



May 12, 2014 UPDATE

The Fiscal Year 2015 Budget Proposals and How They Impact Equity

The single best predictor of economic prosperity is a state's success in educating and preparing its workforce. Gaps in opportunity caused by Michigan's extreme economic hardships and exacerbated by structural barriers due to race or ethnicity, contribute to unacceptable disparities in outcomes. Inequities in birth outcomes and literacy development result in differences in socio-emotional development, intellectual functioning, and health that are evident as early as 9 months of age. These gaps then contribute to differences in educational success, high school graduation and college enrollment, leading to clear disparities in earnings and other outcomes over a lifetime.

The long-term disparities in education and life success have profound and unacceptable economic, social and fiscal consequences for Michigan. Fortunately, these disparities can be mitigated with targeted, strategic, and equitable public policy and budget decision-making that focus on eliminating barriers to opportunity. Each year, lawmakers are given the opportunity to make state budget decisions that will ensure the future prosperity of the state. These priorities can be used as a tool for improving equity or can result in widening gaps. With the next workforce set to be its most diverse yet, Michigan needs to allocate its resources in ways that improve opportunity for ALL children who need: a safe and stable home environment; to be ready for school at kindergarten entry, and; to have opportunities and pathways that lead to college and career readiness.

The Governor, House, and Senate have proposed some differences in their budgets for fiscal year 2015 (FY2015) that will have varying impacts on reducing disparities in child and family outcomes.

Summary: Budget Proposals and How They Impact Equity

↑ Improves Equitable Outcomes ↓ Reduces Equitable Outcomes ↔ Neutral or Unknown Equity Impact

Budget Item	Governor	House	Senate
<i>A Safe and Stable Home Environment</i>			
Basic Needs	↓	↓	↓
Family Preservation and Prevention	↓	↓	↓
Healthy Michigan Plan	↔	↑	↑
Mental Health and Wellness Commission	↑	↑	↓
Lead Abatement	↔	↔	↔
<i>To Be Ready for School at Kindergarten Entry</i>			
Infant Mortality Reduction	↓	↓	↓
Support for Families with Young Children from Birth through Age Three	↔	↔	↔
Great Start Readiness Program	↑	↑	↑
Child Development and Care Program	↔	↔	↔
<i>To Have Pathways that Lead to College and Career Readiness</i>			
Expanded Learning Opportunities	↓	↑	↓
Healthy Kids Dental Program	↑	↑	↑
Child and Adolescent Health	↔	↔	↔
School-Community Partnership	↓	↔	↔
Michigan Reading Corps	↓	↔	↔
Dropout Prevention & Recovery	↔	↑	↔
K-12 Foundation Allowance	↔	↔	↔
At-Risk Funding	↔	↔	↔
Best Practices Grants	↓	↓	↓

