



STATE OF MICHIGAN  
EXECUTIVE OFFICE  
LANSING

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GOVERNOR

BRIAN CALLEY  
LT. GOVERNOR

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## **Gov. Rick Snyder's 2019 budget maximizes Michigan's momentum, provides tax cuts for Michiganders**

*Key investments address transportation and infrastructure, education, safety, and the environment*

LANSING, Mich. — Gov. Rick Snyder, along with Lt. Gov. Brian Calley and incoming State Budget Director John Walsh, outlined the Fiscal Year 2019 executive budget recommendation to a joint session of the House and Senate Appropriations Committees today.

The final executive budget recommendation from Gov. Snyder capitalizes on the positive momentum that has been created by his implementation of fiscally responsible policies and investments throughout his tenure. The fiscal year 2019 budget recommendation includes investments that will more immediately improve Michigan's highways and bridges, increase the safety of communities, and provide students the support they need for a successful future. Also, several tax cuts are providing additional relief for Michiganders.

“We have accomplished so many great things together since I first took office, but our work is not done,” Gov. Snyder said. “The budget I presented today is exactly what we need to keep the state moving in a positive direction. By continuing our relentless support of areas like education, safety, and transportation, we maximize the impact of the strategic initiatives we have implemented over the years. We need to ensure that the important work happening here in Michigan keeps accelerating.”

The total budget includes \$56.8 billion, which is an increase of 0.6 percent from the previous year. The 2019 general fund stands at \$10 billion, which remains unchanged from the previous year. Inflation for FY2019 is estimated to be 1.9 percent.

“All indicators show Michigan heading in a very positive direction, and the ground we have covered since Gov. Snyder took office cannot be ignored,” Lt. Governor Calley said. “We rank number one in the Great Lakes Region for private-sector job growth and per-capita income growth. We have seen the lowest unemployment rate in 17 years. It is important that we keep this positive traction going to provide the right support for Michigan not only for today but also for tomorrow.”

Michigan once was ranked at or near the bottom in many areas of economic prosperity when compared to other states. Under Gov. Snyder’s leadership, the state has seen a remarkable comeback. Michigan now ranks number one in manufacturing jobs, and has the second most diverse agricultural industry in the country. In-bound migration is on the rise, as well as home prices. By implementing fiscally responsible budgets, the prosperity of the state is outpacing many others in the Great Lakes Region and in the nation.

“The momentum we have seen in the state during the past several years is turning heads,” said incoming State Budget Director John Walsh. “Not only are we making sure we have a sound, balanced budget that Michiganders can feel good about – we are paying down long-term debt, maximizing returns on program investment, and saving taxpayers money.”

A large part of the budget story reflects tax reforms that have been adopted in the preceding years, which will have a direct and positive impact on residents and businesses in FY2019. The Homestead Property Tax Credit will see an increase of \$300 for hardworking homeowners and at the same time see an increase in the income cap of \$10,000 – benefitting even more families. Sales tax on trade-in vehicles is phasing out, and Personal Property Tax reform will aid businesses across the state, helping to further grow the economy and create more private-sector jobs.

Other investments and highlights of the FY2019 executive budget recommendation include:

### **Investing in Michigan Roads and Infrastructure**

In 2015, the governor signed a \$1.2 billion road funding package to address the state’s crumbling infrastructure and provide a long-term solution for the state. This budget recommendation supports the road funding package and further invests in the repair of Michigan roads.

- A total of \$150 million to support the required deposit to the road funding package.
- An accelerated commitment to the road funding package of \$175 million from the state’s general fund for a total of \$325 million. This matches the investment required for 2020.
- Combined with over \$600 million in new revenue generated by the 2015 package, the required deposit of \$150 million, and the accelerated commitment of \$175 million, increased resources approach nearly \$1 billion for maintaining and improving Michigan’s transportation infrastructure.

