



ANNUAL REPORT · 2011

LETTER FROM THE EXECUTIVE DIRECTOR

We never forget that behind every statistic is a living, breathing child. While we work each day to examine the causes of large-scale poverty issues in Arkansas, we are reminded that our work has real impact when we see positive changes for individual families. In 2011, we saw this in the drop in the number of uninsured children, increased tax support for low-income families, and a significant drop in juvenile incarceration.



Executive Director Rich Huddleston with
Dr. Eddie Ochoa, 2011 Board President

Our work has real impact, but it also takes time to do research, coalition-building, and public education to significantly improve the lives of low-income families. We're grateful to our long-standing supporters and funders for recognizing this and remaining committed to our mission. In 2011 the Winthrop Rockefeller Foundation released a report chronicling our major successes. "Arkansas Advocates for Children and Families: Affecting Policy and Programming" explores the challenges and lessons learned during the evolution of AACF into an anchor policy institution in Arkansas. The report highlights the impact a donor can have when they make an investment in our work.

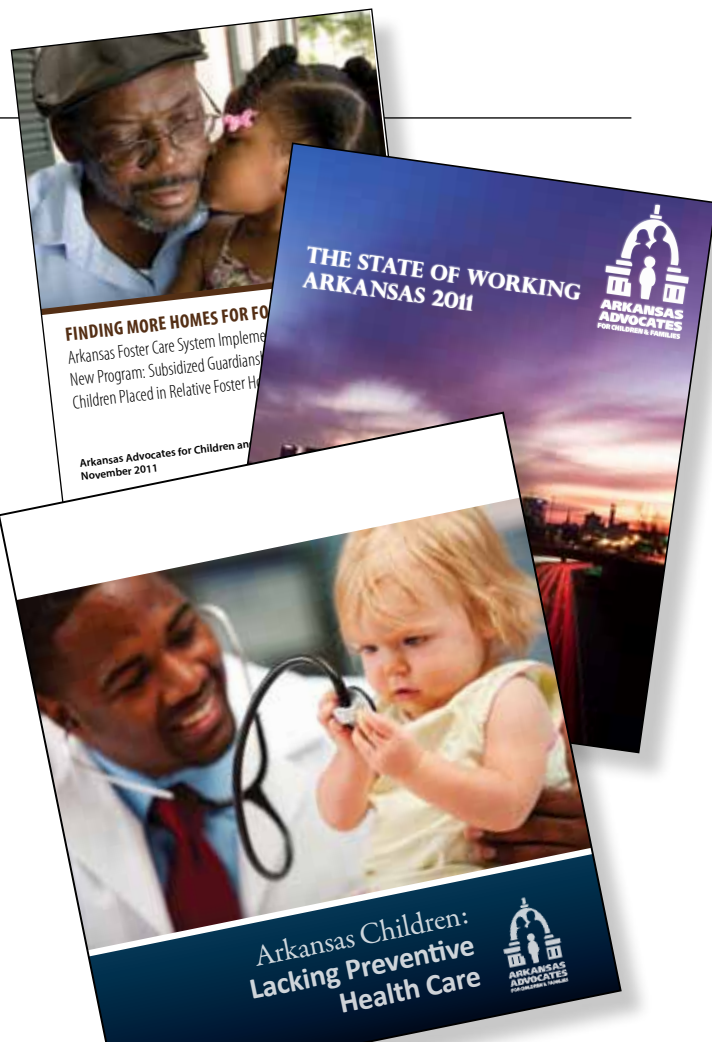
We used this report to kick-off the Champion of Children Giving Circle campaign, an effort to ensure that we're improving the lives of Arkansans for another three decades and longer. Individuals and businesses now have an opportunity to make a significant investment in our work. By coming together as a community, these donors have the opportunity to make a big difference for Arkansas children.

We're grateful to have had Dr. Eduardo Ochoa Jr. lead the board of directors in such a busy year. His wise leadership, unflappable demeanor and commitment to families ensured everyone involved in our work had the chance to make a difference for kids in 2011.