A Safe and Stable Home Environment

Budget Item	Governor	House	Senate
<p>Basic Needs Over the past several years, harmful policy changes have made it more difficult for families to consistently access basic supports. These changes have included a 48-month lifetime limit to the Family Independence Program (which was codified into law in 2012) – the state’s cash assistance program, the asset test requirement to access the Food Assistance Program, and the reduction of the Earned Income Tax Credit (EITC) from 20 to 6 percent of the federal EITC. Childhood poverty is clearly linked to many negative outcomes for children including poor health and reduced access to a high quality education from cradle to career, and these types of policy changes make it more difficult for the most challenged families to provide the basic needs that their children need to thrive.</p>	<p align="center">↓</p> <p>The Governor made no changes to FIP, FAP, or the EITC. Funding changes are as follows:</p> <ul style="list-style-type: none"> • FAP is reduced \$445.5 million from 894,750 cases at \$264/month to 890,000 cases at \$224/month. • FIP is reduced \$62.8 million from 44,000 cases at \$395/month to 33,200 cases at \$372/month 	<p align="center">↓</p> <p>The House concurred with the Governor.</p>	<p align="center">↓</p> <p>The Senate concurred with the Governor.</p>
<p>Family Preservation and Prevention Child abuse and neglect prevention programs have been decimated over the past decade as priority in the state’s child welfare system has focused on foster care and child protective services as a result of the Children’s Rights Settlement. As a result, funding to maintain compliance with the Children’s Rights Settlement has resulted in increased funding to foster care and child protective services, while funding for child abuse prevention has not kept pace. At the same time, Michigan has reduced access to basic needs as previously mentioned, making it more and more difficult for the most challenged families to provide safe, healthy and nurturing home environments. Unfortunately in Michigan, this has led to an unacceptable rise in child maltreatment since 2005, mainly through the rise of child neglect. In a system that’s already plagued by a history of disproportionate entry of children of color into the child welfare system, ensuring that families have access to basic support programs can ensure that more children of color are not disproportionately entering into the child welfare system.</p>	<p align="center">↓</p> <p>The Governor’s budget maintained funding for Strong Families Safe Children at \$12.4 million, Family Reunification funding at \$4.0 million, and family preservation and prevention services at \$2.5 million. He slightly reduces Families First funding to \$16.9 million and Child Protection and Permanency funding to \$12.9 million.</p>	<p align="center">↓</p> <p>The House concurred with the Governor.</p>	<p align="center">↓</p> <p>The Senate concurred with the Governor’s proposal for Strong Families Safe Children. The Senate slightly reduced funding for Family Reunification to \$3.9 million; and significantly cut funding for Family Preservation and Prevention to \$1.5 million, Families First to \$14.9 million, and Child Protection and Permanency to \$11.9 million.</p>

<p>Healthy Michigan Plan In 2013, the State of Michigan passed the Healthy Michigan Plan to expand Medicaid access to low-income adults living up to 133% of the federal poverty level (FPL). African American and Latino residents in Michigan are more likely to be uninsured than white residents, so this ensures that more adults of color will be able to access health care. Increasing access to health insurance for parents improves their health and subsequently, their ability to keep consistent employment and provide for their children. Also, parent’s poor physical or mental health can contribute to a stressful family environment that clearly has ramifications for children’s well-being.</p> <p>Furthermore, insuring low-income adults helps the odds of more babies (and particularly more babies of color) born healthy since a woman’s health prior to conception impacts pregnancy outcomes and the health of a newborn child. This expansion would also cover many young adults still working to complete high school credentials, including young people aging out of foster care.</p>	<p style="text-align: center;">↔</p> <p>The Governor included appropriate federal funds to implement the Healthy Michigan Plan. However, some of the cost-savings that have been calculated – particularly as it relates to support for non-Medicaid community mental health services – do not accurately reflect cost-savings, as many community mental health services cannot be subsumed under Medicaid expansion.</p>	<p style="text-align: center;">↑</p> <p>The House concurred with the Governor except for support for non-Medicaid community mental health services by increasing federal revenue supporting this line item by \$38.8 million to reflect estimated expenditures.</p>	<p style="text-align: center;">↑</p> <p>The Senate concurred with the House.</p>
<p>Mental Health and Wellness Commission In 2013 via Executive Order, the Governor created the Mental Health and Wellness Commission to address gaps and propose opportunities to strengthen mental health services delivery. While the Mental Health and Wellness Commission looked at a variety of mental health service delivery gaps, several aspects of the Commission’s recommendations will impact children. For example, one recommendation is to explore options to address gaps in coverage for women postpartum who lose their Medicaid coverage 60 days after birth, which is important since a mother’s ability to seek treatment for postpartum depression and other mental health needs will directly affect her ability to provide quality care to her infant. Additionally, the Commission prioritized at-risk children and youth who are in the foster care system, aging out of the foster care system, and those connected to the juvenile justice system to ensure they have access to appropriate and coordinated mental health services. Another focus was made on the integration of mental health services and the education system and how these two systems can better work together.</p>	<p style="text-align: center;">↑</p> <p>The Governor added new ongoing funds of \$10.6 million in general funds/general purpose (GF/GP) and one time funds of \$5.0 million GF/GP for implementation of recommendations included in the State of Michigan Mental Health and Wellness Commission 2013 report.</p>	<p style="text-align: center;">↑</p> <p>The House added \$18.2 million for ongoing funds and \$4.0 million one-time funds above the Governor’s recommendation using federal dollars as a technical adjustment.</p>	<p style="text-align: center;">↓</p> <p>The Senate included \$100 placeholders for this line item to allow further discussion in Conference Committee.</p>
<p>Lead Abatement Lead poisoning remains the number one environmental health hazard for young children, and can cause irreversible cognitive damage and has been linked to learning disabilities and violent behavior in children and adults. With children of color and from low-income families more likely to be exposed to lead, lead abatement in homes is even more critical to ensure that disadvantaged young children are not facing additional challenges related to lead</p>	<p style="text-align: center;">↔</p> <p>The Governor slightly reduced funding for the Healthy Homes lead abatement program by \$326,200 in recognition for the completion of a federal HUD</p>	<p style="text-align: center;">↔</p> <p>The House concurred with the Governor.</p>	<p style="text-align: center;">↔</p> <p>The Senate added \$100 to this line item to allow for further discussion in Conference Committee.</p>

