

# Never Again

Michigan's Babies, Toddlers and  
Pre-Schoolers on the Precipice

*December 15, 2009*



## Young Children and Families Damaged by Disinvestment

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**D**uring the long and tortuous debates over the fiscal year 2010 state budget, lawmakers adopted deep cuts in services for children and families. Even deeper cuts were proposed that would have crippled the state's ability to serve its youngest and most vulnerable citizens, and thwarted efforts to rebuild Michigan's economy.

In the middle of the night of October 1, 2009, the first day of the state's fiscal year, the Michigan Legislature passed a 30-day continuation budget, after failing to reach a compromise on how to resolve a \$2.8 billion budget deficit. That extra time was marked by intense and bitter partisanship at the expense of children and vulnerable adults. The end result was deep cuts in early childhood services.

The final budget agreement damaged young children and their families in multiple ways by reducing access to health care and child care, closing preschool doors, weakening public schools, and eliminating vital mental health services. Included in the final budget were:

- A 50 percent cut in the competitive Great Start School Readiness preschool program, denying 2,200 low-income children the early education that would help them enter school on a level playing field.
- A cut of \$136 million in child care subsidies for low-income working parents, including reductions in reimbursements for many relatives and aides providing child care services.
- Deep cuts in reimbursement rates for Medicaid providers, jeopardizing access to care for more than 800,000 Michigan children—a third of *all* children in the state—insured by Medicaid. More than half (54%) of Michigan children under the age of one are covered by Medicaid.
- Cuts in already inadequate mental health services for children and their parents, at a time when an estimated 10 percent of young children suffer from social-emotional problems but only one percent receive mental health services.
- The further fracturing of Michigan's public health system, including cuts in programs to prevent infant mortality and lead poisoning.
- Continued deep cuts in family preservation and support programs, including home visiting programs and other supports to help parents become their children's first and best teachers.



- Devastating cuts for the state's school districts and Intermediate School Districts (ISDs), meaning that children will not only be less prepared for kindergarten, but will be entering woefully underfunded schools that are less ready for them. Cuts in education funding also make it harder for school districts and ISDs to continue to invest in the early childhood programs that are the foundation for educational achievement.
- A 12 percent cut to the state's Great Start Collaborative network, which is working across Michigan to coordinate, streamline and provide new accountability, funding and public support for an early childhood system for young children and their families.

## Could 2011 Be Worse?

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*The fiscal year 2011 budget looms as even more disastrous for young children.* While the cuts made in the current year budget were harsh, there is agreement that next year's budget will be worse, in part because federal stimulus dollars, which were used to substantially soften the blow this year, will be depleted. Experts agree that state revenues will not increase sufficiently by fiscal year 2011 to make up for the loss of the temporary federal stimulus dollars, and Michigan will face a funding "cliff" that could affect all state-funded services.

In anticipation of a \$2.1 billion budget shortfall in fiscal year 2011, state department directors have been asked by the Governor to prepare budgets for next year that reduce state services by 20 percent.

The best predictor of the types of cuts that might be proposed to balance the fiscal year 2011 budget are those that were placed on the table this year, but not adopted.

Among the cuts offered up for fiscal year 2010, unthinkable in years past, were more than \$300



million in reductions for early childhood programs. Many of those early childhood cuts were adopted by the Michigan Senate, even though they would have placed Michigan out of compliance with federal regulations and threatened the loss of hundreds of millions of dollars in federal matching and stimulus funds—at a time when Michigan can ill-afford to turn away a single federal dollar. Included in the Senate budget were the following:

- The complete elimination of the Great Start School Readiness Program, Michigan’s preschool program for 30,000 at-risk 4-year-olds, potentially placing Michigan in the backwaters among states in terms of its commitment to early education.
- A reduction of more than \$85 million in child care supports for low-income working families, including cuts in child care provider reimbursements, which are already below 1999 market rates.
- The elimination of funding for child care quality improvements administered by the Early Childhood Investment Corporation, including funding for local Great Start Collaboratives that are leveraging local funds to improve outcomes for young children and their parents in the communities where they live.
- The elimination of funding for programs to support families and prevent child abuse and neglect, including the 0 to 3 Secondary Prevention program, and the Great Parents/ Great Start program.

