



County Road Association
OF MICHIGAN

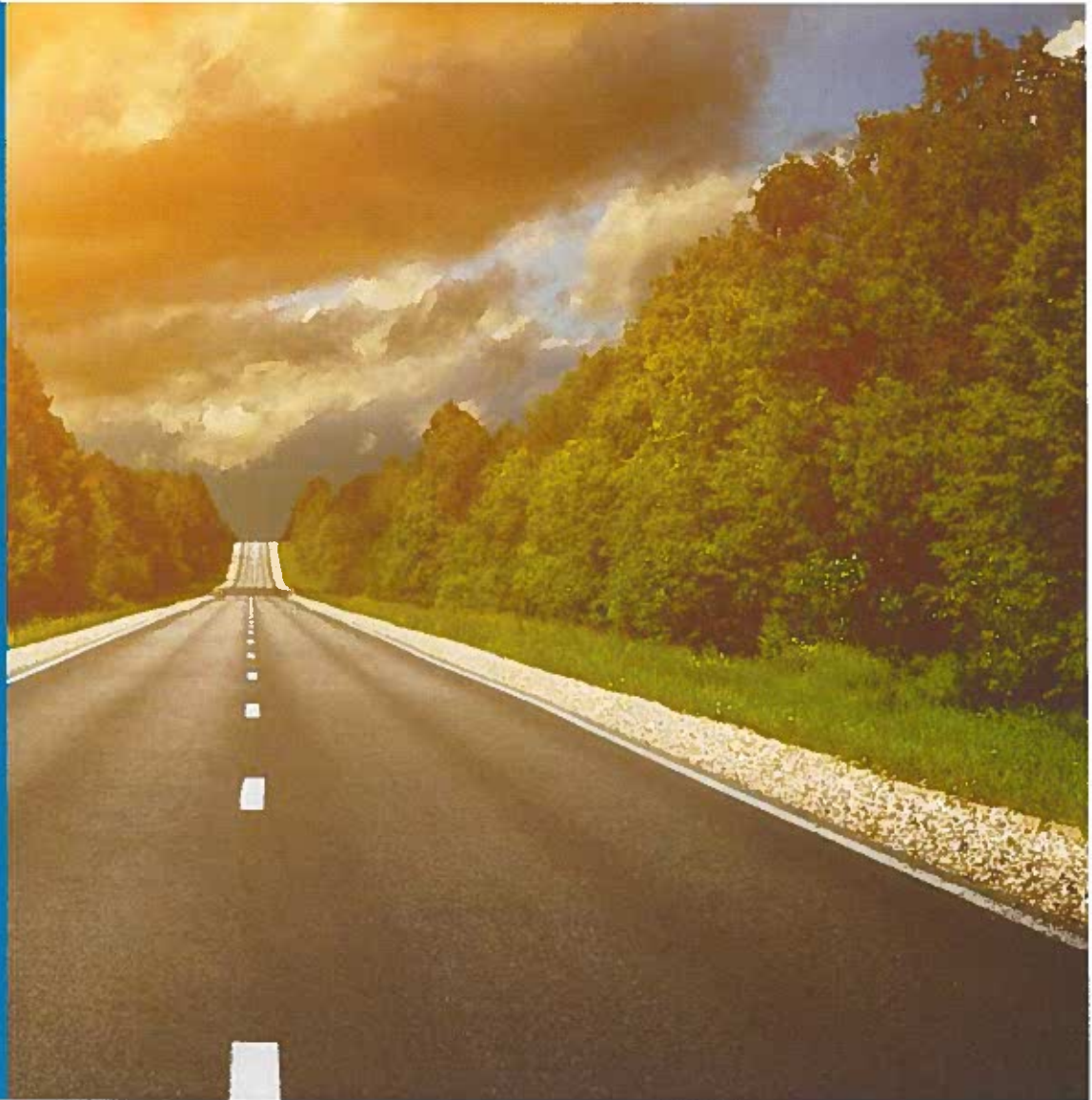
2023 View of Local Road Funding

*House Committee on
Transportation, Mobility &
Infrastructure*

Denise Donohue, CEO

Ed Noyola, Chief Deputy and
Legislative Director

Feb. 28, 2023





Mi roads by the #s ...

