



# Michigan children and families: How they fare in the FY12 budget

## Economic Security



**Family Independence Program**—11,000 families lost their cash assistance grant in November 2011 and more families stand to lose the same as the Legislature removed many exemp-

tions to the 48-month time limit for the Family Investment Program. Caretakers of a disabled child or spouse will be subject to a 60-month limit on cash assistance, regardless of the disability of the family member. The Legislature did increase the earned income disregard for FIP, allowing working families to transition off the program slower.

**Earned Income Tax Credit**—Low-income working Michiganians will experience a 70 percent reduction in the Earned Income Tax Credit, which is about a \$294 per family loss for the almost 800,000 families that receive the refundable credit annually.

**Unemployment Insurance**—The amount of time an individual can receive Unemployment Benefits was reduced from 26 weeks to 20 weeks beginning January 2012. Michigan was the first state in the nation to reduce the amount of time the unemployed can receive benefits. This will affect thousands of current recipients as well as shorten benefits for all new unemployed workers.

## Children

**Clothing Allowance**—A \$10 million cut to the annual back-to-school clothing allowance will mean that only

an estimated 36,000 of 150,000 children on FIP will receive the clothing allowance in FY 12. In past years, all children receiving FIP got the money.

**Child Care Assistance**—The Child Care Assistance Program was cut by \$13.9 million. The hourly rate for the program, which helps 78,000 families pay for child care monthly, was reduced from \$1.60 to \$1.35 an hour for most providers. A \$10 million cut reduced the maximum amount of hours that can be covered by the grant by 20 hours a month, putting further obstacles in the way of families finding quality childcare.



**Foster Care and Adoption**—Despite recent lawsuits and criticism of Michigan's child welfare system, there have been significant cuts to programs that help keep kids safe. Foster care and adoption caseload funding has been cut by almost \$30 million and adoption subsidies have been cut by \$9.3 million. Guardianship funding was reduced by \$1 million and the Child Care Fund was reduced by \$12.6 million.



**Child Abuse and Neglect**—Programs that help prevent child abuse and neglect have either been eliminated or cut. Programs that help children ages 0 to 3 years old who are at risk of abuse or neglect have been eliminated. Be-

fore-and-After School programming serving areas near schools that are not meeting the No Child Left Behind yearly progress requirements were eliminated and millions of dollars were cut from other preventative

programs such as the Child Protection and Permanency Program, the Strong Families/Safe Children Program, the Family Preservation Program and the Early Childhood Investment Corporation.

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## Health Programs

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**Mental Health**—Non-Medicaid Community Mental Health funding was reduced by \$8.5 million in FY12, bringing total cuts to mental health services to more than \$50 million since FY10. The FY12 cuts will cause around 1,000 childless adults with serious mental illnesses to lose mental health services.

**Substance Abuse Treatment**—Substance Abuse Treatment has been cut almost \$5 million since FY 10, resulting in 1,200 people losing substance abuse treatment and an additional 400 losing residential substance abuse treatment. An additional \$200,000 in funding was cut from the Salvation Army and Odyssey House treatment programs.

**Aging Services**—The Adult Home Health Program has been cut \$17.7 million by limiting eligibility and requiring more severe conditions to qualify for services.



**Disability**—State Disability Assistance grants that assist disabled Michigianians while they await approval for federal disability benefits have been reduced by 25 percent for all new cases, resulting in the monthly payments going from \$269 to \$200.

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## Energy Assistance

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**State Funded Energy Assistance**—The state Low-Income Energy and Efficiency Fund, which helped thousands of Michigan utility customers keep their heat and lights on, was defunded by a Michigan appeals court. In December 2011, the Legislature passed a law creating the new Vulnerable Household Warmth Fund which is expected to provide heating assistance to 95,000 low-income Michigan residents. However, it is a temporary solution for this winter only, and the Legislature will need to enact a more long-term plan. The temporary energy assistance fund will no longer help people weatherize their homes.

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## Education

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**K-12 Education**—The state per-pupil expenditure has been reduced by \$470 over the last two years.

Funding for Intermediate School Districts has been reduced by \$3.3 million. Special Education Payments have been cut by \$103.7 million and Bilingual Education Grants have been eliminated.

**Higher Education**—Funding for colleges and universities was cut 15 percent (\$213 million). Funding for community colleges was cut 4 percent (\$12 million). An additional \$3.3 million was cut from developmental education services for at-risk students in community colleges. Michigan now ranks 10th lowest in the nation in taxpayer support for higher education.