

February, 2020

Successful Youth Transitions in the Michigan State Budget: Runaway and Homeless Youth

The economic success of Michigan depends on getting all Michigan children ready for post-secondary education, work, and life. Over 13,000 youth in grades eight and above reported being homeless in Michigan in 2018-2019, an experience that makes traditional adult transition pathways difficult, resulting in a four-year high school graduation rate of 55% in 2018. Youth with unique vulnerabilities, including sexual or physical abuse, parental incarceration, mental health issues, or substance use, and poverty, tend to experience homelessness. Fewer than 60% of young adults who have experienced foster care report having stable housing. Additionally, 60% of child sex trafficking survivors have experienced foster care.

Michigan's network of agencies that provide runaway and homeless youth with crisis and transition services are effective. 95% of youth discharged from emergency shelters are reunified with their families, and 88% are actively enrolled in education, yet recent years have overtaxed their service capacity due to increased severity of needs experienced by youth, and some program closures due to lack of funds have left multiple Michigan counties with a gap in service access for homeless and runaway youth. As a result, the percentage of runaway and homeless youth receiving services in Michigan is declining.

Two years ago, Michigan provided a modest increase of \$500,000 for the first time since 2001. A further increase in last year's legislatively-passed budget of \$300,000, however, was line-item vetoed. These increases, while significant, are not enough to bring back closed programs or meet the increased needs of youth. They must serve as the first step for re-building a network of support for youth and families.

Current Situation: The Governor's budget recommendation includes no increase for runaway and homeless youth services, and does not restore the Governor's line-item veto.

Recommendations

- **Urge House and Senate leaders to increase state funding in the MDHHS budget for runaway and homeless youth programs, by \$3 million**, including restoring the line-item veto, as a first step towards rebuilding service access statewide.

February 12, 2020

An Early Look at how Governor Whitmer's Budget Recommendations Support Proven Plays for Children, Youth and Families

On February 6, 2019, Governor Gretchen Whitmer released her budget recommendations for Fiscal Year 2021, which begins October 1, 2020 and ends September 30, 2021. The Governor's proposal includes significant increases for per-pupil grants based on student need, and increases funding for supports that strengthen families including child care, health coverage for mothers and infants, and home-based services for families facing instability. The budget proposal provides a strong foundation in some areas upon which we can expand proven plays that meet critical needs for children, youth, and families.

As always, the state budget represents our state's priorities, and over the course of the next several months, the legislature will identify where they agree and disagree with the Governor's proposals. As more budget details come out, and the legislature begins its own work on the budget, Michigan's Children will dig more deeply into our budget priority areas, but here is a first look at the how Governor's proposal documents impacting children, youth and families:

Quality Care for Children

Child Care: Many working families struggle to afford child care, which is why Michigan's Children is recommending raising the family income eligibility threshold for child care assistance from 130% of the federal poverty line to 185% (moving from \$34,060 to \$48,470 for a family of four.) The Governor's budget proposes using \$25.7 million in federal funds to expand threshold from 130% to 150% (\$39,300 for a family of four), to begin in January 2021, partway through the fiscal year. Many families also struggle to access quality care for other reasons including the availability of providers near them, during their flexible work hours or work in the evenings and on weekends, or due to behavioral or other special needs of the children in their care. Some populations of parents have a difficult time accessing care as well, including adults who are students, foster and relative caregivers, and other struggling families who qualify for reasons related to family preservation and other needs for stabilization support. The Governor didn't include any increases for provider reimbursement rates or other funding that would help providers improve their quality of care in her proposal, which Michigan's Children will be following through the process.

Infant and Early Childhood Mental Health Consultation (IECMHC): Trained infant mental health professionals hired through this program help child care providers navigate behavioral issues, helping to preserve stable child care arrangements for parents. Michigan's Children is asking to fully fund the program, beginning with \$7 million to ensure that consultants would be available to child care professionals in every county in the state, and planning for expansion that follows. At this time it is unclear if the Governor is recommending funding for this program through child care or behavioral health resources, but we will continue to promote this investment through the budget process.

Enhanced System in Foster Care: Understanding the barriers reported by caregivers in the foster care system, Michigan's Children is recommending investment in an enhanced child care support system for relative caregivers and other families in the foster care system that includes improved timeliness, rates and social-emotional supports. The Governor's budget doesn't include any recommendations for an enhanced system, but we will continue to promote this investment through the budget process.