poisoning. The Healthy Homes program provides remediation and safe removal of lead hazards from older homes in areas of the state with high incidence of lead poisoned children.	grant for a total appropriation of \$3.9 million.		
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To Be Ready for School at Kindergarten Entry

Budget Item	Governor	House	Senate
<p>Infant Mortality Reduction In 2012, Michigan developed a statewide plan to reduce infant mortality, with a focus on reducing the huge disparity in infant mortality between African American babies and white babies. In a state where African American infants are three times more likely to die during the first year of life compared to white infants, fully implementing the state’s Infant Mortality Reduction Plan while also addressing other factors that impact health outcomes such as poverty, limited access to high quality education from cradle to career, or availability of adequately paying jobs are essential to move the dial on infant mortality and other key public health indicators. Developers of the state’s Infant Mortality Reduction plan estimate that approximately \$11 million would be needed to fully implement the plan, which includes efforts around implementing a regional perinatal system, reducing medically unnecessary deliveries before 39 weeks of gestation, promoting safe sleep for infants, expanding home visiting supports, improving the health status of women and girls, reducing unintended pregnancies, and targeting social determinants of health.</p>	<p align="center">↓</p> <p>The Governor provided continuation funding of \$2 million GF in prenatal care outreach and service delivery; as well as \$154,900 for perinatal regionalization, \$750,000 for maternal and infant health, and \$112,500 for pregnancy prevention in the Health and Wellness Initiatives; which continues to fall short of the funding needed to fully implement the state’s Infant Mortality Reduction Plan.</p>	<p align="center">↓</p> <p>The House concurred with the Governor.</p>	<p align="center">↓</p> <p>The Senate concurred with the Governor.</p>
<p>Support for Families with Young Children from Birth through Age Three The brain science research has been done and the evidence is clear. Basic language and literacy skills are formed in the first three years of life. What has also been evidenced in research is that access to high quality services for families with very young children can offset the disparities in cognitive development that emerge as young as nine months of age. The babies and toddlers who struggle the most can be hugely helped by one year of preschool, but it may not be quite enough to offset the challenges they faced early in life. Increasing investment across the birth to five spectrum, not just for four-year-olds, is the best way to ensure kindergarten readiness for all children and prepare them for success in school and life. A focus on increasing investment for evidence-based home visiting programs, high quality center based child care, and evidence-based early intervention services must go hand-in-hand with preschool expansion. Michigan used to have several funding streams to</p>	<p align="center">↔</p> <p>The Governor included \$2.5 million GF/GP in new money to expand maternal, infant, and early childhood home visiting programs to serve 144-300 pregnant women and families with children age five and younger at-risk for poor birth and health outcomes in rural northern Michigan and the Upper</p>	<p align="center">↔</p> <p>The House concurred with the Governor on most items but uses TANF funds instead of GF to expand home visiting programs to rural northern Michigan and the Upper Peninsula. Additionally, the House increased funding for the non-evidence-based</p>	<p align="center">↔</p> <p>The Senate concurred with the House to use TANF funds for home visiting programs in rural northern Michigan and the Upper Peninsula. The Senate also:</p> <ul style="list-style-type: none"> • Maintained funding for NFP in the Health and Wellness Initiatives.