Counties = 90,000 mi. (74%)

Municipal = 22,000 mi. (18%)

MDOT = 10,000 mi. (8%)

Mi bridges by the #s ...

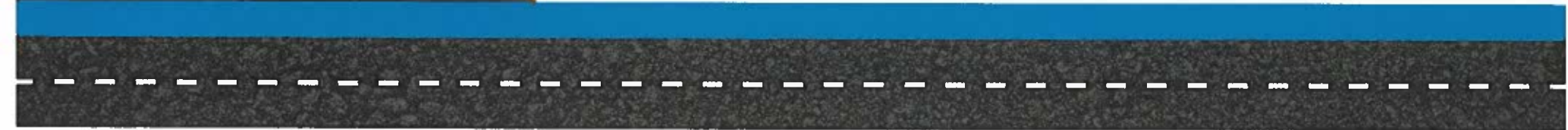
Counties = 5,724 (52%)

MDOT = 4,700 (42%)

Municipal = 700 (6%)



Quick fact: Michigan has the 4th-largest system of local roads in the US.



Michigan Transportation Fund Act

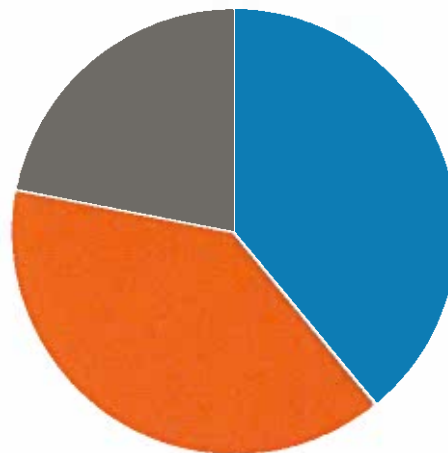
\$4 B

ACTUAL 2022
\$3.2 B for roads



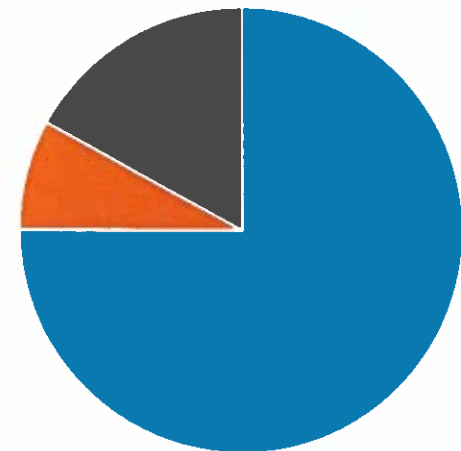
MTF Act – Up-to-date
86 sections
306 amendments in
77 sections.
5 changes in the
distribution formula.

MTF DISTRIBUTION

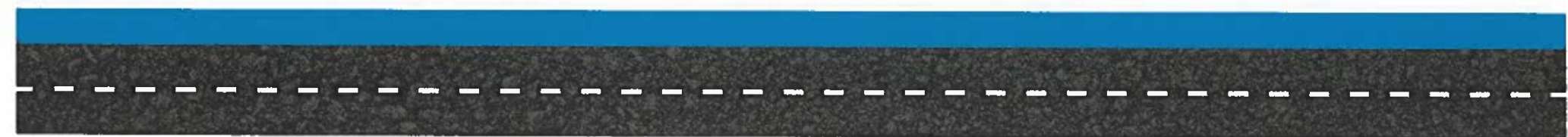


■ Counties (39%) ■ MDOT (39%) ■ Muni's (22%)

