

The State Budget

Michigan Child Care Task Force

March 7, 2012

Michigan's Children



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.



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Fiscal Year 2012

- Increased funding for GSRP by \$6 million
- \$3.8 million in new funding (\$1.5 million in state funds) for the Nurse Family Partnership program.

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Repercussions of Fiscal Year 2012

- Child Care Subsidy:
 - 90 to 80 hours
 - \$1.35 flat rate for tier 1 providers
- FIP, FAP and EITC changes
- Per pupil cut of \$470 and elimination or funding reduction for a variety of categorical programs
- Family Preservation & Child Abuse/Neglect Prevention
- Cuts to community mental health (non-Medicaid)
- Cuts to the Healthy Michigan Fund
- Cuts to local public health

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Public Act 29

- \$12.5 million for early childhood:
 - \$9.25 million for TQRIS
 - \$3.25 million for kindergarten entry assessment
- \$4 million (\$4000 per pupil) for distressed district student transition grants
- \$4.7 million for the Education Jobs Fund

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Governor's Proposed Fiscal Year 2013 Budget

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MDE – Office of Great Start

- The Governor provided a total of \$209.2 million for the Office of Great Start (OGS), including \$159.2 million for the Child Care and Development program.
- The OGS has responsibility for the following programs:
 - Great Start Readiness program.
 - Great Parents/Great Start.
 - Preschool special education.
 - Early On.
 - Head Start Collaboration.
 - Child Development and Care (CDC) program.

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Great Start Programs

- *Great Start Readiness Program (GSRP)*: Continuation funding at \$95.4 million (School Aid) with \$8.88 million for the GSRP competitive program. The per slot allotment remains at \$3,400.
- *Great Parents/Great Start*: Continuation funding at \$5 million.
- *Great Start Collaboratives*: Continuation funding at \$5.9 million.

The Governor's budget directs the Michigan Department of Education (MDE) to develop a plan for a multi-year, phased-in approach to transfer funding for GSRP, Great Parents/Great Start and Great Start Collaboratives into an early childhood block grant that would allocate funds to Intermediate School Districts (ISDs) that would act as fiduciaries and administer the funds in conjunction with local Great Start Collaboratives.

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Intermediate School Districts

- *ISD operations:* Total funding for ISD operations is maintained at \$62.1 million, but 5 percent of current local funding is available only through incentive payments for ISDs who have met four of the following criteria:
 - consolidated and competitively bid services;
 - supported technology integration;
 - published a dashboard of outcomes; and
 - developed information management systems in coordination with other ISDs.
- The Governor includes \$10 million for competitive assistance grants to local and intermediate school districts to support efforts to consolidate services.

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K-12 Per-Pupil Allocation

- Maintained previous years' cuts to the foundation allowance, with the minimum per pupil allowance at \$8,019 per pupil – down \$470 since fiscal year 2010.
- Additional Incentive Payments:
 - \$70 million for districts who have shown improvements in student performance for a maximum payment of \$100 per pupil.
 - \$120 million for districts (maximum payment of \$75 per pupil) who have met five of the following criteria: participated in school choice programs; monitored academic growth for all students in all subjects; offered dual enrollment, AP courses, middle college or other postsecondary opportunities; offered online learning; held their own health care policy; and published a dashboard of outcomes for the public.
- Full-day per pupil allocation for full-day kindergarten

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Health

- *Medicaid rates*: In compliance with ACA, raises Medicaid primary care physician reimbursements rates to Medicare levels.
- *Healthy Kids Dental Program*: \$25 million (\$8.4 million in state general funds) to expand the Healthy Kids Dental program.
- *Autism treatment*: \$34.1 million (\$10.1 million in state general funds) in funding to expand Medicaid and MICHild coverage to include treatment of autism spectrum disorders for children under the age of six.
- *Health and Wellness Initiative*: \$6 million support programs that promote healthy behaviors and wellness, and reduce infant mortality and obesity

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Child Welfare

- *Foster Care Payments*: Increases the rate paid to foster and adoptive parents by \$3 per day.
- *Strong Families Safe Children*: reduced by \$2.7 million for a total of \$12.4 million to reflect an anticipated federal grant reduction;
- *Families First*: increased by \$500,000 for a total of \$18.5 million.
- *Supported Visitation*: \$2 million in federal funds for a home-based parent education program that supports family reunification.
- *Parent Partners*: \$500,000 is included for a new parent mentoring program

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