A Healthy Start

Support for Early On: Michigan's Children is asking for a \$28 million increase for early intervention services for infants and toddlers through *Early On*, based on identified need and a three-year investment strategy to be able to provide recognized levels of services to all eligible infants and toddlers. The Governor proposed continuing the current year investment of \$7.2 million, but a larger investment is necessary to increase quality and move consistency of services across the state. This investment could come from some of the proposed increase to pre-K-12 special education, as earlier investments are proven to reduce future K-12 special education costs. We and others will be working toward increasing investment in *Early On*, and supporting program changes bolstered by additional investment, through the budget process.

Expanding Postpartum Service Access: The Governor proposed a significant expansion of Medicaid eligibility postpartum, extending coverage from the current 60 days after birth to a full year for moms with incomes up to 195% of the federal poverty level (just over \$42,000 for a family of three.) Her Healthy Moms, Healthy Babies proposals also included additional funding to expand the Michigan Child Collaborative Care (MC3) program that helps primary doctors more quickly connect expectant and new moms to needed behavioral health services. Michigan's Children is supportive of these initiatives.

Lead Poisoning Prevention Fund: The Governor proposed a \$10 million lead poisoning prevention fund to help low-to moderate income homeowners and landlords finance efforts to reduce lead hazards, modeled after the Michigan Saves program, which is used to support affordable financing for energy-related residential improvements. Michigan's Children will support this funding through the process.

Attention to Social Determinants of Health: Michigan's Children has long supported efforts to recognize that conditions beyond medical factors impact the health and safety of children, youth and families. The Governor proposed nearly \$12 million to support screening, technology and local community health capacity to measure and address social determinants of health and improve outcomes.

Keeping All Families Strong

Community Child Abuse and Neglect Prevention: Local child abuse and neglect prevention councils and service providers, funded through the Children's Trust Fund, coordinate community support, assess needs and build partnerships to provide evidenced practices like home visiting, parenting classes, counseling, child care, referrals, transportation and prenatal care for families, preventing instability. A need for an additional \$3 million was established last year, but a proposed increase was cut from the final budget. The Governor is proposing flat funding for these critical coalitions and programs.

Home Visiting Capacity: In addition to the expansions in home visiting access targeted toward parents at risk of having their children removed outlined below, the Governor included establishing an Integrated Home Visiting System that would better support referral, monitoring and program outcomes throughout our home visiting landscape. Michigan's Children will support this effort to improve consistency and quality throughout that system during this budget process.

Media Investment in Early Childhood: The Governor proposed nearly \$2 million to support public television services to educators, teachers and parents to improve school readiness.

Family Income Supports: The Governor did not include any proposals to expand the Michigan EITC. Michigan's Children would like to see some expansions of the credit detailed in sections below, and would support overall increases in a program that is proven to increase income for working families.

Expanding Workforce Supports and Post-Secondary Access

Paid Parental Leave. The Governor proposed allowing 12 weeks of paid parental leave for all state employees for a qualifying birth or adoption. Her proposal included \$10 million to offset costs and prevent any reduction in critical services resulting from the policy. The appropriation needs to pass the legislature, and implementation requires amending bargaining agreements and adoption by the Civil Service Commission. While 12 weeks of unpaid leave is required under federal law, this would ensure paid leave for state employees during that time.

Michigan Reconnect Grant Program. The Governor proposed \$35 million for a program to allow adults 25 and older to obtain an associate's degree or occupational certificate tuition-free. Michigan's Children is supportive of expanding opportunities for parents to improve their educational and career success, as well as other young adults who might not have been able to complete any post-secondary options. We will be working through the budget process to ensure that this program integrates program options that help parents with children and young adults who have the poorest employment outcomes, like those who have been in foster care, have a disability or have faced other challenges.

Supporting Struggling Parents

Expanded Home Visiting Options for Families At-Risk of Entering the Foster Care System: Taking advantage of new federal funding availability, the Governor has proposed expanding home visiting through the Maternal Infant Health Program (MIHP) though a pilot project permitting high risk mothers to receive increased home visits, as well as providing 1,000 new home visiting slots for high risk families in Wayne, Kent, Kalamazoo and Saginaw Counties.

Preventing Child Removal and Family Reunification: Taking advantage of new federal funding, the Governor recommended several new programs including Sobriety Treatment and Recovery Teams (START) that utilizes family mentors to work with families on substance abuse treatment, peer support, and child welfare services. Another new programs, SafeCare is a 4-6 month intensive program addressing parent-child interaction, home safety, child health and family engagement. Also included is funding for Parent-Child Interaction Therapy, which targets parents of children ages 2-7 with behavior management and relationship skills and assisting children at risk of developing serious emotional disturbances. Two programs are also in the recommendation that target families with youth, ages 11-18 – shorter term Functional Family Therapy, and intensive in-home interventions of Multisystemic Therapy. These programs would not be implemented until April of 2021. Michigan's Children is glad for the investment, but will be watching impact on existing effective prevention and reunification efforts through the budget process.