PERCENT OF SYSTEM

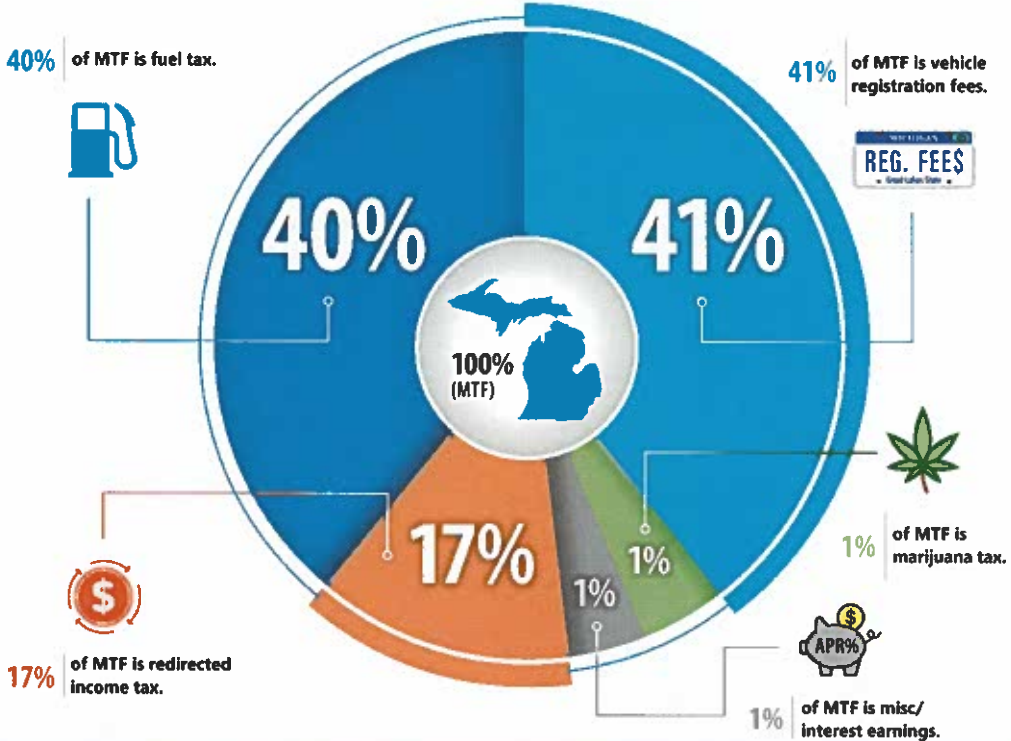


■ Counties (75%) ■ MDOT (8%) ■ Muni's (17%)





