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**Gov. Whitmer's 2022 budget gets Michigan back to work
and supports our schools**

***Budget plan will equitably grow the economy, expand skills training, provide
child care for families, rebuild infrastructure, and help small businesses***

LANSING, Mich. — Gov. Gretchen Whitmer's third executive budget was released today, centered on equitably growing the state's economy by expanding skills training and childcare for families, providing a further down payment on rebuilding the state's crumbling bridges and water infrastructure, and helping small businesses recover from the pandemic. State Budget Director David Massaron outlined the recommendations this morning to a joint session of the House and Senate Appropriations Committees.

The budget recommendation provides investments that will foster the success of Michigan students and teachers, improve the state's infrastructure, address the public health crisis, protect our Great Lakes, and provide help and opportunity for families and businesses.

Today's Executive Budget Recommendation follows a recent supplemental budget request for the current fiscal year that was sent to the Legislature on January 20, which would provide \$5.6 billion in new funding for Michigan's recovery from the pandemic. That supplemental request still requires action by the Legislature to ensure the full benefits of Gov. Whitmer's [Michigan COVID Recovery Plan](#) are realized. It is a plan that is instrumental to the Governor's broader economic vision to help businesses and families across the state recover as quickly as possible.

"To build Michigan's economy back better, we must stay laser-focused on getting Michigan back to work and getting our kids back in school safely," said **Gov. Whitmer**. "The budget plan I released today along with the MI COVID Recovery plan I announced last month makes the investments we need to jumpstart our economy and build a better Michigan for everyone. I am committed to working across the aisle with the legislature to ensure that we don't waste a dime of the federal aid we have received

thus far, so we can help Michigan families and small businesses get back on their feet. Let's get to work and let's get it done.”

“The Governor’s budget plan provides needed investments in our roads and bridges, our economy and our schools,” said State Budget **Director David Massaron**. “I believe this is a plan that reflects the shared values that all Michiganders support, and I look forward to working with the legislature over the next few months to ensure we finalize a budget that works for Michigan.”

The budget recommendation totals \$67.1 billion and it includes a general fund total of \$11.4 billion and a school aid fund total of \$14.7 billion. It provides a significant amount of one-time funding made possible by the increase in federal aid and the effective job Michigan has done in managing the pandemic. The recommendation is built with an eye toward the future to ensure that the fiscal year 2023 budget is balanced as well.

Budget Recommendations for Children and Public Education

The budget recommendation calls for the largest investment in K-12 schools in history, including:

- \$203 million to increase base per-pupil funding to \$8,275 for districts at the minimum (\$164 per-pupil increase) and \$8,611 for districts at the maximum (\$82 per-pupil increase), reducing the gap between the highest and lowest funded districts to \$336 per pupil.
- An increase of 2 percent totaling \$14.1 million for economically disadvantaged students, English language learners, special education students, and students in rural and isolated districts.
- \$250 million in one-time supplemental funding to implement research-based best practices to support student academic recovery, physical and mental health, and post-secondary readiness and transition.
- \$200 million one-time for declining enrollment to stabilize budgets for districts experiencing losses in fiscal year 2022.
- \$120 million total to provide opportunities in 2021 and 2022 for students through summer learning, after school learning, day camps, and other activities designed to support student needs outside of the normal school schedule.
- Funding for the Education Emergency Relief Fund intended to help mitigate the impact of COVID-19 on students for use in public schools (\$38.9 million) and nonpublic schools (\$86.8 million).
- \$32 million for the Great Start Readiness Program, raising the state payment for a full-day preschooler from \$7,250 to \$8,275, which is the same as the proposed K-12 base foundation allowance, for 38,000 4-year-olds statewide.
- \$55 million for the Filters First program to begin statewide implementation of drinking water fixture replacements in schools to ensure that children have access to clean, safe drinking water.
- \$2.9 million to address the educator shortage and provide more supports for current teachers as well as incentives to recruit former and future educators.
- A one-time increase for universities and community colleges equal to 2 percent of operations funding and an additional \$70 million in one-time support

upon adoption of policies related to COVID-19 testing, quarantining, and contact tracing.

“The cost and availability of high-quality childcare is a barrier to many working families and a real concern for employers across Michigan,” said **Sean Welsh**, PNC regional president and Talent 2025 Board co-chair. “The governor’s childcare priorities will allow more families to qualify for childcare assistance, help childcare providers keep their doors open, and allow more Michiganders to return to or remain in the workforce.”

