A Matter of Priorities
How the State Budget Process Affects Southeast Michigan
May 3, 2013, 10 a.m.

Pat Sorenson, Senior Policy Analyst
The League is a research and advocacy organization working to foster economic opportunity and security for Michigan’s economically vulnerable population.

The Community Foundation for Southeast Michigan is a permanent community endowment that works to improve the quality of life in Southeast Michigan by connecting those who care with causes that matter.

The Council of Michigan Foundations is a nonprofit membership association of more than 350 grant-making organizations working together to strengthen, promote and increase philanthropy in Michigan.
Michigan Families Are Losing Ground

- Median income down by 20%
- Poverty up by 66%
- State ranks in top 10 nationally for the number of people without jobs
Unemployment in SE Michigan January-March of 2013

Michigan 9.2%
427,000 people
Poverty in Michigan

<table>
<thead>
<tr>
<th>County</th>
<th>2007</th>
<th>2011</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wayne</td>
<td>25.9%</td>
<td>20.7%</td>
<td>25%</td>
</tr>
<tr>
<td>Oakland</td>
<td>11.1%</td>
<td>8.6%</td>
<td>29%</td>
</tr>
<tr>
<td>Macomb</td>
<td>14.3%</td>
<td>8.3%</td>
<td>72%</td>
</tr>
<tr>
<td>Livingston</td>
<td>5.9%</td>
<td>6.5%</td>
<td>10%</td>
</tr>
<tr>
<td>Monroe</td>
<td>6.8%</td>
<td>12.2%</td>
<td>79%</td>
</tr>
<tr>
<td>St. Clair</td>
<td>12.3%</td>
<td>15.9%</td>
<td>29%</td>
</tr>
<tr>
<td>Washtenaw</td>
<td>12.7%</td>
<td>16.9%</td>
<td>33%</td>
</tr>
<tr>
<td>Michigan</td>
<td>14.0%</td>
<td>17.5%</td>
<td>25%</td>
</tr>
</tbody>
</table>

The percent change in poverty rates for each county is as follows:

- Wayne: 25%
- Oakland: 29%
- Macomb: 72%
- Livingston: 10%
- Monroe: 79%
- St. Clair: 29%
- Washtenaw: 33%
- Michigan: 25%
Median Household Income in Michigan

<table>
<thead>
<tr>
<th>County</th>
<th>2007</th>
<th>2011</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wayne</td>
<td>$42,470</td>
<td>$38,479</td>
<td>-9.4%</td>
</tr>
<tr>
<td>Oakland</td>
<td>$66,483</td>
<td>$61,888</td>
<td>-6.9%</td>
</tr>
<tr>
<td>Macomb</td>
<td>$50,891</td>
<td>$55,101</td>
<td>-7.6%</td>
</tr>
<tr>
<td>Livingston</td>
<td>$70,735</td>
<td>$67,441</td>
<td>4.7%</td>
</tr>
<tr>
<td>Monroe</td>
<td>$53,750</td>
<td>$53,744</td>
<td>0.0%</td>
</tr>
<tr>
<td>St. Clair</td>
<td>$45,873</td>
<td>$45,676</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Washtenaw</td>
<td>$61,049</td>
<td>$56,612</td>
<td>-7.3%</td>
</tr>
<tr>
<td>Michigan</td>
<td>$47,950</td>
<td>$45,981</td>
<td>-4.1%</td>
</tr>
</tbody>
</table>

The chart shows the median household income for various counties in Michigan, comparing the years 2007 and 2011. The percent change indicates the variation in income between these two years.
Child Poverty in Michigan

Percent Change

<table>
<thead>
<tr>
<th>Location</th>
<th>2007</th>
<th>2011</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wayne</td>
<td>31.5%</td>
<td>37.7%</td>
<td>20%</td>
</tr>
<tr>
<td>Oakland</td>
<td>11.9%</td>
<td>14.9%</td>
<td>25%</td>
</tr>
<tr>
<td>Macomb</td>
<td>10.9%</td>
<td>21.4%</td>
<td>96%</td>
</tr>
<tr>
<td>Livingston</td>
<td>6.8%</td>
<td>8.0%</td>
<td>18%</td>
</tr>
<tr>
<td>Monroe</td>
<td>7.4%</td>
<td>19.7%</td>
<td>166%</td>
</tr>
<tr>
<td>St. Clair</td>
<td>17.1%</td>
<td>22.4%</td>
<td>31%</td>
</tr>
<tr>
<td>Washtenaw</td>
<td>10.1%</td>
<td>18.7%</td>
<td>85%</td>
</tr>
<tr>
<td>Michigan</td>
<td>24.8%</td>
<td>19.4%</td>
<td>28%</td>
</tr>
</tbody>
</table>
# Overall Ranking in Child Well-being

