



County Road Association
OF MICHIGAN

Road Funding 101

Oct. 1, 2023

Ed Noyola, Chief Deputy





Michigan Road Revenue Sources



Ed Noyola, Deputy Director, CRA



- 20 years at CRA
- 2 years at the MI Asphalt Paving Assoc.
- 27 years at MDOT

Where does the money come from?



What the
public
thinks...



State Revenue FY 2022 MI Transportation Fund Receipts



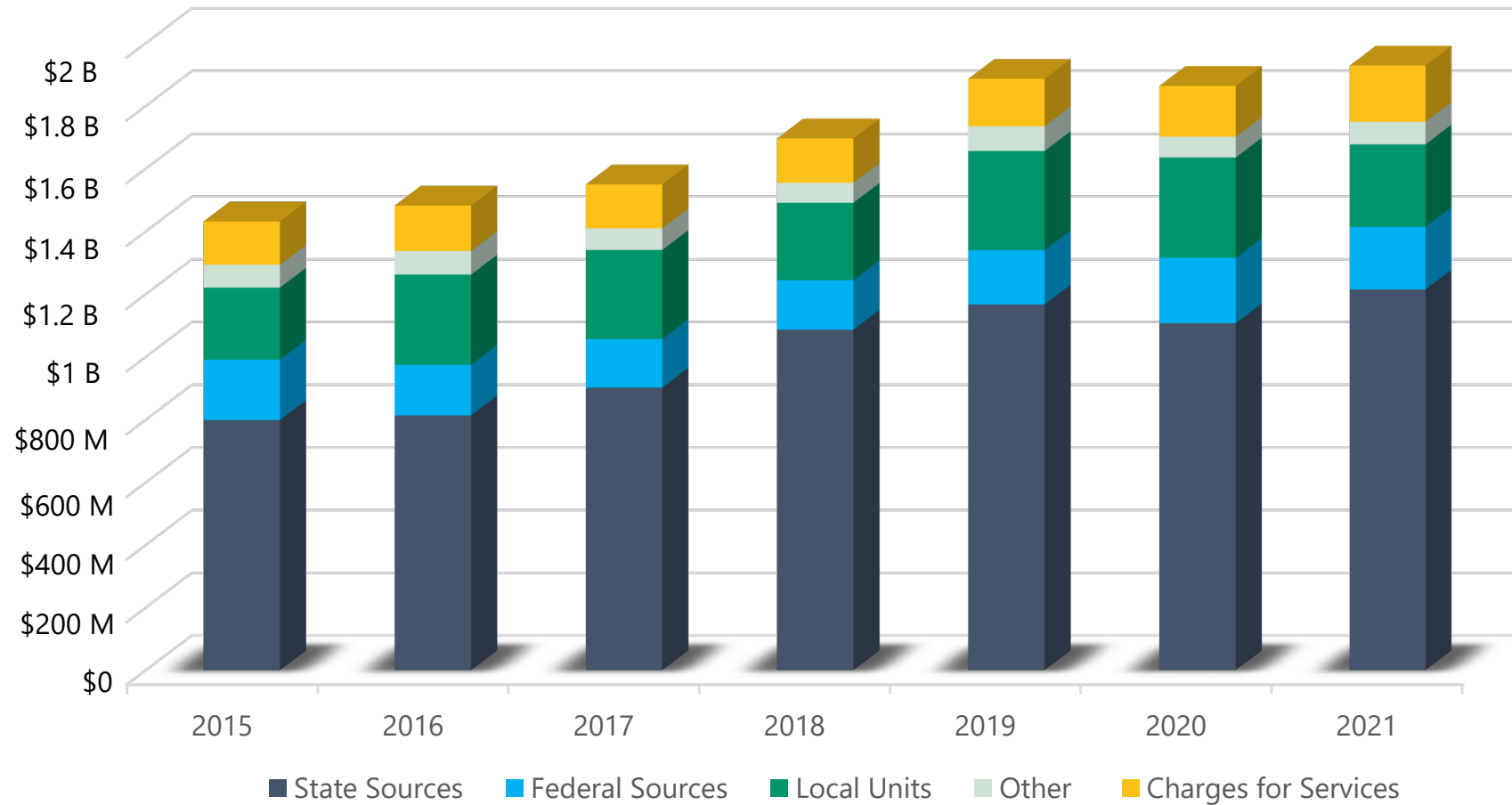
Receipts	Total
Gasoline Tax	\$1,173,138,288
Diesel Fuel Tax	\$246,831,580
Liquid Petroleum Tax	\$1,976,876
Total Motor Fuel Taxes	\$1,421,946,744
Diesel Carrier Tax	\$6,112,748
Diesel Dealer License	\$24,600
Total Diesel Carrier Taxes	\$6,137,348

Receipts	Total
Residential Weight Tax	\$1,314,526,437
Nonresidential Weight Tax	\$100,489,67
Total Weight/Reg. Fees	\$1,415,016,108
Miscellaneous Revenue	\$43,106,776
Interest Earnings	\$1,513,576
Total Gross Receipts	\$2,887,720,552
Marijuana Tax	\$49,000,000
Redirected Income Tax	\$600,000,000

