



Memo

To: Michigan Media

From: Kelly Chesney, VP of Marketing and Communications

Date: July 14, 2015

Re: Letter to Michigan Legislative leaders about road funding plans

Business Leaders for Michigan (BLM), the state's business roundtable, delivered the attached letter to the leaders of the Michigan House and Senate outlining our stance on the road funding proposals passed by the Legislature.

Both the House and Senate plans rely on redirecting at least \$700 million of income tax revenue from the General Fund to transportation. Permanently shifting such significant General Fund revenue to roads will no doubt have a negative impact in other areas that are critical to Michigan's growth - areas like job training and higher education - that are essential to developing the talent Michigan employers need to compete.

As the voice of many of Michigan's largest job providers, we ask that our legislators to act swiftly and cohesively to address the long-term funding demands of our transportation system while protecting the critical services our residents rely on and the important programs which bring good-paying jobs to our state.



600 Renaissance Center, Suite 1760, Detroit, MI 48243 313.259.5400

July 13, 2015

The Honorable Arlan Meekhof
Senate Majority Leader
Michigan State Senate
P.O. Box 30036
Lansing, MI 48909

The Honorable Kevin Cotter
Speaker of the House
Michigan House of Representatives
P.O. Box 30014
Lansing, MI 48909

The Honorable Jim Ananich
Senate Minority Leader
Michigan State Senate
P.O. Box 30036
Lansing, MI 48909

The Honorable Tim Greimel
House Minority Leader
Michigan House of Representatives
P.O. Box 30014
Lansing, MI 48909

Dear Leaders:

We appreciate the work you are doing to find a long-term solution to fixing our roads. Earlier this year, Business Leaders for Michigan (BLM) established five principles to evaluate road funding proposals:

- It should provide funding sufficient to ensure good quality road and bridge conditions;
- It should include road and bridge warranties;
- The funding source should be sustainable and dedicated;
- The revenue should come from the users of our roads and bridges; and
- The solution should not adversely impact other critical priorities that help create jobs, such as job training, higher education and economic development.

We have serious concerns that the House and Senate road funding proposals will not meet several of these principles, because of their heavy reliance on General Fund revenues. While we believe some General Fund monies could be part of a final solution, relying heavily on them to fund our long-term road needs isn't sustainable and puts other critical needs at risk – ranging from potential Medicaid shortfalls and less money for community services to higher tuition bills and weaker efforts to attract jobs. These priorities are just as important as fixing potholes.

We continue to believe the fairest solution is one that relies on the users of our highways to pay for their upkeep and repair – gasoline taxes, registration fees or similar revenue sources. We urge you to pass legislation that relies more heavily on user-based sources of revenue than General Funds which fund other critical services for our citizens. Let's get this problem solved, but solved the right way.

Sincerely,

A handwritten signature in blue ink that reads "D. Rothwell".

Doug Rothwell
President & CEO

cc: The Honorable Rick Snyder, Governor
The Honorable Brian Calley, Lieutenant Governor
Members of the Michigan Senate
Members of the Michigan House of Representatives