“The pandemic has highlighted both the importance of schools to our society and our pre-existing struggles to meet students’ needs. After the experiences of the last school year, it is important that we provide safe and flexible learning opportunities that do not simply return us to pre-pandemic standards, but close the opportunity gap for learners across the state. Governor Whitmer’s budget recommendation represents much needed materials, resources, programs, infrastructure, and personnel that will empower educators to meet the diverse needs of Michigan learners,” said Michigan Teacher of the Year, **Owen Bondono**.

Budget Recommendations for Economic Opportunity

The budget recommendation calls for funding centered on economic recovery and opportunity, including:

- \$370 million for the expansion of childcare options providing additional supports for Michigan families by temporarily increasing the income eligibility threshold from 150% to 200% and temporarily waiving out-of-pocket copays through fiscal year 2022, with a 10 percent increase in hourly rates for child-care providers.
- \$120 million one-time for the Reconnect program to provide a tuition-free pathway to an in-demand industry certificate or associate degree for Michigan adults age 25 and older.
- \$60 million one-time for the Futures for Frontliners program to fully fund the first cohort of essential workers and expand the program to include those newly unemployed from November 2020 to January 2021 in our hardest hit business sectors.
- A \$15 million one-time increase for the Going Pro program to expand employer-based training grants that result in industry-recognized credentials and certificates.
- \$3 million for pre-apprenticeship/apprenticeship programs that will expand Michigan’s talent pool in the construction and building trades.
- \$25 million one-time for the Mobility Futures Initiative to support a new statewide collaboration that addresses environmental sustainability, connected and autonomous vehicle deployment, economic and workforce development, and the alleviation of systemic mobility inequities in underserved communities.
- \$1 million one-time for Focus: HOPE to support workforce development, youth development, and community empowerment and advocacy programs.

“General Motors has demonstrated its commitment to an all-electric future and will introduce 30 new EVs globally by 2025. We’re also collaborating with charging

companies, utilities and communities to increase accessibility and availability of public and workplace charging,” said **Rick Spina**, GM vice president for EV Charging and Infrastructure. “But it will take continued leadership, industry collaboration, and supportive public policy to accelerate the mass adoption of EVs. The Mobility Futures Initiative included in Governor Whitmer’s Executive Budget Recommendation signals important investment in infrastructure and programs that will help advance electrification in Michigan and the Midwest.”

Budget Recommendations for Public Health

The budget recommendation calls for funding centered on the health of Michigan families, including:

- \$360 million for a direct care wage increase to permanently maintain the \$2/hour wage increase for direct care workers.
- \$38 million for a one-time nursing home COVID supplemental payment to address lost revenue from reduced bed occupancy during the pandemic.
- \$91 million to improve access to and consistency of behavioral health for Medicaid enrollees and those served through the child welfare system.
- \$26.5 million for the Certified Community Behavioral Health Clinics Pilot to provide integrated behavioral health services to adults in the state.
- \$7.4 million to expand the Infant Home Visiting program for evidence-based home visiting services to at-risk families with infants born with substance exposure.
- \$3.5 million for cross enrollment expansion to improve technology and communication tools to better identify and enroll individuals needing support and services.
- \$19 million for the MiChoice program expansion to provide alternatives to nursing home care by increasing slots for Medicaid Home and Community Based Waiver services (increase of 1,000 slots).
- \$6.7 million for the Sickle Cell Disease Initiative to expand treatment coverage to around 400 adults and increase outreach and clinical capacity supporting the estimated 4,000 Michigan residents living with sickle cell disease, which disproportionately affects Black people.
- \$8.4 million to reduce health disparities and expand the use of community-based navigators to enhance access to health coverage, and improve screening, data sharing and interoperability of existing data systems through the Michigan Health Information Network.
- \$2.1 million for the Race, Equity, Diversity and Inclusion Office to promote racial equity and inclusion in DHHS-administered services.
- \$10 million one-time for the Lead Poisoning Prevention Fund to help eliminate lead poisoning in homes by injecting private capital into lead remediation efforts.
- \$5 million one-time for a pilot program to promote pre-weatherization construction, renovation, and repair services required to make single and multi-family structures eligible for energy efficiency or weatherization programs.
- \$15 million one-time for state psychiatric hospital special maintenance for capital improvements at all five of Michigan’s psychiatric hospitals.

