

Chicago's Homeless System on the Edge

Results of the Alliance's Survey on the Impact of State Budget Cuts



A Home for Everyone

October 2, 2009 – Chicago's efforts to end homelessness are being put at risk by devastating cuts to Illinois' human service safety net. For FY2010, Illinois cut grants to community-based human and health service providers approximately 13% – cuts to homeless-specific programs ranged from 3% to 79%. While grappling with current cuts, Chicago's homeless system is also looking ahead to what experts are predicting will be an \$11.7 billion budget shortfall next year and even more drastic cuts if a solution is not found.

In August and September, the Chicago Alliance collected data from the provider community on the impact of state budget cuts. The results paint a picture of a system of care facing real difficulties. Some providers are managing to maintain their level of service to clients in need; others are forced to cut. Nearly everyone is concerned about stretching their staff too thin and the instability to be caused by future cuts.

- At least **5,640 individuals** experiencing homelessness or at risk of homelessness **will not be served** due to state budget cuts.
- On average, homeless providers are estimating a **23% decrease in the number of clients** they will be able to serve due to state budget cuts.
- On average, providers are seeing a **21% increase in demand** for housing, supportive services, and homelessness prevention in the last six months. The demand for **permanent supportive housing** and **homelessness prevention** are the highest.
- **53% of homeless providers** are **owed money** from the state. On average, state payments are **13 weeks late**. The range is 2 weeks to 8 months.
- As evidence of their resiliency and ability to operate in dire circumstances, **47% of homeless providers will not cut homeless services** despite state budget cuts.

Here is what homeless service providers are saying about the impact of state budget cuts:

- "Illinois will pay heavily in the ripple effect of these cuts: emotional toll, increased crime, financial strain to individuals, weakened society, breakdown of quality proven support networks.... Why are we going backward in time?"
- "It is not just the number of clients served that is impacted by a loss of state funding. The quality of services delivered is also negatively impacted."
- "The uncertainty is very difficult for staff and clients. At one point ... staff and clients lived week to week to see if they would be laid off or lose services."

The Chicago Alliance to End Homelessness is advocating for comprehensive tax reform to ensure homeless programs receive sustainable state funding and to protect the safety and security of our state. To learn more about the Alliance's efforts, please contact Nicole Sauler, Director of Public Policy, at (312) 223-8970, ext. 12 or nsauler@thechiagoalliance.org.