



Making Water Affordable for all Michiganders
Presented before the
House Appropriations Subcommittee on Health and Human Services
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Chair Morse, Majority Vice Chair Martus, Minority Vice Chair Green, and members of this subcommittee. Thank you for the opportunity to testify about the need for level funding for water affordability in FY 2025.

I want to start by acknowledging the work of the People’s Water Board Coalition, which has been leading the charge to secure affordable water for all Michigan residents for more than two decades. Their work to stop the water shutoffs in Detroit is well-documented, and they have been at the root of education and policy development to ensure safe and affordable water since the early 2000s.

Many Michigan residents are struggling to pay their water bills. This is not a new problem, but it is a growing problem. Unaffordable water bills and water shutoffs were thrust into the spotlight in the early days of COVID when public health officials were stressing the importance of handwashing to protect against the virus. Many of us responded with the mantra that you can’t wash your hands if you don’t have running water.

The People’s Water Board Coalition and others urged Governor Whitmer to act quickly by ending water shutoffs and reconnecting water service to all households at the beginning of the pandemic. In April 2020, [the Governor issued](#) the nation’s first – and only – water reconnection Executive Order (2020-28) and made funds available to assist with plumbing repairs as needed to reconnect the water. This action was greatly appreciated, but the systemic problem of unaffordable water bills was yet to be addressed.

In June of 2020, the Michigan legislature appropriated \$25 million for water assistance in Senate Bill 690. These were first state dollars ever allocated to help customers pay their water bills, and we believe Michigan was the first state to make such funds available - ever. As a result of this funding, for the first time, the State of Michigan obtained water arrearage data from the 144 water utilities that applied for state funds.

In November of 2020, I requested and received these data from the Michigan Department of Health and Human Services. In collaboration with the People’s Water Board Coalition, [I quantified the data](#) and sorted it by legislative district; the results are in a spreadsheet that is attached to this

testimony. The spreadsheet demonstrates that water arrearages impacted legislative districts across the state. As stated above, the data presented is from only the 144 water utilities – or about 10% of the state’s public water systems – that were awarded funds from the \$25 million appropriation. These funds were fully utilized within a few of months their availability. There were undoubtedly many from the remaining 90% of utilities that had customers who were behind on their water bills, but these utilities might not have known about the funding, did not get their applications in quickly enough, or chose not to pursue the funding.

While district lines have changed, many legislators have changed, and the pandemic is over, the water affordability problem persists. And, with the bill coming due for underinvestment in water infrastructure at the federal, state, and local levels, water rates will continue to rise.

Unfortunately, however, we do not know the full extent of the water affordability problem in Michigan because our public water utilities are not regulated by the Michigan Public Service Commission, and there are no requirements for publicly disclosing information that would help us understand utility-level and statewide data on water arrearages, water shutoffs, water debt transfers to tax liens, utility rates and fees, and other key data points. We are working to change this. Under Senator Chang’s leadership, NRDC, the People’s Water Board Coalition, and the American Water Works Association have been working on amendments to a water utility data transparency bill that has been introduced in past sessions. Once reintroduced, we look forward to your support of this measure so we can begin collecting these important data.

Last year, the legislature appropriated \$60 million to help pay for water bills: \$25 million in the January 2023 supplemental and \$35 million in the fiscal year 2024 budget. These appropriations were the first state dollars since the initial \$25 million appropriation in 2020, and they were vitally needed. Thank you for taking this step and for acknowledging the unaffordable water bills that threaten access to water for many Michiganders.

I want to flag a key difference between water assistance and water affordability. Water assistance programs are designed to meet a household need through short-term funding assistance. Water affordability programs are designed to ensure households are permanently able to pay their water bills consistently and successfully to avoid service disconnection.

Over the past year, Senator Chang has led an extensive stakeholder process involving other lawmakers, water utilities, community groups, social service agencies, faith-based groups, environmental groups, and others to develop consensus on a package of pending water affordability bills to ensure water bills are affordable for all Michiganders. The bills would:

- Help give customers certainty on the monthly cost of their water bills;
- Protect the most vulnerable from shut offs; and
- Provide certainty to water providers having difficulty collecting payments, which will allow them to plan for future infrastructure needs.

I've included a summary of the water affordability bills along with my testimony. We strongly urge you to support the bill package to help secure these permanent protections. ***However, because the bills are pending in both chambers, we respectfully request level funding of \$60 million for FY 2025 to help ensure that water remains on in vulnerable households throughout the state.*** We do not anticipate requesting ongoing appropriations once the bills take effect because, according to an analysis by Public Sector Consultants, the funding bills (HB 5089 and SB 55) would generate approximately \$63 million, which would effectively replace this appropriations request.

Thank you again for the opportunity to speak with you today and for your leadership in protecting the people and the places that make Michigan such a great state to call home. Please reach out to me if you have additional questions. We need your leadership and your support.