



The Road To Opportunity

A briefing on Gov. Gretchen Whitmer's

FY 20 budget proposal

MICHIGAN HAS
a diverse economy and communities, world-class culture and sports, great universities, and timeless natural beauty. However, to strengthen our state and improve our ability to compete in the 21st century, we need to rebuild our infrastructure and make foundational investments for the things that connect us all: roads, education, skills, and water.

As we look to the future, we are presented with a **FORK IN THE ROAD** providing a clear decision: Do we invest, build, and thrive or do we continue to divest, stagnate and decline?

THE MICHIGAN LEGACY

Our budget presents bold solutions to strengthen our communities, grow our economy, and prepare us for the road ahead.
LET'S BUILD OUR FUTURE TOGETHER!



2020 BUDGET

Total State Budget

\$10.7 billion	General Fund
\$10.9 billion	Restricted Fund
\$14.0 billion	School Aid Fund
\$23.1 billion	Federal Funds
\$1.5 billion	Other Funds
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\$60.2 billion	Total Budget

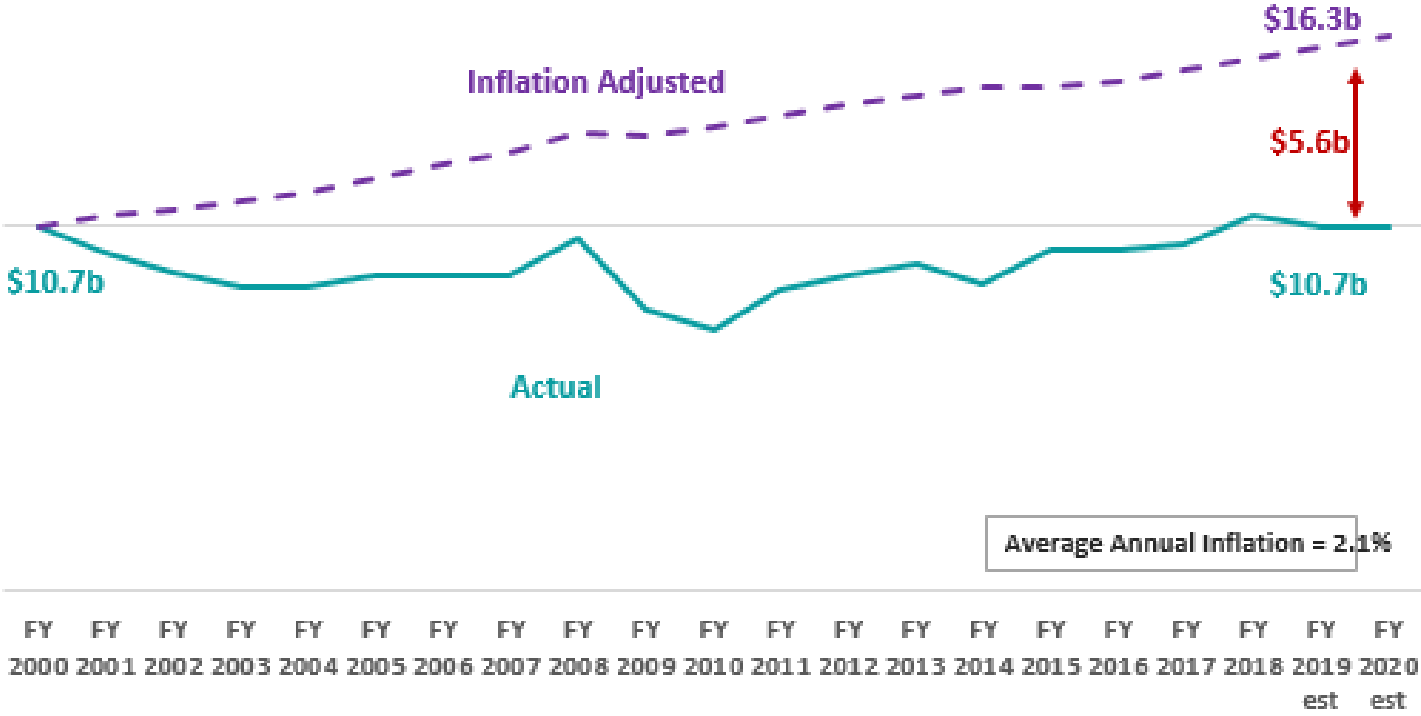
MICHIGAN GENERAL FUND OVER THE PAST 20 YEARS

General Fund – General Purpose Revenue Remains Under \$11 Billion

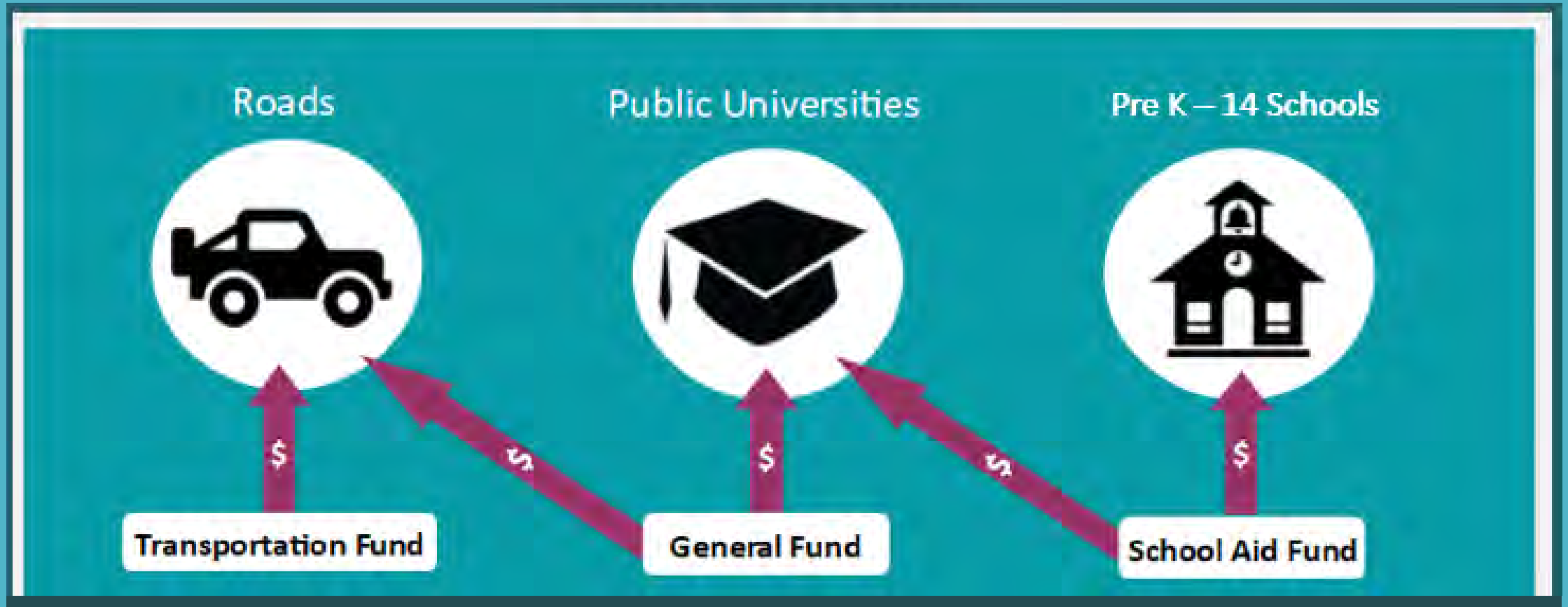
(Graph in billions of dollars)



