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Gov. Whitmer talks gas tax, roads and literacy in Port Huron

[Jackie Smith and Jeremy Ervin](#), Port Huron Times Herald - March 15, 2019

Gov. Gretchen Whitmer stuck closely to the agenda backing her recently unveiled budget plan when she swung through Port Huron Friday.

As part of a short series of stops, including one in Richmond, the governor's office promoted the visit as a continuation of her "Road to Opportunity Tour."

In an interview with the Times Herald Friday morning, she said it was part of a bigger push to educate the state on the issues.

"We've spent the two years getting across the state and all 83 counties," Whitmer said.

"Right after I took my oath of office, I got on a listening tour that informed the budget that I've introduced. This is really about making sure people (understand) the magnitude of the problem and what a real solution looks like."

Whitmer unveiled her first proposed budget plan as governor on March 5.

Among its highlights include three 15-cent fuel tax hikes over the next two years, generating \$2.5 billion in new transportation revenue — to be deposited in a budget-specific pot. It also doubles earned income tax credit over two years to offset the burden the tax increase would put on working families. Additionally, her budget puts up \$120 million to improve drinking water infrastructure with an extra \$1.9 million to be put toward a "drinking water compliance assistance unit" and \$60 million put aside for school hydration stations.

On schools for the next 2020 fiscal year, Whitmer proposes \$13.8 billion for K-12 systems. That includes \$235 million for additional classroom resources and other resources of between \$120 and \$180 per-pupil funding; \$120 million, \$102 million and \$50 million more for special education, at-risk and career and technical education students, respectively; and \$85 million in expanded funding for the state's Great Start Readiness Program, totally \$328.9 million.

On Friday, she spoke about each issue — connecting the dots as if fixing literacy gaps, she said, closes the state's industry skills gap, drawing residents to communities where roads and water infrastructure systems are being addressed.

"When they see it, they really understand what we're trying to accomplish," Whitmer said of her message, "and I think, are more eager to tackle the problem now before it gets so expensive we may never actually recover."



Patched potholes along 10th Street in Port Huron, Feb. 28. (Photo: Brian M. Wells/Times Herald)

ROADS

Some local road officials have shied away from speculating about the effects of Whitmer's budget, as they did three years ago leading up to the \$1.2 billion budget package passed under Gov. Rick Snyder.

That, like Whitmer's, included a fuel tax increase but also shifted state funds to incrementally distribute more Michigan Transportation Fund money to local communities through the early 2020s.

Earlier this week, both Dave Smith, Port Huron's engineering manager, and Kirk Weston, the St. Clair County Road Commission's managing director, said it wasn't clear how the latest tax hike would impact their budgets, adding they would have to wait to see what lawmakers change.

But where local officials said the last road fix may have faltered — Smith said the city had only been able to fix a few more potholes with extra funds after equipment, material and labor costs — Whitmer said her plan is meant to reset the course.

"Filling potholes is not a long-term strategy," she said. "It just puts off the hard work we're all going to have to do. And it robs the school aid fund of dollars that should be going to educate our kids. So, we're not doing any of it well. We've got communities that can't drink their water, we've got roads that continue to cost us because we've got to repair our cars, and the roads continue to get bad. It's a hidden tax that doesn't even fix the problem."

Revenue from her proposed fuel tax hikes would go to a specific fund — dubbed the "Fixing Michigan Roads Fund" — targeting the worst-rated roads in the state, Whitmer said.

It also replaces diversions from the state's general fund the 2015 package instigated. According to the state budget office's 2020 roads recommendation, distributing funds from that new pot would replace the state's

decades-old formula. On Friday, Whitmer said the "old formula is based on a formula from 1951."

"It's not more of the same," she said. "... And that's why these additional dollars that this will raise will go through a new fund that ensure they go to the roads that are in the worst shape and in the most economically important parts of the state."

Whitmer also promised, "It's not limited to M-roads."

The governor's "Fixing Michigan Roads Fund" maps listed online, however, show greater concentrations of "eligible" roadways in larger populated areas. Those eligible for funding include interstates, other freeways and expressways, and other principal and minor arterial roadways.

In Port Huron, for example, that includes Huron Avenue and Military Street through downtown; Military Street, Electric Avenue, and Pine Grove Avenue; Oak, Griswold, Court and Union streets; and other major local roads that extend outside the city's limits. It doesn't include the majority of neighborhood and local roads.

