

An Open Letter...

To Governor Granholm and Members of the Michigan Legislature:

A strong nation, a strong state, and strong communities depend on strong families. Strong families raise children who carry their successes into the future.

The 2006 **Children's Agenda**, produced by the Michigan Coalition for Children and Families, focuses on how Michigan can help families and communities raise children who will carry today's successes into the future. But, the **Children's Agenda** also addresses situations that may hinder the development of children into successful adults and citizens.

This **Agenda** conforms to the values and needs of our nation and state. It conforms to research findings about child development. The principles outlined in this Agenda are supported by business and community leaders who recognize that child development is key to assuring the future strength of our nation and state.

Most importantly, the **Children's Agenda** asks Michigan policy makers to recognize how high the stakes are in assuring that every child has a chance to reach adulthood ready to succeed as an individual and as a citizen.

The debate on Michigan's economic revival must also include a dialogue on the needs of children as an important component of workforce development. Investment in the future of Michigan's children is an investment in the future workforce. **MCCF calls upon you, in 2006, to enact a budget and laws that invest in Michigan's children.**

Michigan's structural deficit limits opportunities for children and families.

The needs of Michigan's children and families continue to grow, yet current expenditures and existing resources do not fully address the infrastructure necessary to support a healthy and productive workforce. The FY 2006 marks the sixth consecutive year of significant budget deficits in Michigan. The combination of state revenues failing to keep pace with the growth of the Michigan economy, and the rapid growth of government born costs in areas such as health care and corrections have contributed to the structural deficit.

Since FY 2001, the state has been forced to address over \$8.5 billion in cumulative deficits, primarily by instituting over \$3.5 billion in program cuts and by exhausting virtually all state fiscal reserves like the Rainy Day Fund. Despite these actions, current estimates indicate that the state will face an annual structural deficit of \$500 million over the next decade.



The Michigan Constitution States:

All political power is inherent in the people. Government is instituted for their equal benefit, security and protection. (Art. I, sec. 1)

The public health and general welfare of the people of the state are hereby declared to be matters of primary concern. The legislature shall pass suitable laws for the protection and promotion of the public health. (Art. IV, sec. 51)

The legislature shall impose taxes sufficient with other resources to pay the expenses of state government. (Art. IX, sec. 1)

Workforce preparedness begins at birth!

Investment in Michigan's children is investment in Michigan's future economy and quality of life. Workforce development starts with investments in prevention services such as quality 0-5 child development and education, parenting education, pre-natal and postnatal care, support services for abused and neglected children, and school based-health services. Well-supported and healthy families will raise children who are healthy and contributing citizens.

Our failure to invest in children results in:

- The inability of communities to provide services and safe environments conducive to economic development and raising a family
- More young families dependant on public assistance and out of the workforce at a time when a growing number of our elderly are leaving the workforce
- An inadequately prepared workforce
- More youth in jail and prisons
- Increased costs for health and mental health services

Michigan must address its financial future.

Michigan cannot continue to disinvest in Michigan's children and youth and expect to have a productive, healthy workforce for Michigan's future.

A 2004 study by the Council on State Taxation found that Michigan business taxes are 9 percent below the national average and 33rd lowest in the nation. Michigan business taxes increased only 7.7 percent from 2000 to 2004, ranking Michigan 43rd lowest in the country. Additionally, the level of taxation is well below the limit set by the voter approved Headlee Amendment. The consensus of many economists is that business tax cuts at the state level have only a small impact on a state's competitiveness and economic growth. Quality of life and an educated workforce also have an impact.

Michigan leaders must consider additional sources of revenue to invest in outcomes for children.

We must revise our tax structure to adapt to the changing global economy and Michigan's future economy. There are adequate, stable and fair ways to review Michigan's revenue sources without jeopardizing future business and economic investments.

MCCF suggests that the legislature seriously consider:

- Retaining Michigan's share of the federal estate tax and apply it to estates over \$1 million—producing \$94–\$130 million annually
- Permitting recovery from estates of Medicaid recipients after a spouse is deceased—producing \$10 million annually (Michigan is the only state that does not do this.)
- Adding 1 cent to the price of a can of beer would produce an additional \$21 million annually
- Reforming Michigan's Parole policies could save \$145 million and be reallocated for prevention
- Examining outdated tax expenditures
- Expanding the sales tax base to certain services



“Over the past two decades, business leaders have invested time, expertise, and resources in efforts to improve K-12 education. What we have learned leads us to conclude that America's continuing efforts to improve education and develop a world-class workforce will be hampered without federal and state commitment to early childhood education.”