Rich Huddleston

2011 AACF PUBLICATIONS

- Crossing the Finish Line: Cutting the Red Tape in 2011
- The State of Working Arkansas 2011
- Health and Schools: A Partnership for Results
- Analyzing the Success of Arkansas's Charter Schools —
Unfulfilled Promises
- Arkansas Children: Lacking Preventive Health Care
- Finding More Homes For Foster Children
- Add to Cart: How Arkansas Can Support Vital Services
By Fully Taxing Internet Purchases
- Kids at the Capitol 2011
- Progress Report Toward Economic Security
- How Are Children In Your County?
- The Impact on Low-Income Families of the Earned Income
Tax Credit and Refund Anticipation Loans



2011

HIGHLIGHTS AND ACCOMPLISHMENTS

Speaking up for kids at the Capitol

Child advocates and Arkansas lawmakers in 2011 were able to improve the health, economic security, and educational opportunities of many children and families, even as the state was still feeling the effects of The Great Recession.

Topping the list of accomplishments in child health: 20,000 children already eligible for ARKids First health insurance will find it easier to enroll, and stay enrolled, after the passage of Act 771. It “cuts the red tape” in enrollment and re-enrollment procedures so children have the ready access to health care that helps them grow into healthy, productive adults. Lawmakers also passed a trio of bills that will improve the oral health of thousands of children. One will increase the availability of fluoridated water around the state—a proven way to prevent tooth decay. The others make it easier for children and families to receive preventive dental services in schools, doctor’s offices, and other new settings.

We worked hard during the session to promote sensible tax policy. The Arkansas General Assembly rejected a slew of tax cut bills that would have undermined the economic security of families and businesses by slashing state services and slowing economic engines. Fortunately, lawmakers settled on a compromise package that prevented cuts to services we all depend on while helping put money back into our poorest communities. Gov. Mike Beebe’s additional cut to the state grocery tax and a fix to low-income tax rules that prevented multi-children families from taking advantage of tax relief immediately helped low-income families buy groceries, get to work, and shelter their children.

2011 also saw many improvements in education. Lawmakers set up a framework for after-school programs across Arkansas. Education officials are now setting standards and models that will ensure high-quality programs reach every community as soon as money becomes available or as local communities set up their own funding sources. Also, local school district officials may no longer hold on to large sums of state “poverty” dollars intended to close the achievement gap and support low-income children.

Crossing the finish line to covering all kids

In 2011 our research found that the number of uninsured children dropped in Arkansas even as families continued to feel the effects of the recession. The uninsured rate for kids dropped from 9.4 percent to 7.3 percent between 2008 and 2010 thanks to increased outreach to communities throughout the state. However, families just above the eligibility line who can’t afford private insurance are still feeling the squeeze. Thousands would benefit from expanding ARKids First coverage to those who fall within 250 percent of the poverty level, which was called for in 2009 legislation but has not been implemented. During the 2011 Legislative Session we worked to pass a bill to “cut the red tape” so that 20,000 kids could stay enrolled in ARKids First by making it easier to enroll and re-enroll.



Sen. Jimmy Jeffress speaks at the Cutting the Red Tape Rally during the 2011 Arkansas General Assembly.

Ensuring economic security for all

We know that businesses are drawn to communities that invest in an educated workforce, good roads, and safe neighborhoods. That's why we worked with local groups to put on "policy cafés" to discuss the impact state and federal policies have on Arkansans and the ways we can continue making investments that draw new jobs. In 2011 the cafés focused on the state budgeting process, the importance of the Earned Income Tax Credit, and sharing the news of state-level tax victories for low-income Arkansans as recommended by the Legislative Taskforce on Reducing Poverty and Creating Economic Opportunity. We asked Arkansans to "Thank Taxes" through a video we created to remind all of us that taxes pay for the public works and services that make our way of living possible. Finally, we worked with local organizations in southeast and southwest Arkansas to increase use of the federal Earned Income Tax Credit—one of the best anti-poverty tools ever created.

During the 2011 legislative session several laws were passed that improved the state's ability to collect sales tax from online retailers, leveling the playing field for local businesses that have to collect these taxes. These laws will not require all online and catalog retailers to collect sales tax on purchases made by Arkansans, but they are a step in the right direction. AACF released, "Add to Cart: How Arkansas Can Support Vital Services by Fully Taxing Internet Purchases," which proposes five additional ways that Arkansas can collect sales and use taxes.



Governor Beebe signs Act 771 to Cut the Red Tape in ARKids First enrollment practices.



Board President Dr. Eddie Ochoa greets Friend of Children Award recipients Dr. Jon Bates (representing Arkansas Children's Hospital) and Beatrice Shelby, executive director of the Boys, Girls, Adults Community Development Center in Marvell.