<p>support families with young children including the Zero to Three Secondary Prevention Program, which was a statewide, evidence-based community collaborative focused on child abuse and neglect prevention in families with young children from birth to age three. Additionally, Michigan used to fund the Child Care Enhancement Program which provided services to high risk young children with social-emotional health and development issues from birth to age three experiencing social, emotional and behavioral problems to prevent expulsion from child care.</p>	<p>Peninsula. While this increase is a step in the right direction, it continues to fall significantly below the support needed to provide evidence-based home visiting services to all eligible families. Other home visiting supports included in the FY2014 budget are maintained, including:</p> <ul style="list-style-type: none"> • \$50,000 for Nurse Family Partnership in the Health and Wellness Initiatives. • \$500,000 to support evidence-based programs to reduce infant mortality. • \$700,000 for a non-evidence-based pregnancy and parenting support services pilot. 	<p>pregnancy and parenting support services pilot by \$800,000 for a total of \$1.5 million.</p>	<ul style="list-style-type: none"> • Provided a \$100 increase to evidence-based programs to reduce infant mortality to allow further discussion in Conference Committee. • Increased funding for the non-evidence-based pregnancy and parenting support services pilot by \$1.5 million for a total of \$2.2 million.
<p>Great Start Readiness Program The Great Start Readiness Program (GSRP) is the state’s public preschool for four-year-olds at-risk of being underprepared for kindergarten. The program’s high return on investment has been well documented. GSRP evaluations have shown that the program prepares young children for kindergarten, improves student achievement, and increases high school graduation rates, all while narrowing the achievement gap.</p> <p>In FY2014, the School Aid Act provided program funding at \$174.3 million to provide approximately 48,000 slots at \$3625 per slot used in either half-day (one slot) or school-day (two slots) programs. The per slot allotment had been flat at \$3,400 for many years forcing school districts and community organizations to absorb some of the costs of the program. While the small per slot increase in the FY14 budget assisted with this, it continues to remain insufficient to cover the true cost of providing a half-day program.</p> <p>In FY2014, additional policy changes were made to GSRP, including:</p>	<p style="text-align: center;">↑</p> <p>The Governor provided a \$65 million increase for GSRP to provide an additional 16,000 slots to make Michigan a no-wait state for preschool. The Governor also made the following changes:</p> <ul style="list-style-type: none"> • Included a \$100 per slot increase from \$3,625 to \$3,725. • Allows ISDs to serve children living in families up to 300% FPL if they determine they have served all eligible 	<p style="text-align: center;">↑</p> <p>The House concurred with the Governor’s recommendation to increase GSRP funding by \$65 million. The House GSRP proposal:</p> <ul style="list-style-type: none"> • Did not include a slot increase. • Maintains current law pertaining to income eligibility. • Concurs with the Governor regarding presumptive eligibility for children who are in foster care, experiencing 	<p style="text-align: center;">↑</p> <p>The Senate concurred with the Governor’s recommendation to increase GSRP funding by \$65 million. The Senate GSRP proposal:</p> <ul style="list-style-type: none"> • Included a \$50 per slot increase to \$3,675. • Concurs with the Governor on income eligibility. • Concurs with the Governor regarding presumptive eligibility for children who are in

