

SENATE FINANCE TESTIMONY - JANUARY 24, 2011

Mr. Chairman, members of the committee,

Thank you for allowing me to speak with you today about the potential loss of the majority of Healthy Families and CHIP programs as well as the loss of opportunities for the Virginia Early Childhood Foundation.

First, let me say that I have the greatest respect for the overwhelming responsibility you carry on behalf of the citizens of the Commonwealth. Thank you for your support over the last 20 years as communities have chosen to develop Healthy Families sites and/or CHIP programs. As you know, both use home visiting as the strategy for delivering their unique services.

I know that you are aware, through recent research of the value of investing in early childhood; that there is a connection between adverse childhood experiences, such as child abuse, mental health and substance abuse and adult health problems, employability, life expectancy, public safety and security. Poverty is also a causal factor. Health care costs, remedial education, poverty, and an unprepared workforce are straining nearly every area of the state budget.

I believe that both Healthy Families and CHIP have demonstrated that our models have successfully changed the likelihood of poor outcomes for children and their parents in these areas. For example, child abuse and neglect among Healthy Families participants is **less** than 1%. Each of you received a summary of the latest outcomes earlier. CHIP has seen a 25% increase in employment among their participants after one year of services and parents have learned how to avoid unnecessary E.R. usage for chronic diseases such as asthma.

The majority of Healthy Families and CHIP programs are in great jeopardy of closing beginning July 1, 2011 because of the scheduled cuts of \$2 million and \$840,000 respectively.

Over the past 2 years, local communities have maximized the existing resources to save services. 8 programs have merged or combined administratively to save administrative expenses. Every CHIP and Healthy Families site cut positions, which has reduced the capacity to serve families. In FY10, the programs served 600 fewer pregnant women 1030 fewer children than the previous year.

Unfortunately, cuts for this fiscal year caused 2 Healthy Families sites to close. Halifax and Eastern Shore. Both communities have almost no other services for families with children 0-5.

You have 2 maps and a chart. One shows the areas of the state where Healthy Families and/or CHIP services were located at the beginning of last fiscal year. The other shows the programs that will likely remain at a reduced level. The others may not survive. As you can see, those areas are the most resource poor and have some of the highest risk factors in Virginia. They count more on your support. The chart lists the services in your districts and the likely result of funding reductions.

If funding is not restored for FY12, up to 65 localities will likely lose CHIP & HF services. The remaining 47 will operate at reduced capacity. 18 - 23 of the 34 remaining Healthy Families sites that serve 52 communities are at risk of closing.

Prevent Child Abuse Virginia and CHIP will not be able to maintain our capacity to coordinate evaluation and provide training, technical assistance and quality assurance services for the remaining programs. The Healthy Families state system has just been accredited by Healthy Families America at a cost of several thousand dollars.

All the communities with Healthy Families & CHIP sites that close will lose the opportunity to qualify for future federal funds for home visiting. (Of the 38 Virginia communities that were found to be at highest risk that can apply for the funding, 33 have either Healthy Families or CHIP programs.) Where we thought families in your communities would benefit from services to more children and families, we now see entire service delivery systems going away.

Overall, the immediate impact of these programs serving your most vulnerable children and families, is nearly 4,000 children living in more than 2,400 families left without services; and 115 program staff members newly unemployed. And, for those families in our rural communities, there are NO other agencies to which they can turn.

The Virginia Early Childhood Foundation, in which several million has been invested, has focused historically on Early Care and Education, which is the other part of the equation for building a strong foundation for children who will succeed in school and life. They are encouraging their local coalitions to broaden their focus to include home visiting and parent education. If their scheduled cuts of \$225,000 are not restored they will miss the opportunity to leverage \$1 million in additional funds which will help them expand into Prince William and Loudoun Counties, and continue to expand in Southside Virginia .

With your leadership and support, Virginia has built a strong, nationally recognized early childhood system of services. Yet, we are now in danger of setting the stage for skyrocketing costs in health care for premature babies, in remediation for children who aren't ready to learn, for more adults unable to hold a job and pay taxes.

Communities where these programs exist have created infrastructures for maintaining them that cannot be rebuilt quickly and the costs at that point, will far exceed the costs of restoring current funds.

Dr. Jim Heckman, Nobel Laureate in economics, who has researched Returns on Investment, said it best, "The question is not where to cut. The question is where to invest, and in what."

For the Commonwealth, and the communities highlighted on your maps, increasing funds for public safety, remedial education, and an unprepared workforce are not where Virginia will see the ROI.

Thank you.