 1975/76 to 39 percent in 1987/88. Illinois is 22nd in total spending per pupil, with local property taxes making up most of the difference. It now ranks 44th among states in per-capita state aid to education. The state's constant-value dollar contribution to elementary and secondary education has fallen from $2.13 billion in 1976 to 1.68 billion in 1986, a 21-percent decline over ten years.

The increasing reliance on property taxes reduces the possibility of real increases in total dollars invested in education, and penalizes poorer communities. Moreover, the formula used to calculate Chicago's share of state aid underestimates by at least 100 percent the number of low-income students in the city and results, by some estimates, in Chicago's being shortchanged by $121 million per year in state aid. This amounts to $280 per pupil.

In individual school districts across the state, these figures mean deficits and lay-offs. For the first time since the law was passed, the state School Superintendent has invoked his powers to assume financial supervision of school districts in eight districts whose 1988/89 budgets show sizable deficits. These include the De Kalb and East St. Louis school districts, and districts in Mason, Peoria, Logan, Madison, and Ogle counties. An additional 198 school districts have been placed on the statewide "watch list" for schools in financial difficulty.

ACTION: Increase Investment in Education for Illinois Children

The state must fulfill its constitutional role as the prime supporter of public education in the state. The state should increase its school aid to the level of providing 50 percent of the total cost of elementary and secondary education. Each school district has the responsibility of ensuring that additional funds are used primarily at the school and classroom levels. The state School Superintendent's proposal to increase spending for elementary and high schools by $404 million in FY '90 is an important step toward adequate state funding.

PROBLEM: School Failure

Illinois schools are failing to educate a large percentage of our children. The problem is particularly acute in Chicago, where 45 percent of high school students drop out before they graduate. Many of the students who do graduate are not prepared for a competitive job market.

Two thirds of the graduates cannot read at grade level. Half of the city's schools rank in the bottom one percent in the country in their students' American College Test scores. Only eight percent of students who enter the city's racially isolated high schools as ninth graders both graduate and can read at levels above the national average.

ACTION: Implement the Chicago School Reform Act of 1988

In November, 1988 the Legislature passed the Chicago School Reform Act (SB 1840), a major effort to make local schools responsible to the local school community. The legislation establishes elected local school councils which include parent, teacher, and community representatives, with authority to set broad goals for the school and to monitor the school's success in reaching those goals. Principals are placed on four-year renewable contracts and are accountable to the local school councils. The legislation also grants principals broad powers to implement the policy set out by the councils. These changes institute local governance in the Chicago public schools. Local school governance is a two-way process: the school is given hiring and supervisory control over its staff, and the power to amend its budget and curriculum within state and city guidelines. At the same time it is held responsible for the achievement levels of its students. The Act provides that the governing school council be made up of the principal and elected members of the parent body, the school staff, and the local community.

Local school governance creates a context in which schools can be improved. It does not in itself improve schools, but makes it easier for them to introduce improved educational practices. Since the early 1970s these improved practices have been described under the label of the effective schools movement. The effective schools movement emphasizes educational practices that have a demonstrated effect on school achievement in poor inner-city neighborhoods. The practices include high expectations for student achievement, close monitoring of progress, more class time used for learning, and the principal becoming the active educational leader of the school.
A Children’s Agenda: Into the ’90s

The effective implementation of the Chicago School Reform Act requires the following steps:

1. The decision of individual principals, teachers, and parents to work together to improve educational outcomes in their schools.

2. The full cooperation of the Chicago Board of Education, the Chicago Teachers Union, and the Chicago Superintendent of Schools to implement the letter and spirit of SB 1840.

3. A massive grassroots effort at the community level, funded partly by private philanthropy, to prepare parents and teachers for their new roles. Such an effort is critical in low-income communities that lack the resources to organize and train parents.

4. The development of strategies for hiring, retaining, and contributing to the professional development of skilled and energetic principals and teachers.
Children in Poverty

Percent of Children Living in Poverty and Percent of all Americans Living in Poverty, 1969-1987

Percent

24
22
20
18
16
14
12
10

Nixon-Ford 1969-76
16.1
11.9
Carter 1977-81
16.5
11.9
Reagan 1981-87
20.9

Total Poverty Rate
Child's Poverty Rate

Presidential Administration

PART II:

A Fair Chance for Families

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Family Stability 21
Juvenile Justice 23
Housing 25
Income Tax Burden for a Family of Four at $10,000 of Income

Note: The tax liabilities are based on two-parent families with two children, including an earner who received $10,000 in wages. The data is for 1976 except for Missouri, which is for 1988.

