The Michigan Early Childhood Business Plan

Preschool & early childhood strategies make great business sense. Here's how you can lend a helping hand.
The Children’s Leadership Council of Michigan, whose members are business leaders from across Michigan, is committed to ensuring that all Michigan children arrive at school healthy and ready to learn. The Council’s policy agenda:

- Continue to hold young children harmless as the state budget is balanced. Should the financial condition of the state improve, we urge greater investment in early childhood initiatives.

- Hold accountable the new Office of Great Start for setting goals and measuring outcomes and assessing the impact and effectiveness of early childhood programs.

- Assure that all 4-year-olds who meet eligibility requirements for publicly funded pre-school are enrolled.
We, the undersigned, are Michigan business leaders who firmly believe that our state must act with new commitment and urgency to ensure that all Michigan children arrive at school ready to succeed.

We believe that early childhood initiatives are among the most responsible, high-return strategies our state can pursue toward a talented, globally competitive future workforce.

A high-quality, globally competitive workforce depends on talented learners. The first key marker of student success is grade-school reading proficiency. And grade schoolers become proficient readers if they enter kindergarten healthy and ready to learn.

Many of Michigan's children are not on this clear path to prosperity. Seven out of 10 fourth graders are not proficient readers. One out of three kindergartners is not fully prepared to learn when entering school.

Michigan can and must clear these roadblocks to prosperity. To this end, we call on state policymakers and local school officials to:

1. **Offer publicly funded preschool to all 4-year-olds who are eligible.** Currently, Michigan has slots for only about half of the eligible four-year olds. Approximately 38,000 four-year-olds are shut out of preschool every year.

2. **Strengthen efforts to assure the healthy growth of 0-3-year-olds.** The first 1,000 days are critical to a child's brain development. Right from birth, children must be raised by parents and other caregivers who have the supports they need to be their children's first and best teachers. To this end, we support expansion of evidence-based programs for 0-3-year-olds and their families, particularly home visiting, for at-risk infants and toddlers.

There are many ways to achieve these goals. Rather than debate or endorse any specific proposals, we simply demand that early childhood become much higher budget and policy priorities until the two goals above are met and school readiness and grade-school reading proficiency greatly improve. This is a statewide imperative-- from the governor's office, to the legislature, to local school boards, to our own business and professional associations.

It is just good business, with very high return on investment. For every $1 invested in high-quality pre-school and evidenced-based early childhood programs, Michigan taxpayers save several dollars in reduced costs for welfare, criminal justice, grade repetition for students and other savings.

The need for urgent action is clear. As business leaders, we must look to the bottom line for Michigan's future economy. Early childhood is a great investment in Michigan's future.
**THE BUSINESS CASE FOR PRESCHOOL EXPANSION**

**HIGH RETURN ON INVESTMENT:** High-quality preschool, especially for four-year-olds from at-risk, low-income families, is a proven strategy for building the globally competitive talent Michigan needs now and in the future. Preschool helps lead to kindergarten readiness, grade-school reading proficiency, and student success beyond. *When taxpayers invest in preschool, they actually save roughly seven dollars for every dollar invested.* How? Fewer kids repeating grades in school. Fewer dropouts. Fewer crimes and prison inmates. Lower welfare costs and higher lifetime earnings as preschool launches students to greater life success.

**UNMET NEED IN MICHIGAN:** Governor Rick Snyder’s fundamental education success benchmark is grade-school reading proficiency. *But seven in ten Michigan fourth-graders are not proficient readers.* Michigan taxpayers now spend roughly $100 million per year to provide publicly funded preschool for at-risk four-year-olds. Federal funds also provide some seats. But these combined state and federal programs fall way short. *Some 38,000 at-risk four-year-olds – nearly half of those eligible – are not in preschool due to funding shortages.*

