

Data in Action

2022 Policy Wins & Targets

Economic Security

Address income and tax inequality

Rising inflation, low wages and an inequitable tax system cause 44% of children to live in households that are unable to afford basic expenses.¹ Michigan is 15th in the nation for income inequality: its top 1% of earners make more than 21 times as much as the bottom 99% of workers. Even still, the bottom 20% of income earners pay nearly double the rate in total state and local taxes than its top 1% of earners (10.4% and 6.2% of income, respectively).²

WIN: A number of COVID-era changes lifted children out of poverty and assisted young adults. Federal Child Tax Credit (CTC) payment amounts were increased and extended to children in families with low or no earnings, and advance monthly payments were provided to increase income stability. CTC expansions lifted 114,000 Michigan children out of poverty and benefited another 1,968,000.³ Relatedly, the federal and Michigan Earned Income Tax Credits (EITC) were expanded to 571,000 working adults without children, including young adults ages 18-24 with low incomes.³

RECOMMENDATION: Make COVID-era CTC and EITC expansions permanent. Additionally, increase Michigan's Earned Income Tax Credit from its current 6% to 30% of the federal credit. An increase of this amount would mean a difference of \$150 to \$749 in credit to working people.⁴

Meet affordable housing needs

Housing is key to economic security, health, education and overall well-being. Over a half a million (519,000) Michigan children live in households that pay a disproportionately high amount of their income on housing expenses (30% or more), taking money away from important variable expenses like groceries, medical bills and transportation. Children who are low income are over twice as likely to have high-cost housing. According to the Household Pulse Survey that measured the impact of the pandemic in real time, even 1 ½ years into the pandemic, nearly 50% of families with children who were behind on rent or mortgage payments felt likely to be evicted or experience foreclosure soon.



WIN: For the first time since 2012, funding was allocated to Michigan's Housing and Community Development Fund to support meeting the state's affordable housing needs for families with low incomes and "missing middle" incomes. The fund received \$100 million in federal relief dollars to expand housing supply and affordability through 2026.

RECOMMENDATION: Identify a dedicated revenue stream to sustain investments in safe, affordable housing in opportunity-rich communities for families with low incomes.

Support families in poverty

Overall child poverty levels decreased from 2019 to 2020, likely, in part, because of expanded eligibility for credits like the Child Tax Credit and Earned Income Tax Credit. In 2020, 17% of children 0-17 and 23% of young adults lived in poverty. However, some safety net social programs have restricted eligibility that limit their reach. For example, 2011 policy changes shrunk the reach of the Family Independence Program (cash assistance) and decreased caseloads by 83% from 2010 to 2020.

RECOMMENDATION: Increase cash assistance eligibility and benefit levels to support families in poverty. Remove barriers such as the \$15,000 asset limit and the child support compliance requirement.

Education

Expand access to early learning

Child care is generally unaffordable and hard to find across the state. Minimum wage and middle income families both pay well above the 7% affordability recommendation for one infant in a licensed child care setting, at 54% and 19%, respectively. While 35% of kids 0-5 were income eligible for subsidies in 2021, a mere 5% actually received them. Subsidy reimbursement rates to providers do not reflect the cost of providing care and disincentivize acceptances: about 41% of providers care for children with subsidies and 11% will not serve families receiving subsidies.⁵

WIN: The 2022 state budget included a historic \$1.4 billion investment in child care in Michigan. The initial income eligibility threshold for subsidies increased from 150% to 185% of poverty through fall 2023, temporarily matching the national median, and state-required family payments were temporarily waived. Relatedly, subsidy reimbursement rates for providers were increased.

RECOMMENDATION: To ensure all families have access to child care early learning regardless of income, make permanent the eligibility threshold of 185%. Payments to providers should be increased to reflect the actual cost of care, increasing quality, availability and access for families.

Fund schools based on what students need

Schools need adequate resources to create successful learning conditions for all students. While the majority of high schoolers graduate on time (80% in school year 2020-2021), there are disparities based on race (on-time graduation rates range from 68% for African Americans to 93% for Asian students) and for students who are learning English (73% graduate on time), who are economically disadvantaged (69%), have a disability (57%) or are in foster care (40%).⁶



WIN: Michigan equalized per-pupil funding in the 2021-2022 school year so that all students received the same per-pupil amount from the state. The fiscal year 2023 budget acknowledges that some students need additional resources: it fully funded the At-Risk School Aid Program that directs funding to students who are economically disadvantaged or at risk of educational failure, and further increased per-pupil allowances and special education funding.