## Why Were Early Childhood Programs Targeted?

Much has been written about the reasons for Michigan’s budget woes and for the political stalemates that have ensued. Among the explanations: a national recession, an unprecedented collapse of the auto and manufacturing industries in Michigan, an outdated tax system, the lack of bipartisan cooperation, term limits, and failures in

leadership. While all may be contributors, looking forward, the more important questions for parents and communities are:

*Why, when lawmakers were faced with the difficult task of prioritizing state expenditures and reviewing revenue options, was there the political will to cut early childhood programs?*

*Why would early childhood services fail to be a top priority for lawmakers when voters support them, and there is irrefutable scientific evidence of their importance for children’s development and economic prosperity?*

*What must we do to make sure that this never happens again?*

The annual budget is the single most powerful expression of the state’s priorities. During the budget process, lawmakers allocate the state’s increasingly scarce resources according to executive and legislative priorities—priorities that presumably *reflect the wants and needs of their constituents.*

*This year, cuts were made in early childhood programs despite strong public support for investments in young children.* A recent poll of Michigan voters shows that:

- Most voters (83%) see early childhood development and education programs as an absolute necessity for their community.
- The majority favor making the funding investments necessary to ensure that all children arrive at school ready to learn, even if it increases their taxes.
- Three-quarters say it is personally important to them to protect early childhood development and education from funding cuts.
- A majority of voters would cast their vote based on a candidate’s position on early childhood investments.



While Michigan's economic and budget problems are especially severe, many other states have held the line on early childhood programs despite declining revenues and budget shortfalls. A study by the Pew Center on the States pointed to Illinois, Ohio and Michigan as states where "a failure to make tough choices that put proven programs ahead of politics will cost thousands of young children the opportunity to enter kindergarten better prepared." The report concludes that early childhood cuts in those states "leave families without essential supports and lead states astray from the path to recovery."

## Why Such Disinvestment Must Never Happen Again

***Our children can't wait for Michigan to get its fiscal house in order.*** In fact, too many young children in Michigan are failing to thrive, which will further fuel health care, education, law enforcement, corrections and other costs borne by taxpayers. Michigan's future is clearly at risk given that:

- One of every five young children in Michigan lives in poverty, and it is well documented that poverty in early childhood has the most devastating long-term effects.
- One in five infants is born to a mother who had no access to prenatal care, and one in twelve is low-weight at birth, putting them at risk for serious health problems and disabilities.
- As Michigan's economy faltered, the number of young children who are uninsured rose by nearly 70 percent in a single year, up from 4.6 percent in 2006 to 7.8 percent in 2007.
- An estimated 8 percent of Michigan infants and toddlers under the age of 3 are at risk of developmental delay, but only one-third of those children are being served by the state's early intervention system, Early On, because of the lack of state investment. As families are under increasing stress, more children are confirmed victims of child abuse and neglect—an increase of 14 percent between 2000 and 2007—and more than half of those victims are under the age of 6.
- Too many low-income parents must settle for child care of low or unknown quality because of inadequate public child care subsidies. The failure to increase provider rates over the last decade has limited the child care choices of low-income parents and reduced dramatically the availability of licensed care.

- Forty-five percent of Michigan children are born to single women, heads of households in poverty.

***Failing to invest early affects children's health, development and ability to learn and succeed.*** The science behind the importance of early childhood and early intervention is well known and unassailable.

- **Neuroscientists** have shown that children's earliest experiences alter the architecture of their brains in ways that permanently affect their health, learning and development. In fact, 80 percent of the intellectual and emotional "wiring" of the brain takes place by the time a



child completes the third year of life, making early childhood a unique window of opportunity for the positive experiences that will form the foundation for lifelong learning and success. Brain scientists agree that for the most vulnerable children, later remediation will produce less favorable outcomes and cost more than early interventions.