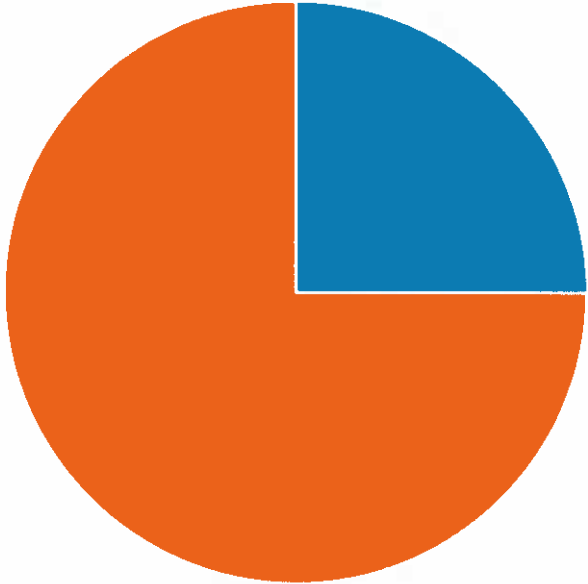
Michigan Transportation Fund Act





Federal Road Funds

PERCENTAGE OF FEDERAL FUNDS



■ Counties, muni's ■ MDOT

\$2 B

APPROPRIATED 2022
\$1.5 B goes to MDOT

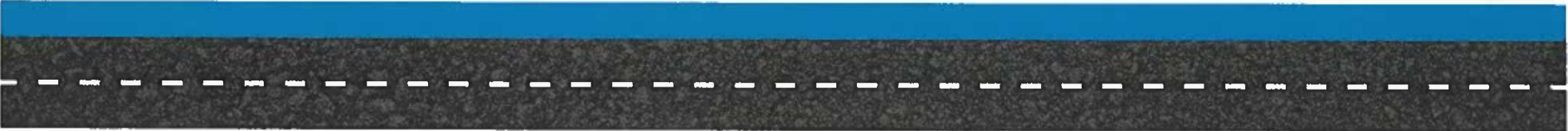
New IIJA Bill

\$2 B/yr



75% MDOT

25%
(\$500 M to 633
road agencies)



Transportation Funding: The County Road Progress Report



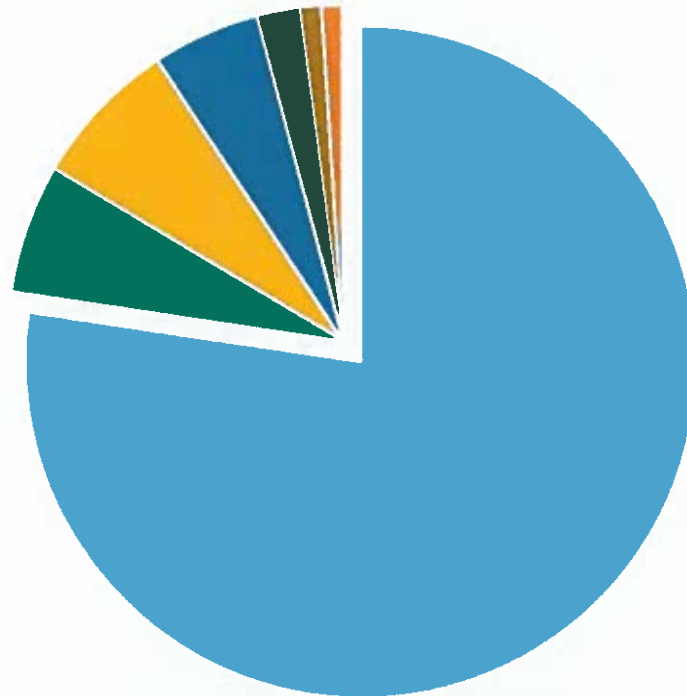


The County Road Progress Report

2022 Results

CRA survey:
81% of 2015
package going
to roads,
bridges, ROW.

In 2022 85%
of counties
matched
township
funds or gave
stipend.



- Roads 72%
- Bridges 9%
- Equipment 11%
- State-mandated unfunded liabilities 3%
- Staff 1%
- Building/facility improvements 1%
- Other 3%



Cost of common county road repairs.



RECONSTRUCTION

2-lane rural road

\$415,000-
\$6.8 M/mi.

\$107,000-
\$300,000/mi.

