



May 4, 2010

To: Members of the Senate Appropriations Subcommittee
for the Department of Human Services

From: Jack Kresnak, President & CEO

RE: FY 2011 Department of Human Services Budget

On behalf of Michigan's Children and its Board of Directors, I am pleased to be able to share with you our priorities as you consider the Fiscal Year 2011 budget for the Department of Human Services. Michigan's Children is a statewide child advocacy organization that provides a voice for vulnerable children from around the state. Michigan's Children is independent; it does not receive any government funding or represent professionals who receive government contracts.

We applaud the Governor's recognition that revenue options must be part of the FY 2011 budget deliberations. At a minimum, we must hold the line on current funding and make children a priority under any circumstances. There's no way around it: More cuts continue to erode the foundation of our future economy.

As members of this committee well know, without additional state tax revenues and more federal dollars, Michigan will be facing an even deeper round of cuts to programs and services on top of huge cuts made in recent years, including unacceptable cuts to child care, child protection and poverty programs.

Following significant reductions in the FY 2010 budget in child care subsidies, family preservation and support programs, and before- and after-school programs, Michigan's Children urges you to support the following in the fiscal year 2011 budget:

Protect funding for family support and prevention services. The state has no greater responsibility than protecting its children, and the Governor's budget continues to allocate resources to comply with the state's settlement agreement in the Children's Rights lawsuit, including funding to make critical improvements in the state's foster care and protective services systems. As part of child welfare reform, we are pleased to see funding to extend foster care, adoption subsidy and subsidized guardianship eligibility to age 20. We also support the continuation of budget language requiring the DHS to focus on the overrepresentation of children of color in the child welfare system, and hope that we never lose sight of the fact that not all children have the same opportunities.

Unfortunately, the lawsuit does not address the state's efforts to strengthen families and prevent child abuse and neglect from occurring in the first place. Since FY 2000, funding for most of the major child abuse and neglect prevention programs has been cut, while the number of substantiated child abuse and neglect victims has grown. This year, many family support services were entirely eliminated.

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Jack Kresnak
President and CEO

As you know, federal reviewers, as part of the Child and Family Services Review, have cited Michigan for gaps in the services needed to keep children safely in their homes and out of foster care. Those gaps are both geographical and in terms of the array of services available.

We believe that this continued erosion of funding for prevention services will subject more children to needless suffering, and will ensure that there is an ever-growing need for more costly state-funded services. We recommend the following:

- ***Restore budget language related to the allocation of 0 to Three Secondary program dollars.***

Until this year, funding for local 0 to 3 programs was administered by the Children's Trust Fund (CTF), and allocated on a competitive basis statewide. The funds were used for local services to prevent the maltreatment of the state's most vulnerable children, infants and toddlers, and boilerplate language authorized the use of those dollars for secondary prevention, or supports for high risk families *before* abuse and neglect occurred. At its peak in 2001, \$7.75 million was available through three state departments.

In the current year budget, funding was continued only in the DHS budget (\$3.8 million), and contrary to legislative intent, as expressed in boilerplate language in the FY 2010 DHS budget, the DHS: (1) shifted the administration of the funds from the CTF to DHS Children's Services; and (2) targeted all remaining funding to the five counties in the state with the largest urban areas. The DHS also focused funding on low-risk cases *that had already been referred to the DHS for abuse and neglect.*

The overall funding reduction in the 0 to 3 program, along with the redirection of funding to five urban counties, disrupted many effective programs and left many families with young children without critical supports. Recent Kids Count data show that child abuse and neglect are statewide problems, and are not more prevalent in urban counties:

- In 2008, over 182,000 children in Michigan lived in families that were investigated for child abuse or neglect, and over 29,000 were confirmed victims.
- Children in urban counties were less likely to be in families investigated for abuse or neglect, and were also less likely to be confirmed victims.

The key components of the boilerplate language that we would like to have preserved are as follows: (1) language authorizing the allocation of funds to local community collaboratives and requiring that the services provided be part of the strategic plan or family support strategy of the community collaborative or local Great Start Collaborative; (2) language permitting the use of funds for secondary prevention, or services for at-risk families before child abuse and neglect are confirmed; and (3) the requirement for interdepartmental input and a competitive, statewide request for proposal process administered by the Children's Trust Fund.

The evidence for the 0 to 3 Secondary Prevention program is strong, with benefits both to children and to taxpayers. In fiscal year 2009, 0 to 3 Secondary Prevention was a statewide, community-based, collaborative program serving at-risk infants and toddlers (ages 0 to 3) and their parents in 47 of the state's 83 counties. The services provided included home visits (64%); services coordination (27%); and parenting education, support groups and counseling services (9%).

The initial appropriation in fiscal year 2009 was \$6,649,000, with approximately \$3.8 million appropriated through the DHS budget, and the remainder through the DCH and K-12 School Aid budgets. The program was reduced by \$1 million through an Executive Order, resulting in a 16 percent reduction in local agency grants between April and September of 2009. During that quarter,

enrollments in local programs dropped significantly, and at least 1,500 fewer families were served than in 2008. While local program managers tried to find alternative services for their families, particularly in rural areas, there were few other resources available.

We believe that there is value in the collaborative nature of the project—at both the state and local levels, and whether funding is provided through a single or multiple budgets, we hope that budget language will be retained to require state departments and local community collaboratives to work together to meet the needs of young children.