Increases in Payment Rates for Private Foster Care Agencies: The Governor recommends a 15% increase in the residential payment rate for private agencies to meet new federal treatment requirements. Also proposed is a payment rate increase for the West Michigan Partnership for Children, the only fully privatized child welfare, foster care and adoption system in Michigan.

Keeping Kids in Families Rather than Congregate Care: The Governor is proposing a Congregate Care Pilot program utilizing Trauma-Focused Cognitive Behavioral Therapy, which includes a treatment component for parents and caregivers as well as the children and youth in their care to try to stabilize family placements. Again, this program would not be implemented until April, 2021.

Mental Health Problem-Solving Courts: The Governor proposed continuation funding for Michigan's problem-solving courts to provide trauma-related supports, mental health and substance abuse services leading to a reduction in incarceration, fewer children removed from their families, and more rapid treatment and rehabilitation. Michigan's Children will be encouraging increased investments in resources for problem-solving court efforts focused on stabilizing parents and families through the budget process, including investment in the Baby Court and Peacekeeping Court models.

Family Literacy

Adult Basic Skills: Supporting opportunities for young adults and parents to build literacy skills, earn a GED and prepare for a career improves workforce participation and family literacy rates. Michigan's Children is asking for consistent support for adult education through School Aid and the Department of Labor and Economic Opportunity, coupled with a comprehensive needs assessment of parent basic skills, and regional coordination to determine gaps and needs to ensure improved access to quality programming statewide. The Governor recommended flat funding for adult education at \$30.5 million.

Early Literacy Supports: Despite suggesting that more investments would be made in early literacy in her State of the State address, the Governor basically proposed flat funding for these efforts. Proposals included a \$3 million increase for professional development for Early Literacy Coaches, teachers, and principals, and did not fund the \$5 million summer school reading program. This investment needs to be better tied to assistance with read-at-home plans and the needs of parents and other caregivers to support their children's reading and other skill building at home. The Governor's proposal also missed any opportunity to improve coordination of family skill building initiatives with other services, including coordination of free and affordable child care for adult learners and co-location of supports for children with education and workforce training programs for their parents, but with expansions proposed in some connected programs, Michigan's Children will be raising these issues as the budget process progresses.

Thriving Students

School Finance: The Governor's budget proposal increases the overall minimum and maximum per-pupil grants by between \$225 and \$150 to \$8,336 and \$8,679 respectively, increasing state reimbursement for special education services by \$60 million, increasing funding for academically at-risk students by \$60 million, increasing funding for English language learners by \$5 million, and maintaining career and technical education funding. These changes move our school funding formula closer towards the recommendations of the School Finance Research Collaborative.

Four-Year Old Pre-School: The Governor is proposing increasing the per-pupil grant for Great Start Readiness Program (GSRP) by \$1,086 to \$8,336, a total of \$35 million, and increasing funding further by \$42 million to expand eligibility for "GSRP-style" programs for 5,000 4-year olds with families in select high-poverty, academically low-performing school districts. Increasing per-pupil base support for GSRP is a positive step that will improve the early learning experiences of many young children, and research suggests that pre-school provides the most benefit to the lowest income families and children.

Adolescent Health Centers. School-based and school-linked health services for children and adolescents are proven access points for physical and mental health services, resulting in improved educational and life outcomes. The Governor proposed flat funding for these programs.

School Mental Health and Support Services: The Governor is recommending flat funding of just over \$31 million to improve access for all students to behavioral health professionals in schools. Michigan's Children is supportive of expanding access to trained mental health professionals and services on-site and through community partnerships, including expanding funding for 31n, amending the ISD grant formula to distribute funds by student population and ensuring that revenues may be used to leverage federal Medicaid dollars to fund school-based community mental health resources. We will also be working through the budget process to facilitate support for professional development and other partnership resources that increase educator capacity to diagnose and appropriately respond to student behaviors and needs that may have been influenced by trauma.

