



Capitol Corner An ECIC Legislative Update October 26, 2007

Week Ends without State Budget Being Completed

The legislative week ended without a completed budget deal. While most budgets have been agreed upon in principle, no Conference Committee has met to pass any of the needed bills out of committee. This will leave only three days next week for all the 17 budget bills to be passed out of conference committees and voted on by both chambers.

The negotiations have centered on where and how to make the necessary \$435 million budget cuts to balance the new fiscal year budget. Most of the outstanding issues have been resolved, but several big ones including where the \$80 million cut will come from in the Department of Human Services budget remain to be settled. Senate Republicans want to privatize close to half of the children's welfare system, which is opposed by the Governor and the Department as not being needed, not saving any money, or being anymore efficient or effective in service delivery than the public sector.

Several other issues still need to be settled including whether or not the Governor would promise not to veto money allocated for the private college tuition scholarship program, a \$56 million appropriation. Whether or not there would be funding to further study of a second Detroit-Windsor bridge crossing is another outstanding issue. One major issue that appears to have been settled is where the cuts in the Department of Community Health would come from, Republican had been trying to get the Governor to agree to end Medicaid benefits for 19 and 20 year olds and other adult caretakers like grandparents and relatives.

The Senate and House both canceled session for Friday and will be back on Monday. Already numerous conference committees are been scheduled beginning at 8 am on Monday morning.

Education Budget Conference Committee Relies But Doesn't Move Budget

The Conference Committee on the School Aid Fund budget met today but the Republican members did not show up for the committee meeting so the conference committee report could not be acted on. It takes two affirmative votes from each chamber for a conference committee report to be passed. The report contained several notable increases for spending on early childhood.

Increases for early childhood

Great Start Communities (ECIC) Grants: Increase funding by \$750,000 for competitive grants awarded to eligible ISDs in amounts determined by ECIC for a total of \$1.75 million.

0-3 Secondary Prevention Early Childhood Grants: Increase funding by \$375,000 for interagency early childhood grants for a total in the School Aid Fund of \$2.125 million.

School Readiness Program – District Grants; increase funding by \$2.4 million for a total of \$80.9 million. The additional funding increases the per-child allocation from \$3,300 to \$3,400. there is new boilerplate language that would cap the funding spent under this section for Parents Involved in Education (PIE) programs at the level spent by each district in FY 2006-07 or consecutive fiscal years.

School Readiness Program – Competitive Grants: Increase funding by \$400,000 for a total of \$12.65 million, to fund an increase in the per-child allocation from \$3,300 to \$3,400.

The Conference Committee report also has important boilerplate language that includes intent language that if additional revenue is recognized at the January 2008 consensus revenue estimating conference, the following appropriations would be allocated first; \$2.3 million to the School Readiness program – district Grants; **\$750,000 to the Great Start Communities (ECIC) Grants**; \$400,000 to the School Readiness Program – Competitive Grants; and, \$325,000 to the 0-3 Secondary Prevention Early Childhood Grants.

The Conference Committee will have to meet again for the report to be voted on. It is speculated that the Republicans want to vote on cuts first before they vote on budgets that have increases in them. There has been discussion in the Legislative Leadership talks about whether to move individual budgets when they have been agreed to or wait until all budget issues have been resolved and then vote on all of them. With additional Conference Committees being scheduled for tomorrow, it looks like the hiccup in the Education budgets is not a major roadblock in the process.

The overall School Aid Fund/K-12 budget shows a 1 percent increase to state payments to school districts, as agreed to in the overall budget deal reached at the end of September. In the \$13 billion budget, the school aid foundation grant minimum was increased by \$96 per pupil, from \$7,108 to \$7,204 per pupil. All but 51 public school districts will see this \$96 per pupil increase, the 51 that don't will see a \$48 per pupil

increase. These 51 districts are known as the “20j” school districts, these are the school districts that are above the base payment and receive a supplemental payment out of the “20j” line item.

State Children’s Health Insurance Program Moves Again in US House

On Thursday October 25, the House voted 265 to 142 to pass H.R. 3963, the bill that would reauthorize and expand the State Children’s Health Insurance Program (SCHIP). The legislation is a revised version of the \$35 billion bill to expand coverage to ten million eligible low-income children, which was vetoed by President Bush on October 3. Last week, the House fell short by 13 votes in an effort to override Bush’s veto. While House Democrats made concessions in an effort to appease GOP members, the final vote included two *fewer* Republicans than the previously passed bill. The president has again pledged to veto the expansion when it reaches his desk.

The debate centered at first on the following argument:

- not having enough time to digest the 300 page bill which was filed the day before;
- whether or not to address the bill next week;
- Republican members using procedural maneuvers to block the bill; and,
- Republicans also expressing reluctance to debate the bill with so many Californian Congressmen in their home districts dealing with the fires.

While Democrats were sympathetic to Republican concerns, they were adamant that the legislation be addressed today. “We have an agenda to accomplish” Majority Leader Steny Hoyer (D-MD) said. “If we delay the vote, we might as well delay the bill.” Hoyer added that he did not think “the absence of the California members will prejudice the vote” for either party.

Once they got down to business, House members spent the afternoon and evening in a heated debate in which many Republican members expressed dissatisfaction with the leadership’s compromises. Nearly identical to its predecessor, the changes include an explicit cap on eligibility for families that exceed three hundred percent of the federal poverty level; the notable exception to this rule is the state of New Jersey, which is authorized to cover children from families earning more. The legislation accommodates the widespread Republican concern that the program will cover illegal aliens by requiring applicants to produce proof of citizenship if their status cannot be verified using only their Social Security number. Lastly, the changes include language to remove all adults from SCHIP within one year, instead of two years under the previous bill.

The Senate may take this bill up next week. They may or may not make more changes to the bill to get more Republican votes.