

May 9, 2016

What's Still at Play in the Fiscal Year 2017 Budget

After reviewing the Governor's budget recommendations for fiscal year 2017 (FY2017), the House and Senate have approved their budget recommendations. Now the Legislature focuses on points of difference to be decided in Conference Committees; and once the Legislature approves a FY2017 budget, the Governor has the power to veto any spending line item. Engagement with your elected officials is critically important, whether or not they are named to the Conference Committees – particularly on equity-promoting strategies that still need to be negotiated. Here are a few critical items at play in the FY2017 budget that will impact children, youth and families in Michigan.

Early On: While no statewide funding is provided for *Early On* in either chambers, the House provides \$50,000 for the Department of Health and Human Services to work with the Department of Education to investigate funding opportunities for *Early On* including the feasibility of maximizing Medicaid reimbursement. Medicaid is the second largest source of funding for birth to age 3 early intervention services nationally, yet in Michigan, is underutilized. This study is an important step to realize how Michigan can maximize funding opportunities to ensure that all *Early On* children receive the adequate services they need for optimal development.

Child Development and Care (CDC) Program: While no changes are made to the CDC program, which provides child care subsidies to low-income working families, the House provides a \$100 placeholder to explore a slight increase in income eligibility. Michigan currently has one of the lowest entrance income eligibility requirements for this program compared to other states.

Parent-to-Parent Adoption Family Support: The House eliminated this program that matches adoptive parents to one another to provide peer support. The Senate retained current funding levels at \$350,000. Parent mentoring is proven effective in the child welfare, foster care and adoption systems.

Competency-Based Education: The House provided \$1 million to develop assessments and award universally accepted school credit for students related to key academic, technical and global skills, or "competencies." The Senate did not include this resource. Credit accumulation is often difficult for young people and families facing challenges that interrupt learning. Alternative methods for measuring the skills that young people have is a key strategy toward increased high school graduation.

Career and Technical Education (CTE): Both the House and Senate included another year of increases for CTE programs, including support for equipment upgrades for current programs. The House included more funding for the middle college component of those programs, and the Senate included two new CTE options focused on restaurant management/culinary and health. When targeted toward the most challenged youth, CTE can be a very effective dropout prevention and recovery strategy.

Gang Intervention Programs: The Senate cut all funding (\$1 million) for these initiatives that partner with community resources to provide employment, counseling, continuing education and health services to divert young people from gang-related activity. The House increased funding to \$4 million.

Michigan's Children was pleased to see several provisions included in both the House and Senate budgets that will improve outcomes for children, youth and families across the state. Because they are not points of difference, they will most likely be in the final FY2017 budget. These include:

- \$25.6 million for the final expansion of Healthy Kids Dental (HKD) in Kent, Oakland and Wayne counties to cover all eligible children under age 21 across the state. HKD increases provider reimbursement rates, encourages provider participation, and helps more children receive high-quality dental care.
- An expansion of the clothing allowance to all children served by the Family Independence Program (FIP), from the children cared for by parents not receiving FIP benefits themselves, expanding to 25,000 additional children and youth. The House includes a recommended increase in that benefit as well from \$140-\$170 annually.
- Over \$3 million to expand the Family Reunification and Parent Partners programs to additional counties to serve families in the child welfare system. The Family Reunification Program offers up to six months of therapeutic/skill-based intervention services for families who are being reunified after having their child(ren) in foster care for some period of time. The Parent Partners program matches a parent who successfully navigated the foster care system and reunified with their child(ren) with families currently involved in the foster care system with the goal of reunification.
- Maintenance of At-Risk Program funding for schools that serve more challenged students, and a slight increase in per pupil payments using the 2x formula to better support all schools.

However, the FY2017 budget continues to miss some key investments. With the election season well underway, these are some top issues that candidates need to be educated about to understand how they can best support Michigan's most challenged children, youth and families.

Support for expanded learning: While the FY2017 budget will continue to see funding for additional learning time for early literacy and increased resources for moving to a year-round instructional calendar, Michigan lacks targeted investments across the k-12 spectrum. The state's \$39 million in federal 21st CCLC funding to support expanded learning programs in the most challenged communities across the state funds fewer than half of the best programs applying. Targeted expanded learning investments can improve students' performance in reading and math, increase student participation and engagement, and promote development in other areas needed for success in school and life.

Family Literacy Programs: The FY2017 budget will provide continuation funding for adult education at \$25 million, an important component to two-generation family literacy programs that concurrently improves the educational skills of adults while also providing quality early learning for their children. Decades of research, including evaluation of the formally funded Even Start programs in Michigan, tells us that family literacy is more effective than adults-only or children-only literacy programs; and young learners will face more struggles to read proficiently if their parents cannot support them through their reading journey. Michigan needs to continue to rebuild its adult education investment with new funds specifically targeted towards two-generation family literacy programming.

Early On: Michigan continues to be in the minority of states with no statewide appropriation for *Early On* early intervention, which serves nearly 18,000 families with infants and toddlers birth to age three who have a development delay or disability. While Michigan receives \$11.8 million in federal funding through the Individuals with Disabilities Education Act – Part C, these funds are vastly insufficient to provide adequate intervention like speech therapy and specialized instruction. National longitudinal studies demonstrate that 42 percent of infants and toddlers who receive adequate early intervention services will not need special education at kindergarten entry. For Michigan to see these types of results, we must begin investing statewide in *Early On*.