

# Transportation Revenue back in the News

- Ballot initiative in May . . .
- “Increase sales tax from 6% to 7%”
- Eliminate sales tax on gasoline
- “Remove higher education from the school aid fund.”

## Tie-Barred Bills

- “Wholesale tax on gasoline”
- “EITC Restoration”

# Asset Management Annual Reports OR . . . How bad are our roads really? January, 2014



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# Review of Asset Management

## Asphalt PASER Ratings

PASER Rating	Condition	Treatment
9 & 10	Excellent	No maintenance required (Rating of “10” can only be warranted if segment was completely resurfaced within the last 12 months).
8	Good	Little or no maintenance
7	Fair	Crack sealing and minor patching
5 & 6	Fair	Preservative treatments (non-structural)
3 & 4	Poor	Structural renewal (overlay)
1 & 2	Poor-Failed	Reconstruction

# What do these ratings mean?



Rating of 6 (Source: Missouri DOT)

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Rating of 1 (Source: Missouri DOT)

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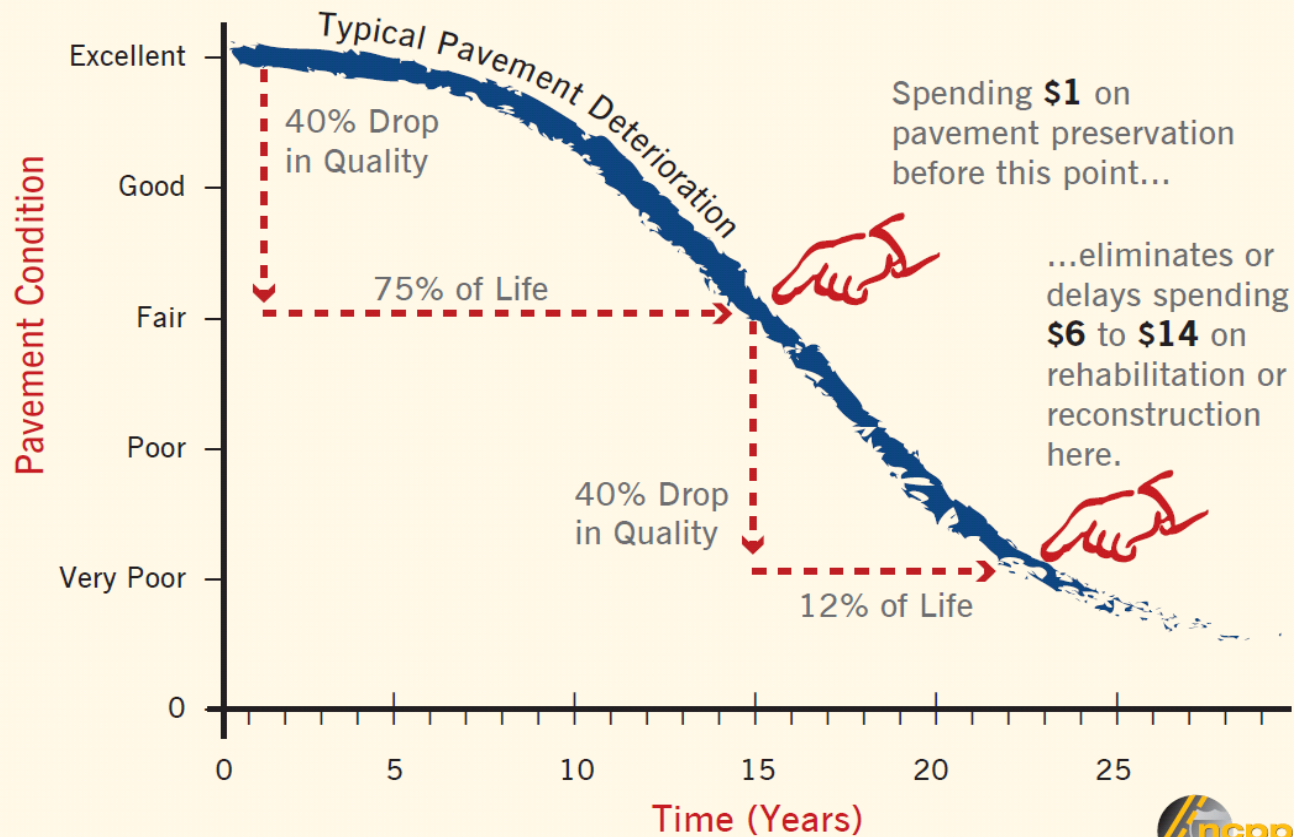
Rating of 10 (Source: Missouri DOT)

# Review of Asset Management

- From P.A. 199 of 2007: “[Pavement management] shall attempt to ensure that a disproportionate share of pavement shall not become due for replacement or repair at any time.”

