

## What's There, What's Missing for Children, Youth, and Families in the FY21 State Budget

The FY21 state budget process was unlike any in recent history. Funding was determined behind closed doors with no opportunity for public input, even from the bulk of the Legislature, with talks taking place between the Governor and Legislative leadership. These closed-door negotiations have revealed a state budget agreement for the 2020-21 Fiscal Year beginning October 1. Federal actions earlier this year drove improved state revenue forecasts, but Michigan's revenue still sits \$1 billion lower for FY21 than expected at the start of this year. Absent future federal action, state leaders will struggle to act further stabilize and improve outcomes for children, youth, and families, especially those shouldering the most challenging burdens without more revenue.

### Previously-funded items that won restoration

Going back to FY20 negotiations in Autumn 2019, Michigan's Children worked with advocates to raise a number critical issues that either were cut due to line item veto after budget negotiation breakdowns or that were in serious discussions for support but fell off after the start of the COVID crisis and subsequent restriction of the budget process. All of these investments became increasingly necessary as responses to rising issues during the pandemic and economic crisis. We congratulate advocates who kept the call for these proven supports in addition to the many critical needs that commanded larger dollar amounts.

- \$600,000 to expand problem-solving courts to meet increased need to stabilize parents and families, including Baby Court, Peacekeeping Court and Mental Health Court models.
- \$525,000 federal TANF funds for the School Success Partnership to connect academic, health and other services between schools, families, and community partners in Northeast Michigan.
- \$500,000 for the expansion of court-appointed special advocates to represent children and youth interests in select counties.
- \$400,000 increase for runaway and homeless youth services providers to start toward a system where any young person in crisis can find help within an hour of where they are.
- \$250,000 for the Adoptive Family Support Network for their operations in support of adoptive, foster, kin and birth parents, including a parent-to-parent mentoring program.
- \$200,000 to provide support for a Kinship Caregiver Advisory Council – Michigan's Children and kinship care advocates have been involved throughout this session with legislative efforts to enact Michigan's first advisory council for kin caregiver issues. Funding will give the advisory council needed muscle to produce the best possible results.

**A Healthy Start.** Ensuring children are born healthy and are developmentally on track is critical. This includes access to developmental screenings and services for every family whose infant or toddler has or is at risk of delay, as well as access to support for parents and other caregivers to build skills.

### Wins

- \$23.5 million combined federal and state funds to expand maternal and infant health and support programs, including extending Medicaid coverage for new mothers and infants to 12 months from 2 months; enhancing access to behavioral health care, and expanding other home visiting programs for pregnant women, new mothers, and at-risk families.

**Quality care for children.** Access to high-quality child care has been proven to close gaps in early learning by helping young children develop the social and cognitive skills they need to interact with others along with basic literacy and numeracy. High quality child care is also essential for parents to engage in work, job training, or education to support themselves and their children, but many families in need cannot access state support.

#### Wins

- \$27.6 million to increase the family income eligibility threshold for child care subsidy from 130% of the Federal Poverty Line (FPL) to 150% FPL beginning January 2021.
- \$1.3 million to continue to cover the cost of background checks for child care providers.
- \$1 million for a child care pilot where costs are shared by the state, employers, and parents. Our child care system does not work for parents or for many providers, and to make it work, employers and the state must ease the burden on individual families and providers.
- \$1 million to Educare for early childhood services in Flint

#### Missed Opportunities

The state budget reflects actuarial assumptions that the state will spend \$13 million less in federal funds for child care than previously expected. These assumptions do not line up with needs reported by child care providers and family advocates. A significant amount of federal child care funding in Michigan remains unspent at a time when families already eligible for subsidy are struggling to secure the care they need, including parents of children with behavioral health needs and adult learners. Michigan's leaders missed an opportunity to utilize available federal funding for these extremely vulnerable family groups, as well as missed an opportunity to provide increased support to the child care workforce.

**Skill building supports for families and young adults.** Investing in skill-building in FY21 is going to be crucial, especially as we continue to require more and more from parents to further their children's education. With high unemployment rates and experience permanent shifts in many industries, young people and parents without a high school diploma are most at-risk of being left behind.

#### Wins

- \$58 million in previously cut funds restored for postsecondary and workforce access, including \$30 million in Michigan Reconnect financial aid grants for Michigan residents over 25 without a college degree to attain an associate degree or certificate and \$28.7 million for Going Pro employer-based training grants. \$1.5 million for dropout support and training grants in Going Pro for high school completion for adults over age 23 will support parents and adult learners.
- \$4 million increase to the Tuition Grant Program for need-based tuition assistance to students at Michigan independent (i.e., private, non-profit) colleges and universities.
- Requires \$3.8 million of at-risk youth workforce grants to maintain funding for the Jobs for America's Graduates dropout prevention and recovery programming.
- \$2.5 million for regional lead literacy coaches to train other literacy coaches. Establishing regional leads for literacy coaches could increase capacity towards gaining and reporting more information about regional barriers to read-at-home plans

#### Missed Opportunities

The budget provides no dedicated funding for family literacy programming, which has become more necessary with young children spending more time at home than ever with their families, especially

during traditional in-school hours. The budget also does not include requirements for a comprehensive needs assessment of parent basic skills and regional coordination to determine service gaps, nor does it encourage coordination of subsidized child care for adult learners and co-location of supports for children with education and workforce training programs for their parents.