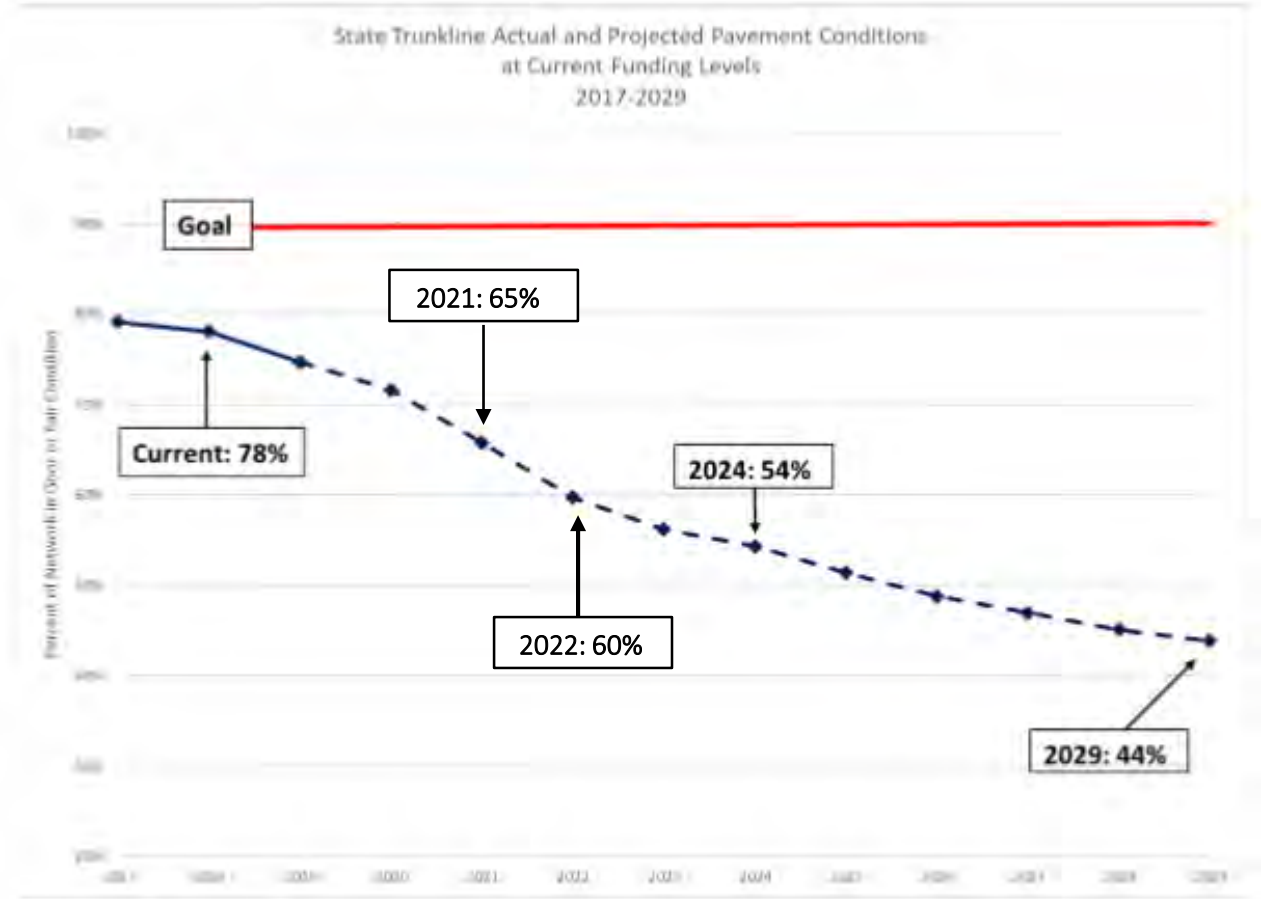
Michigan's General Fund would be more than \$5 billion higher if it had merely kept up with inflation since 2000