There is strong evidence of the effectiveness of the 0 to 3 program both for young children and for taxpayers:

- Virtually all of the children (99.5%) served by the program in 2009 did not become substantiated victims of child maltreatment while enrolled. By contrast, a third of the children whose parents dropped out of 0 to 3 programs were substantiated victims that year.
 - Children involved in the programs were more likely to have access to appropriate health care, with approximately 9 of every 10 having timely health screenings, well-child visits and immunizations.
 - Over 90 percent of the pregnant women in the programs had the recommended number of prenatal care visits.
 - Every dollar invested in 0-3 Secondary Prevention services saved the State \$6 on the direct consequences of child abuse and neglect for that population—a return on investment of 500 percent.
- ***Support the Governor's proposal to increase funding for the Strong Families/Safe Children program.*** The Strong Families/Safe Children program was reduced from \$16.9 million in 2000 to \$10.7 million this year, a cut of 37 percent. The Governor proposes to use the expanded funding in FY 2011 for pilot projects in urban counties. We support the role of local community collaboratives in determining local needs and allocating prevention resources. To that end, we would also recommend that budget language in the current year budget be retained permitting community collaboratives to use Strong Families Safe Children funds for prevention programs.

Support efforts to improve the quality of child care services. In 2007, nearly one of every 10 children ages 0 to 5 was in a child care setting subsidized by the state so their parents could work or go to school. Unfortunately, too little is known about the quality of care provided these young children, as more than 2 of every 3 are in unlicensed care. Reimbursement rates for child care providers remain low, affecting child care quality and access.

We urge you to support the \$14.6 million in federal Child Care Development Fund dollars being used by the ECIC to improve child care quality, as well as incentives for relatives and aides to receive the training and support they need to provide high quality care. Further, we believe that efforts are needed to improve the coordination of child care services administered by the DHS with the state's Great Start School Readiness program, which is administered by the Michigan Department of Education. Better coordination between the two programs could improve access, efficiency and quality.

The House Appropriations Subcommittee redirected TANF funding to the School Aid Act to help fund the Great Start School Readiness and At Risk programs. We are strongly supportive of early education programs as a tool to increase school readiness and create equal opportunity, and appreciate the priority given those programs. We remain concerned, however, about the underfunding of poverty and child abuse and neglect prevention programs, and hope that we will not continue to carve up a diminishing state revenue pie in ways that ultimately hurt the children we are trying to protect. Again, Michigan's Children believes that tax reforms will be needed to ensure that the needs of at-risk children are met.

We also have some concerns about the House Subcommittee decision to shift funding for local Great Start Collaboratives from the School Aid budget to the DHS budget, using emergency contingency TANF funding. These funds currently flow directly to communities through Intermediate School Districts, and we believe that imbedding local collaborative school readiness work in the School Aid budget is a step in the direction of a seamless birth to work educational system.

Continue funding for the Child Care Enhancement project: Although not administered by the DHS, one use of Michigan's Child Care Development Fund quality set-aside funds has been a transfer of \$1 million to the DCH for the Child Care Enhancement project (CCEP, formerly known as the child care expulsion project). The CCEP serves high risk infants and toddlers who are experiencing social/emotional and behavioral challenges in DHS subsidized child care settings.

Rates of expulsion for preschool-aged children (27 per 1,000) are significantly higher than those of school-aged children (1 per 1,000). Expulsions from child care not only deprive at-risk children of the early learning experiences they need, but also threaten the working arrangements of parents.

Preliminary results from a four-year evaluation of the CCEP show positive outcomes including improvements in young children's behaviors and fewer disruptions in their parents' work and school schedules due to child care problems. The CCEP has been viewed as a model program nationally, and was recently included in a study of best practices by the National Technical Assistance Center on Children's Mental Health at Georgetown University.

Studies show that approximately 10 percent of young children suffer from emotional and behavioral problems that impair their ability to learn, while the incidence among poor children is two to three times higher. Less than 1 percent of Medicaid-enrolled children under the age of 3 in Michigan received mental health services in 2007, well below estimated need. While the CCEP does not solve the larger problem of access to mental health services for low-income children, it does address the needs of high risk infant and toddlers with working parents. We urge you to work with your colleagues to ensure that funding for the CCEP is protected.

Restore funding for high quality before- and after-school programs. High quality after-school programs have been shown to improve school attendance and achievement, and to reduce youth violence and other risky behaviors. Funding authority for before- and after-school pilot programs was reduced from \$16 million in fiscal year 2001 to \$5 million in fiscal years 2005 through 2009. Funding for the programs was eliminated in the current year budget. The House Appropriation Subcommittee restored \$3 million of the original \$5 million in funding, and we urge you to also make this program a priority.

Reinstate funding for Communities in Schools. There are seven Communities in Schools (CIS) affiliates in Michigan, serving nearly 90,000 students. CIS is the nation's largest dropout prevention organization, with a mission to connect young people with the community resources needed to successfully learn, stay in school, and prepare for life. Proven outcomes include improved attendance and behavior, fewer suspensions, and better academic performance. National evaluations show that a \$1 investment in CIS leverages up to \$37 in private funding. In light of Michigan's focus on education reform, which includes a commitment to educate all students until age 18 or graduation, funding for programs like CIS that leverage community resources to improve student performance need to be a high priority. Michigan's Children recommends that you include \$200,000 to support CIS in Michigan, the FY09 funding level for this critical program

In closing, we respect the tough choices that you need to make, and ask you to remember that the state budget is the vehicle through which you will express what we value most as a state. We trust that you

will make decisions that reflect first and foremost the needs of the most vulnerable children who will ultimately determine the state's future.

Again, thank you for this opportunity to have input into the budget process. I am available to address questions now and throughout the budget process. Please feel free to contact me at 517/485-3500 or by e-mail at jack@michiganschildren.org