Total Gross Receipts for FY 2022 = \$3,536,720,552



Historical revenue trends

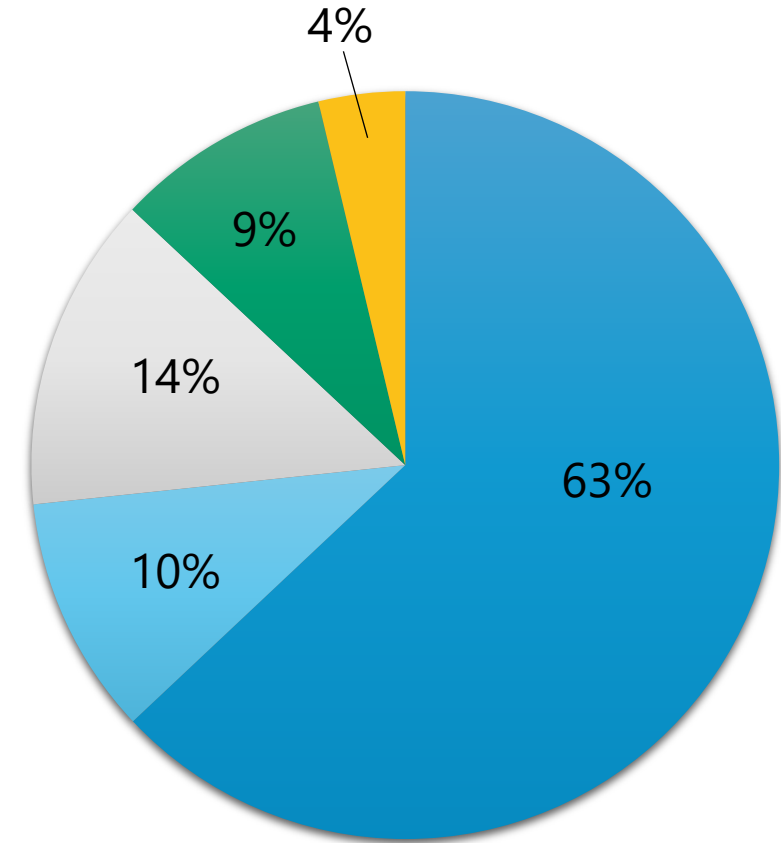


2021, TAMC

Where do county road funds come from?



Legend	Category	Value	Percent
	State Sources	\$1,214,009,357	63%
	Contributions from Local Units	\$263,082,023	14%
	Federal Sources	\$199,261,290	10%
	Charges for Services	\$179,099,200	9%
	Other	\$71,994,352	4%

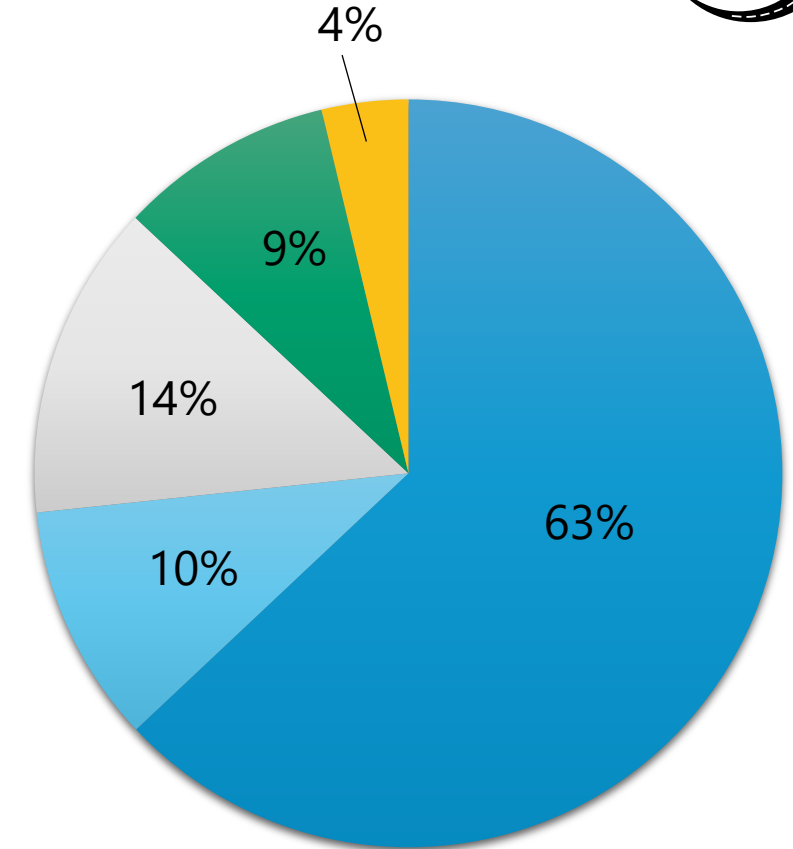


2021, TAMC



Local Funding – Local Units

Legend	Category	Value	Percent
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Local Funding – Local Units

Contributions from local units for county road work consist of:

- City, village and township contributions;
- County-wide or township millage taxes;
- Special Assessment Districts, bonds; and
- County appropriations.



Locally-Raised Revenue – A Growing Trend



- 31 county-wide road millages.
- 580+ townships have millages.
- Customize to local needs.



Federal Revenue

MCL 247.660(o): 23-27% of federal highway dollars to local agencies.

Since 2000: 25% avg.

Alternative Use:

- Local Federal Aid Exchange.
- Federal Aid Buyout Program by MDOT.



Total Road & Bridge Federal Aid to MI

FY 2021 - \$1,112,914,900 (appropriated)
@ \$290.6 million to local agencies.

Some excerpts of federal aid program:

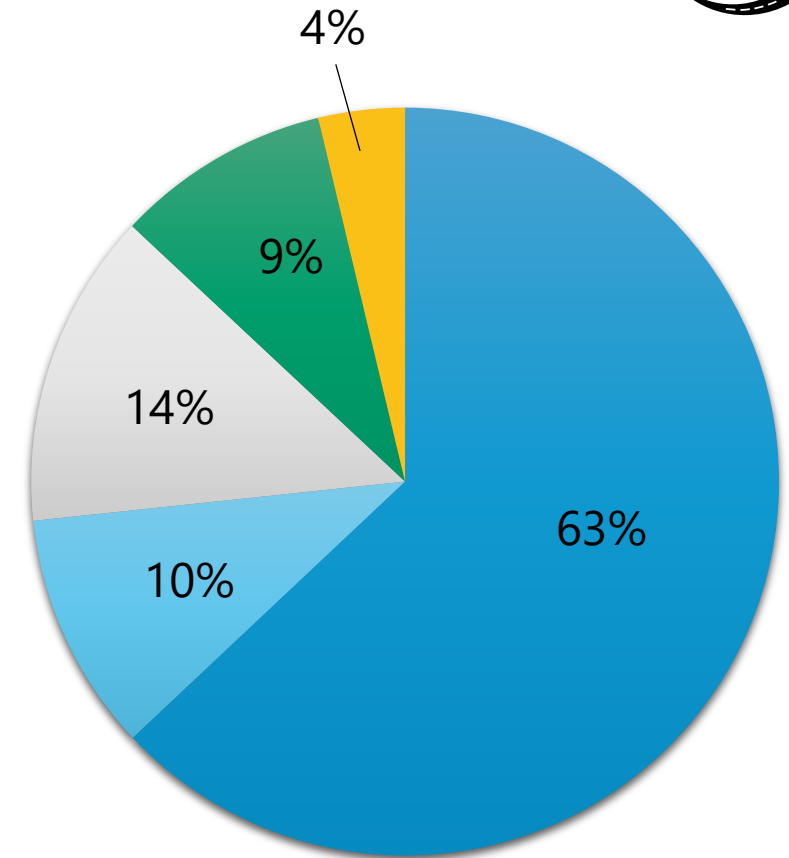
- 13 MPOs - \$119.7 million
- 25 RTFs (78 counties) - \$50.5 million (est.)
- 56 Small Urban Areas - \$8.8 million
- Off-system bridges - \$18.4 million
- CMAQ - \$25.2 million





