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An Early Look at how Governor Whitmer's Budget Recommendations Support Proven Plays for Children, Youth and Families

On March 5, 2019, Governor Gretchen Whitmer released her first budget recommendations for Fiscal Year 2020, which begins on October 1, 2019 and ends September 30, 2020. Governor Whitmer's focus was consistent with her campaign and State of the State messages, with recommendations for increased road funding and significant investment shifts in education. Her proposed program increases are dependent on new revenue from a gas tax increase that would need to be passed through the Legislature independent of the budget debates.

As always, the state budget represents our state's priorities, and over the course of the next several months, the legislature will identify where they agree and disagree with the Governor's proposals. As more budget details come out, and the legislature begins its own work on the budget, Michigan's Children will dig more deeply into our budget priority areas, but here is a first look at the how Governor's proposal documents impacting children, youth and families:

Quality Care for Children

Child Care: The Governor uses federal child care funds to propose dedicating \$13.6 million to increase the family income eligibility threshold for state support from 130% the Federal Poverty Line to 140%, and \$16.4 million to increase reimbursement rates for all child care providers between 20 and 50 cents per hour depending on the type of provider and their Quality Rating. Both of these increases are important steps in the right direction but, even with these improvements, our state will continue to lag many in the Midwest in overall state investment into child care access and affordability and Michigan's Children will continue to push for adjustments through the budget process. The Governor's budget proposal also includes \$3.6 million in federal funds to increase funding for infant/toddler and quality child care, whose details we will update as they are available.

Enhanced System in Foster Care: Understanding the barriers reported by caregivers in the foster care system, Michigan's Children is recommending investment in an enhanced child care support system for relative caregivers and other families in the foster care system that includes improved rates and social-emotional supports. The Governor's budget doesn't include any recommendations for an enhanced system, but we will continue to promote this investment through the budget process.

A Healthy Start

Support for Early On: After celebrating last year's first state investment in Early On, Michigan's Children is asking for a \$20 million increase over current year funding, based on the identified need and our five-

year investment strategy to be able to provide recognized levels of services to all eligible infants and toddlers. We are glad that the Governor proposed continuing the current year investment of \$5 million, in addition to increased resources for K-12 special education, but will be working toward increasing investment in Early On, which is proven to reduce future K-12 special education costs, through the budget process.

IECMHC – Infant and Early Childhood Mental Health Consultation. IECMHC shows a return on investment of more than \$7 for every dollar spent, Michigan’s Children is asking to fully fund the program at \$7 million. At this point, it isn’t clear if the Governor is recommending funding for this program through child care resources, mental health resources or otherwise.

Supporting Parents

Family Income Supports: The Governor proposed doubling the value of the Michigan EITC, an investment with proven poverty-fighting impacts. Michigan’s Children would like to see some expansions of the credit detailed in sections below, but certainly supports this increase in a program that is proven to increase income for working families. The Governor also proposed Child Support Pass-Through payments of up to \$200/month for families receiving cash assistance. Currently, the state retains all collected child support to cover assistance payments. Research on Michigan’s previous pass-through payments showed that they encouraged non-custodial parent financial support and engagement in children’s lives.

Community Child Abuse and Neglect Prevention: Local child abuse and neglect prevention councils and service providers, funded through the Children’s Trust Fund, coordinate community support, assess needs and build partnerships to be able to provide evidenced practices like home visiting, parenting classes, counseling, child care, referrals, transportation and prenatal care for families preventing instability. A need for an additional \$3 million was established last year, resulting in an increase of \$400,000. Michigan’s Children’s ask is for an additional \$2.6 million, but the Governor’s proposal actually cut resource to these critical coalitions and programs, proposing only \$150,000.

Family Reunification: The Governor recommended expansions in two programs that support the connections between birth parents and their children after they have been placed into foster care but are working towards family reunification: A \$5.9 million increase to expand the Foster Care Supportive Visitation program and new Parent-Child Visit Assistance services, which provide intensive parent-child home visitation services to families working toward reunification.

Mental Health Problem-Solving Courts: The Governor proposed continuation funding of \$18.2 million for Michigan’s problem-solving courts to provide mental health and substance abuse services leading to a reduction in incarceration, fewer children removed from their families, and more rapid treatment and rehabilitation. Michigan’s Children supports this recommendation and encourages increased investments in resources for problem-solving court efforts focused on stabilizing parents and families.

