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GOVERNOR WHITMER ANNOUNCES ROAD BONDING PLAN, BYPASSES LEGISLATURE

In what was an unusually short State of the State address before a joint session of Legislature, Governor Gretchen Whitmer announced a \$3.5 billion borrowing plan to ‘fix the damn roads,’ and bypass the Republican-led Michigan Legislature.

Plan B, a follow-up to her unsuccessful effort to get a 45-cent a gallon gas tax increase through the Legislature last year, does not require legislative approval. It will either add or expand 122 road projects and nearly double the amount of money to fix roads over the next five years.

Governor Whitmer called it a “fiscally responsible plan” with “no tax increase.”

There was quick blowback because it will increase state debt and because the money raised on the sale of bonds can only be spent on state owned highways and none on local roads.

In addition to roads, Governor Whitmer’s focus during her 35-minute speech was on health care, education and jobs.

HEALTH CARE – The Governor urged the Legislature to enshrine many of the Affordable Care Act (ACA) provisions into state law to protect Michiganders should the federal government choose to repeal the ACA.

The protections would prohibit insurance companies from denying people due to a pre-existing condition, charging women more than men for the same plan, charging sick patients more than healthy patients, and cancelling coverage when an individual gets sick.

Many essential health benefits would also be included ranging from birth control, hospitalization, lab services, prescription drugs, and rehabilitation services and devices.

Governor Whitmer also announced a “Healthy Moms, Healthy Babies” program to improve care for pregnant women to ensure a healthy pregnancy, increase access to birth control, and an expansion of the number of families that would be eligible for subsidized child care.

She is also creating a bipartisan Prescription Drug Advisory Task Force, which is to report by August 15 on ways to make prescription drugs more affordable for Michiganders.

EDUCATION – Governor Whitmer called on the Legislature to quickly pass bills to appropriate funding for the Michigan Reconnect program in a supplemental budget so that the program can begin serving adults by fall of this year. She announced plans for the initiative in her 2019 State of the State address, and now a bipartisan group of legislators have proposed bills in the Legislature to get it done.

The Governor has a plan to partner with philanthropy organizations to support families navigating the third-grade retention mandate – a law passed in 2016 that mandates, starting this year, that students must repeat the third grade if they are more than one grade level behind based on one high-grade test, the M-STEP.

The Governor also intends to expand Pre-K for kids who need it most by providing additional funding to the Great Start Readiness Program and create a continuum of care from birth through kindergarten for low-income and moderate-income families.

JOBS – Governor Whitmer has directed the Department of Labor and Economic Opportunity to expand the right to overtime pay to thousands of Michigan workers. Right now, only workers making \$35,000 or less have overtime rights.

Her administration is also cracking down on companies that misclassify their employees to shortchange them on payday...something Governor Whitmer called payroll fraud.

She said since taking office, her administration has announced nearly 11,000 new auto jobs – nearly five times more than the previous year and the most ever announced in a single year in the history of the Michigan Economic Development Corporation.

Governor Whitmer also announced that in memory of former Governor Bill Milliken, who she described as a “passionate moderate,” ground will be broken this year on the Milliken Visitor Center at Arch Rock on Mackinac Island.

The speech was short, and lacked many details – we expect these will be forthcoming in the Governor’s budget recommendations in the next few weeks.

The State of the State address can be viewed in detail at www.michigan.gov

SENATE PASSES TRANSPORTATION PACKAGE

As Governor Gretchen Whitmer was preparing to announce a new road funding plan in her State of the State address, the Republican-controlled Senate on Tuesday passed a seven-bill transportation package that included a requirement that the Michigan Department of Transportation (MDOT) work with an outside consulting firm to study the possibility of bringing toll roads to Michigan (SB 517).

Other bills passed include SB 515, which would require MDOT to create a highway construction cost index to measure inflation in highway construction costs for road and bridge projects; SBs 518 and 519 that would divert federal transportation money to the state as opposed to local projects to save local governments the estimated 20%-to-30% cost increase; SB 520 which would require MDOT to secure pavement warranties for full replacement or appropriate repair for contracted construction work; and, SB 522 which would require MDOT in conjunction with local road agency associations to create and operate an engineering services grant program. SB 524 requiring the posting of certain information for certain state and local road construction contracts did not move.

