



Michigan children and families: How have they fared in FY 13's budget and policy debates?

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Economic Security



Family Independence Program—More Michigan families will lose the cash assistance they need to provide for their children because of the implementation of harsh lifetime limits on FIP assistance.

Between July of 2011 and July of 2012, the number of FIP recipients fell by 28%, despite a steep increase in child poverty and fewer parents finding secure employment. Young children will be most affected—70% of the recipients of FIP assistance are children, and over 60% are under the age of 9.

Earned Income Tax Credit—During the 2013 tax season, nearly 800,000 low-income working families will feel the impact of a 70% reduction in the EITC, with the average family losing nearly \$295. New research shows that the EITC not only reduces poverty, but improves children's school performance and ultimately increases their work effort and earnings as adults.

Unemployment Insurance—In January of this year, Michigan became the first state in the nation to reduce the amount of time that the unemployed can receive Basic Unemployment Benefits from 26 to 20 weeks.

Food Assistance Program—Fewer Michigan families will receive federally funded food assistance due in part to more stringent state eligibility policies, including a cap on assets. FAP caseloads will continue to fall, and the impact on children will be significant since nationally, three of every four families receiving food assistance have dependent children. Between July of 2011 and July of 2012, the number of FAP recipients fell by more than 6%, with

53,000 fewer children receiving federal food support.

Workforce Development—Funding to Michigan from the federal Workforce Investment Act, Michigan's largest source of funds for its workforce development efforts, was cut by \$50 million or 21%.

Children

Child Protection—While Michigan is working to comply with the settlement agreement that grew out of a legal challenge to its ability to protect abused and neglected children, programs to *prevent* child maltreatment and strengthen families have been cut. Foster care caseloads are expected to increase, along with payments for foster parents and private child placing agencies.



In addition, the state will spend nearly \$50 million to hire 575 new child welfare workers. Unfortunately, funding to strengthen and preserve families continues to be reduced. Cuts in income assistance increase in very concrete ways the stresses faced by families.

Further, services to strengthen families are eroding, including an 18% cut in funding for the Strong Families/Safe Children program in the coming fiscal year, and the rejection by the Legislature of the governor's plan to restore funding for the Families First program. New funds were approved (\$2.5 million) to help families reconnect with children removed from their homes and to support parent peer-to-peer mentoring.

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Child Care Assistance—Parents will continue to struggle to find high quality child care for their children as they work to support their families in low-wage jobs or through education and training opportunities. By failing to address extremely low child care provider rates and reducing the number of hours of care that can be reimbursed, the state has forced many low-income families to place their children in unlicensed care or care of unknown quality. The budget assumes that fewer families will use subsidized child care. Between July of 2011 and July of 2012, the number of children receiving subsidized child care fell by 11%.

Health Programs



Access to Health Care—Low-income children and families could find it easier to access primary health care services through Medicaid because of the Legislature’s adoption of an increase in Medicaid physician rates as required by the federal Affordable Care Act. Also approved was the full restoration of vision benefits for adult Medicaid

recipients, and a 20% increase in payments for obstetrical services. More than half of all births in Michigan are covered by Medicaid, and access to obstetrical services has been limited for many women.

Children’s Dental Health—More children will have access to dental care because of an expansion of Healthy Kids dental program. An estimated 670,000 Michigan children are not currently covered by the program, and an expansion of \$16.7 million will provide services to approximately 110,000 of those children. Untreated tooth decay is the most common chronic disease in children and leads to lost school days and potential long-term health consequences.

Mental Health Services and Substance Abuse Treatment—Access to mental health and substance abuse services will remain severely limited for low-income families and children. Between fiscal years 2010 and 2012, funding for community mental

health services for persons not eligible for Medicaid was cut by \$54 million, while substance abuse treatment services were reduced by \$4.9 million. An expansion of Medicaid and MIChild coverage to children with autism was approved, but unfortunately, children with other conditions or disorders remain uncovered, as Michigan is one of only seven states not requiring insurers to provide parity access to mental health services.

Education

Early Childhood Education—Up to 1,470 more at-risk 4-year-olds will have access to part-day pre-school programs through Michigan’s Great Start Readiness program as a result of a \$5 million increase in funding (to total funding of \$100.4 million). Not addressed in the budget were funds for full-day programs that could better meet the needs of low-income working parents, or early learning supports for families with infants and toddlers.



After-School Programs—Fewer children will have access to the after-school programs that have been shown to improve child safety and achievement following a veto by the governor of \$1 million for before- and after-school programs.

K-12 Education—School districts that receive the minimum per-pupil allowance will receive a partial restoration of \$120 per pupil, following cuts of \$470 per pupil in the two prior years. In addition, districts could be eligible for additional grants if they meet best practices or performance criteria set by the Legislature. Intermediate School Districts also received an increase based on specific performance criteria. Funding for adult and vocational education remains flat.

Higher Education—Public four-year colleges and universities will divide an additional \$36 million based on performance measures set by the Legislature. Unfortunately, the number of low-income students served was dropped as a condition for the grant awards.