

Be Informed... Know What to Ask!

A **candidate's guide** for state
elected officials on issues affecting
Arkansas' children and families



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Produced by the Arkansas Kids Count Coalition

Introduction

If you are elected to a state public office, you will make hundreds of decisions about public policies impacting children and families – decisions that can either make life harder for families or ones that can improve their lives. This guide provides data, information, and policy options to candidates on some of the greatest challenges facing our children and families. Among the issues examined are: child health, early childhood education, economic self-sufficiency and taxes, child welfare, and juvenile justice.

Arkansas has made great progress for children in recent years. We have dramatically reduced the number of uninsured children through ARKids First, expanded access to quality pre-school for young at-risk children, made child health a higher priority in public schools, and increased the minimum wage for Arkansas workers.

Arkansas, however, has much more work to do. We continue to rank near the bottom on many indicators of child and family well-being in such areas as education, income, and health status. One only has to read the data in the *Kids Count Data Book*, the annual publication from the Annie E. Casey Foundation, to see the need for continual



progress. Arkansas ranks 44th in overall child well being in 2005, with nearly 1 in 4 Arkansas children still living in poverty.

Numbers such as these do not bode well for Arkansas children and families. Not only do they indicate that many children aren't getting what they need to thrive day to day, they hurt our state's ability to compete economically and attract better paying jobs, and raise the state's future standard of living.

As child advocates, our job is to educate candidates and elected officials about the major issues affecting children and families and provide policy options, based on available data and research, for improving the well being of children and their families. It is our hope this briefing guide will provide candidates for public office with the strategies they need after they assume elected office to improve public policy and allow our children and families to thrive and succeed.

If you need additional information on these or other issues affecting children and families in Arkansas, please contact our office at 501-371-9678, or visit our website at www.aradvocates.org.



Children's Health in Arkansas

Providing quality and affordable health services to children is critical to the long-term success of Arkansas children. Through initiatives such as ARKids First, Arkansas has been a national leader in cutting its rate of uninsured children (from 19 percent in 1996 to 10 percent in 2003). ARKids

First has provided access to health insurance for thousands of uninsured children in the state while other initiatives, such as ACT 1220, have raised the bar on



nutrition and physical activity in schools. Legislation passed in recent years has increased physical education requirements in the schools, established stringent safety belt regulations, required vision screenings in the schools, increased the school nurse to student ratio, and established school based mental health services.

Much more needs to be done to improve the health of our children. Arkansas children fare worse than their peers in other states. Thirty-eight percent of the children in Arkansas are obese or at risk for becoming obese, thirty-eight percent of children live in communities without fluoridated water supplies, one-third of the children are diagnosed with mental health disorders, and Arkansas is lower than the national average for the percentage of Medicaid children who receive EPSDT screens.

Implementing school health programs based on the Center for Disease Control's (CDC)

Coordinated School Health model can help coordinate and enhance access to many health services for children. The Coordinated School Health Model includes eight components:

Health Education – A planned, sequential, pre-k -12 curriculum that addresses the physical, mental, emotional and social dimensions of health.

Physical Education – A planned, sequential, pre-k -12 curriculum that provides cognitive content and learning experiences in a variety of activity areas.

Health Services - Services provided for students to appraise, protect and promote health.

Nutrition Services – Access to a variety of nutritious and appealing meals that accommodate the health and nutrition needs of all students and that reflect the U.S. Dietary Guidelines for Americans.



Counseling, Psychological and Social Services – Services provided to improve students' mental, emotional, and social health including assessments, interventions and referrals.

Healthful School Environment – The physical and aesthetic surroundings and the psychosocial climate and culture of the school.

Health Promotion for Staff– Opportunities for school staff to improve their health status through activities such as health assessments, health education and health-related fitness activities.

Family/Community Involvement – An integrated school, family and community approach for enhancing the health and well being of students.



C u r r e n t Arkansas policies address many of the components of school health. Arkansas is also the recipient of a

CDC Coordinated School Health Grant to provide technical assistance to schools to utilize Coordinated School Health. However, there is still a lack of a statewide infrastructure and commitment to utilizing the model to advance the health of children in Arkansas.

What Can Be Done?

To create a healthy environment and improve access to health care for children the following policies should be considered in Arkansas:

- Provide statewide leadership of coordinated school health through a broad based state level advisory group.
- Provide adequate funding for quality mental health services for children.