# Why Asset Management

## PAVEMENT PRESERVATION IS COST EFFECTIVE



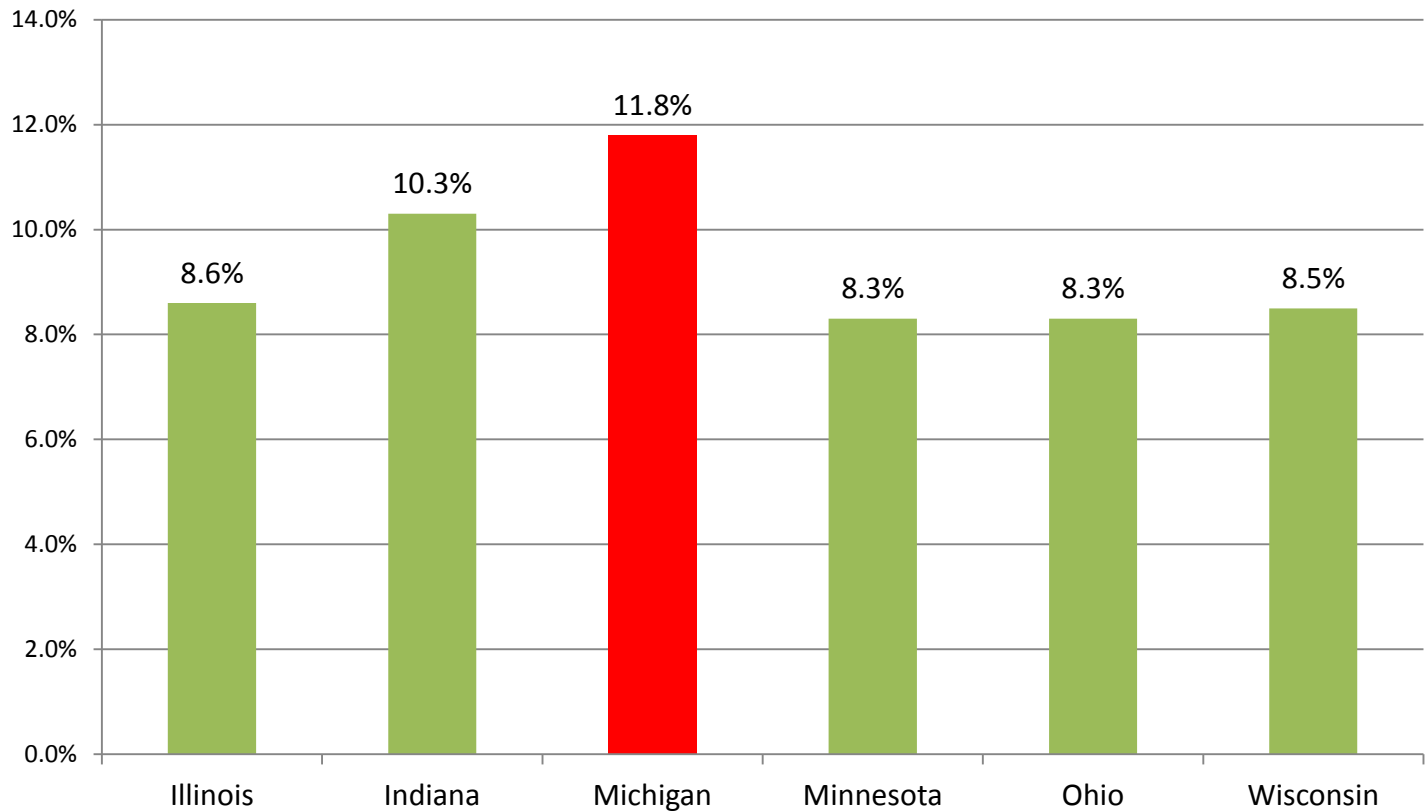
Source: MDOT, 2013