CURRENT SHELL GAME



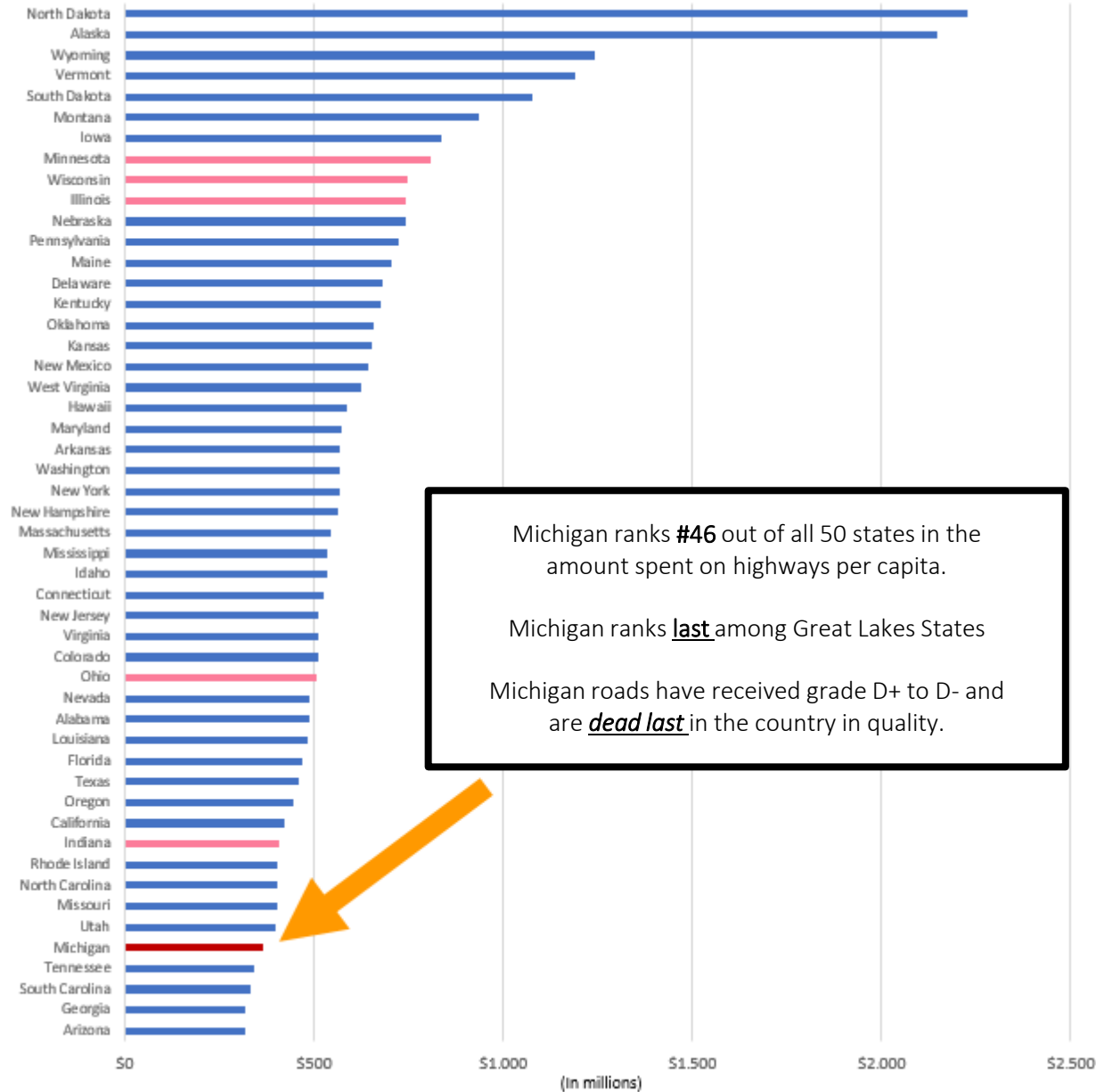
ROADS: MICHIGAN AT A CROSSROADS





CRUMBLING
ROADS
IMPACT US
ALL:
Major state &
local roads in
poor condition

FY 2015 Per Capita State and Local Expenditures on Highways



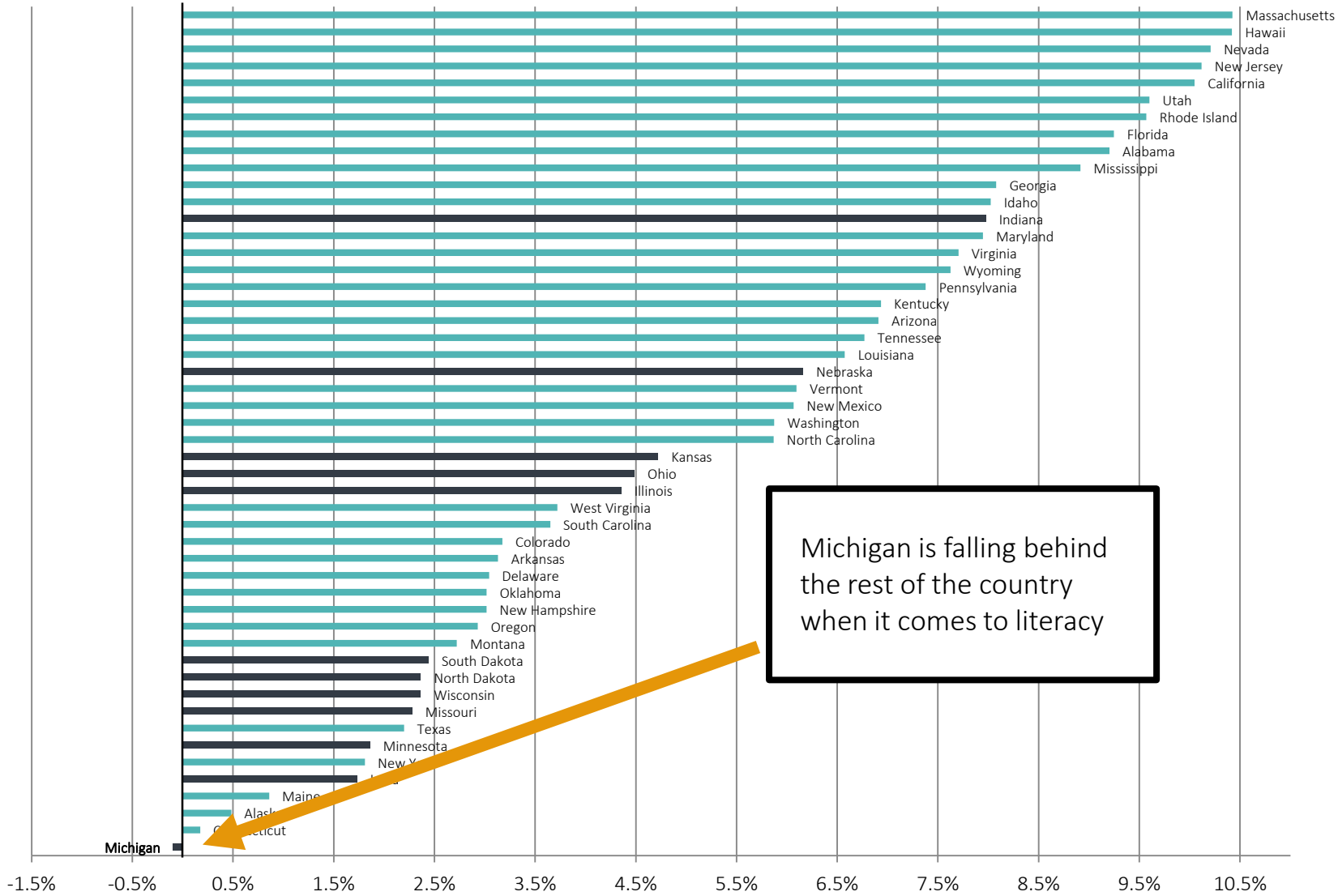
Michigan ranks **#46** out of all 50 states in the amount spent on highways per capita.