Local Funding – Other

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2021, TAMC



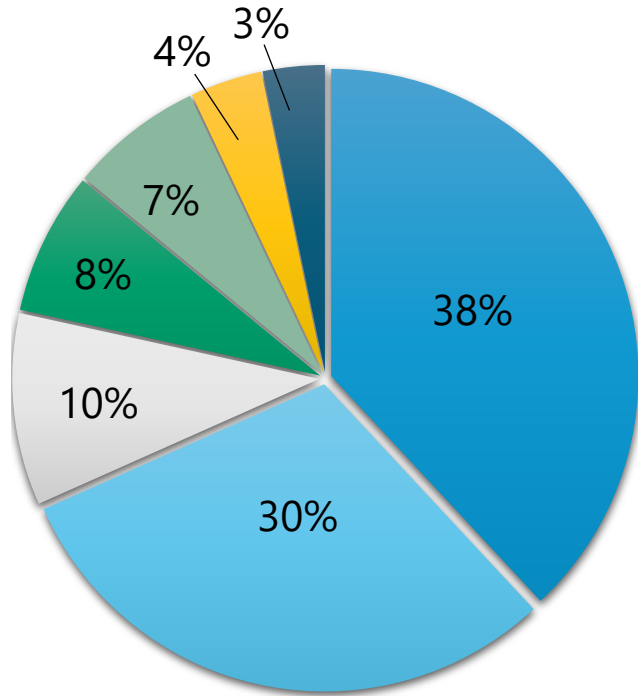
Local Funding – Other

“Other” consists of interest, rents and items such as:

- Licenses and permits fees;
- Salvage sales;
- Interest earned;
- Property rentals;
- Land and building sales;
- Sundry refunds;
- Gain or loss on equipment disposition;
- Contributions from private sources;
- Installment purchases and other leases;
- Other financing.



Typical County Expenditures



Legend	Category	Value	Percent
	Preservation & Structural Improvement (PSI)	\$682,415,003.86	38%
	Routine Maintenance	\$542,580,976.01	30%
	State Trunkline Maintenance	\$181,211,526.95	10%
	Other	\$131,650,487.90	8%
	Winter Maintenance	\$125,441,071.08	7%
	Administrative	\$68,034,201.26	4%
	Construction & Capacity Improvement (CCI)	\$58,299,318.27	3%

2021, TAMC

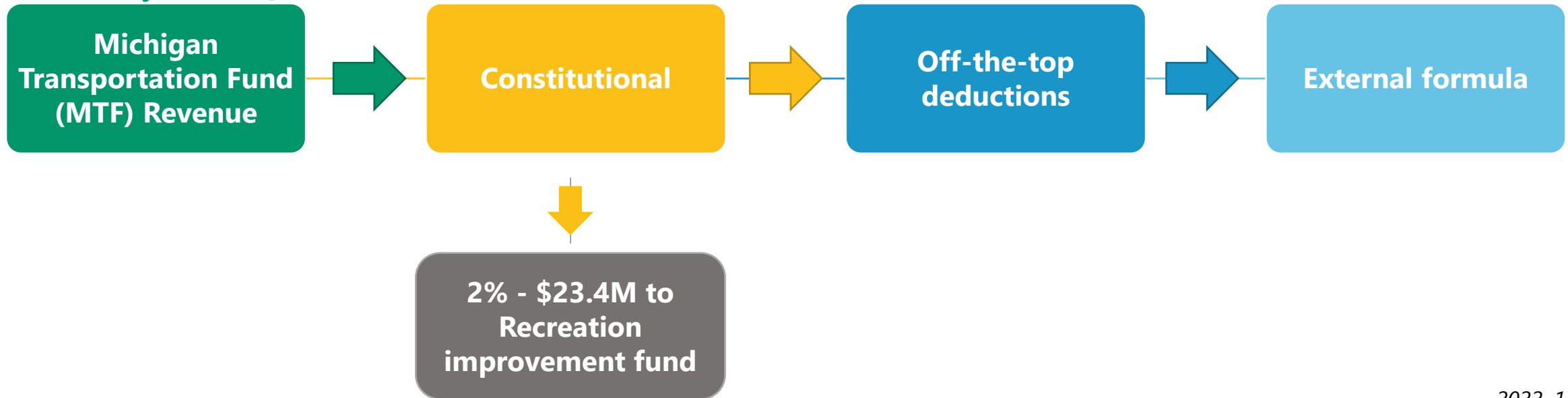


External formula



2022 MTF Revenue Flowchart

\$3.3 Billion
(includes \$600M
Income Tax + \$49M
marijuana tax)



Recreation Improvement Fund



Before any MTF goes through the process...

- **2% of all gasoline tax collections** go to the “**Recreation Improvement Fund**” (RIF).
- In **2022**, that was **\$23.4M**
- Within the RIF, funds are distributed to:
 - **Marinas** (80%)
 - **Snowmobile** (14%)
 - **Admin/ORV** (6%)



Off-the-Top: Approx. \$500M

Before any MTF gets to counties and municipalities...

- **MDOT administration**
- **Statutory grants**
- **Grants – Other state departments/special programs**
- **Comprehensive Transportation Fund (CTF)**
- **Transportation Economic Development Fund (TEDF)**





Off-the-Top: Detail – Part 1

How the \$500M off-the-top is sliced up

- **MDOT administration** **\$34M**
- **State depts. Grants** **\$25.4M**
(SOS, Treasury, EGLE, Audit or General)
- **CTF** (10% of MTF
after above deductions) **\$258M**



*Note to
Presenter:
Must say
"off-the-top"
like the
Terminator.*

Motor vehicle related taxes to CTF = \$90M. Comes from general sales tax.

