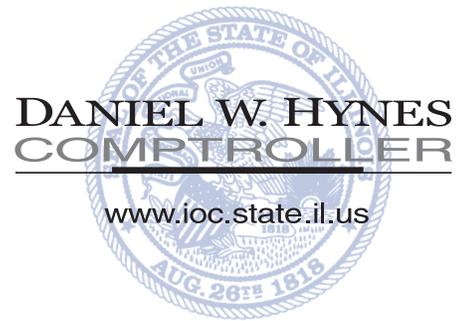


# Fiscal Focus

*A Publication of the Illinois State Comptroller*



• MARCH 2007 ISSUE •



## State Assistance Under One Umbrella: The Department of Human Services

In response to repeated calls to consolidate the human services delivery system for the state of Illinois, the General Assembly enacted PA 89-507 and merged all or parts of six cabinet-level agencies into a single human services department. The aim of this consolidation was to improve accountability, increase accessibility, and achieve efficiency and effectiveness in operations to respond to those who turn to the state for assistance. This move resulted in Illinois changing its human services delivery system from one perceived as one of the most fragmented in the U.S. to one of the most centralized organizations for the delivery of such services.

The Illinois Department of Human Services (DHS) was created on July 1, 1997, through the merger of the Illinois Departments of Alcoholism and Substance Abuse (DASA), Rehabilitation Services (DORS), and Mental Health and Developmental Disabilities (DMHDD) and parts of the Departments of Public Aid (DPA), Public Health (DPH) and Children and Family Services (DCFS). DHS is the primary state agency for assisting low income persons and families in Illinois. The department works to improve the quality of life of thousands of Illinois families by providing comprehensive, coordinated services in seven major program areas:

- Human capital development, including Temporary Assistance for Needy Families (TANF), food stamps, and child care
- Mental health
- Developmental disabilities
- Rehabilitation services

- Alcoholism and substance abuse treatment and prevention services
- Health services for pregnant women and mothers, infants, children and adolescents, and
- Prevention services for domestic violence and at-risk youth

### Human Capital Development

A major part of what DHS does falls under the category of human capital development. The department's mission is to assist Illinois' less fortunate residents achieve self-sufficiency, independence and health. Many programs and services are available at the state and local level to accomplish this task.

One component of these services is the Temporary Assistance for Needy Families Program which replaced the older Aid to Families with Dependent Children Program in fiscal year 1998. TANF provides cash assistance to pregnant women and families with one or more dependent children to help pay for food, shelter, utilities, and other expenses. TANF emphasizes transitional services to help families achieve independence. Based on federal rules, most adults can receive TANF for only 60 months during their lifetime. For eligibility purposes, TANF clients must be pregnant or have a child under 19 living with them, live in Illinois, be a U.S. citizen and/or meet certain immigration requirements, and work with DHS staff to develop and follow a plan outlining the steps they are going to take to become self-sufficient. This plan may include child support enforcement activities, employment-related

### *In This Issue:*

Cover Story.....	front, 3-6
Letter From The Comptroller .....	2
History of Cash Assistance Spending in Illinois .....	2, 13
Federal Block Grant Support for Human Services.....	7, 13
Poverty in Illinois.....	8, 9
Homeless Prevention at the State Level .....	9
Caseloads Drop After Welfare Reform.....	10
New TANF Work Requirements.....	11
Substance Abuse Prevention and Treatment.....	12
State Operated Hospitals and Developmental Centers.....	14
February 2007 Tables .....	15
Did You Know .....	Back Cover



*Cover Story continued, page 3*



## Dear Readers:

How does state government respond to the needs of its less fortunate residents? In Illinois, a large part of that responsibility was given to the Department of Human Services (DHS) when it was created effective July 1, 1997, through the merger of all or parts of other state agencies. DHS administers a wide range of programs and services in the areas of human capital development, mental health, developmental disabilities, vocational rehabilitation, alcohol and substance abuse prevention and treatment, health services for women, infants and children, and prevention and intervention programs to assist at-risk populations.

The task is large. In fiscal year 2006, DHS employed approximately 15,000 persons and spent nearly \$5 billion. The department accounted for 13.4% of General Funds expenditures making it the third largest spending agency behind the Department of Healthcare and Family Services and the State Board of Education. The federal government plays a large role in financing the programs and services provided by DHS. Federal block grants provide funds for Temporary Assistance to Needy Families, social services, child care, prevention and treatment of substance abuse, community mental health services and maternal and child health services. In addition, other federal grants support the administration of food stamps, nutrition programs for women and infants, vocational rehabilitation, refugee assistance and social security disability insurance determinations.

Since the enactment of the Temporary Assistance to Needy Families (TANF) program in 1996, Illinois has seen its welfare caseload and cash assistance payments drop. However, expenditures for other programs and services such as child care, employment and training, and substance abuse prevention and treatment have increased. Although the poverty level in Illinois has decreased in the last few years, 1,484,000 Illinoisans or 12.0% of the population were impoverished in 2005.

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Sincerely,

Daniel W. Hynes  
Comptroller

## Fiscal Focus

**Fiscal Focus** is one of the ways the Comptroller's Office strives to assist taxpayers and the people of Illinois. This report is designed to provide fiscal information of general interest.

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## History of Cash Assistance Spending in Illinois

A number of welfare programs have been available over the years in Illinois to help provide for the basic needs of the less fortunate. The broadest based in recent years has been medical assistance which has steadily expanded as the number of enrollees and program costs have grown continuously. Another type of program is cash assistance. Although today cash assistance pales in comparison to the current level of medical assistance, that was not the case some years ago.

The oldest available records at the Comptroller's office dating back to fiscal year 1946 show that during that fiscal year \$15.1 million in cash assistance was used for Aid to Dependent Children and accounted for 10% of General Fund spending and 5.5% of total spending. In fiscal year 2006, \$186 million was expended for cash assistance grants which accounts for less than 0.8% of state spending from the General Revenue Fund.

A thirty-year look at cash assistance spending from the General Revenue Fund in the accompanying table on page 13 reveals that in fiscal year 1976 the state spent \$891 million in cash grants including \$731 million in Aid to Families with Dependent Children (AFDC), \$120 million for General Assistance (GA) and \$40 million for Aid to the Aged, Blind and Disabled (AABD). By fiscal year 1986 cash assistance grant spending had reached its peak of \$1.167 billion and remained fairly steady dipping below a billion dollars only once through fiscal year 1996.

Since fiscal year 1996, there has been a steady decline in the level of cash assistance grants. The major reason for this is a change from the AFDC program to the Temporary Assistance to Needy Families Program (TANF) in fiscal year 1998 which implemented programmatic shifts at the federal level. Program rule

*History of Spending continued, page 13*

activities and a school attendance initiative. Failure to comply with the plan makes the client subject to penalties and may involve a reduction or cancellation of cash benefits received.

In addition to cash assistance, TANF clients are eligible for medical assistance, child care and food stamps. Medical assistance is provided through the Illinois Department of Healthcare and Family Services (DHFS). The DHS Child Care Program provides affordable child care for low-income, working families. A sliding scale, based on the family size, income and number of children, is used to determine the families' share of child care costs. In addition to TANF clients the Child Care Program serves working families, teen parents seeking a high school degree or its equivalent and families not receiving TANF who are pursuing additional education to improve their job opportunities. The type of child care to be used (i.e. child care centers, in-home providers, etc.) is determined by the family being served, as long as all state and local requirements are met.

The Food Stamp Program helps low-income households buy the food they need for a healthy diet. This program is managed by the Food and Nutrition Service of the United States Department of Agriculture. DHS administers the program in Illinois with administrative costs reimbursed by the federal government. Food stamp eligibility is determined through many factors, mainly income and expenses; number of persons living and eating together; and the amount of available assets. Benefits are provided through the Illinois Link System, an electronic system allowing a person to use a card at grocery stores, similar to one used at an automatic teller machine. This card authorizes transfers from the individual's account to the retailer's account to pay for products received. Food stamp benefits

can be used to buy any food or food product for human consumption, plus seeds and plants for use in home gardens to produce food. They cannot be used to purchase items such as ready to eat hot foods, restaurant foods, vitamins or medicines, pet foods, or alcoholic beverages and tobacco.