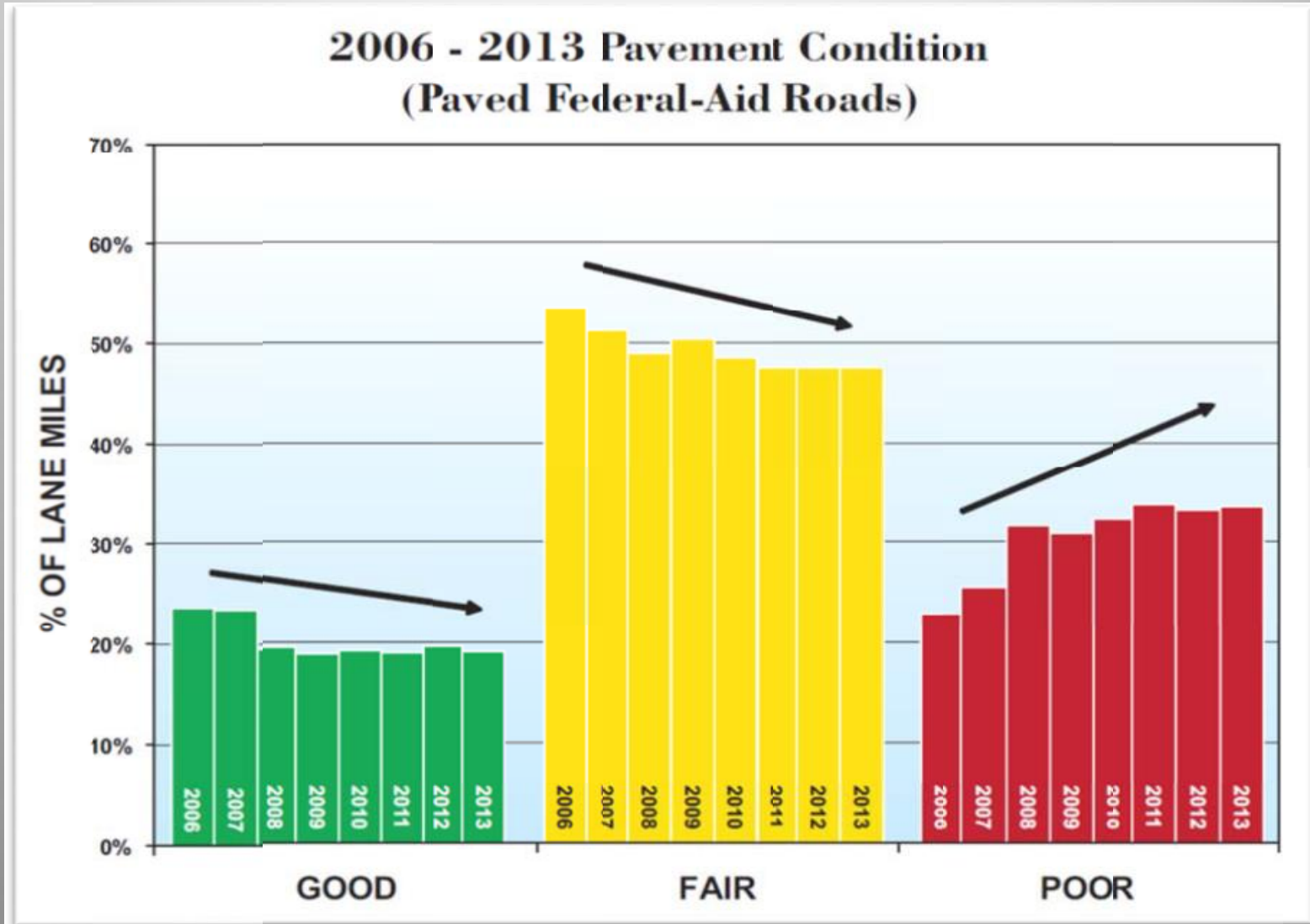
Question 1: Does Michigan REALLY  
have the worst roads and  
bridges?

