

[Thursday, February 9, 2023](#)

## Local Road Funding Omitted From Billions In Surplus Spending

The proposed transportation budget under [Governor Gretchen Whitmer](#) declined to devote a substantial amount of funding from the \$9 billion surplus for local roads, with the recommendation for fiscal year 2023-24 allocating \$200 million for local and state bridges.

In addition to funding for the Michigan Bridge Bundling Initiative, Ms. Whitmer also recommended \$124.5 million for the debt service related to the Rebuilding Michigan bond program, which funds many of the Department of Transportation's road projects until 2024. However, that is solely for state roads. Locally owned roads would simply see their usual funding allocation from the state's transportation funds with none of the \$9 billion headed their way.

And as expected, Ms. Whitmer did not offer a proposal for a new, long-term source of revenue to boost the road funding pot.

Denise Donohue, CEO of the County Road Association Michigan, said in an interview Thursday she was a little disappointed that there was not much for the local road system.

"As I look through the highlights of the budget, I think the really only thing that I see is the \$200 million for Michigan Bridge bundling program. We have done two bridge bundles in Michigan, and they were aimed at local bridges," Ms. Donohue said. "We have a \$1 billion problem with our local bridge network that has been identified by MDOT, and so we launched a couple bridge bundles to see if that would be helpful."

The bridge program goes toward state and local roads, and Ms. Donohue speculated that MDOT would most likely have bigger and costlier projects for bridges. She has since emailed the department after the recommendations were unveiled to see what projects would be covered.

The \$1 billion bridge problem is simply one facet of the funding dilemma. The most recent study from the County Road Association finished in 2021 also identified \$1.8 billion needed for county road maintenance.

Ms. Donohue explained how the organization came to this number, saying its goal is to have 90 percent of primary roads be labeled as good/fair. Currently, 64 percent of the roads are rated good/fair. Other local roads, however, are rated much lower, with 46 percent rated as good/fair. The County Road Association would like to see this number climb to 60 percent good, fair.

Money from the Infrastructure Investment and Jobs Act was included in the budget recommendations. Even with the state receiving approximately \$10 billion in federal aid, Ms. Donohue said only 30 percent of local roads – the primary roads – qualify for federal dollars. The other 70 percent are often deemed as smaller, despite still be located in regularly trafficked areas like subdivisions.

"So, we think out of the 90,000 miles that counties are in charge of, we need to be fixing about 13,500 miles a year," Ms. Donohue said. "And in reality, what we're fixing is about 5,700 miles a year. ... Inflation has really eaten up most of the gains that we were making from the 2015 package."

She said the \$1 billion for bridges proposed is what she calls "catchup," money, saying much of the budget items will only go so far as to maintain the infrastructure and address the backlog of bridges that are in serious or critical condition.

Also under President Joe Biden's federal plan, 75 percent of the \$10 billion goes to MDOT, which Ms. Donohue said only has 8 percent of the roads. That leaves \$500,000 annually to split among 631 agencies and all 83 county road commissions. Ms. Donohue also said under the Jobs Act, there are maybe a dozen new competitive grant programs for which county road agencies may be eligible.

"I don't want to take anything away from the Michigan Department of Transportation, we all need more funding," she said.

Long-term funding has been an issue discussed at length by MDOT and other road infrastructure advocates. As more electric vehicles enter the market, revenue collected from the gasoline tax is starting to dwindle.

The County Road Association had a report prepared by Anderson Economic Group to determine the effect of electric vehicles and ways to secure revenue as more drivers opt for electric vehicles. From 2019-21, Michigan roads did not receive \$50 million in state gas tax because of electric vehicles.

A press conference held in January discussed possible solutions, including a per mile tax and tolling. The [Senate Transportation and Infrastructure Committee](#) Track heard testimony on Tuesday about what tolling would look like, adding onto already existing highways like I-696.

However, Ms. Donohue said the tolling study that was presented to the Senate only focuses on revenue for the state trunkline system. Money from the bonding program

went solely to state roads, as well, and converting some of the funds collected from the marijuana tax to the Transportation Fund would make up less than 2 percent of needed funding.

"What is absent from the discussion up onto this point is sitting down and figuring out how are we going to pay for the road and bridge infrastructure we have for the county and probably the local road system," Ms. Donohue said.

The County Road Association is respectful of the budget and the governor's priorities, Ms. Donohue said, and is pleased with the bridge bundling included for fiscal year 2023-24 recommendations.

– By Alyssa McMurtry