



ANNUAL REPORT · 2010

LETTER FROM THE EXECUTIVE DIRECTOR

Every other year we spend months gearing up for the regular session of the Arkansas General Assembly with a flurry of research, reports and outreach. That work in 2010 was some of our most challenging yet as we prepared to serve as the voice for low-income children and families during tight financial times and a changing political landscape.



Executive Director Rich Huddleston with Willa Black Sanders, 2010 Board President

A great deal of AACF's effort in 2010 went into assisting the work of the Arkansas Legislative Task Force on Reducing Poverty and Promoting Economic Opportunity. We held town hall meetings, researched anti-poverty strategies and led the writing and release of the group's final report. The result is a template for the economic prosperity of all Arkansas families. We'll do our best to ensure that it guides policy making for years to come.

Several of our reports made big media splashes in 2010. An analysis of school district spending found that many administrators were carrying over year after year much of the money the state sends to help poor students catch up to their peers. Another report examined state spending on health programs financed by a 2009 increase in the state tobacco tax. A promised ARKids First expansion and several other programs had seen little or no new investment, despite ample revenue from the tax increase. Both these publications and several others had a direct impact on

policies and programs in 2010, or laid the foundation for changes in 2011.

Throughout 2010 we worked with afterschool advocates to build consensus around legislation to create a statewide framework for afterschool and summer programs. We convened everyone involved to put together legislation to present to the Arkansas General Assembly in 2011.

These are just a few examples of the huge amount of work the AACF staff, board members and supporters did in 2010. We're grateful for the guidance throughout the year of our 2010 board president, Willa Black Sanders. Her steady leadership was invaluable as we strengthened our partnerships with many other Arkansas organizations.

Rich Huddleston

2010 AACF PUBLICATIONS

- The 2009 Tobacco Tax: Was Children's Health Care the Big Loser?
- 2010 Arkansas Election: Questions for Candidates on Children's Issues
- Addiction Treatment and Long-Term Recovery in Arkansas: Just Say Yes!
- Afterschool is Key
- Arkansas Legislative Task Force on Reducing Poverty and Promoting Economic Opportunity Final Report and Executive Summary
- Carried Over: Arkansas Students Are Left Behind When Schools Stockpile Poverty Money
- Child Poverty in Arkansas 2010: A Deepening Problem
- Crossing the Finish Line: Moving Toward Covering All Kids
- Federal Tax Policy Recommendations for 2010
- Finding a Forever Family: A Profile of Adopted Arkansas Children and Those Still Waiting for Homes
- Health Reform Summary: Key Elements Affecting Arkansas Children and Families
- Health Reform: Side-by-Side Analysis of Senate and House Bills
- The Impact of Government Programs on Family Finances
- Millionaire's Gain: The Impact of Cutting Arkansas Capital Gains Taxes
- Uninsured Children Need ARKids First Now More Than Ever
- What It Takes To Be #1





2010 HIGHLIGHTS AND ACCOMPLISHMENTS

Establishing a Plan for Our Economic Prosperity

In November 2010 we led the release of the final report of the Arkansas Legislative Task Force on Reducing Poverty and Promoting Economic Opportunity. It included a series of recommendations aimed at cutting poverty in the state in half in 10 years through 31 recommendations to build family economic security for all Arkansans. Throughout the year we worked with task force members to hold town hall meetings throughout the state. We also assisted with the research and writing of the report, which included an array of data on children and families from our analysts. Finally, AACF conceived and executed a publicity campaign that included paid print, radio and online advertising to promote the report. This work helped bring attention not only to the status of low-income children and families in the state, but also to the poverty solutions outlined in the report.



U.S. Education Secretary Arne Duncan visits an Arkansas Better Chance Program in Hamburg.