Afterschool and Summer Learning: There has been no dedicated state funding for afterschool and summer learning programs since 2011, forcing local programs to rely on federal funds, parent contributions and local philanthropy, creating enormous gaps in availability for quality programs around the state. Michigan's Children is recommending the Michigan Department of Education-recommended investment of \$50 million to be able to support quality programs that mirror standards set by the federally funded 21st Century Community Learning Centers and could be financed by multiple state departments. The Governor did not include any resources dedicated to these gap closing initiatives, but increased educational investment could be devoted to these programs, and we will be encouraging that attention through the budget process.

Integrated Student Services: After vetoing funding for the School Success Program, an integrated service model, in the current fiscal year, the Governor did not include that funding in this year's budget recommendation. The Governor recommended flat funding for the co-location initiative Pathways to Potential. In addition to supporting mental health service provision in schools, coordinating academic, health and other services between schools, service providers, parents, and community partners for students can remove barriers to learning that one system alone can't solve. Michigan's Children will be working through the budget process to identify ways to support this essential coordination.

Alternative Paths to Diploma: Some young people who may struggle to achieve and graduate due to their personal circumstances need competency-based education and flexible paths to graduation that provide flexible scheduling, smaller classes, alternative credit bearing options. The Governor again proposed eliminating funding intended to assist these struggling youth through Strict Discipline Academies, Dropout Prevention and Dropout Recovery programs. Michigan's Children will be raising the need to ensure that under any funding strategy, strategies for students who need more time and alternative paths to graduate are preserved and expanded.

Preserving Stability and Relationships for Children and Youth in Foster Care

Relative Caregivers: Michigan's Children is asking for funding in this year's budget to increase current resources available for a kinship navigator program for relative caregivers in addition to what is provided for that program through existing federal funding, consistent with bi-partisan legislation moving through the Legislature now. Funding to support the legislatively proposed kinship advisory committee should also be supported through appropriations.

Support for Children and Youth in the Court System: After administratively transferring Legislatively supported funding of \$500,000 to begin state expansion of the program by ensuring access in Wayne, Oakland and Macomb counties, the Governor again did not recommend funding for these programs. Court-Appointed Special Advocates (CASA) is a nationwide network of citizen volunteers trained to advocate on behalf of abused and neglected children in family courts. These advocates serve as the voice for children who cannot speak for themselves, helping judges, foster care organizations, and other parties make sound decisions regarding a child's future. A total of \$1.5 million over three years would allow for full state coverage. Michigan's Children will be working through the legislative budget process toward this expansion.

Successful Youth Transitions to Adulthood

Michigan Youth Opportunity Initiative (MYOI): The Governor recommended flat funding for this peer mentorship and support program for young people experiencing foster care. While the current appropriation does support staff that cover all counties around the state, the resource continues to fall short of fully funding programs and coordinated services. These services, including asset-building plans and connections to local supportive adults, are proven to put youth in foster care, who may take longer to get through high school and often have fewer home supports in their transition, on a path towards life success. Michigan's Children will be working through the budget process to increase that line item by \$2 million to ensure consistent and comprehensive access.

Fostering Futures Scholarship: The Governor recommended flat funding for the Fostering Futures Scholarship, which provides college tuition, room, and board, and supplies to youth who spent time in foster care. Michigan's Children would like to see a doubling of this scholarship (from \$750,000 to \$1.5 million), and will be working through the budget process to be able to more flexibly layer the resource onto other assistance programs for young people who often have complicated needs.

Supporting Homeless Youth: The Governor last year vetoed \$300,000 proposed increased state support for organizations that serve for runaway and homeless youth, including young people who have experienced foster care, youth living with disabilities, and youth who are on the verge of homelessness. At this point it is difficult to determine how much funding the Governor is proposing, but Michigan's Children prioritizes support those programs, and will be supporting efforts to raise funding further so that any young person in crisis can find help within an hour.

Expanding the Age-Based Eligibility for the Michigan EITC: After last year proposing doubling the value of the Michigan EITC, the Governor did not include any expansion of that investment with proven poverty-fighting impacts in her budget proposal. Michigan's Children will be working through the budget process to build support for expanding the Michigan EITC for young people who have experienced foster care by lowering the minimum age to 16 and basing the credit on what would be available through the federal and state EITC combined if the current age threshold of 25 was met.

Court Appointed Special Advocates (CASA) Services for Older Youth: After transferring support for CASA services in the budget last year, she did not include any additional support in this year's recommendation either. Michigan's Children will be working through the budget process on a \$50,000 state investment to pilot the National CASA Fostering Futures initiative, which targets transitioning youth, in at least three localities, and use this pilot to determine appropriate ways to layer support through this initiative and Michigan Youth Opportunities Initiative (MYOI).