# Bridges

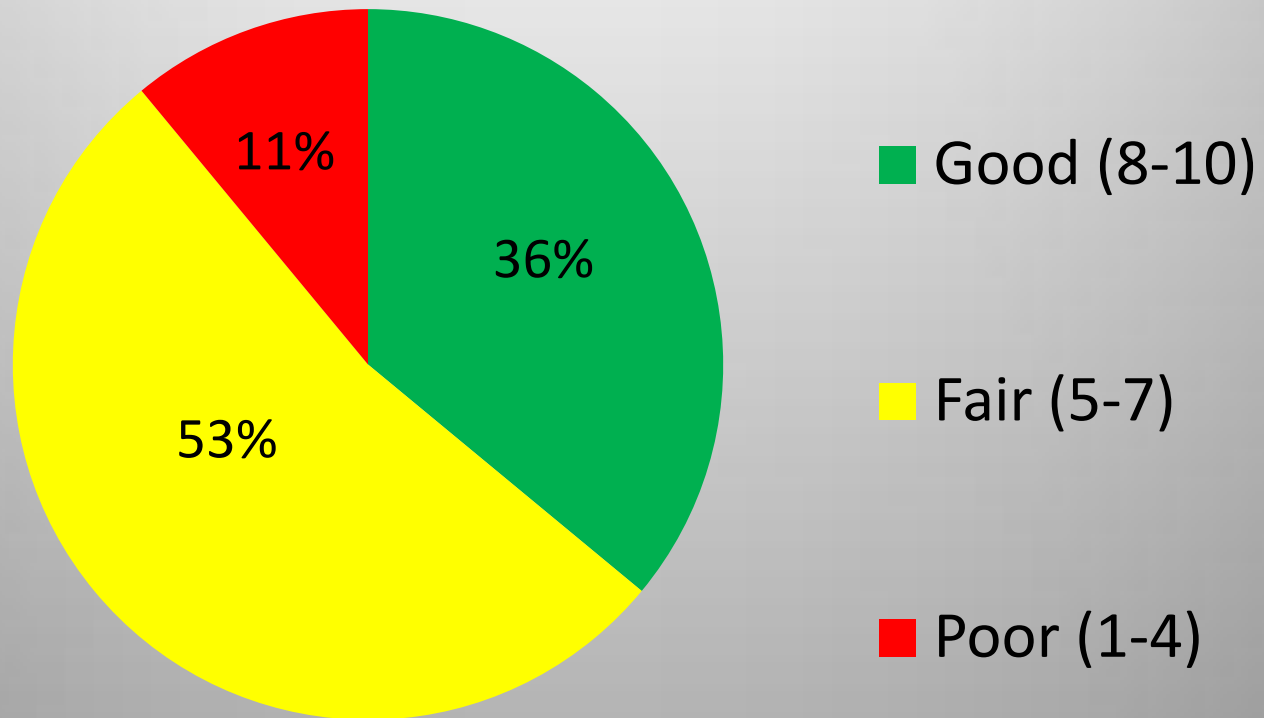
**2013 Percentage of Bridges that are Structural Deficient  
(All Federal-Aid Bridges, Great Lakes States)**



