

July 2, 2014

Fiscal Year 2015 Investments in Youth

The final fiscal year (FY) 2015 budget has been approved by the Legislature and the Governor. At this point, elected officials are on break and focusing on elections in August and November. Campaign events provide a great avenue to talk with the candidates about the state budget and how you expect them to prioritize issues in budget discussions if elected or re-elected into office.

Increasing Opportunities Outside School Hours

The budget provides no new money for before- and after-school programs. This resource had been included in the House version of that budget. Flat funding of \$1 million is included to continue the before- and after-school healthy exercise pilot program for elementary students. 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 and gubernatorial veto in FY2013.

Also included is a new program funded at \$330,000 for grants to districts for professional development in STEM using department-approved training programs. This professional development could be utilized by informal STEM providers as well.

Despite early agreement, the budget did not include the proposed \$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 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.

Per-Pupil Support to Schools

The budget includes a \$50/pupil increase in the basic foundation grant (to \$8,099), and those districts receiving foundation allowances below \$7,251/pupil could receive up to \$125 per pupil from a new equity payment, for a total possible increase of \$175 per pupil. These increases as well as small increases in FY2013 and FY2014 towards the minimum foundation allowance continues to fall short of the \$470 per pupil cut that districts faced in the FY2012 budget. 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.

Support for Students At-Risk of School Failure

The budget includes flat funding for At-Risk programs at \$317.7 million and \$918,000 to support the lowest achieving schools through technical assistance opportunities. It also contains significant changes in the way that At-Risk funding would be allocated and the way that students would be deemed eligible for that funding, including prioritizing improvements in 3rd grade reading and college and career readiness and tying future funding to improvements in those two specific areas. This flexible funding is currently used to support students at-risk of school failure through a variety of supports during or outside regular school hours such as tutoring services, early childhood programming, reading support, school-based health services, etc.

Encouraging Digital Learning Opportunities

The budget adjusts the district requirement to allow online course options beginning in 5th grade to 6th grade. Funding for the Michigan Virtual School (MVS) is cut from \$9.4 to \$7.4 million to assist intermediate and local school districts with online learning options, identifying best practices, training and research. Also included is flat funding of \$50 million in grants to districts (up to \$2 million per district) to develop or improve their technology infrastructure.

Performance Based Incentives to Districts

The budget includes increased performance-based incentives for districts showing improvement based on the 2012-13 MEAP and MME exam performance to \$51.1 million. Districts would continue to receive up to an additional \$100 per pupil towards their foundation allowance based on performance improvements as follows: a) \$30 per pupil based on math assessments from third through eighth grade, b) \$30 per pupil based on reading assessments from third through eighth grade, and c) \$40 per pupil based on high school assessments. It eliminates \$8 million for a competitive Student-Centric Learning grant. In the 2013-14 school year, this grant was provided to two districts.

Best Practices Incentives to Districts

The budget reduces Best Practice Incentives to \$75 million from \$80 million, reduces the maximum payment to \$50/pupil, and shifts to a requirement to meet seven of nine best practice criteria, changed as follows: removing the critical criteria related to measuring student growth twice annually, and providing dual enrollment and on-line learning opportunities. Criteria become: 1) hold their own health care policy; 2) competitively bid at least one non-instructional service; 3) participate in school choice programs; 4) publish a dashboard of outcomes for the public as well as revenue and expenditure projections; 5) and provide physical education and/or health education classes; 6) comply with school employee compensation determination requirements; 7) comply with prohibited subjects of bargaining; 8) implement the Michigan Comprehensive Guidance and Counseling Program; and 9) offer equivalent of 1 credit of foreign language in grades K – 8.

Support for Dropout Prevention and Recovery

The budget includes flat funding for adult education at \$22 million, but includes significant changes to how these programs are funded, from all funding going directly to local school districts to a model that shifts some of the funding to intermediate school districts to administer and changes the formulas involved in local distribution.

