



THE EARLY CHILDHOOD INVESTMENT CORPORATION

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STATE UPDATE

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The Legislature was back in session this week, but there was very little formal activity in Lansing as the news was dominated by Governor Granholm presenting her revised budget proposal. With the United States Congress passing a reduced Federal Medical Assistance Percentage (FMAP) measure earlier this month, the combined fiscal year 2010–2011 General Fund deficit for Michigan is now pegged at \$786 million, (\$302 million for FY 2010 and \$484 million for FY 2011.) The Governor proposes using \$208 million of the surplus remaining in the School Aid Fund plus some one-time revenue shifts to address the current year problem. Governor Granholm also proposes an additional \$222 million in cuts combined with more one-time revenue generators to balance the FY 2011 General Fund budgets. The proposal to use “surplus” School Aid funds to fund Community Colleges is still adamantly opposed by all public school advocate groups, but appears to be gaining support in the Legislature.

Although early childhood interests fared pretty well in the School Aid budget that was recently passed, the General Fund deficit places many early childhood programs in jeopardy of reductions or elimination. In particular, the Governor calls for an additional \$50 million in cuts from both the Department of Human Services (DHS) and Department of Community Health (DCH) budgets. Some of the major areas of concern



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for early childhood advocates in the ongoing General Fund negotiations include but are not limited to:

- Child Care Enhancement Program (CCEP); \$1 million in Department of Community Health (DCH) budget.
- Healthy Michigan Fund; funds various early childhood services in DCH budget
- MICHild mental health provider reimbursement rates; DCH budget
- Reimbursement to Medicaid providers; DCH budget, recent reductions have created significant access to primary care issues for families of young children throughout the state.
- Funding for 0–3 Secondary Prevention Programs; DCH and Department of Human Services (DHS) budgets
- Funding for Nurse–Family Partnership program; DCH budget
- Child Care Development Fund (CCDF); DHS budget , subsidy rates and overall funding has been drastically reduced in recent years
- Child Care Quality Improvements funding; DHS budget.

As current legislators are spending time back in their districts meeting with constituents, it is important that they hear from early childhood supporters about these issues. **Also, please remember that August 26th is the Sandbox Party Convention at the Breslin Center in East Lansing from 1–4 p.m.** A fun-filled program with plenty to enjoy for both kids and adults has been put together. Please come and join the thousands of other early childhood supporters from throughout Michigan who want to make sure early childhood issues receive the recognition they deserve in this critical election season. For more information please visit www.greatstartforkids.org/convention-2010 .



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