PRESERVATION

2-lane rural road

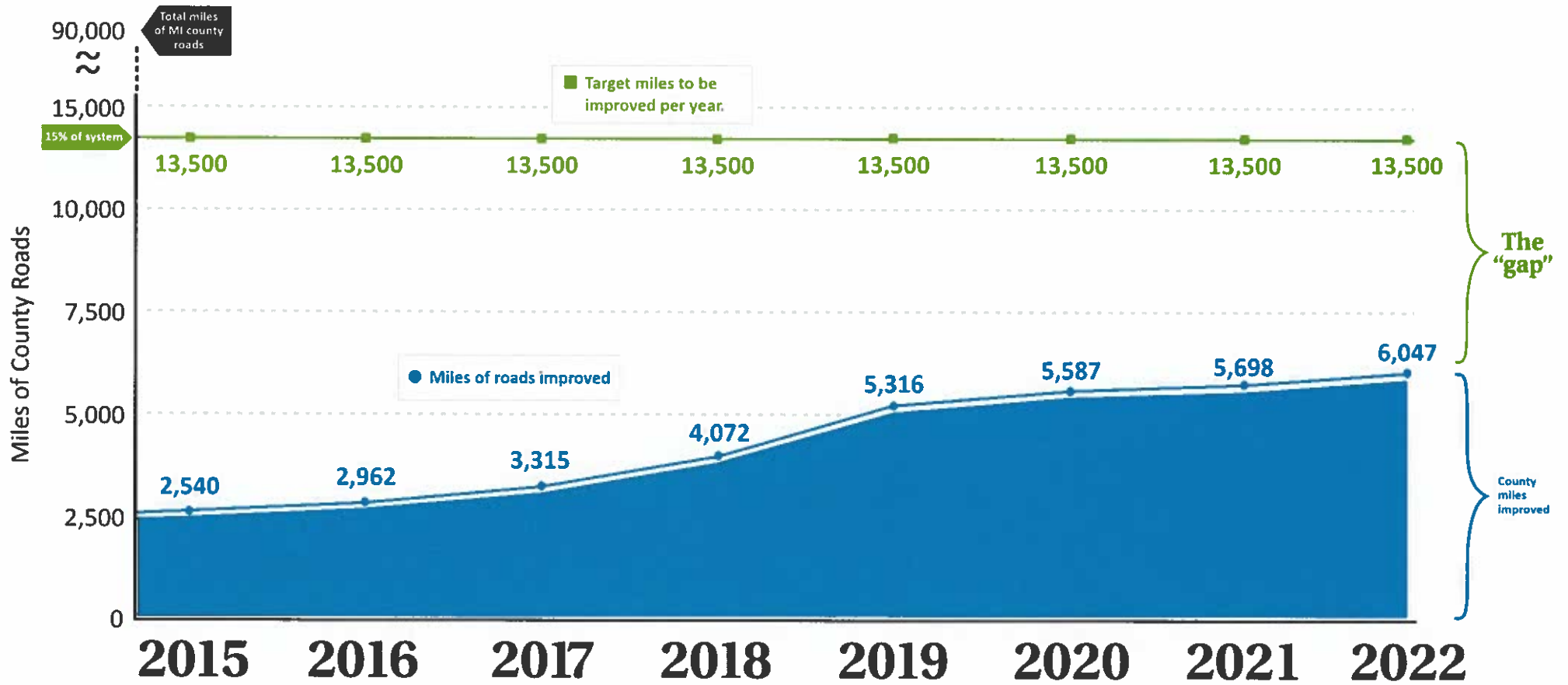


GRAVEL SURFACE

No drainage improvements

\$35,000-
\$125,000/mi

County Road Progress Report with MTF



Path Back to “Good” Local Roads, Bridges

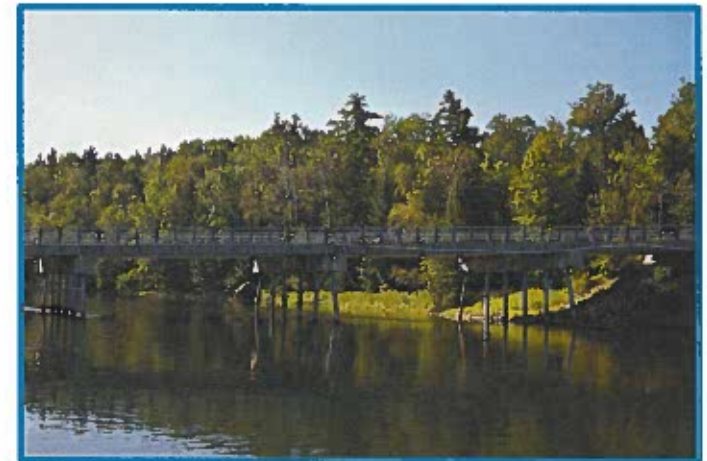


CRA suggestions for a road funding solution include:

- Phase II of road funding. County need = \$1.8 B
- **Constitutionally-protected** funding, fully indexed to inflation.
- Retention, of increased funds to MI Transportation Fund.
- ***Pilot electric vehicle revenue model.***