It provides continuation funding for career and technical education (\$27.6 million) and for vocational education (\$36.8 million). Increasing career and technical education options, adult education and

vocational education are proven dropout prevention and recovery strategies.

The budget includes \$1.8 million to reward districts who facilitate student participation in dual-enrollment options where students can take college courses while in high school but none include language used by other states encouraging districts to utilize dual enrollment as a re-engagement strategy for the most challenged students. There is \$2 million included in the budget to support student transfers after the February count date for strict discipline academies and some dropout recovery programs.

Access to Health Services for Adolescents

The budget includes \$36.5 million to begin to implement recommendations of the Mental Health and Wellness Commission, including improvements in services to youth.

Child and adolescent health centers are funded at \$3.6 million, and school-based health services at \$112 million. An additional \$2 million is included in the budget for a pilot program for nursing and behavioral health programs in schools provided by mobile health professional teams. Funding remains flat for the Michigan Model for Comprehensive School Health Education. 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.

Flat funding is included for health innovation grants of \$1.5 million. Grants of up to \$35,000 supported projects focusing on several areas specifically impacting youth, including underage drinking, mental illness and substance abuse, homelessness, dental care and health disparities in children.

Services to Youth in Foster Care

The budget includes \$8.7 million for medical and psychiatric evaluations of children in the protective services and foster care systems; \$700,000 for a Parent-to-Parent pilot program to support adoptive parents; and \$7.9 million to support parents who adopted children with special needs that were not identified at the time of adoption, including physical and mental health needs.

It includes a slight increase in funding for youth in transition programs from \$14.5 to \$15 million and an increase for the guardianship program to \$7 million, up from \$4.8. This resource supports family members and others to keep young people out of the foster care system. The final budget also provides \$500,000 to the fostering futures trust fund.

Also included is a shift in the current goal for the percentage of children who will have been in foster care for 24 months or more from 31% to 27% but revises the annual reporting requirement.

Services to Youth in the Juvenile Justice System.

The budget includes \$1.25 million (from \$1 million) for the in-home community care incentive program targeted to rural counties who are starting new or enhancing existing community-based programs for juvenile justice youth.

The House proposed closing the Maxey Training School, at a savings of \$69 million offset minimally by the transfer of some children to other residential facilities at a cost of \$1.6 million. This was not included in the final budget.

Also included in the budget:

- Flat funding for Juvenile Justice Education Programs at \$11.7 million, with \$2.2 million for youth under DHS supervision, \$8 million for court-wards and \$1.5 million for the Youth ChalleNge Academy.
- An \$800,000 increase for juvenile justice re-entry to track youth being released from care and coordinating after-care services, but removed funding for a study of the status of juvenile justice youth.
- \$1.4 million for the Performance-Based Funding Initiative for contracted services serving children and youth in child welfare and juvenile justice systems. The House included an additional \$100,000 for Kent County to pilot some of the components of the initiative.
- \$6.1 million for the Mental Health Diversion Council to provide mental health treatment in settings other than the criminal justice system

Building School/Community Partnership

The final budget includes an additional 200 outstationed DHS workers for the Pathways to Potential program, funded through a combination of additional federal, state, local and private dollars. Pathways to Potential locates DHS staff in local public schools and other locations where they can work directly with children and families to address basic needs and barriers to success that may include health care, housing, food, education and employment issues. DHS staff are currently located in 159 schools throughout the state.

Also included is \$300,000 for the school success partnership program through the Northeast Michigan Community Services Agency; and \$350,000 for the Michigan Reading Corps, to provide literacy and tutoring services for children K-3.

College Access

The final budget includes increased funding for the Tuition Incentive Program by \$1.5 million for a total of \$48.5 million. This program provides scholarships to low-income students who have received Medicaid for 24 out of any 36 months. Also included is \$2 million to support the Michigan College Access Network and flat federal funding to support the following:

- \$18.4 million for the need- and merit-based State Competitive Scholarship Program.
- \$2.7 million for King-Chavez-Parks Grants that encourage college going.
- \$3.2 million for Project GEAR-UP scholarships.