A Children's Agenda: Into the '90s

Poverty and Economic Opportunity

PROBLEM: Children in Poverty

An increasing percentage of Illinois children are growing up in conditions of poverty. One out of every five children in the state lives in a family with cash income below the official poverty line. Poverty is a rural, small town, and urban phenomenon. The official poverty line, $9,684 for a family of three, is itself intended only as the absolute minimum for a family for a temporary period. It cannot sustain a family for more than a short time. Such poverty reduces children's chances to move to healthy, independent adulthood. It produces high rates of chronic illness and disease, malnutrition, and homelessness. Poor children are also less able to take advantage of their education. When families cannot pay the rent, they move and their children move to unfamiliar schools. Some schools in the poorest neighborhoods have a 50-percent student turnover in a single year. When families cannot clothe their children, they keep them out of school. When children are hungry, they cannot learn.

While the depth of poverty among Illinois children defies any simple solution, the individual causes of poverty are amenable to policy changes at the state level, and several of these are described in the following paragraphs.

PROBLEM: Inequitable State Tax Burden on Poor Working Families with Children

The 1986 Federal tax reform legislation removed a significant number of low-income people from the Federal income tax rolls, and thereby contributed to a fairer distribution of the income tax burden. Even before this change, however, state and local taxes were the largest part of the tax burden on poor families. In Illinois the poorest 20 percent of taxpayers pay 9.5 percent of their incomes in state and local taxes, compared to the richest one percent, who contribute 4.1 percent of their incomes to those taxes. Between 1971 and 1985 the value of the state personal exemption has declined 62 percent in constant dollars. This tax inequity is a work disincentive. It also adds to the burdens of low-income families as they raise their children.
Enact State Tax Relief for Low-Income Working Families with Children

The Legislature should provide tax relief to low-income working families with dependent children through a state earned income tax credit. This refundable Children in Poverty Tax Credit would be based on the Federal earned income tax credit, which currently provides a maximum of $851 a year to low-income working families. An Illinois Children in Poverty Tax Credit would be simple to administer. It would allow all families which qualified for the Federal credit to claim an Illinois credit amounting to 20 percent of their Federal credit. While the amount of tax relief would be modest (the maximum would be $170), the amount would, for example, help pay utility bills in the colder months or provide for children's back-to-school clothes in the fall. In 1989, about 500,000 families would be eligible for the credit, which would cost the state an estimated $55 million in foregone tax revenues.

Extend Medicaid and Day Care Benefits for AFDC Recipients Returning to Work

Illinois currently provides six months' subsidized day care on a sliding-fee basis to AFDC recipients who have returned to work. The 1988 Federal Family Support Act provides Federal subsidies for this category of day care for twelve months. The state should expand its current benefit to the twelve-month maximum. This extension will not increase the net cost of the program to the state, because Federal reimbursement will cover 50 percent of the program costs that the state now pays in full.
Public aid recipients' buying power
In percent change from 1970 to 1987 based on maximum benefit for a family of four under Aid to Families with Dependent Children

- Decreased by more than 50%
- Decreased by 20% to 30%
- Decreased by 30% to 50%
- Decreased by less than 20% or increased

Chicago Tribune Graphic; Source: Center on Budget and Policy Priorities

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The state currently provides six months' Medicaid benefits to AFDC families returning to work, with an additional six to nine months for recipients whose new earnings are under a fixed threshold. The state should take full advantage of the Medicaid reimbursement provisions of the Family Support Act and extend Medicaid to all former recipients for twelve months. As with the day care program, the Federal reimbursement relieves the state of any additional net cost for this extension of benefits. The state should not charge any fees for this temporary coverage.

ACTION: Increase Other Work Incentives

The state should remove the penalty for short-term employment by supplementing the partial monthly grants when AFDC families' disposable incomes fall because of decreases in employment income. This proposal, which is a return to prior procedure, would cost $2.5 million.

PROBLEM: Serious Inadequacy of the AFDC Grant Level

The current AFDC monthly grant level for a family of three in, for example, Champaign, Rockford, De Kalb, or Chicago is $342, with a maximum food stamp allocation of $236 and a maximum energy assistance grant of $18. (Nationally, half of the families eligible for food stamps do not receive any.) That produces a total annual income of $7,152, or about 70 percent of the Federal poverty level.

The welfare grant has been losing steadily to inflation since the early 1970s. Between 1970 and 1987 the constant dollar value of the AFDC grant in Illinois has fallen by more than 50 percent. There has been no grant increase in the past four years. Illinois, which has the ninth highest per-capita income in the nation, ranks 30th in the value of the grant.

