

Capitol Corner with Matt Gillard: What's at Stake for Families in Final Roads Deal

November 5, 2015 -- At long last, the House and Senate have passed a long-term road funding package that includes \$600 million in new revenues and a still undefined \$600 million cut from the state's annual general fund. The Governor, who originally called the cut too large, has indicated that he will sign the agreement after all.

You must be asking: Was this deal worth the wait? And most importantly: How will programs that invest in the children and families we advocate for be affected by such a sizeable yearly reduction in the state budget?

The answer is that the roads deal has created threats to programs we all care about requiring us to remain even more vigilant and engaged with our policymakers over the coming years to be clear about what needs to be protected. The devil is in the details. The plan uses a combination of increases in vehicle registration fees and fuel taxes to generate new revenue to pay for roads but also a series of slow increases in general fund dollars used for other programs to be shifted over to roads. Some tax relief will be available through an increase in the Homestead Property Tax Credit for low- and middle-income homeowners and some renters. Realizing this tax credit increase and resources specifically devoted to road funding in the legislation, by 2021, the annual hit to the general fund will be \$800 million over current spending which many of us believe is unworkable and simply unacceptable.

Since the start of the road funding debacle, Michigan's Children has been advocating for a solution that raises new revenue dedicated to roads and does not raid the general fund, as these are important dollars that support the health, safety, and education of our children, youth and families who face the most challenges in our state. Earlier in the fall, bi-partisan negotiations revolved around a plan of \$800 million in new revenue and \$400 million from the general fund. Those talks broke down after legislative Democrats opposed the inclusion of an income tax rollback, which will further decimate the general fund. As a result, we don't have a bipartisan outcome here but a road plan centered on a solution that will rely on future legislatures to determine which general fund programs will be cut or eliminated to pay for road repairs.

So what's at stake here? Supporters are claiming that projected increases in the general fund will result in fewer hits to current program funding levels. The tragedy is that revenue growth, should it be realized, would be better used to replace funding for critical programs for children, youth, families and communities in our state that have been consistently decreased or eliminated for the last two decades. We had hoped for a bipartisan solution that would have balanced needs in a more equitable format.

In the end, the outcome requires us to remain even more watchful and engaged as stronger advocates for our families so that Michigan children aren't hitting potholes to their future.

Matt Gillard is the President & CEO of Michigan's Children.