Whitmer's plan stipulates more than \$2.1 billion in new transportation revenue, including the first installment of \$325 million additionally to the MTF.

Four percent of the 2020 and 2021 reported incomes for the "Fixing Michigan Roads" plan would go toward local bridges and 2 percent to local rural economic corridors. Almost half goes toward interstates and other freeways. Thirty percent goes toward principal arterial roads, or high-traffic routes connecting cities. About 22 percent and 48 percent of state trunklines and local roads are rated in "poor" conditions, according to the Michigan Transportation Asset Management Council's 2019 pavement comparison. **A new report released this week — from TRIP, a national transportation research group — also estimated Michigan drivers' vehicle operating costs averaged an extra \$646 a year because of the state's crumbling roads.**

Without a final fix to the state's infrastructure problem, Whitmer argued that cost to motorists will continue to grow. She also defended the tax hike as the best option to raise the revenue because it comes from the people using the roads.

Still, she said she's willing to compromise.

"An income tax would go to like 6 percent, a corporate (tax) would go to 18 percent to cover this bill, and neither of them would

guarantee the money actually goes to roads," Whitmer said.

She added, "If someone doesn't like this way of going about it but has an alternative that gets us to \$2.5 billion, I'm certainly open to having that negotiation."



Michigan Governor Gretchen Whitmer stands for a photo after reading to second grade students at Port Huron's Crull Elementary on March 15, 2019, in Port Huron, Michigan. (Photo: Jeremy Ervin/Times Herald)

EDUCATION

How school districts would benefit from Whitmer's budget proposal varies across St. Clair County.

After reading to some students at Port Huron's Early Childhood Center Friday, Whitmer swung over to nearby Crull Elementary School, where she read "Rosie Revere, Engineer," to a group of assembled second-grade students.

Afterward, she took a few minutes to receive questions from the students.

Under just one piece of her budget, the Capac Community School District, for example, would receive a \$409 increase of per-pupil funding, which includes a \$180 foundation allowance increase per pupil, \$38 special education increase per pupil, \$122 increase for at-risk students per pupil and a \$69 increase for career and technical education per pupil.

The Port Huron Area School District would receive a per-pupil increase of \$344 — from a \$180 increase in foundation allowance funding, \$57 increase in special education, \$80 for at-risk and \$27 increase for CTE students.

"When you talk about a child in a district with more poverty, it just costs more to educate," Whitmer said. "That's why we put some equity in the budget in at-risk funding, same with special education.

"That's why Port Huron's number is so much greater than a standard per-pupil foundation allowance between \$120 and \$180, that every district is going to get. Port Huron is taking a much bigger step forward because we're taking these things into account."



Michigan Governor Gretchen Whitmer holds a copy of "Rosie Revere, Engineer," which she read

to second grade students at Port Huron's Crull Elementary School on March 15, 2019 in Port Huron, Michigan. (Photo: Jeremy Ervin/Times Herald)

Whitmer said addressing dwindling population was a concern across the state.

Schools in St. Clair County compete for a shrinking pool of students each year. During the 2013-2014 school year, schools under St. Clair County Regional Educational Service Agency had 24,005 students, according to the Center of Education Performance and Information. By 2017-18, that number fell to 22,261.

Whitmer also said addressing fundamental services was key to growing Michigan's population.

"You can't turn on your drinking water in your home, how is any business going to lure talent into Michigan when we know how we rank and how we stack up on important things like literacy," she said. "That's why I keep going back to the fundamentals in growing our population. That is critically important to the long-term success of our state and economic fortitude."

Whitmer's budget includes \$31.5 million for state-funded literacy coaches — an increase of \$24.5 million.

"We know that tripling the number of literacy coaches will make an incredibly important step forward on meeting the needs of kids in this state," Whitmer said.

She said she had met numerous teachers statewide who want to be successful but feel demoralized in their profession. Providing literacy coaches in schools, she said, would help give teachers the support they need to ensure students are getting the necessary literacy skills.

"We are last in literacy. That means 49 other states are meeting their children's needs better than the state of Michigan is," Whitmer said. "That is an abomination.

"If we don't fix that outcome, our future is not solid, our economy is undermined, our ability to compete is undermined as well."

Port Huron Schools Superintendent Jamie Cain said he was honored to host Whitmer at the schools, and he was encouraged by the content of her budget proposal.

"I think it's aggressive and bold, I think it's necessary for the state of Michigan," Cain said. "It's long overdue."