A parent cannot sustain a child on such a grant. Some families on AFDC are paying in excess of 75 percent of their incomes for housing costs alone. The consequences include a recurrent crisis when the rent is due, inadequate winter clothing, and days without food. We can only speculate about the number of cases in which these conditions exceed a family's ability to cope, and undermine a young child's developing sense of security and well-being.
ACTION:  Increase the Value of the AFDC Grant

AFDC grant levels should be raised immediately by 18 percent, which would bring the total family income for a family of three up to $7,884, or about 80 percent of the Federal poverty level. The additional annual cost to the state would be $108 million and, to the Federal government, $63 million.
Neglected and Abused Children

Percent of Different Types of Neglect and Abuse of Illinois Children Reported in FY 1987

Notes: 1) These are percentages of reported cases. Statewide, 39 percent of all reported "harms" to children are "indicated," i.e., enough evidence exists to continue the investigation after the initial report. Forty-one percent of abuse reports are indicated.
2) "Environmental neglect" includes inadequate food, shelter, clothing and/or education.
3) About 40 percent of "lack of supervision" cases are sub-classified as "inadequate supervision," and about 56 percent are sub-classified as "abandonment" or "desertion."

Family Stability

PROBLEM: Too Many Children Become State Wards Before Serious Efforts are Made to Preserve Their Families

In child welfare services, as in many other areas, an ounce of prevention really is worth a pound of cure. Providing a family in trouble with protective day care, emergency financial assistance, homemaker services, advocacy or counseling can make the difference between the family's ability to cope with its problems and the eventual removal of neglected children from the home. Unfortunately, these family preservation services have never attracted the support they deserve.

Without these family support strategies, there is often no choice between ignoring a family's condition and taking the children into surrogate care. This missed opportunity is a tragedy for the children and their families. It is also very expensive for the state. Preventive strategies cost only a fraction of the expense involved in long-term foster or group home care. Maryland officials, for example, calculate that their state saves $6.2 million in averted foster care costs for every 1,000 children receiving intensive family support services.

ACTION: Extend and Monitor the Family Preservation Act

In 1987 the Family Preservation Act was passed without any funding. The initial funding was approved in 1988. The purpose of the initiative is to reduce the risk of out-of-home placements of children who are subjects of abuse and neglect investigations and who could appropriately be kept at home if the families were provided help in their own homes. In 1989 the Department of Children and Family Services expects to help 850 families, at an annual cost of $6 million. The program should be expanded to serve 1,600 families in FY '90, at an additional cost of $6 million.

DCFS has signed a contract to evaluate the program, to discover what services are most effective in enabling troubled families to sustain their children at home. The Department and its contracting private agencies should make every effort to ensure that their staff members cooperate fully with the research team.

The Family Preservation program will be successful only if everyone in the child welfare system complies with the letter and the spirit of the new law. Before ordering children's removal from home, the juvenile divisions of the county courts must make sure that, in all appropriate cases, reasonable efforts have been made to keep families together.
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PROBLEM: Families in Poverty Neighborhoods Lack Support and Resources for Child Raising

Child abuse and neglect cases are concentrated in low-income communities. Over the past ten years Illinois' poorest urban neighborhoods have become more intensely poor, increasing social isolation and reducing the supports available to young mothers. The high incidence of single-parent families, the increased work force participation of older women who previously helped to raise their grandchildren, and the hazards of inner-city neighborhoods pose strains that will increase the number of poor families who fail to cope.

ACTION: Provide in-Home and Community-Based Support to New Parents in At-Risk Neighborhoods

Our long-term goal is the shrinking of impoverished at-risk neighborhoods through the reduction of housing segregation based on race and income. Our immediate goal is to provide young families in destitute neighborhoods with practical help and support. A family support line item should be created in an existing budget -- for example, that of the Department of Children and Family Services or the Illinois State Board of Education -- and funded at $5 million in fiscal year 1989. This program would establish, through contracted services, pilot projects to support families in at-risk communities. Such services would include the employment of trained community in-home visitors to visit new mothers in hospitals and to give health and child development advice and check-ups to young parents; efforts to link parents with community resources and state and Federal entitlements; and the provision of emergency assistance, including financial assistance, in times of family crisis.