<ul style="list-style-type: none"> • Ensuring at least 90% of children served live in families at 250% of the federal poverty level or below (formerly 75% of children living at 300%FPL). For those families above 250% FPL, a sliding scale tuition would be applied. • Require ISDs to contract at least 30% of its slots to community-based providers. • Require programs to participate in Great Start to Quality and have a minimum of a three-star rating. • Allow funds to be used for transportation though no funds are specifically earmarked for transportation, which is an issue for the most challenged families who lack the means to get their children to the programs themselves. 	<p>children living at 250% FPL or below.</p> <ul style="list-style-type: none"> • Adds that a child in foster care, experiencing homelessness, or who has an individualized education plan (IEP) recommending placement in an inclusive preschool setting would be automatically eligible for GSPR regardless of family income. 	<p>homelessness, or have an IEP.</p> <ul style="list-style-type: none"> • Allocates \$10 million of the total funding for transportation reimbursements in an amount up to \$150 per half-day slot. • Adds clarifying instructional language to ensure that ISDs are contracting out 30% of their slots to community-based providers. 	<p>foster care, experiencing homelessness, or have an IEP.</p> <ul style="list-style-type: none"> • Allocates \$10 million of the total funding for transportation reimbursements in an amount up to \$150 per half-day slot.
<p>Child Development and Care Program (child care subsidy) Access to high quality child care will better prepare young children – particularly those more likely to struggle in kindergarten – for school; and will ensure that school-aged children can access high quality after-school programs that promote educational outcomes.</p> <p>Unfortunately, Michigan has one of the worst child care subsidy programs in the country with unacceptably low hourly reimbursement rates with no access to continuity of care. This makes it nearly impossible for low-income families to access high quality care and for providers to maintain their high quality businesses.</p> <p>Additionally, Michigan caps the number of reimbursable subsidized child care hours to 90 hours in a two-week period. However, at one point Michigan reimbursed up to 140 hours in a two-week period to cover a full-time employee’s work week as well as to support those who may need more than one job to support their families, and many states have no cap on the number of reimbursable subsidized child care hours.</p>	<p style="text-align: center;">↔</p> <p>The Governor’s budget provided a \$6.9 million increase in federal funds to maintain the maximum allowable reimbursable hours for subsidized care from 80 to 90 hours in a two-week period, which was increased in a FY2014 supplemental budget.</p> <p>The Governor also included a \$3.7 million increase in federal funds to provide tiered reimbursement rates for child care providers based on their Great Start to Quality star-rating – which was also established in the FY2014 supplemental budget. Hourly reimbursement rates would increase by \$0.25 per hour for 3-star rated programs, \$0.50</p>	<p style="text-align: center;">↔</p> <p>The House concurred with the Governor.</p>	<p style="text-align: center;">↔</p> <p>The Senate concurred with the Governor.</p>

	<p>per hour for 4-star rated programs, and \$0.75 per hour for 5-star rated programs.</p> <p>While both of these changes are improvements to the CDC program, it continues to maintain a far too low hourly reimbursement structure that does not truly support working families.</p>		
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To Have Pathways that Lead to College and Career Readiness

Budget Item	Governor	House	Senate
<p>Expanded Learning Opportunities State funding for before- and after-school pilot programs peaked in FY2001 at \$16 million and gradually lost funding in subsequent fiscal years until its elimination in the FY2012 budget. While the Legislature successfully restored \$1 million in funding for before- and after-school programming in the FY2013 budget, this was ultimately vetoed by the Governor. Access to before- and after-school programs including summer learning opportunities have shown to improve educational success for all students and demonstrate the greatest benefit for students who face the most extraordinary educational challenges – kids from low-income families and kids of color.</p>	<p style="text-align: center;">↓</p> <p>The Governor’s budget did not include any funding for educational before- or after-school programs. The Governor did include \$1 million to continue the before- and after-school healthy exercise pilot program that began in FY2013 for students in kindergarten to sixth grade.</p> <p>The Governor also included \$2 million to create a year-round schools pilot program. The evidence suggests that simply extending a school day or the school year adds significant costs, but not as many gains in</p>	<p style="text-align: center;">↑</p> <p>The House included \$3 million for educational after-school programming, and concurred with the Governor to maintain the healthy exercise program though extended it for students in kindergarten to eighth grade.</p> <p>The House concurred with the Governor to include \$2 million for a year-round schools pilot program but caps the maximum grant award at \$750,000 per district.</p>	<p style="text-align: center;">↓</p> <p>The Senate did not include any funding for educational before- or after-school programs. The Senate cut funding for the Governor’s healthy exercise pilot program to \$500,000.</p> <p>The Senate concurred with the Governor to include \$2 million for a year-round schools pilot program but caps the maximum grant award at \$250,000 per district.</p>