**LEADING APPROACHES:** Michigan’s state-funded Great Start Readiness preschool program greatly improves school readiness - research shows children in this program perform much better in reading and math in school and repeat fewer grades than their peers who do not attend preschool. Yet only 16 percent of Michigan four-year-olds are enrolled. *We’re losing ground.* A decade ago, enrollment was 19 percent. *Other states do much better:*

- **Oklahoma** enrolls a nation-leading 71 percent of four-year-olds in state-funded preschool offered through 98 percent of the state’s school districts. **Georgia** has used state lottery proceeds to provide preschool to more than one million children since 1995. Fifty-five percent of Georgia four-year-olds are in state-funded preschool, including many full-day offerings led by certified teachers. **New Jersey**’s Abbott preschool program serves 80 percent of eligible children in 31 low-income school districts across the state. Abbott preschoolers outperform peers in grade school math, comprehension and vocabulary skills.

**POTENTIAL SOLUTIONS FOR MICHIGAN:** Providing seats to all Michigan four-year-olds who are eligible for publicly funded preschool would cost approximately $130 million more per year. There are many ways to do so. Without endorsing specifics, the Children’s Leadership Council of Michigan raises the following examples of some of the choices policymakers have:

- Dedicate future state tax revenue growth to preschool/early childhood initiatives.
- Find efficiencies in other programs and re-allocate savings to preschool/early childhood.
- Commit one percent of statewide K-12 funding to preschool/early childhood expansion. Develop a “Race for the Tots” competition for schools and other service providers to fund best practices and innovations.
- Enable regional enhancement millage votes on local preschool/early childhood initiatives.


6 Calculation by Public Sector Consultants based on data from Michigan’s Children and the Michigan Department of Education.


13 Calculation by Public Sector Consultants based on data from Michigan’s Children and Michigan Department of Education. Calculation based on a cost per child of $3,400.
HIGH RETURN ON INVESTMENT: The foundation of many skills needed for 21st-century jobs is established in the earliest years of life. Young children’s brains develop 700 synapses—neural connections that transmit information and support learning—every second. By age 3, a child’s brain has reached more than 85 percent of its adult weight. A strong foundation in the early years improves the odds for positive outcomes and a weak foundation increases the odds of problems later in life. So, preschool alone is not enough to assure at-risk toddlers get the strong start they need to be ready to learn when they enter kindergarten. Additional efforts aimed at children aged 0-3 generate significant return on taxpayer investment. Proven home visiting programs, which pair at-risk families with trained professionals who provide vital information and support, are especially important. At-risk children whose parents participate in voluntary home visiting programs have been shown to have higher cognitive, vocabulary, reading and math scores by age six. Over the long term, beneficiaries of home visiting programs have higher likelihood of graduating from high school. And mothers in home-visiting programs have shorter stays on welfare and better employment prospects. Early childhood programs do not replace good parenting, rather they help complement and strengthen parenting,” says leading Michigan economist Tim Bartik.

UNMET NEED IN MICHIGAN: Several evidence-based home visiting programs for parents and their infants and toddlers improve children’s health and provide at-risk parents with tools to help their children learn, avoid abuse and neglect and get quality health care. For example, at-risk children who participated in one high-quality, voluntary nurse home visiting program had better cognitive and vocabulary scores by age 6 and higher third-grade grade point averages and achievement test scores in math and reading than the control group. But the unmet need is considerable. There are 350,000 Michigan children aged 0-5 who live in low-income families. A small fraction of them benefit from home visiting, which serves about 31,000 Michigan families per year. Meantime, one out of three infants and toddlers have not received the full rounds of immunization shots. Infant mortality in Michigan is higher than the national average. And child abuse and neglect cases in the state rose 16 percent over the past decade.

LEADING APPROACHES: Illinois dedicates 20 percent of some $380 million in annual early childhood funding directly to programs for at-risk infants and toddlers. Nebraska developed a $60 million private-public endowment for programs for at-risk infants and toddlers. Kansas uses tobacco settlement and other revenues for an early childhood block grant, with one-third of the funds specifically dedicated to programs for at-risk infants and toddlers.

