

June 26, 2015

## Fiscal Year 2016 Budget: What It Means for Youth in Michigan

The final budget for fiscal year (FY) 2016 has been approved and signed by Governor Snyder. Now is a great time to talk to your elected officials about the spending decisions they made for FY2016 – about the good funding decisions that will benefit your communities and families, and the funding challenges you continue to face that you hope will be addressed in future budgets.

### **Stable Paths to Adult Success**

Ensuring that young people in the state's care are provided some stability in their educational careers will result in the ability to build supportive relationships and to ultimately build better educational, career, and family outcomes.

**Services to Youth in the Foster Care System:** The final budget basically flat funds youth in transition programs at \$15 million (up from \$14.5 million in FY2015). Fully one-quarter of Michigan's foster care population is youth ages 16-20, higher than the national average. This flexible funding source covers a variety of expenses for 14-21 year olds served by the foster care system that assist with independent living, including educational and work supports, health services, parenting skills training, and housing support. The budget increased guardianship assistance payments slightly, to acknowledge increased caseloads, which supports family members and others to keep young people out of the foster care system. Funding for payments for residential foster care providers and placement agencies are all maintained. The final budget increases funding for foster care and guardianship subsidies and reduces funding for adoption subsidies, in part based on caseload projections.

In addition, the final budget eliminates the \$1 million Adoption Re-determination of Care Program, which allows some adoptive parents to request a re-determination of payments for certain children with special needs after an agreement has been finalized, recognizing that some needs can arise over time that aren't exhibited at the point of the original adoption. Additionally, the final budget reduces funding from \$500,000 to \$350,000 for the Parent-to-Parent program for adoptive parents that provided peer-to-peer support.

**Community-Based and Determined Supports for Families:** The final budget provides flat funding (\$12 million) for the Strong Families/Safe Children program, which offers a wide variety of services determined by community teams. These can include family support and crisis intervention, supportive visitation, foster and adoptive parent recruitment and education, and post adoption support services.

**Mental Health and Wellness:** Taking into account the FY2015 \$20 million supplemental appropriation, the FY2016 budget provides continuation funding for non-Medicaid mental health services at \$117.1 million. The final budget increased funding from \$3.35 million to \$4.35 million to support the recommendations of the Mental Health Diversion Council to provide mental health treatment in settings other than the criminal justice system.

The final budget includes \$1.5 million for a new Statewide Drug Policy Initiative, and flat funding (\$11 million) for drug treatment courts to maintain the 84 drug treatment courts throughout Michigan, including juvenile drug courts and family dependency courts in addition to adult drug and DWI courts

and tribal courts. Continuation funding is provided (\$5.3 million) for mental health courts, to continue to support nine of the 16 existing courts.

### **Improving College & Career Readiness**

The economic, social and fiscal consequences of not getting all young people prepared for college and career – unemployment, poverty, substance abuse, incarceration, poor health – are profound and unacceptable. Too many young people aren't succeeding through high school graduation, and many need more time or different paths to reach a diploma. In addition, many young people face barriers to graduation that education alone cannot remove. The Governor, House and Senate have proposed expanding some opportunities for the most challenged young people in his FY2016 budget recommendation, but continue to fall short on others.

**Expanded Learning:** Research has shown that there is a 6,000 hour learning gap between challenged students and their peers by the time they enter the 6<sup>th</sup> grade, and this gap continues to increase into middle and high school. Before- and after-school and summer learning programs are evidenced to help close that gap.

As part of efforts to improve third grade reading proficiency, the final budget includes \$17.5 million for districts that provide additional instructional time for kindergarten-3<sup>rd</sup> (k-3<sup>rd</sup>) graders who have been identified as needing additional supports and intervention. This additional instruction time can be provided before, during and after school hours or as part of a year-round balanced school calendar. Districts would be eligible for \$165 per pupil based on the number of first graders in the district or a lesser prorated amount if there are insufficient funds; and districts would be eligible if they implement a multi-tiered system of support instructional delivery model, use research-based diagnostic tools to identify students in need of additional instruction time, and provide k-3rd grade teachers with research-based professional development in diagnostic data interpretation.

This funding to expand learning time for early elementary students is a step in the right direction. However, the evidence suggests that simply extending a school day or the school year adds significant costs, but not as many academic gains or increased engagement in student's own learning as investments in high quality expanded learning programs. These programs include the resources of community partners in addition to resources within a school building. In addition, there is no funding for expanded learning programs for students beyond the 3<sup>rd</sup> grade. State funding for these evidence-based 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.