	<p>academics and engagements as investment in quality before- and after-school and summer learning programs. These programs include the resources of community partners in addition to resources within a school building.</p>		
<p>Healthy Kids Dental Program The Healthy Kids Dental Program (HKD) increases reimbursement rates to dental providers, which encourages provider participation and helps over 511,000 children access the high quality dental care they need. Dental disease is the most common chronic illness for children – more so than asthma or hay fever – and disproportionately affects children of color and children from low-income families. Access to oral health care can ensure that fewer children suffer from tooth decay and miss fewer days of school due to oral health problems. Currently, Healthy Kids Dental Program serves all Michigan counties <i>except</i> Kalamazoo, Kent, Macomb, Oakland, and Wayne.</p>	<p style="text-align: center;">↑</p> <p>The Governor added \$15.7 million (\$5.4 million GF) to expand HKD to an additional 100,000 Medicaid-eligible children in Kalamazoo and Macomb counties.</p>	<p style="text-align: center;">↑</p> <p>The House concurred with the Governor.</p>	<p style="text-align: center;">↑</p> <p>The Senate concurred with the Governor and included intent language indicating full state-wide implementation in the FY2016 budget.</p>
<p>Child and Adolescent Health Ensuring that students are healthy allows them to focus on their education and not be distracted by health and mental health issues. Adolescent health centers and school-based health programs provide needed health services, and integrate a variety of medical, mental health, social and counseling services that would not otherwise be accessed. These centers not only contribute to the health and success of students, but they can also reduce other public spending. Studies have shown that access to these services can significantly reduce in-patient, non-emergency, and emergency care expenses.</p> <p>The Michigan Model is the primary health curriculum used in kindergarten through high school, and evaluations have shown that students who benefit from the curriculum experience less substance use, better anger and stress management skills, and better knowledge of healthy behaviors. At its peak, funding for the Michigan Model was at \$3.6 million and was funded at \$350,000 in FY14.</p>	<p style="text-align: center;">↔</p> <p>The Governor included flat funding for child and adolescent health centers at \$3.6 million (down from \$5.6 million in 2008), and the Michigan Model at \$300,700. Funding for school-based health services declines to \$112.1 million to align with expected revenue based on claims. He included \$2 million GF to create a pilot program that will work with the existing centers to develop satellite locations that focus on nursing and behavioral health services; though this is a step in the right direction, funding for this small pilot</p>	<p style="text-align: center;">↔</p> <p>The House concurred with the Governor but funds the \$2 million pilot with TANF funds rather than GF.</p>	<p style="text-align: center;">↔</p> <p>The Senate concurred with the House.</p>