2021, 139 Report

Off-the-Top: Detail – Part 2

How the \$500M off-the-top is sliced up







- **Statutory grants – Funds** **\$61.3M**
 - Local Bridge Fund
 - Local Program Fund
- **Statutory grants – Taxes/fees** **\$109.6M**
 - Rail Grade Crossing
 - MDOT debt service
 - MiWB
 - + many others
- **TEDF** **\$53.2M**
- **3¢ gas tax** **\$122.6M**





Off-the-Top: Detail – TEDF

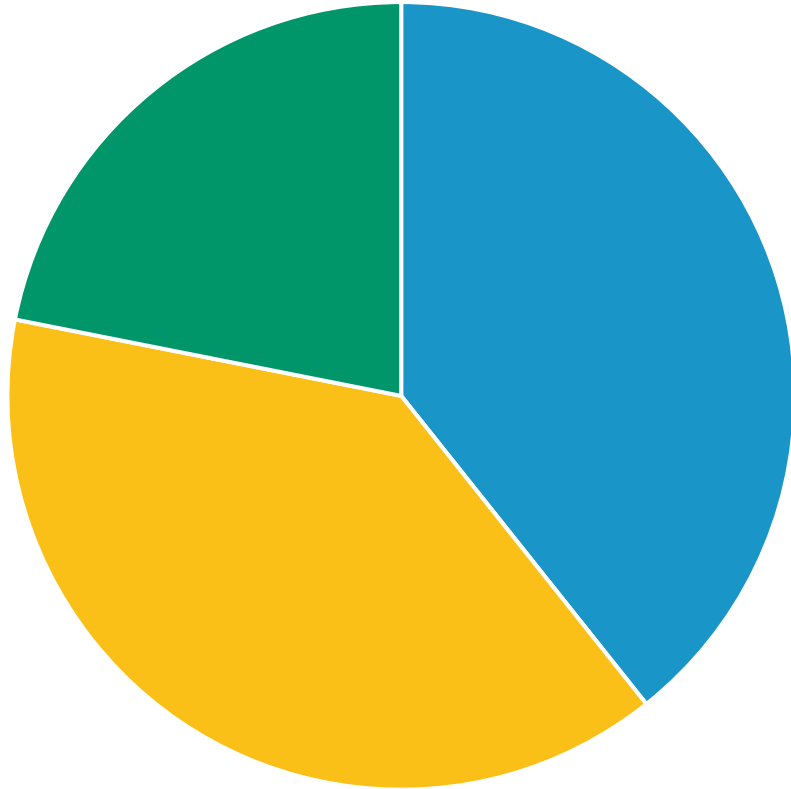
Transportation Economic Development Fund

- **Category A** -  Economic Development Road Projects
- **Category B** -  Villages and Small Cities
- **Category C** -  Urban Congestion Relief
- **Category D** -  Secondary All-Season Roads
- **Category E** -  Forest Roads- 47 County Agencies
- **Category F** -  Urban Areas in Rural Counties



FY22 External formula – Final step

The rest of the MTF goes to:



- **MDOT** **\$1.3B+**
- **Counties** **\$1.2B**
- **Cities/Villages** **\$696M**

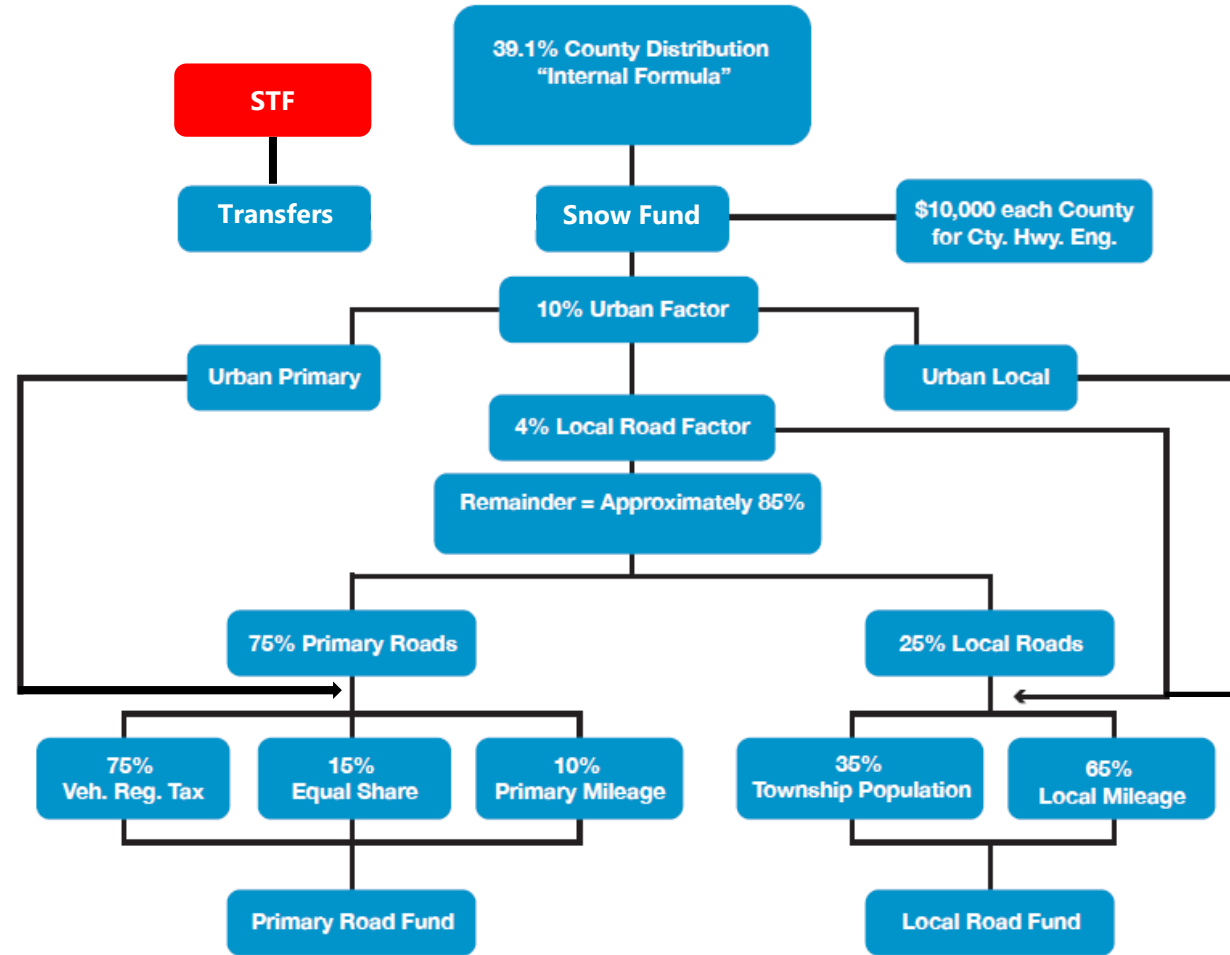
The "39%, 39%, 22%" split.



