

Date: June 24, 2025
To: Chairman Roth and Members of the House Appropriations Human Services Subcommittee
From: Cyndi Roper, Senior Policy Advocate, Natural Resources Defense Council
Subject: FY '26 Water Assistance Funding



Chair Roth, Majority Vice Chair Kelly, Minority Vice Chair Edwards, and members of the House Appropriations Human Services Subcommittee:

Many Michigan residents are struggling to pay their water bills. This problem is not new, but it is growing. 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.

In June of 2020, the Michigan legislature appropriated \$25 million for water assistance through 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, there are many new lawmakers, 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.

The legislature appropriated water assistance funding totaling \$60 million in FY '24 and \$10 million in FY '25. These appropriations were the first state dollars since the initial \$25 million appropriation in 2020, and they were fully utilized to help keep water running in homes throughout the state.

There is 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 can pay their water bills consistently to avoid water shutoffs.

Senators Chang and DaMoose have reintroduced bipartisan water affordability legislation based on more than two years of diverse stakeholder engagement with water utilities, community groups, social service agencies, faith-based groups, environmental groups, and others. Among other measures, 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.

Because the bills are pending, we respectfully request \$60 million for FY 2026 to help ensure that water remains on in vulnerable households throughout the state. We do not anticipate requesting ongoing appropriations once the water affordability bills take effect because, according to an analysis by Public Sector Consultants, the funding mechanism in the bill package would generate approximately \$63 million, which would effectively replace this appropriations request.

Thank you again for the opportunity to submit testimony.

Sincerely,

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