

State of Michigan reduces revenue sharing payments to city of Flint

Carlos Delgado
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The city of Flint will receive 14.4 million dollars in state revenue-sharing payments this year, about \$50,000 less than it received last year and \$10 million less than it received in 2001, according to estimates from the Michigan Senate Fiscal Agency. The reduced revenue sharing comes as the city continues to suffer the effects of its widespread lead-in-water crisis, which has wreaked havoc on the lives of city residents for over two years.

The state of Michigan's revenue sharing program, whereby a portion of the state's collected sales taxes is distributed to local cities, villages, and townships, has been under sustained attack for decades. A 2014 report by the Michigan Municipal League found that, between 2003 and 2013, cuts in revenue sharing have robbed Michigan cities of some \$6.2 billion in funds. The city of Flint alone was stripped of an estimated \$54.9 million during that time.

The funding reductions have coincided with an explosion in the city's poverty rate, which increased by 57 percent between 2000 and 2013. At the same time, revenue sharing reductions have been used to create phony "financial emergencies" in cities throughout the state, which in turn have been utilized as pretexts for gutting workers' wages and benefits, as well as the raiding of pensions and the dismantling of social services.

In the city of Detroit, which was robbed of \$732 million by revenue sharing cuts between 2003 and 2013, the resulting financial crisis was utilized (with the blessing and assistance of the Obama administration) to force through the largest municipal bankruptcy in US history. The resulting selloff of public assets and slashing of workers' wages and benefits amounted to one of the most reactionary frontal assaults on working class living standards in

history. The severing of the drinking water connection between the city of Flint and the Detroit Water and Sewerage Department under the Karegnondi Water Authority (KWA) plan, was part of an overarching plot to seize control of Detroit's water system for eventual privatization. This nefarious operation ultimately led government officials to switch Flint's drinking water source to the Flint River, causing the water crisis.

Meanwhile, as municipal treasuries have been starved of funding, corporate entities have been posting record profits. General Motors, whose plant closures ravaged Flint's economy and whose operations polluted the Flint River for decades, posted a \$2.9 billion profit in the second quarter of 2016, a post-bankruptcy record.

Flint residents are still unable to safely drink their tap water more than two years into the crisis, which resulted in the poisoning of a city of 100,000 people. Though corrosion control efforts have reduced lead levels in recent months, the most recent round of state testing has found that 10 percent of homes still have lead levels above the federal Environmental Protection Agency's action level of 15 parts per billion (ppb). It is widely understood by scientists that there is no safe level of lead exposure.

In one home, the lead level measured 2000 ppb, confirming what researchers have termed a "Russian roulette" situation, where any glass of water could potentially contain dangerous levels of lead.

Despite the widespread and devastating nature of this public health disaster, officials at all levels of government—including Obamahimself—havemade clear that the state will not provide resources to deal with the crisis. Federal emergency funding ended this month, leaving the funding for water filters and bottled water to the state and private charities. The state of Michigan has appropriated \$162 million over two years to

address the crisis, which is a pittance compared with the \$1.6 billion estimated cost of removing lead pipes from the city, and the much greater cost of caring for an entire population including a generation of children who face permanent neurological damage.

Additionally, the state funding will not go toward any of the costs of running the normal functions of the city. City officials will continue to slash services, cut wages and benefits, and attack pensions to make up for the artificially-created shortfall resulting from the reduction in revenue sharing.

The situation is further exacerbated by the costs of funding for the KWA scheme, which amounts to \$7 million per year for the next 28 years. This figure doesn't even include the unspecified millions of dollars in costs to be incurred in improvements needed for its water treatment plant and for testing.

Though calls for austerity from government officials are inevitably justified with the claim that there is “no money” to fund social services, the ruling elite will use every method at its disposal to keep the money flowing to the powerful financial interests who have a stake in the KWA. This is to be achieved by the doubling of residents' water rates—already the highest in the country—as well as an increase in homeowners' property taxes despite a precipitous decline in property values.

Flint is not an aberration. All over the country, workers are seeing their health, wages, and living standards under attack. Residents at an Indiana housing complex were recently informed that the soil around their homes is contaminated with dangerously high levels of lead, and they are being forced to relocate. Only a small amount of the cost of relocation is being covered by government vouchers, leaving many residents unable to pay for a move.

The callous attitude of the state toward the health and well-being of workers, whether in Flint, Indiana, or flood-devastated Louisiana, is not a result of mere incompetence, maliciousness, or, as pseudo-left groups insist, racism. It is the inevitable outcome of the capitalist mode of production, which subordinates all social organization to the drive for profit.

The ruling class gorges itself on the wealth created by the toil of the working masses, and when their recklessness inevitably leads to social and public health disasters, they turn around and claim that there is “no

money” to address the problems. In order to secure the most basic elementary rights needed to live and thrive in society, including the right to clean drinking water, jobs, quality housing, and a clean environment, the working class must mobilize independently of the capitalist big business parties and unite in a fight for socialism.



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