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Whitmer to propose road-funding plan next week — after budget presentation

By Dave Eggert, 2/3/25

LANSING — Gov. Gretchen Whitmer, who has called for <u>new</u>, <u>sustainable funding</u> to fix roads and bridges, will not outline a plan as part of her budget proposal this week but will follow with one next week, Crain's has learned.

A source close to Whitmer said Monday she will release the road-funding proposal as soon as Feb. 10. Crain's asked about the status of a potential plan after learning her budget blueprint will include \$112 million to ensure Michigan maximizes federal matching dollars for infrastructure but stop short of floating a long-term solution.

The Democratic governor will call for additional spending on career and technical education and apprenticeships in the budget, according to top-line information her office shared ahead of Wednesday's presentation to lawmakers. She also will propose funding a new anti-price gouging team within the state attorney general's department.

In mid-January, Whitmer urged Democratic and Republican legislators to compromise after road-funding talks stalled in the postelection session, when little was made public except <u>House Republicans' plan</u> to shift more general funds to the transportation budget, eliminate the sales tax on fuel and offset it with a revenue-neutral increase in per-gallon fuel taxes, and let economic development funding expire. She warned that Michigan will face a "major funding cliff" when her five-year, \$3.5 billion road-bonding program ends.

But unlike in 2019, when Whitmer unsuccessfully sought a 45-cents-a-gallon tax hike, she will not suggest a road-funding fix in her budget. She will, however, detail a plan between Feb. 10 and Feb. 14.

She will deliver her annual State of the State address on Feb. 26.

Legislators and the governor could do a road deal separately from the monthslong budget process — that happened in 2015 — though any agreement could have ramifications for the next budget depending on how it is structured.

Republican House Speaker Matt Hall has said he wants to fix the roads without raising taxes. Whitmer has said cuts alone will not be enough and there will have to be "new, fair sources of revenue." She has not elaborated.

Whitmer said her proposed 2025-26 spending blueprint will call for the largest-ever investment in career and technical education, supporting around 32,000 additional students. It also will include \$19 million to expand apprenticeship programs, helping an extra 1,710 apprentices and 130 employers.

The governor's office did not release how the vocational education and apprenticeship spending would compare to existing levels.

Whitmer also wants to double literacy grants to school districts and ensure each intermediate district has at least two reading coaches; expand rural development grants; and continue replacing lead water pipes, cleaning up polluted sites, providing free breakfast and lunch for all public school students, and funding tuition assistance for college students.