- **Social scientists** have documented through four decades of research and evaluation that a limited number of critical supports for young children and their families can have long-term benefits. Included are: access to basic medical care for pregnant women and children; home visits and other supports for new parents; participation in high quality early education programs that include Parents as Partners; and intensive services to prevent child abuse and neglect in families under stress, including mental health and substance abuse services. While no single program approach is a magic bullet, communities that can offer these supports to young children and their parents can be assured of a significant return on investment.

***Michigan's economic future hinges on the investments it makes now in its youngest children.***

***There has never been so much at stake.*** The top priority for Michigan lawmakers in 2010 and beyond will be the righting of Michigan's economic ship. Michigan has suffered through the bankruptcy of two of the Big Three automobile companies, the highest unemployment rate in the country, and the loss of approximately a quarter of the state's jobs. Michigan, once a relatively high income and

prosperous state, was ranked 37<sup>th</sup> in per-capita income in 2008. Without bold action, Michigan is expected to be among the 10 poorest states when 2009 data is released.

The research is clear: the single best predictor of economic prosperity is a state's success in educating and preparing its workforce, and the path that holds the greatest promise for educational achievement is the investment in young children.

Experts are increasingly recognizing that child development is the foundation for economic development. A growing number of economists and business leaders, including heads of Fortune 500 companies, the Federal Reserve Bank, and Nobel Prize-winning economists, now point to the importance of early childhood investments. The bottom line: early childhood programs can generate government savings and produce returns to society that exceed public investments. The savings accrue from lower costs related to such public services as foster care, emergency room utilization, and special and remedial education. Additional benefits come from increases in high school graduation rates, lower unemployment, higher earnings, and reductions in welfare dependence and crime.



***Michigan is at a critical crossroad as it moves into the 2010 elections, and the decisions made by elected officials in the next year will shape the state's future.*** The cuts and continued threats to early childhood services

made by lawmakers this year were out of step with both the research and the expressed priorities of constituents. The Governor's fiscal year 2011 budget will be released in February of 2010, and the current Legislature will then begin to grapple with the state's ever deepening budget crisis in an election year that will ultimately bring in new leadership and new challenges.

Michigan cannot afford to wait for new lawmakers and leaders to learn the ropes. Children's lives and futures are on the line now, as is our future as a state. Action must be taken now to prevent this crisis from further snowballing.

## How Can We be Certain?

***First, we must not be discouraged.*** There are successes to celebrate. Many of the deepest proposed cuts in early childhood programs were *not* adopted this year, thanks to the strong advocacy of parents, local Great Start Collaboratives, educators, child care providers, law enforcement, and business and community leaders. We cannot afford to feel discouraged—there is too much to lose. Together we can make change.

***Second, we must make sure that the children affected by the cuts are not forgotten.***

Now is the time to document the impact of the cuts in early childhood programs made this year, and to make sure that elected officials—from local School Boards to the Michigan Legislature—

understand that these cuts hurt children, families and the state. Our silence now is implied consent.

***Third, we must continue to raise our voices.*** Parents, child care professionals, educators and business and community leaders need to communicate with elected officials and candidates for public office to make sure that they understand that voters in their districts support investments in early childhood and will vote accordingly.

***Finally, we must join together.*** The power of working together cannot be overstated. A single strand is easily broken, but many strands woven together form a tapestry that is strong and vital. Michigan's early childhood community is a tapestry of informed believers. They come from all walks of life and all parts of our state. By coming together, they create a voice that cannot be ignored and a force that cannot be denied. Our children deserve nothing less.

*"Never Again: Michigan's Babies, Toddlers and Pre-Schoolers on the Precipice" was commissioned by the Early Childhood Investment Corporation for the FY10 Michigan Early Childhood Challenge and written by Pat Sorenson, veteran advocate and contributor to children's issues. Pat is Vice President for Policy for Michigan's Children, a statewide independent voice for children and their families.*

