

Sequestration cuts hit Michigan

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18 April 2013

The state of Michigan will lose \$150 million in federal aid due to the sequester cuts signed by President Obama. Republican governor Rick Snyder has rejected any increased state funding to make up for the shortfall and instead has outlined a series of devastating cuts to special education, low-income heating assistance, community health care programs and other services.

In addition, Detroit Medical Center, a massive hospital complex that is one of the city's largest employers, announced plans to lay off 300 workers as a result of the two percent sequester cuts to Medicare.

Some 70 percent of DMC patients are Medicare or Medicaid recipients, reflecting the high level of poverty in Detroit, where over 60 percent of children live below the official poverty line.

While Michigan has a surplus of over \$500 million—due primarily to billions in previous cuts to education, revenue sharing with cities and programs for the poor and elderly—the Snyder administration plans to cut \$59.2 million from programs this year and \$91.3 million in 2014 due to the federal cuts.

“We’ve said from the start that Michigan would not be replacing lost federal dollars with state dollars due to sequestration and that still holds true,” said Snyder. “We support getting the nation’s fiscal house in order, though across-the-board cuts like this are not the way to go about it,” he said hypocritically.

The cuts will have a shattering impact on workers in Detroit where Snyder has already imposed an emergency manager to slash city workers’ jobs, wages and pensions, and cut whatever remains of the city’s social infrastructure on behalf of the banks and big bondholders.

Fifty-four million dollars will be cut from Michigan’s public schools, primarily in the 2014 budget. The cuts include \$20 million to special education programs for children with physical disabilities or other learning challenges, \$21 million for Improving Basic Programs

that help fund after-school programs, \$4.7 million for teacher quality grants and \$3.2 million in vocational education.

Another \$23 million will be cut from Community Health, again for the poorest sections of the population. Those cuts include nearly \$10 million for the supplemental nutrition program Women, Infants and Children (WIC).

The Department of Human Services is cutting \$17 million. This includes nearly \$10 million from the already deeply underfunded Low Income Heating Energy Assistance program or LIHEAP. This is in a state where hundreds of thousands have their utilities shut off because of unpaid bills and each winter lives are lost due to freezing temperatures or makeshift methods of warming homes.

In addition, \$3 million will be cut from the block grant clothing allowance program, eliminating the \$137 allowance for 21,000 low-income children who are staying with a family member, often a grandparent.

Judy Putnam, communications director for the Michigan League for Public Policy, told the WSWS, “If you look at the cuts that were announced, they impact seniors, kids in special education and some of our most vulnerable children in our state, especially the kids receiving the clothing allowance. Why do you start with the most vulnerable people?”

Putnam explained the history of the clothing allowance program. The program began in 1999 to make sure children were able to have clothing at the start of the school year. “Every time there was an increase in welfare the landlords would increase the rent,” Putnam said, wiping out the ability of families to provide clothing for the children.

The program originally provided assistance for all children in the home. “Initially, it started off with \$50 and later increased to \$84 per child. Some years it would be all kids, in other years it would be only

school-age kids. The aim was to give kids a start in school so that they were happy about going to school and this would allow them to have a decent set of clothing.”

Putnam explained that beginning in 2011 the Snyder administration carried out a series of devastating cuts to the program. Instead of providing assistance for all children the program was limited to only children who were forced to stay with a relative. This meant the number of children assisted by the program dropped from 130,000 to the present 21,000.

“It had already been limited,” stated Putnam, “now it is being eliminated. These are poor kids who are not even living at home. How much more vulnerable do you get than that?”

Other cuts include:

- \$4 million for clean water and drinking water programs;
- \$2.6 million from Section 8 Housing Choice vouchers;
- \$15 million from workplace investment for dislocated workers, youth activities and adult programs;
- \$3 million from career and technical education and adult education programs.



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