



THE EARLY CHILDHOOD INVESTMENT CORPORATION

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STATE UPDATE

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The legislature has finally passed the fiscal year 2010 School Aid budget with drastic cuts to public education. The overall deal reduced School Aid funding by more than \$310 million from fiscal year 2009 levels. The budget preserves \$254 million in carry forward money and is predicated upon \$100 million in new revenue. The new revenue has not yet been identified and/or agreed to, which is understandably leading to skepticism from many public education advocacy groups.

The budget preserved funding for Great Start Collaboratives at \$6 million and maintained the Great Parents, Great Start program at \$5 million. The bill also contained slightly over \$1.5 million for Early Childhood Grants, (better known as 0-3 Secondary Prevention Programs.) The budget preserved the District Great Start Readiness Program at \$88 million but slashed the Competitive Great Start Readiness Program in half to \$7.725 million. The spending plan reduces per pupil funding by \$165 for K-12 districts and reduces operational funding for Intermediate School Districts by 20%. The districts retained flexibility over where to make their cuts as long as they agree to create a "service consolidation plan" that will have to be approved by the Michigan Department of Education. While this provides some protection to Great Start Readiness Programs, it is still likely that some school districts will make the unfortunate decision to reduce or eliminate their pre-k programs. I implore everyone to contact their local school administrators and school board members and demand that regardless of the decisions made in Lansing, your local school districts maintain their pre-k programs. The research and data is indisputable, investment in quality pre-k programs not only dramatically improves the educational success of students, but also significantly saves school districts money through reduced retention rates and reduced special education needs.

The School Aid budget has been presented to the Governor who this week began signing some of the General Fund budget bills that have been presented to her. She is likely to quickly sign the School Aid budget as the



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checks for local districts need to be processed in time to go out on the 20th of the month. In a procedural move, the Senate continues to hold six of the more controversial General Fund budget bills, including the Department of Human Services budget, and refuses to present them to the Governor.

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The following memo provides a summary of public policy issues of interest to Early Childhood Advocates.

Student Aid Reform

The Senate timeline for introduction and debate of its reconciliation proposal has continued to slip with the likelihood of a markup by the Senate Health, Education, Labor and Pensions (HELP) Committee being pushed into November.

As reported last week, a draft of the Senate proposal was circulated among education and early childhood advocates, and as time continues to pass between circulation of the draft and the actual introduction of a Senate bill, the chances increase that the language will continue to be modified and “tweaked.”

Early childhood advocates were initially encouraged by the draft Senate proposal which tracks closely with the House-passed legislation, including funding for “Early Learning Grants.” The House and Senate proposals both provide competitive grants to states to challenge them to build comprehensive, high quality learning systems for children from birth to age 5; however the draft Senate bill provides \$10 billion over 10 years for the new program as opposed to \$8 billion over 8 years found in the House bill.

The next steps on reconciliation in the Senate are unclear. Since HELP Committee action has been delayed several times already and the healthcare debate is just underway, there is a possibility that a health care reform may be attached to the education reconciliation package. Overall, experts agree on one thing – it might be some time before a final Senate reconciliation bill is introduced.

Budget and Appropriations

When not debating healthcare proposals, Members of Congress continued to make slow but steady progress on the FY 2010 budget. The fiscal year officially ended on September 30th, and Congress passed a spending bill for the Legislative branch of government that included a month-long continuing resolution in order to avert a government shutdown. Congress will now have 30 days to adopt conference agreements on the remaining 11

appropriations bills and get them to President Obama for his signature. The Senate continued its work this week trying to pass the remaining FY2010 appropriations bills it has yet to consider by taking up the Commerce, Justice, Science (CJS) Appropriations bill. This is the eighth of 12 appropriations bills to be considered in the Senate. The bill containing the majority of programs affecting infants and toddlers, the Labor, Health and Human Services and Education (LHHS) Appropriations bill has yet to be brought up for a vote in the full Senate. Appropriations staffers are optimistic that the goal of completing all its work by October 31st can be achieved; however, the debate over healthcare reform will take preference over all other legislative activity in the weeks ahead and may further bog down the appropriations process.

