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GOVERNOR WHITMER BUDGET: BILLIONS FOR ROADS, MILLION PLUS FOR SCHOOLS, AND TARGETED TAX RELIEF

Governor Whitmer's budget calls for increasing the gas tax by 45 cents under a three-part phase-in starting October 1 of this year and ending October 1, 2020 that would raise about \$2.5 billion in new annual revenue for roads which will be deposited into a new Fixing Michigan Roads Fund and allocated to the most highly traveled and commercially important roads at both the state and local levels.

Governor Whitmer is not proposing selling bonds as part of the plan, but does include offsets for low-income individuals in difficult financial situations.

The proposal comes just four years after voters rejected a road funding ballot proposal.

The plan isn't getting "high-fives" from Republican lawmakers. "Before we ask citizens to spend more on roads, let's prove to them we will give them real money with insurance reform," said Senate Majority Leader Mike Shirkey (R-Clarklake). It is also receiving major blowback on social media from residents questioning where that last increase in drivers' license fees and sales tax on gas went, to wanting to recall the Governor.

If the proposal passes, a 10 gallon fill-up would cost a motorist an additional \$4.50, while a 15 gallon fill-up would cost an extra \$6.75.

Education

Governor Whitmer is also asking for an additional \$507 million to increase K-12 funding in her Fiscal Year (FY) 2020 budget including up to \$180 more per pupil. Also, schools could qualify for three specific pots of money based on school need. They are special education, at-risk students, and career and technical education.

Some of the funding would come from no longer funding universities out of the School Aid Fund. Universities and community colleges would both see a three percent increase in funding. Universities would be fully funded out of the general fund freeing up about \$500 million in School Aid Fund money for K-12 schools.

Other budget priorities include elimination of the "pension tax, providing free tuition at community colleges for qualifying high school graduates, and expanding the Corporate Income Tax (CIT) to cover S-Corps."

Targeted Tax Relief

Governor Whitmer also called for eliminating the so-called "pension tax" and proposed paying for it by taxing "pass-through" businesses at the same 6 percent rate as the existing Corporate Income Tax.

Clean Water

The Whitmer budget calls for \$120 million to create a new Drinking Water Protection and Innovation Initiative to help communities fund lead pipe replacement, address PFAS contamination, and more.

Governor Whitmer also wants \$60 million to replace drinking water fountains in older schools with “hydration stations.”

Hazardous Materials

Governor Whitmer wants funding for a three-year project to inventory hazardous materials pipelines that cross waterways in Michigan.

Safety

Budget recommendations include funding to support a new trooper recruit school with the anticipation of graduating 50 new troopers to keep the Michigan State Police enlisted strength at about 2,100.

Funding for the Michigan Public Safety Communications System to enhance operation of the secure communications network utilized by the state’s first responders at both the state and local levels.

Support for a corrections officer academy with an expected graduating class of 408 to address higher anticipated attrition.

Revenue Sharing

Revenue sharing will increase 3 percent for counties, cities, villages and townships. Revenue sharing payments are projected to increase by over \$40 million.

The budget recommendation, totaling \$60.2 billion, calls for nearly \$100 million in reductions across all departments.

More budget details are available at: www.michigan.gov/whitmer.