

The FY 2014 Budget: Gains for Some Children & Families but Deep Disparities Persist

EXECUTIVE SUMMARY

It is through the state budget that the governor and lawmakers make critical policy decisions that affect all Michigan residents. While the Fiscal Year 2014 budget includes some gains for children and families, it does not restore the deep cuts in programs made over the last decade, and unacceptable disparities persist based on race, ethnicity and income.

Budget



Briefs

taxes for businesses. Included was a 70% cut in the state's Earned Income Tax Credit, a move that places nearly 12,000 more children at risk of falling into poverty.

- **Limited access by children to basic income assistance** through the Family Independence Program through changes in lifetime limits.

Seven of every 10 FIP recipients are children, with the majority under the age of 9.

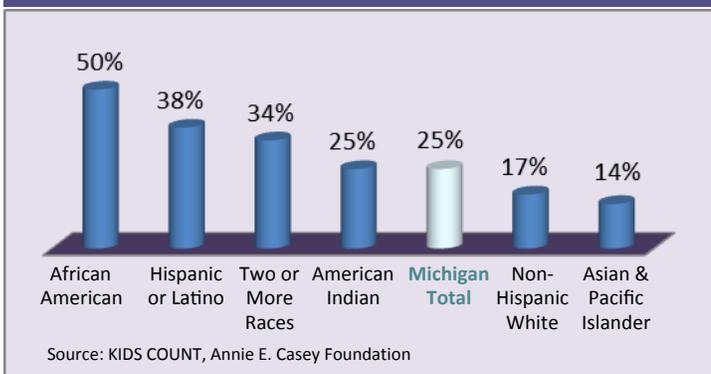
- **Reduced the number of children receiving a fall clothing allowance.** Earlier budget cuts eliminated the fall clothing allowance given to 120,000 children in families receiving FIP, limiting the benefit to 21,000 children in FIP cases that do not include an adult. The Snyder Administration eliminated the benefit to the remaining 21,000 this fall, but the Legislature included funding for the following school year.

- **Restricted access to food assistance.** With the adoption in 2011 of an asset test for food assistance—a move

ECONOMIC SECURITY

Many of the state's children are living in families that are struggling to meet their basic needs because of unemployment, underemployment, illness or disability. Children of color are substantially more likely to be poor and live with parents who don't have regular, full-time jobs.

Childhood Poverty Rates Extremely High for Certain Racial and Ethnic Groups (2011)



Unfortunately, state budget decisions and related policies have increased economic insecurity for many children and families.

Lawmakers:

- **Cut tax credits for many low- or moderate-income working families** in order to partially fund an 83% cut in

The Children Left Behind

- ◆ *Half of African American and 38% of Hispanic children in Michigan live in poverty compared with 17% of their white peers.*
- ◆ *More than six of every 10 African American children do not have a parent who has regular, full-time employment, compared with 28% of their white peers.*
- ◆ *While only 4% of Michigan children are uninsured, 10% of American Indian children and 7% of Hispanic children have no insurance.*
- ◆ *Nine of every 10 African American fourth-graders, as well as about eight of every 10 Hispanic, and eight of 10 low-income children, are not proficient readers, compared with 56% of white students.*

contrary to the national trend—Michigan made access to food more difficult for low-income children and families.

ACCESS TO HEALTHCARE

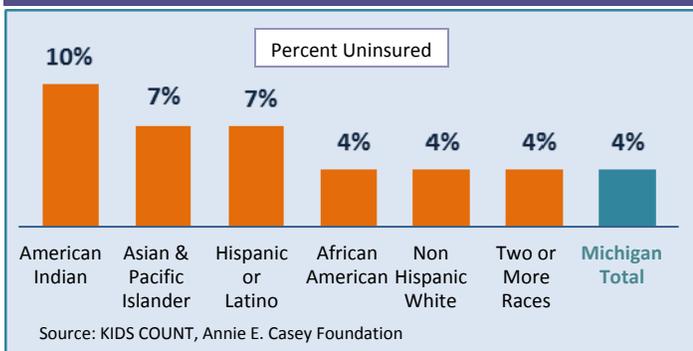
While Michigan has a history of effectively covering children through the Medicaid and MICHild programs, American Indian, Asian and Pacific Islander and Hispanic children are much more likely to be uninsured.