**Mental Health**

The inclusion of the Department of Mental Health and Developmental Disabilities into

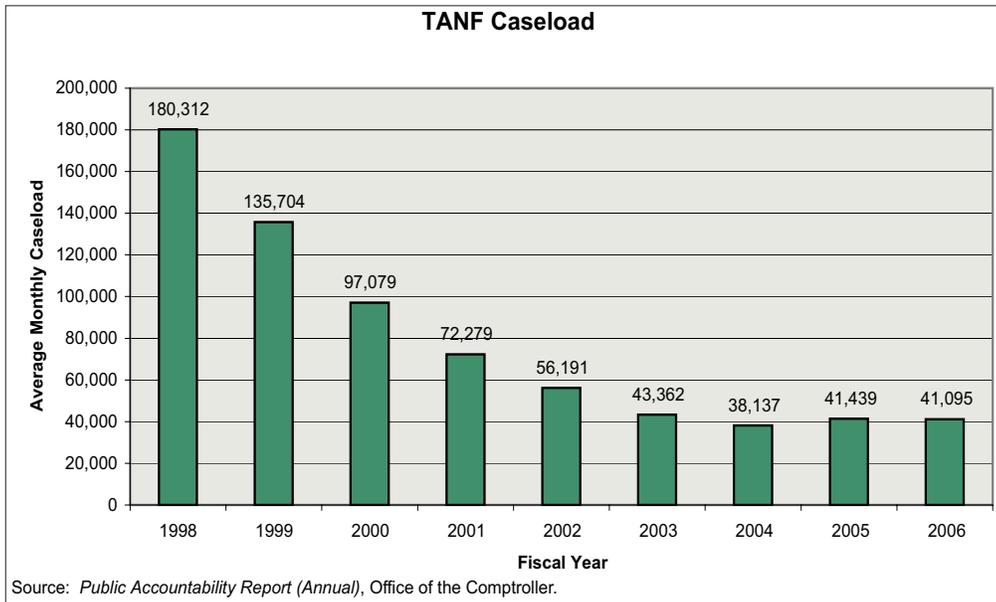
be managed at the other less secure facilities. Private sector hospitals receive DHS contracts for the provision of services when state hospital beds are not available.

Aided by the passage of the federal Community Mental Health Centers Act of 1963 and the development of effective medications, there has been a growing emphasis on deinstitutionalization. As a result, every prospective hospital patient is screened to determine if an outpatient option is available to provide the services deemed needed. Outpatient programs provide psychiatric treatment, individual, family and group counseling/therapy, medication management, skill-building, family education for relatives of individuals with mental illnesses and other services. Where appropriate, individuals are served by community mental health providers through contracts

from DHS to nearly 200 community agencies to provide outpatient mental health services. Community services are primarily responsible to help individuals maximize their potential and independence to sustain an enhanced quality of life. Parents or guardians of children who have severe mental illness and require treatment in a 24-hour residential setting or very intensive community services that allow them to live at home in their normal environment are also eligible to receive grant funds through Individual Care Grants.

**Developmental Disabilities**

Developmental disabilities are severe, life-long disabilities attributable to mental and/or physical impairments, manifested before age 22. These disabilities result in substantial limitations in three or more areas of major life activities: capacity for independent living, economic self-sufficiency, learning, mobility, receptive and



DHS brought with it the responsibility for caring for certain special populations. Mental health services are provided to adults, children and adolescents who have been determined on the basis of a mental health assessment to have a mental illness or emotional disturbance and to have significant loss of normal role functioning. Through its mental health division, DHS operates 10 state psychiatric hospitals that serve those in need of inpatient treatment. (See article on state-operated hospitals and developmental centers on page 14.) Included in this number is a mandated Treatment and Detention facility for sexually violent persons. Nine of the hospitals serve designated geographic areas and work closely with community mental health agencies and psychiatric units, with four having medium security facilities to treat patients who have been found to be unfit to stand trial or not guilty by reason of insanity. The remaining psychiatric hospital provides maximum security treatment for patients sent by the criminal courts or who cannot

expressive language, self-care and self direction.

Services to the developmentally disabled also have both a state and local component. DHS provides residential services through nine State-Operated Developmental Centers (SODCs), one providing both mental health and developmental disabilities services. The SODCs provide residential and program services to developmentally disabled people who have complex needs. Persons with developmental disabilities require individually planned and coordinated services and supports in order to live in the community. Community residential services, including Community Integrated Living Arrangements (CILAs) and Intermediate Care Facilities for persons with developmental disabilities (ICF/DDs), are funded to offer residential settings in the community providing specialized and generic training, treatment, health and related services. These services are designed to help the developmentally disabled function as independently as possible and prevent or decelerate regression.

**Rehabilitation Services**

The assumption of programs previously administered by the Department of Rehabilitation Services resulted in DHS providing services to persons with significant physical or mental impairment. The major objective is to work in partnership with people with disabilities and their families to assist them in making informed choices to achieve full community participation through employment, education and inde-

pendent living opportunities. Services provided include: in-home supports, respite care, job coaches, residential living arrangements, and adaptive equipment.

One program of interest is the Home Services Program that promotes independence by offering an individualized, family-centered approach for individuals with the

appropriated spending has risen from about \$4 billion to \$4.9 billion in fiscal year 2006.

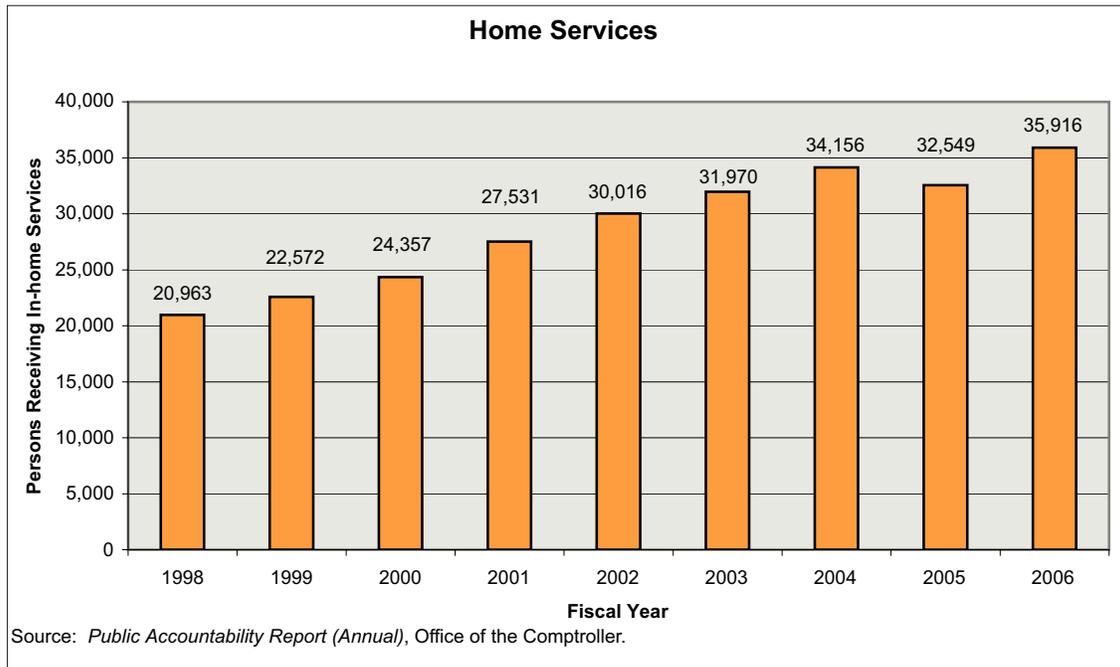
Many programmatic changes have taken place in the agency’s history, including a major decrease in spending on TANF cash assistance from \$776 million in fiscal year 1998 to \$148 million in fiscal year 2006. (See article on cash assistance on page 2.)

Conversely, spending for various child care programs increased from \$167 million to \$679 million during the same period. (See page 7 for information on federal block grant support for child care and other social services).

The areas of Mental Health, Developmental Disabilities and Rehabilitation Services have seen significant

increases. The Community Service Grant Programs for Persons with Mental Illness rose from \$137.1 million in fiscal year 1998 to \$220.4 million in fiscal year 2006. The grant program for Children and Adolescents with Mental Illness rose from \$20.0 million to \$25.4 million during the same period. These changes represented growth of 60.8% and 27% respectively. Additionally, the Intermediate Care Facilities for Mentally Retarded and Alternative Care Programs saw an increase from \$295.1 million to \$346.7 million, a 17.5% increase.

The Community Service Grant Program for Persons with Developmental Disabilities rose from \$101.6 million in fiscal year 1998 to \$566.7 million in fiscal year 2006, representing a 457.8% increase in spending. During that same interval, the Home Services Program increased from \$121.5 million to \$370.6 million, representing growth of 205.0%.



most significant disabilities. To receive Home Services benefits, individuals must be under the age of 60 and require help with daily living activities. (The Department on Aging offers similar programs for people over the age of 60.) Home Services allows these clients to remain in their homes, be active in the community and retain control over the services they receive. These same benefits are also provided to persons over the age of 60 if they have either HIV/AIDS or traumatic brain injuries.

**Human Services Spending**

In fiscal year 2006, DHS employed approximately 15,000 persons and expended nearly \$5 billion, with expenditures of \$3.8 billion from the General Revenue Fund. Accounting for 13.4% of General Funds expenditures, DHS is the third largest spending agency in the state, following Healthcare and Family Services and the State Board of Education. Since the creation of DHS in fiscal year 1998, total

Other fiscal year 1998 to 2006 spending increases for awards and grants occurred in the USDA Women, Infants and Children (WIC) Fund that rose from \$194.5 million to \$248.1 million. The WIC Program exists to improve the health and nutritional status of women, infants and children. Expenditures

ing Fund increased from \$2.3 million to \$5.1 million supporting activities such as job training, job search and work experience.

Total appropriated spending was down for operations, led by the decrease experienced by the General Revenue Fund beginning in

staffing levels have yet to be regained, as DHS employed just 14,857 persons in 2006 (see graph on page 6).

