

Schools, organizations grapple with funding cuts

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MEDIANEWS GROUP

A group that provides wigs for children with cancer had ordered wigs and was planning to pay for them upon delivery when House Republicans abruptly blocked \$56,000 meant to cover the purchases.

Several projects at Lansing schools are also now at risk after school officials entered into contracts for the work on the belief that their state grant would cover the cost.

And about 6,000 newborns whose mothers were expected to receive support payments through a new state program might have those benefits disrupted, funding recipients testified Tuesday to the Democratic-led Senate Appropriations Committee.

Those are only a “snapshot” of the individuals and organizations affected by the \$645 million in cuts House Republicans made last week to projects previously promised funding by the state, said state Sen. Sarah Anthony, who chairs the Senate Appropriations Committee. The Tuesday hearing was meant to give the affected groups the opportunity they weren’t given before House Republicans slashed their funding last week, the Lansing Democrat said.

“The fight is just beginning,” Anthony said. “We are called upon to stand in the gap for men, women and children in this state. ... All we have in this world, all we have in this building, is our word.”

State Sen. Jon Bumstead, a Republican from North Muskegon who serves as minority vice chair for the appropriations committee, also emphasized the importance of honoring commitments and contracts the state has entered.

“To me, a person is only as good as their word,” Bumstead said. “We can’t lose the people’s trust.”

The Tuesday hearing came after House Republicans last week blocked continued funding for 78 line items totaling \$645 million that were appropriated in last year’s budget but hadn’t yet been completely spent. House Republicans have said they cut the programs because the money from the prior fiscal year had not been spent as they seek to uncover what they believe is waste, fraud and abuse in state expenditures.

The debate over the cuts dominated the state Capitol the week before Christmas, with groups hit hard by the cuts — and their lobbyists — packing the Senate Appropriations Committee room to make their case to lawmakers about the impact of the money being yanked away without notice.

Early Tuesday evening, the Democratic-led Senate approved a bill to restore funding for the programs hit by the House Republicans’ reductions. The vote was 23-13 with five Republicans — Sens. Bumstead, John Damoose of Harbor Springs, Mark Huizenga of Walker, Ed McBroom of Vulcan and Mike Webber of Rochester Hills — joining Democrats in support.

The measure would have to gain the support of the GOP-led House, which executed the cuts in the first place, to make it to Democratic Gov. Gretchen Whitmer’s desk.

Speaker attacks fellow Republican

About 20 protesters who opposed the funding reductions on Tuesday chanted “shame” at Republican House Speaker Matt Hall when he walked by them. Then, the group entered the Capitol office of House Appropriations Chairwoman Ann Bollin, R-Brighton Township, where they chanted, “No cuts. Fund us.”

“We’re here demanding that the \$645 million in funds that were taken from vital survival programs are restored to our communities,” said Kamau Jawara of Detroit, who participated in the demonstration.

The programs in question were baked into the state budget, approved in 2024. State officials were seeking to convert them into what is referred to as “work projects,” a designation that usually allows departments to carry over funding from one budget year to the next if not all of the program’s money is spent in one fiscal year, from Oct. 1 to Sept. 30.

But a rarely used state law allowed the GOP-led House Appropriations Committee to vote along party lines to refuse the conversion of those grants into work projects.

House Republicans have argued the work project designation has allowed state agencies to create a sort of “slush fund” that departments can draw on for years.

Hall, R-Richland Township, defended the cuts during a Tuesday press conference and criticized Senate Republicans who voiced concerns about the cuts, including Bumstead, the top Republican on the Senate Appropriations Committee.

“Well, my guess is he’s got a lot of secret projects in there,” Hall said of Bumstead.

The House speaker accused Bumstead of “working against voters” and “working against his caucus.” The GOP speaker also labeled Damoose a “Republican budget traitor” for being critical of the House’s maneuver.

Hall defends cuts

Hall declined to say Tuesday whether his caucus had contacted any organization or local governments that lost funding through the House Republicans’ unilateral, sweeping round of work project cuts.

Instead, the House speaker told reporters he didn’t believe his caucus had a responsibility to reach out to the groups.

Hall contended the Whitmer administration had “an obligation” to provide House Republicans with detailed information about the programs that could lose funding through blocking the work project status. The situation was a symptom of pork spending being out of control in Lansing, he said.

“I think the department has a responsibility to give us the information about the programs,” Hall said. “And I think the fact that the department still, right now, the Whitmer administration, can’t really give any of us answers is a problem.”

The House speaker couldn’t say Tuesday how much of the \$645 million in question might have already been spent by the organizations, or couldn’t provide a list of all of the projects impacted.

State Budget Director Jen Flood said state departments provided more than 500 pages of documents on work projects to Hall and members of the House Appropriations Committee.