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 RANKS
IN THE BOTTOM 5
IN
INFRASTRUCTURE
INVESTMENT

4th Grade Reading Proficiency Change
National Assessment of Educational Progress (NAEP)
Percent Proficient Improvement
2003 - 2017

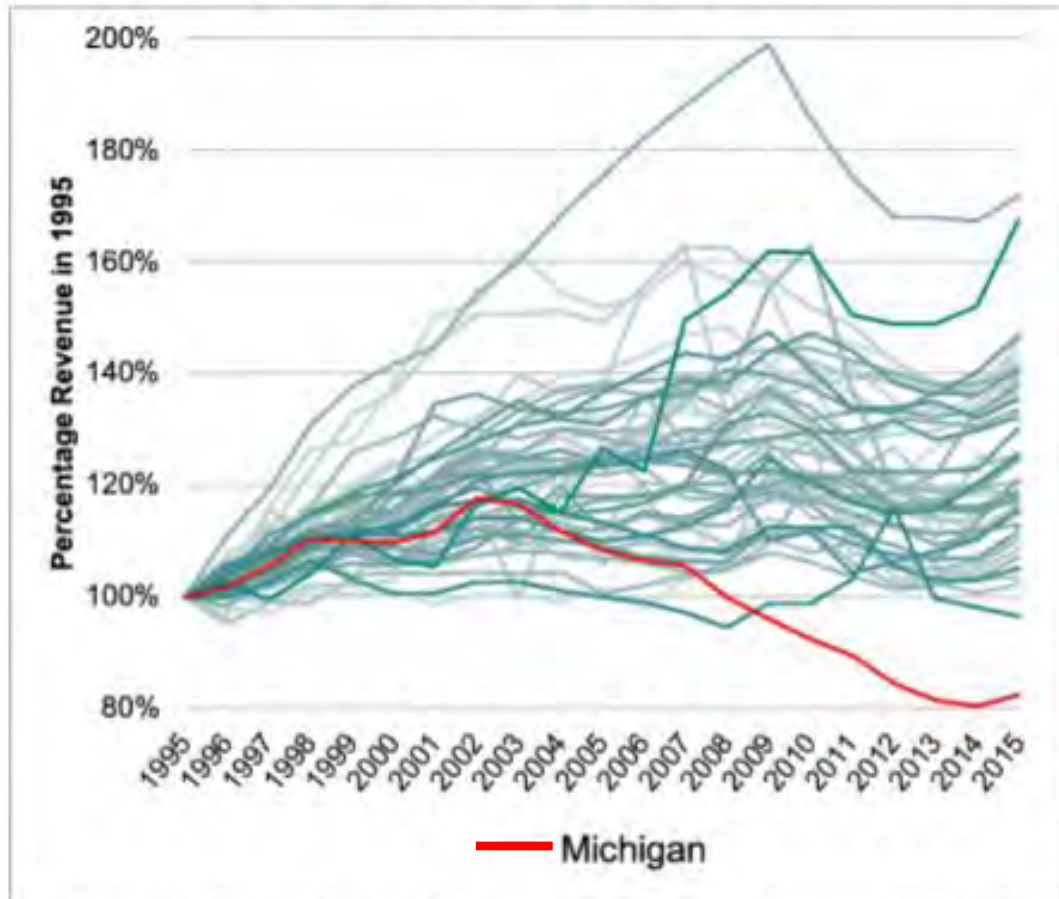


MICHIGAN
KIDS ARE
FALLING
BEHIND

Michigan is falling behind
the rest of the country
when it comes to literacy

EDUCATION: MICHIGAN AT A CROSSROADS

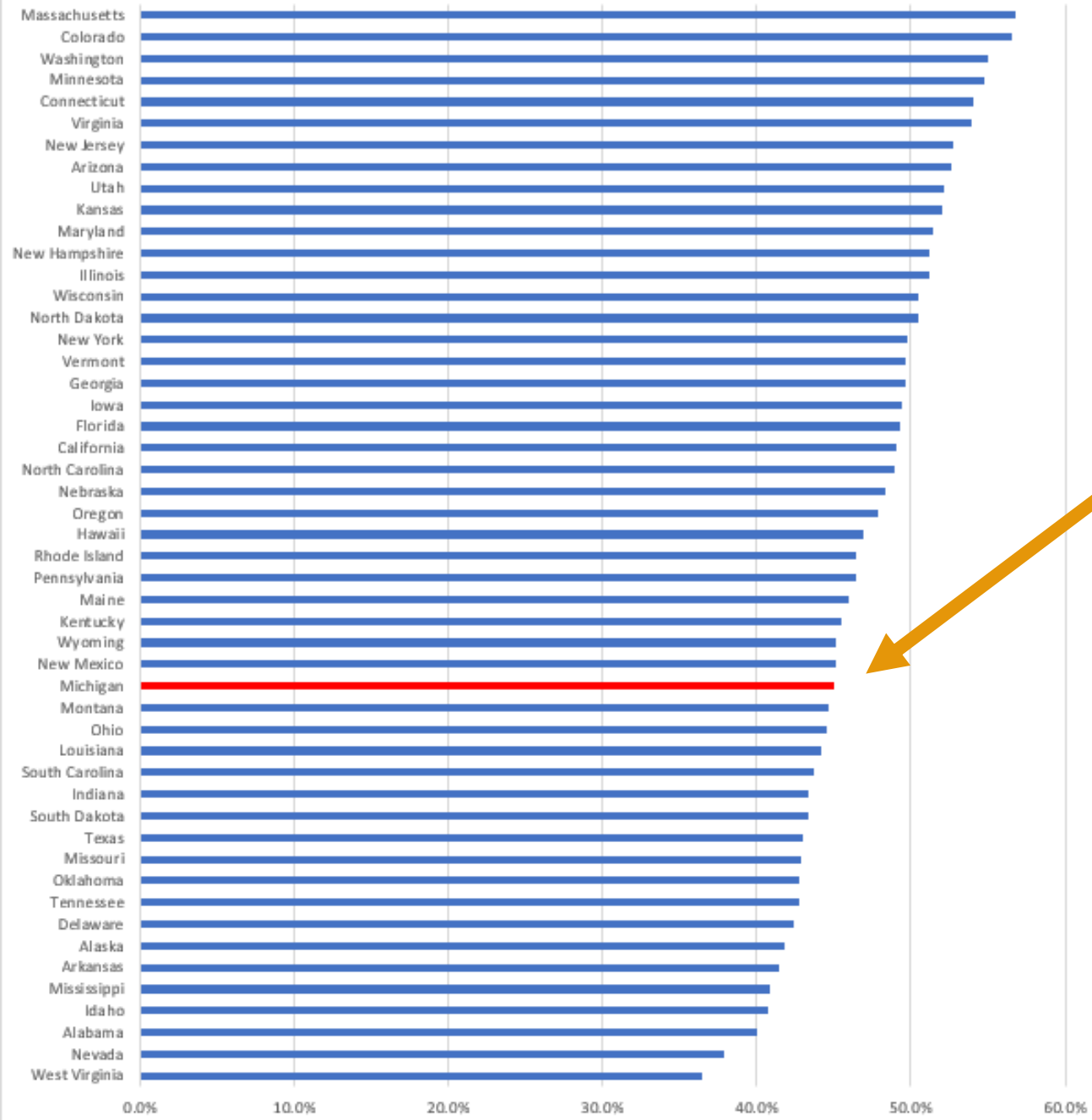
Figure 6. Inflation Adjusted Total K-12 Education Revenue as Percentage of 1995 Revenue, 50 States