RECOMMENDATION: Michigan should adopt a true weighted school funding formula to fund schools based on community and student need. In this way, students would receive a standard amount and schools would receive additional dollars for students who, for example, are English-language learners, are economically disadvantaged or have a disability.

Fund K-12 schools as intended

Though Michigan has steadily increased per-pupil funding, when adjusted for inflation, per-pupil funding actually fell by 9% between 2008-2019.⁷ Even more, from 2010-2019, Michigan shifted a total of \$4.5 billion intended for K-12 public schools to universities and community colleges to help balance the state budget.²

RECOMMENDATION: Use the money in the state's School Aid Fund solely for K-12 education, as had been done prior to 2009.



Keep students in school

Michigan had the third-highest rate of fourth-grade chronic absenteeism in the country in 2019, an increase of nearly 47% since 2015. Students who are economically disadvantaged and/or homeless continue to be most likely to be chronically absent.⁸ Michigan is also one of five states with the highest out-of-school suspension rates.

RECOMMENDATION: Address absenteeism by tackling economic and housing insecurity. Ensure attendance programs meet the needs of all students, adopt real-time attendance tracking tools to identify students at risk of chronic absenteeism early on, and put the appropriate support services in place. Address high suspension rates and racial disparities in discipline policies and practices.

Health and Safety

Ensure no kid goes hungry

In 2019, 305,190 children 0-17 (14.2%) were food insecure in Michigan. Schools are an important setting for food access. Over half (51%) of K-12 and special education students received free or reduced-price lunch in 2021.

WIN: The 10 Cents a Meal program helps schools purchase healthy foods while supporting local farmers. The program was expanded to school districts and child care centers in every county in 2020. Funding has been sustained to help meet demand and promote nutrition in educational settings.

RECOMMENDATION: State policy requires families to cooperate with child support collection if the other parent is not living in the home (or show good cause for not doing so) to qualify for food assistance. Michigan should join the vast majority of states and eliminate this requirement.

Expand healthcare to reach more kids

Michigan has some of the highest health insurance rates for children and young adults in the nation: 97% of children ages 0-18 and 93% of youth and young adults ages 14-24 had health insurance in 2019. For the 78,000 children without health insurance, Hispanic and Latinx children were uninsured at more than twice the rate of other children.



RECOMMENDATION: Children and pregnant women who are lawful permanent residents (such as “green card” holders) cannot access public health coverage via the Medicaid and Children’s Health Insurance Program during a five-year waiting period after arriving in the United States. This waiting period is optional for states. By waiving it, via the Immigrant Children’s Health Improvement Act (ICHIA) option, Michigan could insure another 3,000 to 4,000 children who are immigrants and in families who live in poverty or have low incomes.

Invest in public health insurance options

In 2019, 38% of children were covered in part or entirely by public health insurance, and 65% by a private plan. A lack of job benefits and/or job loss threaten coverage and underscores the importance of public options. Some

children rely more heavily on public plans: the majority of Black children (56%) and 45% of Hispanic or Latinx children have public coverage only.

WIN: Michigan has continued to invest necessary state dollars to qualify for federal support and prevent the scaling back of insurance eligibility or benefits. Even more, it expanded coverage for some groups and diagnoses. For example, adults 21 and over with sickle cell anemia now qualify for coverage through the Children’s Special Health Care Services program.

RECOMMENDATION: Evaluate Medicaid eligibility, presumptive eligibility and reimbursement rates to ensure coverage is accessible and health systems can equitably serve low-income populations.

Support maternal and infant health

In 2020, 32% of pregnant mothers did not receive adequate prenatal care, 10% of babies were born preterm and 9% at a low birthweight. Even more, half of pregnancy-related deaths in recent years were found to be preventable.⁹ Overall, 40% of Michigan births are covered by Medicaid, with coverage well over 50% and as high as 68% in some rural counties.

WIN: Postpartum Medicaid coverage was permanently extended from 60 days to 12 months to support and improve maternal and infant health outcomes.

