



MEMORANDUM

TO: Chris Kolb, State Budget Director

FROM: Gilda Z. Jacobs, President & CEO

SUBJECT: Priorities for COVID-19 Fiscal Relief

DATE: April 29, 2020

The League appreciates the opportunity to share its priorities relative to federal COVID-19 fiscal relief. We fully recognize the limitations of the federal assistance, including allowable uses, the inability to address revenue losses to the state, and the timeframes for spending. We also appreciate the high level of need and competition for these funds from the many sectors of Michigan's economy—employers, workers, the unemployed, and health and human services providers, and stand ready to work with you as you forward solutions through the Administration and with Michigan's Legislature.

The League is concerned about the immediate needs of families affected by the COVID-19 public health crisis, as well as the longer-term need to create public systems that are prepared for crises of this nature. The COVID-19 crisis has underscored structural weaknesses in supports for workers and families, and the League continues to work toward the modernization of Michigan's tax system so the state is better prepared to weather future crises. The recommendations below are part of a [broader set of recommendations by the League](#) and focus on the basic needs of Michigan residents.

Healthcare:

- *Access to health care for immigrants:* The League supports the adoption of the state option to cover eligible pregnant women and children through Medicaid or CHIP under the Immigrant Children's Health Improvement Act. Michigan has waived the 5-year waiting period for green card holders for prenatal care, but hasn't fully taken advantage of the option to expand it for pregnant women and children. In addition, the League supports the clarification of Emergency Services Only Medicaid to ensure that COVID-19 testing, evaluation and treatment are included and more immigrants can receive necessary healthcare services.
- *Investments in public and maternal/child health:* The League supports additional investments in public health and prevention, areas of the state's budget that have been essentially flat for many years. In addition, the League supports the governor's 2021 budget recommendations to improve maternal and child health in part by extending Medicaid postpartum coverage from 60 days to 12 months.

ADVANCING ECONOMIC SECURITY THROUGH RESEARCH, ADVOCACY AND A RACIAL EQUITY LENS

1223 TURNER STREET • SUITE G1 • LANSING, MICHIGAN 48906

P: 517.487.5436 • F: 517.371.4546 • WWW.MLPP.ORG

A UNITED WAY AGENCY

Housing:

- *Rental assistance:* The League supports prioritizing rental assistance when allocating Michigan's share of the non-entitlement funds from the CARES Act Community Development Block Grant increase. This will help people continue to pay rent so they aren't facing an insurmountable arrearage when the moratoriums are lifted, and landlords will have the cash flow to keep maintaining their properties, paying staff and other operating expenses, and contributing to the local tax base. Without recurring monthly support for renters, Michigan can expect a tidal wave of evictions, increased homelessness and instability in the rental housing market within the next few months.

Food Assistance:

- *Access to food in emergencies:* The League supports a boost in funding for mobile food banks, doorstep meal delivery and medically tailored meals, as well as grants to corner stores to increase their capacity to procure and sell healthy foods in many of the state's healthy food deserts.
- *Expansion of eligibility for food assistance:* The League supports the removal of a state ban on SNAP food assistance for individuals with more than one drug felony. Returning citizens face many barriers to meeting their basic needs, and the state's policy of barring individuals with more than one drug felony conviction from receiving SNAP benefits is keeping thousands of Michiganders from receiving supplementary income that can keep their children and families healthy during this crisis.

Child Care:

- *Grants for providers caring for essential workers and for those reopening as businesses open:* The League supports the governor's initiative to provide grants to child care providers with expanded Child Care Development Block Grant funds. The economy cannot bounce back if child care is not available. The COVID-19 crisis made the fragility of the child care system very clear. Child care is too costly for a large percentage of the state's workers, yet child care providers are some of the lowest paid workers in the state, and many cannot weather even a few weeks without full enrollment and payment. A longer-term solution will be needed after this short-term infusion.

Unemployment Insurance:

- *Better use of the Unemployment Insurance Contingent Fund's penalty and interest account:* The penalty and interest account is comprised of dollars that are collected from claimants who have been determined to have received Unemployment Insurance benefit payments fraudulently. Some Michigan residents are still hurting financially from the wrongful fraud determinations from 2013-2015 during which their wages were garnished, their credit scores damaged, and in some cases, bankruptcy was filed. Money from this account is often used to support things like training programs. We ask that the money collected in this account be reserved for helping the workers hurt from wrongful determination (i.e. interest paid on wrongfully collected penalties, payments to repair credit scores, and payments for out-of-pocket expenses arising from having been falsely accused of fraud), and not be used for other purposes such as training until such workers have been sufficiently aided.

As always, we would be glad for the opportunity to discuss any of these recommendations in more detail, as well as any other options that arise as you make the difficult decisions ahead of you. Thank you for this opportunity.