Family Literacy

Adult Basic Skills: Supporting opportunities for young adults and parents to build literacy skills, earn a GED and prepare for a career improves workforce participation and family literacy rates. Michigan’s Children is asking for a \$10 million increase in the adult education line item, coupled with a comprehensive needs assessment of parent basic skills, and regional coordination to determine gaps

and needs for that additional investment. The Governor recommended flat funding for adult education at \$30.5, falling far short of the need.

Early Literacy Supports: The Governor proposed a significant increase for Early Literacy Coaches for teachers, potentially strengthening the capacity of those coaches to assist with read-at-home plans for Michigan families. Coaches should be required to collect data and report on barriers that parents/guardians have with supporting their children at home.

The Governor also proposed an additional \$1 million investment in literacy essentials training, which includes work to improve adult literacy according to budget documents. Current literacy essentials training has been focused on teacher professional development, but we are interested to see how support for parents and caregivers could be included in this strategy.

The Governor's proposal missed any opportunity to improve coordination of family skill building initiatives with other services, including coordination of free and affordable child care for adult learners and co-location of supports for children with education and workforce training programs for their parents, but Michigan's Children will be raising these issues as the budget process progresses.

Thriving Students

School Finance: The Governor's budget proposal directs K-12 school aid through a new formula based on student characteristics and eliminating many existing categorical grants. The Governor proposes increasing the overall minimum and basic per-pupil grants by between \$120 and \$180 to \$8,051 and \$8,529 respectively, increasing state reimbursement for special education services by \$120 million to increase the state's reimbursement for special education services by 4 percentage points, increasing funding for academically at-risk students by \$102 million, and increasing career and technical education funding by \$50 million. Many previous funding categories with reporting mechanisms have been eliminated, and while the budget recommends goals for how districts should use these revenues, it is unclear how the administration proposes to evaluate whether revenues are being directed towards appropriate services for students.

Pre-School: The Governor's budget proposes increasing the per-pupil grant for Great Start Readiness Program (GSRP) by \$1,250 to \$8,500 and expanding program eligibility to young children with families with incomes up to 300% above the Federal Poverty Line, up from 250% FPL. Increasing per-pupil base support for GSRP is a positive step that will improve the early learning experiences of many young children and expansions to full-day care often better support their parents. However, research suggests that pre-school provides the most benefit to the lowest income families and children.

Adolescent Health Centers. School-based and school-linked health services for children and adolescents are proven access points for physical and mental health services, resulting in improved educational and life outcomes. Michigan's Children recommends a \$1.5 million increase, but the Governor maintained current year funding at \$6.1 million.

School Mental Health and Support Services: Late last year was the first year for a new funding line item intended to improve access for all students to behavioral health professionals in schools. Five million was distributed to the network of child and adolescent health centers, \$16.5 million went to intermediate school districts to develop plans and support direct mental health and other services, and \$8 million to ISDs to pilot plans to create school-based behavioral health assessment teams using a

“train the trainer” model. Despite the limited time school systems have had to implement programs, the Governor removed the \$8 million for assessment teams, but retained the remainder of the program and funding.

Michigan’s Children is supportive of expanding support to schools to ensure access to trained mental health professionals and services on-site and through community partnerships. We will also be working through the budget process to facilitate support for professional development resources that increased educator capacity to diagnose and appropriately respond to student behaviors and needs that may have been influenced by trauma.

Michigan Integrated Behavioral and Learning Support (MiBLSi): Despite its evidence base as a model for identifying and addressing academic and behavioral concerns, the Governor maintained current funding at \$1.6, rather than increasing investment to expand service availability around the state.

Afterschool and Summer Learning: There has been no dedicated state funding for afterschool and summer learning programs since 2011, forcing local programs to rely on federal funds, parent contributions and local philanthropy, creating enormous gaps in availability for quality programs around the state. Michigan’s Children is recommending a state investment of \$50 million to be able to support quality programs that mirror standards set by the federally funded 21st Century Community Learning Centers. The Governor did not include any resources dedicated to these gap closing initiatives, but increased educational investment could be devoted to these programs, and we will be encouraging that attention through the budget process.

Integrated Student Services: In addition to supporting mental health service provision in schools, coordinating academic, health and other services between schools, service providers, parents, and community partners for students can remove barriers to learning that one system alone can’t solve. The Governor’s proposal didn’t identify this priority, though it is possible that with a significant increase in their per-pupil funding, local systems could dedicate some of that new resource to staff devoted to this integration. Michigan’s Children will be working through the budget process to identify ways to support this essential coordination.

