



Children's Defense Fund

The Child Defender

AUGUST 2005

August 2005 issue

- New Kids Count Data . . . 2
- CDF and Dr. Phil 3
- Sabbath Manuals 6
- Health Care Chronicles . . 6

The mission of the Children's Defense Fund is to **Leave No Child Behind** and to ensure every child a Healthy Start, a Head Start, a Fair Start, a Safe Start, and a Moral Start in life and successful passage to adulthood with the help of caring families and communities.

CDF provides a strong, effective voice for **all** the children of America who cannot vote, lobby, or speak for themselves. We pay particular attention to the needs of poor and minority children and those with disabilities. CDF educates the nation about the needs of children and encourages preventive investment before they get sick or into trouble, drop out of school, or suffer family breakdown.

CDF began in 1973 and is a private, nonprofit organization supported by foundations, corporation grants and individual donations and does not accept government funds. In 1985, CDF established the St. Paul office to direct its efforts in Minnesota.

Legislative Update

Budget Makes Progress for Children, But Still Contains Detrimental Cuts

The special legislative session ended on July 13 following thirteen days of partial government shutdown, a first in Minnesota history. With no budget deal in place at midnight on June 30, the shutdown began. However, the philosophical differences that led to the impasse were apparent early in the regular session. The proposals from the House of Representatives and Governor Pawlenty included deep program cuts combined with a state-run casino (which took various forms throughout session), property tax increases, and fee hikes to fund each spending area and balance the \$466 million budget deficit. The Senate's budget proposal raised broad-based revenue, primarily through an income tax increase on Minnesota's highest earners, to avoid additional cuts to programs that are already suffering due to deep cuts in 2003.



The final budget deal hinged on a \$.75 "health impact fee" on each pack of cigarettes combined with property tax and fee increases. The proposed casino plans and income tax increases were dropped.

In addition to disagreements over whether to

Legislative Update, page 4

Life after Session: What You Can Do Now

Build on the Momentum Gained During the 2005 Session

CDF Minnesota and child advocates throughout the state sent the message this session that children and families should be a priority when setting the state's budget. CDF Minnesota encourages child advocates to continue this momentum to move Minnesota forward. Summer and fall are excellent times to meet with your legislators. Set up a meeting in your district or invite them to speak at your child

care program; PTA meeting; church, mosque or synagogue; adult education forum; neighborhood group or Jaycees meeting. All state senators and representatives will be up for re-election in 2006, so now is a crucial time to encourage legislators and candidates to support programs that benefit children. To receive specific policy information for meetings with legislators, contact Carole Spektor at 651-855-1188 or spektor@cdf-mn.org.

What You Can Do, page 5

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2005 KIDS Count Data Reveals More Children Living with Families with Chronic Unemployment

Minnesota ranks third among all states in the new national *2005 KIDS COUNT Data Book*. The publication reveals that Minnesota experienced setbacks in five of the ten measures reflecting childhood well-being, saw no change in three, and improved on only two of them. This year's report calls attention to the increasing number of children nationwide living with families struggling with chronic unemployment. These parents often face issues such as domestic violence, depression, substance abuse, and prior incarceration that make connecting to the workforce especially difficult.

The national Kids Count Data Book looks at ten core indicators of child well-being across states, as well as 20 additional health, education, and economic indicators for children and families.

Key Findings:

Minnesota experienced a 28-percent increase in its child death rate.

Between 2000 and 2002, the child death rate increased from 18 deaths per 100,000 children ages 1-14 in 2000 to 23 deaths in 2002. This 28-percent increase was Minnesota's most dramatic setback among all indicators since 2000.

Minnesota had a 13 percent increase in the percent of children living in families where no parent has full-time, year-round employment.

While Minnesota compares favorably to other

states on this indicator, this increase was more than the national increase.

Teen death rate is on the rise.

Between 2000 and 2002 in Minnesota, the death rate for teens ages 15-19 worsened by 10 percent. In 2002, 57 out of every 100,000 teens died, an increase from the 52 per 100,000 teens in 2000. Despite the increase, Minnesota still managed to rank among the top 10 states (8th in the nation).

Minnesota has nation's lowest rate of children living in households where no adult works.