- Establish policies that encourage accountability and quality standards for mental health services provided to children.
- Maintain the nutrition and physical activity standards set by ACT 1220.
- Provide adequate funding for school nurses.
- Provide adequate funding for Medicaid.
- Promote healthy communities and schools by providing a fluoridated water supply.

Coordinated School Health will not cure all health care access issues for children. It will, however, provide a structure for schools to partners with local providers, parents and students to ensure that Arkansas children are healthy and ready to learn.

Economic Self-Sufficiency and Taxes

It is our hope that all Arkansans will be able to make ends meet, see to their basic needs, and offer their children a safe, healthy, and secure home environment, but this isn't always the easiest task. Some important gauges of economic self-sufficiency include access to jobs that pay wages that meet basic needs, education, employment, and asset building.

Existing jobs don't pay enough to meet basic needs and promote economic self-sufficiency. According to the Economic Policy Institute, unemployment in Arkansas in 2004 was 5.9 percent, .4 percent higher than the national average. Not only is unemployment higher in Arkansas, but median wages in our state haven't kept pace with inflation. The typical Arkansas

family actually saw the real buying power of their wages decrease between 2003 and 2004. This is especially important as 1 in 4 Arkansas children live in poverty and have a much more difficult time getting the start they need to succeed in school and later in life.

Before the 2006 Special Session of the Arkansas General Assembly, the minimum wage in Arkansas was \$5.15 an hour. It had been at this rate since 1997 and in the time between 1997 and now, the minimum wage had lost 17 percent of its buying power – Arkansans



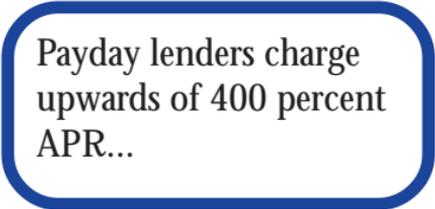
working for the minimum wage were actually able to purchase fewer goods and services than their counterparts in all but one of the last 50 years. Through the work of legislators and advocates, the minimum wage will be raised to \$6.25 an hour beginning this October. This monumental step to help 127,000 working Arkansans is a considerable victory, but the fight for economic self-sufficiency still wages on.

Job creation in Arkansas has focused on lower-paying jobs – of the top 20 growth occupations only four, registered nurses, sales representatives, general and operations managers, and truck drivers, pay more than \$30,000 a year according to the Arkansas Employment Security Department. Arkansas' growing service industry can offer wages that allow Arkansans to make ends meet and to keep

their children out of poverty. Arkansas must begin to think about wages as an investment in workers, a reward for work, and a commitment to community.

Many hard-working Arkansans lack the assets and savings for financial security. Low wages and high costs of living lead to low savings. Data produced by the Corporation for Enterprise Development shows that only 44.7 percent of Arkansas households have any savings. When families are unable to save and build assets, they are less likely to be able to deal with unexpected expenses and more likely to find themselves in economic crises with no alternative but to turn to high cost lenders.

While Arkansas has been a leader in efforts to promote greater building of assets through strategies such as Individual Development Assets (IDAs), the state still allows payday lenders to take financial advantage of low-income families. Preying on Arkansans with checking accounts, payday lenders charge usurious interest rates (upwards of 400 percent APR) that often cause spiraling debt for vulnerable families. Arkansas can, and must do better to ensure that hard working Arkansans are not fodder for the profiteering of usurious, unlawful payday lenders. This is a high priority for consumer advocates.



Payday lenders charge upwards of 400 percent APR...

A fair tax system that generates adequate revenue for the programs serving low-income families is also critical to the economic well being

of families. According to a study by the Institute on Taxation and Economic Policy, the Arkansas state and local tax system is anything but fair. The bottom 60 percent of Arkansas taxpayers, those making less than \$33,000 per year, pay 12 cents on every dollar they earn in state and local taxes, compared to just 6 cents on every dollar for the richest 1 percent of taxpayers (those making more than \$242,000 annually).