Internal formula

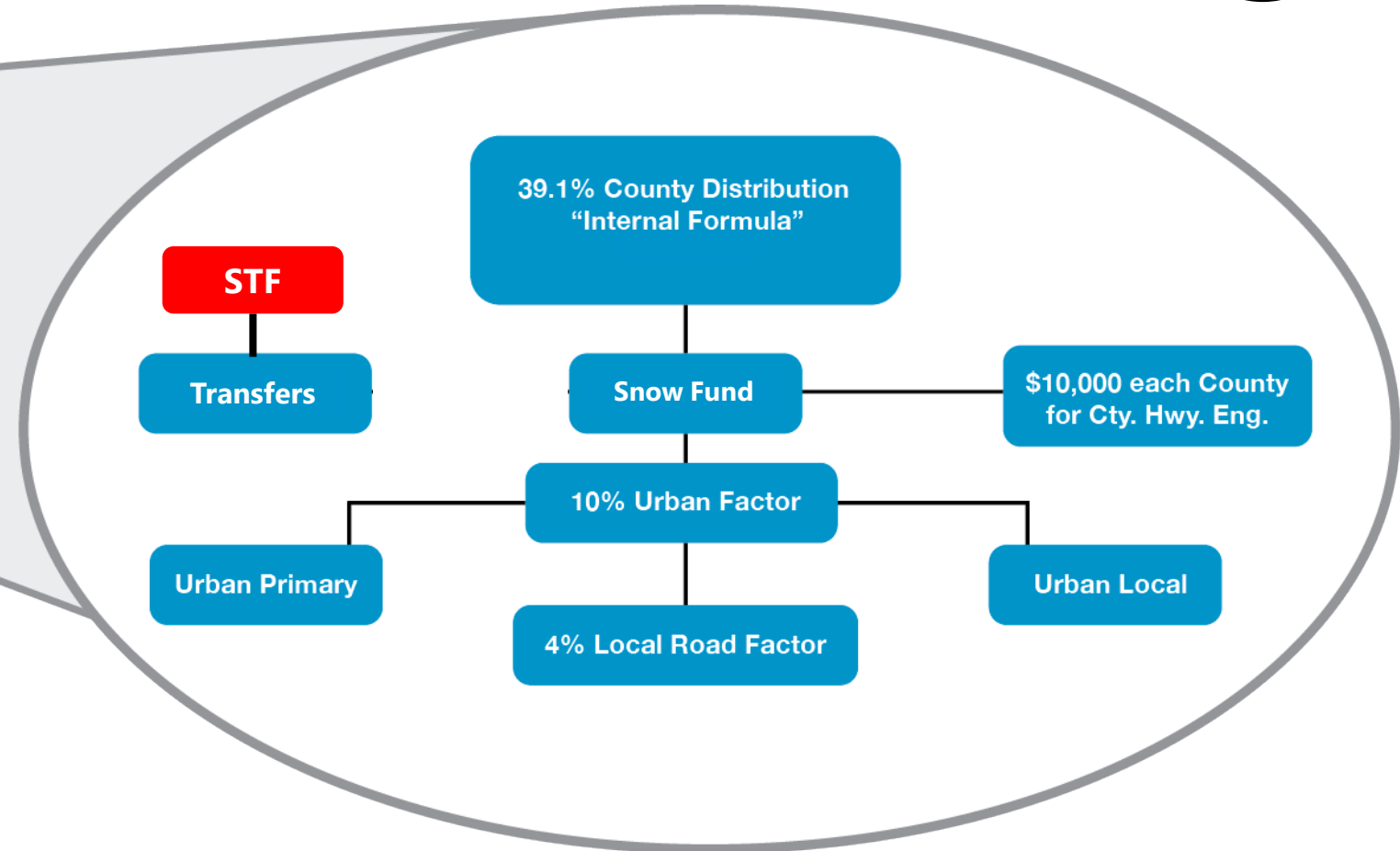
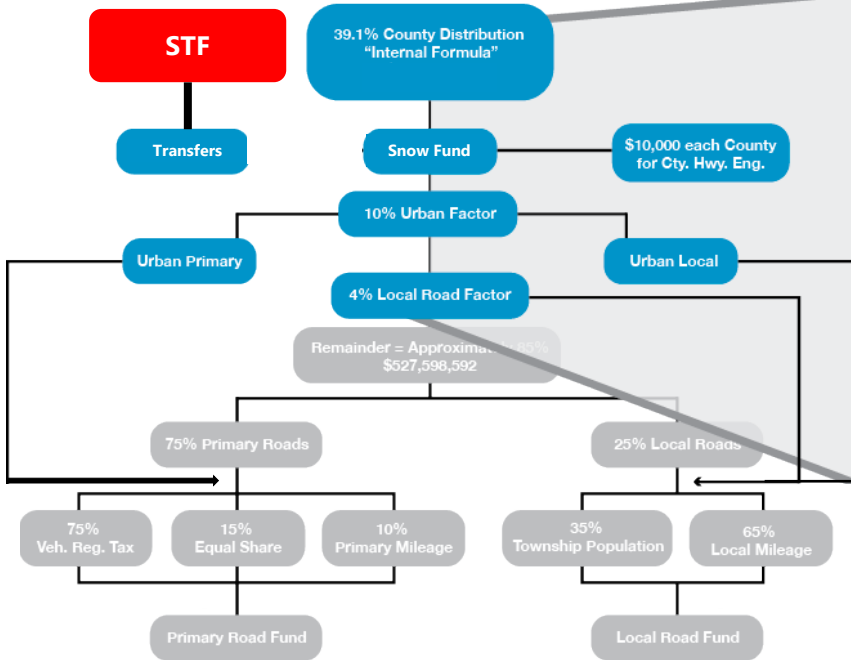