	programs falls short of what we know is needed to truly support child and adolescent health.		
<p>School-Community Partnership</p> <p>In FY2009, Michigan allocated a small amount of money to connect educational and other community services. This funding was removed from the FY2010 budget, and has not been included since. We know that young people face barriers to educational success that one system alone can't solve – not the education system alone, not communities alone, and not individual school buildings alone. School-community partnership ensures that the most challenged students have access to the supports they need beyond traditional education to succeed academically. These include opportunities for extended learning, school-based health, positive behavior, and other services that have proven to increase student success. Incentives for schools to create community links aimed at strengthening schools, increasing parent involvement, and meeting children's needs can improve student outcomes and reduce the achievement gap.</p>	<p style="text-align: center;">↓</p> <p>The Governor included no new funding for school-community partnership opportunities.</p>	<p style="text-align: center;">↔</p> <p>The House included \$500,000 for the Northeast Michigan Community Services Agency for an expansion of its School Success Partnership Program that provides programming for K-12 students at-risk for academic failure throughout the northeast region of Michigan. While support for this type of school-community partnership will assist more students, targeted small funds to specific communities will not result in statewide support needed to ensure that more students are college and career ready.</p>	<p style="text-align: center;">↔</p> <p>The Senate included \$300,000 to support the School Success Partnership Program out of the Northeast Michigan Community Services Agency.</p>
<p>Michigan Reading Corps</p> <p>The Michigan Reading Corps (MiRC) is a program of the Hope Network and engages AmeriCorps members across the state. A replication of the successful Minnesota Reading Corps, the program serves K-3 students who are at risk of reading failure. MiRC members tutor students consistently, intensively, and at their level to build the skills necessary to become successful readers with the ultimate goal that all students will be successful readers by the end of 3rd grade. While only one-third of Michigan third graders are reading proficiently according to national assessment data, African American and Latino third graders struggle even more.</p>	<p style="text-align: center;">↓</p> <p>The Governor did not include funding for the Michigan Reading Corps.</p>	<p style="text-align: center;">↔</p> <p>The House included \$350,000 for the Michigan Reading Corps. However, increasing the number of tutors alone won't get to the underlying structural issues that have resulted in too many Michigan children failing to read proficiently.</p>	<p style="text-align: center;">↔</p> <p>The Senate included \$125,000 for the Michigan Reading Corps.</p>

<p>Dropout Prevention and Recovery Strategies</p> <p>Michigan law allows state payment for educating young people toward a high school diploma until they are 20 years old (under certain circumstances, until age 22), allowing students to continue for additional time beyond a traditional 4-years of high school. These additional years of high school have proven to increase high school graduation rates for students who struggle the most in school, particularly for students of color and students with disabilities. Supporting alternative and community education options; community college and workforce development partnerships including dual enrollment opportunities where students can take college courses while obtaining a high school credential; and creating other pathways to consistently serve young people throughout the state that utilize a broad range of community resources can ensure that more people receive a high school credential.</p>	<p style="text-align: center;">↔</p> <p>The Governor included \$1.8 million to reward districts who facilitate student participation in dual-enrollment options but didn't include language used by other states encouraging districts to utilize dual enrollment as a re-engagement strategy for the most challenged students. He also provides flat funding for adult education (\$22 million), vocational education (\$36.8 million), and support for educating court wards (\$8 million).</p>	<p style="text-align: center;">↑</p> <p>The House concurred with the Governor on dual enrollment, adult education, and support for court wards but included a \$1 million increase for vocational education.</p>	<p style="text-align: center;">↔</p> <p>The Senate concurred with the Governor.</p>
<p>K-12 Funding – Foundation Allowance</p> <p>The K-12 foundation allowance is the state's investment in public education, each public school or academy gets a per pupil foundation allowance, with the minimum foundation allowance currently at \$7,026 and the basic foundation allowance at \$8,049. The foundation allowance took a significant hit in FY2012 when it was cut by \$470 per pupil or five percent. Since then, the foundation allowance has received small increases but nothing to offset the deep cuts from FY2012. Inconsistent funding levels force school systems to make reductions in optional programming, innovative partnerships and initiatives targeted toward young people most at-risk of school failure. These programs, such as alternative education programming, are often the options chosen for elimination by local decision makers.</p>	<p style="text-align: center;">↔</p> <p>The Governor's budget rolled the equity payment into the foundation allowance and used the 2x formula for part of the foundation allowance increase to bring the basic foundation allowance up by \$83 for a total of \$8,132 per pupil and the minimum foundation allowance up \$111 to \$7,187. However, this increase as well as the small increases in the past couple of budgets towards the minimum foundation allowance continues to fall short of the \$470 per pupil cut that districts faced in the FY2012 budget.</p>	<p style="text-align: center;">↔</p> <p>The House also rolled the equity payment into the foundation allowance and used the 2x formula for part of the foundation allowance, but provided a smaller increase to the basic foundation allowance than the Governor at \$56 bringing it to \$8,015. The House provided a slightly higher increase to the minimum foundation allowance, increasing it by \$112 for a total of \$7,188 per pupil.</p>	<p style="text-align: center;">↔</p> <p>The Senate also rolled the equity payment into the foundation allowance and used the 2x formula for part of the foundation allowance, but provided significantly larger increases (the Senate is able to do this by not shifting additional funds into the MPSERS reserve fund and eliminating best practices grants). The basic foundation allowance is increased by \$150 to \$8,199 and the minimum foundation allowance is increased by \$300 to \$7,376.</p>

