

House Subcommittee Rejects Governor's Third Grade Reading Initiative

The Senate subcommittee developing next year's education budget endorsed Gov. Snyder's forward-thinking initiative to ensure that children can read proficiently by third grade. Only the day before, the House Appropriations Subcommittee on Education had rejected most of the governor's recommendations and left children without early interventions needed to meet that critical educational milestone.

The next step is for the subcommittee bills to be acted on by the House and Senate Appropriations Committees. Their versions of the bills will be sent to the floors of the House and Senate for debate and approval. Any differences between the final House and Senate versions will be worked out in joint House/Senate conference committees. Legislative leaders have said they would like to complete action on the budgets by the end of May.

A recent [League report](#) shows that the ability to read by the end of third grade is central to a child's success in school, life-long earning potential, and ability to contribute to the state's economy. But almost two of every five Michigan third-graders do not demonstrate reading proficiency on the MEAP, with one in four scoring at the lowest level.

The research is clear: Learning begins in infancy, with the most rapid and critical brain development occurring during the first three years of life. States that have seen the most dramatic improvements in early literacy have made substantial investments in early interventions. The governor's 2016 initiative recognizes the importance of the early years and deserves support.

GOVERNOR'S READING INITIATIVE AND LEGISLATIVE ACTIONS TO DATE

There are three basic components to the governor's third grade reading initiative. Below are the governor's recommendations and actions taken by the House and Senate subcommittees:

Budget



Briefs

(1) Investment of \$23.6 million in federal funds for improvements in child care quality and access, funded through the Department of Education budget.

Governor's Proposal:

- \$6.1 million for provider payment increases for licensed child care centers and homes that accept children with a state subsidy, and that have at least two stars on Michigan's five-star quality rating system.
- \$16 million to allow families to remain eligible for the child care subsidy for up to one year, even if their incomes rise.
- \$1.5 million to allow families to earn up to 250% of poverty without losing child care subsidies—but only if families initially qualified at the current eligibility threshold of 121% of poverty.
- \$5.7 million to hire more child care inspectors needed to ensure that state-licensed child care centers and homes are meeting basic health and safety requirements.

The number of low-wage working families able to receive a child care subsidy has dropped by nearly 70% since

2003, in part because of the state’s low eligibility rates and provider payments. As a result, Michigan has unspent federal child care funds that the governor proposes to use to enhance quality and expand access. While this is a small step forward in a grossly underfunded system, it moves the state in the right direction after years of neglect for the well-being of thousands of vulnerable infants and toddlers whose parents must work to support their basic needs.

Legislative Actions to Date: The Senate subcommittee approved all of the governor’s recommended changes for child care. The House subcommittee rejected the expansion of child care licensing consultants, but approved the other child care enhancements. The increases in child care rates and eligibility were included in a supplemental budget bill recently signed by the governor, so will be implemented in the current budget year. Funds to expand child care licensing staff were not part of the supplemental budget bill.

(2) The dedication of \$25 million in School Aid funds for services to support families and encourage early literacy, as well as improve reading instruction in grades K-3.

Governor’s Proposal:

- \$5 million for home visiting programs for at-risk families to encourage early literacy activities.
- \$1 million for parent education pilot programs.
- \$5.9 million total for testing and professional development for elementary teachers and administrators to ensure they have the best tools to diagnose and improve reading difficulties in children, along with literacy coaches for K-3 teachers.
- \$10 million for additional instruction time (before, during or after school, or in the summer) for children who need extra assistance.
- \$2.6 million for continued implementation of the Kindergarten Entry Assessment.

Legislative Actions to Date: The Senate subcommittee approved the governor’s recommended third grade reading initiative, and added an extra \$10 million for additional instruction time for

students who are not on track with reading skills. The House subcommittee rejected the governor’s third grade reading initiative.

(3) An additional \$100 million for children at risk of falling behind their peers academically, with funds to be used in part to ensure that children are reading at grade level by the end of third grade.