County Internal Formula

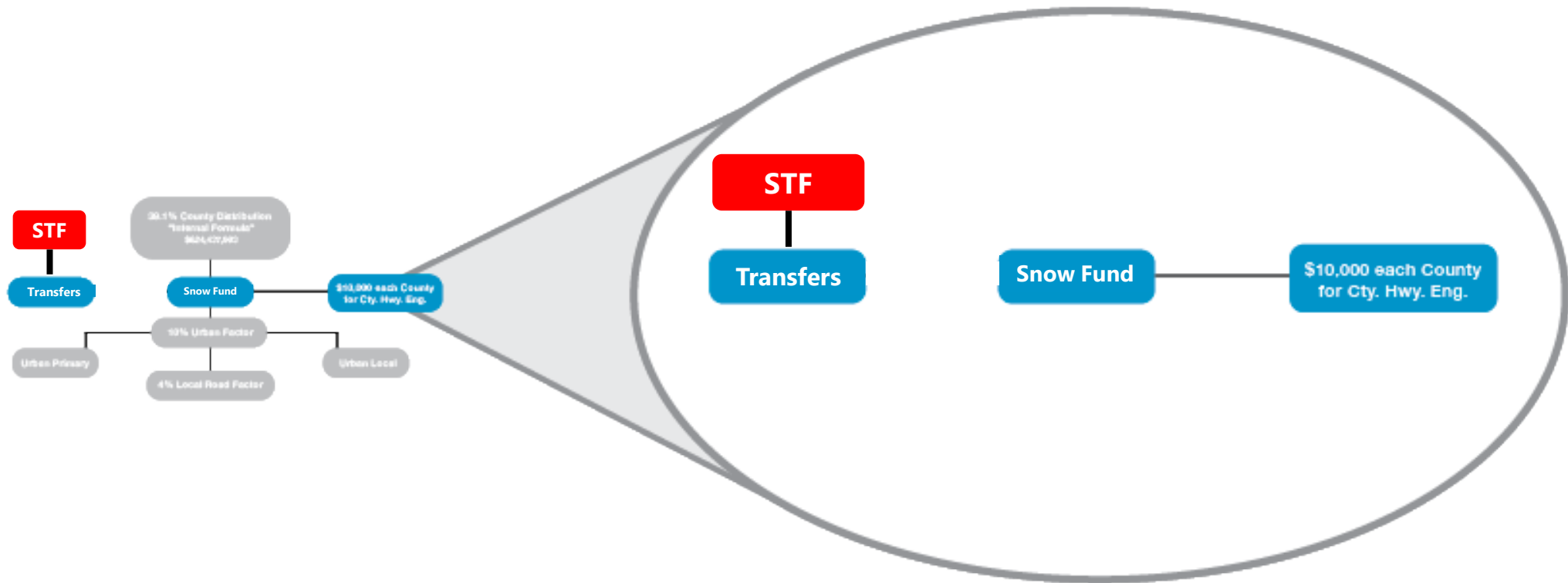




County Internal Formula



Off-the-Top, Part A

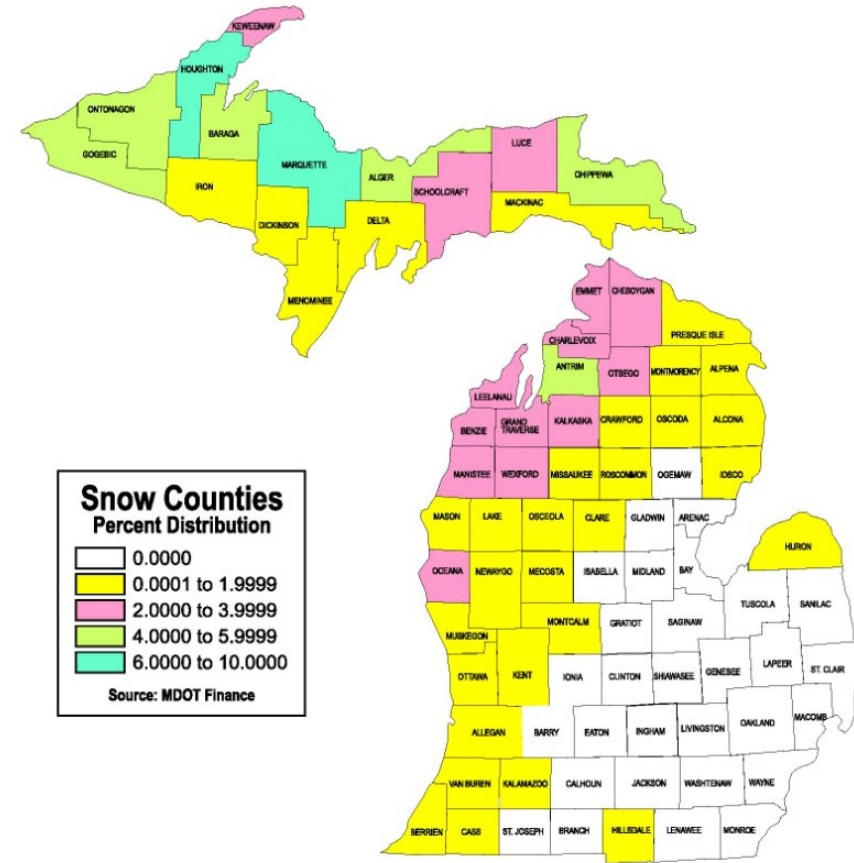


Snow Payments 1%

- Available to “53 snow counties”
 - Snowfall 80” and higher

- Based on the prior rated % of snowfall of eligible counties

