

Advocates Guide to the Michigan State Budget Process in 2022

This year, Michigan's elected leaders are responsible for deciding how to spend a historic surplus of over \$7 billion. Their choices have the potential to change the odds facing children, youth, and families who have endured two years of pandemic and economic crisis. This one-pager provides an overview of the Michigan state budget process for advocates to consider as they make plans to advance critical issues.

Basics of the Michigan State Budget Process

There are just a few hard-and-fast rules governing Michigan's budget process every year:

1. The Governor must submit a budget recommendation to the Legislature each year within 30 days of the first day (always early-to-mid January) of the new Legislative session, or within 60 days during years when a newly-elected Governor is inaugurated.
2. The Legislature must then pass, and the Governor sign, a budget by October 1 (the new fiscal year) that is balanced with the estimated revenue available. "Appropriations" committees in the State House and Senate must review the Governor's recommendation. A budget is passed like any other bill, subject to committees, conference committees, and the veto process.
3. The Governor and Legislature must "make adjustments" at any time if revenues or spending fall out of balance with budgeted amounts. The "adjustments" are called "supplemental" budgets.

Budget negotiations often begin in February and may extend until June or the last day of September. In very contentious times they can take even longer. How long each step takes depends on the pressures of the moment, priorities of leadership, and relationships between elected officials.

Elections, Surplus Funding, and Tax Discussions Will Drive the 2022 State Budget Process

Critical elections for Governor and State Legislature will be held in 2022 under new electoral maps, and it is expected that the state budget will be decided by July 1 to give lawmakers time to campaign. The presence of over \$7 billion in surplus state and federal funding means that, along with the annual Fiscal Year state budget, a series of "supplemental" budgets may likely be enacted as well, concerning topics including housing, mental health, and school supports.

That same presence of a one-time surplus has fueled calls for tax cuts of up to \$2 billion. Michigan's Children is troubled about the impact of tax changes that do not strongly target working families. Large revenue reductions will undercut our state's ability to invest in critical services that families continue to need, including mental health, child care, and reforms to the foster care or juvenile justice systems.

What Advocates Can Do

We can win critical investments for children, youth, and families if we hold lawmakers accountable for building on progress made and by focusing on the long-term:

- Communicate with your elected officials as early this year as you can.
- Remind them what kinds of support would be transformational for young people and families.
- Stay in touch with Michigan's Children for information and any support you may need.