



## **Governor Whitmer Releases FY 2020 Budget Proposal**

***By Natalie Rogers, junior policy associate***

On March 5, 2019, Governor Whitmer released her detailed budget proposal for FY 19-20. The \$60.2 billion budget marks a 3.6% increase in spending from last year's budget, and addresses key areas in Whitmer's agenda: roads, infrastructure and education.

### **Roads**

- Includes a 45 cent per-gallon increase in the gas tax to fund promised road repairs phased in over one year: a 15 cent hike on October 1, another 15 cent hike April 1, 2020 and the final 15 cent increase scheduled for October 1, 2020.
- The fuel tax increase would raise an extra \$2.5 billion, with the greatest proportion of that money to be spent on repairing the most heavily traveled and economically important roads
- Would bring 90% of Michigan's roads into good or fair condition

### **Education**

- Includes \$507 million in increased funding for K-12 schools
- Increases funding for students who are economically disadvantaged by \$102 million, a payment of \$894 per student
- Recommends a \$180 per-pupil hike in school spending for districts at the bottom of the funding scale, and a \$120 increase for schools now receiving the highest funding grants
- Includes boosts in spending for Michigan students with special needs: \$240 per-pupil increase for schools receiving lowest grants and \$120 increase for those receiving highest grants
- Calls for a 3% increase in funding for universities and community colleges
- Increases the Career and Technical Education funding by \$50 million to \$109 million

- Triples the number of literacy coaches from 93 to 279, with the state taking on the entire cost instead of counties contributing half
- Includes a 35% increase in total funding for the Great Start Readiness preschool program and an increase in the eligibility level from 250% the of poverty level to 300%, allowing an additional 5,000 children to enroll in the program

#### **Infrastructure**

- Calls for \$120 million to improve drinking water infrastructure and address contaminants
- Includes \$13.9 million in the Health and Human Services budget to enhance monitoring of and responsiveness to the human impact of emerging public health threats
- Proposes \$8.1 million for lead abatement, lead poisoning prevention, early childhood home visiting initiatives, nutrition and children's healthcare services

#### **Additional Changes**

- Doubles the MI Earned Income Tax Credit from 6% to 12%
- Repeals the expanded taxation imposed on retirees, giving taxpayers older than 67 an option to either deduct their retirement income or claim a deduction against all of their income
- Proposes that all businesses pay the 6% Corporate Income Tax with some credits and deductions available
- Asks for an additional \$10 million to help people meet Healthy Michigan Plan work requirements
- Includes an additional \$2.5 million in grants to support local projects targeting infrastructure, public safety, blight removal and other community revitalization projects

The FY19-20 fiscal year begins October 1, 2019. For the past eight years, the budget has been passed in June, but that was when state government was under all-Republican control. Governor Whitmer's gas tax increase has been met with criticism from her Republican constituents, despite freeing up \$600 million in the general budget. "Potential is universal, but right now, opportunity is not," Whitmer said in her State of the State address. A bipartisan effort will be imperative as Governor Whitmer seeks to invest in Michigan's residents.