



2021 State Budget Adopted

What is being lauded as a refreshingly bipartisan approach to the state budget in the midst of the fallout from the COVID-19 pandemic, lawmakers and the governor negotiated a 2021 budget that protects basic state-funded services including health, human services and education, and provides several expanded investments in maternal and child health, child care, nutrition, and access to adult and postsecondary education.

October 2020

HUMAN SERVICES



- **Barriers faced by former felons are reduced.** The budget eliminates the long-standing lifetime ban on food assistance for individuals with more than one drug felony occurring after August 1996, a move that improves food security and racial equity, while reducing recidivism.
- **More funding is provided as families turn to public income assistance programs after the public health emergency.** Family Independence Program (FIP) caseloads rose during the pandemic and are expected to remain high, at a cost of \$39.4 million in 2021.

HEALTH



- **Funding is increased to cover the rising number of Michiganders relying on Medicaid and the Healthy Michigan Plan** as a result of the COVID-19 public health crisis, including \$100 million for Medicaid expansions and an additional \$122 million for the Healthy Michigan Plan.
- **Michigan moms see a hearty investment.** The final budget includes \$23.5 million for the Healthy Moms, Healthy Babies initiative that expands Medicaid healthcare coverage for 12 months postpartum, as well as provides funding for greater access to behavioral healthcare and home visiting.
- **Property owners will have access to a new mechanism to finance lead hazard remediation.** The Legislature included in the 2021 budget \$2 million to establish a Lead Poisoning Prevention Fund. The fund will reduce risk to private lenders as an incentive for them to extend low-cost loans to landlords and homeowners for projects that reduce lead exposure.

EARLY CHILDHOOD EDUCATION AND CARE



- **More families working in low-wage jobs will be able to get help with child care costs.** The 2021 budget includes a significant increase in the income eligibility threshold for child care assistance, rising from 130% of the poverty level to 150%, effective January 1, 2021.
- **In response to COVID-19, changes were made in eligibility and other program requirements for the Great Start Readiness Program (GSRP) for 2021 only,** including a waiver of required hours, days and weeks of programming; the removal of household income eligibility thresholds, while retaining the requirement to serve the families with the lowest incomes first; and the suspension of sliding scale tuition payments for families between 250% and 400% of the poverty level.

POSTSECONDARY EDUCATION



- **Funding is included for a new financial aid program to help older students.** Michigan Reconnect will provide last-dollar financial aid funding for Michigan residents who are at least 25 years old, do not currently have a college degree, and are seeking an associate degree or certificate at a community college or other eligible institution.



K-12 EDUCATION

- **Per-pupil school spending is increased slightly, but the weighted formula needed to increase equity was not adopted.** An increase of approximately \$65 per pupil is included, but the weighted formula supported by many educational, business, advocacy and community groups that recognizes the added costs of teaching children in high-poverty schools, or those with special needs, was not included.
- **Stipends and grants for teachers were approved.** The budget includes \$5 million for teacher retention stipends, with higher stipends for teachers who remain in high-poverty schools. One-time hazard pay is also available for teachers during the COVID-19 crisis.
- **School Aid Fund dollars are shifted from K-12 schools to universities at near-record amounts.** Community colleges receive \$425.7 million in School Aid Fund dollars, a 12% increase. The amount shifted from K-12 to public universities nearly doubled from last year as universities get \$356 million from the School Aid Fund. The total amount of School Aid Fund dollars going to postsecondary education in Budget Year 2021 is \$781.7 million, the second highest amount ever shifted in the eleven budget years in which this practice has been done.
- **The 10 Cents a Meal program is restored and expanded.** The program, which provides an incentive for schools to purchase healthy food grown in Michigan, was previously available in only 43 counties. Funding was discontinued during tense negotiations over the 2020 budget, but has been restored in the 2021 budget—with an increase to cover expansion of eligibility to all school districts in the state as well as child care centers.
- **Student lunch debt is forgiven.** The 2021 budget includes \$1 million in one-time funding for school districts that forgive all outstanding student meal debt and adopt policies to prevent public identification or shaming of students who cannot pay for a school meal. Nationally, the average school district has \$2,000 to \$2,500 in student meal debt.



CORRECTIONS

- **Funding for Offender Success programming is increased.** The final budget includes a \$5 million increase, as recommended by the governor, for programs that support returning citizens, reducing the likelihood of recidivism and increasing the likelihood of employment.
- **Detroit Reentry Center to close in January 2021.** This closure will save the department \$12.3 million and is one of the largest areas of savings over the next year.