

## Advocates Guide to the Michigan State Budget Process in 2023

Michigan's newly-elected leadership are responsible for deciding how to spend a historic surplus of over \$8 billion. Their choices could change the odds for children, youth, and families who continue to face hardships from years of public health and economic shocks. 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 within 60 days of the Governor's inauguration. This year's budget recommendation is expected in early February.
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 any date from June to 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.

### Opportunity to Drive Historic Investment Through the Budget Process

The Governor and State Legislature's leadership all belong to the same political party and share many priorities. In previous years, advocates often found that the Governor's budget proposal represented a "high-water mark" for potential new spending. Early signals however indicate that more legislators than what advocates experienced in previous years may be open to investing in critical services for young people and families beyond the recommendations of the Governor.

The presence of over \$8 billion in surplus revenue has fueled calls for tax cuts and expensive business incentives. Michigan's Children supports plans that target families who shoulder significant burdens, such as raising the value of the state's Earned Income Tax Credit. Otherwise, Michigan's Children urges the use of surplus funds to kick-start investment in neglected but critical services for families and young people, 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.