



## MEMORANDUM

TO: Members of the House and Senate Appropriations Subcommittees on Health and Human Services

FROM: Gilda Z. Jacobs, President and CEO

DATE: March 19, 2021

SUBJECT: FY 2022 DHHS Budget Recommendations

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I am pleased to share the priorities of the Michigan League for Public Policy for the 2022 Health and Human Services budget. It is undeniable the effect that COVID-19 has had on Michigan residents, especially our communities of color and families living with low incomes. The League believes that meaningful investment in programs that improve the health and well-being of all Michiganders is critical to recovering from this pandemic and to achieving economic growth and opportunity in our state. In addition to supporting several key proposals in the governor's 2022 budget, I also urge you to work on strengthening the safety net upon which many Michigan children and families rely.

### Human Services

Support children and families living in poverty by updating cash assistance policies. The need for basic income assistance from the Family Independence Program (FIP) doubled in just a few months after the onset of the COVID-19 pandemic. This increase is particularly shocking given the state's very stringent eligibility policies that exclude large numbers of Michiganders from a program intended to help families with children who cannot find work to meet their basic needs. To be eligible for FIP, a family of three cannot have a monthly income above \$815, or \$9,780 annually. Children represent 80% of all recipients of FIP income assistance, and between 2009 and the first quarter of 2021, the number of children receiving FIP assistance statewide fell by 82% from 150,943 to 27,235. Despite this high need, no changes are being proposed to FIP. The League would recommend the following improvements:

- Increasing the monthly FIP grant, which has seen only one meaningful increase (in 2006) since 1993. As a result, both income eligibility and benefit levels have eroded greatly with inflation, and the monthly FIP grant falls about 70% below the federal poverty line.
- Make 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.

- Stop shifting Temporary Assistance for Needy Families (TANF) dollars from basic public assistance programs to other state priorities. Michigan now spends only 12% of its TANF block grant on basic income assistance, ranking it 37th in the country.

Improve access to healthy food by updating food assistance policies and allocating available federal dollars. The need for food assistance rose during the early months of the pandemic and remains higher than a year ago. The governor's budget supplemental for the current year included \$2.1 billion in additional food authorization for the food assistance program, which should be allocated to ensure families and children have access to healthy food. Additionally, Michigan should end the requirement that applicants for food assistance cooperate with child support enforcement efforts. Michigan is one of only eight states that make receipt of SNAP benefits contingent on cooperation with child support efforts. There are many reasons why a custodial parent may not engage with child support collection, such as informal payment arrangements in which cooperation with enforcement may jeopardize or harm that relationship, and this requirement simply increases the administrative burden for the state while jeopardizing family well-being.

Support the increase for family preservation efforts. The governor proposes an increase of \$3.5 million (\$2.1 million in state funds) to help keep families together and prevent foster care placements. The governor is taking advantage of new federal flexibility under the Family First Prevention Services Act that allows states to use federal dollars for prevention programs rather than exclusively for children in foster care. The Michigan Department of Health and Human Services projects that these new funds will help 1,391 families with children at risk of removal from their homes in the first year, at an average cost of \$4,695—much lower than the average cost of foster care at more than \$26,000.

Support \$29.1 million (\$24.2 million in state funds) for implementation of Raise the Age laws to keep 17-year-olds out of adult courts. The League supported passage of Raise the Age legislation, which raises the age of juvenile court jurisdiction from 17 to 18 years of age, based on evidence that prosecuting youths as adults is harmful to children, threatens public safety and is expensive in the long run. By raising the age of juvenile court jurisdiction, 17-year-old youths can get appropriate rehabilitation and are more likely to succeed in school and the community.

## **Health**

Support the investment in the Lead Poisoning Prevention Fund. This would support a loan-loss reserve fund to reduce risk to private lenders as an incentive to extend low-cost loans to landlords and homeowners for projects that reduce lead exposure. More than 1,200 Michigan children ages 1-2 were confirmed to have elevated blood lead levels in 2019. This has a significant impact on the future opportunities for children. Among Michigan children who were born in 2012, the collective loss in lifetime earnings due to lead exposure is expected to be \$171 million.

Support initiatives to promote health equity. The convergence of multiple systemic issues over time has led to drastic racial and economic health disparities which have been magnified by the COVID-19 crisis. The 2022 budget includes funding for several initiatives to promote health equity. These include \$6.7 million to support necessary healthcare for those experiencing sickle cell disease, \$8.4 million for

community navigators to help improve access to health coverage and other essential supports, and \$2.5 million to establish a Race, Equity, Diversity, and Inclusion Office within MDHHS to provide training, technical support, and data collection and analysis to promote equity and inclusion in MDHHS service delivery.

Continue protection for healthcare coverage for Michigan families and children. The impacts of COVID-19 have meant lost jobs and income for many, and the state's Medicaid programs have again proven to be a valuable safety net, helping to prevent spikes in uninsurance rates. Because enrollment growth increases state budget costs, it is imperative that federal and state legislators ensure sufficient Medicaid funding to prevent Michigan from scaling back eligibility or coverage benefits.

Make permanent the \$2/hour wage increase for direct care professionals. The executive budget proposal includes \$360 million (\$121.4 million in general funds) for a direct care worker wage increase. Such an investment could reduce healthcare workforce vacancies, improve retention, and benefit the many older adults and their families living in our state who are served by home health workers.

Invest in moms and babies by investing in infant home visiting programs. Home visiting provides necessary support and care coordination to families with young children. The \$7.4 million (\$6.2 million in general funds) investment proposed by the governor would expand access by approximately 1,000 infants, ensuring that each experiences health, safety and support during their earliest days.