Alternative Paths to Diploma: Some young people who may struggle to achieve and graduate due to their personal circumstances need competency-based education and flexible paths to graduation that provide flexible scheduling, smaller classes, alternative credit bearing options. In an effort to collapse funding for several programs to facilitate larger increases in the per-pupil allowance, the Governor recommended eliminating funding intended to assist these struggling youth through Strict Discipline Academies, Dropout Prevention and Dropout Recovery programs. Michigan’s Children will be raising the need to ensure that under any funding strategy, progress made towards implementing competency-based education and other alternative pathways for students who need more time to graduate are preserved and expanded.

Preserving Stability and Relationships for Children and Youth in Foster Care

Most of the Governor’s budget recommendations for foster care appear to be continuation funding from the current year, with a few exceptions. With opportunities to access additional federal resources, and other mandates for increased services, this year’s budget is an important tool to improve the system for children, youth and families.

Relative Caregivers: The current fiscal year budget includes \$20 million to support maintenance payments to informal kinship care providers. These payments are mandated through a recent court order, and allow these kinship caregivers to receive financial support to meet the needs of children in their care. It isn't clear yet whether the Governor's budget recommendation includes these payments, but we will be paying close attention as more documentation is available.

The Governor did include \$1.8 million to support new, one-time incentive payments of \$1,000 for relative caregivers who become licensed as foster parents within 180 days of a relative child's initial placement. We support these incentive payments for relatives who are interested in becoming licensed, but need to ensure financial resources to other relative caregivers who may face obstacles to becoming licensed.

Michigan's Children is asking for funding in this year's budget to increase current resources available for a kinship navigator program for relative caregivers in addition to what is provided for that program through existing federal funding.

Support for Children and Youth in the Court System: Michigan's Children is asking for state investment to allow all children and youth in the court system access to a well-trained and supported Court-Appointed Special Advocate (CASA). CASA is a nationwide network of citizen volunteers trained to advocate on behalf of abused and neglected children in family courts. These advocates serve as the voice for children who cannot speak for themselves, helping judges, foster care organizations, and other parties make sound decisions regarding a child's future. A total of \$1.5 million over three years could begin that state expansion by ensuring access in Wayne, Oakland and Macomb counties. The Governor did not recommend funding for these programs, but we will be working through the legislative budget process.

Successful Youth Transitions to Adulthood

Most of the Governor's budget recommendations for foster youth in transition appear to be continuation funding from the current year.

Michigan Youth Opportunity Initiative (MYOI): The Governor recommended flat funding for this peer mentorship and support program for young people experiencing foster care. While the current appropriation does support staff that cover all counties around the state, the resource continues to fall short of fully funding programs and coordinated services. These services, including asset-building plans and connections to local supportive adults, are proven to put youth in foster care, who may take longer to get through high school and often have fewer home supports in their transition, on a path towards life success. Michigan's Children will be working through the budget process to increase that line item by \$2 million to ensure consistent and comprehensive access.

Fostering Futures Scholarship: The Governor recommended continuation funding for the Fostering Futures Scholarship, which provides college tuition, room, and board, and supplies to youth who spent time in foster care. Michigan's Children would like to see a doubling of investment in this scholarship (from \$750,000 to \$1.5 million), and will be working through the budget process to be able to more flexibly layer the resource onto other assistance programs for young people who often have complicated needs.

Supporting Homeless Youth: It is unclear if the Governor has included state support for the organizations within the Network for Youth and Families who serve homeless young people, including youth who have experienced foster care, and youth living with a disability. Michigan’s Children is asking for an additional \$1 million to support those programs, and will be continuing to monitor that funding in the budget as additional details are reported.

Expanding the Age-Based Eligibility for the Michigan EITC: Michigan’s Children supports the overall EITC increase proposed, and is working to expand the Michigan EITC for young people who have experienced foster care by lowering the minimum age to 16 and basing the credit on what would be available through the federal and state EITC combined if the current age threshold of 25 was met. While the Governor did not include eligibility expansions of the current program in her budget, we will be working through the budget process.

Court Appointed Special Advocates (CASA) Services for Older Youth: While the Governor did not recommend support for this program in her recommendation, Michigan’s Children will be working through the budget process on a \$50,000 state investment to pilot the National CASA Fostering Futures initiative, which targets transitioning youth, in at least three localities, and use this pilot to determine appropriate ways to layer support through this initiative and Michigan Youth Opportunities Initiative (MYOI).