Bridge Bundling = \$1.2 B problem 50-yr. lifespan



Pilot bundle #1	\$23M	HIP	19 bridges
Bundle #2	\$196M	HIP	59 bridges
FY 2024	\$150M proposed for local bridges (30)		

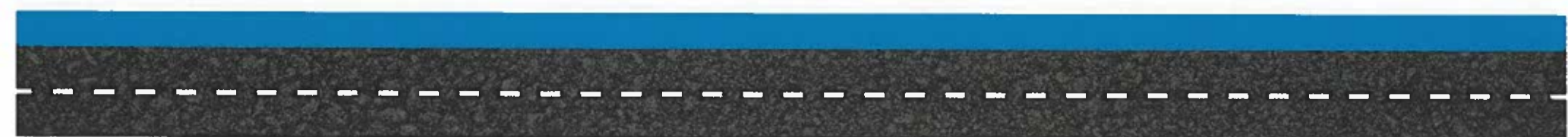


Customer service at county road agencies



Improving Consistency

- Transportation **permits, fees.**
- **Accessibility** to permits – 24/7/365
- Developing **cloud-based project management.** 
- Exploring **cloud-based modern cost accounting platform.** 





**Future needs
on county
road system.**

2021 County Road Investment Plan



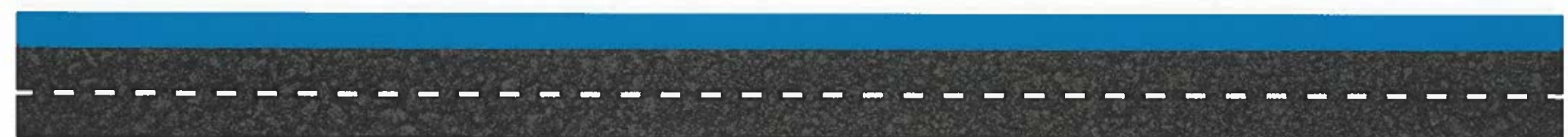
	Good/Fair	Poor
State trunklines	78%	22%
County fed'l. aid roads	52%	48%
Local nonfed'l. aid	46%	54%



CRA has *twin goals* by 2031 of

- *Local federal aid (primary roads):* 90% Good/Fair (vs. 52%)
- *Local nonfederal aid roads:* 60% Good/Fair (vs. 46%)

+ *Coming Summer '23: Updated County Road Investment Plan.*

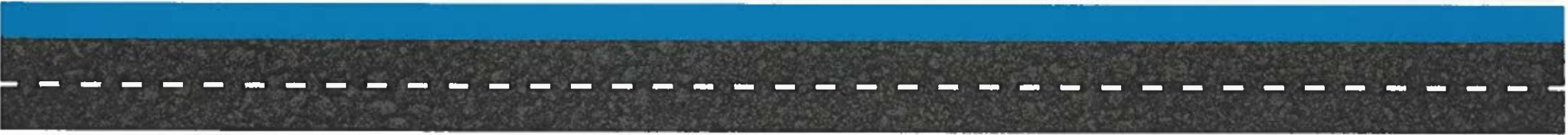


2021 County Road Investment Plan



Looks at monetized needs on county road system in 6 areas:

• Federal Aid Roads – Mich. Tech., PASER, 15%/yr.	\$764,613,642
• Nonfederal Aid Roads – 15% of road miles/yr.	\$1,516,405,856
• Road Maintenance – snow, ROW, trees, guardrail, potholes	\$912,903,033
• Bridges – 50-yr. lifespan	\$222,177,467
• Equipment – basic needs to do work	\$164,615,464
• Buildings, Maintenance Facilities – all types, 40-yr. lifespan	<u>\$ 44,624,483</u>
Annual county road need =	\$3,625,366,945
Less current spending	<u>- \$1,734,106,480</u>
Additional \$ needed to reach goals =	\$1,844,185,068/yr.