The Child Development and Care program – the child care subsidy program – also supports expanded learning opportunities for children from low-income families. Due to continually declining caseloads, Michigan has been carrying over unspent federal dollars each year, of which the final budget appropriates \$12 million be used to increase access to higher quality care for subsidized families. Typically, about 40% of CDC funds support school-age child care, before or after school and during the summer, with the remaining funds supporting care for young children.

### **Supporting the Most Challenged Students:**

**Support for Students At-Risk of School Failure.** The final budget includes an increase for At-Risk programs by \$70 million from \$309 to \$379 million, and further defines the use, purpose and outcomes of the fund. 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. 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 budget maintains victims of child abuse or neglect, pregnant or parenting teens, and family history of school failure, incarceration or substance abuse as targeted populations for services. The budget also requires districts to implement a multi-tiered system of supports model of instruction and intervention for at least kindergarten - 3<sup>rd</sup> grade in order to qualify for funding.

Access to Health Services and Health Education. The final budget provides flat funding for hearing and vision screenings (5.2 million) that also come out of the At-Risk funding stream and school-based health centers (\$3.6 million). The budget also includes \$2.0 million to maintain access to nurses and behavioral health services in three existing school clinics. Adolescent health centers are positioned to provide needed services, and integrate a variety of medical, mental health, social and counseling services that would not otherwise be available. 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.

The final budget includes flat funding for the Michigan Model for Comprehensive School Health Education at \$300,700. 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.

Expanding Opportunities for Older Youth. The final budget expands the ability for districts to fund services for older youth to obtain a diploma beyond age 20 to include young people who qualify for federal McKinney-Vento services and protections – primarily homeless youth and some young people currently in the foster care system. Many of these extremely challenged young people have difficulty accumulating credits because of tenuous housing circumstances and often need additional time to graduate. However, the final budget also cut in half the resources available to support strict discipline academies and some dropout recovery programs from \$2 million to \$1 million and restructures the reimbursement process.

Gang Prevention and Intervention Program. The final budget includes \$1 million to fund programs that reduce the number of youth in gang-related activity by providing employment and training, counseling services, and by accessing community resources for continuing education, court advocacy and health care services. These grants would be given to local districts in partnership with nonprofit, law enforcement and other community resources, and require a university partner for data and evaluation assistance.

Court Placed Students. The final budget includes flat funding (\$10.2 million) to reimburse districts for educating students in local juvenile detention facilities and to Intermediate School Districts (ISDs) for educating students placed in DHS juvenile justice facilities.

Youth Challenge Program. The final budget includes continuation funding (\$1.5 million) for the Michigan Youth Challenge Academy, an alternative education program for 16-18 year olds who have dropped out or are at risk of dropping out.

Alternative Education. The final budget includes language requiring “seat time” waivers to alternative education programs. These waivers allow districts to deviate from the mandated days and hours of

instruction if student competency can be demonstrated. The budget also adjusts the mandated hour requirement for online delivery models to instead tie with competency standards.

Adult Education. The final budget includes a \$3 million increase to adult education for a total of \$25 million and maintains changes in administration begun in FY15. The budget expands eligibility slightly for adults over 20 who are below a 9<sup>th</sup> grade level in reading or math, and 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.

Bilingual Education. The final budget includes flat funding for this program at \$1.2 million.

**Career and Technical Education:** The final budget increases funding for traditional career and technical education by \$10 million for a total of \$36.6 million. 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.

The final budget includes a new career and technology education and skilled trades initiative that includes a new \$2.1 million At-Risk Youth Initiative, as well as other CTE enhancements through the Department of Talent and Economic Development.

**Local School District Support:** The final budget uses the "2x formula" that provides higher increases for the lowest spending districts, raising the minimum to \$7,391 (\$140 increase) including Public School Academies (PSAs or charter schools), and the maximum to \$8,169 (\$70 increase). The final budget also includes additional shifts in some other per pupil funding items:

Best Practice and District Performance Grants. The final budget eliminates Best Practice grants for local school district, which used to provide an additional per pupil grant to districts who meet a certain number of best practices criteria. District Performance grants – that were based on student performance on standardized state tests – are also eliminated.

Equity Payments. The final budget eliminates this section, which was funded at \$103 million in the current fiscal year, and rolls this funding into the foundation allowance. This funding was intended to support the lowest spending districts.

