

LETTER FROM THE EXECUTIVE DIRECTOR

2007 was a busy and successful year for Arkansas Advocates for Children and Families. Our work set the stage for significant public policy changes that forever will aid Arkansas children.

We expanded access to high-quality early childhood education, encouraged a more fair tax system for low- and middle-income families and ushered new legislation to reform the children's mental health system. We also led a governor-supported initiative to expand access to after-school and summer programs, helped increase public awareness of the child welfare crisis of abused and neglected children, sounded the call for juvenile justice reform, and worked to eliminate predatory payday lending.

The staff and board of AACF thank all our partners and supporters for the trust and confidence you have shown in our efforts to improve the well-being of Arkansas children and families. We could not do it alone. We owe a great deal of thanks to our friends throughout the state who shared their expertise and technical assistance, the philanthropic partners who shared their resources and the volunteers who gave their time and energy.

We offer our appreciation to John Riggs, our 2007 Board President. John is a thoughtful, passionate advocate who helped guide us through our successful first session with Gov. Mike Beebe. John's leadership was invaluable to our work.

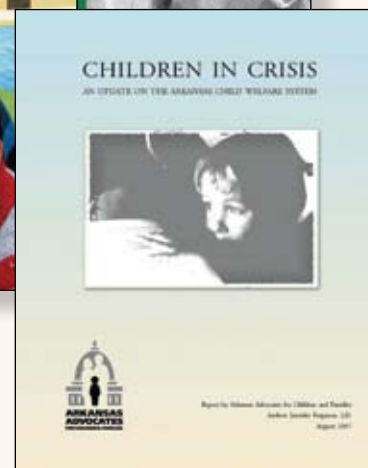
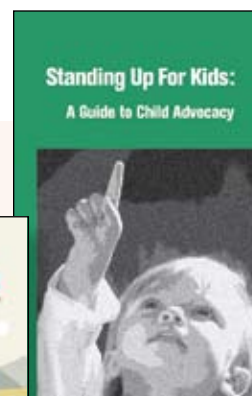
Looking ahead, we have much more to do. By working together as a community of child advocates, we can improve public policy and make a difference in the lives of current and future generations.

Rich Huddleston

Rich Huddleston, Executive Director

2007 AACF PUBLICATIONS

- Tax Relief for Low-Income Arkansans: What are the Options?
- Too Close to Turn Back Now: SCHIP and Children's Health Care Coverage in Arkansas
- Kids at the Capitol: 2007 Legislative Session
- Standing Up for Kids: A Guide to Child Advocacy & 2007 Arkansas Data Guide
- Kids Count in Arkansas: Improving the Well-Being of Arkansas's Children
- Children in Crisis: An Update on the Arkansas Child Welfare System
- The Arkansas Mental Health System for Children: A Family Perspective
- Natural Wonders: The State of Children's Health in Arkansas
- Poison, Problem, and Perspective Revisited: An update on methamphetamine's impact on the child welfare system.



Expanding Access to Early Childhood Education

AACF continued our push for expansion of high-quality preschool in Arkansas by working with leaders from Arkansas's early childhood education community, the Invest Early Coalition, and the national group Pre-K Now. With the full support of Gov. Mike Beebe and a host of legislative champions, the Arkansas General Assembly increased annual support for the Arkansas Better Chance for School Success program by \$40 million. That completed a \$100 million expansion plan the Legislature adopted in 2004 to make high-quality preschool available for all at-risk 3- and 4-year-old children. As a result, 50 percent of all 3- and 4-year-olds, and nearly 70 percent of the at-risk group of children that age, now have access to high-quality preschool education. We are entering the next phase of our long-term work: making high-quality early-childhood education available to all children from birth to age 5, regardless of family income.

At our annual meeting for friends and board members of AACF, we invited Pre-K Now to present Gov. Beebe with its Pre-K Champion award for his leadership and commitment to making high-quality preschool available to all Arkansas children.

Promoting Tax Fairness and the Economic Well-Being of Children and Families

Our State Fiscal Analysis Initiative (SFAI) project set the stage for adoption of important policy changes that improved tax fairness for low- and middle-income families.

During the 2007 legislative session, AACF released *Low Income Tax Relief for Low-Income Families: What Are the Options?* It analyzed the merits of creating a state earned income tax credit (EITC) and cutting the sales tax on groceries in half. Although a state EITC was not adopted, the Legislature did adopt a compromise agreement to improve tax fairness that included reducing the grocery tax. Another key part of the agreement was to exempt low-income families with incomes below the poverty line from state income taxes.

Working with national partners, AACF also undertook a long-range strategic approach to our state tax work. It includes intensive outreach to engage the public about the need for a fair tax system for low- and middle-income families, while ensuring adequate revenue for critical programs.