Renewing the Push for Early Childhood Education

Re-igniting the Arkansas Invest Early Coalition was the focus of our early childhood education work in 2010. We worked with partners in the early care community to recruit network coordinators around the state, hold advocacy training sessions and assist early care advocates and providers with creating goals for 2011. We partnered with the Arkansas Department of Human Services Division of Child Care and Early Childhood Education to kick off Better Beginnings, a quality rating system of child care and education providers. We helped bring experts to share with state leaders, policy makers and professionals the importance of investing in quality early care and education. Finally, we were excited to help with U.S. Department of Education Secretary Arne Duncan's visit to an Arkansas Better Chance program in Hamburg.

Keeping Children at the Center of State Tax and Budget Systems

AACF analysts were busy in 2010 researching and publishing several big reports. "Carried Over: Arkansas Students are Left Behind when Schools Stockpile Money" analyzed how school districts spend money that is supposed to be dedicated to programs that help low-income students succeed academically. It drew a lot of attention from both educators and concerned citizens statewide. We also released "Child Poverty in Arkansas 2010: A Deepening Problem," a report on the short- and long-term impacts of poverty on children, their families and our state. The recommendations noted the importance of the federal Earned Income Tax Credit and the Child Tax Credit in alleviating poverty. It also addressed the need for a state-level EITC in Arkansas.

Our work in promoting the use of the federal EITC included participating in the National EITC Awareness Day to call attention to free tax-preparation sites as well as the perils of refund anticipation loans (RALs). We partnered with the United Way of Northwest Arkansas, the city of Little Rock and the Internal Revenue Service on this effort.

Throughout 2010, AACF geared up to protect state revenue from misguided tax cuts during the 2011 legislative session. We educated the public and policy makers about capital gains taxes with blog posts and a widely covered report, "Millionaire's Gain: The Impact of Cutting Arkansas Capital Gains Taxes."

Declaring Victory for Kids in Washington, D.C.

Our 2010 federal work focused on health care reform and the debate over tax cuts and support programs for low-income families. Through our Moving Families Forward network and Arkansas Finish Line Coalition, AACF gave people the tools they needed to urge elected officials in Washington to support the Patient Protection and Affordable Care Act. We wrote a series of briefs, blog posts and reports to help Arkansans understand the act—especially the benefits to children and families. Our efforts, combined with those of so many other great partners, helped pave the way for a better health care system for all Arkansans.

In December, Congress voted to extend all of the 2001-2003 tax cuts for two more years. As part of the debate, AACF worked closely with Sen. Blanche Lincoln and Sen. Mark Pryor's offices to insure their support for the refundable child tax credit and fixes to the Earned Income Tax Credit as part of the extension. These two programs reward low-income families that work hard to make ends meet.

The Healthy, Hunger-Free Kids Act also became law. This child nutrition reauthorization bill provides the framework needed to ensure kids all over Arkansas and the nation have access to healthy meals. We worked closely with Sen. Lincoln, the bill's sponsor, and the Arkansas Hunger Relief Alliance during the reauthorization battle.

AACF was proud to be a new partner of the national Half in Ten Campaign, a collaborative, national project that promotes sound public policies and builds grassroots support to cut poverty in half in 10 years.



AACF's Friend of Children Awards went to State Sens. Shane Broadway (left), Hank Wilkins and the late Jodie Mahony, whose son Joseph K. Mahony, III (right) accepted on his behalf.

Closing in on Covering All Kids with ARKids First and Health Reform

Progress in reducing the rate of uninsured Arkansas children was mixed in 2010. We worked with the Arkansas Finish Line Coalition throughout the state to encourage uninsured children already eligible for ARKids First to enroll.



Elisabeth Wright Burak, AACF Health Policy Director, leads a press conference on the need for ARKids First expansion to help families during the recession.

The recession has had a big impact on families: The number of children served by ARKids First and Medicaid increased by 30,000 children since we started our project, showing that many families are losing private insurance and are able to rely on ARKids First for health care. However, many families losing coverage are just above the eligibility cut off. A state effort to expand the income eligibility guidelines for ARKids First to cover children at higher income levels is still on hold. We also focused in 2010 on gathering support for legislation to streamline ARKids First enrollment so thousands of children don't lose coverage each year because of paperwork mishaps and red tape.