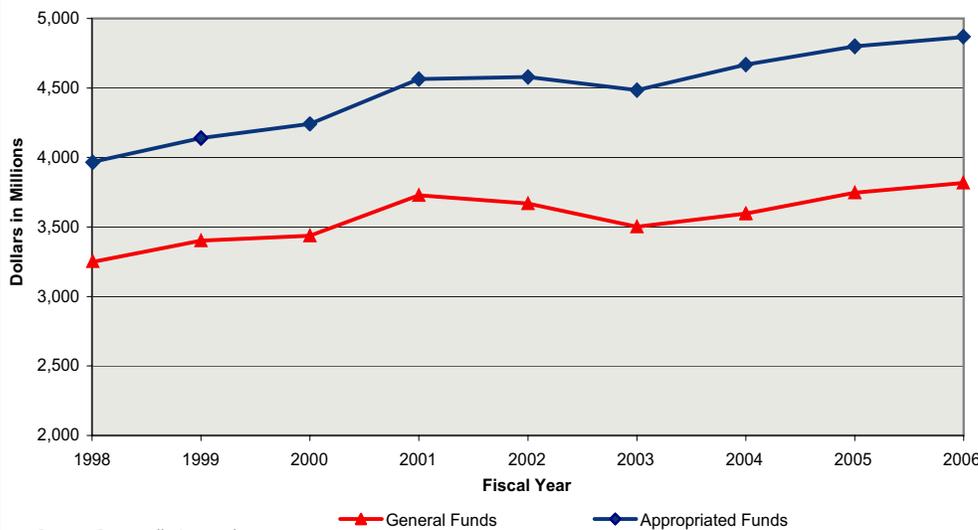
Another substantial decrease was in the USDA Women, Infants and Children (WIC) Fund which has dropped from \$55.2

**Department of Human Services Appropriated Spending**  
(Dollars in Millions)

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	
<b>Operations</b>										
General Revenue Fund	\$ 958.4	\$ 1,007.5	\$ 1,014.7	\$ 1,066.7	\$ 1,100.7	\$ 998.3	\$ 962.5	\$ 949.2	\$ 930.7	
Federal Funds	145.5	118.9	121.7	123.9	134.9	125.7	126.7	124.9	128.6	
Other Funds	10.3	11.5	13.1	12.0	12.2	12.4	12.3	14.8	9.6	
<b>Total Operations</b>	<b>1,114.2</b>	<b>1,137.9</b>	<b>1,149.5</b>	<b>1,202.6</b>	<b>1,247.8</b>	<b>1,136.4</b>	<b>1,101.5</b>	<b>1,088.9</b>	<b>1,068.9</b>	
<b>Awards &amp; Grants</b>										
General Revenue Fund	2,287.0	2,392.1	2,420.3	2,659.7	2,566.2	2,503.6	2,630.7	2,797.1	2,884.0	
Federal Funds	377.6	435.6	487.0	491.7	503.4	523.8	564.9	559.8	647.1	
Other Funds	177.9	160.7	181.0	206.8	254.3	306.2	356.9	349.0	261.2	
<b>Total Awards &amp; Grants</b>	<b>2,842.5</b>	<b>2,988.4</b>	<b>3,088.3</b>	<b>3,358.2</b>	<b>3,323.9</b>	<b>3,333.6</b>	<b>3,552.5</b>	<b>3,705.9</b>	<b>3,792.3</b>	
<b>All Other Spending</b>	<b>9.9</b>	<b>13.8</b>	<b>4.0</b>	<b>3.3</b>	<b>7.3</b>	<b>14.8</b>	<b>14.9</b>	<b>5.1</b>	<b>5.4</b>	
<b>Total DHS Appropriated Spending</b>	<b>\$ 3,966.6</b>	<b>\$ 4,140.1</b>	<b>\$ 4,241.8</b>	<b>\$ 4,564.1</b>	<b>\$ 4,579.0</b>	<b>\$ 4,484.8</b>	<b>\$ 4,668.9</b>	<b>\$ 4,799.9</b>	<b>\$ 4,866.6</b>	

Source: Comptroller's Records.

**Department of Human Services Expenditures**



Source: Comptroller's records.

support referral services for health care and social service providers, health screenings, nutritious foods and nutrition education. The Alcoholism and Substance Abuse Fund that grew from \$7.3 million to \$18.3 million, funds programs to help parents be effective in preventing substance abuse through better awareness of drugs and alcohol and the role the family plays in preventing abuse. Spending from the Employment and Train-

ing Fund increased from \$2.3 million to \$5.1 million supporting activities such as job training, job search and work experience. Total appropriated spending was down for operations, led by the decrease experienced by the General Revenue Fund beginning in 2003. Upon consolidation, DHS employed just fewer than 20,000 workers. This number remained fairly steady until 2003 when the early retirement incentive took place and the number employed fell to 15,515. The decline in the number of mental health facilities and patients, and the centralization of some services into the Department of Central Management Services are also factors in this decrease. The previous

million to \$9.1 million. Among the more substantial increases for state funds was an increase in the Mental Health Fund from \$1.9 million in fiscal year 1998 to \$3.2 million in fiscal year 2006, reflecting the financing of the advancement of mental health facilities and services. Spending for operations from the Old Age Survivors Insurance Fund increased from \$39.0 million to \$44.8 million. Spending from this fund addresses the unnecessary institutionalization of persons with Alzheimer's disease and related disorders, or persons in need of long term care who are blind or disabled, as defined by the Social Security Act. Expenditures from the Vocational Rehabilitation Fund, providing comprehensive rehabilitation services and habilitation and rehabilitation of persons with one or more disabilities, increased from \$55.2 million to \$60.1 million, for the same period.

### Conclusion

Delivering services directly through over 200 local offices and in partnership with a network of local providers that reach every part of Illinois, DHS is estimated to impact one out of every five Illinois citizens in the

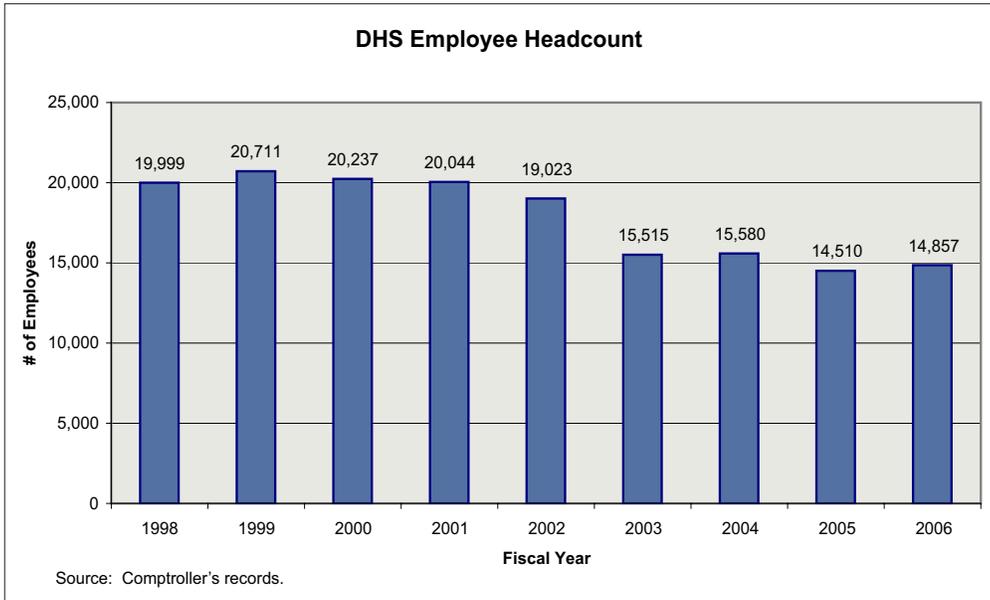
*Cover Story continued, page 6*

course of a year. From its inception in July of 1997, the department has been challenged with providing coordinated services to Illinois' neediest residents. The intent of the legislation creating DHS was to provide a system of one-stop, seamlessly integrated service delivery and to achieve economies by streamlining administrative functions and eliminating redundant

processes. A decade later, DHS is still working to achieve that vision.

Unfortunately, the task ahead will not be easy. According to the 2006 Report on Illinois Poverty, Illinois ranked last in the Midwest on 6 key poverty indicators under the Economic Well-Being heading. The newly released 2007 Report shows that Illi-

nois remains last on only one of these six indicators and concluded that Illinois is beginning to see its poverty-related status in the Midwest improve. (See article on poverty thresholds on page 8.) With the number and variety of programs administered, DHS remains in a position to assist the less fortunate in Illinois, but the agency continues to face serious challenges. ■



Department of Human Services Selected Performance Measures			
	FY 2004	FY 2005	FY 2006
<b>Human Capital Development</b>			
Average number of families served by Child Care Program per month	94,641	98,667	104,572
Average number of children served by Child Care Program per month	189,282	197,334	192,471
Total average monthly TANF caseload	38,137	41,439	41,095
Average % of TANF cases meeting federal work requirement for all families	56.40%	52.40%	52.55%
Federal Food Stamp payment accuracy	94.39%	93.43%	94.68%
Average Child Care cost per child per month	\$259.00	\$256.00	\$243.08
<b>Developmental Disabilities</b>			
Number of individuals served in private ICF/MR	6,848	6,828	6,836
Number of individuals served in SODCs	2,935	2,758	2,670
Average length of stay in SODCs in years	15	18	18
Persons receiving DD services as a % of the estimated number with a DD diagnosis	16.2%	19.4%	18.2%
<b>Vocational Rehabilitation</b>			
Persons with disabilities receiving in-home services to prevent institutionalization	34,156	32,549	35,916
Average monthly cost of in-home services per client	\$944	\$1,073	\$1,082
% of rehabilitation services participants who become successfully employed	61.2%	62.0%	57.7%
<b>Mental Health</b>			
% of readmissions to state hospitals within 30 days of discharge	9.5%	9.0%	15.0%

Source: Public Accountability Report (annual), Office of the Comptroller.