Expand health services in school settings

Access to health services is important, made even clearer by years that have affected and continue to threaten the physical and mental health of people of all ages. According to the Household Pulse Survey that measured the impact of the pandemic in real time, over a third (35%) of adults with children at home reported feeling anxious or on edge at least half of the week as recently as spring 2022. Medical and behavioral support services in schools give support for school aged kids – and their families.

WIN: The fiscal year 2023 K-12 budget included new investments in school-based health services, including dollars for school-based health centers to provide healthcare services with a prioritization for unserved counties, activities and evidence-based services to improve mental health. School Aid Funding was maintained to place licensed master’s-level behavioral health providers in schools.

RECOMMENDATION: Address barriers young people may face in accessing school-based health services. Address the root causes of community health challenges by addressing social determinants of health such as housing and education.

Family and Community

Provide comprehensive health education

Teen birth rates have continued to decrease every year. In 2020, there were 4,664 births to teens ages 15-19 statewide. The health of a mother before and during pregnancy is important to the health of the baby. Michigan has concerning birth outcomes: over 700 babies didn’t make it past their first birthday in 2020. Michigan does not have a standard sexual education curriculum or require it to be taught in schools.

RECOMMENDATION: Youth should have access to a comprehensive health education, including sexual education, to support family planning and positive long-term health outcomes for parents and babies.

Address the digital divide

Over 42,000 more children had internet access at home in 2020 compared to 2019 due to new investments supported by federal COVID relief funds. Still, over 30% of children in some counties don’t have access. As schools move away from hybrid and virtual learning, this aspect of the digital divide will continue to impact education if students have difficulty completing homework assignments and parents can’t access online grading and communication systems without home internet.

WIN: In spring 2021, Gov. Whitmer created the Michigan High-Speed Internet Office. The office received its first allocation in 2022 using federal relief dollars. Additional funding supported grants to rural communities for infrastructure and high-speed internet access as well as increased broadband service in unserved areas.

Invest in child neglect and abuse prevention

The rate of child neglect and abuse investigations is the lowest it’s been in 10 years. In 2021, 183,290 minors were in families where an investigation occurred. Over 25,000 were confirmed to be victims. Children 5 and under are most likely to be victims of neglect or abuse and placed in out-of-home care.

WIN: This year, the governor signed bills to establish a statewide system to track confirmed cases of those abusing or neglecting children, making the information accessible to guardians and preventing repeat abuse.

RECOMMENDATION: Find ways to support child abuse and neglect prevention and keep more kids with their family when deemed safe.



Support youth transitioning out of foster care

In 2021, 9,248 minors were in out-of-home care due to abuse or neglect—the lowest state rate in at least 31 years. Students in foster care face unique challenges that impact development, health and education. Just 40% of foster care students graduated high school on time (within four years) and 27% dropped out in the 2020-2021 school year.⁶ These outcomes are the lowest of all student populations, including those facing additional challenges because they are homeless, English-language learners, have disabilities, are migrants or are economically disadvantaged.

WIN: Adequate support is needed to assist foster care youth with education, housing and work. As part of the American Rescue Plan relief funding, there was a temporary expansion of the federal Earned Income Tax Credit (EITC) to include former foster youth who are 18 and older, have earned income and are living on their own. The state’s Poverty Task Force also issued recommendations that include additional housing and public school transportation assistance for youth in foster care.

Reduce financial hardship for justice-involved youth

Michigan’s juvenile justice system is decentralized, so experiences for justice-involved youth—like access to support services and assessment of fines and fees—can vary greatly by geographic location. Fines and fees can impact pleas, recidivism, financial security and hardship for youth and young adults.

WIN: In June 2021, Gov. Gretchen Whitmer established the bipartisan Task Force on Juvenile Justice Reform, the first of its kind in the state. The Task Force analyzed the state’s juvenile justice system and, in July 2022, it issued a number of policy recommendations to reform and improve the juvenile justice system to better support Michigan teens and young adults.

RECOMMENDATION: Continue to build upon 2020 juvenile justice reforms by calling for legislative committee action on additional reform measures, namely, the elimination of fines and fees to combat the criminalization of poverty and their harmful effects on youth in the juvenile court system.

Sources

Data from various original sources and available on the Kids Count Data Center (<https://datacenter.kidscount.org/data#MI>) unless otherwise noted.

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