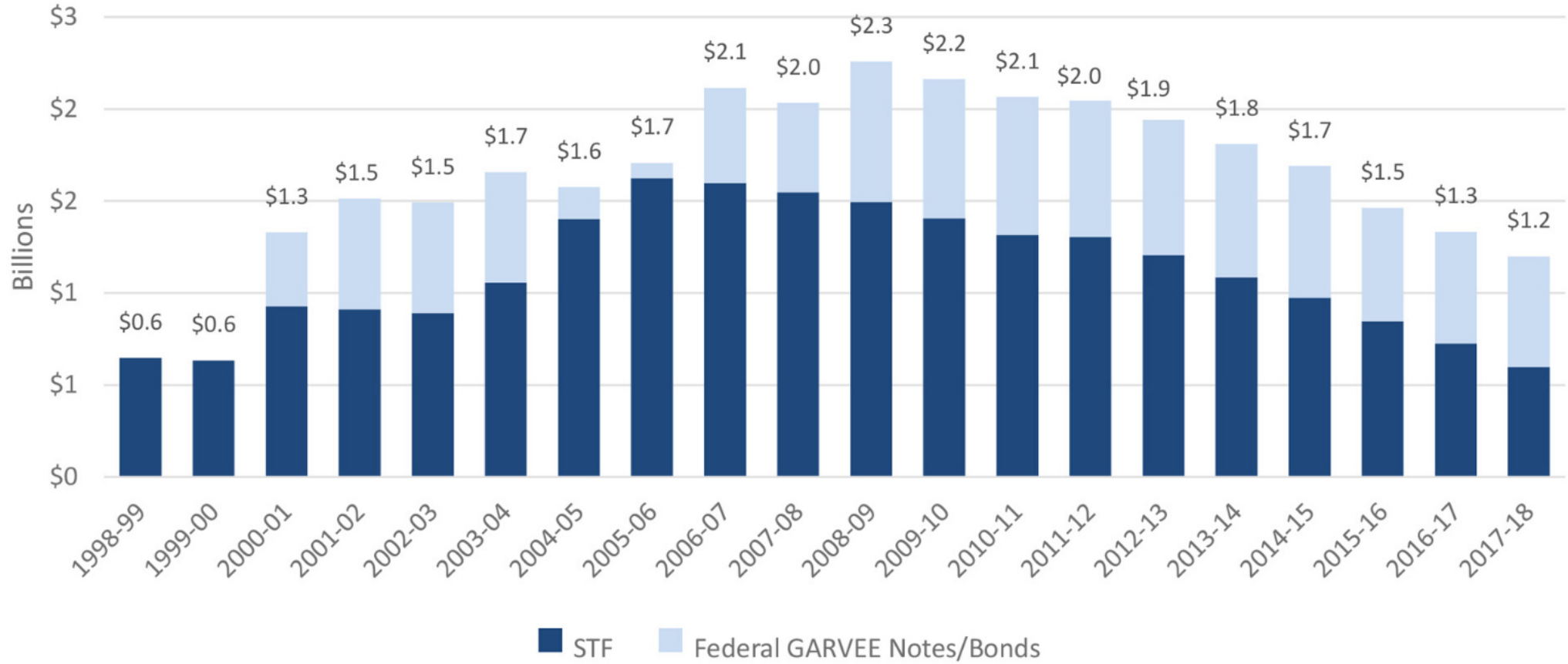


BORROWING: A PROBLEM, NOT A SOLUTION

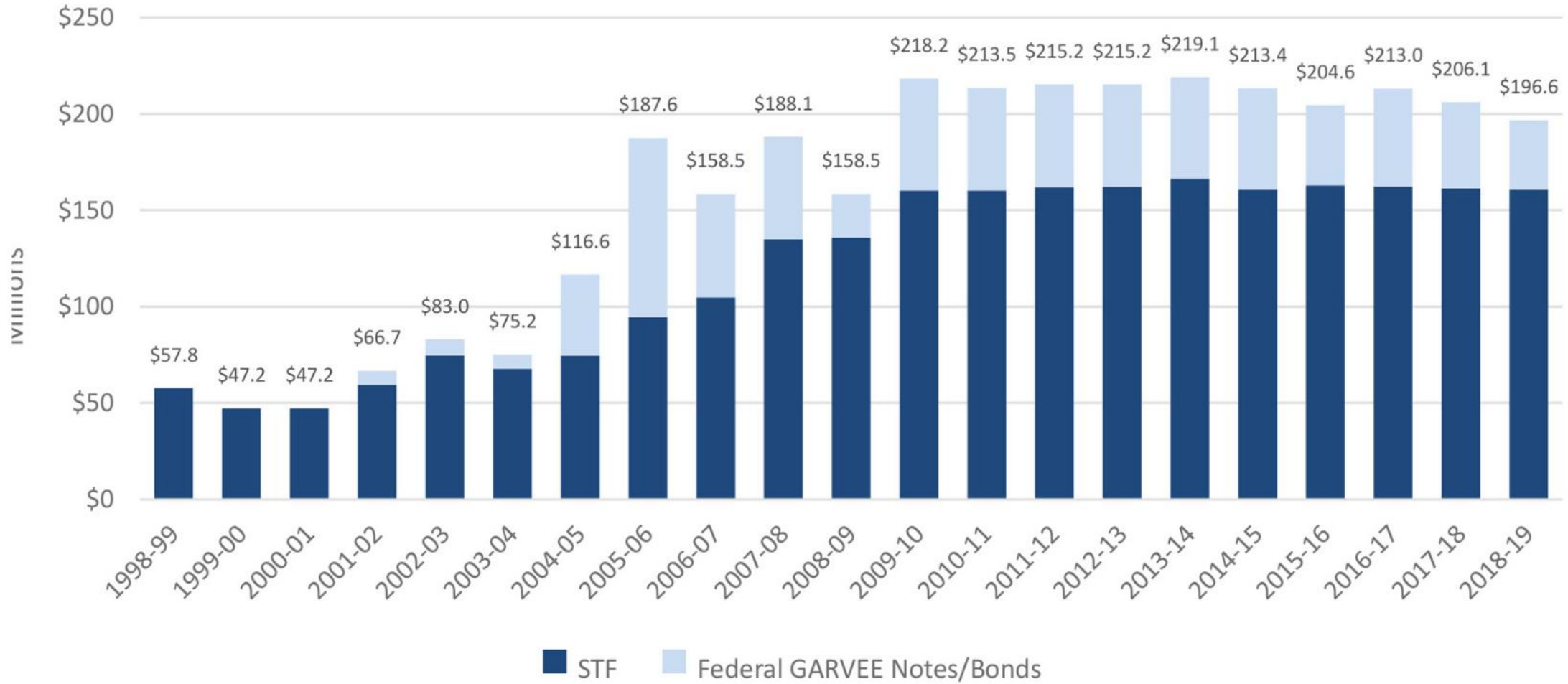
BRIAN CALLEY, PRESIDENT
SMALL BUSINESS ASSOCIATION OF MICHIGAN

Figure 1: State Trunkline Fund Bond and Federal Grant Anticipation Note - Outstanding Debt



