

Michigan's New Road Funding Package

What does it mean for Washtenaw County?

On November 10, 2015, Governor Rick Snyder signed a \$1.2 billion road funding package that will increase the funding provided to the Washtenaw County Road Commission through the Michigan Transportation Fund (MTF). The MTF includes all state-collected road revenue generated from fuel taxes and vehicle registration fees. The MTF is the Road Commission's main source of funding and this is the first increase since 1997.

While additional funding is great news for Washtenaw County's failing road system, the package does not provide any additional road funding in 2016 and residents will not see increases in road improvements until 2017. Read on to learn how this road funding package works, what it will take to fix our road system, and what remains uncertain about the future of state road funding in Washtenaw County.

6 Mile Road - 2015



What the road funding package will do

Provides an additional \$1.2B in MTF funding state-wide



The package does not provide full funding until 2021, six years from now.

The new funding will begin in 2017



The package provides no funding for road improvements in 2016.

The 1st increase in the MTF since 1997



20 years have passed with no state funding increase and it will take time for WCRC to catch up and fix all the county's "poor" and "failing" roads.

50% of the funding will come from increases in fuel taxes & vehicle registration fees



Beginning in 2017: 20% increase in vehicle registration fees, 7.3¢ increase in the state's gasoline tax, 11.3¢ increase in state's diesel tax.

Beginning in 2018, shifts will be made in the State's General Funds to provide the other 50% of funding.



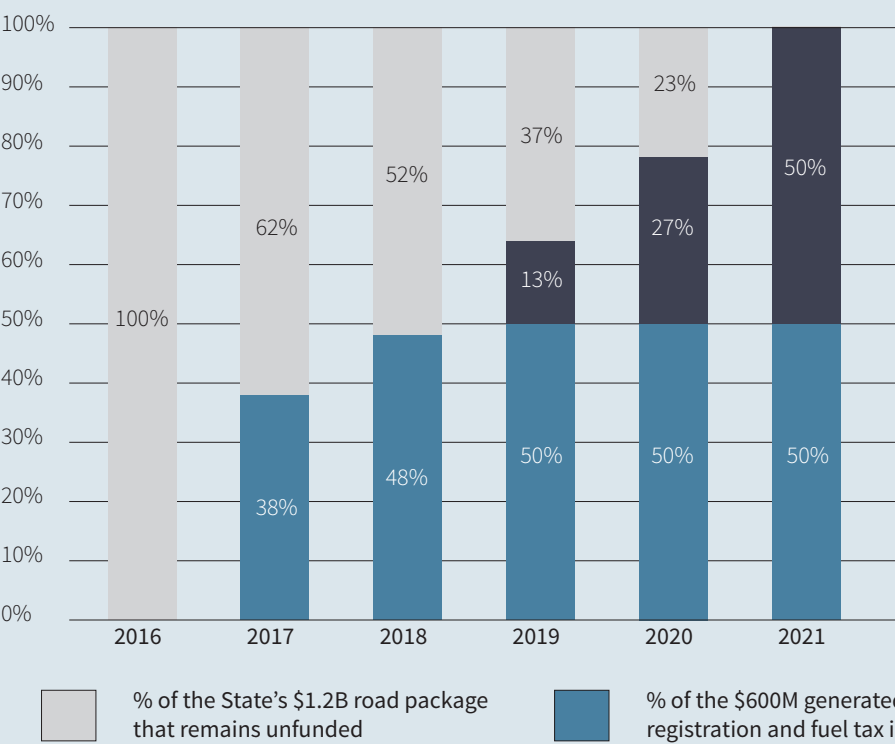
Lawmakers are relying on continued economic growth to bring in more revenue to the General Fund to fund roads.



Scio Church Road- 2015

How will the new road funding phase in?

The new road funding deal will generate \$1.2 billion by 2021. The first \$600 million will come from vehicle registration and fuel tax increases that start in 2017. The additional \$600 million will be shifted from the state’s \$9.9 billion general fund towards roads starting in 2018.



Funding Uncertainty:

The State Legislature did not identify where specifically the \$600 million from the State’s General Fund will come from.

Lawmakers are counting on continued economic growth to bring in more tax revenue that could be used for roads. If economic growth does not continue, future legislators may set budget priorities that may or may not fully fund the \$600 million.

How much additional funding will WCRC receive?

In 2014, the Washtenaw County Road Commission received \$17.5 million from the Michigan Transportation Fund (MTF). Estimates predict that the Road Commission will receive an additional \$4.3 million in 2017, \$5.7 million in 2018, \$7.4 million in 2019, \$9.4 million in 2020, and \$12.5 million in 2021 (if the \$600M General Fund dollars are redirected as the law intends).

Will it be enough to fix our failing road system?

Over the past decade, the cost to maintain and repair roads has steadily risen, but the Washtenaw County Road Commission’s budget has not kept pace with the rate of inflation. Even if WCRC receives the estimated full amount of funding in 2021 there will be years of catch-up work to be done to fix the county’s “poor” and “failing” roads. WCRC estimates that to get all of the county’s roads into “good” condition would require over \$50 million. While the new state funding increase will help, it will take five years to phase-in and roads will continue to deteriorate as we await the new funding.

In addition to fixing the county’s worst roads, WCRC must also balance the need to preserve the investments that have already been made in the county’s “good” roads to increase their lifespans and avoid costly reconstruction projects. WCRC must also factor in the annual cost of winter maintenance, the need for new equipment, and other agency operation costs when determining how to allocate the new road funding from the state.