



BUDGET FAQ'S

ROADS

Q: Why can't we fix the roads with taxes from legalized marijuana?

A: *Marijuana taxes wouldn't generate nearly enough revenue to fix the roads in Michigan. It's estimated that the marijuana legalization excise tax dedication will generate about \$23.6 million for the Michigan transportation fund in 2020, less than one percent of the \$2.5 billion needed to return 90% of Michigan's roads to good/fair condition by 2030.*

Q: Why can't we use lottery money to fix the roads?

A: The money from the Michigan lottery is dedicated to the School Aid Fund. If we used the money from the lottery to fix the roads, we would leave a \$1 billion gap in the School Aid Fund.

Q: The budget is \$60 billion. Why can't we find \$2.5 billion in the budget already?

A: *Less than 20 percent of the state budget is funded by discretionary General Fund revenue. Of this, more than 80 percent of the General Fund is for health services, education, and public safety. We would have to pull money from crucial services like police and schools, which would create another underfunding problem and risk public safety.*

Q: Where is the money from the 2015 gas tax increase going?

A: *The 2015 roads package was a bad compromise that never solved the problem and our roads will continue to get worse -- and cost more to fix -- the longer we delay addressing this problem. While the money is going toward roads*

under the old funding formula, it only slowed the decline of our roads, but was not enough to improve the quality.

- *According to the Senate Fiscal Agency: Despite the passage of a road funding package in 2015, designed to add \$1.2 billion in new revenue to the Transportation budget annually, the condition of Michigan's trunkline and local road systems continues to decline.*

Q: Why didn't you include toll roads, fees for heavy truck or bonds in your budget proposal to fix the roads?

A: *After 40 years of disinvestment, we need \$2.5 billion to fix our roads, and the proposal that Governor Whitmer put forward hits that mark and allows us to begin fixing the roads immediately.*

- **Toll Roads:** *Federal law prohibits toll roads on existing roads, so the state would have to build new roads to generate new revenue. Additionally, Michigan is a peninsula/destination state that does not receive the amount of non-resident traffic that other states receive, which would effectively remain a tax on Michigan drivers with the added cost of constructing toll roads.*
- **Fees for Heavy Trucks:** *Heavy trucks typically have a lower fuel efficiency, which results in those trucks contributing a higher percentage toward the fuel tax.*
- **Bonds:** *The budget proposal that Gov. Whitmer put forward is designed to put our state in a position to fix our roads in the present and maintain them in the future. Issuing bonds would be a one-time cash flow, but would not solve the problem in the long term without a consistent revenue stream to maintain the roads.*

Q: How much of the money raised will go toward state roads and how much will go toward local roads?

A: *When fully phased-in, the Fixing Michigan Roads distribution formula will direct \$1.5 billion (70%) to state roads, \$569 million (27%) to local roads, and \$64 million to multi-modal transit, rail, and mobility projects.*

- *In combination with existing funds, overall transportation funding provides 55% to state roads and 45% to local roads.*
- *The new distribution formula targets new revenues to most highly travelled and most economically significant roads, regardless of state or local ownership.*
- *People will be able to find and track the progress of each state and local project online.*

Q: How do I know that my money will be spent on fixing the roads? Where has all of the money gone before?

A: The Fixing MI Roads Plan will put all of the money from the fuel tax into a constitutionally protected fund that will only go toward fixing the roads. In the past, legislators have played shell games with our budget, often raiding the general fund to pay for our roads and leaving less money for things like education. The Fixing MI Roads plan will ensure that the money raised for our infrastructure will only go toward fixing our infrastructure.

Q: The roads in my area are fine, why should I spend money to fix the roads when this doesn't affect me?

A: Right now, 78% of Michigan's roads are in good/fair condition. If continue down the path we're headed, that number will drop to 60% in 2022, and by 2029, only 44% of roads will be in good/fair condition. Our bad roads impact people across the state, and more and more areas will experience dangerous roads if we continue to ignore the problem.

Q: How will any new revenue generated under the proposed fuel tax be spent?

A: The governor wants to make sure that road funding benefits the people who are paying for it. The total transportation budget will utilize two funding methods to distribute resources: (1) Michigan Transportation Fund under PA 51 and (2) Fixing Michigan Roads Fund. When the plan is completely phased in, the Michigan Transportation Fund would receive \$3.3 billion and the Fixing Michigan Roads Fund would receive \$2.1 billion to help reach the governor's goal of having 90 percent of state roads in good or fair condition.

Q: Will the governor's new plan favor urban roads over rural roads?