In 2003, approximately 21,000 Minnesotan children lived in low-income households where no adult worked in the past year, representing 2 percent of the state's children and the lowest rate in the nation. Minnesota shared this number one spot with Vermont, New Hampshire, Utah and Wyoming. In 2003, 5 percent of the nation's children were living without an employed adult.

Teen birth rate decreases.

Minnesota's teen birth rate decreased by 10 percent from 2000 to 2002. In 2002, the teen birth rate was 27 births per 1,000 girls ages 15-19, an improvement from 30 per 1,000 in 2000. Minnesota ranks 6th best in the country on this indicator.

Free copies of the data book are available from the CDF Minnesota office. Please call our publications line at 651-855-1183.

Covering All Families Covers New Ground

Did you know...

- That kids can get free meals during the summertime just by showing up?
- That some free tax sites are open all year?
- That the 2005 Federal Poverty Guidelines have gone into effect?

If not, then you haven't visited www.coveringallfamilies.org lately!

In addition to offering a powerful eligibility screening tool, our Covering All Families website offers important updates about public programs, easy fact sheets to help you remember program details, and straightforward answers to families' questions, such as "Which programs count assets?" We're adding more content all the time to further assist you in your work with children and families. Bookmark us and stop in often!

A New CDF Collaboration with Dr. Phil to Help Youths Beat The Odds

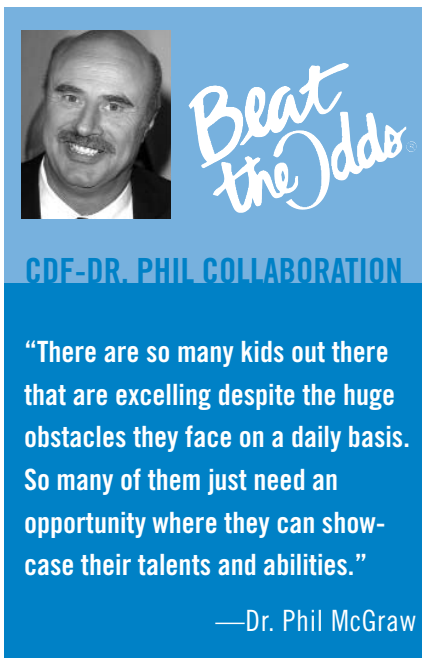
BY MARIAN WRIGHT EDELMAN

As a talk show host, Dr. Phil McGraw has earned a reputation for calling things like he sees them. Last October, when he attended and keynoted a Beat the Odds® event in Los Angeles celebrating five young people, he knew he was witnessing something special. And he was.

For 15 years, the Children's Defense Fund's Beat the Odds program has recognized the strengths and positive potential of students across the country who have achieved academic and personal success while overcoming tremendous obstacles in their lives. The award ceremonies that celebrate these youths are emotional and inspiring. Now the Dr. Phil Foundation is joining forces with CDF to expand and enrich this wonderful program for more youths.

Too often we hear about teenagers getting into trouble, dropping out of school, becoming involved with drugs or crime or gangs, or becoming parents too soon. Too seldom do we hear enough about the many young people who do well despite facing daunting problems including poverty, violence, homelessness, family breakup, parental incarceration, and substance abuse that often stand in the way of even the smallest achievements. CDF partners with school officials and community leaders across the country to select and honor students who've demonstrated academic excellence, determination to "beat the odds," and willingness not only to struggle to improve their own lives but the lives of others. I've been amazed at the number of recent winners who are raising younger sisters and brothers, some with serious disabilities, in parentless households. Each Beat the Odds winner receives a scholarship and other prizes in recognition of his or her accomplishments.

The Dr. Phil Foundation's strong commitment to improving the lives of children and families makes it a natural partner in CDF's Beat the Odds program. The Dr. Phil Foundation is funded by a variety of sources



CDF-DR. PHIL COLLABORATION

“There are so many kids out there that are excelling despite the huge obstacles they face on a daily basis. So many of them just need an opportunity where they can showcase their talents and abilities.”

—Dr. Phil McGraw

including significant contributions from Dr. Phil, his wife Robin, the McGraw family, and corporate and public contributions. Dr. Phil, Robin, and their sons Jay and Jordan are all active in the foundation and serve as ambassadors to the community of underprivileged children. “I am so passionate about the belief that we've got to give our young people a chance,” says Dr. Phil. “There are so many kids out there that are excelling despite the huge obstacles they face on a daily basis. So many of them just need an opportunity where they can showcase their talents and abilities.” The Dr. Phil Foundation has discovered that CDF's Beat the Odds program is a wonderful way to provide that opportunity to these young people.

