



THE HIGHS AND LOWS OF THE FINAL 2021-22 BUDGET

October 2021

The 2021-22 budget has been passed by the legislature, with strong bipartisan support, and signed into law by the governor. With significant federal aid and state revenues coming in stronger than anticipated, the budget was able to provide some significant investments in the priorities that Michigan's people, businesses, and communities truly need and rely on. However, there were some investments not included, and these investments should be discussed when the legislature and the administration come back to the table to allocate the remaining state dollars and remaining State Fiscal Recovery funds provided through the American Rescue Plan Act.

The Good News:

1. Largest increase in **child care** funding in Michigan history, allocating \$1.4 billion in federal aid for child care stabilization grants, expanded income eligibility to 185% of federal poverty, rate increases for providers, and contracts to shore up the supply of providers that care for infants and toddlers, among others.
2. Funding for the Great Start Readiness Program to increase the allocation per child from \$7,250 to \$8,700 for a full-day program to align with the K-12 per-pupil payment.
3. Significant investment in K-12 education, including effectively closing the gap in the per-pupil payment and funding for schools to hire school psychologists, social workers, counselors and nurses.
4. Funding for older students to receive financial aid for community college through the Michigan Reconnect Program as well as provides wraparound services such as child care, tutoring, and career counseling.
5. Expansion of the Healthy Moms, Healthy Babies initiative, including an additional 1,000 home visiting slots and an extension of Medicaid coverage for pregnant women from 60 days to 365 days postpartum.
6. Funding for several initiatives to address the drastic racial and economic health disparities which were magnified by the COVID-19 crisis, including an expansion of services for adults with sickle cell disease and increasing use of community-based health navigators to support greater access to healthcare.
7. Investments needed to implement several recent criminal justice reforms, including Raise the Age and Clean Slate initiatives.
8. Increased funding for the Lead Poisoning Prevention Fund, which helps reduce risks to lenders providing low-cost loans to landlords and homeowners to remove lead in their properties.

9. A one-time increase in funding for the Double Up Food Bucks program which allows families receiving food assistance to double the value of their benefits spent on fresh produce at participating farmers markets and grocery stores.

Still on the Table:

1. Budget includes boilerplate, which has been held as unenforceable, that restricts the state's and local governments' abilities to enforce certain orders related to the public health emergency. Although the governor has deemed this unenforceable, the fact that the language still exists is troubling and has resulted in confusion.
2. Continues diverting school aid fund dollars, which, until the past decade, were dedicated to K-12 education, to fully fund state aid to community colleges and partially fund state aid to public colleges and universities.
3. Provides no significant increase in the At-Risk School Aid program, which provides state funds to schools serving students who are at risk of failing academically or are chronically absent. The At-Risk program has routinely been underfunded, and despite increases in recent years, payments to schools continue to need to be prorated.
4. Does not implement a weighted school funding formula that recognizes that students who live in poverty, who are English language learners, or who have disabilities or other special needs require additional resources to receive a high-quality education.
5. Does not include a long overdue investment in affordable housing through the Michigan Housing and Community Development Program.
6. No increase in funding for adult education.
7. Continues to use federal Temporary Assistance for Needy Families (TANF) dollars to fund two college financial aid programs that benefit primarily middle-class and affluent students. Three-fourths of the funding for the Competitive Scholarship and the Tuition Grant came from TANF, which should be used only to fund college costs for students with low incomes.