Source: National Center for Education Statistics, F-33 Common Core of Data.

Out of the 50 states, Michigan was *dead last* in revenue growth in education funding between 1995 and 2015.

2017 Educational Attainment by State



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



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

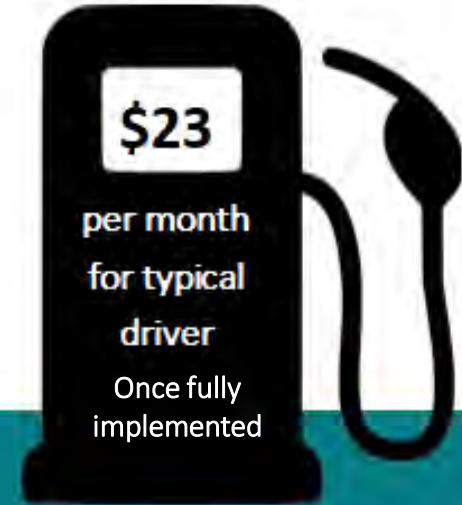
RELIEF

- Increase Earned Income Tax Credit to ease transition for vulnerable families.
- Repeal the retirement tax.
- Lower the cost Michiganders spend on car repairs.

Road to Opportunity



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.

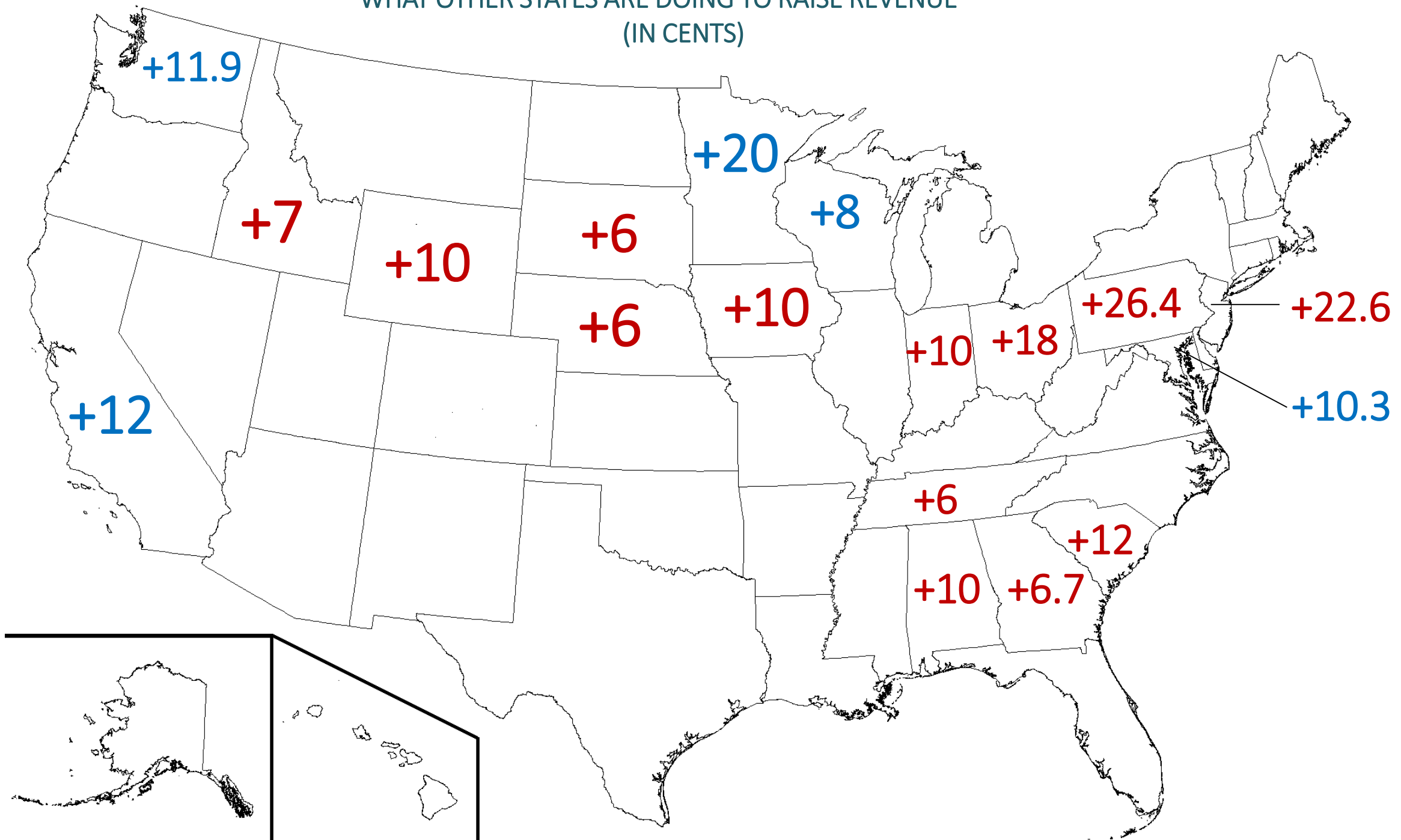


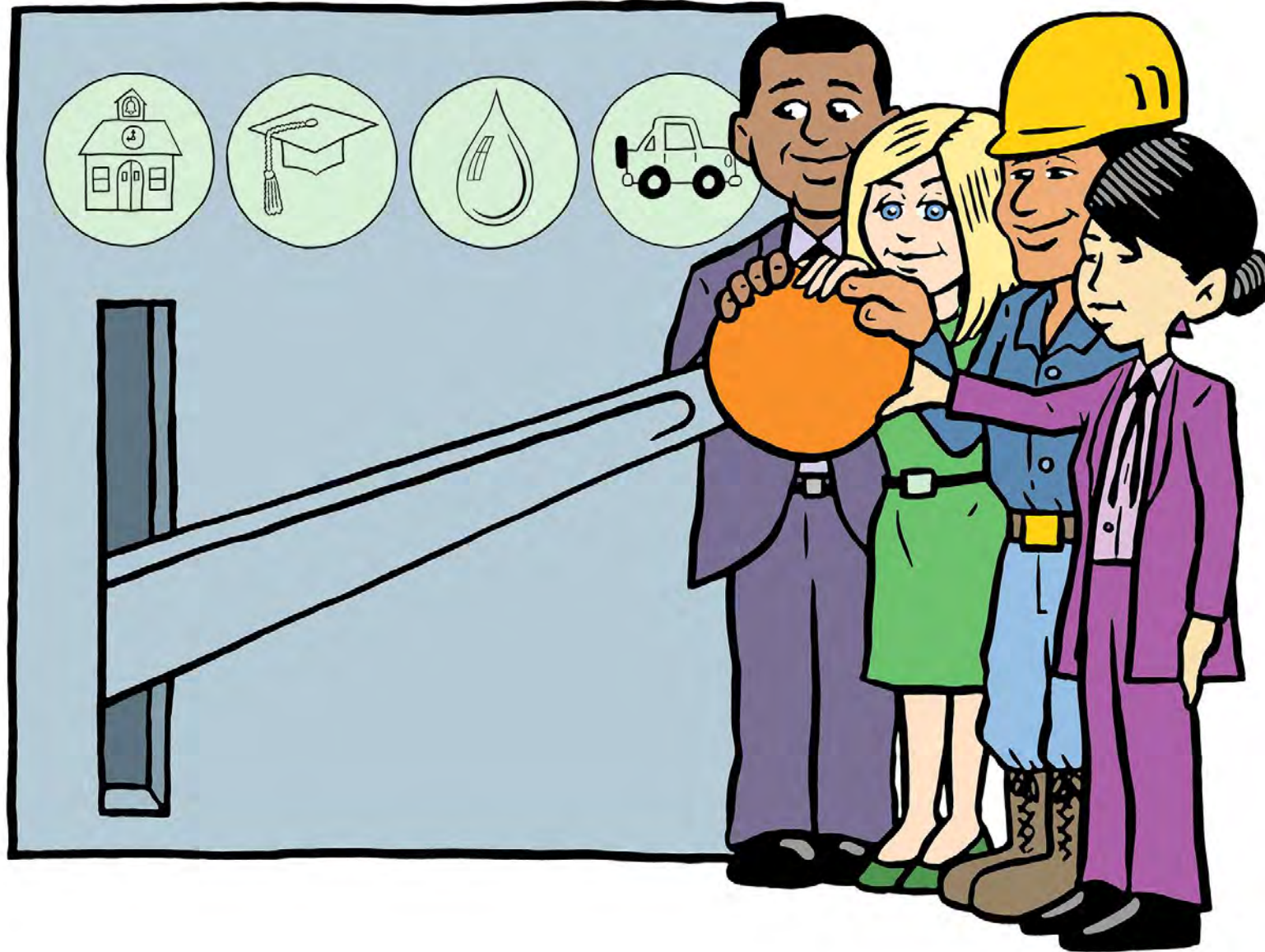
\$646

All drivers will see a reduction in auto repairs related to poor road conditions, estimated at \$646 per year



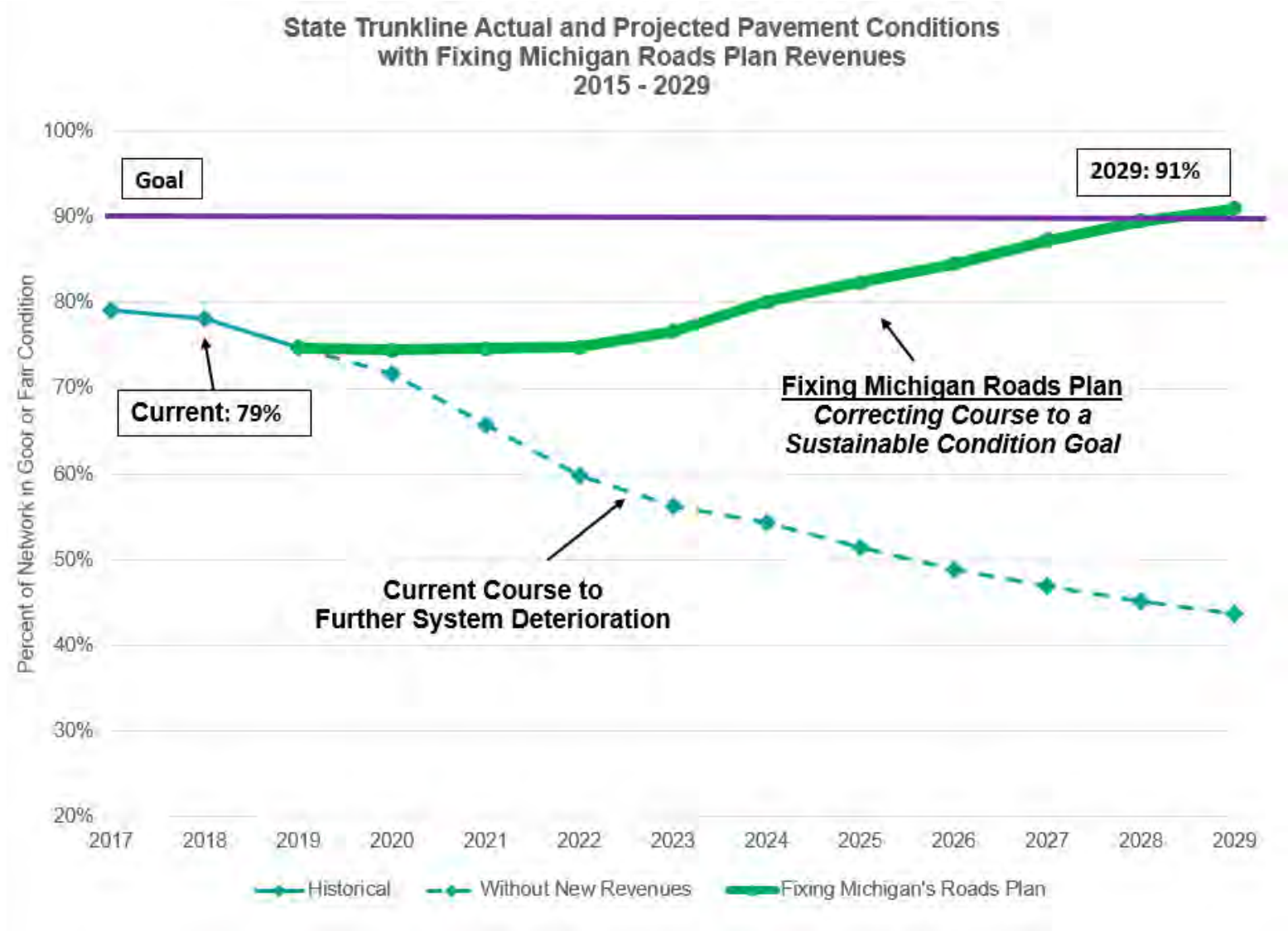
WHAT OTHER STATES ARE DOING TO RAISE REVENUE
(IN CENTS)