This CDF-Dr. Phil Foundation collaboration will bolster CDF's efforts to raise public awareness about the struggles so many children face that we can and must address as parents, educators, and faith, policy, and political leaders. Dr. Phil can make many more people aware

of all of our responsibility to make a positive difference in young people's lives.

Many of CDF's former Beat the Odds recipients have made the transition to successful adulthood and are lawyers, doctors, teachers, engineers, social workers, and members of other helping professions. Their success, despite overwhelming challenges, defies a culture that tends to highlight problems and failure rather than shining examples of courage, resilience, persistence and hope.

The CDF-Dr. Phil collaboration was launched with a special Dr. Phil show on May 30 featuring 2004 Los Angeles Beat the Odds winner Melissa Frederickson. Melissa talked to Dr. Phil about her desire to make a better life for herself and her family and how she managed to rise above her parents' drug and alcohol abuse. Melissa will enter college this fall and plans to major in business. She will be helped by a \$50,000 scholarship from the Dr. Phil Foundation on top of \$10,000 provided by CDF. She dreams of becoming a sports team manager and is well on her way to making her dreams a reality. She is an outstanding example of what young people can do if they get encouragement and support from adults. I hope readers will make a commitment to encourage and help young people by letting them know you believe in them.

Marian Wright Edelman is CEO and Founder of the Children's Defense Fund and its Action Council whose mission is to Leave No Child Behind® and to ensure every child a Healthy Start, a Head Start, a Fair Start, a Safe Start, and a Moral Start in life and successful passage to adulthood with the help of caring families and communities.

increase revenue or cut spending, the House, governor and Senate were deeply divided on funding priorities, including child care and health care programs, two key issues for CDF Minnesota this session. The House and governor put MinnesotaCare and child care assistance on the chopping block despite heavy cuts to both in recent legislative sessions. Additional cuts would have jeopardized these essential supports that help ensure a safe, healthy start for children as well as economic security for families. The Senate moved in the opposite direction, proposing to restore some of the 2003 cuts in these two areas.

The Senate's leadership and the deluge of activity from advocates moved the budget debate to a more balanced approach: creating a new revenue source combined with some cuts. Overall, the final 2005-2006 budget moved in the right direction by investing in Minnesota's youngest citizens and gaining back some of the ground lost in the 2003 budget cuts. Some early education programs and K-12 education received funding increases. Public health care programs and some areas of the Minnesota Family Investment Program (MFIP) avoided new cuts. While these victories create some cause for celebration, child care assistance, which helps thousands of parents remain in the workforce while providing a safe environment for children, took another significant blow. These new cuts to child care come on the heels of cuts to the program in 2003 that have negatively impacted children and families.

Health Care

The biggest victory this legislative session, from CDF Minnesota's perspective, was avoiding proposed eligibility cuts to MinnesotaCare, a premium-based public health program for low-income working Minnesotans. If enacted, the proposed cuts would have terminated over 30,000 Minnesotans from MinnesotaCare, leaving thousands with no other options for health care. These 30,000 Minnesotans would have joined 38,000 others, including 20,000 children, who lost health care coverage as a result of the 2003 cuts. In addition to avoiding further cuts, another health care victory came in the repeal of some of the cuts enacted in 2003. These changes reinstated access to necessary, often life and death services. Specifically, the leg-



islature eliminated a \$5,000 benefit cap for childless adults on MinnesotaCare and a \$500 dental cap for all adults enrolled in any public program.

CDF Minnesota along with numerous other advocacy organizations, child advocates and concerned citizens from around the state fought to preserve these health care programs. Doubling the number of newly uninsured would have moved Minnesota even further from its tradition of creating policies that make Minnesota a national leader in child health indicators. While some lawmakers argued "health care rationing" creates savings for the state, in reality, cutting people off from health care would have cost taxpayers more in the long-run. As more uninsured patients resort to costly emergency room care, these costs are then passed on to insured consumers in the form of higher premiums.