Governor’s Proposal:

- An increase of \$100 million in At Risk School Aid funding—the first significant increase since 2001—bringing total funding to \$409 million.
- Funds would continue to be allocated to districts based on the number of students eligible for free meals, giving districts educating a high number of low-income children additional resources.
- At Risk funds are to continue to be used to improve third grade reading, as well and ensure that youths are career and college ready when they graduate from high school.

Legislative Actions to Date: The Senate Subcommittee approved the additional \$100 million for At Risk services, and added language that requires that at least 50% of the increase be spent on third grade reading—in addition to existing spending. The House Subcommittee rejected the increase in At Risk funds.

EARLY INTERVENTION CAN IMPROVE READING SKILLS

High-quality child care allows parents to work to support their children, and prepares children to succeed in school.

- ***Child care is both a support for working parents and employers, and an environment where children learn.*** More than half of children under age 5 are in child care at least part of the week, and while high-quality child care can help them succeed in school, low-quality care can threaten their health, safety and development.
- ***Increases in child care payment rates and eligibility proposed by the governor and endorsed by the House and Senate appropriations subcommittees***

on School Aid/Education help to improve child care quality and allow parents to keep care longer even if their income rises. State policies, including low provider payments and income eligibility thresholds have contributed to a 70% drop in the number of families provided subsidies, and this trend needs to be reversed if Michigan is going to be a “comeback state for all.” A lack of access to affordable child care has made it impossible for many parents to work to support their children, and the economy has suffered. For example, a single mother with two children in care earning \$11 an hour who gets a 50-cent raise (bringing income to \$23,880 for a family of three) would lose her state child care subsidy, and child care costs would jump from about \$3,000 per year to \$18,000—a complete barrier to work. The quality and stability of a child’s relationships, including with child care providers, are critical to healthy development and future school success.

- ***Although not part of the governor’s budget or the subcommittee budgets, an increase in the initial entry-level eligibility rate for child care, which has been at 121% of poverty since 2003, is needed to help low-wage parents enter the workforce.*** While it is helpful that parents may be able to keep their child care longer, even with small wage increases, Michigan will still have the 2nd lowest initial income eligibility thresholds for child care in the country. An increase in the entry eligibility level from 121% to 150% of poverty would be a good start.
- ***At a minimum, the state must ensure that all children in licensed child care are in settings that comply with basic state health and safety requirements.*** The House Appropriations Subcommittee on Education rejected the governor’s proposal to increase the number of child care inspectors charged with ensuring that licensed child care centers and homes meet basic state health and safety regulations. Recent federal audits have found serious problems in Michigan’s oversight of child care safety, including the failure to do all required criminal record and protective services background checks for people coming in contact with young children, as well as hazardous conditions such as

blocked fire exits, unsupervised toddlers, and chemicals within reach of children. The governor and Senate subcommittee have supported funding for additional child care inspectors, bringing Michigan from one of the highest ratios of inspectors to child care providers (1:153) to the national average (1:98).

The governor’s recommendation to invest in early intervention services is an important step in improving children’s ability to read by third grade.

- ***Efforts to help children read must begin long before they reach third grade or even kindergarten.*** Because the most rapid and critical brain development occurs in the first three years of life, programs that foster maternal and infant mental and physical health are critical. Examples include prenatal care, childhood lead poisoning prevention, home visiting programs that help parents with early literacy activities, and better efforts to identify infants and toddlers with disabilities and developmental delays through the state’s Early On program.
- ***Family income is the most reliable indicator of academic success, and Michigan must more aggressively address poverty and economic opportunity, including the restoration of the Earned Income Tax Credit (included in Proposal 1), and income assistance policies that provide families with some stability as they get additional education and training and enter the workforce.*** National tests show that four of every five Michigan fourth-graders from families with incomes below or marginally above the poverty level (\$24,000 for a family of four in 2013) did not demonstrate proficiency in reading in 2013 compared with roughly one of every two higher-income students. Students from low-income families are more likely to face barriers such as illness, transportation problems, no access to high-quality child care, unhealthy housing, mobility, homelessness and unsafe neighborhoods.