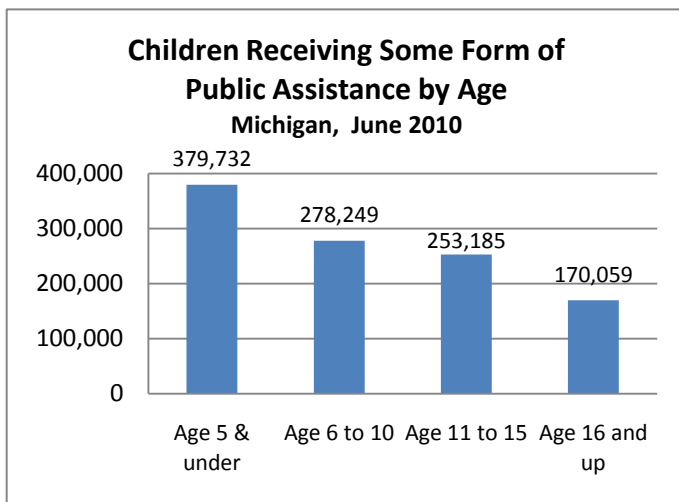


## for Child and Family Advocates

### Investments in Early Childhood in Michigan: A Summary of Family and Income Support Programs and Funding Trends June 2011

Over the last decade, programs to support at-risk parents and their young children have been cut and sometimes eliminated as Michigan has continued to struggle with its structural budget deficit. In addition, funding for many programs, and especially those intended to meet the basic needs of poor children and their families, has been stagnant, forcing more young children into deep poverty.

Of great concern have been cuts in services to prevent child abuse and neglect and strengthen families, including the Nurse-Family Partnership program, the 0 to 3 Secondary Prevention program, Family Group Decisionmaking, marriage and fatherhood initiatives, and teen parent counseling programs.



#### ***What we know about the need for family and income support programs in Michigan:***

- More than a quarter (27%) of all young children in Michigan live in poverty<sup>1</sup>, and nearly 380,000 are reliant on some form of public assistance.<sup>2</sup>
- In 2009, roughly 176,000 children in Michigan lived in families where an investigation was conducted to determine if child abuse or neglect had occurred; nearly 31,000 were confirmed victims.<sup>3</sup>

#### ***Selected programs and funding trends:***

#### **Basic needs programs:**

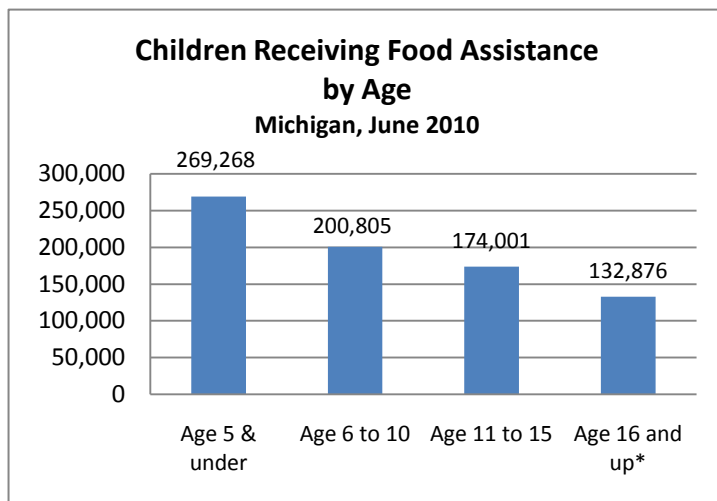
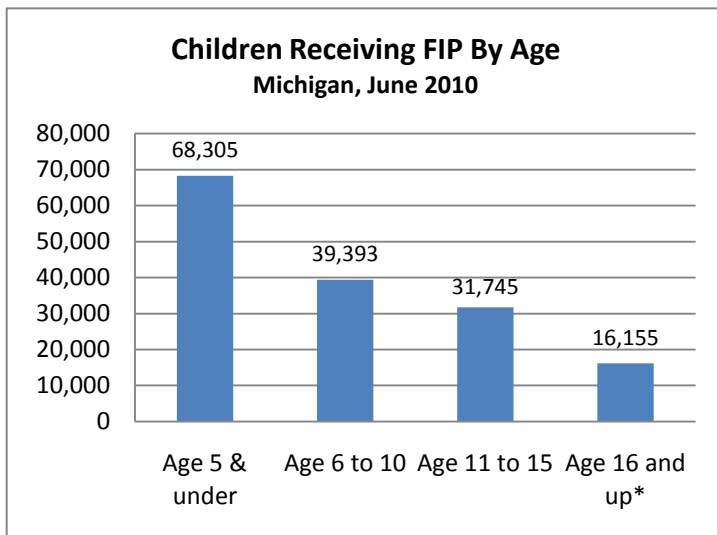
***Background:*** Because they are more likely to live in poverty and be reliant on public assistance, young children are hardest hit during a recession when families' needs grow at the same time that state revenues dwindle. The problem is particularly severe in Michigan because of the state's 10 year struggle with structural budget deficits.