Source: Education Excellence, Michigan Chamber Foundation, Corporate Voices for Working Families, and the Business Roundtable, 2004.

Michigan must invest in its workforce beginning at birth to produce a competent and superior workforce. The MCCF calls upon you, whom we have entrusted to make sound investments of our tax dollars, to invest in Michigan's future—invest in children!

Investment in Early Years

- Early prenatal care
- Infant mental health and other home visiting services for expectant parents and families with infants and toddlers
- Quality early childhood education and care for children age 0-5 years
- Services to prevent expulsion from child care
- Parenting Education
- Prevention of lead poisoning in homes and child care settings

Investment in Basic Health Services

- Enrollment in public and private health insurance and care for children through age 18 and pregnant women
- Access to community and school-based primary preventive health care
- Reduction in unintended pregnancy through comprehensive family planning counseling for adults, and age appropriate education and services for youth
- Special health care services and respite care for children with special needs
- Early intervention services for children and youth with mental health needs

Investment in Family Preservation Services

- Prevention of domestic violence
- Prevention of abuse and neglect by connecting families to supports beginning at birth
- Access to respite care for families with children with special needs
- Prevention of and reduction in out-of-home placement through better use of mental health services, parenting education, Families First, Kinship care, and Family to Family strategies
- Statewide, coordinated post adoption support services
- Prevention and treatment of substance abuse

Investment in School-based and School-aged Services

- Quality education based upon a child's needs
- Comprehensive school health programs and curriculum
- Access to before and after school and other youth development activities in quality, supervised settings

Investment in Adolescents Preparing for Adulthood

- Educational access for all youth up to age 18 including alternative education, vocational training, GED, and Michigan Virtual University
- Quality placements, transitions and supports for vulnerable populations including abused children, teen parents, youth aging out of foster care, runaway and homeless youth, and youth leaving the juvenile justice system
- Access to alcohol, tobacco, and other drug prevention programs and treatment services
- Access to evaluation and treatment of mental health needs for youth

Investment in Family Support and Economic Development

- Subsidized child care at market rates
- Decent, affordable housing that provides stability
- Access to job training and education for low-income parents
- Adequate wages to sustain a family
- Income supports for low-income families including Earned Income Tax Credit (EITC)
- Opportunities to develop assets such as Individual Development Accounts (IDA)

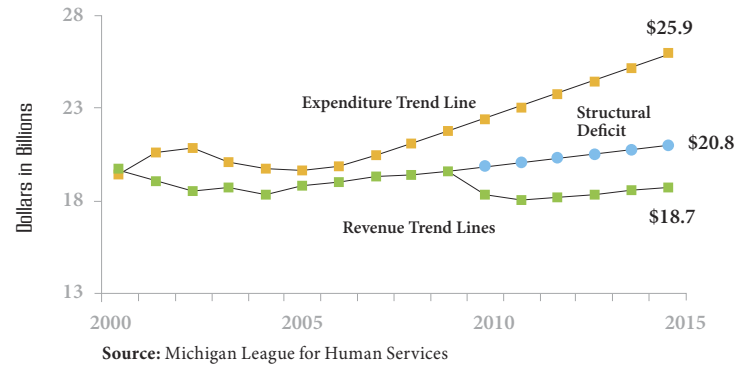
Investment in Coordination of Systems

- Support for community collaboratives to facilitate efficient and effective service development for children and their families
- Connections between services for children of all ages that promote health, social emotional development, literacy, and self-sufficiency
- Coordination of state, local, public, and private funding to maximize resources
- In-home, community-based services for children and families that address the developmental, emotional, and mental health needs of children



Members of the MCCF, representing 70 diverse organizations and individuals, call upon our elected officials and business leaders to support investments in children from birth to create the premier workforce Michigan requires to compete in the global economy.