The primary reason for the state's unfair tax system is the state's high reliance on state and local sales taxes that place a disproportionate share of the tax burden on low- and middle-income taxpayers. Sales taxes hit these families the hardest because they have to spend most or all of what they earn on purchases such as food, housing, clothing, just to meet basic living needs. These items are typically subject to sales taxes. Arkansas has one of the highest sales tax burdens in the country. Arkansas is also one of a handful of states that levies a state income tax on families with incomes below the poverty line and a top marginal tax rate on incomes less than \$30,000. It also provides little tax relief for low-income families. It doesn't provide sales tax relief for purchases of food or a state earned income tax credit for low-income working families.

Why does the Arkansas tax system have these inequities? One reason is that the Arkansas Constitution requires a 3/4s vote of the Arkansas legislature to pass increases in more fair taxes such as personal and corporate income taxes,

while it only requires a simple majority vote to pass sales tax increases. Whenever there is a need to raise state tax revenue (such as the large sales tax increase in 2004 to fund education reform), it's politically much easier for the legislature to raise sales taxes than increase personal or corporate income taxes. This restriction, combined with the influence of powerful special interest groups, has resulted in a system that offers special preferences for upper-income taxpayers and corporations, such as a 30 percent exemption for capital gains income, no estate tax, and state corporate income tax loopholes that allow large corporations to avoid paying their full share of state taxes.

Restrictions on property taxes are another reason for Arkansas' unfair tax system. Arkansas property taxes are among the lowest in the nation. The Arkansas Constitution makes it very difficult to increase local property taxes. Property tax increases must be approved by voters at the local level. Other restrictions – such as limits on increases in assessed property values and limits on increases in property tax revenues – make it very difficult to reform the property tax and keep property taxes at adequate levels. The Constitution also gives favorable treatment to the taxation of farm and timber land (such property is not taxed based on its real market value). Arkansas also



offers an annual \$300 property tax credit to all homeowners regardless of income.

As a result of these gaps, Arkansas' current tax system is less likely to raise adequate revenue when economic times get tight and places a disproportionate share of the tax burden on low- and middle-income families.

What Can Be Done?

To improve economic self-sufficiency for low- and middle-income taxpayers and generate adequate revenue for the critical programs that serve them (such as health care and education), Arkansas should consider the following options:

- End the usurious practices of payday lenders in the state of Arkansas. The Arkansas Constitution is supposed to limit the interest rate charged on consumer loans to 17 percent, but, according to the Center for Responsible Lending, the average interest rate charged by payday lenders in the state is 579 percent.
- Work with the established financial industry to provide short-term, small dollar loans that do not result in Arkansans stuck on a treadmill of debt.
- Encourage funding of asset development accounts including Individual Development Accounts, SEED accounts, and Arkansas' 529 plans. These accounts super-charge savings by doubling or tripling the amount placed into them with a state match based on income. These accounts encourage savings; provide funds for higher

education, home ownership, and business development.

- Ensure that all Arkansans have access to bank accounts and a positive introduction to the established financial industry.
- Establish a state Earned Income Tax Credit (EITC) and an expanded child care tax credit to improve economic self-sufficiency for low-income working families with children.
- Reform the property tax – including income limits on the \$300 homestead credit, full market valuation of timber and agricultural land, etc. – to reduce the need for sales tax increases.
- Plug corporate income tax loopholes through a revenue neutral approach.
- Restructure the personal income tax to exempt low-income families and provide a more rational spreading out of the rate brackets, and re-establish an Arkansas estate tax for estates more than \$2 million per couple so that everyone pays their fair share.
- Promote severance tax reform to one based on market value to better reflect today's global energy situation.

Quality Pre-School Education

All parents want the very best for their children. Parents care about their children's future and often wonder what they can do to guarantee they will be able to lead productive lives. Research tells us that one of the single best things we can do to ensure that children enter school ready to succeed and improve their

future social and economic prospects is to provide them a quality early childhood education. The benefits of quality pre-school education include:

- Children who attend quality pre-school programs are more likely to succeed in school and later in life.
- Investing early will mean an increase in higher tax revenue.
- Quality pre-school programs can lead to a drop in crime rates and a drop in the cost to the justice system.
- One dollar invested now can save more than nine dollars later in education and welfare costs.

Arkansas has made great progress in improving the quality and access of its state funded pre-school education program – the Arkansas Better Chance (ABC) for School Success Program. According



to the National Institute for Early Education Research, Arkansas' pre-school program was the only state to score a perfect 10 out of 10 for meeting the highest quality standards each of the past two years.