While all children are disproportionately reliant on public services and supports, the youngest children—under the age of 6—are the most vulnerable. In June of 2010, over 1 million children were receiving some form of

<sup>1</sup> The Education Connection, Kids Count in Michigan 2010 Data Book, Michigan League for Human Services.

<sup>2</sup> *Distribution of Children by Age Reports*, Green Book Report of Key Program Statistics, Michigan Department of Human Services (June 2010).

<sup>3</sup> The Education Connection, Kids Count in Michigan 2010 Data Book, Michigan League for Human Services.



public assistance, including income assistance, food assistance, child care subsidies, Medicaid or disability assistance. Nearly 380,000 of those children were under the age of five.<sup>4</sup>

Young children under the age of six are much more likely to live in families with incomes so low that they qualify for public income assistance. Two of every three recipients of public income assistance—Michigan’s Family Independence Program or FIP—are children. To be eligible for FIP, families must typically have incomes below approximately \$9,780 per year for a family of three. Between 1981 and 2008, the maximum public assistance grant for a family of three, currently \$492 per month, dropped from 23 percent below the poverty line to 66 percent below. As a result, it is estimated that less than one-third of Michigan households with children living in poverty now receive the cash assistance needed to cover their children’s basic needs.<sup>5</sup>

Nearly 270,000 young children in Michigan receive federally-funded food assistance. In addition, 260,000 Michigan infants, 57 percent of all infants born in Michigan in 2010, received nutrition assistance through the federally-funded Supplemental Food Program for Women, Infants and Children (WIC) program, at a cost of nearly \$209 million.

**Funding trends:** Between fiscal years 2002 and 2011, funding for the FIP program increased from \$351 million to \$429 million, reflecting a caseload increase from 73,453 in 2002 to 81,983 in 2011. The average monthly benefit for FIP is \$434 per month.<sup>6</sup>

Greater growth was seen in the need for federally funded food assistance, where total caseloads grew from approximately 327,000 in fiscal year 2002 to 948,000 in 2011. In June of 2010, over 269,000 children under the age of 6 received federal food assistance. To be eligible, families must have incomes below 200 percent of the federal poverty level, or approximately \$36,000 for a family of three. Over 70 percent of families that receive food assistance do not get other state administered cash assistance. The average monthly benefit is about \$266 per case, or \$130 per person.<sup>7</sup>

<sup>4</sup> *Distribution of Children by Age Reports*, Green Book Report of Key Program Statistics, Michigan Department of Human Services (June 2010).

<sup>5</sup> *Michigan’s Incredible Shrinking Safety Net*, Michigan League for Human Services (May 2009).

<sup>6</sup> Koorstra, K. and Schneider, B. *Human Services Background Briefing*, House Fiscal Agency (January 2011).