Protecting Children in the Child Welfare System

AACF used research collected in 2006 on methamphetamine's impact on the child welfare system to improve the child welfare system in 2007. AACF sparked improvements in data collection by state agencies on the types of drugs used by parents. We increased public understanding of the need for more family treatment programs for drug addicted mothers and their children. Finally, we fomented collaboration between DCFS, the courts, and service providers.

AACF released our third annual report on the performance of the Arkansas Child Welfare System. It showed that the Division of Child and Family Services had recovered from a shortage of family service workers. The shortage that



Gov. Mike Beebe receives the Pre-K Champion award from Stephanie Rubin, state program director for Pre-K Now at the AACF annual meeting. The Rev. Lowell Grisham, a board member (at left), and Board President John Riggs look on.

began in 2003 had finally returned to 2002 levels. The director of the division responded to the report in our “sneak peek” presentation.

However, the system continued to perform poorly in initiating and completing investigations in a timely manner, working cases within the required timeframe, and ensuring that children received monthly visits from family service workers. AACF also worked with the Administrative Office of the Courts, DCFS, and the University of Illinois to break down state-level child welfare data by judicial district. It was loaded on a Web site so local juvenile courts can monitor progress in a range of child welfare system indicators.

Expanding Children’s Health Care Coverage

We participated in several health initiatives that focused on prevention and access to care. The director of health policy lead a collaborative effort during the 2007 legislative session to retain Body Mass Index screenings in public schools and maintain school-nutrition standards. This legislative effort expanded a Child Health Advisory Committee to include more educators, and to include the coordinated school health effort as one of the goals of the committee. In addition, AACF fought for adequate financing of SCHIP, the State Children’s Health Insurance Program at the federal level. We began discussions about expanding SCHIP in Arkansas for families earning up to 300 percent of the federal poverty line.

AACF also participated in the Natural Wonders Partnership Initiative, supported by Arkansas Children’s Hospital. For that, we developed a household survey to determine the public’s concerns about children’s health issues. We also worked to reduce childhood obesity by partnering with the Blue & You Foundation to identify successful local programs that address the growing problem.



John Riggs, 2007 President of the AACF Board of Directors, Rich Huddleston and Brad Williams, 2008 President of the Board.

Overhauling the Children’s Mental Health System

With the help of numerous state partners and advocates, AACF was pivotal in the passage of the Children’s Behavioral Health Care Commission. Our health policy director was appointed to the commission and led a commission workgroup to develop a state-wide network of families and youth. The commission should continue to issue recommendations that reform the mental health. AACF also worked with other advocacy organizations and First Lady Ginger Beebe to hold 19 parent visits across the state to gather personal stories about accessing care for their children.

Setting the Stage for High-Quality After-School and Summer Programs

Interest in after-school and summer programs reached a new level in 2007 after our two years of working with the Arkansas Out-of-School Network (AOSN) to build public support for after-school programs. We provided policy analysis, organized subcommittees and traveled across the state to build support for high-quality after-school programs. The establishment of the Governor’s Task Force for Best Practices for After-School and Summer Programs will provide a high-profile venue for recommendations to expand access to these programs.

Reforming the Juvenile Justice System

Arkansas's over-reliance on large, secure institutions for juvenile offenders led to several high-profile examples of the system's failure to protect, rehabilitate, and reduce incidents of juvenile crime. With the creation of the Division of Youth Services Task Force on Juvenile Justice Reform, the governor's office took the first step toward reducing juvenile crime in Arkansas. AACF services are on the task force. We also joined with the Disability Rights Center and the National Center for Youth Law to release a study, *Conditions of Confinement at the Arkansas Juvenile Assessment and Treatment Center*. As a result of that partnership, the National Center for Youth Law is working with DYS on a strategic plan to reduce the state's dependence on institutional programs and shift to community-based services.

Eliminating Payday Lending

AACF has been a vocal opponent of predatory payday lenders for several years, and as a member of Arkansans Against Abusive Payday Lending, has played a major role in the fight to end the practice.

We came closer than ever to legislatively reigning in payday lenders when a bill that passed the House of Representatives stalled in a Senate committee. The proposed legislation would have placed penalties on payday lenders for their violations of the state's 17 percent usury limit. We also saw progress in 2007 in the legal battle to get the Check Cashers Act declared unconstitutional. The case is still before the Arkansas Supreme Court. Attorney General Dustin McDaniel has also made strides toward limiting the ability of payday lenders to prey upon our most vulnerable families.

Shaping the Future of the Federal Budget and Tax System

A strong federal budget and tax system is critical to the well-being of Arkansas's most vulnerable families. Continuing work we began in 2006, AACF conducted advocacy, outreach, and communications work to educate the public and our Congressional delegation about critical federal budget and tax issues.