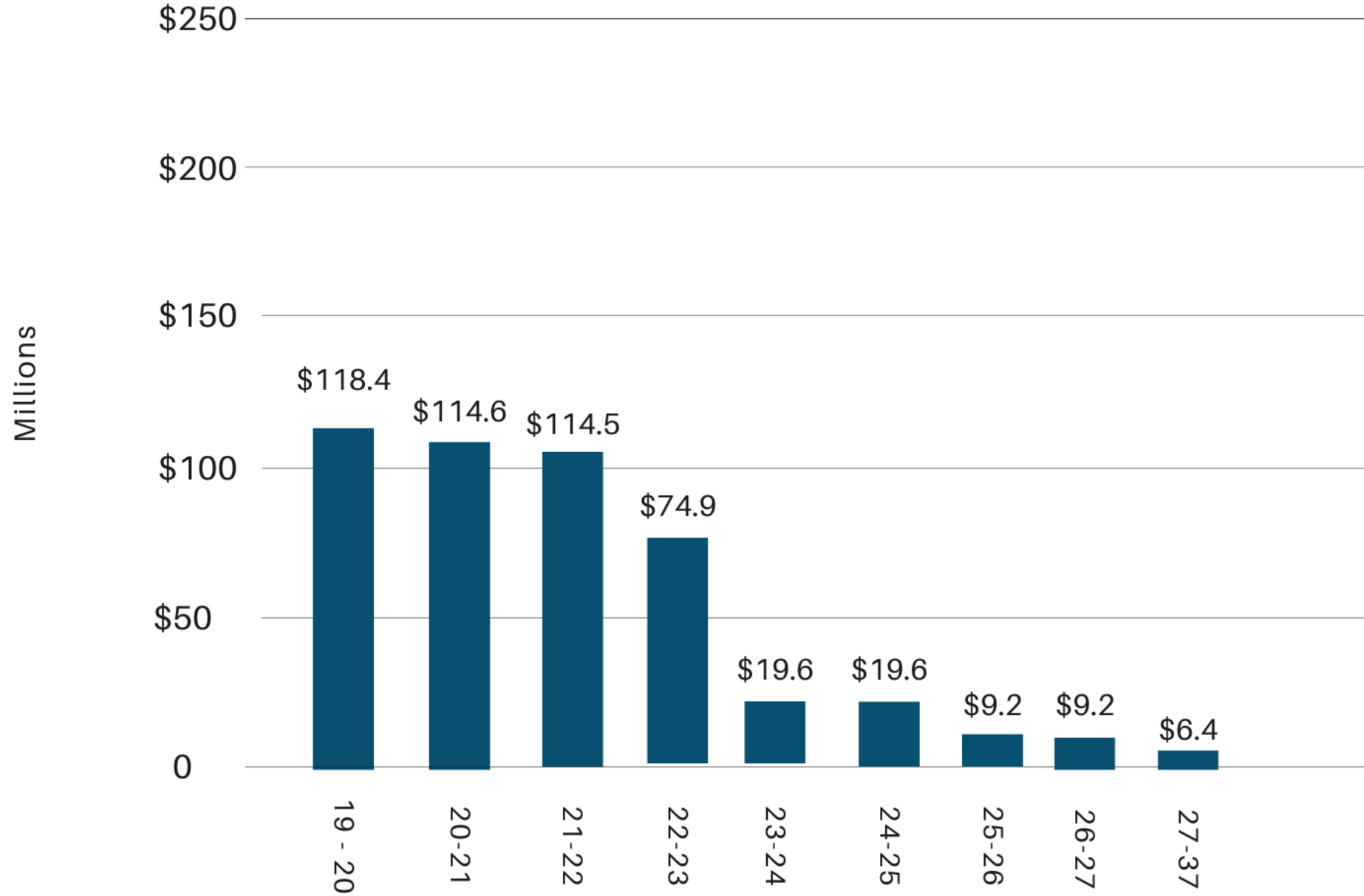
Data from House Fiscal Agency

Figure 2: State Trunkline Fund – Annual Debt Service



Data from House Fiscal Agency

Annual Debt Service - Projected



Paying Off Bonds



\$3.5 Billion Now



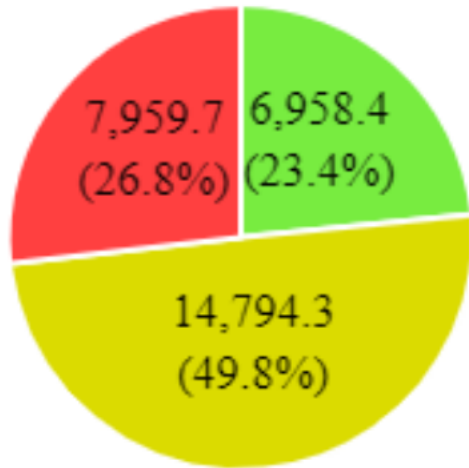
**\$6.956 Billion Lost
over 25 years**

	Bond Proposal Rate	Current Rate	Revenue Lost
2019-20	300	118.4	181.6
2020-21	300	114.6	185.4
2021-22	300	114.5	185.5
2022-23	300	74.9	225.1
2023-24	300	19.6	280.4
2024-25	300	19.6	280.4
2025-26	300	9.2	290.8
2026-27	300	9.2	290.8
2027-28	300	6.4	293.6
2028-29	300	6.4	293.6
2029-30	300	6.4	293.6
2030-31	300	6.4	293.6
2031-32	300	6.4	293.6
2032-33	300	6.4	293.6
2033-34	300	6.4	293.6
2034-35	300	6.4	293.6
2035-36	300	6.4	293.6
2036-37	300	6.4	293.6
2037-44	300	0	300

State vs Local