Dual Enrollment: The final budget provides continuation funding at \$1.75 million to reward districts who facilitate student participation in dual-enrollment options where students can take college courses while in high school 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.

Math and Science Centers/STEM Education: The final budget provides continuation funding (\$8.5 million) for these Centers who provide professional development opportunities and initiate best practice for STEM-related programming in school and in expanded learning programs. In addition, the final budget cut funding for grants to districts for STEM professional development from \$330,000 to \$250,000. Support for the FIRST Robotics program was maintained at \$2 million. The final budget also includes \$350,000 in direct grants to districts for Science Olympiad and other STEM options, as well as a

\$250,000 grant directly to the Van Andel Education Institute to provide STEM professional development in science instruction.

Civic Education: The final budget includes a new \$60,000 competitive grant to provide civics education to local school districts.

Intermediate School Districts: The final budget removes the \$2 million best practices incentives and rolls those funds into ISD general operating for a total of \$67.1 million. ISDs provide many services targeted towards students facing challenges including special education, career and tech education, online and digital courses, Math and Science Centers, alternative education programs, and court involved youth and homeless education programs.

These changes, as well as small increases in FY2013-15 towards the minimum foundation allowance essentially reinstates the \$470 per pupil cut that districts faced in the FY2012 budget. But, inconsistent funding levels over the years has forced 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. And, consistent and increased funding for important categorical programs that target the most at-risk students are essential to ensure educational equity.

**Encouraging Digital Learning Opportunities:** The final budget provides continuation funding of \$7.4 million to Michigan Virtual University to assist intermediate and local school districts with online learning options, identifying best practices, training and research. The budget also requires maintaining a statewide network of mentors for on-line instruction and improvements to the on-line catalog, including the addition of community college courses and adding additional operational functions. The budget eliminates several references to partnership building and caps the amount of subsidy that can be provided to districts for course costs. Also included in the final budget is a reduction in funding from \$41.5 to \$23.5 million in technology readiness infrastructure grants for local and intermediate districts with language indicating that the FY2016 budget is the final year of appropriation for this grant.

**Building School/Community Partnership:** The Governor, House and Senate include an additional \$20.5 million for the Pathways to Potential program (totaling \$60 million in federal, local and private investments). This service delivery model locates Department of Human Services (DHS) staff in local public schools where they can work directly with children and families to address basic needs and barriers to success that may include housing, food, education and employment issues. DHS staff are currently located in 208 schools throughout the state. These funds also support locating workers beyond schools, and support prisoner reentry initiatives as well. The increased funding in FY2016 is specifically for co-locating an additional 200 caseworkers in adult placement and independent living settings, federally qualified health clinics, some hospitals and employer-based sites. The increase is funded through federal dollars that will require a match from local entities participating. In FY2009, Michigan allocated a small amount of money specifically to connect educational and other community services through an integrated student services model. This funding was removed from the FY2010 budget, and is not in any of the FY2016 budget proposals.

The final budget provides a \$150,000 increase for a total of \$450,000 for the School Success Partnership to the Northeast Michigan Community Service Agency. This is a successful integrated student services model.

**College Access:** The final budget includes a new \$3.6 million appropriation for programs to provide tools and resources to help students with college and career decision-making. \$3 million of that will

support the Michigan College Access Network, local college access networks, the Michigan College Advising Program, the Michigan College Access Portal, grants to local districts to support college access teams and grants to postsecondary institutions to provide college advisors to assist high school students. This was previously funded at \$2 million in the higher education budget. The budget also includes language that this funding could not be used to supplant funding used for existing counselors, and the House did not include this funding.

The final budget includes a 1.5% increase to the Tuition Grants program for a total of \$34 million while the remaining financial aid grant programs are flat funded, including the Tuition Incentive Program which provides scholarships to low-income students who have received Medicaid for 24 out of any 36 months. Also flat funded is the need- and merit-based State Competitive Scholarship Program. The final budget did not include any funding to reinstate the Part-Time Independent Student Grant, which helped older students, those who have been out of high school for more than 10 years, including many older youth and parents, afford post-secondary education.

*Visit our website to [learn](#) what the state budget means for children, youth and families; and how you can [get involved](#) in budget advocacy. And, [sign-up](#) for our Early Childhood Action Network and the Graduate Michigan Action Network for more budget details as it relates to young children and older youth.*