

## **CREATING SOLUTIONS: A State Budget Forecast and Policy Forum**

### **Presentation by Linda O'Neal, Executive Director, TCCY**

Over the past two decades Tennessee has created solutions of public-private and state-local partnerships to implement essential "infrastructure" services for children, families, seniors and vulnerable Tennesseans – basic public supports developed in our child welfare, education, health, human services, juvenile justice, mental health, disability and home and community-based services systems. These services and supports are interrelated, so weakening public structure resources in one system erodes the strength of the foundation in all systems.

Federal stimulus funds and/or state reserves are currently helping to maintain many of these services. As you learned in the earlier presentations, projections indicate it's likely to be several years before the revenue situation improves sufficiently to reduce the current challenges faced in making budget decisions, so we must be diligent in identifying ways to maintain these services.

Elected leaders in Tennessee wisely established substantial Rainy Day and TennCare Reserve Funds, which are maintaining basic services and supports, providing children with opportunities to thrive and become productive citizens. The budget handout you received today lists important programs in many departments that currently receive non-recurring dollars from federal stimulus or state reserve funds. Many other services are funded with federal dollars received due to enhanced federal matching rates that will also expire.

These services and supports enable children to remain with their families, be healthy and supported in their homes and communities, succeed in school and become part of Tennessee's economic engine of the future. They do this by improving health and education opportunities and helping to reduce child abuse and involvement with child welfare and juvenile justice systems. If these services are abolished, there will be more children who fail in school, have mental health and substance abuse problems, and come into state custody, and fewer children who are prepared to be active citizens and contributing adults. Preserving the foundation of partnerships supporting children and families helps maintain essential services and supports and also allows hundreds if not thousands of people employed to provide these necessary services to contribute to the recovering economy of our state.

In 2008, TCCY was assigned responsibility to lead Resource Mapping to document expenditures for services for Tennessee children. The purpose of Resource Mapping is to develop a clearer understanding of services and programs for children across the state to better inform the Governor and members of the General Assembly in developing policy, setting goals and making decisions regarding allocation of funds. Data analysis for the 2010 report reveals the state's heavy reliance on federal funding for essential services and supports. Of the total FY 2007 and 2008 expenditures for children and families, two in every three dollars spent were federal dollars. A preliminary review indicates approximately one of every three of the state dollars was essential to match or meet maintenance of effort requirements so Tennessee could receive those federal funds. This means a total of almost four in every five dollars spent on Tennessee children and families (79 percent in 2009 and 78 percent in 2010) was either federal funding or required to receive those federal funds. Tennessee must prioritize providing state matching and

maintenance of effort dollars to maximize the opportunity for departments to use available federal funds crucial for services and supports for children and families.

Resource Mapping also revealed a relatively small proportion of overall funding in Tennessee is focused on prevention or early intervention. As would be expected, data also indicate the costs for prevention and early intervention programs are substantially less per child than intensive interventions, and they have the potential to reduce the number of children whose circumstances progress to the need for higher levels of services. They are not only cost-effective for the state, they are more humane for children and families when they prevent or address problems before they escalate to crises. Unfortunately, many of the most endangered public-private and state-local partnerships providing essential services and supports to help children and families are prevention or early intervention services and are funded with non-recurring dollars.

The period of early childhood is the cornerstone for positive brain development and the development of social and emotional well-being in children, including impulse control. Early experiences affect the architecture of the developing brain. The quality of the architecture establishes either a sturdy or fragile foundation for all the development and behavior that follows, and getting it right the first time is easier than trying to fix it later. Without sound “hard wiring” in brain architecture in the early years, we will continue to see school failure, school drop-out, and juvenile and adult crime problems in our communities. Brain development research makes it clear the most significant time for investing in children is during the early years, and research shows quality early childhood programs and experiences promote healthy physical, cognitive and socio-emotional development of children.

As part of a comprehensive and coordinated early childhood system of care, home visitation programs can provide families with much needed support, including education, health and mental health. These voluntary programs provide services appropriate to the needs of individual families, offering guidance and support in the home environment. While there are several different program models with varying goals and services, in general they combine parenting and health care education, child abuse prevention, and early intervention and education services for young children and their families.

Quality home visitation programs are one of the most important things the state can do to improve long-term outcomes for vulnerable young children, high-risk infants, and high-risk families, but the Child Health and Development and Healthy Start programs are at risk. These programs could be instrumental in reducing premature and low-birth-weight babies, infant mortality and child abuse, improving immunization rates, and increasing parental understanding of the developmental needs of their children. Quality home visitation programs are a sound long-term investment in the future of Tennessee.

Reducing infant mortality in Tennessee requires a broad collaborative effort of state-local and public-private partnerships. The Department of Health plays an important role in these efforts and in recent years, the Governor’s Office of Children’s Care Coordination has supported important evidence-informed community initiatives to reduce infant mortality. Aggressive efforts are needed to improve maternal health and reduce premature and low-birth-weight babies and infant mortality. Even with improvements in recent years, Tennessee continues to rank in the bottom 10 in the nation on both low-birth-weight babies and infant mortality.

Preservation of quality Pre-K early childhood education programs in Tennessee is essential. Existing Pre-K classes serving almost 18,400 children have been protected in the tight budget years Tennessee has recently experienced. However, the state still only provides Pre-K classes for less than 40 percent of the at risk young children in Tennessee, so more classes are needed when the economy improves.

Studies indicate every dollar spent on quality early childhood education for low income children saves up to \$17 in cost avoidance for undesirable outcomes like unnecessary special education, repeating grades in school, school dropout, teen pregnancy, crime and juvenile delinquency, substance abuse, and long term welfare dependency. Adequate early childhood education programs increase the likelihood children will enter school with the social, emotional and cognitive skills they need to learn, and advances in brain development research reinforce the critical need to provide quality early childhood education programs, especially for disadvantaged children.

There is a convergence of the best interests of children and the state's long-term economic best interest in identifying a way to fund Pre-K and home visiting programs for all at-risk children. It would be a sound investment for a stronger, healthier, better educated workforce and safer more prosperous families and communities.

Other important infrastructure funded with non-recurring dollars include supportive services for children in state custody and their families, support for relatives who take care of children to avoid state custody, adoption support services, juvenile court prevention and community intervention programs to reduce the need for state custody, and mental health services.

Important resources that help children succeed in school, like Family Resource Centers, bullying prevention provided through Safe Schools, and Coordinated School Health Programs that address the physical and mental health needs of children, help reduce childhood obesity and contribute to improved academic progress are also at risk.

Potential budget reductions would seriously erode the foundation of these partnerships and reduce the opportunity for Tennessee children to receive the services and supports necessary for success in school and in life.

The next governor and Tennessee legislators must work together with all Tennesseans to provide the resources necessary to continue basic partnerships supporting children and families. Maintaining these partnerships, services and supports is essential for maintaining Tennessee's overall quality of life. Good stewardship demands we find a way to continue these vital services until the economy recovers.

Our legacy cannot be one of dismantling the public-private and state-local partnerships, the infrastructure of services for children and families in Tennessee. We can and we must ensure they survive to provide a foundation for a brighter, more prosperous future for the state.