

August 5, 2009

Dear Legislator:

We, the undersigned, write today with grave concern over the destructive impact recent budget activity has, and will continue to have on Michigan's social safety net. As you know, the Department of Human Services and the Department of Community Health are responsible for ensuring adequate health and safety for the state's poorest citizens, a population we serve and for whom we advocate. **Because of the disproportionate cuts these departments have already experienced, it is our position that any "shared pain" approach to balance the state's present budget deficit constitutes a moral and legislative failure.**

Earlier this year the administration proposed and the appropriations committees enacted some \$304 million in Executive Order budget cuts, over half of which came from the two departments mentioned above. Unemployment and training services, emergency services, early childhood investment, before and after school programs, child-care provider rates, child abuse and neglect prevention, the Healthy Michigan Fund, health care for migrant populations, Medicaid reimbursement rates, and SSI payments are just some of the programs that were either reduced or eliminated by the Executive Order. Regrettably, the drive to further diminish the state's already depleted social safety net has continued.

A recent legislative proposal has called for making the 48-month time limit on cash assistance retroactive – a measure that would undoubtedly hurt children and leave families with no income at a time when some have projected unemployment to reach upwards of 20 percent. The proposal also included freezing the full implementation of the Earned Income Tax Credit, a proven tax policy that serves to lessen the uneven tax burden levied on the working poor. Additionally, the Senate-passed version of the fiscal year 2010 Department of Human Services budget cut some \$330 million, or 29.4 percent of the DHS general fund. These cuts, if enacted, will eliminate nearly one in every three dollars spent on social services in Michigan. A few of the more alarming of those proposed cuts include:

- A \$10 per person per month cut in the Family Independence Program, dropping the maximum grant for a family of three to *\$462 per month*. If such a proposal were signed into law, a family living on FIP, with no other income, will be living at 72 percent below the federal poverty line. When Michigan faced similar economic distress in the early 1980s, families receiving FIP were 23 percent below the federal poverty line.
- A cut in the children's clothing allowance from \$88 per child to \$43 per child. These are limited funds that low-income parents need to ensure their child or children have adequate clothing for school and for Michigan's frigid winters.
- A series of cuts in the child day care program that will eliminate \$80 million by cutting hours and provider rates. This leaves working parents with fewer options in a terrible economy trying to ensure proper childcare.
- A \$14 per month cut to Supplemental Security Income, which, in part, provides assistance to the elderly and people with disabilities who live independently.

The U.S. Department of Labor Bureau of Labor Statistics earlier this year reported that 10 percent of all families in Michigan and nearly one out of every five children are in poverty, and many other families are in an “economically precarious” position. This is highly distressing. Our organizations witness first-hand the “street level” effect enacted and proposed budget cuts will have on destitute children and families, and we are increasingly concerned for what lies ahead as fewer and fewer program dollars are appropriated to vulnerable communities.

We are expressing our strongest opposition to any proposal that seeks to balance the state’s budget deficit on the backs of the poor, a population which has already endured devastating program reductions and eliminations. We are urging you and the entire legislature to abandon a “shared pain” approach to the budget deficit, and incorporate into budget discussions the guiding principle that the moral strength of a society depends on the assistance it provides its most vulnerable population. This is our common understanding, and we ardently hope it is yours as well.

Sincerely,

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Michigan Catholic Conference

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Budget Safety Net Letter

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