



## Massive Projected Revenue Deficit Strains State Budget

The COVID-19 pandemic has created a massive strain on the state budget, with tax revenue to the state falling dramatically as businesses have closed and unemployment has increased.

On May 15th, state leaders held their annual revenue estimating conference to calculate the expected revenue that lawmakers have available to allocate to state funded programs and services. In the current Fiscal Year (FY) 2020, the state is facing \$1.98 billion less in the General Fund and \$1.25 billion less in the School Aid Fund compared to January estimates. It is projected that the state will also have \$1.92 billion less to work with for General Fund spending and \$1.14 billion less for schools during FY 2021, which begins on October 1, 2020.

It is expected that lawmakers will need to pass a negative supplemental budget for FY 2020 to claw back money that had already been appropriated to balance the budget. Budget Negotiations for FY 2021 will likely continue into August and September as legislators weigh potential funding cuts and seek updated revenue estimates.

There is hope that Congress will pass additional aid for state governments in their next stimulus bill that could lessen the need for cuts. On May 15th the House passed the HEROES Act, which included significant funding for local governments. The Senate is not expected to adopt the House's plan, opting to create their own stimulus bill.

## Silver Key Coalition Seeks Maintenance of Senior Service Funding

The Silver Key Coalition is a statewide coalition of more than 40 organizations with the shared goal of supporting non-Medicaid in-home services funded through the Aging and Adult Services Agency such as home delivered meals and in-home personal care services. Before the COVID-19 pandemic, the Silver Key Coalition projected that addressing unmet needs of the over 6,000 seniors on waiting lists and projected increases in demand would cost over \$8 million in FY 2021, but revenue shortfalls make that type of investment unlikely.

The ability to age in place in your own home is more important now than ever for older Michiganians at risk of COVID-19 complications. At a minimum the coalition is requesting that state funding levels for Aging and Adult Services Agency in-home and nutrition services be maintained at current levels in FY 2020 and FY 2021 to support the emergency response efforts of the Aging Network.