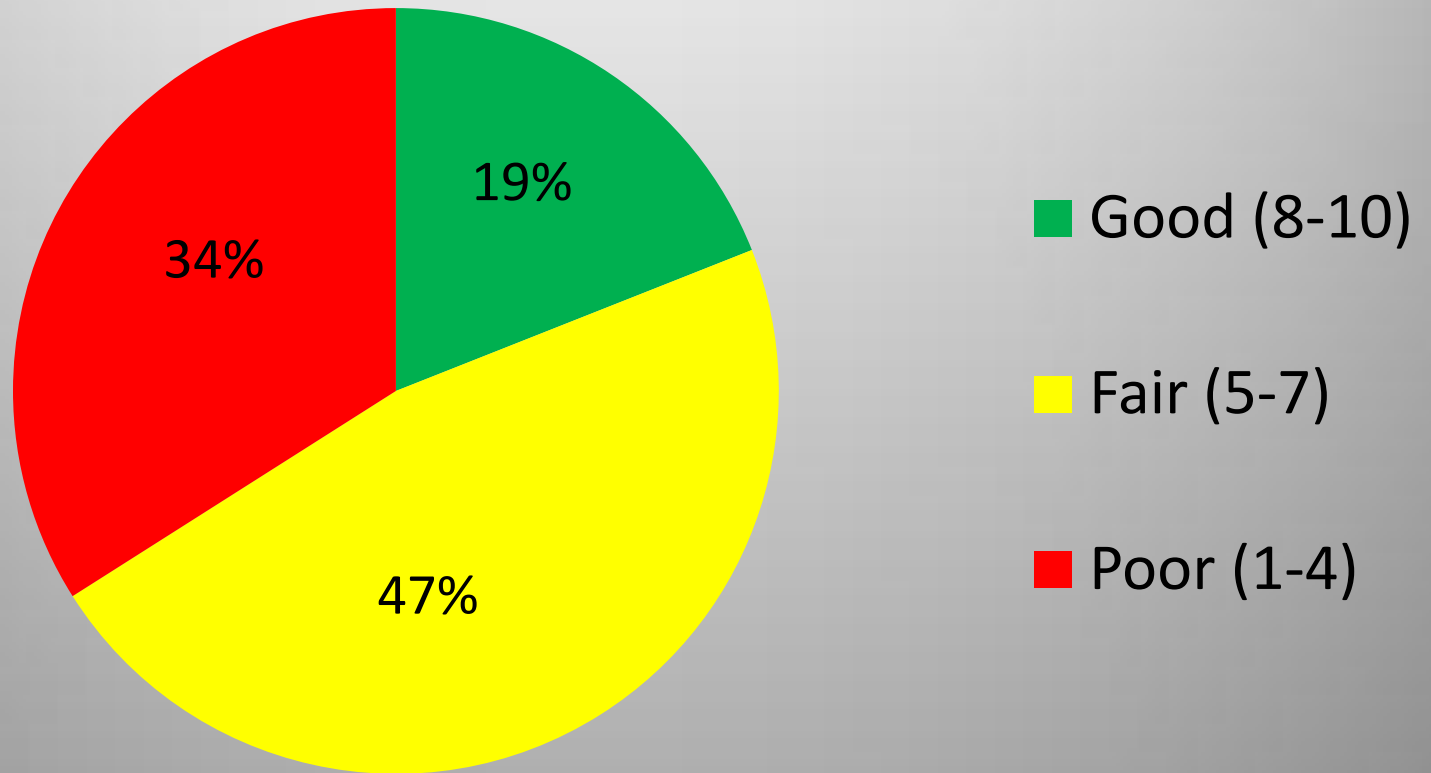
# Roads. . .a bit harder to compare



# Michigan Federal Aid Roads in 2003



# Michigan Federal Aid Roads in 2012-2013



# Governor's Message (2011)

\$1.2 billion in additional revenue needed to prevent deterioration of roads from **2010-2011 levels.**

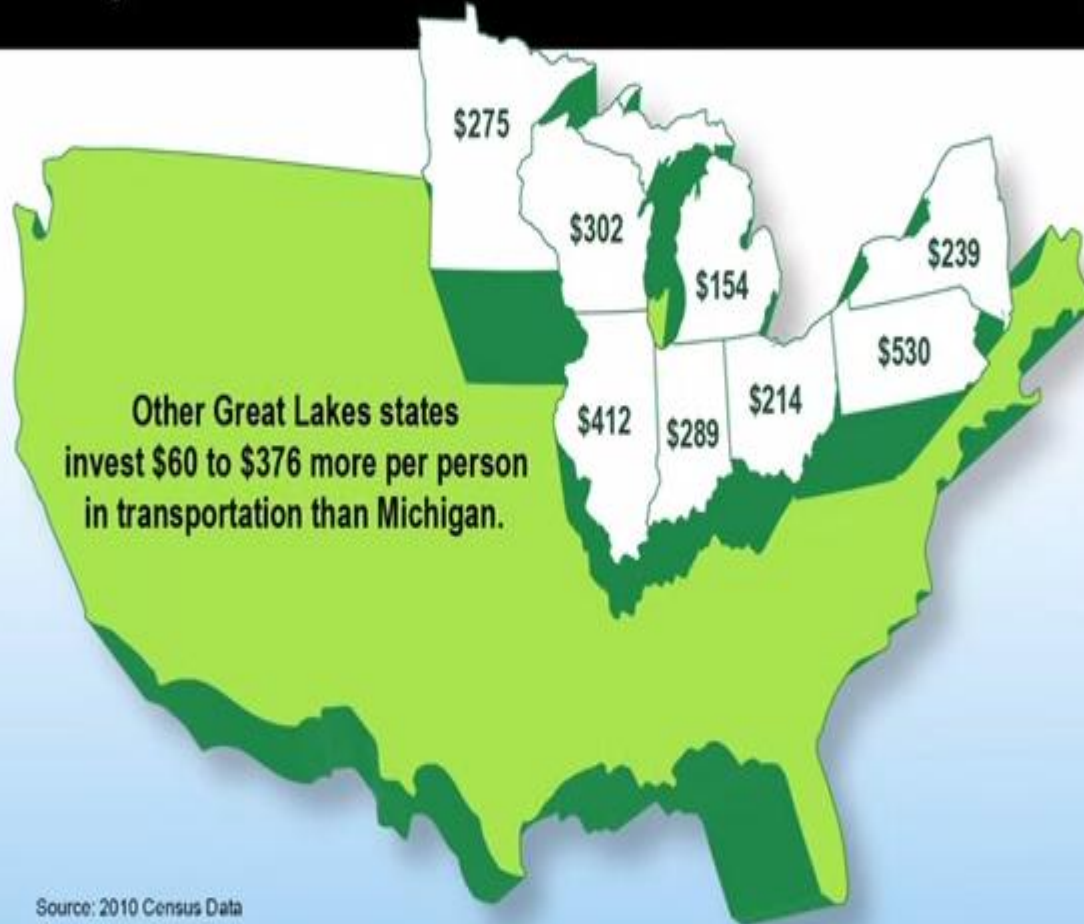
Without increased revenues, might have to start **turning away federal money.**

