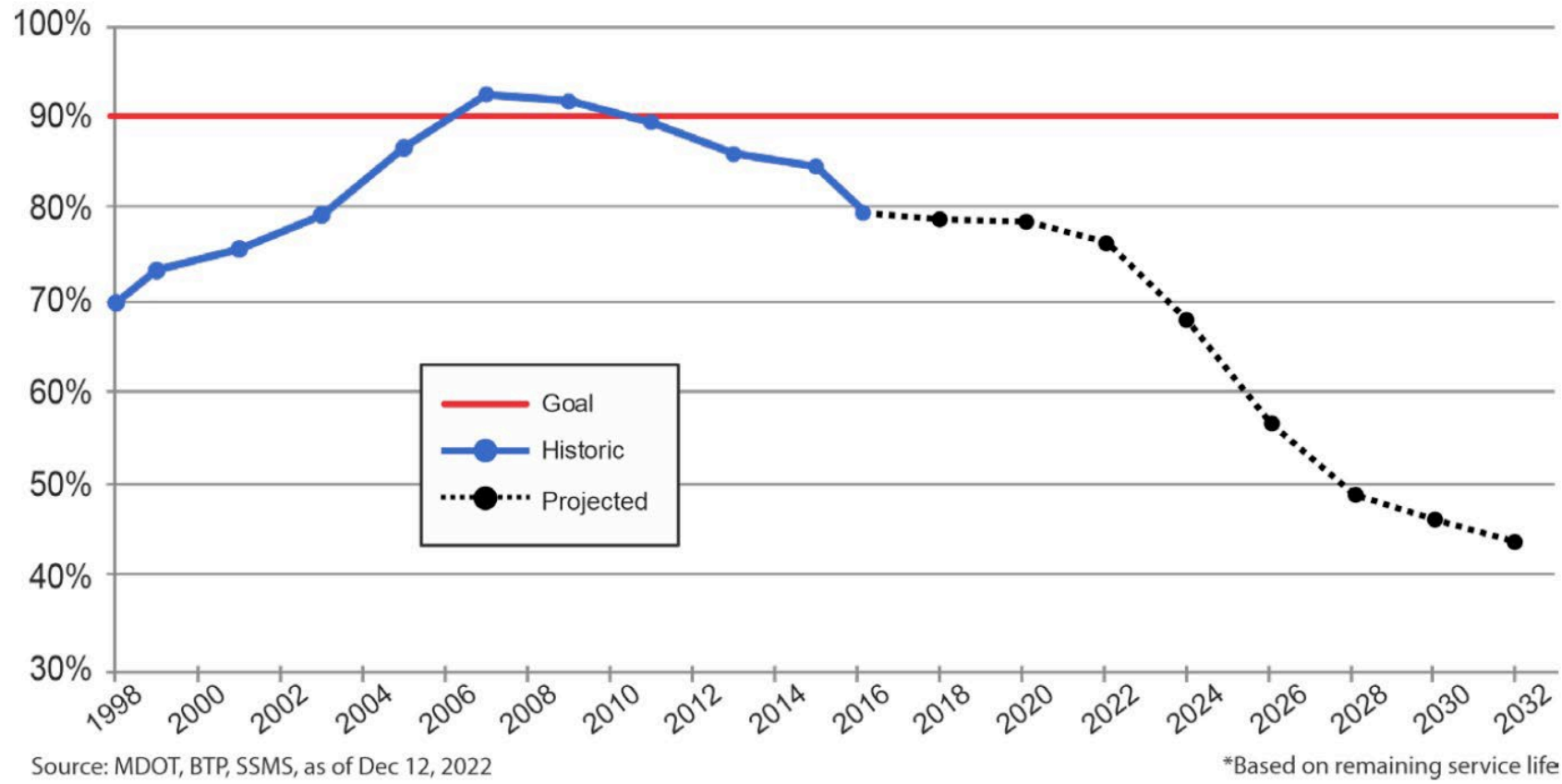




*Michigan Infrastructure &
Transportation Association*

MDOT Historic and Projected Trunkline Pavement in Good and Fair Condition, 1999 – 2032 (Goal = 90%) Funding Crisis