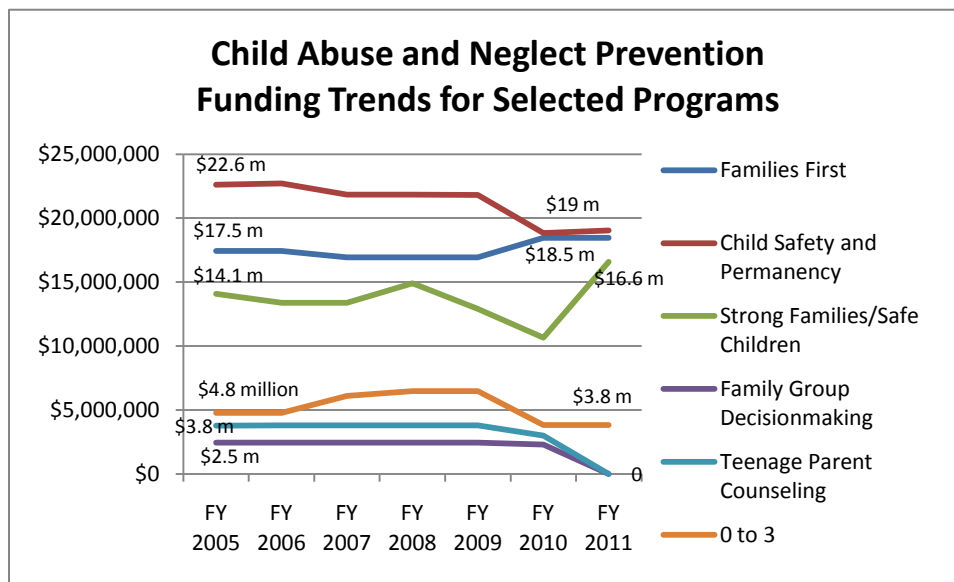
<sup>7</sup> *Ibid.*

**The fiscal year 2012 budget:**

- The final budget includes the Governor’s recommendation for a more aggressive 48-month lifetime limit on FIP benefits, which will result in an estimated 12,600 FIP families (15% of the total caseload) losing assistance. The final budget also reduced FIP spending by ending the policy of passing through the first \$50 of child support to FIP recipients, and counting adoption subsidy payments as income when determining FIP benefits. The budget eliminates JET Plus and cuts employment and training support services (funded at \$6.4 million). The budget increases the earned income disregard and the reduction to the FIP clothing allowance (\$9.9 million cut) by adding boilerplate limiting the allowance to only children in FIP groups that do not include an adult.

**Family support, home visiting and child abuse and neglect prevention:**

*Background:* Included in the budget cuts over the last decade were family preservation services, child abuse and neglect prevention programs, Family Group Decisionmaking, marriage and fatherhood initiatives, the Nurse-Family Partnership program, and teen parent counseling. New federal funding for home visiting programs from the Patient Protection and Affordable Care Act of 2010 provides Michigan with an opportunity to develop a system of home visiting programs for parents of young children.



***Funding trends:***

*Child abuse and neglect prevention:* Since 2000, funding for most of the major child abuse and neglect prevention programs has been cut, and the number of substantiated child abuse and neglect victims has grown. Between 2000 and 2009, the number of confirmed victims grew from 26,844 to 30,799, an increase of 15 percent. The rate of victimization grew 25 percent, from 10.3 per 1,000 to 12.9.<sup>8</sup> While new funding has been provided for improvements in the state’s foster care and protective services system, as required by a settlement agreement stemming from a lawsuit by the national Children’s Rights organization, prevention funding has not kept pace. Included in the reductions were the following:

<sup>8</sup> The Education Connection, Kids Count in Michigan 2010 Data Book, Michigan League for Human Services.

- Funding for the Families First program was reduced from \$21 million in 2000 to \$18.5 million in 2011, a cut of 12 percent.
- Funding for the Strong Families/Safe Children program fell from \$16.9 million in 2000 to \$10.7 million in 2010, but was restored to \$16.6 million in the current fiscal year with one-time federal carry-forward Title IV-B funding. The temporary funding was to be used for pilot projects for intensive family services in five urban counties.
- Funding for the 0 to 3 Secondary Prevention program fell from a total (in the budgets of the DHS, the Department of Community Health and K-12/School Aid) of \$7.75 million in 2001 to \$3.8 million in 2011, a reduction of 50 percent.
- Funding for Teen Parent Counseling programs was eliminated in 2010 (\$3 million).
- Funding for Family Group Decisionmaking was eliminated in 2010 (\$2.3 million).

