The Road To Opportunity

A briefing on Gov. Gretchen Whitmer’s FY 20 budget proposal
Michigan Has
A diverse economy and communities, urban areas, rural and sparsely populated areas, great natural beauty, cultural activities, and a legacy of innovation. As we work together to meet the challenges of the 21st century, we must be mindful of the needs of future generations. A strong education system is vital to promote productivity, innovation, and growth.

As we head into the future, we are presented with a fork in the road. A decision must be made: Do we invest in future growth and jobs or do we continue to decay, stagnate, and decline?

The Michigan Legacy
Schools, education, arts, and culture are essential to our state's economy and quality of life.investment in education and culture will help us build a better future for all Michiganders.

Decision Ahead
Invest in Future Growth

Danger PFAS Contamination

Newspaper Layoffs

Let's build our future together!
## 2020 BUDGET

<table>
<thead>
<tr>
<th>Total State Budget</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>$10.7 billion</td>
<td>General Fund</td>
</tr>
<tr>
<td>$10.9 billion</td>
<td>Restricted Fund</td>
</tr>
<tr>
<td>$14.0 billion</td>
<td>School Aid Fund</td>
</tr>
<tr>
<td>$23.1 billion</td>
<td>Federal Funds</td>
</tr>
<tr>
<td>$1.5 billion</td>
<td>Other Funds</td>
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<tr>
<td>$60.2 billion</td>
<td>Total Budget</td>
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MICHIGAN GENERAL FUND OVER THE PAST 20 YEARS

General Fund – General Purpose Revenue Remains Under $11 Billion
(Graph in billions of dollars)
Michigan’s General Fund would be more than $5 billion higher if it had merely kept up with inflation since 2000.
CURRENT SHELL GAME

- Roads
  - Transportation Fund
- Public Universities
  - General Fund
- Pre K – 14 Schools
  - School Aid Fund
ROADS: MICHIGAN AT A CROSSROADS
CRUMBLING ROADS IMPACT US ALL:
Major state & local roads in poor condition
Michigan ranks #46 out of all 50 states in the amount spent on highways per capita.

Michigan ranks last among Great Lakes States

Michigan roads have received grade D+ to D- and are dead last in the country in quality.
Michigan kids are falling behind the rest of the country when it comes to literacy.
Out of the 50 states, Michigan was *dead last* in revenue growth in education funding between 1995 and 2015.

*Source: National Center for Education Statistics, F-33 Common Core of Data.*
Michigan is in the bottom 20 in the country when it comes to post-secondary attainment.

ONLY 44% OF ADULTS HAVE COMPLETED SOME FORM OF POSTSECONDARY EDUCATION
DRINKING WATER: MICHIGAN AT A CROSSROADS
2030 GOAL

• ROADS: Get 90% of state roads in good/fair condition and provide additional resources for local roads.
• DRINKING WATER: 100% of communities with clean drinking water.
• SKILLS: 60% of adults with post-secondary attainment.
• EDUCATION: Make Michigan a top 10 state in 3rd grade literacy.
THE SOLUTION
Phase in fuel tax of 15 cents per gallon every six months from October 1, 2019 through October 1, 2020

RELIEF
• Increase Earned Income Tax Credit to ease transition for vulnerable families.
• Repeal the retirement tax.
• Lower the cost Michiganders spend on car repairs.
Once fully implemented, $646 per year for gas investment.

Increased gas costs offset:

- $30: Low income families will receive up to an additional $30 per month from Earned Income Tax Credit.
- $65: Qualified retirees will receive an average of $65 per month from the repeal of the Retirement Tax.
- $646: All drivers will see a reduction in auto repairs related to poor road conditions, estimated at $646 per year.
WHAT OTHER STATES ARE DOING TO RAISE REVENUE
(IN CENTS)
ONE HISTORIC VOTE
FIXING MICHIGAN ROADS PLAN

State Trunkline Actual and Projected Pavement Conditions with Fixing Michigan Roads Plan Revenues 2015 - 2029

- Goal
- Current: 79%
- Fixing Michigan Roads Plan Correcting Course to a Sustainable Condition Goal
- Current Course to Further System Deterioration

Historical | Without New Revenues | Fixing Michigan's Roads Plan


20% | 30% | 40% | 50% | 60% | 70% | 80% | 90% | 100%
CLOSING THE SKILLS GAP

K-12
$507 million, the largest funding increase for school operations in a generation.
Provides additional resources of between $120 and $180 per pupil.

MICHIGAN RECONNECT
Ensures adults have a tuition-free pathway to a certificate or associate degree.

MI OPPORTUNITY SCHOLARSHIP
Offers qualified high school graduates:
- Tuition-free path to community college
  - OR -
- Two years of tuition assistance at a four-year public or private not-for-profit college/university.
CLEANING UP OUR DRINKING WATER

- $120 million to improve our drinking water infrastructure
- Funding for service line replacements, research and treatment for PFAS, and research to optimize water distribution systems.
- $60 million to install hydration stations in school buildings.
REVENUE SHARING

- Budget includes additional $30 million investment in revenue sharing.
- Represents a 3% increase for Michigan cities, villages, townships and counties.
- Will provide local communities with additional resources for essential services like police and fire protection.
LONG-TERM BALANCE

• Returns funding to intended purposes:
  • Roads are funded by constitutionally dedicated restricted funds.
  • Public universities funded 100% by General Fund.
  • $500m School Aid Fund returned to K-12 schools for needed investments.
Fixing Michigan Roads Plan
Eligible Roads Under the Fixing Michigan Roads Formula

Ingham County
Biggest Investment in a Generation of Michigan Kids

Find your district at Michigan.gov/budget