POTENTIAL SOLUTIONS IN MICHIGAN: There are many ways for Michigan to provide more comprehensive home-visitation and other programs for at-risk infants and toddlers. Without endorsing specifics, the Children’s Leadership Council of Michigan raises the following examples of some of the choices policymakers have:

- Dedicate future state tax revenue growth to preschool/early childhood initiatives.
- Find efficiencies in other programs and re-allocate savings to preschool/early childhood.
- Commit one percent of statewide K-12 funding to preschool/early childhood expansion. Develop a “Race for the Tots” competition for schools and other service providers to fund best practices and innovations.
- Enable regional enhancement millage votes on local preschool/early childhood initiatives.


Harvard Center for Developing Child


Ibid.
YES! I ENDORSE THE MICHIGAN EARLY CHILDHOOD BUSINESS PLAN

Name: ____________________________
Title: ____________________________
Organization: ______________________
Street Address: _____________________
City, Zip Code: _____________________
Phone: ____________________________
Email: ____________________________
Signature: __________________________

I AM WILLING TO CONSIDER TAKING THE FOLLOWING ACTIONS WITH HELP FROM THE CHILDREN’S LEADERSHIP COUNCIL OF MICHIGAN STAFF:

☐ Learn: Participate in conference calls to better understand the science of how early childhood strategies lead to school readiness.

☐ Host: Host a local recruitment event to gain additional signatories for the Michigan Early Childhood Business Plan.

☐ Volunteer: Join with other business leaders in my local community to support Great Start Collaborative strategies fostering school readiness through early childhood development. Log on to www.greatstartforkids.org to learn how your business can impact local early childhood efforts in local neighborhoods.

☐ Visit: Go with the Children’s Leadership Council of Michigan on a site visit to view high-quality early childhood service providers in action.

☐ Write: Work with Children’s Leadership Council of Michigan staff to develop a guest column for publication in local media.

☐ Advocate Locally: Meet with local leaders to emphasize the business importance of early childhood. Meet with local school superintendents and school boards to brainstorm creative options for expanding preschool offerings at the local level.

☐ Advocate Statewide: Join the Children’s Leadership Council of Michigan and local Great Start Collaboratives in fall 2012 for: 1) regional business summits on early childhood; 2) early childhood advocacy efforts with policymakers in Lansing or by phone.

☐ Spread the Word: Share the CLCM’s convenient printed and video briefing materials with employees, co-workers, and other business associates.

☐ Scrutinize: Make early childhood strategy one of the prominent policy planks by which you determine support for state House, Senate and gubernatorial races in 2012, 2014, and beyond.

☐ Contribute financially: Your financial support helps build the statewide network of business leaders educated about, engaged in, and passionate for early childhood programs.

WHAT FUTURE SUCCESS LOOKS LIKE

You’ll know, as a member of the Children’s Leadership Council of Michigan Network, your efforts are working, if:

1. Gov. Rick Snyder and the Michigan Legislature greatly expand publicly funded preschool for those four-year-olds who need it most.

2. Gov. Rick Snyder and the Michigan Legislature greatly expand 0-3 early childhood programs such as home visiting, leading to statistically healthier and safer infants and toddlers who are statistically better prepared to learn when they reach kindergarten.

Business Leaders Around the Country are Speaking Up about the Importance of Early Childhood Investments for economic growth, school success and workforce development.

Ohio Business Roundtable
- A key supporter of the state’s successful 2011 Race to the Top – Early Learning Challenge Fund application.

Virginia
- Virginia executives from companies such as Capital One and Dominion include early childhood in their list of issues to raise in meetings with state policy makers. When funding cuts for home visiting programs were proposed, business leaders from 29 districts contacted their legislators. The program received a 25% increase for FY 2010.
- Business leaders helped expand early childhood coordinating councils throughout the state that have worked to improve quality and increase program access.
- Arlington, Virginia’s economic development office has made quality child care a priority: “As companies consider potential locations, child care has become a key factor in their decision process.”

