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Examining the Adopted FY24 Michigan State Budget

Unprecedented Improvements and Missed Opportunities for Children, Youth and Families

The Legislature and Governor have enacted a full state budget for the 2023-24 Fiscal Year beginning October 1. This new budget allocates the state's remaining unspent federal COVID-related funds and state surplus funds. Here are some priorities that are in the FY24 state budget, and others that are left out, that will impact equity of outcomes for children, youth, and families.

Afterschool and Summer Learning

The final budget includes \$50 million in School Aid Funds for **before-, after-school, and summer learning programs**. This is an unprecedented state investment into access to out-of-school time learning programs. Prior to the pandemic, a survey of Michigan parents found that [for every child in an afterschool program, four more would participate](#) if a program were available.

Keeping All Families Strong

The budget invests in increased access to mental and behavioral health services as well as cash assistance for struggling families, including:

- \$120 million in General Funds for an **85-cent per hour wage increase for direct care workers** including behavioral health and many child welfare professionals.
- \$16 million in federal Temporary Assistance for Needy Families (TANF) funds for the [Rx Kids Flint](#) program which will study how direct cash assistance helps improve the health outcomes of parents and their children.
- \$7.5 million in one-time state and federal funds for **recruitment and retention and accelerated degree programs** for behavioral health professionals.
- \$2.7 million in TANF funds to **increase the annual back-to-school clothing allowance** to families enrolled in the [Family Independence Program](#) (FIP), for a total of \$10 million.
- \$2 million in TANF funds to **increase supplemental cash assistance per child under age 6** for families receiving FIP cash assistance, creating a minimum benefit supplement of \$400 per year per child.

Missed Opportunities

The budget provides no increased resources for **primary child abuse and neglect prevention through [Children Trust Michigan](#)** (formerly known as the Michigan Children's Trust Fund). Annual revenues deposited into the trust have fallen consistently since 2008, resulting in the underfunding of primary prevention activities by millions of dollars.

A Healthy Start

The budget provides \$1.1 million in increased School Aid Funds (SAF) to **expand *Early On* services** for children birth to 3 years old with developmental delays or disabilities for a total of \$42 million. The budget also provided a \$2 million SAF increase for **voluntary home visiting services** focused on helping families improve their school readiness.

Missed Opportunities

This budget failed to prioritize more transformative expansions of *Early On*. We know that to meet the full demand for service, tens of millions of additional dollars are needed for *Early On*, a public service intended to be available to any family. However, access continues to be limited based on how much funding exists in a particular county.

Quality Early Childhood Programming

The budget makes significant increases in the state's free [Great Start Readiness Program \(GSRP\)](#) for 4 year olds but in contrast fails to raise serious dedicated investment in the state's struggling child care system overall. Here are the spending highlights:

- \$90.8 million in state funds to increase the **per-pupil grant for the Great Start Readiness Program**, from \$9,150 to \$9,608 for full-day and \$4,808 for part-day, and to **raise the family income eligibility threshold** for the program from 300% of the Federal Poverty Line (FPL) to 400% FPL.
- \$35 million in one-time state funds to **start up new and expanded GSRP classrooms**.
- \$30 million in one-time federal funds for projects to **strengthen early childhood workforce training, recruitment, and retention**.
- \$18 million in new funds for **expanded GSRP transportation**.
- \$15.8 million in new state funds for **piloting additional sites for GSRP for 3 year olds**.
- \$18 million increase to fund **Great Start Collaboratives** and Parent Coalitions through the Early Childhood Block Grant.
- Continuation of \$3 million funding for [Infant and Early Childhood Mental Health Consultation \(IECMHC\)](#) to help child care providers appropriately respond to challenging child behaviors.
- **No increased funding for expanding GSRP hours** to include more hours of the day.
- Allocation of unspent federal funds to **maintain COVID-era child care system improvements**, including:
 - 200% FPL family income eligibility threshold for the child care subsidy program.
 - Enrollment-based payments to providers rather than attendance-based.
 - The lower end of a stepped-down reimbursement rate for child care providers.

Missed Opportunities

While strengthening the GSRP system for families with currently enrolled children is a step in the right direction, **we still have not seen significant expansions of state funding to replace expiring COVID-era federal funds. This will hold our state back from investing in a**

system that reflects the true cost of child care. We also did not see the enactment of a **tax credit to raise the incomes of all early childhood educators** by at least \$1,000.