“This documentation made clear that disapproval would mean voting to halt funding for local road, bridge, and water infrastructure repairs, senior centers, job creation efforts, and other common-sense measures,” Flood said in a statement. “While the governor and Senate Democrats are working to create jobs and lower costs for Michiganders, this was a vote to raise costs and harm some of our most vulnerable Michiganders.”

In the face of the growing backlash, Hall maintained he was “so proud” of the House Appropriations Committee for “slashing another \$644 million, much of which is waste, fraud and abuse.” He said the organizations that lost state funding could argue to have their dollars restored in the future.

Hall said there was funding for clean energy initiatives, diversity, equity and inclusion programs and \$1.2 million for putting tampons in “boys and girls bathrooms.”

“That’s a lot of tampons,” Hall told reporters.

Hall appeared to be referring to an item in the state Department of Technology, Management and Budget’s financial plan to put feminine hygiene products in state building bathrooms. Hall spokesman Jeff Wiggins said the speaker’s office was of the understanding that the state was putting some feminine hygiene products in men’s bathrooms.

A DTMB spokesperson, Laura Wotruba, said Tuesday that the line item was being used for dispensers and feminine hygiene products in women’s restrooms at DTMB-managed facilities. It was not used to put tampons in men’s bathrooms, she said.

It wasn’t clear why Hall used the word “boys” in his remarks.

Groups, schools concerned by cuts

Representatives of the affected groups testified for more than an hour Tuesday on what the sudden cuts to their programming would mean for school improvement projects, public safety initiatives, newborn and infant support programs and wig programs for children with cancer.

Maggie Varney, founder and CEO of Maggie’s Wigs 4 Kids of Michigan, told lawmakers that the spending of the group’s last \$56,000 had been kicked over into the next fiscal year because it takes about three months from the time someone orders a wig through the program to when the order is fulfilled. The group had planned to submit its most recent receipts to the state when the funding was cut, Varney said.

No one from the House Appropriations Committee had asked her organization about the funding before voting to cut it, she said.

“I had no idea that this was going to happen,” Varney said.

Sen. Kevin Hertel, D-St. Clair Shores, said the services Maggie’s Wigs 4 Kids provides are life-changing.

“There is not a dollar that goes into this organization that doesn’t go to service a child,” Hertel said.

The senator from Macomb County said he was infuriated by the cut.

“There is no reason ... that this should be happening right now,” Hertel said.

Dr. Mona Hanna, a pediatrician who helped to uncover the Flint water crisis 10 years ago, said the cuts endanger funding for roughly 6,000 newborns who would have been served by Rx Kids, a prenatal and infant support program that gives mothers cash payments to help in the early phases of a child’s life. Additionally, some communities scheduled to start the program in January, such as Saginaw and Berrien County, may have to delay their launches, Hanna said.

Hanna, who helped found Rx Kids in Michigan, said the cuts were reminiscent of the funding decreases made under state control ahead of Flint’s lead-tainted water crisis.

“I am no stranger to what happens when trust in government is broken,” Hanna said. “As you all know, I played a role in uncovering the Flint water crisis. When unprecedented decisions are made against the will of the people — also in the name of efficiency, austerity and bean counting — kids get hurt as a result.”

Jason Mellema, superintendent of the Ingham County Intermediate School District, said projects across schools in the Lansing area are at risk due to the sudden cuts. Those programs include ones to ensure firearm safety, expand arts and learning opportunities, and guarantee clean drinking water.

The “disingenuous” move by House Republicans, Mellema said, also undercuts the fiscal stability and reliability of governmental units like school districts that enter contracts with builders or contractors for projects they believe are funded.

“This is a failure by government,” Mellema said. “Passing a budget, allowing projects to begin and then retracting funding after obligations are made undermines the confidence of the entire budgeting process itself.

“If this approach were to become normalized,” he continued, “it would significantly limit our ability to design thoughtful, multi-year solutions that support all learners and strengthen Michigan’s education system.”

Jazmine Danci, administrator for the Downriver Community Conference, said the workforce and economic development group had spent about \$5 million of the \$6.5 million grant given by the Legislature last year to rebuild its headquarters facility, which dated back to the 1950s.

The new facility, which was made possible through a grant contract with the state that was meant to last through 2028, will serve as a “state-of-the-art” workforce development, service center and public safety headquarters for the region, Danci said.

The Downriver Community Conference is still owed \$800,000 that it submitted to the state for payment, and that may now be unavailable under the cuts, Danci said. The organization does not have \$800,000 lying around, Danci said.

“If we would have had one year to spend our funds, we would have spent our funds,” Danci said. “We are meticulous with our bookkeeping, with our grant reporting requirements. But we had a signed agreement that went through 2028.”