**Supports for children, youth and families impacted by the child welfare system.** With increased family stress exacerbated by high unemployment, close proximity and a lack of service access for children and youth with disabilities, delays or mental and physical health needs, formal and informal relative caregivers, foster and adoptive parents as well as struggling birth families need support to make it through events that cause prolonged exposure to toxic stress.

#### Wins

- \$4.8 million to improve legal representation in child welfare hearings, including \$4.3 million in federal funds for legal representation for children and parents.
- \$1.8 million increase in payment rate for family preservation program services for families experiencing the child welfare system with the ultimate goal of reunification.
- \$1 million increase for child advocacy centers, which provide interview and advocacy support and services for children who have potentially experienced abuse or neglect and their families.
- \$716,000 in combined federal and state funds for community liaisons to provide services to help families avoid entry into foster care.

#### Cuts

- Full \$2.25 million cut to payments for relative caregivers to become licensed foster parents.

#### Missed Opportunities

Michigan's leaders missed an opportunity to provide support for community-based child abuse and neglect prevention councils and service providers through the Children's Trust Fund to meet the rising epidemic of family stress and instability related to COVID.

**Support for the most challenged youth.** As with many issues, the pandemic exposed significant gaps in services for young people trying to make successful educational and life transitions to independence.

#### Wins

- \$4.5 million increase using federal TANF funds for the Tuition Incentive Program, which provides scholarships to young people who have received Medicaid, including young people who have experienced foster care.

#### Missed Opportunities

Michigan's leaders missed an opportunity to provide increased support for: increased postsecondary scholarship funding dedicated for young people who have experienced foster care; expansion of aged-based eligibility for the Michigan EITC for youth in and exiting foster care; and expansion of the Michigan Youth Opportunity Initiative (MYOI) to ensure consistent and comprehensive access now when young people experiencing foster care are as vulnerable as they have ever been.

**Supports for struggling learners.** Learning gaps have intensified over the past few months, and despite additional federal funding and some targeted efforts, the needs of many learners remain unmet with the return to school this fall.

- \$70 million increase in special education funds using SAF and Federal funds.
- \$5.6 million to expand school mental health and support services.
- \$2.4 million increase for school nutrition, including \$1.4 million to expand locally grown produce to all districts and child care centers; and \$1 million for school meal debt forgiveness.
- \$2 million for “virtual learning support” for Intermediate School Districts to meet chronically absent and special education and student needs, and for child care for elementary students.
- \$1 million for Boys and Girls Clubs to provide educational support for at-need youth
- \$100 placeholder to launch a Connecting Information in Education Committee that will consult with MDE, CEPI, executive branch, legislature, and other stakeholders to provide research-based recommendations to school leaders and educators

#### Cuts

- Reduces funding for school children’s healthy exercise program from \$1 million to \$500,000 and directs remaining funding to support existing programs before- and after-school.

#### Missed Opportunities

Michigan is in crisis and many students are experiencing far “out of school” (OST) time for the foreseeable future than they have before. Students who were falling behind before the crisis, and/or who are falling behind their peers even further due to disparities in access to learning resources that exist when students are home, deserve significant attention and support in order to catch up and build academic progress. High-quality OST learning programs will be a necessary partner in this effort. Michigan Department of Education has previously stated that a \$50 million gap exists between dedicated federal OST funding and the number of qualified applicants in Michigan for that funding.

Michigan’s leaders missed an opportunity to provide anywhere near significant statewide support for high-quality out-of-school time programs aside from providing limited support for Boys and Girls Clubs. Other states, including Kansas and Tennessee, have shown leadership, allocating tens of millions of dollars to supporting their students’ out-of-school learning needs.

#### **Additional Win – Key State Reporting Changes**

The agreement also includes key provisions changing reporting requirements or creating new ones, including for school districts regarding their instructional delivery methods for special populations of students; for public universities to collect data on students with dependent children; for MDHHS to create a workgroup on the use of juvenile justice diversion programs; and for MDHHS to report on the levels of cost of vehicle repair reimbursements for public assistance recipients. Michigan’s Children is supportive of legislative efforts to learn more and uplift needs in these issue areas.

#### **Other key investments**

- \$150 million in federal and state funds to increase wages for direct behavioral health care workers who were previously eligible for hazard pay by \$2.00 per hour for three months
- \$95 million for a K-12 per-pupil increase of \$65, and additional \$66 million for school districts experiencing unanticipated pandemic-related enrollment increases.
- \$14.3 million for a Connecting Michigan Communities (CMIC) grant program to expand broadband internet connectivity to underserved communities throughout Michigan.