### **Providing Quality Education for Students from Kindergarten through College**

Gov. Snyder's relentless support for K-12 education is again made clear in the 2019 budget recommendation by the highest increase in the minimum per-pupil funding amount in the past 15 years, with additional funding for high school students and those students in career and technical training programs. Special needs students and at-risk students also see investments.

- Total funding for K-12 schools in Michigan is set at \$12.6 billion. Since FY2011, schools have seen a \$1.9 billion increase in funding.
- Per-pupil spending sees a \$312 million investment. This provides a \$120 to \$240 per-pupil increase.
- Up to a \$50 investment per high school student enrolled in a career and technical training program also is included.
- To benefit Michigan's 200,000 children with special needs, a recommendation of \$1.4 billion is included to provide them with critical services and support. Another \$5 million in new funding will support the Early On program to help identify and address learning needs as soon as possible.
- University funding will see a 2-percent increase in the FY2019 budget recommendation to provide students with more access to higher education opportunities.

### **Investing in Michigan's Safety**

Ensuring the safety of Michigan's cities and counties continues to be a top priority for Gov. Snyder. The FY2019 budget recommendation reflects this with further investments to support the security of the state.

- An additional 50 Michigan State Police (MSP) troopers will be funded with \$3.8 million on-going funding, and a \$3.1 million one-time payment
- Funding to support 80 new MSP troopers for the state's attrition school is recommended in the amount of \$3 million.
- The Department of Corrections will train over 350 corrections officers to fill department vacancies with the support of \$9.2 million.
- The Department of Natural Resources will fund 10 new conservation officers with a recommended \$1.5 million investment.
- To help reduce and eliminate sexual assault on college campuses, the governor recommends a \$600,000 investment for the Sexual Assault Prevention and Education Initiative.

### **Commitment to a Clean Environment**

- In an effort to ensure we are leaving the best state possible for our children, Gov. Snyder places special importance on making sure the state has a Pure Michigan in which they can prosper. To do this, a projected \$79 million in revenue from the Renew Michigan Initiative will replace bond funds that have been depleted, help clean up contaminated sites, improve solid waste management and recycling, provide water quality monitoring, and improve state parks infrastructure. The average cost per family is just \$4.75 each year.

- To address the extensive water infrastructure needs across the state, a Water Infrastructure Investment of \$110 million will fund integrated asset management, grant and loan funds for water and sewer infrastructure, and start a fund for water and sewer emergencies. The phased in maximum cost is just \$5 per person each year for water systems of 1,000 users or more.

### **Strategic One-time Investments**

Along with continuing investments, the governor recommends several one-time investments that support people and programs across Michigan. These strategic investments are a responsible way to use taxpayer dollars to make investments in technology, the economy, and other important areas that are critical to state success.

- A \$20 million investment in statewide broadband access will help Michiganders in all corners of the state access fast and reliable internet services. This will strengthen the state's position in the 21<sup>st</sup> century and beyond.
- Continuing his strong commitment to fiscal responsibility, the governor proposes using \$112 million in one-time lapsed funds from fiscal year 2017 to provide an up-front pre-payment on capital outlay projects. Of the \$112 million, \$42 million would be used for veteran home construction in Grand Rapids and Detroit, while the remaining \$70 million would be used for the current infrastructure upgrades to the state Capitol. A total savings of \$48 million in interest costs is avoided through this pre-payment.
- A \$2.5 million investment in the Michigan Israel Business Accelerator to be used over the next five years through a cost-sharing agreement is expected to further spur investment between the two nations in manufacturing, mobility, defense, and life sciences.
- Continued support in the amount of \$2 million for the Rising Tide Program that helps smaller rural communities in Michigan that may not have been included in the great economic comeback. State resources are provided for talent development, economic development, and community development to assist their local economies.
- The Employment First program, which promotes opportunities for all working-age individuals with disabilities, is funded with \$500,000.

The state's new fiscal year begins Oct. 1, 2018.

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*Copies and more details of the governor's recommended budget are available at [www.michigan.gov/mibudget](http://www.michigan.gov/mibudget). Join the conversation on Twitter at #mibudget.*