

July 2013

The Fiscal Year 2015 Budget Process in Michigan: Opportunities to Advocate for Children and Families

The annual budget is the single most powerful expression of the state's priorities. It is during the budget process that decisions are made about the expenditure of state revenues, and there are many competing interests that must be considered when dividing up tax dollars. With finite resources, changes in tax policies and in the appropriation of revenues can benefit groups of Michigan residents, while leaving others behind. Of particular concern is the potential impact on the children and families that are already facing challenges – children of color and from low-income families. These challenges include limited access to high quality education and care in early childhood, quality health care throughout their lives, and opportunities for education and career success.

As Michigan becomes more diverse, funding decisions that do not explicitly address underlying inequities in resource and opportunity will lead to longer-term fiscal hardships for all Michigan residents. With nearly one out of four Michigan children living in poverty, gaps in opportunity, coupled with structural barriers, contribute to gaps in achievement throughout a student's educational career. Decision-makers need to prioritize budget investments that improve outcomes for all children by closing the equity gaps that begin early and accumulate over a lifetime.

Unfortunately, it has been difficult for many parents, teachers, community leaders and child advocates to become involved in the public policy and budget process, particularly for those most likely to be impacted by decisions that may affect inequities. A major barrier is that the budget process is too unfamiliar to many, and budget bills often move quickly through legislative committees.

Here is an overview of what you need to know about the state budget process to get involved.

What is the state's fiscal year? Michigan's fiscal year begins on October 1st and ends on September 30th of the following year. The next state budget that will be debated in the Legislature is the fiscal year 2014-2015 budget or FY2015 budget that begins on October 1, 2014 and ends on September 30, 2015.

What is the role of the major state departments in setting budget priorities? In the summer prior to the new budget year, the state departments determine their priorities and develop their proposed budgets. These plans are submitted to the Department of Technology, Management and Budget (DTMB) in the fall.

The Michigan FY2015 Advocacy Timeline

- May 2013 – January 2014: State departments submit budget recommendations for FY2014 Executive Budget.
- February 2014: Executive Budget released.
- February – June 2014: Legislative committee action underway. *Now is the time to talk to legislators about your concerns in the budget.*
- May 2014: Expected revenues finalized at revenue estimating conference.
- June – July 2014: Governor signs budget bills and can include line-item vetoes. *You should be communicating with the Governor's office about issues you have with the Legislature-passed budget or items you hope will stay in the final budget.*

Budget advocacy must happen year-round.
While talking to legislators during the budget season is important, ensuring they have a solid understanding of the programs that matter to you and the funding streams that support them before the budget season can ensure that legislators are prepared to be a voice for your programs and issues during this busy time.

What can you do? Access at this point in the budget process with department directors and the Governor's office is often difficult for citizen groups, as decisions are made internally with very little public input. However, this is a great time to begin conversations with the Legislators who represent you. It is important that they have a solid understanding of the programs that matter to you and the funding streams that support them before the budget season so that they are prepared to be a voice for your programs and issues once proposals are put forth.

What is the role of the Governor and the Department of Technology, Management and Budget (DTMB)? The DTMB takes the departments' budget requests and revenue estimates and prepares a recommended state budget for the Governor's office. The Governor then finalizes the Executive Budget, and formally presents it to the Legislature in February.

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In addition to developing the Executive Budget, the Governor can veto line-items in any budget bill approved by the Legislature or even veto an entire bill. A two-thirds vote of the Legislature is required to override a Governor's veto. In addition, the Governor has a constitutional mandate to reduce expenditures below the appropriated level if it appears that spending levels will exceed actual revenue collections. These budget cuts, known as Executive Order cuts, must be approved by the Senate and House Appropriations Committees, and may occur during any three-month fiscal period.

What can you do? Budget decisions by the DTMB and Governor are made internally and accurate up-to-date information is often difficult to obtain. Advocates can communicate their concerns and priorities to the Governor and his staff.

What is the role of the Legislature? Technically, the role of the Legislature in the budget process is that of approving, rejecting, or amending appropriations bills that embody the Governor's budget recommendations. However, since the establishment of the Senate and House Fiscal Agencies, the Legislature has assumed a more active role.

Since Governor Snyder has taken office, budget bills have been taken up by both the House of Representatives and the Senate concurrently to expedite the budget approval process. Members of the Senate and House Appropriations Committees are divided into subcommittees that meet with department staff and other interested groups. The subcommittee process usually begins in February and continues until the budget recommendations are finished. The subcommittees typically hold hearings that include department and fiscal agency staff, *as well as public testimony*. Once they report out their substitute budget bills, these bills are then approved by the full appropriations committees, then by the full House or Senate, and then differences are ironed out in conference committee.

Conference committees consist of a small number of subcommittee members from each chamber of the Legislature and are charged with reconciling differences between the Senate and House versions of the budget bills. By May or June, the budget bills are negotiated by the conference committees (and subsequently approved by the full Legislature) and sent to the Governor for approval.

What can you do? Legislative review opens up opportunities for citizen groups to influence budget decisions. The best time to influence the budget is when the appropriations subcommittees are discussing the budget bills. During this time, it is important to maintain contact with your legislators and utilize them to champion your issues with appropriations committee and subcommittee members and leadership in the House and Senate. It is also important to keep in close contact with legislative staff and other like-minded groups.

Contact the Michigan Legislature
Contact information for the members
of the Michigan Senate and Michigan
House is available at
www.michiganschildren.org.

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