# Federal Block Grant Support for Human Services

The federal government plays a significant role in providing assistance to the less fortunate members of society. In some cases, such as Supplemental Security Income, federal benefits are provided directly to eligible persons. In other cases, such as Temporary Assistance to Needy Families (TANF), the federal government provides grants to the states to deliver services or to contract with local service providers.

Back in the early 1980s, the federal government created a number of block grants for health and social services. In general,

Health Services, and (8) Community Services. In Illinois, the Department of Human Services (DHS) administers all of these block grants except for Low-Income Energy Assistance which is handled by the Department of Healthcare and Family Services, and Community Services which is run by the Department of Commerce and Economic Opportunity.

The largest block grant revenue source for DHS is the TANF program through which Illinois was awarded \$585 million in fiscal year 2006. This program is designed to

was used to provide various support services to needy families including child care.

Child care is a major component of the assistance provided to low-income Illinois residents and DHS spent approximately \$680 million for child care services in fiscal year 2006. The federal Child Care and Development Block Grant provided about \$196 million, but the rest was from the General Revenue Fund (including some of the TANF grant money). Since TANF requires adults to be employed or in work related activities, childcare is essential. Also, teen parents attending high school need affordable daycare. DHS reports a monthly average of 104,572 families and 192,471 children were served through the child care program in fiscal year 2006.

The federal award for the Social Services Block Grant totaled \$74 million in fiscal year 2006. This block grant is somewhat of an omnibus grant because the funds can be used to support more than 20 different social services such as case coordination, employability development, foster care, homemaker services, outpatient treatment, residential child care, transportation and unmarried parents services. DHS is the lead agency, but the Department of Children and Family Services, the Department of Corrections and the Department on Aging also participate. In addition to the initial award of federal funds, money was transferred to this block grant from TANF. Of the federal receipts to the Social Services Block Grant Fund, \$76 million was transferred to the General Revenue Fund, \$24 million was transferred to the Local Initiative Fund and \$21 million was transferred to the DHS Special Purposes Fund.

The block grant for Prevention and Treatment of Substance Abuse yielded \$70 million in fiscal year 2006. This grant is designed to provide assistance for prevention, treatment and rehabilitation services related to alcohol and drug abuse. Based on federal requirements, not less than 35% is to be used for drug abuse, not less than 35% is to be used for alcohol abuse, and not less than 20% is to be used for prevention and early intervention of substance abuse.

*Federal Support continued, page 13*

## Block Grants Awarded to the Department of Human Services (Dollars in thousands)

Block Grant	Federal Award FY 2006
Temporary Assistance to Needy Families	\$ 585,057
Child Care and Development	195,883
Social Services	73,649
Prevention and Treatment of Substance Abuse	70,371
Maternal and Child Health Services	22,846
Community Mental Health Services	16,597

Source: *Federal Funds to State Agencies FY 2004-2006*, Legislative Research Unit.

the block grants combined several categorical grants into a single grant, eliminated state matching requirements, and placed annual caps on the amount of grant funds provided to the states. The states were given more discretion or flexibility in how the funds were administered, but placing annual caps on the grants was seen as a way to control federal expenditures and to make states responsible for additional spending if caseloads increased. In the case of the TANF block grant, which was created in 1997, funding was changed from an open-ended entitlement to a capped amount.

Currently, the major federal block grants in the area of social services include: (1) Temporary Assistance to Needy Families, (2) Child Care and Development, (3) Social Services, (4) Prevention and Treatment of Substance Abuse, (5) Community Mental Health Services, (6) Low-Income Home Energy Assistance, (7) Maternal and Child

reduce dependency by promoting job preparation, work and the formation of two-parent families. Grant funds can be used for cash assistance, work opportunities, and other support services provided directly to needy families with children. Based on Comptroller's records for fiscal year 2006, \$464 million was deposited in the General Revenue Fund. A total of \$32 million was deposited in the Social Services Block Grant Fund and \$69 million was deposited in the Department of Children and Family Services Children's Services Fund. In addition, \$5 million of TANF receipts was deposited in the Employment and Training Fund and \$15 million went to the Income Tax Refund Fund to pay for the Earned Income Tax Credit for TANF recipients. Only \$148 million was spent for cash assistance from the General Revenue Fund (see *History of Cash Assistance Spending* on page 2). The remainder of the TANF funds in the General Revenue Fund

# Poverty In Illinois

Each year, the U.S. Census Bureau calculates an income threshold varying by family size and composition to estimate the portion of the population that lives in poverty. Poverty thresholds were originally derived using U.S. Department of Agriculture food budgets designed for families under economic stress and data about the portion of income families spend on food. The official poverty thresholds are updated for inflation each year but are not adjusted for regional cost of living variations. Income includes money income before taxes, but does not include noncash benefits such as public housing, Medicaid, or food stamps. Prior year income or assets are not used in determining if a family is impoverished.

Selected Poverty Thresholds Calendar Years 2005-2006		
	2005	2006
● One Person, No Children	\$10,160	\$10,488
● Two Persons, No Children	13,078	13,500
● Two Persons, One Child	13,461	13,896
● Three Persons, No Children	15,277	15,769
● Three Persons, One Child	15,720	16,227
● Three Persons, Two Children	15,735	16,242
● Four Persons, No Children	20,144	20,794
● Four Persons, One Child	20,474	21,134
● Four Persons, Two Children	19,806	20,444
● Four Persons, Three Children	19,874	20,516

Source: U.S. Bureau of the Census.

Over the past twenty years, both the national and the Illinois poverty rates have followed the national economic cycles with a slight downward trend and with the Illinois poverty rate normally less than the national rate (fifteen of the twenty years). Since the Welfare Reform Act of 1996 which created the Temporary Assistance for Needy Families (TANF) program, average poverty rates have declined although other factors such as strong economic growth through much of the period may also explain the decline. Between 1986 and 1995, the average U.S. poverty rate was 13.9% and the average Illinois rate was 13.4%. For the next ten years, the U.S. average was 12.5% and the Illinois average was 11.3%.

In 2005, statewide poverty rates varied from 7.5% for New Hampshire to 21.3%

The Illinois poverty rate is higher for children than for adults. Among Illinois residents living in poverty, 525,000 were under 18 (16.4% of the under 18 Illinois population), 831,000 were between 18 and 64 (10.7% of Illinoisans in this age bracket), and 128,000 were 65 and older (8.9% of Illinois seniors).

Numerous factors are identified in the survey which impact the likelihood of poverty status. The poverty rate for women was 13.4% compared to 10.5% for men. The poverty rate was 8.1% for white Illinoisans versus 28.0% for African Americans and 17.7% for Illinoisans of Hispanic or Latino origin.

Education, employment status, and work experience obviously make a big difference in the likelihood of poverty status. Among the population 25 years and older, 20.7% who had not graduated high school were in poverty status versus 3.3% of the population with a bachelor's degree or higher. For members of the civilian labor force (people either working or looking for work) 16 years and older, the poverty rate was 28.2% for unemployed individuals and 5.4% for

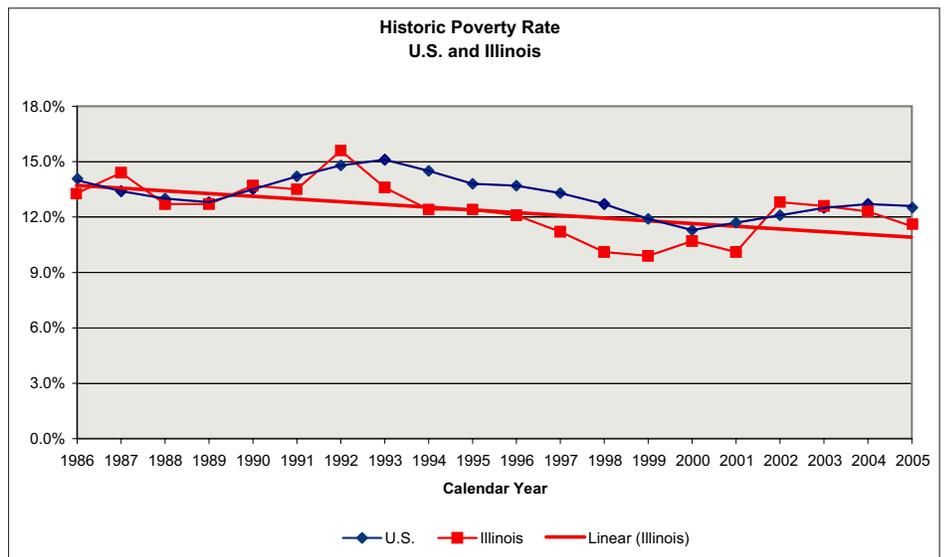
The poverty rate will vary with alternative definitions of income and need. For example, not counting government cash assistance as income would raise the poverty rate, while counting the value of noncash benefits such as Medicaid, Medicare, and subsidized school lunches as income would lower the poverty rate. Poverty rate studies are particularly useful in identifying poverty trends and regions and population classes with poverty concentrations.

