



Think Babies Michigan (TBMI) Town Hall:

***Uplifting the Needs of Children and Families
in an Evolving Budget Landscape***

August 26, 2025

Today's Facilitator



Rachelle McKissick-Harris

Parent Leader
Think Babies Michigan



Let's get started!

Housekeeping



- Today's town hall will last one hour
- This event is being recorded and will be shared with registrants
- Please remain muted throughout
- Submit questions through Q&A

AGENDA

Remarks

01

Office of U.S. Senator Peters

Federal Policy

02

Head Start

Federal Budget Reconciliation

03

Medicaid & SNAP

Federal & State Budget Negotiations

04

Where We Are & What's Needed From **You!**

Q & A

05



Today's Presenters



Kali Fox

Regional Manager

Office of U.S. Senator
Gary Peters



Alan Oman

Senior Advisor

Early Childhood
Investment
Corporation (ECIC)



Amy Zaagman

Executive Director

Michigan Council for
Maternal & Child
Health (MCMCH)



Monique Stanton

President/CEO

Michigan League for
Public Policy (MLPP)



Remarks from the Office of U.S. Senator Gary Peters



Federal Policy: Head Start



Federal Policy: Head Start - FY26 Budget

- **Head Start & HR 1: The “OBBBA” Reconciliation Act**
 - Proposes flat funding of Head Start for FY 2026
- **Head Start & FY 2026 Budget Process**
 - U.S. Senate Appropriations committee has approved the FY 26 Labor/HHS appropriations budget which included **\$12.36 billion** in funding for Head Start
 - Budget still needs to be passed by the full Senate and reconciled with the House of Representatives



Federal Policy: Head Start - FY26 Budget



- **Future Threats and Risk:**

- Historic Congressional support for Head Start vs the call for eliminating the program (Project 2025)
- Future threats of **Block Granting** Head Start to States and/or combining funding with the **CCDBG** (\$8.7 billion in FY25)

Federal Policy: Head Start - PRWORA

- **“Notice of Interpretation”** issued July 2025
- Change to a 30-year interpretation of the existing law to edit the definition of a **“Federal Public Benefit”**
- New interpretation would restrict access to [44 federal programs](#), including Head Start, to only those with **“qualified” immigration status**
- Head Start programs have never been required to confirm the immigration status from families at enrollment



Federal Policy: Head Start - PRWORA

- **Questions remain about implementation:**
 - Lack of federal guidance on new interpretation
 - Non-profit organizations have been exempt from the implementation of PRWORA
 - Head Start Act prevents disenrolling children already made eligible
- Public Comments: There were **587,551 comments** on HHS's notice
- Both **NHSA** and **MHSA** have issued statements
- ACLU and others are suing to challenge the new rule
- **This Action is an Ongoing Risk and Serves to Discourage Head Start enrollment**





Federal Budget Reconciliation: Medicaid



Federal Budget Reconciliation: Medicaid

Medicaid covers one in five individuals living in the U.S. In Michigan, the coverage rate is even higher – **one in four residents of Michigan.**

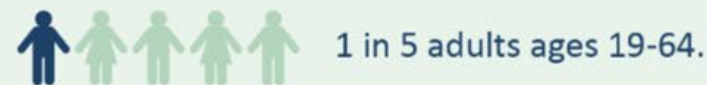
In FY24, Michigan's Medicaid program afforded health coverage to more than **2.6 million residents** each month, including:

- **1 million children;**
- **300,000 people** living with **disabilities;**
- **168,000 seniors;** and
- **750,000 adults** in **Healthy Michigan Plan (HMP).**

45% of births in Michigan are covered by Medicaid.



In Michigan, Medicaid Covers:





Federal Bill Threatens State Funding for Medicaid

- **Multiple changes for Healthy Michigan Plan enrollees**, including work requirements, cost-sharing & 6-month eligibility redeterminations (at least \$75m more in admin costs)
- **Restrictions on provider taxes** that Michigan uses to help fund our program - estimates vary but could be as much as \$1.5B in FY 2026 or 2027. This number grows until 2032
- **Changes targeted at immigrants & other groups** to narrow eligibility, not only for Medicaid, but MIChild & Marketplace by removing refugees, asylees, & survivors of abuse & trafficking
- **Shifts costs to states** by changing federal share for **emergency services-only** coverage from 90% to 65%

Outside of identifying new revenue, states have three options to fill the gap:

Cover fewer people.

Reduce benefits.

Cut provider rates.

None of these options are acceptable.





What's at risk?

- **100,00-500,00** at risk of losing Healthy Michigan Plan because of changes; they will also be shut out of the marketplace
- **Optional Medicaid benefits:**
(examples, not comprehensive list)
 - Dental coverage
 - Pharmacy
 - Doulas & group-based prenatal care
 - Home-based care

Families will struggle to maintain health care coverage & find providers who will accept Medicaid & MI-Child.





Federal Budget Reconciliation: SNAP



Federal Bill Reduces SNAP Spending Through:

- **Restrictions on future benefits** through calculation changes.
- Additional **harsh work requirements**, which create administrative barriers & lead to benefits losses, and **restrictions on eligibility. (upon enactment)**
- Changes in the SNAP funding structure to require a state match & increase the administrative cost share. This would require a state cost share for the **first time in the history of SNAP. (Oct 2027)**

Outside of identifying new revenue, states have two options to fill the gap:

 Reduce eligibility.

