



March 2010

# Michigan children and families: How they fare in the FY10 budget

This report looks at how children and families fared in the FY10 budget, which was supposed to begin October 1, 2009, but was not finalized until November 1, 2009. It uses the areas of child well-being tracked in Kids Count.

## Economic Security



### **Family Independence Program**—

The state's cash assistance grant remained flat at \$492 a month for a family of three. FIP has not been adjusted for inflation for two decades,

dramatically shrinking its purchasing power. Facing revenue shortfalls, the Senate voted to cut \$10 per person per month from the grant but the amount was restored in the final budget. This program helps support about 82,000 families in Michigan, including 157,000 children. A \$50 incentive payment for FIP households meeting work requirements for three consecutive months was eliminated, saving \$1.8 million.

**Clothing allowance**—The \$84 per child back-to-school clothing allowance to kids in households receiving FIP was cut to \$48 per child but federal dollars were used as one-time supplements to families to make up the difference.

**Earned Income Tax Credit**—The best news in the area of economic security is the doubling of the state EITC despite proposals to delay or freeze it. Working families qualifying for the federal EITC get 20 percent of that in a state credit. That's a maximum state credit of about \$1,000 for a single mother with two children, up from \$500 last year. More than 700,000 households claimed the credit in 2009.

**Training and education for parents**—\$60 million in state funding for the JET Plus program, which provides subsidized employment and training to low-skilled workers in five communities, was eliminated. The governor is seeking to restore \$13 million midyear.

**Child day care**—The elimination of shelter areas to determine child care rates lowered payments to providers by \$15 million this fiscal year. The program provides subsidized child care for about 65,000 children, allowing low-income parents to work. With high unemployment, caseloads have been falling, reducing spending by \$106 million this year.

## Child Health



**Medicaid**—The FY10 budget cuts 4 percent on top of an earlier 4 percent cut in payments to Medicaid providers, for an 8 percent cut over the FY09 budget. More than one-third (900,000) of the state's children depend on Medicaid and further reducing the payment will likely limit access to care.

**Nurse Family Partnership**—\$1 million in state funding has been eliminated for the Nurse Family Partnership. This program is designed to improve the health, well-being and self-sufficiency of low-income first-time pregnant women and their infants. This program was targeted at five communities with poor outcomes and large racial disparities.

**Infant Mortality**—Infant Mortality Reduction program was eliminated with a cut of \$900,000 in state funds and a \$845,000 Medicaid match. This initiative has worked to improve birth outcomes in the 10 communities where African American infant death rates have been the highest. Michigan ranks 40th for overall infant mortality and 48th for African American infant mortality. Also, state funding (\$96,800) was eliminated for an infant mortality review program in 14 communities with high death rates.

**Lead poisoning**—As a result of the \$1 million cut to Childhood Lead Poisoning Prevention, grants to communities with the highest rates of young children with lead poisoning have been reduced 30 percent to 45 percent. Fewer families who have a lead poisoned child will now receive services.

**Respite care**—A \$1 million respite care program to help children with serious emotional disturbances and their families was eliminated. This sends youth to spend short periods of time with foster families to allow a break for parents.

**Physical fitness and nutrition**—\$700,000 to promote physical fitness and good nutrition was cut at a time when it's recognized that childhood obesity is a serious health issue.

**Immunization**—Funding for Migrant Health Promotion, which expanded efforts to improve immunization rates for migrant children in 3,500 families, was eliminated.

**Mental health**—\$1.8 million in state funding was added as Medicaid match for children's mental health in-home services, providing \$6.7 million in new mental health services.



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## Adolescence

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**Teen parents**—Funding for a \$3.8 million teen parent counseling program was eliminated with the governor's veto.

**Teen pregnancy**—Pregnancy prevention and family planning programs were reduced by more than \$4 million in several areas of the budget, ending services to 32,400 low-income individuals.

**Sexually Transmitted Disease (STDs)**—A \$750,000 program was eliminated that was aimed at reducing STDs and was specifically targeted to outbreaks in Genesee County. In 2008, 75 percent of Chlamydia cases and 64 percent of gonorrhea cases were diagnosed among young people, ages 15-24.

**School clinics**—More than \$1 million (25%) was cut from the Child and Adolescent School Health Centers, resulting in the loss of \$2.5 million in federal Medicaid match. As a result, two of the clinics closed. It is estimated that thousands of children in many of Michigan's most at-risk communities will go without primary care due to the cuts.

**Juvenile justice**—Nokomis Challenge Center was among several closures of juvenile detention centers.



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## Child Abuse and Neglect

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**Prevention program**—0-3 secondary prevention program, which provides community grants for parenting programs and other maltreatment prevention programs, was cut from \$6.6 million to \$4 million, a 40 percent reduction. In addition, the Department of Human Services has diverted the remaining money from prevention programs to child protective services.

**Help for families**—Strong families/safe children grants, a program aimed at helping at-risk children stay safe in their own families, was reduced by \$2.25 million.

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## Education

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**Preschool**—An estimated 4,400 4-year-olds lost the opportunity to attend a half-day preschool program. This was from a \$7.5 million cut in the Great Start Readiness Program (cut from \$103 million to \$95.5 million) plus the diversion of \$8.3 million preschool money in about 100 districts for other uses.



**K-12**—School districts saw their per-pupil funding reduced midyear by \$165 per pupil, triggering layoffs of teachers and support staff throughout the state. The “20J” districts that traditionally had higher per-pupil funding suffered deeper cuts. In addition, a \$5 million before- and after-school program was eliminated.

**Higher education**—Over the past five years, higher education funding dropped 2.2 percent, even with the addition of federal dollars, putting Michigan near the bottom of all states when it comes to investing in higher education over the five-year period, according to a tracking system at Illinois State University. Actual per-student funding at the 15 public universities has declined from \$6,869 in 2001 to \$5,752 per student this year. During the same period, tuition has skyrocketed.