DCFS should make an annual report on the distribution of family support grants. The report should list the programs receiving grant money, the number of families helped in the target communities, and the comparative effectiveness of different strategies.
Illinois Spending on Alternatives to Corrections for Delinquent Youth

Budget for the Unified Delinquency Intervention Service (UDIS), FY 1981-FY 1988

Note: In FY 1982, as a budget austerity measure, the Department of Corrections (DOC) reduced its request for UDIS to zero. Part of the budget was later restored and UDIS was transferred to the Department of Children and Family Services. At that point, however, UDIS lost its residential component. Non-residential components include educational and vocational programs, case-management advocacy and counseling. UDIS currently serves about 600 young people.

Juvenile Justice

PROBLEM: Lack of Support for Alternatives to Corrections for Delinquent Youth

Two recent trends demonstrate the need to expand creative alternatives for juvenile delinquents who do not, for their own or their communities' safety, need to be incarcerated. The first trend is the increasing commitment of delinquents to detention. In Cook County, while the number of delinquency filings has increased slowly during the past seven years, the number of delinquency adjudications has increased dramatically, by 104 percent. In the same period the number of detention intakes and the number of commitments to the Department of Corrections have increased by more than 50 percent. While some of these youth need to be in locked facilities, many of them do not. The critical needs for these youth are: requirement to pay restitution for their offenses; and help in staying out of trouble, completing their education, and finding and keeping their first jobs.

The second trend is the inadequate support for the state's main alternative to corrections programs, the Unified Delinquency Intervention Service (UDIS). UDIS serves adjudicated delinquents in their own communities, thereby increasing the chance that young people will remain connected with their families, educational possibilities, and job opportunities. At its peak funding UDIS provided advocacy, counseling, educational, and vocational services. It also provided a variety of residential programs.

In FY '76, UDIS was funded at $2.3 million. Despite favorable reviews, the program lost all of its funding in the first half of 1982, and in FY '89 it is funded at only $1.1 million. As a consequence of this decline in funding, in FY '88, 51 counties in Illinois had juveniles admitted to the Department of Corrections but referred no youth to UDIS programs. For these young people there were no alternatives to corrections.

For some young people, however, the lack of alternatives has consequences even graver than unnecessary commitment to detention or juvenile correctional facilities. In some less populous counties in Illinois, the Federal statutes that prohibit the placement of juveniles in adult facilities are being broken. In 1986, 5,100 juveniles were detained in county jails and municipal lock-ups built primarily for adult offenders.
ACTION: Expand Alternatives to Corrections

Fresh initiatives should be launched for non-violent delinquents through expansion of the
diversion programs begun in the early 1970s. The current diversion program, the Unified
Delinquency Intervention Service, should receive $1 million in additional funds for FY
'89. This would permit full UDIS services in counties now covered by UDIS contracts,
and allow the expansion of UDIS services to all counties in the state.

ACTION: Implement the Law Forbidding the Placement of Juveniles
in Adult Prisons

In November, 1988 the state legislature approved legislation forbidding the placement of
juveniles in adult prisons (HB 3498). This Act will prevent the placement of juveniles
in adult jails only if judges, police officers, and probation officers are given adequate
training in this amendment to the Juvenile Court Act and in that Act's other provisions
relating to secure and non-secure detention. The Department of Corrections has the
responsibility to monitor this provision. Its current complement of three inspectors to
monitor 100 county jails and 350 municipal lock-ups is not sufficient, and the Department
should develop a strategy for the effective monitoring of each of these facilities.
Federal Spending on Low-Income Housing in Illinois

Average Per Year—1980-84

$286,197,709

1985

$128,932,591

1986

$100,841,566

1987

$36,408,311

Housing

PROBLEM: Lack of Affordable, Decent Housing for Low- and Moderate-Income Families with Children

An increasing number of Illinois families cannot afford decent housing. The results are devastating for children in those families. Lack of decent housing threatens their health through hazards such as lead poisoning. It threatens family stability. Families double up and suffer the strains of overcrowding. Low-income families are constantly moving, as rental units are condemned and as the families are unable to pay their rent. This instability in turn threatens their children's education, as low-income families change neighborhoods and schools to find the next place to live. Some schools have student turnover rates as high as 50 percent. As unaffordable rents take up increasing percentages of family budgets, there is less money to spend on food, clothes, utility bills, and medical costs. The worst manifestation of the problem is the growing number of children who have no homes. In 1988 the National Academy of Sciences estimated that, on any given night, 100,000 children in the United States were homeless, not counting children who had run away from home or whose parents had forced them to leave home.

