

Gov Says No On Backup Budget, Road Funding Done By End Of June Is 'Ideal'

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(SHELBY TOWNSHIP) – The Governor does not see any benefit in signing a temporary emergency budget in case lawmakers cannot meet budget-making deadlines. Also, she says getting a long-term road funding plan done by the end of June would be the "ideal situation."

Today, Gov. <u>Gretchen WHITMER</u> addressed local officials and business leaders at a luncheon hosted by the Macomb County Chamber of Commerce. She spoke to the media shortly after her remarks, which majorly celebrated negotiations with President Donald **TRUMP** to successfully secure new fighter jets being stationed at the Selfridge Air National Guard Base.

She answered questions about budget-making in the state Capitol. Typically, the Legislature completes the budget for the upcoming fiscal year around the end of June. In March, the Republican-led House approved a \$20 billion backup budget – or a continuation spending plan – to keep the government functioning in case budget deals cannot be reached before Sept. 30, when the current fiscal year ends.

When asked if she sees any benefit in a backup budget, particularly because of uncertainty regarding future federal funding, Whitmer said "no. I think they have a job to do."

"We can get a budget done on time. It should be done by the end of June ... I've heard a lot of rhetoric under the Capitol dome that they might not be ready to get it done," Whitmer said. "But certainly, I think there is plenty of time for us to negotiate."

Nearly 42 percent of the Governor's proposed Fiscal Year (FY) 2026 budget depends on federal funding. In the recommended health and human services budget that was moved from its Senate Appropriations subcommittee last week, <u>SB 180</u>, federal funds cover more than \$27.47 billion in that budget alone, which oversees how Medicaid is administered for residents.

Whitmer explained that if Congress moves new spending cuts affecting Michigan's resources, an emergency system is already available through supplemental budget bills outside the FY 2026 budget.

"The backup is actions that need to be taken in the circumstances that they're necessary. There's already a process for that. There's no reason to not do the work because they don't know what may or may not happen," Whitmer said. "None of us can predict it, and that's not new."

Additionally, Senate Democrats right now are determining how to respond to House Republicans' \$3.1 billion road funding plan. The plan works to guarantee that any state taxes paid at the fuel pump go toward road improvements – a concept that the Governor pushes for as well.

However, House Republican leadership wants to create new money for the plan by significantly dismantling Michigan's corporate incentive and grant programs. Meanwhile, Whitmer wants to ensure the state can offer benefits to attract economic development and new manufacturing projects.

On May 1, Sen. <u>Veronica KLINEFELT (D-Eastpointe)</u>, chair of the Senate Appropriations Transportation Subcommittee, said she thinks "it could go either way" when asked if Senate Democrats toss their own road funding proposal into the mix.

"I would just say, just because somebody has dropped a road plan and is demanding that everybody follows suit in 2.5 seconds doesn't require us to follow the same timeline," Klinefelt said last week. "We'd like to have more information. All of this is going to directly affect our budget, which is going to be directly affected by the federal budget."

Today, Whitmer said she would like to get the road funding plan and the budget done "posthaste."

"If we can get them both done by the end of June, that would be the ideal situation," Whitmer said.

Today's episode of the *MIRS Monday* podcast started with a round-table panel featuring Adam **BITELY**, Bellwether Public Relations' vice president of public affairs, who works with the Michigan Infrastructure and Transportation Association (MITA).

MITA commissioned a <u>March 1-7 poll by the Lansing-based EPIC-MRA</u> finding that among 600 active and likely voters, 67 percent support House Speaker <u>Matt HALL (R-Richland Township)</u>'s road-funding plan.

Eighty-seven percent said it's important to develop a long-term road funding plan and 54 percent backed using all \$1.1 billion in gas sales tax revenue solely for bridge and road funding.

Furthermore, 80 percent felt that failing to act on the roads would lead to thousands of job losses, skyrocketing car repair costs and "even higher infrastructure repair expenses down the line."

"This is the Governor's number one priority. She ran on it in 2018 – 'fixed the damn roads' – it's been the slogan she's used kind of throughout her two terms. It's frankly what created the momentum to get to the majorities that Democrats did have," Bitely said. "You have the Governor back in January (doing) her road ahead address at the auto show."

Bitely picks up on some signs of a road funding plan possibly coming together in the Senate, "but it doesn't seem like things are moving that fast." He explained anticipating there would be more momentum to deliver a victory that both Democrats and Republicans could claim.

In front of today's Macomb County audience, Whitmer said she's confident that, through compromise, "we can deliver a strong roads deal and keep winning key manufacturing investments."