Like any true negotiations, the budget negotiations involved much give and take. The compromises in the health care arena will result in higher out-of-pocket costs for MinnesotaCare enrollees. Premiums for all MinnesotaCare enrollees, except children under 150% of the Federal Poverty Guidelines (approximately \$24,000 for a family of three), will rise by 8%. In addition, co-payments were added for some childless adults. CDF Minnesota will monitor the impact of these new out-of-pocket costs on families. While such increases may prove a hardship for some, these costs essentially replaced proposed total loss of coverage for parents and childless adults.

Child Care

Once again, the Child Care Assistance Program (CCAP) received a significant funding reduc-

tion. This was especially disappointing after the enormous funding cuts to the program that occurred during the 2003 legislative session. A freeze on child care provider reimbursement rates was scheduled to lift June 30, 2005, which would have reinvested \$68 million in CCAP. Instead, lawmakers allocated just \$6.5 million to provide a slight increase on the frozen rate. In addition, because the 2003 legislative changes made the program so restrictive, there were 18 million in federal child care dollars remaining in the program at the end of the biennium. Many agreed that those funds should have been reinvested into the program to increase accessibility for eligible families, yet those dollars were redirected to pay down the deficit. In effect, a total \$86 million should have been slated for CCAP. Instead, legislators cut the program by \$75 million, investing just \$11 million in CCAP to minimally increase provider reimbursement rates and lower parent co-payments. This cut follows the \$137 million in cuts already enacted in 2003 (which span through 2006), thus bringing the total cuts to CCAP to \$212 million since 2003. The 2003 cuts have already forced 10,000 children off of assistance and created an unstable child care system infrastructure. The additional \$75 million cut will certainly impede access for thousands more families in need of safe care for their children while they work.

The cuts will dramatically impact many families as they face increased costs or the potential for reduced access to providers. While co-payments will decrease slightly due to a \$4 million allocation, this offers little relief to parents who received co-payment increases of up to 100% in 2003. In addition, they may face further out-of-pocket costs due to a ripple effect from the provider rate freeze. Until now, many providers who accept children on CCAP have absorbed losses associated with frozen reimbursement rates, believing a legislative promise that the freeze was a one-time cut scheduled to end this year. The legislative changes this session will provide minimal relief to child care providers, forcing many to pass on the difference between their rate and the state's reimbursement rate to families. Other providers may decide to stop caring for CCAP children all together.

Research consistently demonstrates the benefits of early investment in children. The first five years of life are the most critical for brain devel-

Legislative Update from page 4

opment and quality child care settings help prepare children for kindergarten and later life. Early investment in children also results in less future cost to society in crime, welfare and lost productivity. A recent study also showed that the number one reason parents with young children apply for MFIP is the need for affordable child care. Yet, some lawmakers continue to view CCAP dollars as an easy target for resolving budget shortfalls. CDF Minnesota and child advocates must continue to educate lawmakers that child care assistance provides an essential support that helps parents remain in the workforce and stay off of welfare while ensuring a safe environment that helps children get ready to learn.

Other Issues: Moving in the Right Direction

Early Childhood Education

While we are still far from the investment Minnesota's children deserve early in life, with early childhood education programs comprising only 1% of the state's budget, this session marks progress with restoration of some of the 2003 cuts to early childhood programs. Head Start, which was cut by \$3.1 million in 2003, received a \$4 million increase. The Early Childhood Family Education program received a \$5.5 million increase, nearly restoring the \$7.4 million cut to the program in 2003. In addition, the Minnesota Early Learning Foundation, a public-private partnership that focuses on providing quality early care and education for children most likely to lack school skills, received \$1 million from the state.



Minnesota Family Investment Program (MFIP)

An increase in the "penalty" for families receiving both MFIP and public housing assistance was not adopted. Currently, cash grants for families receiving both MFIP and housing subsidy are reduced by \$50 because these families are receiving two subsidies. The House budget proposal would have increased this penalty by 300%, from \$50 to \$200. Not implementing this cut saved families from a significant income loss; a family of three would have seen a 38% income reduction, from \$532 to \$332 per month. In addition, a 2003 change that docked MFIP grants for each person in a household receiving Social Security Income was repealed, restoring income to 1,300 households.

Renters' Credit

The House's proposal to cut the renters' credit by 44% was not adopted. The renters' credit helps 1 in 9 low-to-moderate income house-

holds offset high housing costs. If the House proposal was enacted, over 36,000 households would have lost the credit entirely and the average amount of the credit for those still eligible would have dropped by \$194.