Fostering a better life for abused and neglected children

We worked throughout the year with the Arkansas DHS Division of Children and Family Services to implement a subsidized guardianship program and kicked it off in November. Spurred by the Federal Fostering Connections Act of 2008, the state opted to allow children placed with relative foster parents to leave the foster care system with those relatives when returning home or adoption were not good options. AACF also released the report "Finding More Homes for Foster Children," showing that relatives play a significant role in the foster care system. Nearly 1,000 children were placed in relative foster homes during SFY 2011, which is about a quarter of all children who entered foster care that year.

Providing safe, educational places for children afterschool

The Positive Youth Development Program Grant Act became state law this year with the intent of expanding programs that incorporate the recommendations of the Governor's Task Force on Best Practices for After-School and Summer Programs. This was the objective of the "Afterschool is Key" campaign established by AACF and the Arkansas Out-of-School Network to create a state-funded grant program to make these programs available across Arkansas. The Arkansas Department of Education and the DHS Division of Child Care and Early Childhood Education have been busy formulating the rules and regulations needed to support and implement these programs when funds are available.

Organizing on behalf of kids

The year began with a lively Kids Count Day at the Capitol, when a wonderful mix of child advocates and youth from across the state met with legislators and attended committee meetings. This was followed by two Post-Legislative Conferences in Little Rock and Springdale to learn about the impacts of new legislation and to recognize legislators who stood up for the needs of children. Policy café events and advocacy trainings remained popular venues for advocates to stay informed and hone their skills.

Giving hope to youthful offenders

AACF launched a public education and engagement campaign to reduce the use of secure incarceration for non-violent youthful offenders. AACF staff is working with the DHS Division of Youth Services, juvenile judges, service providers, and families in order to reform the juvenile justice system by reducing recidivism and improving public safety. We commended the state for reducing the number of non-violent youths in incarceration, but remain firm in our belief that more needs to be done to permanently shift youth justice programs away from costly and ineffective confinement toward rigorous community-based rehabilitation.



Paul Kelly speaks to reporters after launching the Truth of Youth Campaign.

Building a path out of substance abuse

AACF's sustained relationship with the Closing the Addiction Treatment Gap Project continued to bring attention to the critical impact substance abuse has on the juvenile and adult criminal justice system. The implementation of the new substance abuse treatment initiative for pregnant women and youth continued to falter and remain a major point of concern. We're also examining the role the state's drug courts play in reducing substance abuse.



Soup Sunday Committee members Eric McDaniel and Chad Rodgers (right) with ZaZa's Chef Scott McGehee (center).

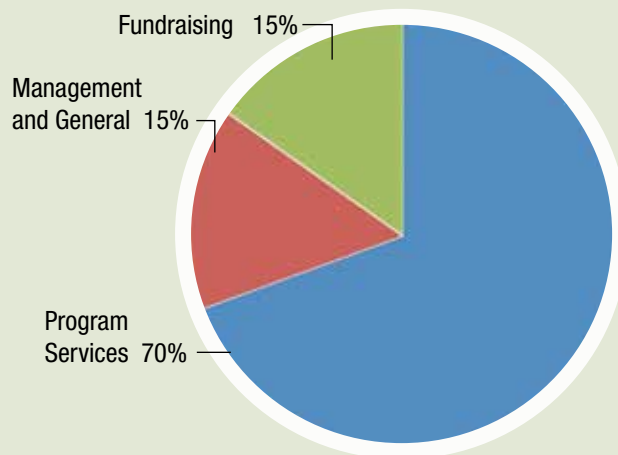
2011 AACF FINANCIAL INFORMATION

Total Revenue & Support.....	1,372,592
Total Expenses.....	1,318,070
Increase in Unrestricted Net Assets.....	54,522
Decrease in Temporarily Restricted Net Assets.....	(216,134)
Change in Net Assets.....	(161,612)
Net Assets, Beginning of Year.....	1,090,374
Net Assets, End of Year.....	928,762