- Distributions in November



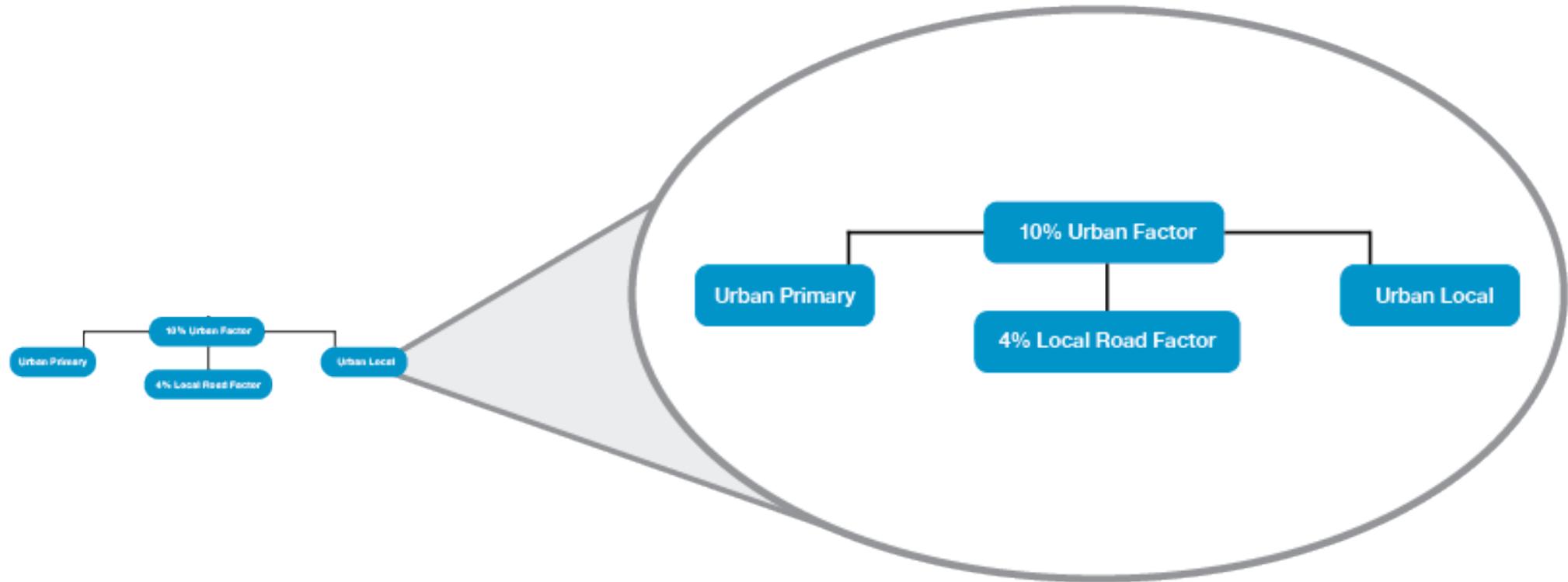
Licensed Professional Engineer (PE)



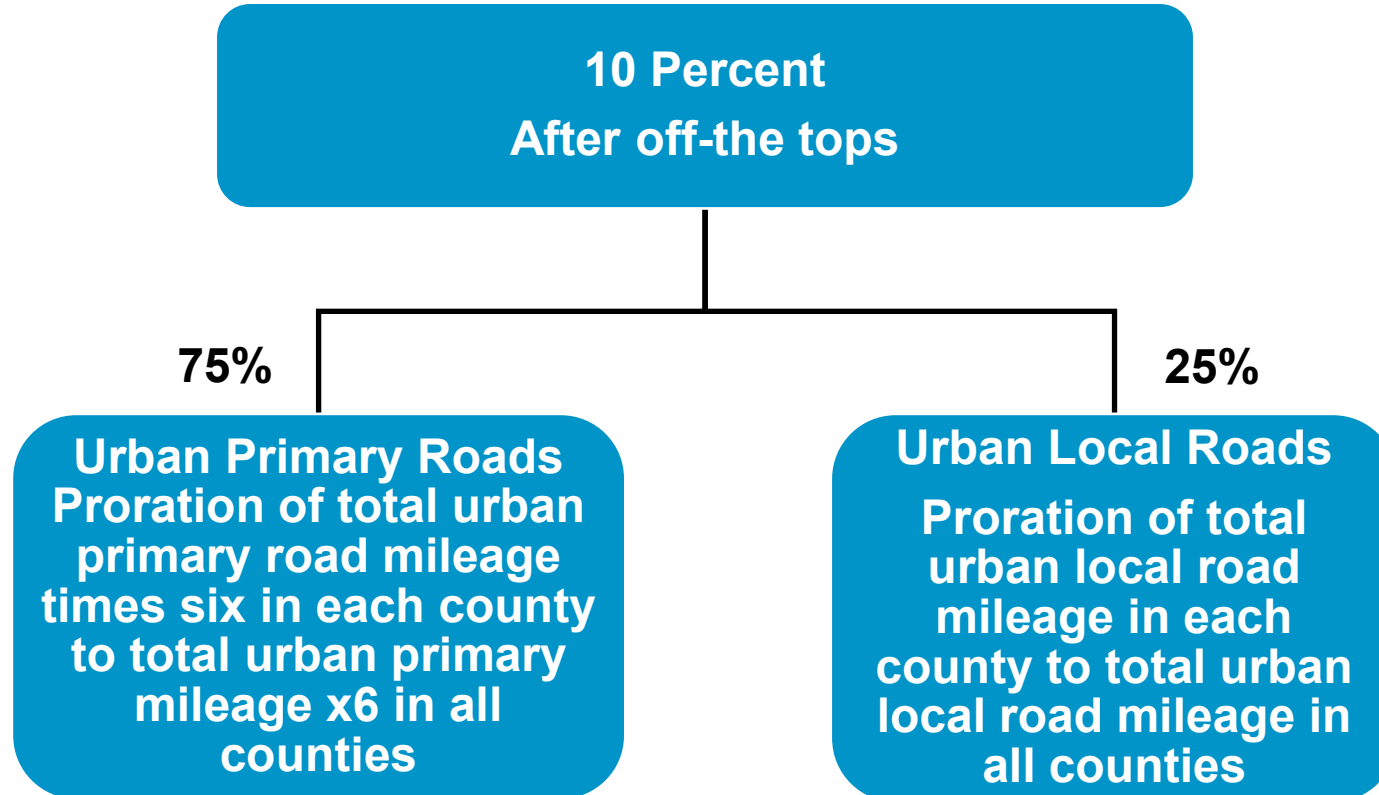
Up to \$10,000/county per year toward a licensed PE employed/retained in the previous year.