Even when children are insured, healthcare access and outcomes vary by race, ethnicity and income. For example, death rates for African American infants are more than two-and-one-half times higher than white babies, and lead poisoning is more common in urban neighborhoods where more children of color live.

Lawmakers:

- **Expanded Medicaid to 320,000 low-income parents and individuals**, including women of childbearing age who need preconception care to ensure a healthy birth.
- **Expanded preventive dental care for children** in three Michigan counties, leaving out some of the state’s major urban areas (Wayne, Oakland, Macomb, Kent and Kalamazoo), thus disproportionately affecting children of color.
- **Increased funding for efforts to reduce infant mortality and remove lead hazards** from homes in high-risk neighborhoods, although total funding is still inadequate given the scope of the problem.

Uninsured Rates Higher for American Indian, Asian/Pacific Islander and Hispanic/Latino Children in Michigan (2011)

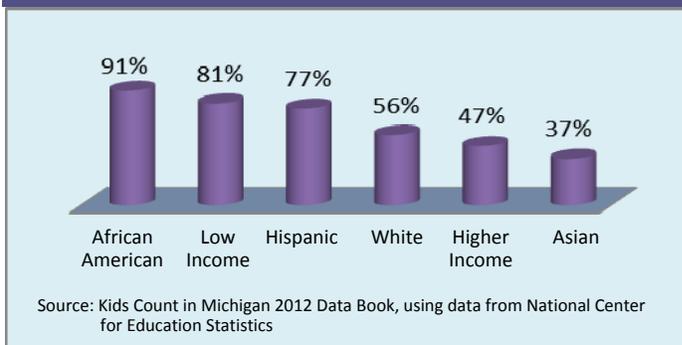


EDUCATION

Access to a high-quality education is the key to economic prosperity, yet Michigan public schools and universities have faced deep cuts, and huge disparities exist based on race, ethnicity and income in both access to a high-quality education and in educational achievement.

Based on national standards, nine of every 10 African American, almost eight of every 10 Hispanic, and eight of every 10 low-income students, are not are not proficient readers by

Percentage of Michigan Fourth Graders Not Proficient Varies Dramatically by Race/Ethnicity and Income



fourth grade. In addition African American, Hispanic and homeless youths are more than twice as likely to drop out of high school or not finish on time.

Lawmakers:

- **Significantly expanded state-funded preschool for at-risk 4-year-olds.** Funding for Michigan’s Great Start Readiness Program was increased by \$65 million for Fiscal Year 2014, opening up an estimated 16,000 new half-day slots for children in low-income families.
- **Failed to fully restore funding for Michigan public schools.** For Fiscal Year 2014, the Legislature provided a small increase for public schools, but districts are still struggling after a decade of underfunding, including a cut of \$470 per pupil in 2011-2012. The result is that 55 school districts are grappling with deficits.
- **Failed to restore cuts in funding for university operations.** The Legislature approved a 1.8% increase for universities, which does little to rectify deep cuts over the last decade, including a 15% cut in Fiscal year 2012.

CHILD SAFETY

Both the number of child abuse and neglect investigations and confirmed victims are rising in Michigan. African American children are disproportionately overrepresented in Michigan’s child welfare system, and are more likely to be placed in foster care.

Lawmakers:

- **Continued to underfund prevention and family support services.** Badly needed resources to prevent maltreatment, as well as strengthen and reunify families, have been cut over the last decade. In Fiscal Year 2014, family preservation programs will be cut again by \$4.2 million.
- **Reduced funding for child welfare staffing** expansion related to the settlement agreement from a lawsuit against the state for failures in its child welfare system. The lawsuit highlighted problems in moving children quickly into safe and permanent homes, and providing adequate services.