SNAP.



Opt out of

Neither of these options are acceptable.

What's at risk?

- **74,000** at risk of losing benefits
- **9,700** retailers participating in SNAP
- **Higher food insecurity leads to:**
 - Health issues like diabetes, asthma and hypertension
 - Missed days of work and school
 - Lower academic achievement and lower earnings

Families will be forced to decide whether to put food on the table, get prescriptions filled or pay their utilities or rent.





Michigan

What are cuts to Medicaid & SNAP really paying for? Huge tax breaks for wealthy Michiganders

Tax changes in OBBBA favor Michigan's wealthiest residents

Average tax change by income group in 2026

Bottom 20%	Second 20%	Middle 20%	Fourth 20%	Next 15%	Next 4%	Richest 1%
(less than \$21,000)	(\$21,900-\$48,100)	(\$48,000-\$81,400)	(\$81,400-\$133,800)	(\$133,800-\$295,900)	(\$295,900-\$715,800)	(\$715,000 and above)

-\$49,220

Source: Institute on Taxation and Economic Policy Tax Microsimulation Model, July 2025

What will that tax savings buy?

Bottom 20%



Could pay for half a tank of gas

Middle 20%



Could buy new tires for 2 cars

Richest 1%

Can buy a brand new vehicle








Federal & State Budget Negotiations

Budget Legislation in the 119th Congress

	Time period of funding	Types of Programs Impacted	Votes Needed	Status as of 7/03/2025
1. Budget Reconciliation	The next ten years, but some changes go into effect next year	Mandatory spending (Medicaid, SNAP, Pell grants, student loans) and taxes and debt ceiling.	Simple majority (Democratic votes not needed)	Congress passed HR 1 on July 3. It was signed by President Trump on July 4, 2025.
2. FY2026 Appropriations	The next fiscal year (starting Oct 1 for most federal programs; for schools, 2026-2027 school year)	Discretionary annual funding (EHCY, RHYA, Head Start, TRIO/GEAR UP, etc.)	60 votes in the Senate: (Democratic votes are needed)	The President released a budget proposal with broad recommendations. House committees have begun marking up bills, with the LHHS-ED subcommittee scheduled for July 21. Deadline is Sept. 30, 2025, but an extension is likely.
3. Rescissions bill	Previously enacted FY2025 funding	USAID, public broadcasting	Simple majority (Democratic votes not needed)	House passed a bill, H.R. 4 , to rescind \$9.4 billion in funding from USAID and CPB. The Senate Appropriations Committee is reviewing. Must be completed within 45 days (by July 18).

Throwing out the typical timeline

	Governor's Budget	Senate Budget	House Budget	Conference Committees	Pass and Sign
Typical Timeline	First week of February	April/May	April/May	June	July 1
2025-26					

Deadline: October 1

Negotiations ongoing; shutdown possible



Federal megabill sets a significant risk to vital state programs - and state budget

- ✓ Federal funds make up roughly 40-42% of Michigan's state budget.
- ✓ Federal tax cuts will cost the state \$2.7B in state tax revenues over 10 years.
- ✓ Medicaid provider tax changes will reduce state revenues and increase reliance on General Fund.
- ✓ SNAP changes will add an estimated \$410M in state budget costs, with current error rates.
- ✓ Without new revenues, policymakers have to make tough choices.



Michigan

Key Budget Decision Makers

Federal

- House Appropriations: [Rep. John Moolenaar](#) (Big Rapids, Mt. Pleasant, Ionia area)
- Senate Appropriations: [Sen. Gary Peters](#) (Statewide)

State House

- Speaker: [Rep. Matt Hall](#) (Allegan, Kalamazoo area)
- Appropriations: [Rep. Ann Bollin](#) (Brighton, Wixom area)
- Medicaid & Behavioral Health Subcommittee: [Rep. Greg VanWoerkom](#) (Muskegon Area)
- House Human Services Subcommittee: [Rep. John Roth](#) (Leelanau area)

State Senate

- Majority Leader: [Sen. Winnie Brinks](#) (South GR area)
- Appropriations Committee Chair: [Sen. Sarah Anthony](#) (SW Lansing area)



Decisions are made whether you engage or not.

Find a seat at the table.

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Q & A

CHAMPIONS FOR KIDS

2025 Kids Count in Michigan Data Book Launch & Luncheon

Latest Data | Networking | Expert Panel

REGISTER NOW



Panelist
Debbie Stabenow
Former U.S. Senator



Panelist
Laila Bell
Vice President of Learning and Impact
Skillman Foundation



Panelist
Dr. William Elliott III
Professor of Social Work
University of Michigan



Moderator
Zoe Clark
Political Director
Michigan Public

bit.ly/ChampionsForKids2025

Tuesday, September 16 | 11 a.m. - 2 p.m. | Lansing Center



Wednesday, August 27, noon to 1pm

State Budget Priorities: How Michigan Can Come Together for Children & Families

State and Federal experts come together to talk about the most up-to-date information on the FY25-26 budget negotiations, possible scenarios moving forward (like simultaneous federal and state government shut-downs), and what it all means for our kids and families!

LUNCH
&
LEARN
Michigan's
Children



Brian Gutman

Vice President, Public Policy & Government
Relations, Learning Care Group



Amy Zaagman

Executive Director, Michigan Council
for Maternal and Child Health




**Register
here**



***Join the
Movement!***

Learn more:
thinkbabiesmi.org