

2021 STATE BUDGET PRIORITIES: OVERVIEW OF POLICY RECOMMENDATIONS

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 2021. As a lens for its work on the 2021 budget, the League has two overarching priorities:

Focus on Racial and Ethnic Equity: To ensure that state resources are used to increase equity, state departments should collect and publish data that is disaggregated by race, ethnicity and income, and lawmakers and state departments should use that data when making tax and budget decisions.

Stop the Erosion of State Tax Revenues: State policymakers should protect Michigan's state revenue streams to ensure adequate revenues to fund state priorities. During revenue negotiations, lawmakers should prioritize equity for working families. Lawmakers should oppose tax cuts, especially those that disproportionately benefit wealthy taxpayers and corporations.

1. Meet the basic needs of Michigan children, older adults and people with disabilities and returning citizens

Earned Income Tax Credit (EITC): Restore the EITC to 20% of the federal credit to fortify working families and to inject money into local economies. Modernize the EITC to fit the current economy by making payments monthly and automatic. Fix the definition of work to include caregivers, students, and immigrant workers.

Income and Food Assistance: Improve access to opportunity for families by: (1) supporting returning citizens and their families by eliminating the drug felony ban for persons with more than one drug felony conviction occurring in separate incidents, allowing them to receive cash assistance through the Family Independence Program (FIP), and federally-funded food assistance—two public programs that reduce recidivism; (2) making use of the federal hardship exemption to FIP lifetime limits as a tool for reducing deep poverty for children living in communities with few job opportunities; and (3) reversing the statute and related state policy requiring documentation of child support compliance as a condition of eligibility for federally-funded food assistance.

Healthy Food Access: Expand state funding for initiatives such as the 10 Cents a Meal program, which improves access to healthy food for Michigan children in both rural and urban areas of the state.

2. Make sure all Michiganders have access to needed healthcare

Medicaid and the Children's Health Insurance Program: Protect state and federal funding for Medicaid, Medicaid Expansion and the Children's Health Insurance Program.

Medicaid Expansion: Reverse the state's decision to require work as a condition of receiving health coverage through the Healthy Michigan Plan. Work reporting requirements do little to increase workforce participation, jeopardize health coverage and cost the state millions.

Maternal, Adolescent and Child Health: Support programs that help Michigan moms and babies thrive, including expanded funding for home visiting and the creation of a centralized intake system for Michigan's home visiting programs. Restore funding for state family planning and pregnancy prevention services, including supports to expand adolescent access to comprehensive sexual health education.

3. Help working parents find affordable, high-quality child care and early education services

High-Quality Child Care for Parents with Low Wages: Improve access to child care services by: (1) increasing child care payments to providers to ensure that parents can afford 75% of the child care in their community—the federal guideline for affordability; (2) increasing the income eligibility cutoff for child care to 185% of the federal poverty line; (3) establishing grants and contracts with providers to increase high-quality care in areas of shortage such as infant and toddler care, care for parents working evenings and weekends, and care for children with special needs; and (4) reversing the state policy of requiring child support compliance documentation as a condition of eligibility for child care assistance.

High-Quality Preschool: Provide sufficient funding to ensure that all eligible 4-year-olds can receive a high quality preschool education through the Great Start Readiness Program (GSRP) by increasing per-pupil payments to more closely align with K-12 foundation grants.

4. Strengthen public education in Michigan from cradle to career

Early Intervention: Increase state funding for Early On, the state’s early intervention program that identifies and serves very young children with developmental delays and their families, with the goal of reaching \$68 million in state funding by 2023.

Third-Grade Reading: Improve third-grade reading by: (1) focusing School Aid resources on districts with the greatest disparities for children of color and those in low-income neighborhoods; and (2) continuing to provide the funding needed to ensure an adequate number of well-trained literacy coaches in Michigan’s public elementary schools; (3) supporting outreach to parents statewide to make sure that they are aware of the Reading by Grade Three law and their options for children who aren’t reading proficiently; and (4) improving access to the high-quality early education and care services needed to support early literacy.

Students in High-Poverty Schools: 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.

Adult Education and Access to Postsecondary Programs: Improve educational outcomes by: (1) increasing adult education funding by \$10 million, to \$36 million, allowing the state to assist nearly 8,000 more students; and (2) implementing and strengthening financial aid grants for older, non-traditional students through the governor’s proposed Michigan Reconnect program.

5. Protect Michigan families from environmental health threats

Funding for Lead Poisoning Investigations: Identify a dedicated revenue stream to ensure local health departments throughout the state have the capacity to investigate cases of elevated blood lead levels in children, identify the source and prevent future lead exposure.

Prevent PFAS Exposure: Provide point-of-use water filters for households in communities affected by the presence of per- and polyfluoroalkyl substances.