



THE EARLY CHILDHOOD INVESTMENT CORPORATION

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## STATE UPDATE

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The Legislature surprised everyone this week by passing a School Aid budget for fiscal year 2011. The Governor had imposed a July 1<sup>st</sup> deadline on the Legislature to complete their work on the FY 2011 budgets and although the General Fund budgets are a long way from being completed, the Legislature deserves some credit for reaching agreement on the School Aid budget. The fundamental issue of whether the School Aid surplus should be used to offset the General Fund deficit has yet to be resolved as the bill passed by the Legislature reserves \$236 million. This issue will not go away and as the General Fund deficit continues to grow there will certainly be added pressure to utilize this money to offset a portion of that deficit. It is unlikely this issue will be resolved until at least after the Primary Elections on August 3<sup>rd</sup>.

All things considered, the fiscal year 2011 School Aid budget is fairly positive from an early childhood perspective. The bill maintains current year funding levels for Great Start Collaboratives (\$6.0 million) and the Great Parents, Great Start Program (\$5million.) The budget also provides \$1.5 million for 0-3 Secondary Prevention Programs contingent upon the Legislature closing a tax loophole available to the oil and gas industry. The bill increases Great Start Readiness Program (GSRP) funding by a total of \$2.6 million with the increase split evenly between the competitive programs and the district programs. The bill also adds GSRP



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to the list of programs protected from discretion by local districts, meaning GSRP funds can no longer be used for other purposes.

As the Legislature heads into an extended Summer break, this would be an excellent time to thank your legislators for their work on the School Aid budget while also reminding them that early childhood interests need to be protected in the General Fund budgets as well.

Also, please remember that July 6<sup>th</sup> is the last day to register to vote in order to be eligible to participate in the August 3<sup>rd</sup> Primary elections. This election season will shape the future of Michigan's government and it is critical that we make early childhood issues a part of the political discussions. If you are not already registered to vote, please do so and also please encourage any other potential supporters of early childhood investments to register as well.



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