



THE EARLY CHILDHOOD INVESTMENT CORPORATION

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STATE UPDATE

Friday, May 28, 2010

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The story in Lansing last week was definitely the incredible demonstration of support for early childhood investment generated by Star Power. The event was a huge success and clearly showed every legislator that their constituents believe investment in quality early childhood systems and programs should be a priority in this year's budget negotiations. Thank you to all who participated.

The Revenue Estimating Conference conducted last Friday produced mixed results in terms of the budget projections for the rest of this year and 2011. The consensus reached was that School Aid Fund revenues are coming in better than earlier predictions and will continue to do so as sales tax collections are increasing. General Fund revenues, however, are down from earlier projections as returns collected from the Michigan Business Tax are coming in lower than they were anticipated.

Fresh off the positive news surrounding the School Aid Fund, the House passed its version of the fiscal year 2011 School Aid Budget this week. The bill restored the \$7.6 million that was cut from the competitive Great Start Readiness Program (GSRP) last year. The bill also concurred with Governor Granholm's language protecting the district GSRP from the discretion of K-12 districts, meaning they could not use the funds designated for pre-school for other purposes, as they were allowed to do this year. These two provisions, if included in the final



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budget passed by the Legislature and signed by the Governor, will mean thousands more at-risk 4 year olds will have the opportunity to attend a high-quality pre-school. We know this will dramatically increase their chance of future educational and life success. The House plan also restored \$1.5 million for Early Childhood Grants which includes the 0-3 Secondary Prevention Program and maintained funding for the Great Start Collaboratives at \$6.0 million.

Also last week the Senate finished work on their proposals for the fiscal year 2011 budgets. The Senate has now passed versions of all of the departmental budgets as well as a School Aid budget for the next fiscal year. Included in this week's activities was passage of the Senate's Department of Human Services budget proposal. The Senate version contains specific language de-funding the Michigan Home Based Child Care Council as well as boilerplate language prohibiting the department from funding the council in other ways. The funding of the MHBCCC has been a contentious issue within the Legislature as the money for the council was not appropriated by the Legislature in the current year budget, but the Granholm Administration chose to fund the council anyway. The creation of the council and the subsequent unionization of home-based child care workers is the subject of a lawsuit filed against the state by the Mackinac Center which is currently being litigated. Unfortunately, all of the attention surrounding the council and union have made it incredibly difficult for early childhood supporters to argue for improvements to the Child Care and Development Program.

Star Power 2010 provided an excellent opportunity to kick off our budget advocacy efforts. The record turnout at Star Power certainly left an impression on legislators, but it is critical that we continue our advocacy efforts after the event as the budget negotiations continue.