“AARP research shows that the overwhelming majority of Michigan residents prefer to age in place in their own homes and communities. Also, rebalancing Michigan’s long term care system — allowing a greater share of the people who need services to remain in their own homes — can also save taxpayer dollars. Medicaid dollars can support nearly three older adults in home and community based services for every one person in a nursing home. We applaud Governor Whitmer for expanding the MiChoice program to provide critical alternatives to those in nursing home care,” said **Lisa Dedden Cooper** manager of advocacy at AARP Michigan.

Budget Recommendations for Infrastructure

The budget recommendation calls for investments in the state’s infrastructure, including:

- \$300 million for local bridge bundling to repair or replace approximately 120 local bridges in serious and critical condition.
- \$290 million in infrastructure grants for the MI Clean Water Plan to address sewer overflows and mitigate public health risks by removing sewage discharge to surface water and ground water and eliminate failing septic systems.
- \$40 million to fund high water level and resilient infrastructure and planning grants to local governments for projects that address issues like coastal erosion, flooding, transportation networks, urban heat, and storm water management.
- \$15 million for the Dam Safety Emergency Fund for emergency response when dam owners are unwilling or unable to mitigate hazards caused by dam malfunction.
- \$20 million to protect the state from cyber threats from hostile entities looking to attack the state’s information technology systems.

“Governor Whitmer has once again shown her commitment to finding adequate funding for Michigan’s infrastructure in every area possible in her budget recommendations to the Legislature. Many of Michigan’s local bridges are past their life expectancy and local communities need assistance in replacing these aging assets. In addition, calls for increased funding for underground infrastructure across Michigan will help towards maintaining and replacing our aging water and sewer systems. Many communities do not have funding to maintain those systems which can result in disastrous failures and expensive repairs,” said **Lance Binoniemi**, Vice President of Government Affairs at Michigan Infrastructure and Transportation Association.

Budget Recommendations for Clean Energy and the Environment

The budget recommendation calls for funding centered on the environment, including:

- \$20 million for contaminated site cleanup to support rapid response to contaminated sites that pose an immediate threat.
- \$5 million for the State Facility Green Revolving Fund which is a catalyst for energy efficiency and renewable energy projects at state facilities, helping reduce the state’s carbon footprint.
- \$5 million to support the purchase of propane tanks with funds provided as grants with a 50 percent match to help meet our energy needs.

- \$5 million for the Michigan Saves Green Bank to leverage private investment in clean energy improvements by incentivizing lenders to provide more favorable rates and terms for renewable energy improvements, promoting \$150 million in private capital for clean energy improvements across the state.

"As business leaders focused on protecting the Great Lakes, we appreciate seeing in this budget a continued commitment to advancing solutions to transition to a clean energy economy and ensuring the Great Lakes are protected by investing in critical water infrastructure needs across the state," said **Bob Sutherland**, president and CEO of Cherry Republic in Glen Arbor, and chairman of the Great Lakes Business Network Clean Energy Working Group.

The budget recommendation also helps communities across the state with income tax losses resulting from the pandemic through a \$70 million investment, with payments not to exceed \$25 million to any one city. A Constitutional Revenue Sharing increase of 1.8 percent is provided to cities, villages, and townships, while a one-time 2 percent increase is provided for Statutory Revenue Sharing. A one-time increase of 2 percent is also recommended for Statutory County Revenue Sharing. Local communities are also supported with \$5 million in grants to support efforts in finding and training new law enforcement officers, fire fighters, and paramedics.

The budget recommendation also proposes a \$175 million deposit to the Budget Stabilization Fund to replace half of the withdrawal in 2020 needed for the pandemic response. In addition, a Venture Michigan II Fund payoff is recommended to purchase the remaining tax vouchers issued by the state. By clearing the remaining debt associated with this program, it is projected that \$150 million in general fund will be saved over the course of the next two fiscal years, an 88 percent return on investment.

Other recommended investments include a renewed request for \$5 million to fund security upgrades at the Capitol to implement a weapons ban, \$10 million to alleviate affordable housing needs across the state and revitalize downtown areas, \$12 million for local trial courts to comply with new defense standards for low-income individuals, \$7.7 million for a trooper recruit school, \$20 million to support the enacted clean slate legislation for criminal record expungement, and \$73.6 million to support two new veteran homes in Grand Rapids and Chesterfield Township to provide quality long-term care for veterans and their eligible family members.

The budget plan also calls for an additional exemption from Michigan's 6 percent sales and use tax on menstrual products and provides for \$5 million from the general fund to hold harmless the School Aid Fund from the proposed exemption.

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Copies and more details of the governor's recommended budget are available at www.michigan.gov/budget. Join the conversation on Twitter at #mibudget.