

League Advocates for Greater Equity in 2019 Education Budget

As the Michigan Legislature continues to craft the 2019 state budget, the League is advocating for investments that can increase educational equity and help children build the foundation for economic success, including state funding for early intervention, services to improve early literacy, greater support for students in high-poverty schools, and significant expansions early education and care.

The Michigan Senate and House of Representatives have approved separate versions of the 2019 School Aid and Department of Education budgets. Following the May 16 convening of fiscal experts and economists to determine expected revenues for next year, the differences between the House and Senate budgets will be worked out in joint conference committees.

A high-quality education is a vital path to equity for children in Michigan, yet children of color and children from families with low incomes face barriers throughout the educational system—from cradle to career. The [state budget can be a potent tool for improving equity](#), but the effort must be intentional, comprehensive and sustained.

State budgets are not “colorblind”—even if their disproportionate impact is unintended. As a first step, the League urges lawmakers to incorporate an [analysis of the racial, ethnic and social justice impact of budget options](#) and recommendations in their budget deliberations.

K-12 SCHOOL AID

Per-Pupil Spending

- **Governor:**
 - ◆ The governor recommended an additional \$312 million to increase the per-pupil allowance to public schools by between \$120 and \$240—bringing the minimum School Aid payment to \$7,871 per student and the maximum to \$8,409.

League Priorities: 2019 School Aid/Education Budgets

- ▶ Incorporate an assessment of the racial, ethnic and social justice impact of budget recommendations on students and families.
- ▶ Fully fund the At-Risk School Aid program to overcome the barriers faced by children in high-poverty schools.
- ▶ Provide adequate state funding for Early On, the state’s early intervention program for infants and toddlers.
- ▶ Expand funding for evidence-based early literacy programs in schools.
- ▶ Require outreach to parents to help them understand the state’s new third grade retention policy that could disproportionately affect children of color.
- ▶ Take advantage of new federal child care funding to: (1) expand eligibility for child care assistance; (2) improve child care payment practices, and (3) continue to improve child care payments.
- ▶ Continue to expand access to high-quality preschool programs by extending services to 3-year-olds.
- ▶ Increase funding for adult education.

- ◆ The governor also recommended \$11 million to continue the current \$25 payment for students in grades 9-12 in recognition of the higher costs of the high school curriculum, and provided additional payments of up to \$50 per pupil for high school students engaged in training in high-demand fields.

- ◆ Funding for the increases came in part from cuts in reimbursements for cyberschools (\$25 million) and for “shared-time” educational programs provided to non-public schools and home-schooled children (a cut of \$68 million).

- **Senate:**

- ◆ The Senate increased the per-pupil payment from between \$115 and \$230, with higher amounts going to districts with lower per-pupil funds currently—at a total cost of \$299 million. In addition, the Senate put \$400 million in state funding—which would have gone to school districts that have partnership agreements with the state to improve outcomes for children—into a new categorical fund that would be available *only* if those districts meet certain criteria in their partnership agreements at 18 and 36 months. After that period, districts would face closure or restructuring through a school-building level Board and the cancellation of bargaining agreements.
- ◆ The Senate agreed with the governor to retain the \$25 per pupil payment for high school students, but rejected the governor’s plan to provide incentive payments to districts for students in career and technical education programs geared to high-demand fields.
- ◆ The Senate rejected most of the governor’s shared-time cuts for nonpublic and homeschooled children, and continued current funding for cyberschools.

- **House:**

- ◆ The House agreed with the governor’s recommendation for per-pupil increases of between \$120 and \$240 at a cost of \$312 million.
- ◆ The House agreed with the governor to retain the \$25 per pupil payment for high school students, but rejected the governor’s proposal to provide incentive payments for schools that enroll students in career and technical education programs—particularly for high demand jobs and skills.
- ◆ The House rejects the governor’s cuts in both shared-time services and cyberschools.

Funding for Students Academically at Risk

- **Governor:** The governor maintained At-Risk School Aid funding at its current level of \$499 million. Despite increases in the last two budget years, [funding for At-](#)

[Risk payments remains below the statutory level, leaving many schools in high-poverty communities struggling](#) to reduce educational inequities. Currently, At-Risk funding must be used to ensure that: (1) third grade students are reading proficiently; and (2) high school graduates are career and college ready. Among the changes proposed by the governor was language requiring schools to address both literacy and numeracy, as well as a requirement that districts implement culturally and linguistically responsive teaching strategies for English language learners. Funding for adolescent health care services (\$6.1 million) and hearing/vision screenings (\$5.2 million) was retained.

- **Senate:** The Senate agreed with the governor on level funding for the At-Risk program, but rejected the changes in budget language, including the requirement for culturally responsive teaching for English language learners. Funding for adolescent health care services and hearing/vision screenings was retained.
- **House:** The House also provided continuation funding for the At-Risk program and changed budget language, but rejected the requirement for teaching English language learners. Funding for adolescent health care services and hearing/vision screenings was retained.

Early Intervention

- **Governor:** The governor provided \$5 million in new state funding for the state’s early intervention program, the Early On program. Early On identifies and serves infants and toddlers with developmental delays, but [the lack of state funding has resulted in an inability to provide comprehensive services to all children](#) who are identified as needing intervention. The governor recommended that the new state funds be used for pilot projects through competitive grants.
- **Senate:** The Senate agreed with the governor on \$5 million for Early On, but recommended that the funds to be given to each Intermediate School District (ISD) based on their current federal funding allocations.
- **House:** The House agreed with the Senate on Early On spending and the statewide allocation formula.