Ten Year Forecast of Michigan General Fund & School Aid Revenues and Liabilities



- The expenditure trend line assumes inflation adjusted average annual growth of 3 percent.
- The revenue trend line assumes average annual revenue growth of 1 percent beginning in FY2006.
- The alternative revenue trend line reflects the loss of approximately \$2 billion in revenues associated with the sunset of the Single Business Tax in Calendar Year 2010.

Six years of declining state revenue has resulted in:

- Fewer children and youth having access to community-based mental health services
- Fewer after-school programs to guide adolescents away from unproductive behavior on the path to juvenile detention and prison
- Many children unable to participate in the early childhood services they need to succeed in school
- Many families and children subjected to abuse, neglect, domestic violence, and substance abuse
- Less government oversight and accountability to protect the health, safety, and well-being of Michigan's children and families
- Fewer children getting vision and hearing screenings
- Elimination of vital prevention programs

A recent study entitled, *Are Public Expenditures Associated with Better Child Outcomes in the U.S? A Comparison Across 50 States*, from six renowned universities found "that public expenditures on children are related to better child outcomes across a wide range of indicators including measures of child mortality, elementary school test scores, and adolescent behavioral outcomes." The authors found "A leading rationale for public expenditures on children is that today's investments will yield future returns by producing a healthy and productive workforce."

Source: Harknett, et al, *Analyses of Social Issues and Public Policy*, Vol.5, No. 1, 2005, pg. 103

Workforce preparedness begins at birth!

"Public investment in children pays off. Research has shown that quality pre-school for three and four year old children of parents living in poverty result in reduction of public costs and increased earnings totaling \$17 for every \$1 invested."

Art Rolnik, Senior Economist,
Federal Reserve Bank of Minneapolis

"Every \$100 spent in Medicaid expenditures per child is associated with a 1.9 percentage point decrease in the child death rate."

Harknett, et al, p.113

MCCF 2006 Membership



Organizational Members

Arab American and Chaldean Council (ACC)
 Association for Children's Mental Health
 Boys and Girls Republic
 Camp Fire USA—West Michigan Council
 Catholic Social Services of Grand Rapids
 Center for Civil Justice
 Child Abuse Prevention Services
 Child & Family Services, Capital Area
 Child and Family Services of Northeast MI
 4C of Detroit/Wayne Co., Inc.
 Child Care Resources Kalamazoo Regional 4C
 Children's Charter of the Courts of Michigan
 Children's Trust Fund
 Citizen's Alliance on Prisons and Public Spending
 Citizen's Alliance to Uphold Special Education (CAUSE)
 Community Assessment, Referral and Education (CARE)
 Comprehensive School Health Coordinators Assoc.
 Covenant House Michigan
 Eagle Village
 Early Success—Right From The Start
 The Family Center of Grosse Pointe & Harper Woods
 Farmington Hills Youth and Family Services
 Fight Crime: Invest in Kids—Michigan
 High/Scope Educational Research Foundation
 Holy Cross Children's Services
 Kent Regional 4C
 Lutheran Social Services of MI
 Michigan 4C Association
 Michigan Association of CMH Boards
 Michigan Association of Community/Adult Education
 MI Assoc. for the Education of Young Children
 Michigan Association for Infant Mental Health
 Michigan Association of School Administrators
 Michigan Association of School Boards
 Michigan Association of United Ways
 Michigan Coalition Against Domestic and Sexual Violence
 Michigan Council for Maternal and Child Health

Michigan Council on Crime and Delinquency
 Michigan County Social Services Association
 Michigan Education Association
 Michigan Environmental Council
 MI Federation for Children and Families
 Michigan Head Start Association
 Michigan League for Human Services
 Michigan Network for Youth & Families
 Michigan Primary Care Association
 Michigan Protection and Advocacy Services
 Michigan Public Health Association
 Michigan's Children
 MSU Extension
 National Association of Social Workers—MI
 Oakland County Child Care Council
 Prevention Network
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For more information, call 517.482.5807 or 1.800.330.8674
 or visit www.MCCF.org

"I've come to see that it is simply not good enough to focus solely on having a great business sector. If we only have great companies, we will merely have a prosperous society, not a great one. Economic growth and power are the means, not the definition, of a great nation."

— Jim Collins, *Good to Great and the Social Sectors*

Michigan Coalition for
 Children and Families

Children's Agenda 2006

Workforce preparedness
 begins at birth.
 Creating a skilled workforce
 for Michigan's new economy.