Healthcare Reform

The Congressional Budget Office (CBO) announced today that the health care reform bill as amended by the Senate Finance Committee would cost \$829 billion over the next 10 years. CBO also announced that the bill would trim federal budget deficits by \$81 billion meeting President Obama's goal of reducing the federal budget deficit by 2019. Additionally, the bill would expand coverage to 94 percent of Americans by 2019, the CBO said, up from the current 83 percent.

Senate Finance Committee members have anxiously been awaiting the score as they prepare for a final vote on the bill in Committee, which may happen as early as tomorrow. The Committee had completed its work last Friday, but Senate Finance Committee Chairman Max Baucus (D-MT) delayed a final vote pending CBO's assessment. With regard to home visitations provisions, the text of the Senate health care reform bill as amended made only technical corrections to the language included in the Chairman's mark – maintaining \$1.5 billion over 5 years for home visitation programs.

As for next steps, Senate Majority Leader Reid (D-NV) announced this week that while the Senate Finance Committee must still pass its health care reform bill, work has already begun to merge the Senate Finance Committee bill with the version passed by the Senate Health, Education, Labor and Pensions (HELP) Committee. Senator Reid has declined to detail provisions that he plans to include in the merged bill, but he will be working closely with the White House, Chairman Baucus, and Senator Dodd (D-CT), who oversaw passage of the HELP Committee bill. Democrats remain hopeful that the Senate can turn to consideration of a health care reform bill next week but more likely this will be pushed to the third week in October.

House leaders had announced last week that the House would likely also take up consideration of its healthcare reform measure the third week in October. To meet this timeline, House Democratic leaders continue work to craft one health care reform bill from three separate versions passed by the House Education and Labor, Ways and Means, and Energy and Commerce Committees.

Brookings Institution Holds a Briefing on Child Maltreatment

On October 1st, the Brookings Institution and The Future of Children held a briefing titled, "Preventing Child Maltreatment." The briefing examined the role of home visiting, which is a method of delivering family services in the home, as an early intervention strategy for preventing child abuse and neglect.

Representative Jim McDermott (D-WA), discussed home visitation programs as "an investment in our future." McDermott acknowledged the support of the Administration for home visitation programs and said that a unique opportunity exists in healthcare reform to provide funding for preventive services, which is why he worked to secure authorized funding specifically for home visitation programs in the bill passed by the House Ways and Means Committee. Former Representative Nancy Johnson (R-CT) also spoke about the opportunity to expand funding for home visitation programs, stressing the notion that Congress shouldn't fund a, "one size fits all approach." Following their speeches, a panel considered how "successful" home visitation programs will be determined, who will decide whether programs are successful and how the program will be financed. For additional information, visit

http://futureofchildren.org/futureofchildren/publications/journals/journal_details/index.xml?journalid=71.

Head Start Director Announced

After two years without one, the Office of Head Start will have a new director as of October 13th: Yvette Sanchez Fuentes. Currently Executive Director of the National Migrant and Seasonal Head Start Association, Fuentes has extensive experience at the local, regional and national level, providing services to young children from low income families. Carmen Nazario, the Assistant Secretary for Children and Families within HHS, said of Fuentes, "her knowledge and commitment will enable her to help lead ACF's critically important mission of enriching the quality of early childhood development for our nation's most vulnerable children."

Prior to joining the National Migrant and Seasonal Head Start Association, Fuentes worked for the Education Development Center where she was the Early Childhood Specialist for the International Systems Division and provided technical assistance to projects in Honduras, El Salvador, and Egypt. She has served as a National Head Start Fellow where she provided consultation in literacy, parent education, child care collaborations, and program improvement

to Migrant and Seasonal Head Start and other early childhood education programs nationwide. Early in her career, Fuentes managed services for a large migrant and seasonal program for staff development and family child care initiatives. She received her B.A. in Liberal Arts from California State Polytechnic University.