A grid of poverty thresholds is released by the Census Bureau setting the poverty level for different combinations for different sized families. For calendar year 2005, the poverty threshold was an income of \$10,160 for a single individual under 65 years old. For a family of four with two children under 18 years of age, the poverty level was \$19,806.

Almost 1.5 million (1,484,000) Illinoisans or 12.0% of the population were impoverished during 2005 based on data from the American Community Survey performed by the U.S. Census Bureau. The poverty rate in Illinois was below the 13.3% national poverty rate.

for Mississippi. Among Illinois' neighboring states, the poverty rates were 10.2% for Wisconsin, 10.9% for Iowa, 13.3% for Missouri, 16.8% for Kentucky, and 12.2% for Indiana.

employed individuals. Finally, the poverty rate was 2.0% for individuals 16 and over who worked full-time, year-round for the past year, while the rate was 20.0% for individuals who did not work during the year.



*Poverty in Illinois continued, page 9*

Illinois county data are available for 2004 using the U.S. Department of Commerce Small Area Income and Poverty Estimates. Among Illinois counties, poverty rates vary from an estimated 23.8% of the population in Alexander County in far southern Illinois to only 4.0% for Monroe County, a suburban county on the edge of the Saint Louis metropolitan area. The counties with the highest poverty rates tend to be rural counties in southern Illinois. The exception is Cook County which ranks 10th in the state with a

15.2% poverty level. Within Cook County, poverty is concentrated in Chicago which reported a 21.1% poverty rate in 2004 in that year's American Community Survey.

The low poverty rate counties tend to be suburban counties on the outer edge of metro areas. Six of the ten lowest poverty rates are counties surrounding Cook including: Kendall (4.1%), McHenry (4.5%), DuPage and Grundy (6.0%), Will (6.6%), and Lake (7.1%).

The policy implications of this data are that programs designed to increase the economic opportunities for families at risk of poverty should try to increase their educational and employment opportunities, particularly for families with children. Geographic focus of anti-poverty programs should be on these inner city and rural areas with history of poverty. ■

## Homeless Prevention at the State Level

A recent study by the National Law Center on Homelessness and Poverty stated that approximately 3.5 million people, 1.35 million of them children, are likely to experience homelessness in a given year. The causes of homelessness are numerous such as low wages, underemployment/unemployment, wage disparity, poverty, lack of jobs, educational barriers, uninsured, domestic violence, and mental illness and substance abuse disorders.

There are several federal programs intended to help prevent people from becoming homeless such as the Section 8 Housing Choice Voucher Program, Community Services Block Grant Program and the Emergency Shelter Grant Program. In addition, there is one state program that the Illinois Department of Human Services (DHS) administers named the Homeless Prevention Program. This program is responsible for providing rental and utility assistance, as well as supportive services directly related to the prevention of homelessness, to eligible individuals and families who are in danger of eviction, foreclosure or homelessness or are currently homeless. The purpose of the program is to stabilize individuals and families in their existing homes, shorten the amount of time that individuals and families stay in shelters and assist individuals and families with securing affordable housing.

According to the DHS Homeless Prevention Program Annual Report, in fiscal year 2006, there were 8,984 households served and 71% of those households were families with children under the age of 18. Of households served, 68% requested rental or mortgage assistance in order to retain current housing and 22% requested utility assistance.

Although the program was established in 1999, the program did not receive funding until fiscal year 2000. Originally the program was funded at \$1 million in fiscal years 2000 – 2001. In fiscal year 2002, the amount increased to \$2.5 million and in fiscal years 2003-2006 it remained steady at \$5 million. In fiscal year 2007, the program is funded at \$11 million and will remain at this level for fiscal year 2008. The funding is from the Affordable Housing Trust Fund which is funded by 50% of the real estate transfer tax. The substantial increase in appropriation was due to local providers that stated that increasing costs for housing and utilities, especially electric rates, would mean that more households would need assistance and previous funding would not meet those needs. ■

## Public Accountability Report Available

Copies of the Fiscal Year 2006 *Public Accountability Report* are now available. The report includes performance measures for 202 programs administered by 69 selected Illinois state agencies, an increase from the 57 agencies reporting in fiscal year 2001 and the 19 agencies in the fiscal year 1999 report. This group of agencies contributed a significant part (\$44.6 billion or 89.6%) of the \$49.8 billion in appropriated expenditures for fiscal year 2006.

The *Public Accountability Report* attempts to link traditional financial reports of state government with the performance or results of

state programs. This type of report is referred to as Service Efforts and Accomplishments (SEA) because it reviews financial and other resources allocated to programs as well as quantifiable measurements of how well programs have realized their objectives. Public accountability reporting can assist state government officials and the public at large by making government programs more results oriented.

The reports can be accessed through our web site at [www.ioc.state.il.us](http://www.ioc.state.il.us) or you can contact Stephanie Blair at (217) 785-6261 or Aimee Ayers Mansfield at (217) 782-3615 for a copy. ■

# Caseloads Drop After Welfare Reform

In August 1996, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) was enacted at the federal level and abolished the country's prior welfare program. Replacing the Aid to Families with Dependent Children (AFDC) program with Temporary Assistance to Needy Families (TANF), the federal government shifted funding provided to the states to a block grant program, instituted new work requirements, and limited lifetime benefits to 5 years for each case. The law allowed the states a significant amount of rules flexibility to adapt the program to the needs of each state.

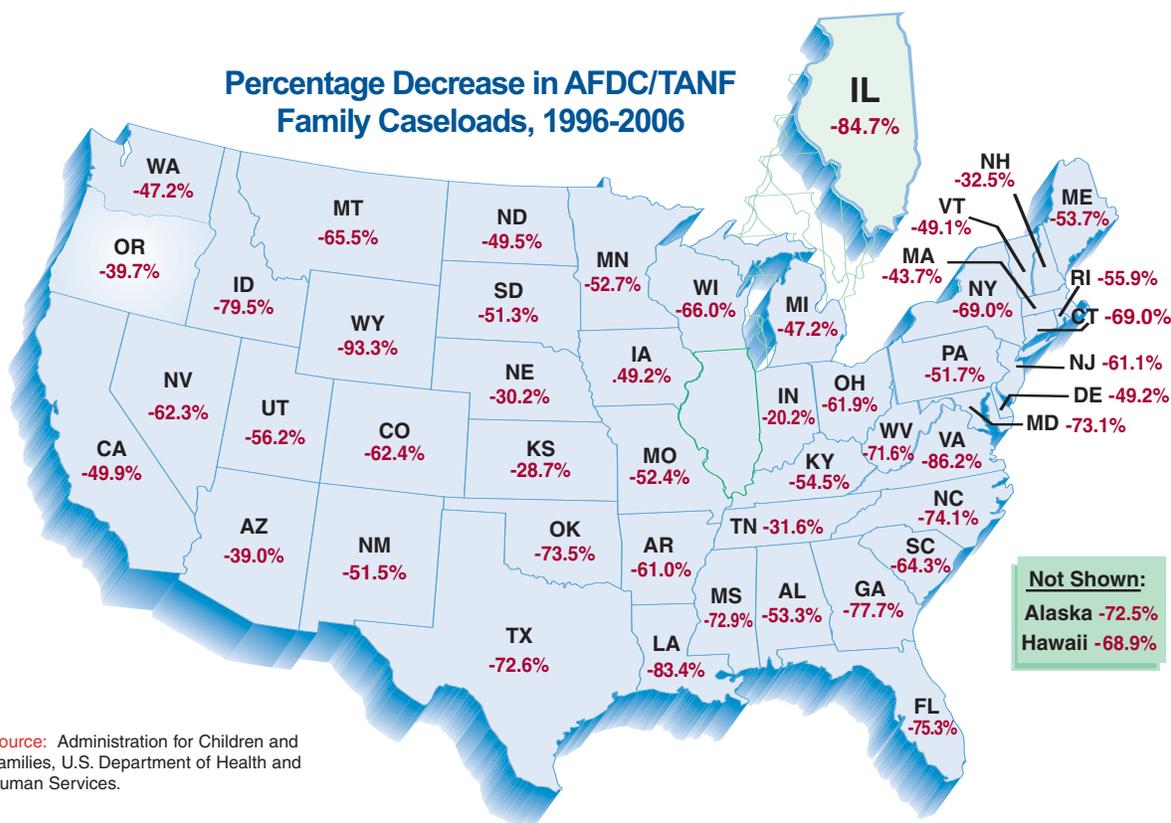
The years after the passage of the legislation saw sharp declines in the caseloads in the vast majority of the states. The map below lists the percentage decline in the number of families covered under AFDC/TANF between August 1996 and September 2006 according to the Administration for Children and Families, part of the U.S. Department of Health and Human Services.

Total family caseload in the United States and its territories fell by approximately 60%. Several factors have been cited to explain the sharp drop. In addition to fundamental changes to the welfare program itself, the strong economy of the late 1990s, increased aid to the working poor (earned income tax credit, child care subsidies, etc.), and an increase in the minimum wage are said to have contributed.

