



State Budget Cuts: The Impact on Children

Alicia S. Guevara
Michigan's Children

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Michigan's Budget Crisis

- Loss of nearly 750,000 jobs
- State revenues now below 1971 levels
- Once one of the wealthiest states in per capita income, Michigan is now projected to be one of the ten poorest in the country in 2010 (37th in 2009)



Michigan's Budget Crisis

- How did we get here?
 - National recession
 - Decade of job losses
 - Outdated tax structure
 - Tax policy decisions
- Result: ongoing structural budget deficit and deep cuts in services



Governor's Proposed FY 2011 Budget

- Addresses \$1.5 billion budget shortfall
- Built on combination of cuts, and tax and governmental reforms
- Based on revenue not in hand, including substantial federal money
- Continued cuts from current year



FY10 Significant Cuts Continued DHS

- Child care subsidies (\$113 million)
- Family preservation and support programs (\$3 million)
- Before- and After-School and Michigan After-School Partnership (Eliminated)
- Communities in Schools (Eliminated)



FY10 Significant Cuts Continued DCH

- 0 to 3 Secondary Prevention (Eliminated)
- Prenatal care outreach and service delivery support (Eliminated)
- Nurse family partnership (Eliminated)
- Healthy Michigan Fund (\$13 million)
- Medicaid provider reimbursement rates (8%)



FY10 Significant Cuts Continued K-12 School Aid/Education

- Per pupil (at least \$165) and ISDs (20%)
- 0 to 3 Secondary Prevention (Eliminated)
- Great Start School Readiness (Competitive by 50%)
- Adolescent health centers (25%)
- 21st Century School Fund (Eliminated)
- Adult education (8%)
- Youth Challenge Grants (50%)



Governor's Proposed FY 2011 Budget Child Welfare

- New cuts:
 - Youth in Transition
- Continued funding:
 - Adoption subsidies
 - 0 to 3 Secondary Prevention (Administration changes)
 - Family Reunification
- Increased funding:
 - Child welfare improvements (comply with lawsuit)
 - Child Care Fund
 - Strong Families/Safe Children (new pilot program)
 - Subsidized guardianship program

Governor's Proposed FY 2011 Budget Child Care & Income Assistance

- New cuts:
 - Child care subsidies
- Continued funding:
 - Child care quality enhancements (ECIC)
 - Low-income energy assistance
 - Local DHS emergency assistance
- Increased funding:
 - Family Independence Program (caseload increases)
 - Food assistance



Governor's Proposed FY 2011 Budget Children's Health

- New cuts:
 - Child Care Enhancement Program
 - Local public health operations
 - Childhood lead program
 - Foster grandparent volunteer
- Continued funding:
 - Local MCH services
 - Local family planning
 - Children with serious emotional disturbances waiver
- Increased funding:
 - Plan First family planning waiver



Governor's Proposed FY 2011 Budget Education

- New cuts:
 - Youth in Transition
- Continued funding:
 - GSRP (School Aid and Competitive)
 - Great Parents/Great Start
 - Great Start Collaboratives (ECIC)
 - Child and adolescent health programs
 - Adult education
 - Youth Challenge Grants
- Increased funding:
 - Rural and low-income schools improvement programs
 - Migrant children programs
 - Drug and violence prevention programs



What can you do?

- Good News! Everybody Is For Kids
- Good News! We Know What to Do
- Bad News! The State is Broke
- Bad News! Limited Political Will to Change
- Good/Bad News: Everyone is focused on improving the economy
 - Can be good since prevention, education, services = stronger children/families = stronger economy
 - Can be bad if decision-makers can't make the tie



Legislative Options

- Cut state services further
- Reform state taxes to increase revenues
- Some combination of the two



State Advocacy Opportunities Action: Revenue Solutions

- Can we afford to cut any more?
 - Poverty Increases=Support Reduced
 - Abuse/Neglect Rises=Prevention Cut
 - Early Childhood Evidence=Cut
 - Medicaid Increases=Access Threatened
 - Education Key=Support Cut
- Revenue...we need solutions to cover basic services and programs we care about!
- Must contact your state legislators, especially your Senators

For More Information

- Michigan's Children, through its Budget Watch Project, tracks the state budget and its impact on children and families.
- For more information go to www.michiganschildren.org
- Sign up for our action alerts.

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Alicia S. Guevara
alicia@michiganschildren.org
Michigan's Children
428 W. Lenawee
Lansing, MI 48933
517/485-3500; 800/330-8674
FAX: 517/485-3650