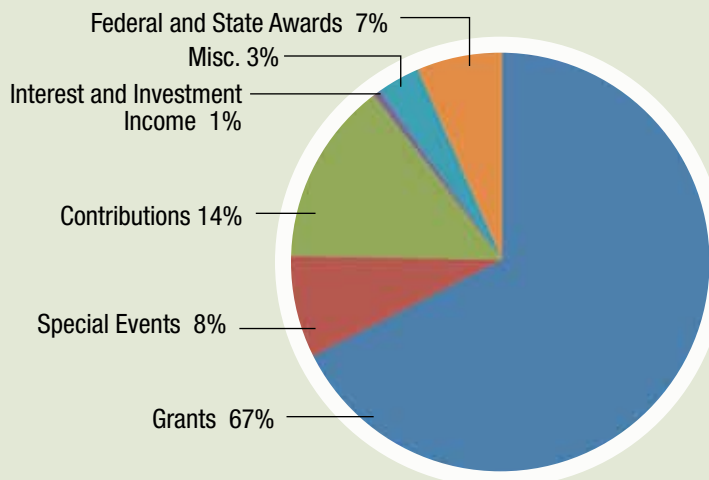
For the Year Ended December 31, 2011

From audited financials prepared by Thomas and Thomas LLP

EXPENSES



TOTAL REVENUE & SUPPORT



Keeping kids the focus in the face of a changing Congress

Federal election results in November 2010 left many advocates uncertain about the direction of public policy in the United States Congress. It did not take long for most of us to realize in January 2011 that the atmosphere in Washington had changed completely. Rather than advocating for increased investments in early childhood education or low-wage working tax credits, we found ourselves defending the work so many had done over decades of advancement for children and families. Early in the year, AACF staff and volunteers met with members of Sen. Mark Pryor's staff and reached out to new members in Congress. Through the summer months and the intense debate around the nation's spending limit, AACF and our partners called on our Congressional leaders to protect programs that help low-income families. Most of those programs were protected from significant cuts for 2011.



NWA Soup Sunday Volunteers

Gaining ground in Northwest Arkansas

The need for AACF's Northwest Arkansas branch continues to grow as, unfortunately, child poverty in that region has grown at a faster pace than most other areas of the state during the economic downturn. With a regional legislative delegation that is also growing due to redistricting in 2011, a voice for kids in Northwest Arkansas is needed now more than ever. To that end, AACF has created a Champions of Children Northwest Arkansas Giving Circle to sustain the regional office for years to come. The office has found many ways to broaden AACF's reach through policy briefings, forums, fundraisers, and media events covering a variety of children's issues. With that increased presence, the region's lawmakers played a leading role in several of AACF's top legislative priorities in 2011, including tax relief for single parents and cutting the "red tape" in ARKids First.

2011 FUNDERS

Grant Funders (\$5,000 and more)

Annie E. Casey Foundation
Arkansas Children's Hospital
Arkansas Community Foundation
Arkansas Department of Human Services
Arkansas Hunger Relief Alliance
Arkansas Public Policy Panel
Center for American Progress
Center on Budget and Policy Priorities
Charles Stewart Mott Foundation
David and Lucile Packard Foundation
First Focus
Mary Reynolds Babcock Foundation
Open Society Institute
Pew Charitable Trusts
Public Welfare Foundation
Save the Children
Stoneman Family Foundation
Voices for America's Children
W.K. Kellogg Foundation
Winthrop Rockefeller Foundation

Organization Donors (\$1,000 and more)

Arkansas Blue Cross Blue Shield
Arkansas Chapter, American Academy of Pediatrics
Arvest Bank
Bank of Arkansas
Cross, Gunter, Witherspoon & Galchus P.C.
Energy Arkansas, Inc.
Friday, Eldredge & Clark
Innovative Solutions for Educational Partnerships
The Jones Trust
Little Rock Pediatric Clinic
Mitchell, Williams, Selig, Gates & Woodyard, PLLC
The Munro Foundation
Nabholz Construction Services
Perkins & Trotter, PLLC
The Schmieding Foundation
Tyson Foods, Inc.
United Methodist Foundation of Arkansas
University of Arkansas Clinton School of Public Service

Individual Donors (\$1,000 and more)

David and Sue Van Bebber
Nancy and Jim Blair
Bettie and Dick Bond
Lynn and Joel Carver
Jay Barth and Chuck Cliett
Rick Fleetwood
Denise and Hershey Garner
Mary Ann and Reed Greenwood
Christine and Pete Hartman
Janie & Rich Huddleston
Dee and John Lea
Barbara Miles and Hank Bates
Patricia and Jim Miles
Liz Rainwater
Anna and John Riggs
Pam and David Parks
Billie Jo and Joe Fred Starr
Becky and Gary Wheeler

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AACF staff



The mission of Arkansas Advocates for Children and Families is to ensure that all children and their families have the resources and opportunities to lead healthy and productive lives and to realize their full potential.



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