ONE HISTORIC VOTE

FIXING MICHIGAN ROADS PLAN



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.



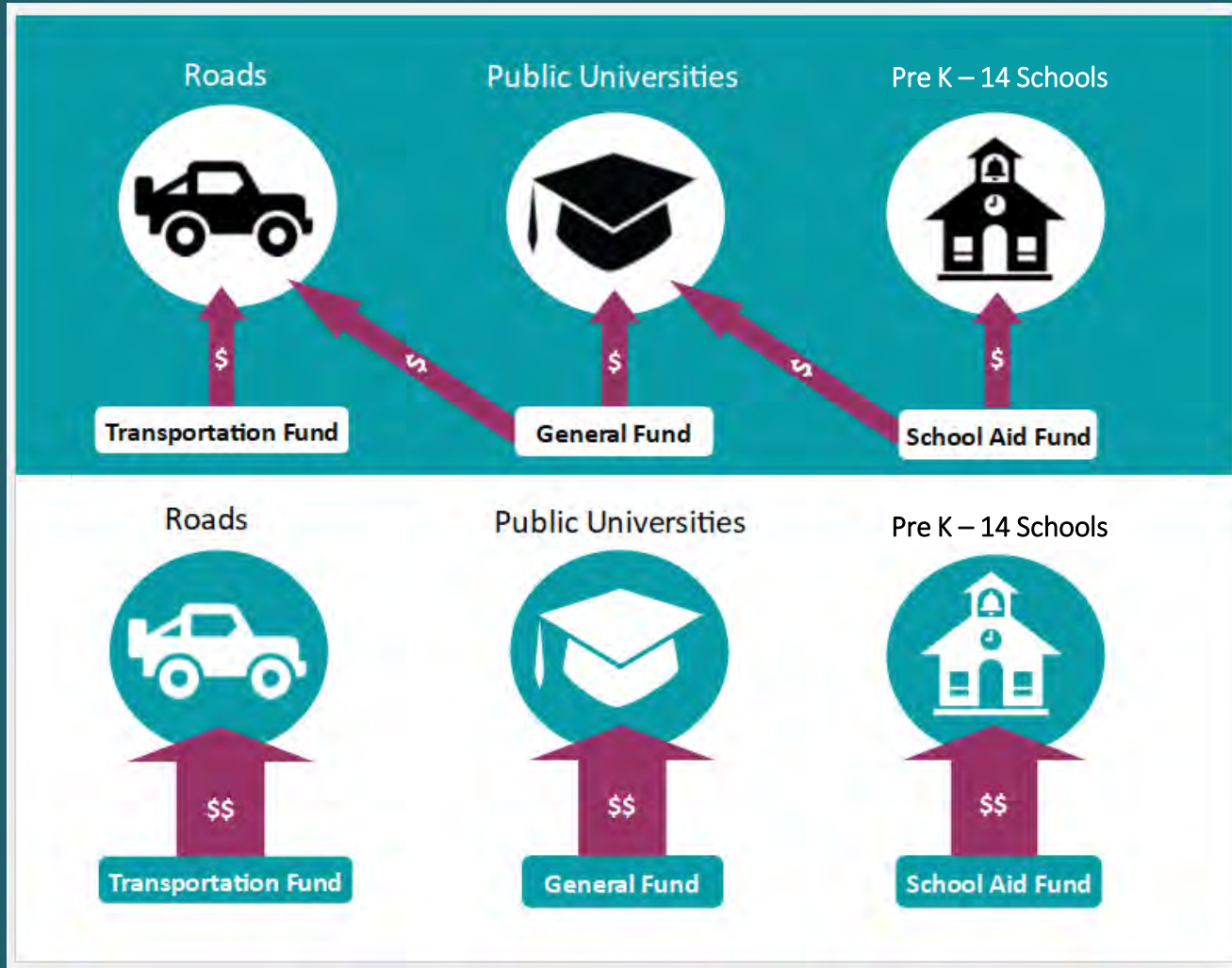
\$60 million to install hydration stations in school buildings.



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.