In 2003, the Arkansas legislature adopted a \$100 million expansion plan for improving access to quality pre-school for all at-risk three- and four-year old children (children in families with incomes below 200 percent of the poverty line). It has taken the first steps in implementing

that plan by increasing annual funding for the ABC for School Success Program by \$60 million. We now spend approximately \$71 million a year for pre-school in the state (up from just \$11 million two years ago). Over 18,000 children are now being served in quality pre-k settings by school districts and private providers in every county in the state. Quality pre-school is available under the ABC for School Success for children whose family income falls below 200 percent of the federal poverty line.

Despite the progress Arkansas has made in expanding access for at-risk 3- and 4-year olds, it still has a long way to go. Approximately, 14,000 at-risk

3- and 4-year olds do not have access to quality pre-school. Similarly, we have not yet

Approximately 14,000 at-risk 3- and 4-year olds do not have access to quality preschool..

begun to develop plans to expand access for infants and toddlers, other 3- and 4-year olds in families with incomes above 200 percent of the poverty line, or develop a comprehensive approach for grades K-3 that will solidify the gains made in quality pre-school programs.

What Can Be Done?

We must continue to make investments for our youngest citizens. Among the options:

- Complete the legislature's \$100 million expansion plan for at-risk 3- and 4-year olds by allocating the remaining \$40 million.

- Assess our quality early childhood education needs for infants and toddlers and develop a long-term plan for meeting these needs.
- Assess the quality pre-school needs of 3- and 4-year old children in families with incomes above 200 percent of the poverty line and develop a plan for universal access for all 3- and 4-year old children, regardless of income.
- Assess Arkansas' current K-3 education initiatives and develop a comprehensive approach for building on the gains realized in quality pre-school education.

Child Abuse and Neglect

Abused and neglected children in Arkansas represent the most vulnerable and defenseless children that rely on public intervention to protect them from harm and to rebuild their families. The Division of Children and Families Services (DCFS) has the primary responsibility for not only protecting these children, but also providing services to them and their families. Because of limited resources, DCFS often struggles to just protect children, and can devote very few resources to preventing abuse and to providing services to reunite families. That reality is at the crux of most problems facing the child welfare system in Arkansas.

The number of child maltreatment reports continues to rise and strains an already overburden and under funded system. In SFY 2005, 23,433 maltreatment reports were investigated by DCFS. More than 5,600 reports involving over 8,000 children were found to be

true. These children need the support and services necessary to live in safe and stable homes.

What Can Be Done?

Arkansas should consider the following options for improving the state's system for child welfare system, including:

DCFS must have a sufficient number of staff to prevent high case loads

In 2005, DCFS experienced a staffing crisis because of the high vacancy rate of family service workers. These are the critical staff members who conduct investigations, have direct contact with the children and their families, and manage services for them. DCFS has been working to fill these positions. However, the system is plagued with turnover because of high case loads, stressful working conditions, lack of administrative support, and access to needed services for their clients. Even if DCFS is fully staffed, the average caseload still exceeds the recommended 16 cases per worker.



Provide mental health services in home, family, and community outpatient settings

Abused and neglected children suffer from exposure to alcohol and other drugs, sexual and physical abuse, insufficient health care, and bad living conditions. Their parents are unable to provide the love and care their children need. Mental health services are critical for the child's

well-being and the ability of family members to care for the child. Far too many children are removed from their home in order for the child to become eligible for Medicaid so mental health services can be provided. This occurs even when the most appropriate treatment would be to provide these services in a home and family setting.

Expand services for children who age out of foster care

In SFY 2005, 212 Arkansas youth, who were age 18 and over, aged out of foster care. This is a difficult time in any child's life. These children do not have a family to call on and have experienced such instability that they are at much greater risk than their peers of educational failure, homelessness, teen pregnancy, joblessness, physical and mental illness, criminal behavior, and poverty. Arkansas can do a much better job of preventing these expensive problems by helping these youth transition successfully into adulthood. Early transition planning and access to services and supports are critical during this time.



Juvenile Justice

Our response to Arkansas youth entering the criminal justice system will have a significant impact on those children for the rest of their lives. It will shape their view of our legal system and it can have significant consequences for their

educational and financial future. Our response requires a thoughtful, fair, and rational approach to their care.



