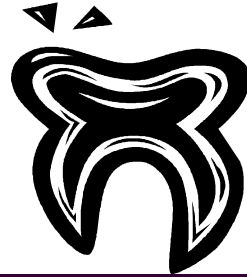


# Filling the budget cavity: Can we do it painlessly?



Oral Health Coalition

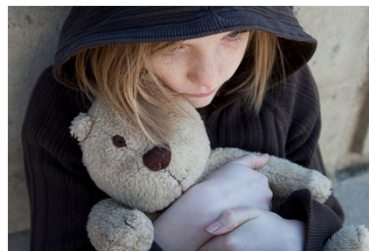
Lansing

June 10, 2011

## Kids Count in Michigan



- Michigan's national rank slipped to 30<sup>th</sup>
- Nearly 1/4 kids in poverty
- Nearly half qualify for free and reduced priced lunch



## Kids Count findings/health

- Child deaths reduced
- Infant mortality improving (but still 40th in US)
- 1/3 moms did not get adequate prenatal care
- More low birthweight babies



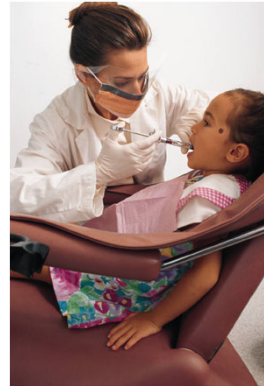
## Oral health: Kids Count

- *“Oral health is key to overall well-being and critical to speech development, ability to concentrate and self esteem”*



## Oral health connection to education/workforce

- Low-income kids missed school 12 times more than wealthier peers due to dental problems
- Medicaid insures nearly 2/5 kids but access is problem



## Snyder protected Medicaid

- One of the few areas protected in FY12 budget
- No cuts to optional services, no cuts to providers
- Will this hold going forward?



## Big picture: No balance

- \$1.7 billion *tax break* for businesses
- \$1.5 billion cut in services – many harmful cuts to cities, services
- \$1.5 billion *increase* in income taxes



## Big tax shift

- 86 percent drop in business taxes
- MI businesses will contribute the smallest share of state revenues in the country
- \$538 million in total new senior taxes, including \$343 in pension taxes



## Harmful cuts to kids

- 25,000 kids to be cut from FIP
- 124,000 kids will not get clothing allowance
- \$470 cut per pupil (offset somewhat)



## EITC: Keeping kids out of poverty

- EITC keeps 14,000 kids in working families out of poverty; helps 780,000 households
- Snyder budget originally eliminated it
- Compromise now at 6% (vs 20%)
- Reduced but important public policy tool still alive



## More cuts affecting vulnerable people

- Reduce State Disability Assistance Program from \$269 to \$175 a month for new applicants
- Cut funding for child care providers
- Indigent burials limited to cremation of unclaimed bodies



## Revenue sharing cut

- About a third of Revenue Sharing to local government cut



- Revenue Sharing pays for public safety and other services
- Fewer public safety officers now than before 9-11

## Are these the headlines we want?



- “Layoffs likely for 60 Kentwood teachers”
- “*Fenton Board of Ed approves 15 staff layoffs*”
- **“Royal Oak police cuts add to concern over crowd control”**
- “*Berkley teachers to protest pending state cuts*”

## Can families make it?



- Unemployment down in every county but food assistance up in every county
- Single workers no kids need \$12.24/hour - \$5 above minimum wage. Single parents with young children nearly \$25!
- Many jobs being created will not pay wages needed to support a family



## Federal pressure cooker

- Federal deficit reduction threatens Michigan's health care
- Block grant = harm to vulnerable people
- Seniors who need long-term care, people with disabilities and kids



## Medicaid messages

- Reject changes that harm people, such as repealing maintenance of effort or block grants
- Reject caps on total spending or health care spending
- Balanced approach to deficit reduction
- Protect Medicaid as much as possible



## What can we expect coming up?

- State level – pressure to restore cuts in non-Medicaid areas
- Federal level – deficit reduction
- State and federal resistance to revenues



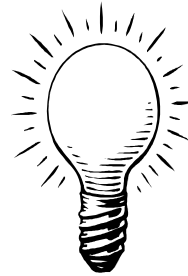
## Bright spots

- Unemployment down in every single county
- Medicaid protected
- EITC survives
- More revenue than predicted – Michigan rebounding



## Solutions/alternatives

- Rethink deep business cuts
- Graduated income tax; sales tax on services
- Corrections spending in line with other Midwest states
- Affordable Care Act move forward
- Protect Medicaid!



## Our dilemma





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The Michigan League for Human Services is a state-level policy organization focused on the needs of Michigan's low-income families and individuals.

The League was founded in 1912 and is a private, nonprofit charitable organization.

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