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Human Service Agencies Already Cutting Services Amidst State Budget Stalemate

Many agencies face depleted cash reserves by September 1

(CHICAGO, IL) July , 2015— United Way of Illinois, the statewide association of 52 local United Ways, and collectively the largest non-governmental funder of health and human services in the state, surveyed human service agencies across Illinois to understand the steps they are taking to deliver services in light of the state budget impasse.

More than 400 human service agencies across every county in Illinois responded to a survey conducted July 13-17. Survey respondents represented a range of service categories including youth development, early childhood education, mental health, emergency housing, senior services and employment training, and varied in budget size from less than \$500,000 to more than \$15 million.

Key findings from the survey include:

- 34% of Illinois human service agencies have already cut the number of clients they serve
 - Program categories hit particularly hard include childhood education and job training
- 39% of agencies responding have tapped into cash reserves to continue operations
 - Of those agencies using cash reserves 70% have 3 months of cash on hand or less
- 24% of agencies have tapped into lines of credit to shore up operations
- 19% of agencies will deplete their cash reserve by the end of August

“Human service organizations are the backbone of the delivery of state programs to needy citizens,” said Kristi Long, Chairman of United Way of Illinois. “Our leaders in Springfield and the citizens of Illinois need to understand that the ongoing budget impasse is causing genuine disruption and hardship for people in Illinois who need services and for the agencies that deliver them.”

Among the other measures human service agencies reported taking to maintain operations during the stalemate are increasing their waiting lists for services, referring clients to other agencies where possible, not filling vacant positions and laying off staff. Several agencies reported the need for more drastic action in the near term, including the Prairie Council on Aging. Based in Jacksonville and serving 3,000 people across five counties, the agency reported that it would exhaust its reserves by September and face dire choices without some resolution to the state budget situation.

“If the delays continue, thousands of mentally ill clients will be without psychiatric support, including medications,” said Rashad Saafir, President of the Bobby E. Wright Comprehensive Behavior Health Center in Garfield Park. “The result is client suffering, disruption to families, and increases in the use of more expensive emergency room and inpatient psychiatric services.”

The overall survey data indicates that government inaction is causing significant challenges for nonprofit agencies that are impacting at-risk populations and working families.

For more information about the survey or United Way of Illinois, please contact Karyn Ruhl at 312-906-2291 or karyn.ruhl@uw-mc.org or Jarid Brown at 217-726-7000 or jbrown@uwcil.org.

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ABOUT UNITED WAY OF ILLINOIS

United Way of Illinois is a statewide association of 52 local United Way organizations focused on long-term community change through resources in education, income, health and basic needs. United Way advocates for sound policies affecting the non-profit sector’s capability to serve vulnerable populations.