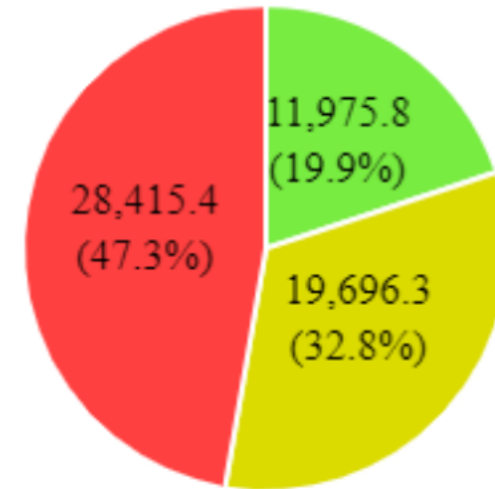
Federal Aid Rated Pavement Conditions
State - State of Michigan, Trunkline, 2017 - 2018

Lane Miles Good Lane Miles Fair Lane Miles Poor



Federal Aid Rated Pavement Conditions
State - State of Michigan, Non-Trunkline, 2017 - 2018

Lane Miles Good Lane Miles Fair Lane Miles Poor



SBAM'S POLICY

SBAM supports adequate infrastructure funding to maintain safe and efficient transportation infrastructure because it is necessary to maximize economic growth. The road funding plan should be sufficient to rebuild roads that are beyond repair and adhere to a maintenance schedule that maximizes the useful life of our infrastructure investments. Road funding should be paid for from user fees and/or reprioritization within the state budget, and not by taking on debt.