



Michigan League FOR Human Services

## Real People, Real Facts, Real Fallout

Over \$550 million dollars will no longer be spent in our economy:

- \$4.6 million in food assistance monthly\*
- \$4.6 million in cash assistance benefits monthly\*
- \$345,000 in disability benefits monthly\*
- \$2.3 million in child care assistance monthly\*
- \$261 million in EITC yearly
- \$9.9 million in clothing assistance yearly
- \$300 million in unemployment insurance yearly

\*based on average monthly benefit amount from DHS greenbook and estimated number of case closures.

### Why are we shortchanging our children's future?\*

- \$470 per-pupil reduction for school districts
- \$3.4 million cut to Intermediate School Districts
- \$27 million cut from child care and early child care assistance
- \$18 million cut from child abuse and neglect programs
- \$17 million cut from foster care
- \$51.3 million cut from child welfare cases — including foster care, adoption subsidies and child care fund
- Before- and after-school programs for youth K-9 eliminated in low-performing school districts
- Funding to prevent abuse and neglect among young children has been shifted to confirmed abuse and neglect cases

\*FY12 Budget: Quick Draw Budget Misses Mark, Michigan League of Human Services Report, Sept. 2011

### DO THE MATH:

#### The Fallout from Recent Policy & Budget Decisions

- 3,300 families will lose Medicaid health coverage for the parents in the family
- 11,000 families will no longer receive cash assistance grants
- 78,000 families will see a 15 percent reduction in the child care assistance hourly grant amount
- 800,000 working families will lose approximately \$294 in EITC funds
- 124,000 low-income children will no longer receive a clothing allowance
- 34,000 people (at least half of whom are children) will lose food assistance\*
- 20,000 unemployed Michigianians will lose their unemployment insurance benefits six weeks early
- 1,000 adults will lose mental health services
- 5,000 disabled Michigianians will have their benefit reduced 25 percent
- 1,200 adults will lose substance abuse treatment
- 400 people will lose residential substance abuse treatment
- 95,000 stand to lose utility assistance if funding is not found by the Legislature

\*FAP caseload cut-off based on 5,000 cases DHS determined were over the limit and an estimation that 15 percent of the 80,000 that were required to verify their assets either will not get their information submitted in time or are over the asset limit. Disability benefits based on annual estimate assuming six month turnover.

## What are our priorities?

- Family members who have been receiving cash assistance while they take care of a disabled child or spouse will be cutoff after five years, regardless of the health of the disabled family member.
- 48 states and DC do not asset test a family's primary vehicle so that families can at least keep one car to get to work, take their children to school, or to get to the grocery store.

## And they will be sleeping on the streets....

- Families will not be able to receive emergency shelter if they have been housed elsewhere for 90 days and still not found housing.
- Most homeless shelters do not take males over age 7, single fathers with children or married couple families.
- Homeless shelters will lose \$16.5 million due to recent changes in the tax code that no longer offer tax credits for charitable contributions.
- There is a five-year waiting list in MI for federal housing assistance vouchers.
- Rental and utility assistance requires that a family has some sort of income to qualify.

## There are not enough jobs for us all:

- For years, there have simply not been enough jobs in Michigan for everyone who wants one. Currently, there are more than four unemployed people for every open job listing in the state
- Michigan has cut \$4.8 million to employment and training services and completely eliminated the JET Plus jobs training program.
- State investment in adult education, which prepares low-skilled workers for occupational job training, is only one-fourth of what it was 10 years ago.

## NO FOOD ON THE TABLE

- Food banks and pantries stand to lose \$20.3 million due to recent changes in the tax code that no longer offer tax credits for charitable contributions.
- In order to meet the emergency food needs of the families that will lose food assistance due to asset testing, the emergency food system will need to grow more than 300 percent.

## MONEY ISN'T THE ISSUE

- Michigan will have to pay MORE state money to process asset tests for food assistance cases while it will lose hundreds of millions of federal food assistance dollars at the same time.
- Michigan will likely trigger a federal audit for policy changes to its food assistance program. Last time this happened the state was fined more than \$60 million.

## Increased Work for Overburdened DHS Staff

*Workers will have to process thousands of new transactions over the next week:*

- 85,000 cases assessed for:
  - assets
  - valuation of vehicle(s)
- 11,000 cases assessed for:
  - Medicaid
  - food assistance eligibility
  - three month State Emergency Release rental assistance
  - child care assistance