<p>At-Risk Funding At-Risk funding supports students at-risk of school failure by providing flexible funding to provide needed support services that can ultimately reduce the academic achievement gap. This funding is used to support a variety of supports during or outside regular school hours such as tutoring services, early childhood programming, reading support, school-based health services, etc. Unfortunately, At-Risk funding has never received the level of appropriation that was intended or identified as needed to support Michigan’s most challenged students.</p>	<p style="text-align: center;">↔</p> <p>The Governor maintains funding for At-Risk programs at \$309.0 million, but proposes a new purpose of ensuring third grade reading proficiency by the end of third grade and that high school graduates are career and college ready. While the new goal focused on third grade reading proficiency and college and career readiness is a positive step, At-Risk funding continues to be well-below the intended and needed appropriation.</p>	<p style="text-align: center;">↔</p> <p>The House concurs with the Governor.</p>	<p style="text-align: center;">↓</p> <p>The Senate maintains current law, which has no language around the goal of this funding.</p>
<p>Best Practices Grants In recent years, the state budget has provided best practices grants to schools that demonstrate that they have met seven of eight best practices grants: 1) hold their own health care policy; 2) competitively bid at least one non-instructional service; 3) participate in school choice programs; 4) measure student growth twice annually or show progress toward developing the technological infrastructure to implement assessments by the 2014-2015 school year; 5) provide dual enrollment; 6) offer online or blended learning; 7) publish a dashboard of outcomes for the public as well as revenue and expenditure projections; 8) and provide State Board of Education recommended physical education and/or health education classes.</p> <p>While several of the best practices criteria help improve educational equity including providing dual enrollment opportunities and offering online or blended learning, these types of programs should be adequately funded and offered since they reduce educational disparities, rather than being attached to a small per pupil foundation increase only if a laundry list of “best practices” are achieved.</p>	<p style="text-align: center;">↓</p> <p>The Governor maintained funding for best practices grants at \$80 million for a maximum payment of \$52 per pupil.</p>	<p style="text-align: center;">↓</p> <p>The House reduced the overall appropriation to \$78.7 million to recognize decreased statewide pupil membership, and revised the best practices criteria:</p> <ol style="list-style-type: none"> 1. Same: Hold own health care policy. 2. Same: Competitively bid services. 3. Same: participate in schools of choice 4. NEW: Replaced measuring student growth with complying with a method of compensation for 	<p style="text-align: center;">↓</p> <p>The Senate removed best practices grants.</p>

		<p>teachers and administrators that includes job performance and accomplishments as a significant factor.</p> <p>5. NEW: Replaced dual enrollment opportunities with having a higher percentage of proficient 3rd grade readers in 2013-2014 than 2012-2013</p> <p>6. NEW: Replaced online learning with complying with Right to Work legislation</p> <p>7. NEW: Replaced the dashboard with implementation of the MI comprehensive guidance and counseling program</p> <p>8. Same: Provides physical/health education</p>	
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For more information on the fiscal year 2015 budget and what it means for children and families, visit www.michiganschildren.org.