Reform," to see how we can move forward on child health as we implement the Affordable Care Act. National and state experts shared opportunities available to Arkansas through the new health law and federal priorities to streamline applications for child health.

In September, AACF and the Finish Line Coalition hosted a summit, "Child Health in an Era of Health

Finding Forever Families for Foster Children

AACF began working with the Arkansas DHS Division of Children and Family Services to implement a subsidized guardianship program for children who leave foster care to live with a relative. This will enable more children to leave the foster care system and continue their connection with family members when returning home or adoption is not an option. Through the Federal Fostering Connections Act of 2008, states have the option to implement this program for relatives who have been approved as a foster family, and Arkansas is in the process of electing this option. AACF also

released the “Finding a Forever Family: A Profile of Adopted Arkansas Children and Those Still Waiting for Homes.” It showed that since 2002, Arkansas has doubled the number of children adopted each year and reduced the length of time they waited in foster care.

Securing Treatment for Women and Youth Caught in Addiction

AACF continued as a key partner in the Closing the Addiction Treatment Gap Project to document the role substance abuse has on families struggling with this disease. AACF published “Addiction Treatment and Long-Term Recovery in Arkansas: Just Say Yes!” a critical tool in public education and outreach efforts. We kept the momentum for expanding services moving throughout the year with part-time regional coordinators to plan events, public opinion surveys to monitor voter attitudes and regularly scheduled meetings with people dealing with substance abuse. Our report, “The 2009 Tobacco Tax: Was Children’s Health Care the Big Loser?,” also showed how addition services promised support by the 2009 Arkansas General Assembly hadn’t received its share of increased tobacco tax revenues. By the end of the year, Gov. Mike Beebe agreed to release \$5 million in tobacco tax revenues to pay for additional substance abuse treatment for pregnant women and youth in Arkansas.

Laying a Foundation for a Statewide Afterschool Program

In partnership with the Arkansas Out of School Network and Save the Children, AACF helped launch the “Afterschool is Key Campaign” to draft legislation to authorize state-funded afterschool programs in local communities across the state. We built a strong case for the program by bringing together key stakeholders, meeting with services providers and state officials and conducting several surveys of registered voters. The proposed legislation would set up regulations and a governing structure for locally-operated afterschool programs.



Soup Sunday Committee members (from left) Missy Duke, Co-Chair Dr. Chad Rodgers, Co-Chair Lila Niswanger, Julie Greathouse and Eric McDaniel.

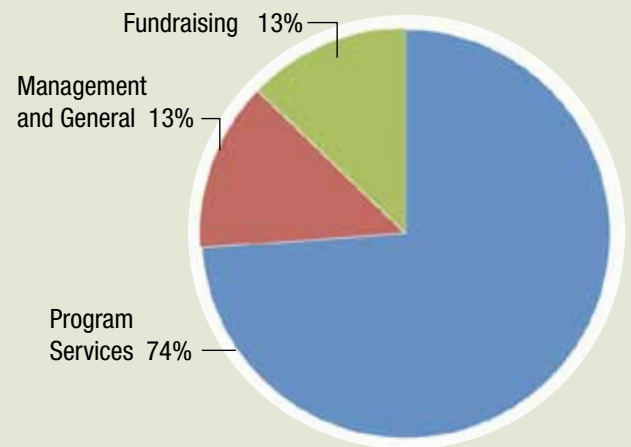
2010 AACF FINANCIAL INFORMATION

Total Revenue & Support.....	1,687,554
Total Expenses.....	1,595,353
Increase in Unrestricted Net Assets.....	92,201
Increase in Temporarily Restricted Net Assets	119,602
Change in Net Assets	211,803
Net Assets, Beginning of Year.....	878,571
Net Assets, End of Year	1,090,374

