

February 9, 2017

A Quick Glance at Governor Snyder's Budget Recommendations

On February 8, 2017, Governor Rick Snyder released his budget recommendations for Fiscal Year 2018, which begins on October 1, 2017 and ends September 30, 2018. Governor Snyder focused his education efforts on bolstering support for at-risk students, increasing the per pupil foundation allowance with an additional focus on high school, continuing to support efforts focused on third grade literacy, and increasing support for higher education access. The Governor's budget also includes increased investments for child care and other basic needs for low-income families, as well as additional supports for children and families served by the child welfare system.

Child Care: The Governor includes a \$29.4 million (\$8.4 million general fund) increase to the Child Development and Care Program, which provides child care subsidies to Michigan's lowest-income working families. This allocation allows Michigan to draw down its full federal Child Care and Development Fund allocation, which the state has failed to do in previous years. Specifically, funds will be used to increase our child care subsidy reimbursement rate to move closer to the 75th percentile of the market rate, and to fund monitoring and background checks including FBI fingerprinting of child care providers that's required under new federal child care rules.

At-Risk Education Funding: The Governor includes a 40 percent or \$150 million increase to At-Risk funding and proposes significant shifts in eligibility and allocation for the program, including a new focus on absenteeism and closing performance gaps in math proficiency and 3rd grade literacy. Some eligibility categories have been removed for students, but economic risk has been increased from family income at 133% of poverty to 185%, and separate eligibility maintained for youth in the foster care system, and those who are from migrant families or are homeless.

Support for Foster Care: The Governor proposed a slight increase in support to older foster youth, expanding the Michigan Youth Opportunity Initiative, a program that provides services to assist with the transition from foster care to independence, to every county in the state. He also proposed some shifts in reimbursement rates for foster care agencies, but those costs would be paid for through county resources, not state resources. And some efforts are proposed to build a regionalized system for foster parent recruitment and retention.

Supporting Flint: A focus on supporting children in Flint impacted by the water crisis remains in the Governor's budget recommendation with a total of \$8.7 million included to continue early education programs including \$2.5 million for Genesee ISD to provide early literacy as well as early intervention services aligned with the *Early On* program for children up to age four including twice annual *Early On* evaluations, \$3 million to provide the Great Start Readiness Preschool program for all four-year-olds in Flint regardless of income, \$2.6 million to support school nurses and social workers, and \$605,000 for nutrition programs. The proposal includes no additional resource for Early On statewide, beyond funding for Flint.

Other highlights in Governor Snyder's budget proposal include the following:

- Continuation funding for the Great Start Readiness Preschool program is included, but eligibility is tightened to children in families living at or below 250% of the federal poverty level (FPL). Currently, ISDs can serve children up to 300% FPL if they demonstrate they are serving all eligible children living at or below 250% FPL. The Governor's budget also recommends a new allocation formula of GSRP funds.
- As part of efforts to improve third grade literacy, funding for early literacy coaches to support k-3rd grade teachers was doubled to \$6 million; and funding to support additional instruction time for k-3rd graders who have been identified as needing additional literacy-focused supports and interventions was maintained at \$17.5 million. This additional instructional time can be provided before, during, and after school hours or as part of a year-round balanced calendar.
- Increases of \$50 to \$100 using the 2X formula are proposed to the k-12 per pupil foundation allowance, and an additional \$50 per pupil increase is recommended for high school education.
- Funding is maintained for adult education programs at \$25 million with administration continuing to be led by the Talent Investment Agency and no changes to eligibility or formula.
- An increase of \$5.3 million for a total of \$58.3 million for the Tuition Incentive Program (TIP) is included. This program increases high school and postsecondary degree completion among Michigan's very low-income students and is projected to support 18,500 students in FY2018. Continuation funding of \$750,000 was included for the Fostering Futures scholarship program for young people who have been in the foster care system.
- Expands the Healthy Kids Dental Program to include all eligible children under 21 across the state. All counties were included with the 2016-17 fiscal year, but not all children under 21.
- An investment of \$5.6 million (\$3.3 million GF) is recommended to expand the Pathways to Potential program, which places DHHS Success Coaches in schools to reduce chronic absenteeism, connect families to community resources, and build school-community partnerships. The Governor's budget also includes \$3.6 million to support partnerships between MDE and education stakeholders to assist districts struggling with poor student academic performance.
- A \$2.7 million increase using TANF funds is included to expand the clothing allowance for children in families receiving FIP cash assistance. Specifically, this expansion will increase the allowance by \$60 per child for a total of \$200 per child.
- Doubling the resource for balanced calendar/year-round schools initiatives from \$1.5 to \$3 million, but no additional investment targeted specifically to supporting expanded learning options afterschool or in the summer months.
- The proposal reflects increases, continuation funding or cuts to several programs that are federally funded to reflect changes in the federal budget. The 21st Century Community Learning Center program, which is the only revenue source devoted entirely to expanded learning programming, stayed stable at \$39 million – only enough revenue to fund less than half of the qualifying applications in Michigan.

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