Oregon
- Viking Industries founder Richard Alexander and other executives helped persuade the Oregon legislature to nearly double the state’s investment in pre-k in 2007 and make a first-time investment of $1 million in an infant and toddler program in 2010.

Vermont
- In 2011, support from the Vermont Business Roundtable helped the General Assembly pass legislation lifting the state’s restrictions on pre-k enrollment.

Business Council of Alabama
- Has made pre-k a top legislative priority and includes it in their annual policy book
- Put early education on the agenda of the “Innovative Alabama Governments Summit”

Pennsylvania Early Learning Investment Commission
- Hosts an annual economic summit on early education
- In 2011, made presentations to 75 groups to over 5,000 people on the benefits of early care and development.
- Met with all gubernatorial candidates in the last election to ensure all of them understood the value of early education
- Business group in Erie, Pennsylvania created a scholarship fund for early education, to enable children from low-income families to attend high-quality learning centers.

Los Angeles, CA Chamber of Commerce
- Advocates for state and federal funding increases for early learning and pre-k expansion.
- Helped successfully advocate for new transitional kindergarten program: Ken McNeely, president of AT&T California: “If we invest now, we can put children on the right path. If we wait 10-12 years, saving these kids becomes more expensive and may be impossible.”

Prominent Business Organizations and Business Leaders are taking a stand. All of these organizations, plus leaders at the Federal Reserve Bank, have publicly supported early childhood:
Some of the state business organizations taking a stand for the economic and workforce value of early childhood development:

- Business Council of Alabama
- Los Angeles Area Chamber of Commerce
- Executives Partnering to Invest in Children (Colorado)
- Iowa Business Council
- Iowa Chamber of Commerce Executives
- Kentucky Chamber of Commerce
- Ohio Business Roundtable
- Early Learning Investment Commission (Pennsylvania)
- Tennessee Chamber of Commerce and Industry
- Maine State Chamber of Commerce
- Massachusetts Business Roundtable
- New Mexico Business Roundtable
- Oklahoma Champions for Early Opportunities (OKCEO)
- South Carolina Council on Competitiveness
- Vermont Business Roundtable
- Virginia JobOne

“We now know that the foundation for academic and work success is established early – long before children enter the classroom. Extensive research confirms that kids who start off right – with a nurturing home environment, access to quality pre-kindergarten, adequate health care and good nutrition – are far more likely to succeed in school and become productive members of society. If we are truly committed to developing world-class talent and putting Ohio on a path to economic prosperity and growth, we must invest where the research tells us we can have the biggest impact – the early years.” - Ohio Business Roundtable, The Talent Challenge Squared

“Access to high quality early education and learning opportunities is integral to helping today’s children prepare for the highly competitive, fast-paced global economy.”
- National Association of Manufacturers

“Business is a big stakeholder in the skill level and productivity of the workforce, so it stands to reason that business should be involved in shaping the early education agenda. The war for talent will be easier if there is more talent.” - Dennis Lockhart, President, Federal Reserve Bank of Atlanta

“Quality pre-k is an important early childhood education and development issue, but it is also a critical workforce issue. That is why our Chamber supports these investments. We know that the return on today’s investments in pre-k will be a stronger workforce in the future.” - Dave Adkisson, President and CEO, Kentucky Chamber of Commerce

“If we want to ensure a bright future for our companies, one of the most important investments the business community can make is in advocating for policies that fix the cracks in our workforce pipeline. That means starting at the very beginning with high-quality early childhood development programs. When children start life off on the right foot, our entire society reaps the rewards.”
- William J. Canary, President and CEO, Business Council of Alabama

“By age 5, it is possible to predict, with depressing accuracy, who will complete high school and college and who won’t.”