A photograph showing a roadside water treatment structure. In the foreground, there is a concrete culvert structure with a flat top covered in yellow wildflowers. Below the culvert, a small pond or stream is visible, containing lily pads and some rocks. The area is surrounded by lush green grass. In the background, a road with a metal guardrail runs horizontally across the frame, with a dense line of trees behind it. A blue text box is overlaid on the left side of the image.

**A look at IJA
for county roads.**

Infrastructure Investment & Jobs Act – IIJA



\$10 B /5 years coming to Michigan.

- \$2 B/year.
- New programs use some of the \$2 B.
- Is the Federal Transportation Bill renewal (5 years).
- Limited benefits for most Michigan county roads.



Infrastructure Investment & Jobs Act Federal \$



ROADS

75% MDOT

- For 8% of roads
9,760 miles

25% 600+ local agencies

- 112,240 miles
- Federal aid eligible
≈ 30% (33,600 miles)
- Pulls 20% match funds
from other local roads



BRIDGES

85% MDOT

15% 600+ locals





County Road Association
OF MICHIGAN

Thank you!

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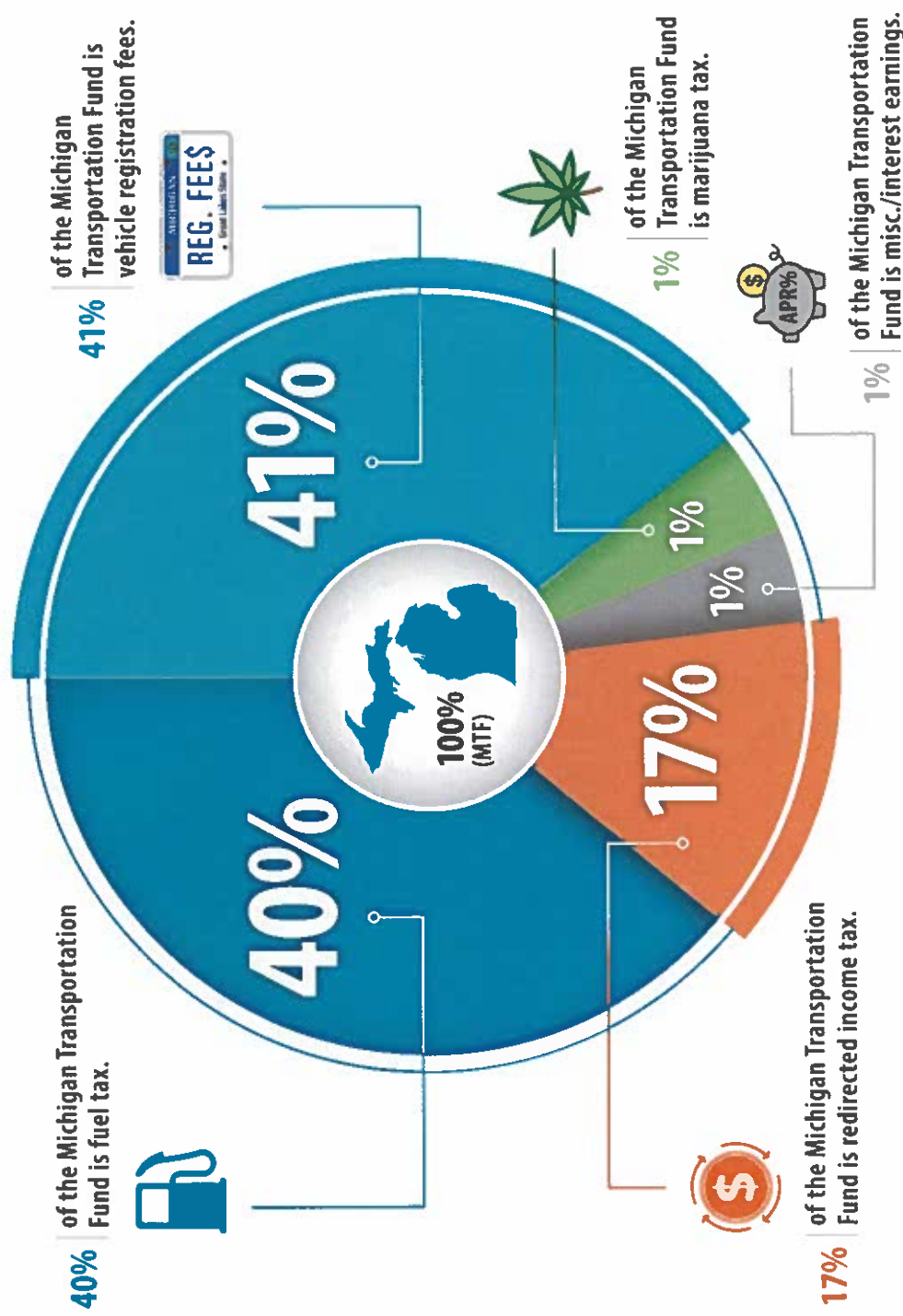
NEW LOCAL ROAD AGENCY GUIDANCE