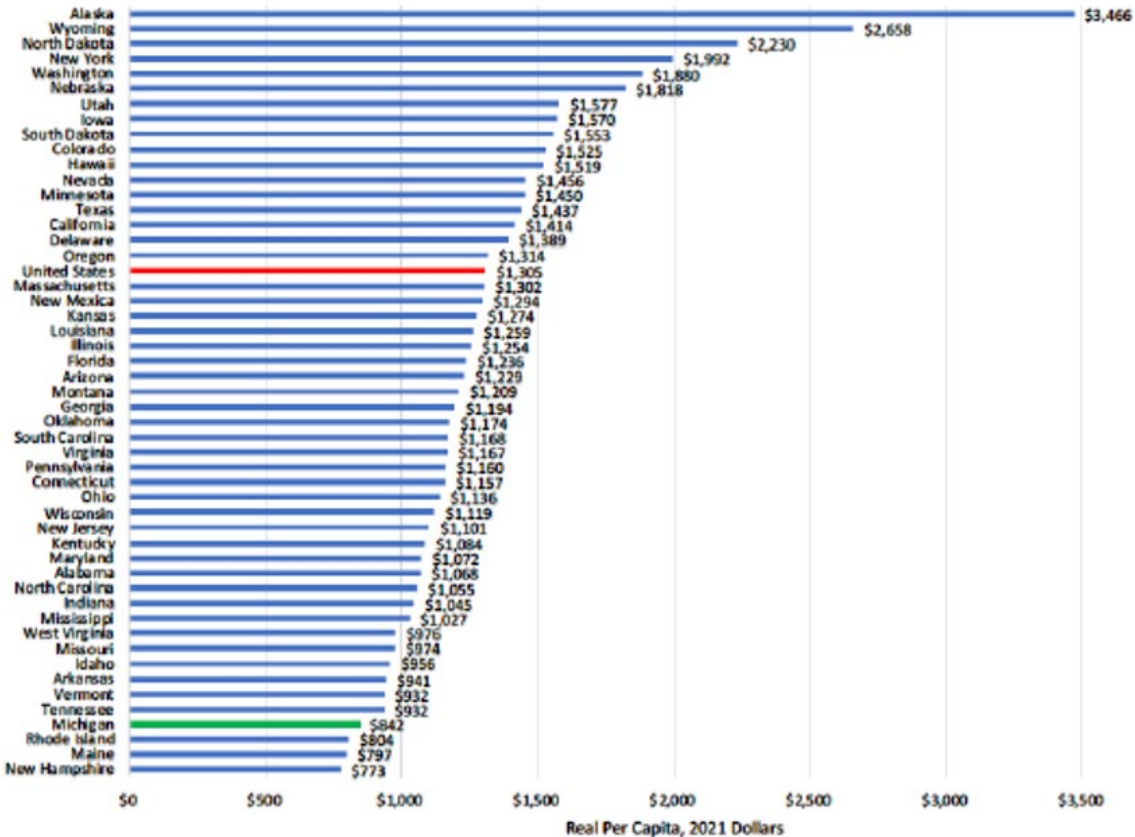


2023 American Society of Civil Engineers Infrastructure Report Card

- Timmy's Grounded
- Overall – C-
- Roads – D
- Bridges – D+
- Drinking Water – D+
- Stormwater – D



Average Annual Real Per Capita Capital Outlay, 2000-2021



How did we get in the current infrastructure deficit?

Since 2000, Michigan has spent substantially less than other states on capital (infrastructure). The chart shows average capital spending per person per year, inflation adjusted, for the years 2000 through 2021. **Michigan's average spending over this period, \$842, ranked 47th among all the states** and well below the U.S. average of \$1,305.