There are only 150,000 units of affordable housing for Illinois' 430,000 low-income households. By Federal standards almost 750,000 moderate-income households in the state are obliged to spend an "excessive" percentage of their income on housing. In Rockford and Aurora one third of all renters are paying excessive housing costs. In Decatur almost 40 percent are paying excessive costs, and in Champaign and East St. Louis more than 50 percent of renters are paying rents that are excessive in relation to their incomes. In Chicago the figure is 37 percent.

The housing shortage has several causes. The Federal investment in low-income housing dropped from a high of $35.7 billion in 1980 to $7.8 billion in 1987. By conservative estimates Illinois' share of Federal low-income housing programs has dropped by 87 percent since 1980. State and local governments and private efforts come nowhere close to making up the gap in Federal expenditures. Housing costs are rising at a higher rate than the incomes of low- and moderate-income families.

1. See the Statewide Housing Action Coalition fact sheet, "The need for affordable housing in Illinois."


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Housing Costs and Family Income

Percent of Renters Paying Excessive Housing Costs in Several Illinois Cities

Note: This chart uses the federal standard for excessive housing costs, which includes households that pay more than 30 percent of their family income for housing.

Moreover, substantial portions of Illinois' stock of older housing are not being maintained or rehabilitated. In Cook County tax-delinquent properties stay on the delinquent lists for up to five years before the county forecloses them. By then the buildings, often vacant, have deteriorated to the point where rehabilitation costs are prohibitive.

The size of the decline in Federal support for low-income housing is far too massive for the state to make up on its own. But state and local governments must begin to develop a housing policy. The three modest proposals described below could be the beginning of such a policy.

**ACTION:** Establish an Illinois Affordable Housing Trust Fund

Illinois has not reacted adequately to the crisis in the supply of affordable housing. New sources of low-interest financing are necessary for building and rehabilitation. The proposed housing trust fund would be funded by increasing the real estate transfer tax from $.25 to $.50 per $500 of the sale price. This increase, charged only when property is bought or sold, would raise $13 million. With the addition of another $12 million in existing Federal and state programs, the fund could leverage $75 million in investment money. It is estimated that this revolving fund of $100 million could be used to build or refurbish 2,500 housing units annually. The fund would be administered by the Department of Commerce and Community Affairs. The state should establish an independent advisory group to monitor the administration of the fund.

**ACTION:** Reduce the Waiting Period for Tax-Delinquent Properties to be Put up for Sale and Rehabilitation in Cook County

Currently the County may place a tax-delinquent property on the scavenger sale list only after five years' tax delinquency. This period should be reduced to two years. Similarly, the period in which owners are allowed to redeem the taxes they owe should be reduced from two years to one year. Not only will these changes increase the chances of restoring tax-delinquent property to the housing market, they will also increase the rate at which the $110 million in delinquent taxes is restored to the County budget.
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**ACTION:** Encourage Strategies for Low-Income Families to Develop a Stake in Their Homes

Home-ownership is an important ingredient of a stable neighborhood. Stable neighborhoods are easier places to raise children. New state and local housing initiatives should encourage home ownership wherever possible. Strategies should also be developed that provide incentives to change deteriorating rental units to limited-equity cooperatives through a mixture of rehabilitation loan funds and sweat equity.

The residents of stable public housing developments should be encouraged to take advantage of the provisions of the Federal 1987 Housing and Community Development Act, which authorizes public housing tenants to manage their own buildings and provides training money to help tenant/management councils get off the ground. Any new Federal and state monies for low-income housing should be distributed in a way that decreases both race and class segregation.

**PROBLEM:** Homeless Youth

The bottom of the housing ladder is homelessness. Homeless youth are at great risk of sexual exploitation, drug traffic, chronic health problems, and physical assault. They include young people who have run away from their homes, and others who have been thrown out of their homes. Some come from the child welfare system. It is very difficult to estimate the number of homeless youth. The high estimate of these youth in Illinois is 21,000.1 The low estimate is considerably lower.2

**ACTION:** Support Plans for Emergency Shelters for Homeless Youth

The Illinois Department of Children and Family Services should expedite its plans for a demonstration shelter to house and provide other services to homeless youth. The Department should expand the transitional living programs that help these youth move from the state’s care to independence. Homeless young people also require help in finishing their education and finding jobs and housing, and they need access to health care. The additional cost of these services is estimated to be $7 million.

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2. For example, the low estimate of all homeless people in Chicago is 2,500 on any given night, with a yearly prevalence of about 6,000. See Peter H. Rossi et. al., "The Urban Homeless: Estimating Composition and Size," *Science*, Vol. 235, March, 1987.
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