

2022 STATE BUDGET PRIORITIES:

OVERVIEW OF POLICY RECOMMENDATIONS

When the [coronavirus public health crisis](#) hit Michigan in March of 2020, the remainder of Michigan's 2020 budget and the preparation and implementation of its 2021 budget were focused on continuing basic services while responding to the crisis. As the state moves forward and begins looking at the 2022 budget, policymakers need to prioritize funding in areas that will help our residents and communities emerge stronger with an equitable recovery that will help improve our state and its economy.

Staying true to its vision that Michigan residents of all races, places and income levels should have the opportunity to thrive and find economic security, the League has identified the following budget priorities for 2022. As a lens for its work on the 2022 budget, the League has two overarching priorities:

Focus on Racial and Ethnic Equity: Elected officials in Michigan must commit to adopting tax policies and budgets that address stark racial, ethnic and economic inequities. Because we cannot fix what we do not fully understand or track, state departments must aggressively collect and publish data that is disaggregated by race, ethnicity and income, and use that data when adopting tax policies and balancing the state budget.

Stop the Erosion of State Tax Revenues: For the state of Michigan to play its vital role for the Michigan economy, it is imperative that state lawmakers protect Michigan's state revenue streams to ensure robust revenues to fund state priorities. Policymakers should oppose tax cuts, especially those that benefit wealthy taxpayers and corporations, and instead adopt progressive revenue streams.

1. Meet the basic needs of Michigan children, families and people with disabilities.

Update income and food assistance policies: Improve access to opportunity for families by (1) making use of the federal hardship exemption to Family Independence Program (FIP) lifetime limits as a tool for reducing deep poverty for children living in communities with few job opportunities; and (2) shifting more of Michigan's Temporary Aid to Needy Families funding to FIP's core services; and (3) ending the requirement that applicants for food or child care assistance cooperate with child support enforcement efforts.

Ensure safe housing with rental assistance: Increase funding for the Eviction Diversion Program to meet the ongoing need for rent payment assistance.

Protect healthcare coverage: Protect state and federal funding for Medicaid, Healthy Michigan Plan and the Children's Health Insurance Program.

2. Strengthen educational outcomes in Michigan from cradle to career

Help parents with low wages find affordable, high-quality child care: Expand access to high-quality child care by: (1) increasing equity through a funding formula that targets new child care funds to areas of the state where poverty is high and the supply of high-quality care is low; (2) simultaneously raising eligibility levels for child care and rates/wages for providers; (3) using grants and contracts to address child care shortages, especially for infants and toddlers; and (4) supporting home-based child care providers through family child care networks.

Provide more state funding to public schools in high-poverty communities: Provide the resources needed to address the educational challenges faced by children exposed to the stresses of poverty by: (1) adopting a School Aid formula that is weighted by the number of students in poverty, English language learners and children with special needs; and (2) fully funding the At-Risk School Aid program.

Increase funding for adult education: Prepare more workers for job training and skilled work by increasing funding for traditional adult education funding by \$10 million, to \$36 million, allowing the state to assist nearly 8,000 more students.

Eliminate the School Aid Fund shift: Increase resources for K-12 education without harming college funding by using the money in the School Aid Fund (SAF) solely for K-12 education, as had been done prior to 2009, and pay for public university and community college operations and retirement from the General Fund.

3. Invest in local infrastructure to ensure communities have the resources they need to rebuild from the ongoing public health crises and to protect Michigan residents going forward.

Protect Michiganders from environmental health threats: Invest more in public health infrastructure, including funding to rebuild local health departments' capacity to investigate child lead poisoning cases, and address drinking water infrastructure to reduce childhood exposure to toxins like lead and per- and polyfluoroalkyl substances (PFAS).

Increase and expand local revenue sharing: Improve local communities' ability to provide basic services to Michigan residents by (1) fully funding statutory revenue sharing; and (2) maintaining and expanding County Revenue Sharing and County Incentive Program payments.