<table>
<thead>
<tr>
<th>County</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Livingston</td>
<td>2</td>
</tr>
<tr>
<td>Oakland</td>
<td>5</td>
</tr>
<tr>
<td>Washtenaw</td>
<td>6</td>
</tr>
<tr>
<td>Monroe</td>
<td>16</td>
</tr>
<tr>
<td>Macomb</td>
<td>18</td>
</tr>
<tr>
<td>St. Clair</td>
<td>33</td>
</tr>
<tr>
<td>Wayne</td>
<td>76</td>
</tr>
</tbody>
</table>
Average Monthly Public Assistance Recipients FY 2012

Michigan
$148.9 million
1.1 million people

Livingston
20,905 recipients
$1.9 million

Oakland
189,531 recipients
$21.0 million

Macomb
176,307 recipients
$19.9 million

Wayne
659,136 recipients
$92.5 million

St Clair
11,420 recipients
$4.5 million

Washtenaw
52,303 recipients
$6.0 million

Monroe
28,906 recipients
$3.1 million
Income Inequality
The Most Populous U.S. Counties

Source: ProPublica – Journalism in the Public Interest
Income Inequality

Livingston | Monroe | Macomb | St. Clair | Michigan | Oakland | Washtenaw | Wayne
0.380      | 0.392   | 0.420  | 0.421     | 0.461    | 0.473   | 0.486     | 0.487
REVENUES

APPROPRIATIONS
Where the Money Comes From

FY 2013, Total Spending = $46.9 billion
Where the Money Goes

3 of Every 4 Dollars (State and Federal) Go to 3 State Departments.

- Community Health, 31%
- K-12 School Aid and Education, 28%
- Human Services, 14%
- Other Depts. & Services*, 27%

*Includes Transportation (7.2%), Corrections (4.2%), Higher Education & Community Colleges (3.5%), Revenue Sharing (2.3%) and others.
The Big Tax Shift

Taxes on Businesses **CUT**

23%

Taxes on Individuals **UP**

83%
Cut in Michigan’s Earned Income Tax Credit Hurts Hardworking Families

$439 (2011)

70% drop

$132 (2012)
EITC Losses for Families in SE Michigan

Michigan
2011: $353,494,082
2012: $106,048,225

St. Clair
2011: $5,016,921
2012: $1,505,076

Macomb
2011: $26,571,285
2012: $7,971,386

Oakland
2011: $27,876,696
2012: $8,365,009

Wayne
2011: $104,328,025
2012: $31,298,408

Washtenaw
2011: $7,071,365
2012: $2,121,409

Livingston
2011: $3,094,069
2012: $928,221

Monroe
2011: $3,942,315
2012: $1,182,695
Other Tax Changes Hurt Families and Charitable Organizations

Total Donations to COTS
(Contributions between $200-$400 that were eligible for tax credit prior to 2012)

<table>
<thead>
<tr>
<th>Eligible for Credit</th>
<th>With Credits Eliminated</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,023</td>
<td>866</td>
</tr>
</tbody>
</table>

Loss of $45,000 to serve homeless
Chronology of Budget Process

First Revenue Estimating Conference
Mid-January

Governor Review/Signature & Budget Bills Enacted
Mid-June – July

Conference Committees
Late May – Mid-June

Second Revenue Estimating Conference – Target Setting
Mid – Late May

Second Full House or Senate Action
April-May

First Full House or Senate Action
Mid-April

Introduction - Governor’s Budget Recommendation
Late January – Mid-February

Subcommittee Deliberations
February – April

Full Appropriations Committee Review
April

Reports, Review, Prepare for Next Budget
July – January

Governor Review/Signature & Budget Bills Enacted
Mid-June – July

Conference Committees
Late May – Mid-June

Second Revenue Estimating Conference – Target Setting
Mid – Late May

Second Full House or Senate Action
April-May

First Full House or Senate Action
Mid-April

Reports, Review, Prepare for Next Budget
July – January
Options:

