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The Fiscal Year 2016 Budget and How It Impacts Educational 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 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 to be safe at home, ready for school at kindergarten entry, and have opportunities and pathways that lead to college and career success.

This publication analyzes the final fiscal year (FY) 2016 budget and how it will promote equitable opportunities in key areas to improve educational success. Now is the time to talk to elected officials about the budget decisions you were glad to see, and where you hope more attention will be paid in the FY2017 budget to reduce disparities in child and family outcomes.

Improving School Readiness

↑ *Steps forward*

- As part of efforts to improve 3rd grade reading, the final budget includes a \$2.5 million increase to the Early Childhood Block Grant, totaling \$13.4 million to ISDs. The new \$2.5 million investment is targeted for home visits for at-risk children and their families. Evidence-based home visiting programs have demonstrated positive outcomes including improved birth outcomes, reduced child maltreatment, improved school readiness, and improved maternal well-being.
- As part of efforts to improve 3rd grade reading, the final budget includes a new \$17.5 million investment for districts that provide additional instructional time before or after school or through a balanced calendar for k-3rd graders who struggle to read proficiently. Research has shown that there is a 6,000 hour learning gap between students struggling academically and their peers by the time they enter the 6th grade, and this gap continues to increase into middle and high school. Access to before- and after-school programs including summer learning opportunities have shown to improve performance in reading and math, increase student participation and engagement in their learning, and promote students' development in other areas needed for success in school and life – all while reducing the achievement gap. Though this new investment is a significant step in the right direction, evidence suggests that simply extending a school day or the school year adds significant costs without much gain in academics or engagement, and it does not include funding to support expanded learning programs for older students. Targeting these funds to evidence-based practices through the 21st Century Community Learning Centers model can ensure the greatest return on investment.

- The final budget includes an additional \$5.7 million of unspent federal funds for the hiring of 35 additional licensing consultants to ensure all child care facilities comply with licensing standards, so that children are in safe learning environments. This will reduce average caseloads from 150 to 98. Access to high quality child care that meets health and safety standards 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.

↔ *Mixed results*

- As part of efforts to improve 3rd grade reading, the final budget includes \$1 million for new pilot Parent Education Programs for parents of children ages 0 through three. These programs would provide structured interactive activities between children and their parents, as well as activities for children to promote positive peer interaction. While this program is a step in the right direction, research has already shown which parent education programs provide the best return on investment; so a pilot to determine what will work best is not needed. Furthermore, the budget language only requires a sliding scale fee, rather than targeting this program to families who need it the most.

Improving College & Career Readiness

↑ *Steps forward*

- The final budget includes an increase for At-Risk programs by \$70 million for a total of \$379 million. This flexible funding is used to support students at-risk of school failure through a variety of supports during or outside regular school hours such as tutoring, early childhood programming, reading support, school-based health services, etc. The budget continues to prioritize improvements in 3rd grade reading and college and career readiness and tying future funding to improvements in those two areas.
- The final budget includes a \$3 million increase to adult education for a total of \$25 million. Adult education supports the basic skill building that adults need before working towards a high school credential, post-secondary success and family supporting employment. Programs also support young people needing alternative paths to a credential. The budget expands eligibility slightly for adults over 20 who are below a 9th grade level in reading or math, a critical component to ensuring that parents with low literacy skills can access adult education programs that can then assist them in supporting their children's literacy. The budget requires ISDs to give special consideration to programs that provide contextualized learning and education, training and services that align with skill needs in their region, and prepare students for success in a wide range of secondary and post-secondary options including apprenticeships. The budget requires that \$500,000 be used for a pilot program connecting adult education students directly with employers, with case management involved for students.
- The final budget increases funding for traditional career and technical education by \$10 million for a total of \$36.6 million. CTE serves young people who need different paths for engagement and education success beyond a traditional classroom that can utilize community, workforce and post-secondary partnerships can more successfully serve our most challenged young people, families and communities. Also included in the final budget is a new \$10 million appropriation for career and technical education focused on early and middle college programs, which allow students to achieve a high school credential while also earning an associate's degree or college credits, or a pathway to career such as a technical certificate or apprenticeship – another strategy to effectively engage young people at-risk of dropping out or re-engage young people who have dropped out of high school.

The FY2016 budget made significant steps forward to improve equitable outcomes for children, youth, and families who face the most barriers to education success. Michigan's Children recognizes that with these significant wins, disparities in child and family outcomes continue to persist and will need ongoing, focused efforts to mitigate them. For more information on the fiscal year 2016 budget and what it means for children and families, visit www.michiganschildren.org.