AACF worked with Arkansas Congressmen on a bill that would increase financing of food stamps and help prevent the erosion of food stamp benefits. AACF outreach staff and our partners also held a two-



Kathy Grisham dishes up soup at Soup Sunday in Northwest Arkansas.

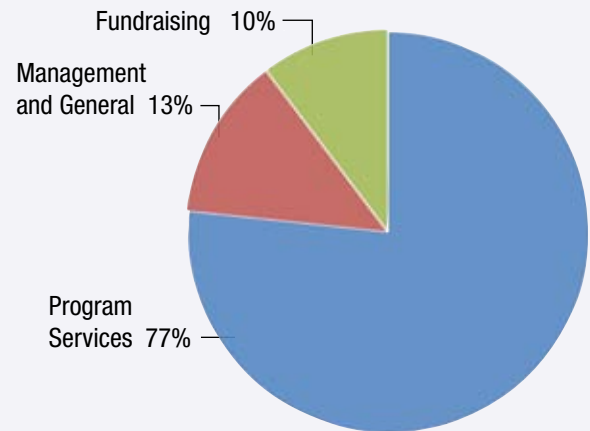
2007 FINANCIAL INFORMATION

Total Revenue & Support.....	1,247,191
Total Expenses.....	1,162,982
Decrease in Temporarily Restricted Net Assets.....	(96,470)
Change in Net Assets.....	(12,261)
Net Assets, Beginning of Year.....	621,042
Net Assets, End of Year.....	608,781

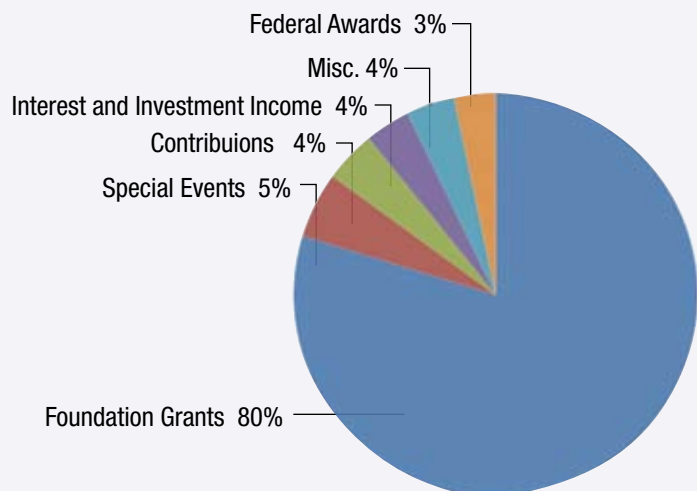
For the Year Ended December 31, 2007

From audited financials prepared by Thomas and Thomas LLP

EXPENSES



TOTAL REVENUE & SUPPORT



day, state-wide conference in Pine Bluff called “Family Economic Security in Arkansas.” More than 200 people came and speakers included former Secretary of Transportation Rodney Slater and federal budget experts from the Center on Budget and Policy Priorities in Washington, D.C.

Harnessing The Power of Kids Count

We served as the local partner for the national Kids Count Data Book, an annual publication of the Annie E. Casey Foundation that tracks the well-being of children in every state. As part of the project, AACF released a child advocacy guide, a summary of the 2007 legislative session and an analysis of the performance of the child welfare system in protecting abused and neglected children.

AACF and the Arkansas Kids Count Coalition also held a number of educational events during the year, including Kids Count Day at the Capitol, “Kids Count Post-Legislative Conference” (at which we honored State Sen. Jim Argue and Gov. Mike Beebe for their leadership on children’s related issues), two child advocacy training academies, and seven regional meetings of the Kids Count Coalition around the state. The Kids Count Steering Committee also began an intensive strategic planning effort to help shape the future of the Kids Count Coalition.



Dedicated Soup Sunday volunteers Dee Dee Dickinson, Ellon Cockrill, Katina Harper, Teresa Osam and Anna Kay Williams help make the Little Rock event flawless.

2007 PARTNERS

These supporters gave \$5,000 or more to AACF in 2007. We thank them, as well as our individual and corporate donors that support us throughout the year.

- Annie E. Casey Foundation
- Arkansas Children’s Hospital
- Arkansas Department of Human Services
- Blue & You Foundation for a Healthier Arkansas
- Center on Budget and Policy Priorities
- Charles Stewart Mott Foundation
- David and Lucile Packard Foundation
- Fred Darragh Foundation
- Harvey and Bernice Jones Charitable Trust
- Nathan Dalton Whetstone Endowment
- Mary Reynolds Babcock Foundation
- MAZON: A Jewish Response to Hunger
- Munro Foundation
- Pew Charitable Trusts
- Pfizer Health Solutions
- Public Welfare Foundation
- Stoneman Family Foundation
- Voices for America’s Children
- W.K. Kellogg Foundation



www.aradvocates.org

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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