A: This isn't a regional issue; all Michiganders drive on poor roads. Under the plan, \$2.1 billion in new revenue will fall under a new funding formula that will prioritize the highest-traveled and most economically-significant roads because funding should benefit the people who are paying for it. Additionally, prior revenue streams (\$3.3 billion) that fell under PA 51 will still be allocated under that funding formula.

Q: The gas tax will hit hardworking families like mine the hardest. How will you make sure I can still afford to support my family if this is implemented?

A: Once fully implemented, the fuel tax will cost the average driver \$23 per month, or less than a dollar a day. To mitigate that cost for low-income families and retirees, the governor will:

- *Double the Earned Income Tax Credit from 6% to 12%, saving low-income families an additional \$30 per month.*
- *Repeal the Retirement Tax, which will save 400,000 Michigan households \$65 per month.*
- *Reduce the \$646 hidden tax the average Michigan driver spends on car repairs each year.*

Q: When will the EITC be doubled?

A: The EITC will be doubled over the course of two years. The first year, it will go from 6 percent to 10 percent, and then from 10 percent to 12 percent in the second year.

Q: Doubling the EITC and repealing the Retirement Tax doesn't affect me. Why should I pay more at the pump if I'm not getting any relief?

A: The amount that the average Michigander spends each year to fix their cars just jumped up to \$646. As we continue to ignore our deteriorating roads, this cost will continue to go up, and Michiganders across the state, no matter their location, party, or income, will continue to shell out hundreds of dollars each year to fix their cars. Fixing the roads will lower this cost for people everywhere.

PRE-K

Q: When will the eligibility thresholds be raised so my child can be eligible for the program?

A: Under the proposed budget, the income eligibility threshold for Michigan's child care program will be raised on January 1, 2020.

- *The threshold for GSRP will be raised October 1, 2019.*

Q: How do I know if my child is eligible for Michigan's child care program or GSRP under the new budget?

A: This budget increases the eligibility threshold for the Michigan child care program to 140% of the federal poverty level, or \$29,092 for a family of three. If your family meets that requirement, your child is eligible.

- *To be eligible for GSRP, children must live in a household with an income of 300% of the federal poverty level or less, which equates to \$77,250 for a family of four.*

Q: How will this investment help solve our literacy crisis?

A: *When more families have access to quality, affordable pre-k, their kids can enter kindergarten ready to learn. This budget will ensure more kids have the resources they need to be literate by the end of third grade.*

K-12

Q: **How do I find out how much per-pupil funding will increase in my district?**

A: *You can find an interactive district-by-district school funding map at michigan.gov/mibudget or at the bottom of this email. This map includes the per-pupil foundation increase, special education increase, at-risk increase, and CTE increase.*

Q: **Will the governor need to raise more taxes to raise the \$507 million to invest in schools?**

A: *When we raise the \$2.5 billion needed to fix the roads with the fuel tax, that frees up \$507 million from the School Aid Fund that had been previously raided to fill gaps in the general fund.*

Q: **Does the \$507 million increase also apply to higher education?**

A: *The \$507 million from the School Aid Fund will go toward grades Pre K-14. Public universities will be funded by General Fund dollars and will see a 3 percent increase, or an additional \$45.6 million for university operations.*

HIGHER EDUCATION

Q: **How do I know if I'm qualified for the Michigan Reconnect program?**

A: *The Michigan Reconnect program targets students over the age of 25 who have a high school diploma but no further education. To be eligible, students must be:*

- *Age 25 or older.*
- *High school graduate or equivalent, without associate or bachelor's degree.*
- *Michigan resident for at least 1 year.*

Q: When do the MI Opportunity Scholarship and Michigan Reconnect Program start?

A: Under the proposed budget, the Michigan Reconnect program would be available to students in the Summer of 2019.

The MI Opportunity Initiative will be available to students in the Fall of 2020.

DRINKING WATER

Q: I live in a community with PFAS contamination. When will this funding kick in so we can address the water contamination in my community?

A: The governor has asked the Legislature to appropriate this funding right away, not as part of her budget recommendation for next fiscal year but as an addition to this current fiscal year, so that we can get to work on cleaning up our known PFAS sites this year.

Q: Will you target communities with higher levels of PFAS contamination in their drinking water first?

A: The Department of Environmental Quality will be identifying those PFAS sites that are most in need of the funding first so that we can address the most immediate and critical contamination sites as soon as possible. More details about where the funding will be utilized will be released by the DEQ.

Q: What counts as a hydration station?

A: Hydration stations are combination water fountains/bottle filling stations that filter out contaminants, leading to improved water quality and also reducing the use of plastic water bottles.

- The goal is to provide at least 1 hydration station per every 100 pupils per school building.*