Resources for Learning

The FY24 School Aid Budget includes a total of \$1.8 billion in increased School Aid Funds (SAF) for educational supports for students, including:

- \$204 million SAF to **increase funding for economically disadvantaged students** to a total of \$747.5 million, including an innovative Opportunity Index that provides additional funding to school districts with higher concentrations of lower-income students.
- \$611 million SAF to **increase the per-pupil “foundation grant”** from \$9,150 to \$9,608 per student.
- \$310 million SAF to **expand K-12 special education services**, for a total of \$1.9 billion.
- \$245 million SAF for one-time projects to **consolidate school district services**, with the goal of saving money by reducing duplication of work.
- \$225 SAF for one-time funding to **pay down postsecondary student loans of school employees** who work directly with students.
- \$178 million in one-time grants for school districts to **expand student mental health services and improve school safety** including law enforcement coordination and safety infrastructure. An additional \$24.4 million SAF was given to **increase funding to Intermediate School Districts for mental health services.**
- \$160 million SAF for school districts to provide **free school breakfast and lunch to all PreK-12 students**, and \$2.5 million SAF to **forgive school meal debts.**
- \$140 million SAF in one-time funds to **improve early literacy instruction.**
- \$125 million SAF for the purchase of **cleaner school buses** that run on electricity or alternative fuels, and for related bus infrastructure.
- \$125 million SAF for a dedicated **School Transportation Fund** that funds school transportation based on the number of riders a school district has per square mile.
- \$113 million SAF to **raise teacher wages and mentor new school professionals.**
- \$45 million SAF to **upgrade school-based health center facilities** to better connect students in their school building to critical physical and mental health services.
- \$14 million SAF in one-time funding to be spent over four years for **MIFamily Engagement Centers** to help build better relationships between schools and families.
- \$13 million SAF in **increased funding for bilingual education** for English Language Learners.
- A re-appropriation of \$52 million in federal COVID education funds for per-pupil payments to districts to execute plans to **address learning loss.**

Skill-Building for Families and Young Adults

The budget includes a series of transformative adult education investments, including:

- \$10 million in School Aid Funds (SAF) for **adult education and family literacy** programs, for a total of \$40 million.

- \$15 million in one-time SAF to **improve enrollment in and completion of adult education programs**.
- \$2 million in one-time state funds for a **statewide adult literacy grant** which will support nonprofit family literacy programs.
- \$5 million in SAF for **career and education navigators for adult learners**.

The budget also creates a new **Michigan Office of Postsecondary Educational Attainment** in the Department of Labor and Economic Opportunity to review, evaluate and recommend improvements to all state financial aid programs.

Successful Youth Transitions

The state budget provided a historic \$5.3 million increase for **Runaway and Homeless Youth services**. This will move the state closer to having statewide access to housing supports for vulnerable young people. The plan also includes \$500,000 for **Fostering Success Michigan** to improve the quality of campus-based support programs for postsecondary students who have experienced foster care.

Missed Opportunities

Unfortunately, the budget missed an opportunity to build on previous investments meant to **improve high school graduation for students experiencing foster care**. More funding is needed for transcript access, individual advocacy, education planners, and other wraparound supports.

There was also no funding for expanding **supports for older youth transitioning out of the foster care system**. Examples of proven solutions needing expansion include increased cash stipends through Young Adult Voluntary Foster Care; expanding the [Michigan Youth Opportunities Initiative](#) to ensure consistent and comprehensive access to peer support and transition opportunities; and increasing the [Fostering Futures postsecondary scholarship](#) dedicated for young people who have experienced foster care.

Supports for Struggling and the Most Vulnerable Children and Families

The budget also allocates some additional funds to improve services for children, youth, and families who have experienced significant trauma, including:

- \$31.5 million in state funds to provide a higher payment to counties for the provision of **community-based juvenile justice services**, keeping children out of detention.
- \$19.3 million in combined state and federal funds to **increase daily payments for foster parents** including kin formally caregiving through the foster care system, adoptive parents, and juvenile guardians.
- \$10 million in state funds for a **statewide respite care program for foster parents**.
- \$1.6 million in state funds to expand the Office of the Child Advocate (formerly known as the Office of the Children's Ombudsman) to **allow for investigations of complaints in juvenile detention facilities**.

- \$1 million in one-time state funds to **expand** [court-appointed special advocates](#) for children who are involved with the child welfare system.
- Maintenance of \$250,000 in funding for the [Adoptive Family Support Network](#).

For even more details on the budget agreement, click to read the Michigan Legislature's [Education Budget summary](#) and the [General State Budget summary](#). Lawmakers will now break to promote the highlights of the budget deal, make plans for the rest of the Legislative session before the campaign season begins again, and are expected to reconvene in September to act on bills that they want to see passed. It is not clear how extensive any supplemental budget negotiations will be if they occur. Look for more information from Michigan's Children regarding what bills need to move now that the budget is finished to help ensure that children, youth, and families can thrive.