1. New revenue
2. More cuts
3. Executive order
4. Balanced approach
A Decade of Disinvestment

Change in Detroit CPI FY 2003-FY 2013: 21%
The Cost of Not Expanding Medicaid

Percent of Uninsured In SE MI That Would Be Covered with Medicaid Expansion

<table>
<thead>
<tr>
<th>County</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wayne</td>
<td>47%</td>
</tr>
<tr>
<td>Oakland</td>
<td>38%</td>
</tr>
<tr>
<td>Macomb</td>
<td>38%</td>
</tr>
<tr>
<td>Livingston</td>
<td>34%</td>
</tr>
<tr>
<td>Monroe</td>
<td>38%</td>
</tr>
<tr>
<td>St. Clair</td>
<td>41%</td>
</tr>
<tr>
<td>Washtenaw</td>
<td>45%</td>
</tr>
</tbody>
</table>
Percent and Number of People Eligible for Medicaid January-March 2013

Michigan 19.4%
1.5 million people

- Livingston 14,229 8.7%
- Washtenaw 32,154 11.3%
- Monroe 19,049 14.9%
- Oakland 116,419 12.0%
- Macomb 112,358 16.5%
- St. Clair 26,425 5.6%
Mental Health Services for Special Populations Threatened

- Lansing: Hispanic/Latino Commission
- Southfield: Chaldean Chamber Foundation
- Bloomfield Hills: Jewish Federation
- Dearborn: ACCESS
- Dearborn: Arab/Chaldean Services
Many Children Still Can’t Visit Dentists

- 442,000 children now covered in 75 of MI’s 83 counties.
- Only 8 counties are not covered, 4 of which are in SE Michigan, including Oakland, Macomb, Washtenaw and Wayne counties.
Infant Mortality Reduction

• Without expanded Medicaid, many women will not get needed preconception care.

• Gov. & Sen. recommend $2.5 million for infant mortality reduction; House rejects.
Michigan’s Great Start Readiness Program

- **Michigan**
  - 21,721 GSRP slots
  - 17.6% of 4-year-olds served

- **Washtenaw**
  - 460 GSRP slots
  - 11.5% of 4-year-olds served

- **Livingston**
  - 140 GSRP slots
  - 6.5% of 4-year-olds served

- **Oakland**
  - 1,243 GSRP slots
  - 8.6% of 4-year-olds served

- **Wayne**
  - 4,661 GSRP slots
  - 18.2% of 4-year-olds served

- **Macomb**
  - 869 GSRP slots
  - 8.8% of 4-year-olds served

- **St. Clair**
  - 297 GSRP slots
  - 15.3% of 4-year-olds served
Lead Poisoning Prevention
(Percent of Children Ages 1-2 With Elevated Blood Lead)
FIP Caseloads in SE MI

- St. Clair: 1,055 (2010), 673 (2013)
- Washtenaw: 1,275 (2010), 769 (2013)

Food Assistance Caseloads Beginning to Decline After Steep Growth
Average Number of Households Receiving Food Assistance in SE MI

Michigan: 909,574 households, 49.7% of all FAP cases are in these seven counties.

- **St. Clair**: 14,632 households, 1.6% of all FAP cases
- **Macomb**: 62,368 households, 6.9% of all FAP cases
- **Michigan**: 909,574 households, 49.7% of all FAP cases
- **Wayne**: 273,806 households, 30.1% of all FAP cases
- **Oakland**: 66,335 households, 7.3% of all FAP cases
- **Washtenaw**: 19,422 households, 2.1% of all FAP cases
- **Monroe**: 9,581 households, 1.1% of all FAP cases
- **Livingston**: 6,043 households, 0.7% of all FAP cases
Funding for State Disability Assistance Down 22% in Five Years

<table>
<thead>
<tr>
<th>Year</th>
<th>Dollars in Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2010</td>
<td>$33.9</td>
</tr>
<tr>
<td>FY 2011</td>
<td>$31.5</td>
</tr>
<tr>
<td>FY 2012</td>
<td>$26.4</td>
</tr>
<tr>
<td>FY 2013</td>
<td>$27.1</td>
</tr>
<tr>
<td>Governor's Rec.</td>
<td>$26.6</td>
</tr>
</tbody>
</table>
• Most major policy decisions are made at least partly through the budget process.
• Low-income families and children need stronger representation.
Barriers to Public Involvement

• Getting timely information
• Lack of familiarity with budget process
• Speed and irre regularity of the process
• Trade-offs behind closed doors
• Complexity of budget bills
• Intimidation and disillusionment
The Michigan League for Public Policy is here as a resource to you as you advocate for low-income Michigan residents.

- Sign up for our Budget Briefs series at [www.mlpp.org](http://www.mlpp.org)
- Join the Prosperity Coalition
- Access the League’s advocacy trainings