Current Shell Game



Future Fiscal Responsibility

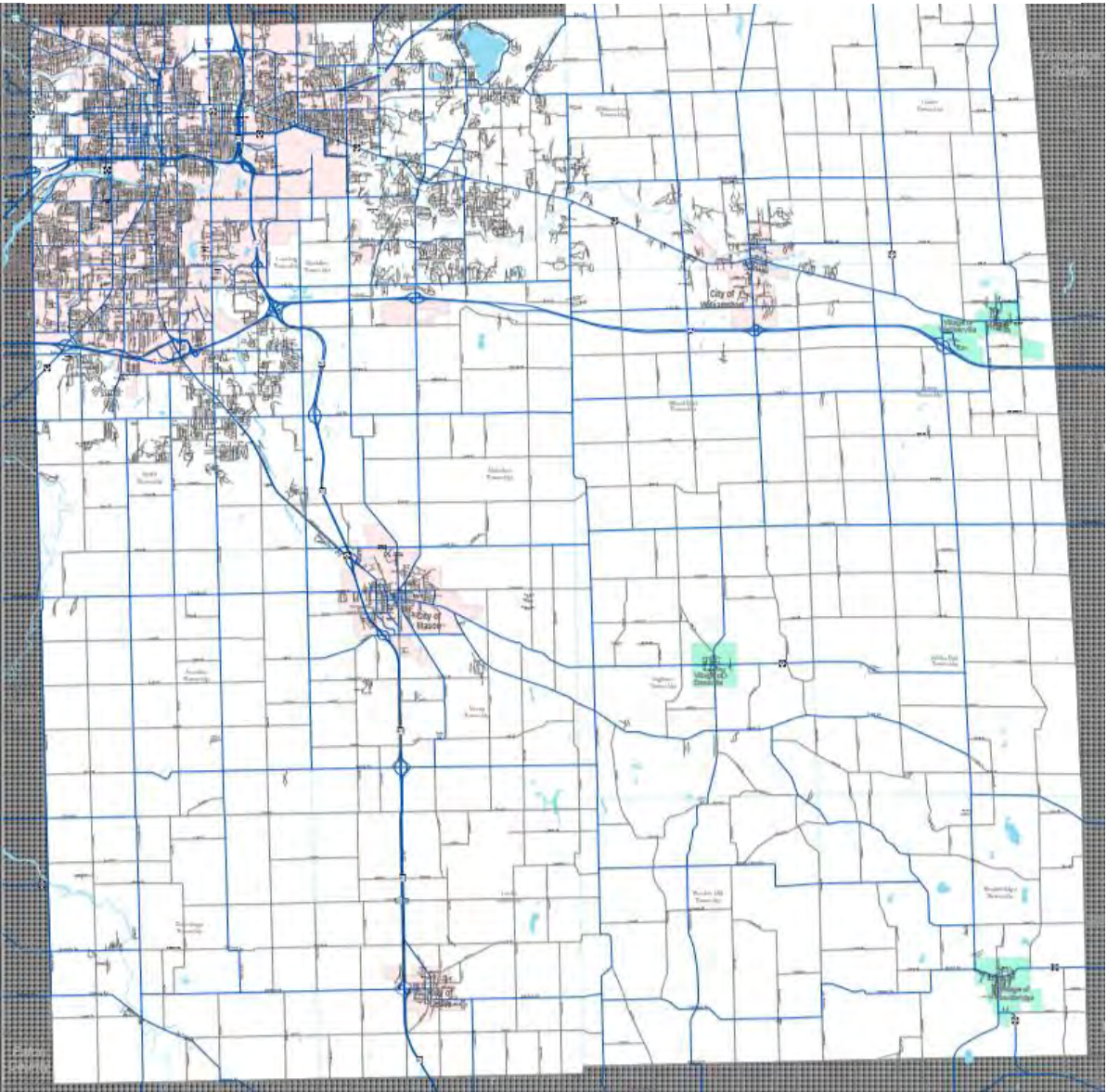
LONG-TERM BALANCE

- 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

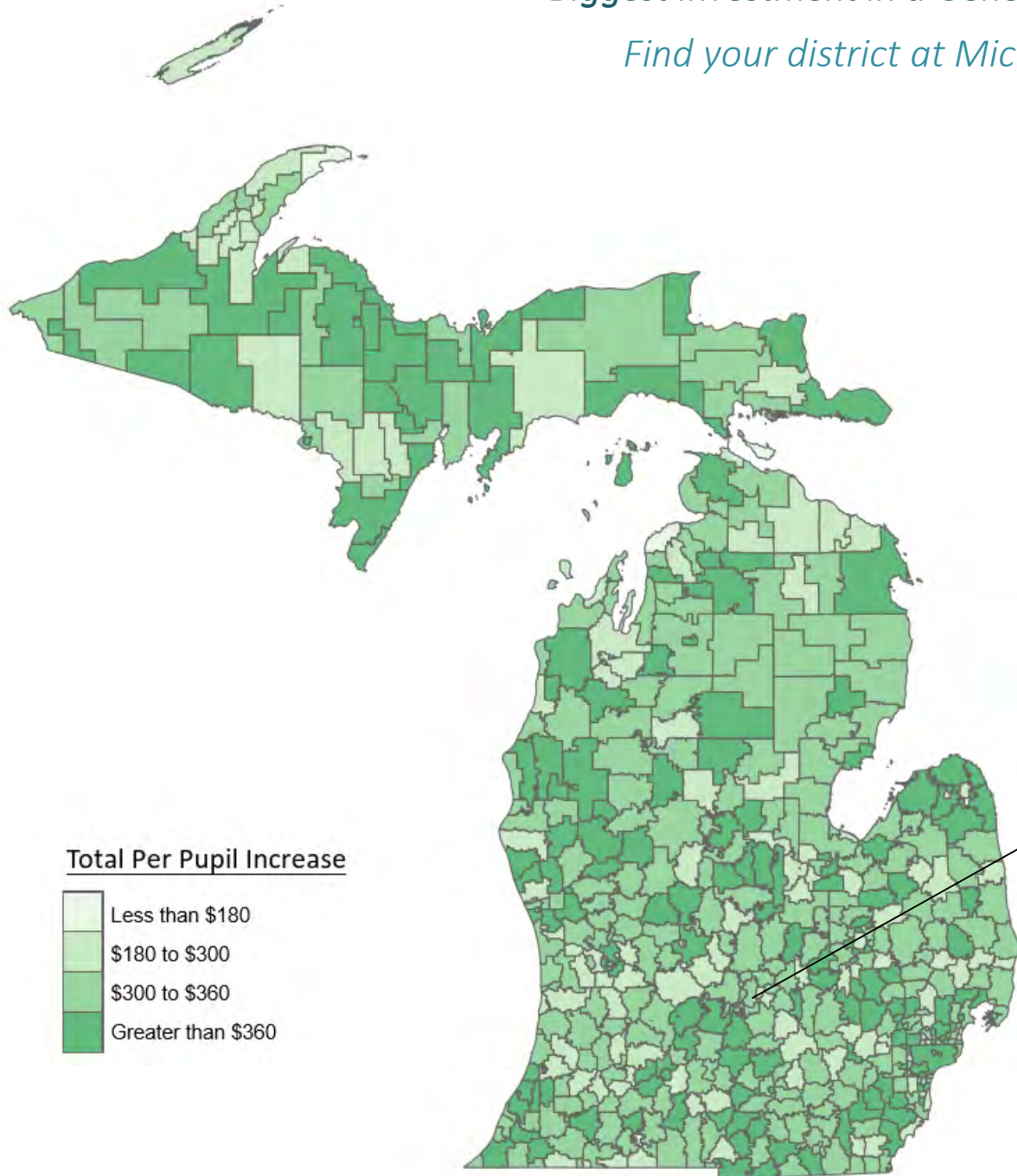
Eligible Roads Under the Fixing Michigan Roads Formula

Ingham County



Biggest Investment in a Generation of Michigan Kids

Find your district at Michigan.gov/budget



Total Per Pupil Increase