According to data from the Administrative Office of the Courts, the Arkansas Crime Information System, and the Division of Youth Services, each year more than 22,000 cases are filed in juvenile court, more than 10,000 youth are arrested, and more than 500 youth are committed to the Division of Youth Services centers.

In March 2005, in the case of *Roper v. Simmons* (No. 03-0633), the U.S. Supreme Court held that the death penalty for youth was unconstitutional. This ruling confirmed, once again, that in America “equal justice for all” takes into account the scientific evidence on brain development in youth. This ruling was also founded on a long history of existing law based on the common understanding that youth have difficulty thinking of consequences under stress and managing powerful impulses without adult help.

This standard of justice must not be abandoned. The brutal and irrational acts of youth do not change them into adults. The legal system has long recognized the need to protect children and limit their capacity to assume adult responsibilities due to developmental limits, a poor understanding of consequences, and distinctly different emotional and intellectual capacities.

Policy makers must begin to ask themselves how they can not just be tough on crime, but

how they can be smart on crime. There are proven, research based methods for reducing juvenile crime



to ensure that youth avoid activities that have long term economic, educational and health cost in the future.

What Can Be Done?

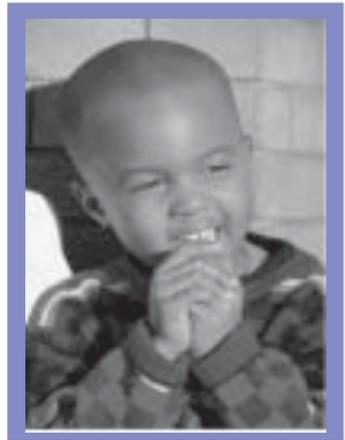
Public policies affecting juvenile offenders must take into account the following factors:

- Prevention is the key to success. The hours between 3 p.m. and 6 p.m. are the peak hours for juvenile crime and experimentation with drugs, alcohol, cigarettes and sex. Sixty-five percent of children under 18 have all parents in the workforce. Quality after school and summer programs will keep children safe, support working families and inspire children to learn.
- Arkansas must maintain and improve the separate system for juvenile offenders. The structure of juvenile courts and the juvenile treatment system offers a broader range of options, a better record of success, and long term cost benefits to the community.
- Programs to deal with juvenile offenders are most effective when they are provided in small, community-based, evidence based programs; not in large institutional setting. Recommended

community services include access to mental health services, educational programs, and school to work transition services to reduce recidivism and restore productive citizenship.

- Children require special protection when taken into police custody because they do not have the decision-making capacity and understanding of adults. False confessions are a leading cause of wrongful convictions of the innocent and juveniles

are the most vulnerable to modern psychological interrogation techniques. Recommended protections for children taken into police custody include



parent notification and the right to legal counsel prior to interrogation. It also includes a requirement that police interrogation of a child be electronically recorded.

- More than 500 youth are committed to the Division of Youth Services each year. These youth will re-enter society. Those offenders placed in the state's large institutional setting must have access to quality educational and mental health services if rehabilitation is to be a reality.

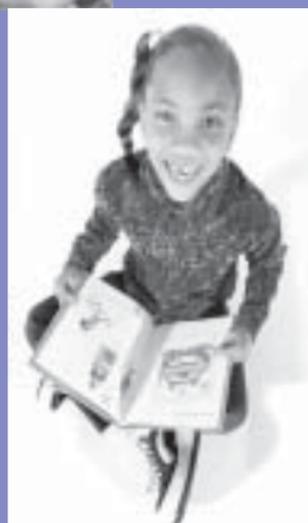


*The collective force
shaping public policy for
children and families in
Arkansas*

The Arkansas Kids Count Coalition is a collaborative of individuals and organizations who share a common interest in the well-being of Arkansas' children.

Established in 1996, the Arkansas Kids Count Coalition brings the needs of children to the top of the political agenda with a grassroots, statewide network of more than 2,000 voices. The Kids Count Coalition evaluates public policies and reminds government of its responsibility to care for its youngest citizens and their families.

The Coalition is part of the Arkansas Kids Count project, an initiative of Arkansas Advocates for Children & Families. Funding for the Kids Count Coalition is provided by memberships and minimal assistance from the Annie E. Casey Foundation.





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