While the average caseload decline for the states during the timeframe was around 58%, it is evident from the map that there are large variations among the states. Seven states had caseload declines exceeding 75% in the last 10 years - Wyoming, Virginia, Illinois, Louisiana, Idaho, Georgia, and Florida. In Wyoming, the number of families covered dropped from 4,312 to 288. Virginia's caseload dropped from 61,905 to 8,547 families. In Illinois, the number of families covered dropped from 220,297 in 1996 to 33,623, a decline of 84.7%, most of which occurred in the earlier years after the passage of welfare reform.

A few states had caseload decreases that were 30% or less. In Nebraska, the number of families covered dropped from 14,435 to 10,076 and in Kansas, the drop was from 23,790 families to 16,974. Indiana saw the smallest decrease in the number of families as the caseload went from 51,437 to 41,032.

The variations among the states are attributable in part to the fact that the TANF rules vary significantly among the states. For instance, some states have very strong sanctions against participants who do not comply with certain work-related requirements and the full benefit is eliminated as soon as there is non-compliance. Other states remove only the adult portion of the benefit or a certain percent of the check. States also vary significantly in the monthly benefit amount, in time limits for benefits, or in the income and asset limits in place for those receiving the monthly payments. Additionally, some states began making changes to their welfare programs prior to 1996 and may have already seen some benefit of reforms prior to the federal program change. ■



Source: Administration for Children and Families, U.S. Department of Health and Human Services.

# New TANF Work Requirements

In 2005, Congress passed, and President Bush signed into law, legislation that reauthorized the Temporary Assistance for Needy Families (TANF) program of 1996. The Deficit Reduction Act of 2005 requires states to engage more TANF cases in productive work activities leading to self-sufficiency.

The case load reduction credit, which had unintentionally reduced TANF's work requirements, was restructured by replacing the fiscal year 1995 base year with a base year of 2005. Prior to the reauthorization, a work reduction credit permitted states to reduce their work requirement by their case-load decline. As most states achieved high levels of caseload declines, the credit had almost eliminated the work participation requirements for most states. The strict new rules require states to increase their share of caseloads that participate in TANF work or work related activities. States are required to increase both the number of hours that people work and get others into some work activity. The TANF reauthorization still requires that 50% of single parent families receiving TANF must be working or in a work related program. However, a 2006 amendment to the program also requires that 90% of two-parent TANF families must meet the requirements.

In federal fiscal year 2005, approximately 1,914,036 families were reported to have an active TANF case in the U.S. of which 38,391 resided in Illinois. An estimated 49.4% or approximately 18,976 families who resided in an Illinois TANF household reported no adults as TANF recipients. At the same time, 50.6% or approximately 19,415, reported one adult recipient in the household and none reported two or more adult recipients. Of the Illinois families that reported no adult TANF recipients, only 60.4% (11,463) did not include a parent in the Assistance Unit (AU). Of the 11,463 child only cases, 48.0% (5,505) were child only cases because the parent(s) was receiving Supplemental Security Income (SSI) benefits.

Of the 19,415 TANF families in Illinois that reported an adult recipient, an estimated

30.3% or approximately 5,883 adult recipients were required to participate in a work related program or activity but did not participate. Also only 31.5%, or approximately 6,116, of adults required to participate, did so. Further, 32.0% or approximately 6,213 adults were exempt for having a child less than 12 months of age and 2.1% or 408 were exempt due to a sanction or waiver. An additional 214 were deemed engaged in work; these are teen parents enrolled in some form of education program. An estimated 3.0%, or approximately 582 adults, were parents with a child under the age of six and deemed engaged in work.

Under the federal TANF reauthorization, families receiving assistance in separate state programs, who were previously excluded

in the statute. As illustrated in the table, among adult recipients required to participate in work or a work related activity, 31.5% reported 21-30 hours of participation a week. On a more positive note, 18.3% of adult recipients participated over 30 hours per week. An additional 0.4% reported an unknown number of hours worked. Although 33.3%, or 6,465, reported zero hours of participation, this figure includes 5,505 family cases not required to participate under the 1996 rules because they fell under the classification of child only cases due to the parent receiving SSI benefits.

Under the 1996 TANF rules, Illinois complied with more than 50% of single parent families either working or participating in some work related activity. The new rules could raise the number of recipient adults required to participate but not participating, to an approximated 11,736 from the fiscal year 2005 figure of 5,883. This would drop Illinois' level of single parent family participation rate to approximately 32.7%. Illinois may still be ahead of other states even with this set back because according to fiscal year 2005 data there were no TANF two parent cases active.

Effective October 1, 2006, new rules also require states to implement and maintain a process through which work participation can be verified by the U.S. Department of Health and Human Services. To ensure that states establish and comply with the new procedures, states will be subject to a penalty of one to five percent of the TANF federal grant in cases where states fail to comply. Illinois could lose as much as \$29.25 million if a five percent penalty was assessed. ■

from participation, are now included. Families that were previously excluded are child-only cases; these are cases in which the parent has been removed due to a sanction or time limit while the child continues to receive assistance; and other cases, in which the parents who receive SSI or participate in the Ticket to Work program. The Ticket to Work program is a voluntary program in which SSI recipients get free training, job referrals and other services necessary to become employed.

The new work requirements call for TANF recipients to be engaged in work or work related activity for a minimum of 20 hours per week (or 30 hours in cases where the youngest child is 6 years old or older) in one or more of the twelve work activities named

	Illinois		United States	
	Total	Percent	Total	Percent
TANF Families Total	38,391		1,914,036	
Families with One Adult Recipient	19,415	50.6	1,092,018	52.1
<i>Engaged in work/activity</i>	9,746	50.2	585,695	30.6
<i>21-30 hours</i>	6,116	31.5	132,134	12.1
<i>Over 30 hours</i>	3,553	18.3	200,931	18.4
<i>Unknown Number of Work Hours</i>	777	0.4	10,920	0.1
Families with no adults in AU	18,976	49.4	870,320	47.9
Families with no parent in AU	11,463	60.4	487,282	56.0
Families in sanction status	408	2.1	54,576	11.2
Child only families	11,463	60.4	432,707	47.9
<i>Parent(s) receiving SSI benefits</i>	5,502	48.0	205,103	47.4

AU = Assistance Unit SSI = Supplemental Security Income  
Source: Administration for Children & Families, US Department of Health and Human Services.

# Substance Abuse Prevention and Treatment

Rural America faces numerous challenges, including shifting populations, migrating employment opportunities, and, more recently, the type of substance abuse problems that most associate with larger, more urban environments. For instance, methamphetamine use (also known as “meth”) is higher, per capita, in rural towns than in metropolitan areas. Due to its synthetic concoction of

Overall, however, alcohol abuse is widespread throughout the entire state. NSDUH published a report for 2004-2005 showing that Illinoisans had one of the highest alcohol abuse rates in the country. The data estimated that between 26 and 31 percent of residents 12 and older binge drank within a one-month period. Only seven other states (Montana, North Dakota, South Dakota,

gram designed to provide screening, assessment, customer-treatment matching, referral, intervention, treatment, and continuing care services to Illinoisans who struggle with alcohol and drug dependency problems and who cannot afford treatment. Other department responsibilities include a statewide grant program intended to support substance abuse prevention.

## Department of Human Services Substance Abuse Expenditures by Fund (Dollars in Thousands)

	<u>FY 1998</u>	<u>FY 2000</u>	<u>FY 2002</u>	<u>FY 2004</u>	<u>FY 2006</u>
<b>ADDICTION PREVENTION</b>					
<i>General Revenue Fund</i>					
Addiction Prevention and Related Services	\$4,694.3	\$5,294.4	\$5,583.5	\$5,349.9	\$5,260.0
<i>Youth and Alcohol Substance Abuse Fund</i>	870.4	790.3	834.0	844.8	972.5
<i>Alcoholism and Substance Abuse Fund</i>	1,552.4	4,836.9	3,388.0	1,730.9	3,372.7
<i>Prevention and Treatment of Alcoholism and Substance Abuse Fund</i>	12,103.4	11,899.8	12,394.1	15,191.4	15,286.1
<b>TOTAL, Addiction Prevention</b>	<b>\$19,220.5</b>	<b>\$22,821.5</b>	<b>\$22,199.6</b>	<b>\$23,117.1</b>	<b>\$24,891.3</b>
<b>ADDICTION TREATMENT</b>					
<i>General Revenue Fund</i>					
Addiction Treatment Services for Special Populations			8,986.5	8,743.6	9,057.3
Community Based Addiction Treatment Services to Medicaid-Eligible Clients	21,409.0	23,296.0			
Community Based Addiction Treatment to Medicaid Eligible and KidCare Clients			36,776.4	41,968.1	50,136.8
Addiction Treatment Services for Medicaid Eligible DCFS Clients	2,589.9	2,132.7	3,730.4	3,478.7	
Community Based Addiction Treatment Services For DCFS Clients	58,323.8	84,998.3	85,341.7	81,483.7	85,599.7
Grants and Administrative Expenses Related to the Welfare Reform Pilot Project	10,632.4	11,505.9	11,905.8	11,688.3	12,038.9
Grants and Administrative Expenses Related to the Domestic Violence and Substance Abuse Demonstration Project	2,890.9	2,792.7	2,852.5	2,784.6	2,787.2
		332.8	661.9	641.8	641.8
<i>Illinois State Gaming Fund</i>					
Treatment of Individuals who are Compulsive Gamblers			1,485.4	926.7	683.8
<i>Prevention/Treatment of Alcoholism and Substance Abuse Block Grant Fund</i>	44,720.6	46,156.2	50,691.3	45,691.6	54,361.2
<i>Drug Treatment Fund</i>	2,563.3	2,311.6	3,000.0	5,000.0	3,562.7
<i>Youth Drug Abuse Prevention Fund</i>	275.0	300.2	530.0	463.0	175.0
<i>Drunk and Drugged Driving Prevention Fund</i>	655.1	566.8	949.2	1,950.9	1,648.3
<i>Alcohol and Substance Abuse Fund</i>	5,727.0	3,174.1	3,157.9	3,449.4	14,956.0
<i>Group Home Loan Revolving Fund</i>	100.0	0.0	17.5	100.0	0.0
<b>TOTAL, Addiction Treatment</b>	<b>\$149,887.1</b>	<b>\$177,567.3</b>	<b>\$210,086.4</b>	<b>\$208,370.3</b>	<b>\$235,648.9</b>

Source: Comptroller's records.