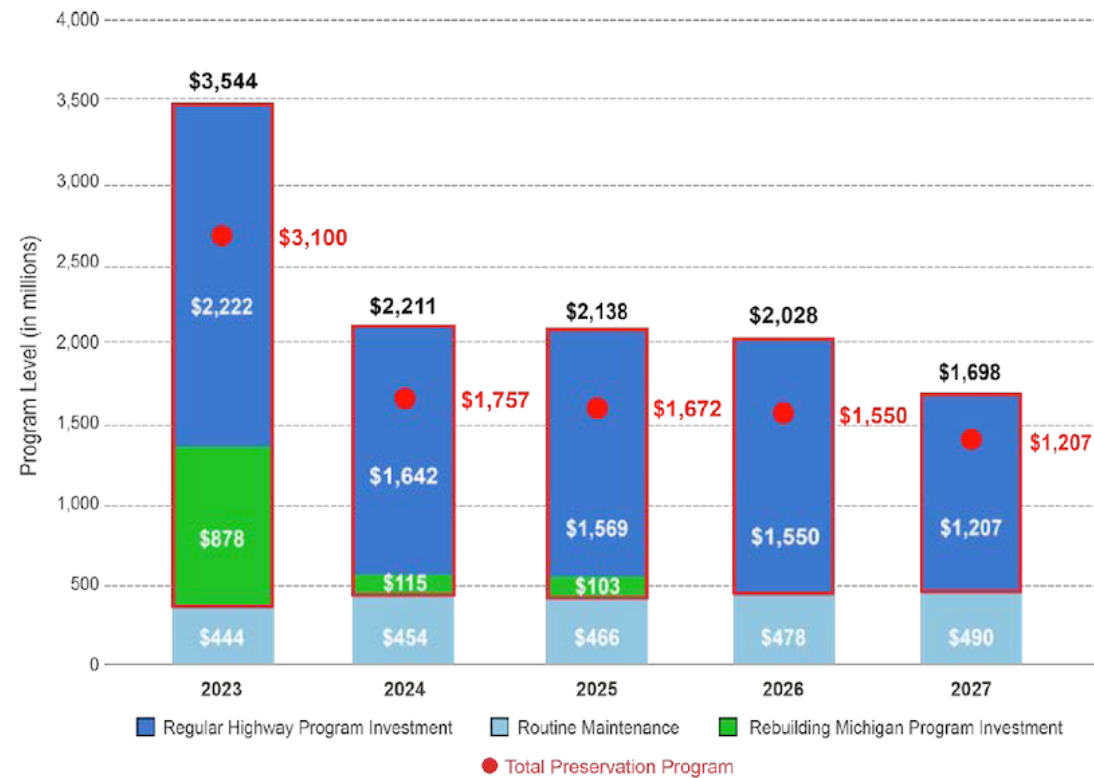
How does Michigan rank in the most recent year with census data available (2021)?

Although slightly better than the long-run ranking, it is still well below most other states. **Fiscal year 2021 is an anomaly.** The nation was still recovering from the recession related to the pandemic. The American Rescue Plan Act was adopted in early 2021, but not enough to affect spending in that fiscal year.

Analysis by Professor Ron Fisher. Data from U.S. Census Bureau.

Figure 6 illustrates Highway Program investments over the five-year period. Routine maintenance investment is expected to increase year by year.

Figure 6: Highway Program Investment FY 2023-2027
\$11.6 Billion (in millions)



2015 Road Funding Package “A good down payment” Gov. Rick Snyder

REVENUES

- 7.3 cent gas tax increase (1/1/2017) (indexed)
- 20% registration fee increase (1/1/2017)
- General Fund Revenues
 - *\$150M for FY 2018 – 2019
 - *\$325M for FY 2019 – 2020
 - *\$600M for FY 2020 – 2021 ongoing
- Registration fee increases for hybrid (\$50) and electric vehicles (\$140)



Revenues Since 2016

- Infrastructure Investment and Jobs Act (IIJA) investments are through 2026.
- Governor's Rebuilding Michigan program is 4 year bonding program, investing \$3.5 B.
- Where are revenues for 2027 and beyond?
- We are in a road funding crisis. Michigan needs a long-term, equitable, and sustainable road funding solution.

