



THE EARLY CHILDHOOD INVESTMENT CORPORATION

CAPITOL

CORNER

## STATE UPDATE

Friday, February 18, 2011

**Matt Gillard**

[mgillard@ecic4kids.org](mailto:mgillard@ecic4kids.org)

After weeks of anticipation and speculation, Governor Rick Snyder unveiled his budget and tax policy proposals during a presentation to the Appropriations and Tax Policy committees of the Legislature this week. As expected, Governor Snyder's proposal is far-reaching and contains controversial elements. The plan combines wide-ranging spending cuts with major tax policy shifts in an effort to structurally balance Michigan's budget and provide a \$1.8 billion overall tax cut to Michigan businesses. Governor Snyder, Lieutenant Governor Brian Calley and Budget Director John Nixon joined together in making the presentation to the legislative committees and they made it clear that they view the entire plan as a complete package and they will oppose any efforts from the Legislature to "pick and choose" pieces of the plan.

From an early childhood perspective, the proposal was fairly positive. The governor followed through on his stated support for early childhood by recommending maintaining current year funding levels for the Great Start Readiness Program (GSRP \$99 million), Great Parents, Great Start (GPGS \$5 million), and the Great Start Collaboratives (GSCs \$6 million).

Governor Snyder also supports maintaining funding for the quality improvement portion of the Child Care Development Fund (CCDF) at current year levels. This money – which supports families across the state in local communities - is critical to the Early Childhood Investment Corporation's work on improving Michigan's child care opportunities for working families.

The governor did, however, propose reducing the child care subsidy rate for unlicensed aid and relative providers from \$1.60/hr to \$1.35/hr. Budget Director Nixon argues this change would generate \$13.9 million in savings in the Department of Human Services budget.

From a process standpoint, Governor Snyder's budget proposal is quite different than what we have seen for the last several years. To begin with, the entire budget proposal is contained in just two bills. The governor's plan puts all of the education budgets, K-12, community colleges, and higher education into

one "Education Omnibus bill", and then places the remaining departmental budgets into one "General Government Omnibus bill." The bills also do not contain the line-item specificity that the Legislature usually considers when deliberating on the state budget. This is an effort by the Snyder administration to "roll-up" the budgets, giving much greater authority to the individual department heads over spending in their respective departments.

The deliberative legislative process of debating the governor's budget proposal will now begin and we will certainly be paying close attention to how the Legislature reacts to various pieces of the governor's plan. At this point it is comforting to know that Governor Snyder values the work that we are doing and believes in investing in Michigan's youngest citizens.