‘over the counter’ ingredients, most of which are available at local stores, meth can be easily produced at a minimal cost. According to the Illinois State Police, who handle approximately 95 percent of all meth-related activity in Illinois, 786 meth labs were seized in 2006; and all but four of them were in locations outside of Cook and the collar counties.

While much attention has rightfully been focused on the meth epidemic, alcohol abuse among rural youth continues to be a growing problem as well. According to the National Survey of Drug Use and Health (NSDUH), alcohol use among this group has increased since 2000, particularly for those between the ages of 12 and 17. By contrast, trends in alcohol use among urban young adults are on the decline.

Minnesota, Wisconsin, Iowa and Nebraska) join Illinois in this category.

In response to the state’s alcohol and substance abuse problems, the Illinois Department of Human Services’ Division of Alcoholism and Substance Abuse (DASA) has established various programs aimed at both prevention and treatment. DASA operates under the belief that human suffering and social economic loss caused by the illness of alcoholism, addiction to controlled substances, and the abuse and misuse of alcohol and other drugs are matters of grave concern to the people of the State of Illinois.

DASA’s primary responsibility is the development, maintenance, monitoring, and evaluation of its treatment delivery system, a pro-

Over \$250 million has been appropriated for substance abuse treatment for fiscal year 2007. An additional \$30.6 million has been appropriated from various Illinois’ funds for substance abuse prevention – a more than \$2 million increase from fiscal years 2005 and 2006. In response to the growing meth problem in Illinois, an additional \$1.5 million is going toward methamphetamine awareness in fiscal year 2007. For a more in-depth look at the funds used for DASA, see the table which shows how much has been spent over the past ten years on various programs. ■

**History of Spending** concluded from page 2

changes following federal welfare reform legislation led to the switch which included more restrictive requirements on qualifying for assistance as well as time limit restrictions on receiving benefits. TANF payment decreases correspond with sharp TANF caseload declines. However, even though cash assistance is down the state has greatly increased spending on other assistance programs such as child care and energy assistance.

Also notable to the drop in cash assistance was the change from GA to TA (Transitional Assistance) in fiscal year 1992. The GA program was utilized by individuals who didn't qualify for other types of aid or who had "fallen through the cracks" of the welfare system. Beginning in fiscal year 1992, employable single adults were eligible for only nine months of cash assistance in one year and none thereafter. ■

**Thirty-Year Review of Cash Assistance Spending in Illinois**  
(millions of dollars)

	AFDC	TANF	GA*	AABD	TOTAL
1976	\$731	\$0	\$120	\$40	\$891
1977	719	0	108	36	863
1978	687	0	113	34	834
1979	670	0	113	28	811
1980	688	0	138	29	855
1981	759	0	159	32	950
1982	806	0	198	34	1,038
1983	815	0	217	30	1,062
1984	843	0	236	30	1,109
1985	861	0	230	43	1,134
1986	877	0	239	51	1,167
1987	874	0	226	56	1,156
1988	820	0	200	60	1,080
1989	786	0	174	58	1,018
1990	798	0	169	57	1,024
1991	868	0	198	63	1,129
1992	896	0	169	67	1,132
1993	890	0	37	68	995
1994	938	0	29	74	1,041
1995	963	0	22	75	1,060
1996	956	0	14	38	1,008
1997	878	0	15	30	923
1998	0	776	14	28	818
1999	0	713	11	27	751
2000	0	327	10	31	368
2001	0	269	9	29	307
2002	0	206	9	30	245
2003	0	143	9	29	181
2004	0	112	9	28	149
2005	0	126	10	28	164
2006	0	148	10	28	186

\* Name changed from General Assistance to Transitional Assistance in fiscal year 1992.

**Federal Block Grant** concluded from page 7

Spending from the Prevention and Treatment of Alcoholism and Substance Abuse Fund totaled \$2.8 million for operations and \$66.9 million for awards and grants.

The block grant for Community Mental Health Services provided \$17 million to DHS in fiscal year 2006. The department provides services to adults with serious mental illness, and children and adolescents with serious emotional disturbances through a network of local providers. The local providers offer care such as assess-

ment and treatment planning, 24-hour crisis intervention, outpatient programs, case management and family support services. Spending from the Community Mental Health Services Block Grant Fund totaled \$765 thousand for operations and \$16.1 million for awards and grants.

The federal government awarded Illinois a total of \$23 million for the Maternal and Child Health Services Block Grant. Approximately one-third of the block grant funds are provided to the Division of Spe-

cialized Care for Children at the University of Illinois for services to children with crippling conditions and another grant is given to the City of Chicago for maternal and child health services. The remaining funds are used by DHS for services such as perinatal and prenatal care, vision/hearing screening, immunizations, family planning and adolescent health care. Spending from the Maternal and Child Health Services Block Grant totaled \$2.7 million for operations and \$17.7 million for awards and grants. ■



# State Operated Hospitals and Developmental Centers

Illinois, through its Department of Human Services, currently operates nine psychiatric hospitals and nine developmental centers. Since the Choate facility operates both a hospital and a center, there were 17 facilities with operating expenditures in fiscal year 2006. Lincoln Developmental Center had operational expenses that year but is not yet an operating facility. A mandated treatment and detention facility for a sexually violent persons program was not included.

Over the years, there has been a continual effort to move residents from state facilities to less restrictive community-based settings. Concern for patients rights, federal legislation, and improvements in medication and medical devices have impacted the push for care and treatment of patients in a community setting. Increases in communi-

ty care have resulted in a decline in the number of state facilities as well as the number of in-patients.

In fiscal year 1982 there were 24 state operated facilities with 8,935 patients. By fiscal year 1991 these numbers dropped to 20 facilities with 7,572 patients. The current 17 facilities had 4,022 patients at the end of fiscal year 2006. All 17 facilities have fewer patients than 15 years ago but some have shown a significant decline, such as, Chicago-Read, Elgin, Singer, and Tinley Park. Tinley Park expenditures were classified as a grant not as operations. The grant was for costs associated with operation of the facility or transition of center to alternative community or state-operated setting. It appears that the Tinley Park and Lincoln facilities are transitioning to a community setting.

Operational expenditures have increased over the years even with the decline in the number of facilities. The rate of growth, 18.2% from fiscal year 1991 to fiscal year 2006, pales in comparison to the growth in grants for community care. In fiscal year 1991, the Department of Mental Health and Developmental Disabilities spent a little over \$330 million from the General Revenue Fund for community care. The Department of Human Services, in fiscal year 2006, spent over \$311 million in mental health grants and over \$958 million in developmental disabilities grants for community care providers. Not including other grants for community care, the two grants represent a 284.5% increase or almost four times the spending in fiscal year 1991. ■

## Department of Human Services Mental Health and Developmental Disability Institutions General Funds Operation Expenditures

Facility	Fiscal Year 1982		Fiscal Year 1991		Fiscal Year 2006	
	Expenditures (millions)	June 30 In-Patients	Expenditures (millions)	June 30 In-Patients	Expenditures (millions)	June 30 In-Patients
Alton	\$ 10.2	242	\$ 17.4	305	\$ 20.1	122
Anna (Choate)	11.8	388	23.0	426	34.2	254
Chester	9.2	232	17.2	307	33.6	287
Chicago-Read	25.0	415	38.6	527	27.2	133
Dixon (Mabley)	28.9	810	5.6	118	10.1	91
Elgin	24.5	704	47.4	794	57.5	379
Fox	5.6	201	9.1	187	16.0	147
Howe	22.1	514	38.8	630	49.6	389
Jacksonville	10.9	309	16.7	321	27.4	238
Ludeman	13.1	378	23.5	494	36.9	393
Madden	11.8	263	20.0	222	26.6	129
McFarland	5.6	106	8.8	161	16.8	117
Murray	13.0	412	19.4	369	31.6	338
Shapiro	23.7	842	42.8	817	65.5	605
Singer	7.3	159	12.8	237	14.0	77
Tinley Park	7.8	240	23.2	306	20.3	83
Waukegan (Kiley)	12.0	407	23.5	468	26.4	240
Lincoln	19.4	546	23.5	491	0.8	
Meyer	5.4	142	9.2	162		
Zeller	5.8	139	15.0	230		
Adler	2.5	30				
Bowen	5.2	48				
Galesburg	21.4	713				
Manteno	25.1	695				
<b>Total</b>	<b>\$ 327.3</b>	<b>8,935</b>	<b>\$ 435.5</b>	<b>7,572</b>	<b>\$ 514.6</b>	<b>4,022</b>

Source: Comptroller's Records, Department of Mental Health and Developmental Disabilities, Department of Human Services.