Infrastructure Investment and Jobs Act

- **Federal Transportation Investment**

- **FY 2021 - \$1.125 B (before IIJA passage)**

- **FY 2022 - \$1.529 B**

- **FY 2023 - \$1.557 B**

- **FY 2024 - \$1.585 B**

- **FY 2025 - \$1.614 B**

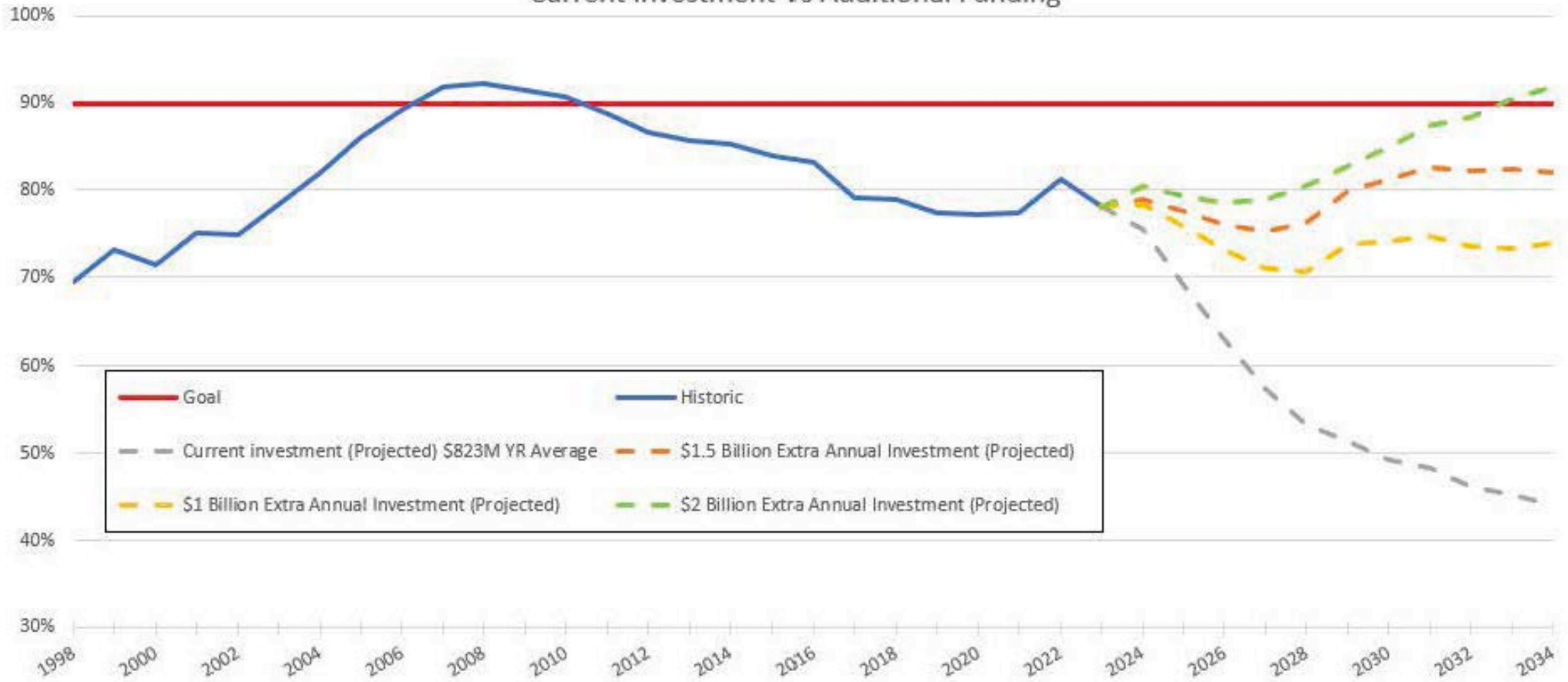
- **FY 2026 - \$1.644 B**

***Overall increase of \$1.682B over 5 years**

***Annual Average Increase = \$336.5 Million**



State Trunkline Combined Freeway/Non-Freeway: Projected Pavement Conditions Current Investment Vs Additional Funding



Source: MDOT, BTP, SSMS, as of March 17, 2023

*Based on Remaining Service Life (RSL)

FUND THE DAMN ROADS

- Increase the Gas Tax (each penny increased raises \$53M annually)
- Increase Registration Fees (each 10% increase raises \$144M annually)
- Implement a Road Usage Charge (RUC) / Vehicle Miles Traveled (VMT) fee (each penny-per-mile charge raises \$968M annually)
- Add toll roads in Michigan (HNTB study shows \$1.3B annually)
- Remove the sales tax on motor fuel and increase the Gas Tax by equivalent amount making it revenue neutral at the pump (raises approximately \$1.1B annually)

What you could do.....

- **Raise the Gas Tax by 25 cents per gallon (\$1.325B annually)**
- **Sunset the Gas Tax in 2035, replace with a revenue neutral Road Usage Charge (RUC)**
- **Toll Roads (Implementation of a nearly 550-mile toll system on sections of I-69, I-75, I-94, I-196, I-275, I-696, and M-14 could raise \$1.3B)**
- **Eliminate sales tax from motor fuel, increase the excise tax on gas the equivalent amount leaving tax liability at the pump the same (\$1.1B annually)**
- **Increase registration fees, by 40% (\$576M)**
- **Increase electric and hybrid vehicle registration surcharges, expiring in 2035**
- **Approximate total revenue = \$4.3 Billion Annually**



- Ongoing educational campaign.
- Research, polling, focus groups, etc.
- Coalition Building (business, labor, tourism, agriculture, transportation, etc.)
- More public engagement in debate.
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