Michigan Transportation Fund Sources – Not so simple anymore

County road agencies are accustomed to saying **Michigan Transportation Fund (MTF)** dollars are about 50:50 vehicle registration fees and fuel tax. But the times have changed!

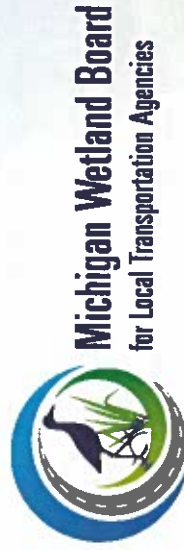
With full implementation of the 2015 Transportation Package in FY2021, a new breakout formula should be used.

The new 2021 MTF gross revenue breakdown is 40% fuel tax + 41% vehicle registration fees + 17% redirected income tax + 1% misc./interest earnings + 1% marijuana tax.



For more information contact:

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Looks like wasteland? LOOK AGAIN. It's driving local road projects.

One of the untold partnerships contributing to the comeback of Michigan's local transportation system is the emerging marriage of greenspace, mostly wetlands, and road projects. It makes more sense than you think! In many cases, as new road funds arrive and long-delayed road projects take off, county road agencies, as well as cities and villages may find the improvements infringe on a wetland adjacent to the road.

According to Michigan's Natural Resources & Environmental Protection Act of 1994, most wetland disturbances must be mitigated (offset) so as to maintain ecological balance. Mitigation may be required to add a turn lane, a bike lane or shoulder, or to meet modern state requirements for safety.



MITIGATION

While it's complicated, mitigation of a wetland requires at least 1.5 acres of "new" wetland for every acre impacted by a road (or other construction) project. In some cases, it's much more.

A mitigation means the "new" wetland must be created and permanently dedicated as a wetland. Buying wetland from a commercial wetland bank can cost up to \$100,000 per acre, taking money away from the actual road improvement.

PRE-MITIGATION

In most cases, county road agencies and municipalities can use pre-mitigation. This means they plan ahead for future impacts, and create replacement wetland, keeping the cost lower.

THE BACKGROUND

For decades, the **Joint Agency Transportation Committee (JATC)** on roads, consisting of the Michigan Departments of Environment, Great Lakes and Energy and Transportation; the County Road Association of Michigan (CRA); and Michigan Municipal League, has recognized that local agencies have no program to assist with this costly environmental regulation. A few larger county road agencies can fund their own wetlands, but the vast majority of local agencies could have delayed projects to fund the mitigation or avoid mitigation costs altogether.

In 2016, Sen. Mike Green secured legislation and a budget to create a Local Agency Wetland Mitigation Fund (named MiWB), fulfilling the JATC vision. The program is funded at \$2 million per year off the top of the Michigan Transportation Fund, and capped at \$5 million.

Four short years later, MiWB has a seven-member board that has approved bylaws and procedures, hired a wetland manager to run the program and educated road agencies and municipalities statewide.