Minimum Wage Increase

In an effort led by the JOBS NOW Coalition and labor groups, the state minimum wage increased from \$5.15 (the lowest level allowed by federal law) to \$6.15 on August 1, 2005. This puts more than \$100 million in the pockets of hard working Minnesotans, including parents who work to provide basic needs for their children while earning just \$5.15 per hour.

While it seemed inevitable that funding for children and families would suffer severe cuts in this legislative session, many of these detrimental cuts were avoided. Lawmakers heard advocates' message that Minnesota should make children and families a priority. This session provides an important reminder to all of us that every voice matters. CDF Minnesota is committed to continue partnering with child advocates to harness this energy to move beyond fighting cuts towards implementing policies that improve the lives of children and families.

2005 Legislative Scorecard

CDF Minnesota will release its legislative scorecard later this summer. The scorecard details the voting records of each state legislator regarding children's issues. Until then, if you have questions about how your legislator voted on key children's and family issues, contact Carole Specktor at 651-855-1188 or specktor@cdf-mn.org.

What You Can Do from page 1

Document the Impact of Legislative Changes on Your Community

It is important for the governor and legislators to understand the impact of their decisions. In particular, lawmakers should be held accountable for cuts to the child care program. Stories that document the impact on families are important to educate lawmakers on how their decisions impact real people. To share specific information regarding the impact of any legislative changes that affect children and families, call Beth Haney at 651-855-1174.

Participate in CDF Minnesota's Children and Family Outreach

CDF Minnesota continues to train organizations and advocates around the state to help families access public health insurance, food support and other programs for which they are eligible. Our Covering All Families website, available at www.coveringallfamilies.org, offers a quick and easy screening tool that can be integrated into routine contacts with families to make sure they are accessing all the benefits due to them. To learn about training opportunities for your group or organization, contact Andi Egbert, Outreach Director, at 651-855-

1184 or egbert@cdf-mn.org.

CDF Minnesota also works with AccountAbility Minnesota, community action agencies, and other partners statewide to raise awareness about tax credits, such as the Earned Income Tax Credit (EITC), that assist working parents. To learn how families and your entire community could benefit from the EITC, or to help establish free volunteer tax assistance sites in your area, contact Beth Haney, Research Director, at 651-855-1174 or haney@cdf-mn.org.

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The 2005 Children's Sabbath Manuals Now Available

The National Observance of Children's Sabbaths® weekend encourages a long-term commitment to helping children and families through prayer, education, and service, with this year's special emphasis on putting our faith into action.

Filled with resource materials for every faith tradition, including Jewish, Muslim, Baha'i, Unitarian-Universalist, Protestant and Catholic communities, this 250-page manual includes planning tips, worship resources, lesson plans, activity ideas, follow-up suggestions and more. Hundreds of Minnesota congregations use this resource to hold special services and events, most on the third weekend in October.

To order a free copy for use with your faith community, please contact Norma Bourland at Congregations Concerned For Children at 612-870-3670.

CDF Publishes the 'Health Care Chronicles'



Children's Defense Fund Minnesota recently published stories and data that illustrate the increasing obstacles Minnesota's families encounter when trying to maintain health care coverage and access to health care services. The *Health Care Chronicles*, distributed weekly from January through April to the legislature, media, and members of our list, matched personal stories of families struggling to maintain access to health care with data on the rising cost of health care and private insurance. It used this information to document the effects of 2003 legislative cuts to public health care programs and the

increasing number of families who find themselves forced to rely on safety net programs.

Reactions from a variety of legislators, both positive and negative, proved that the *Health Care Chronicles* were an effective tool for keeping health care on the minds of policymakers. In addition, the *Health Care Chronicles* prompted many new inquiries about Children's Defense Fund Minnesota from individuals, organizations, and the media.

To address the tremendous response the *Chronicles* received, CDF will soon release a larger, updated report describing Minnesota's history as a leader in providing access to affordable, quality health care for its children. The report identifies ways in which recent legislative decisions stall and reverse previous efforts towards health care access for Minnesota's children. Watch for the release of this report late this fall. Please contact Anne Fleming at 651-855-1178 or fleming@cdf-mn.org with any questions.