## GENERAL FUNDS REVENUES, EXPENDITURES AND BALANCES (Dollars in Millions)

	Eight Months			
	Feb. 2007	FY 2007	Change From Prior Year	
			\$	%
<b>Total General Funds</b>				
Available Balance	\$ 485	\$ 590	\$ 93	18.7 %
Revenues	2,745	18,834	293	1.6
Expenditures	2,931	19,125	580	3.1
Ending Balance	\$ 299	\$ 299	\$ (194)	(39.4) %
<b>General Revenue Fund</b>				
Available Balance	\$ 83	\$ 66	\$ (132)	(66.7) %
Revenues	2,475	16,163	238	1.5
Expenditures	2,556	16,227	344	2.2
Ending Balance	\$ 2	\$ 2	\$ (238)	(99.2) %
<b>Common School Special Account Fund</b>				
Available Balance	\$ 87	\$ 41	\$ 25	156.3 %
Revenues	130	1,218	36	3.0
Expenditures	147	1,189	65	5.8
Ending Balance	\$ 70	\$ 70	\$ (4)	(5.4) %
<b>Education Assistance Fund</b>				
Available Balance	\$ 287	\$ 463	\$ 208	81.6 %
Revenues	66	880	60	7.3
Expenditures	165	1,155	231	25.0
Ending Balance	\$ 188	\$ 188	\$ 37	24.5 %
<b>Common School Fund</b>				
Available Balance	\$ 27	\$ 20	\$ (8)	(28.6) %
Revenues	329	2,314	222	10.6
Expenditures	318	2,296	205	9.8
Ending Balance	\$ 38	\$ 38	\$ 9	31.0 %

Note: Total General Funds excludes interfund transfers while the individual funds include such transfers. Numbers may not add due to rounding.

## GENERAL FUNDS REVENUES (Dollars in Millions)

	Eight Months			
	Feb. 2007	FY 2007	Change From Prior Year	
			\$	%
<b>Revenues:</b>				
State Sources:				
Cash Receipts:				
Income Taxes:				
Individual	\$ 615	\$ 5,538	\$ 413	8.1 %
Corporate	6	738	123	20.0
Total, Income Taxes	\$ 621	\$ 6,276	\$ 536	9.3 %
Sales Taxes	516	4,862	149	3.2
Other Sources:				
Public Utility Taxes	99	744	29	4.1
Cigarette Taxes	29	234	(32)	(12.0)
Inheritance Tax (gross)	18	182	(3)	(1.6)
Liquor Gallonage Taxes	14	107	3	2.9
Insurance Taxes and Fees	8	163	(3)	(1.8)
Corporation Franchise				
Tax and Fees	16	126	4	3.3
Investment Income	17	136	44	47.8
Cook County IGT	94	178	(38)	(17.6)
Riverboat Gambling Taxes	0	0	(4)	(100.0)
Other	30	297	2	0.7
Total, Other Sources	\$ 325	\$ 2,167	\$ 2	0.1 %
Total, Cash Receipts	\$ 1,462	\$ 13,305	\$ 687	5.4 %
Transfers In:				
Lottery Fund	\$ 50	\$ 380	\$ (64)	(14.4) %
State Gaming Fund	20	420	20	5.0
Other Funds	20	456	114	33.3
Total, Transfers In	\$ 90	\$ 1,256	\$ 70	5.9 %
Total, State Sources	\$ 1,552	\$ 14,561	\$ 757	5.5 %
Federal Sources	\$ 293	\$ 3,097	\$ (364)	(10.5) %
<b>Total, Base Revenues</b>	<b>\$ 1,845</b>	<b>\$ 17,658</b>	<b>\$ 393</b>	<b>2.3 %</b>
Short-Term Borrowing	900	900	(100)	(10.0)
Transfer from				
Budget Stabilization Fund	0	276	0	0.0
Total, Revenues	\$ 2,745	\$ 18,834	\$ 293	1.6 %

## GENERAL FUNDS ANALYSIS OF EXPENDITURES (Dollars in Millions)

	Eight Months			
	Feb. 2007	FY 2007	Change From Prior Year	
			\$	%
<b>Expenditures:</b>				
Awards and Grants:				
Healthcare & Family Services	\$ 540	\$ 4,672	\$ (138)	(2.9) %
Elem. & Sec. Education:				
State Board of Education	453	3,805	247	6.9
Teachers Retirement	68	542	137	33.8
Total, Elem. & Sec. Education	\$ 521	\$ 4,347	\$ 384	9.7 %
Human Services	240	2,074	11	0.5
Higher Education	202	656	55	9.2
All Other Grants	68	868	35	4.2
Total, Awards and Grants	\$ 1,571	\$ 12,617	\$ 347	2.8 %
Operations:				
Other Agencies	\$ 408	\$ 3,454	\$ 168	5.1 %
Higher Education	113	1,069	(146)	(12.0)
Total, Operations	\$ 521	\$ 4,523	\$ 22	0.5 %
Regular Transfers Out	\$ 195	\$ 1,825	\$ 3	0.2 %
All Other	\$ 1	\$ 9	\$ 0	0.0 %
Vouchers Payable Adjustment	\$ (257)	\$ (749)	\$ (692)	N/A
<b>Total, Base Expenditures</b>	<b>\$ 2,031</b>	<b>\$ 18,225</b>	<b>\$ (320)</b>	<b>(1.7) %</b>
Transfers to Repay GRF Short-Term Borrowing	0	0	0	0.0
Cash Flow Transfer - Hospital Provider Fund	900	900	900	N/A
Total, Expenditures	\$ 2,931	\$ 19,125	\$ 580	3.1 %

## COMPARISON OF SPENDING FOR OPERATIONS BY OBJECT (Dollars in Millions)

	Eight Months			
	Feb. 2007	FY 2007	Change From Prior Year	
			\$	%
<b>Personal Services:</b>				
Regular Positions	\$ 288	\$ 2,393	\$ (62)	(2.5) %
Other Personal Services	15	119	(17)	(12.5)
Total, Personal Services	\$ 303	\$ 2,512	\$ (79)	(3.0) %
Contribution Retirement	24	258	63	32.3
Contribution Social Security	14	119	4	3.5
Contribution Group Insurance	103	722	33	4.8
Contractual Services	38	403	(23)	(5.4)
Travel	1	13	1	8.3
Commodities	8	74	(4)	(5.1)
Printing	1	5	0	0.0
Equipment	1	15	(4)	(21.1)
Electronic Data Processing	1	27	2	8.0
Telecommunications	4	32	(5)	(13.5)
Automotive Equipment	1	15	(1)	(6.3)
Other Operations	22	328	35	11.9
Total, Operations	\$ 521	\$ 4,523	\$ 22	0.5 %

## COMPARISON OF SPENDING FOR AWARDS AND GRANTS (Dollars in Millions)

	Eight Months			
	Feb. 2007	FY 2007	Change From Prior Year	
			\$	%
<b>State Board of Education:</b>				
General State Aid	\$ 366	\$ 2,418	\$ 135	5.9 %
All Other	87	1,387	112	8.8
Healthcare & Family Services	540	4,672	(138)	(2.9)
Human Services	240	2,074	11	0.5
<b>Higher Education:</b>				
Student Assistance Commission	99	340	35	11.5
Community College Board	81	265	0	0.0
Other	22	51	20	64.5
Teacher's Retirement	68	542	137	33.8
Children and Family Services	28	386	(10)	(2.5)
Aging	27	230	38	19.8
Revenue	2	13	2	18.2
All Other	11	239	5	2.1
Total, Awards and Grants	\$ 1,571	\$ 12,617	\$ 347	2.8 %

## *Did You Know...*

- The Illinois Department of Human Services employed 14,857 people and had appropriated expenditures totaling \$4.9 billion in fiscal year 2006.
- DHS administers ten state psychiatric hospitals and nine state-operated developmental centers to help care for the mentally ill and developmentally disabled.
- Since the enactment of the federal Temporary Assistance to Needy Families (TANF) program in 1996, Illinois' caseload has dropped 84.7%.
- From fiscal year 1998 to fiscal year 2006, cash assistance spending from the General Revenue Fund decreased from \$776 million to \$148 million.
- According to the U.S. Bureau of the Census, 1,484,000 Illinoisans, or 12.0% of the population, were impoverished in 2005. This poverty rate was below the national poverty rate of 13.3%.
- The federal government plays a large role in financing social services programs. In addition to awarding \$964 million to DHS for six block grants, the federal government provided funds for other programs such as food stamps, nutrition for women and children, social security disability, and rehabilitation services.

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### *Fiscal Focus*

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