*Home visiting programs:* Early childhood home visiting programs provide voluntary, in-home services to families with children beginning before birth. Trained home visitors, who may be nurses, social workers, early childhood education specialists or other trained paraprofessionals, work with families to advise them on their children's health and development and connect families with community services and supports.

On March 23, 2010, the President signed into law the Patient Protection and Affordable Care Act of 2010 which in part authorized the creation of the Affordable Care Act Maternal, Infant, and Early Childhood Home Visiting Program. The new federal home visiting program provides \$1.5 billion over 5 years to states. There is no state or local match required, and states cannot use the new federal funds to substitute for existing state funds for home visiting. States must give priority to high risk families and children, including those living in high risk communities, low-income families, pregnant women under the age of 21, families with histories of child abuse or neglect or substance abuse, and children with developmental delays or low student achievement.

The goal of the new federal home visiting program is to strengthen collaboration at the federal, state, and community levels to improve health and development outcomes for at-risk children through evidence-based home visiting programs. This program is designed: (1) to strengthen and improve the programs and activities carried out under Title V; (2) to improve coordination of services for at risk communities; and (3) to identify and provide comprehensive services to improve outcomes for families who reside in at-risk communities. Michigan was initially eligible for \$2,014,745 in fiscal year 2010 under the Act.

Michigan has a history of providing home visiting programs, such as Nurse-Family Partnership and Parents as Teachers, but the state's economic and fiscal problems have made it very difficult to sustain funding for the programs, and there hasn't been a state wide strategy or approach to home visitation.<sup>9</sup> The new federal Early Childhood Home Visiting Program provides Michigan with an opportunity to improve collaboration related to early childhood and home visitation, and to focus investments on proven interventions.

The Great Start System Team (GSST), which is co-convened by the Michigan Department of Community Health and the Early Childhood Investment Corporation (ECIC), is overseeing Michigan's implementation of the Affordable Care Act Maternal, Infant, and Early Childhood Home Visiting Program. The GSST, which is working through a Home Visiting Workgroup of key state department staff, has identified 10 at-risk communities based on 13 indicators, and completed a preliminary statewide needs assessment.

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<sup>9</sup> Szekely, A., Connors-Tadros, L. *Financing Evidence-Based Home Visiting Programs in Michigan: A Strategic Financial Planning Toolkit*, The Finance Project (May 2010).

The definition of home visiting programs utilized by the Work Group is: (1) programs that use home visiting as a primary service delivery strategy; (2) are at least partially supported with state or federal funds; and (3) focus on promotion or prevention. Using this definition, Michigan identified 9 state-level home visiting programs supported by state and federal funds, including:

- Maternal Infant Health Program
- Community Mental Health Home-Based Services
- Early Head Start
- 0 to 3 Secondary Prevention
- Children’s Trust Fund direct services grants
- Prevention Pilot home visiting programs
- Nurse-Family Partnership
- Healthy Start
- Parent-Child Assistance program.

**The fiscal year 2012 budget:**

- **The budget cuts child abuse and neglect prevention programs including Families First (down \$500,000), Strong Families/Safe Children (cut by \$1.5 million) and Child Protection and Permanency (reduced by \$2.8 million). The 0 to 3 Secondary Prevention Program was eliminated.**
- **The final budget includes \$3.8 million in total funding (\$1.5 million in state funds) for the Nurse Family Partnership program. Budget language requiring the DHS to use at least 50 percent of the funds allocated for voluntary in-home visiting services for evidence-based models or models that conform to a promising approach that are in the process of being evaluated was adopted. A report on evidence-based home visiting services is required, along with a plan to establish an integrated benefit for Medicaid evidence-based home visitation services to be provided by Medicaid health plans (by September of 2011).**