Off-the-Top, Part B



Urban Road Area



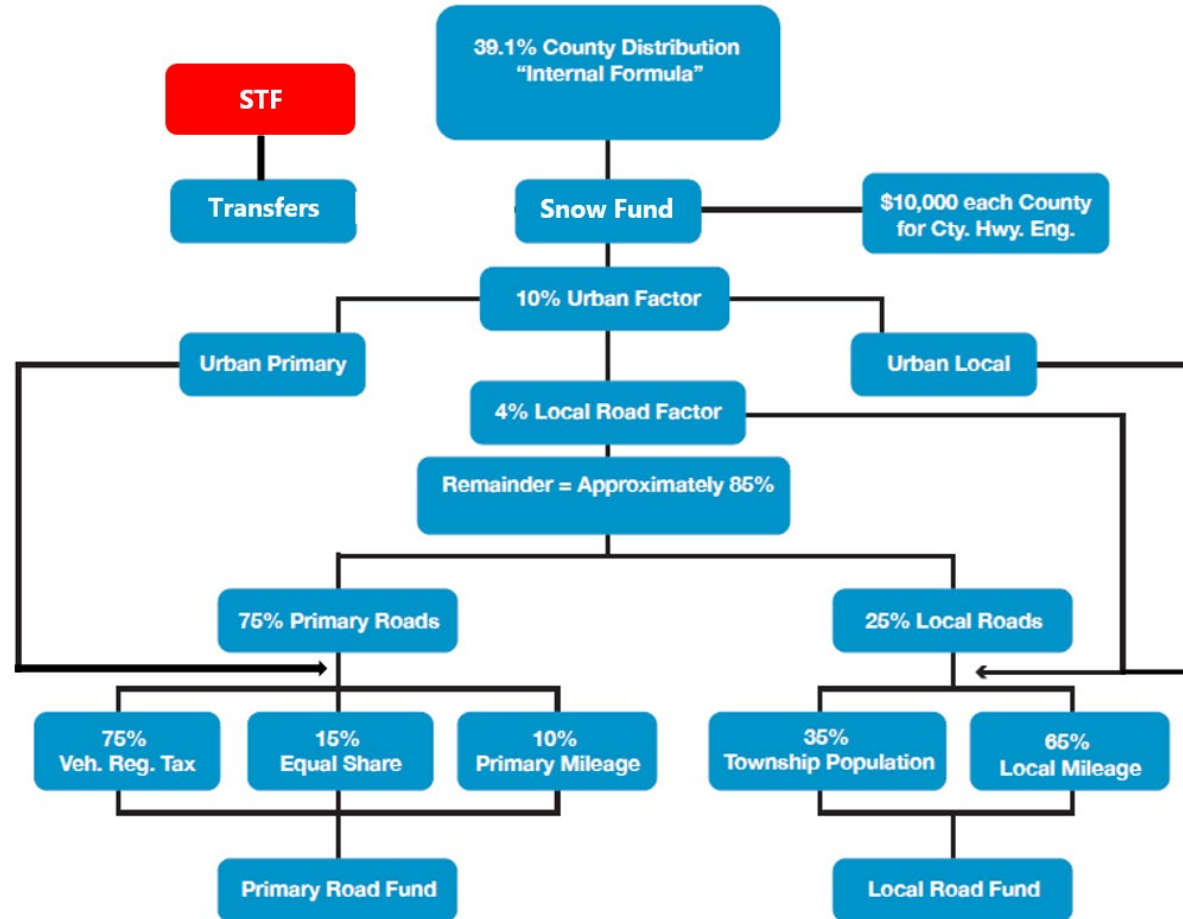


“Local Roads Factor”

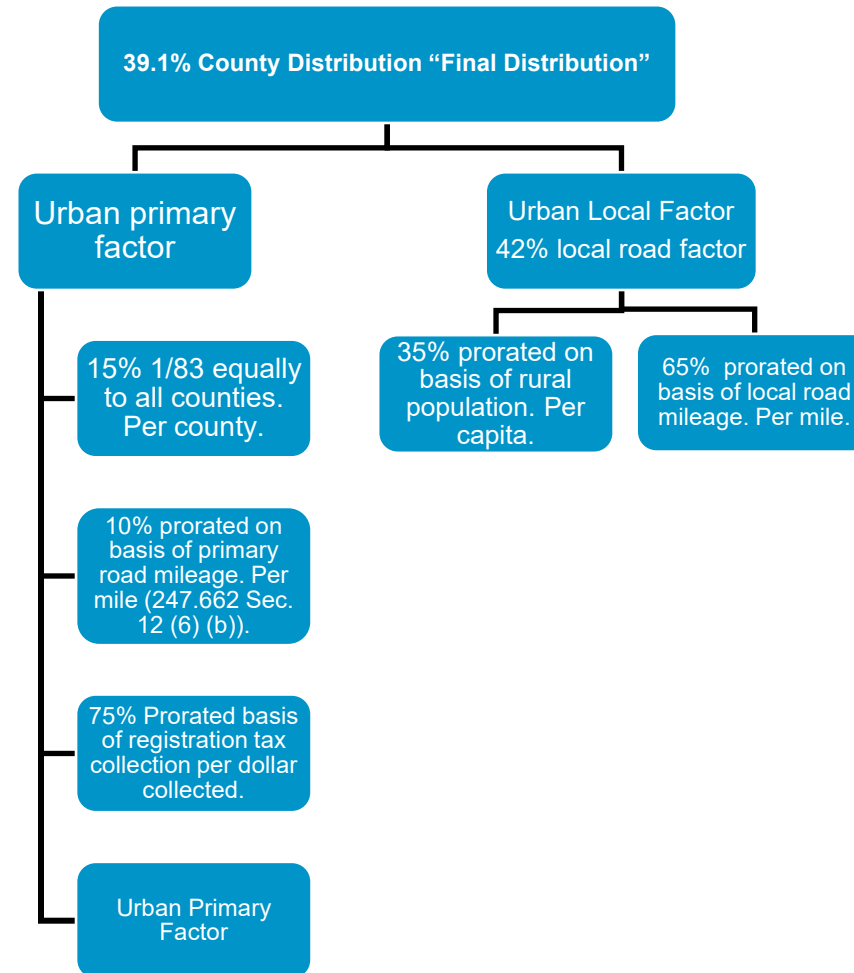
4% Local Roads Factor
Flat 4% added
to 25% local roads distribution



Internal Formula: Final Distribution



Final Distribution





**County Road Association
OF MICHIGAN**

Thank you!

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