Early Literacy

- **Governor:** For 2019, the governor cut \$2.5 million in state General Fund by ending state support for the Michigan Education Corps. Total School Aid funding remains at \$26.9 million, with funds to be used for professional development for teachers, diagnostic

tools, early literacy coaches through ISDs (\$6 million), and additional instruction time for pupils in grades K-3 (\$20.9 million).

- **Senate:** The Senate increased funding for the Michigan Education Corps by \$500,000 to a total of \$3 million. The Senate also provided an additional \$1 million for ISD early literacy coaches, reduced funding for additional instruction time by \$1 million, and included \$550,000 for a new summer reading pilot program.
- **House:** The House agreed with the governor on early literacy spending and the elimination of funding for the Michigan Education Corps.

School Nutrition

- **Governor:** The governor removed funding (\$375,000) for the 10 Cents a Meal program. The program, which is in three of the state's Prosperity Regions (Northwest Michigan, West Michigan and Southeast Michigan), provides up to [10 cents for every meal served to support districts that include locally-grown fruits and vegetables in their school lunches](#). Priority is given to school districts with high percentages of students eligible for free lunches.
- **Senate:** The Senate increased funding for the 10 Cents a Meal program by \$325,000 for total funding of \$700,000, and extended the program to two more of the state's Prosperity Regions (East Michigan and Southwest Michigan).
- **House:** The House increased funding for the 10 Cents a Meal program by \$50,000 to a total of \$425,000 to expand the program in Southwest Michigan.

Adult Education

- **Governor:** The governor provided \$27 million for adult education programs in 2019, but removed \$500,000 from a pilot project that connected adult education students with employers. A total of \$2 million was retained for other pilot projects in five of the state's Prosperity Regions. [State funding for adult education fell from \\$80 million in 2001 to only \\$27 million in 2018, and still falls short of the need.](#)
- **Senate:** The Senate increased adult education by \$3.5 million to a total of \$30.5 million. New funding is used in part to expand the pilot projects into a statewide program.
- **House:** The House agreed with the governor on continuation funding of \$27 million.

Flint Water Crisis

- **Governor:** The governor reduced state General Fund dollars in the K-12/School Aid budget for the Flint crisis by \$5.5 million, with total funding dropping from \$8.7 million to \$3.2 million. This reduction is not expected to result in a reduction in services because there are unexpended funds from prior years that are still available. Funds are used for school nurses and social workers as well as early childhood education and nutrition services.
- **Senate:** The Senate agreed with the governor.
- **House:** The House agreed with the governor.

EARLY CHILDHOOD EDUCATION AND CARE

Child Care Subsidies

Following adoption of the 2018 federal budget, Michigan is expecting an additional \$65 million annually for child care assistance beginning in the current budget year. While the House did not address the new funds, the Senate included \$62.3 million to expand child care services. The League has developed a [set of recommendations](#) for improving Michigan's child care program with the new federal funds.

- **Governor:** The governor included flat funding for child care subsidies for families with low incomes. Rate increases have been approved in the last several years based on the number of stars a program has in the state's quality rating system. Currently, the highest child care rate in the state is \$5.50 per hour for child care centers with 5 stars; the lowest rates are paid to unlicensed providers—generally family, friends or neighbors—who receive a base rate of \$1.60 per hour. The governor also left untouched Michigan's very low income eligibility threshold—one of the lowest in the country. With such low eligibility levels, the number of families receiving help with high child care expenses has dropped dramatically.
- **Senate:** The Senate budget recognized new federal Child Care Development Block Grant (CCDBG) funds coming into Michigan by allocating \$62.3 million to: 1) implement a biweekly child care provider reimbursement system to replace the current hourly system that has discouraged providers from accepting children with state subsidies (cost of \$36.5 million); and 2) increase the entry income eligibility threshold from 130% to 150% of the federal poverty line (\$25.8 million). The Senate also included \$10.7 million to increase hourly child care provider reimbursement rates—with the

largest increase (50 cents per hour) for unlicensed providers or those with fewer than two stars in the state's quality rating system.

- **House:** The House concurred with the governor by retaining current year child care provider reimbursement rates and income eligibility guidelines and did not address the new CCDBG funds.

Great Start Readiness Program

- **Governor:** The governor recommended level funding (\$243.6 million) for the Great Start Readiness preschool program (GSRP) that serves 4-year-olds from families with low incomes. The governor also eliminated funding for the Early Learning Collaborative Partnership, a pilot project that is evaluating the impact on children of two years of preschool education by serving 3-year-olds at high risk. While Michigan has greatly expanded its preschool program for 4-year-olds, the state does not yet serve 3-year-olds—an [expansion that the League supports](#).
- **Senate:** The Senate agreed with the governor on continuation funding for the GSRP, but provided \$175,000 to continue the Early Learning Collaborative Partnership.

- **House:** The House provided continuation funding for the GSRP and also maintained current year funding for the Early Learning Collaborative Partnership.

Early Childhood Block Grant to Intermediate School Districts

- **Governor:** The governor provided level funding of \$13.4 million for early childhood block grants to ISDs. To receive funds, ISDs must support a local Great Start Collaborative and Parent Coalition, and \$2.5 million is earmarked statewide for home visits for children and families with high needs. For 2019, the governor removed current budget language requiring that home visiting funds be used in part to reduce the number of students retained at grade level and the need for special education services. In its place is language requiring that funds be used to improve positive parenting practices and family economic self-sufficiency, while reducing the impact of high-risk factors through community resources and referrals.
- **Senate:** The Senate agreed with the governor on continuation funding.
- **House:** The House also provided level funding of \$13.4 million for the early childhood block grants.