

**Community Collaborative Coordinators  
STATEWIDE TECHNICAL ASSISTANCE MEETING**

THE GOVERNOR'S STATE OF THE STATE, THE STATE  
BUDGET AND OTHER LEGISLATIVE ISSUES

February 26, 2013

Michigan's Children

[www.michiganschildren.org](http://www.michiganschildren.org)



# What the Governor Should Have Addressed

- Reducing Child Poverty: EITC
- Early Support: 0-3 Strategies
- Connections 0-8: Best of Both Systems
- Reform K-12: Equity Focus
- Connections to Higher Ed and Workforce: Extended Learning; 5<sup>th</sup> and 6<sup>th</sup> Year

The state budget, as the single most powerful expression of the state's priorities, is a powerful tool for either improving equity or widening gaps.

# Where We Started Budget Conversations for FY14

Data Realities

Budget Realities of the last Decade

# Steps Forward in the FY2013 Budget

- Affordable Care Act → increased reimbursement rates for PCPs. MI took it a step further and also increased reimbursement rates for OB/GYNS
- \$16.6 million to expand the Healthy Kids Dental to additional counties, which included Calhoun
- \$2 million for lead abatement in homes
- \$5 million increase for Great Start Readiness Program

# Mixed Results in the FY2013 Budget

- \$20.9 million to fund autism spectrum disorder treatment for Medicaid and MIChild eligible children through age 18
- Intended one time funding to address infant mortality, health disparities, and pregnancy prevention
- Small increase to the minimum per pupil foundation allowance for K-12

# Steps Backward in the FY2013 Budget

- No changes made to FIP, FAP, or EITC
- Reduction to child care subsidy program
- No funding for before- or after-school funding
- No increases for opportunities for the 5<sup>th</sup> and 6<sup>th</sup> year of high school

# Governor Snyder's Proposed Fiscal Year 2014 Budget



# MDE – Office of Great Start

- \$196.8 million for the Office of Great Start (OGS), including \$156.8 million for the Child Care and Development program. The OGS has responsibility for the following programs:
  - Great Start Readiness Preschool program.
  - Early Childhood Block Grant (formerly funding for Great Start Collaboratives and Great Parents/Great Start).
  - Preschool special education.
  - Early On.
  - Head Start Collaboration.
  - Child Development and Care (CDC) program.
  - 21<sup>st</sup> Century Community Learning Centers

# Great Start Programs

- *Great Start Readiness Program (GSRP)*: combine competitive and school-based program and provided a \$65 million increase for a total of \$174.3 million. Intent language for an additional \$65 million increase in FY2015. The per slot allotment increased from \$3,400 to \$3,625. Other policy changes to GSRP include:
  - Serving most at-risk
  - Support transportation
  - 3 star requirement in GSQ
  - Sliding scale fee for families above 300%
- Early Childhood Block Grant: \$10.9 million

# K-12 Funding

- *Foundation allowance*: maintains the basic foundation allowance at \$8,019 per pupil, but includes \$24 million for an equity payment of up to \$7,000 from \$6,966.
- *Best practices grants*: reduced to \$25 million to districts that have met 7 out of 8 best practices criteria for a maximum payment of \$16 per pupil (down from \$52 per pupil in FY2013).
- *Performance-based funding*: maintained at \$30 million
- *Student-centric learning grants*: \$8 million
- *At-risk support*: maintains funding at \$309.0 million
- *Virtual learning*: \$10 million for new Digital Learning Innovation to expand blended and online learning to students
- *MPERS support*

# Intermediate School Districts

- *General operations:* maintained at \$62.1 million.
- *Competitive grants:* As in FY2013, \$2 million is earmarked to ISDs to be eligible for a 3.2 percent increase if they now meet five out of six performance criteria (previously had to meet four of the criteria): consolidate and competitively bid services, support technology integration, publish a dashboard of outcomes that includes budget information, develop information management system in coordination with other ISDs, and hold its own health insurance policy.

# Health

- *Medicaid expansion*
- *Healthy Kids Dental Program*: \$11.6 million (\$3.9 million in state general funds) to expand the Healthy Kids Dental program.
- *Autism treatment*: \$39.5 million
- *Health and Wellness Initiative*: \$2.7 million cut to programs that promote healthy behaviors and wellness, and reduce infant mortality and obesity
- *Mental Health Innovations*: new investment of \$5 million in general funds/general purpose dollars (GF/GP) to support three service initiatives
- *School-based health* : maintains funding for child and adolescent health centers at \$3.6 million and school-based health services at \$131.5 million

# Welfare

- No changes to FIP, FAP, or EITC
- *Pathways to Potential*: \$6.2 million in new investment – service delivery model that locates DHS staff in local public schools
- *Youth in transition*: reduces funding from \$14.7 million to \$14.5 million

# Missed Opportunities

- Maintains harmful changes to FIP, FAP, and EITC
- Maintains funding to maternal and child health
- No improvements to the child care subsidy program.
- No increases in 0-3 programming.
- No increases in before- or after-school funding
- No increases for extended learning programs and opportunities for the 5<sup>th</sup> and 6<sup>th</sup> year of high school.

# Federal Budget

- The federal budget, like the state budget, indicates federal priorities
- Much of federal support is focused on reducing disparities and increasing equity
- *Federal funds support 41 percent of Michigan's total state budget:*
  - DCH: 64%
  - DHS: 82%
  - MDE: 74%



# The Next “Fiscal Cliff”

- First “fiscal cliff” averted with the American Taxpayer Relief Act of 2012
- March 1: the sequester is triggered:
  - 2,300 children would lose Head Start and Early Head Start services
  - Up to 900 families would lose access to child care
  - 4,400 fewer children will receive vaccines
  - Lose \$22 million in Title I funding
  - Lose \$20.3 million in special ed funding
  - Lose \$1.7 million for job search assistance, referral, and placement, meaning around 54,400 fewer people will get the help and skills they need to find employment.
- March 27: continuing resolution expires

# Federal Advocacy Opportunities

- Communicate with district staff
- MyBudget: [budget.senate.gov/democratic](http://budget.senate.gov/democratic)
- Recess last week of March

# Other Opportunities

- Extraordinary Attention to Preschool
- Medicaid Expansion
- Pathways Initiative
- Attention to School Financing/Reform
  - Including Pressure to Improving Equity
- Capitalization on Safety Issue
  - School-to-Prison Pipeline Summit
  - Others



Michele Corey  
Interim President and CEO  
517-708-3565

[michele@michiganschildren.org](mailto:michele@michiganschildren.org)

Mina Hong  
Senior Policy Associate  
517-708-3567

[mina@michiganschildren.org](mailto:mina@michiganschildren.org)  
[www.michiganschildren.org](http://www.michiganschildren.org)