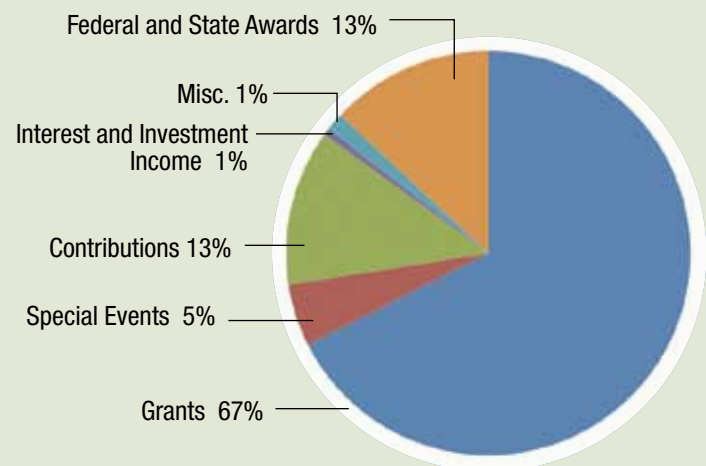
For the Year Ended December 31, 2010

From audited financials prepared by Thomas and Thomas LLP

EXPENSES



TOTAL REVENUE & SUPPORT



Invigorating Discussion of Children with the Kids Count Coalition

The coalition's mission to be "the collective force shaping public policy for children and families in Arkansas" was enhanced this year through local policy cafés in seven counties across Arkansas. These interactive local forums addressed the wide variety of critical issues affecting children, youth and families. Short presentations by policy experts were followed by small table discussions on local, state and national issues. These regional events were topped off with two well-attended Pre-Legislative Conferences held in Central and Northwest Arkansas. Hundreds of people from across the state participated in these events.



Volunteers dish out breads and treats at the 9th Annual Soup Sunday in Northwest Arkansas

Building a Community of Advocates in Northwest Arkansas

AACF's Northwest Arkansas office continues to expand the reach of our work into areas of the state where our mission isn't as well known. The office, run by Laura Kellams, found hundreds of new supporters in the region in 2010 through policy briefings, forums, fundraisers and media events covering a variety of children's issues.

The office expanded AACF's work related to the children of immigrants, outlining goals to improve their access to health care, quality pre-kindergarten programs and higher education. AACF formed several partnerships with local groups, including the United Way of Northwest Arkansas and the League of Women

Voters, to increase awareness of escalating child poverty in the region.

We've formed a Northwest Arkansas advisory council to guide and inform AACF's work in the region. We saw our biggest crowd ever at the Northwest Arkansas Soup Sunday event, with 550 attendees. Smaller fundraisers in Northwest Arkansas allowed us to find new donors who will help sustain the office as a voice for the children of the region.

2010 FUNDERS*

Annie E. Casey Foundation
Arkansas Children's Hospital
Arkansas Community Foundation
Arkansas Department of Human Services
Center for American Progress
Center on Budget and Policy Priorities
Charles Stewart Mott Foundation

Children's Leadership Council
David and Lucile Packard Foundation
David and Pamela Parks
First Focus
Foundation for the Mid South
Harvey and Bernice Jones Charitable Trust
Mary Reynolds Babcock Foundation

Open Society Institute
Pew Charitable Trusts
Riggs Benevolent Fund
Save the Children
Stoneman Family Foundation
Voices for America's Children
W.K. Kellogg Foundation
Winthrop Rockefeller Foundation

*Provided \$5,000 or more to support the work of AACF.

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Laura Kellams, Northwest Arkansas Director
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Brett Kincaid, Outreach Director
Nancy Leonhardt, Administrative and
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Mary Lewis, Development Director
Connie Lunsford, Administrative Assistant
Tara Manthey, Communications Director
Susana O'Daniel, Outreach Coordinator
Kim Reeve, Senior Policy Analyst
Ashley Wright, Health Outreach Coordinator



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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