Question 2: Does Michigan really have one of the highest gas taxes in the nation?

- Answer: Yes (41 cents in total state taxes on a gallon of gasoline), but . . .
- the amount of that gas tax revenue that goes towards transportation is among the lowest in the nation.



# Per Capita State Investment in Roads



Source: MDOT 2013

# Can't we just trim costs?

Wouldn't keep up with inflation in salt prices and various construction materials.

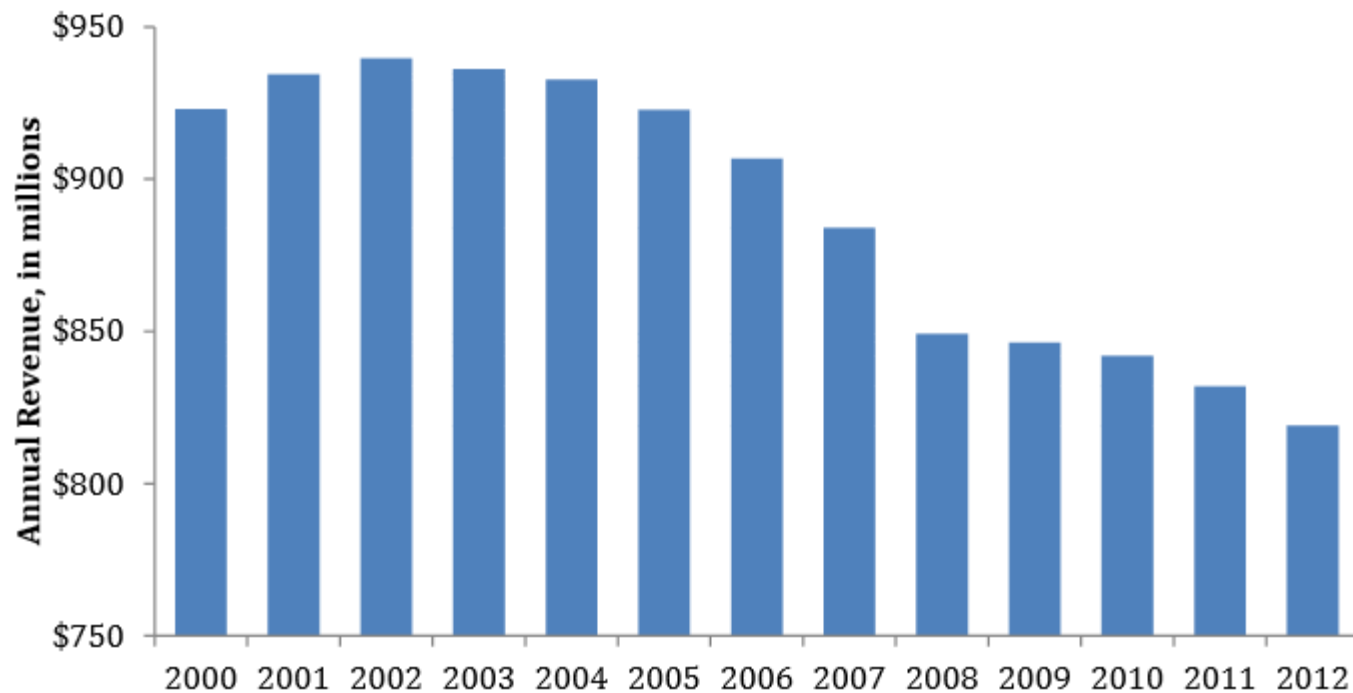
Costs have already been cut at the state level and county agencies

FHWA is pushing initiatives like accelerated project delivery to trim costs further.

# Declining Revenues

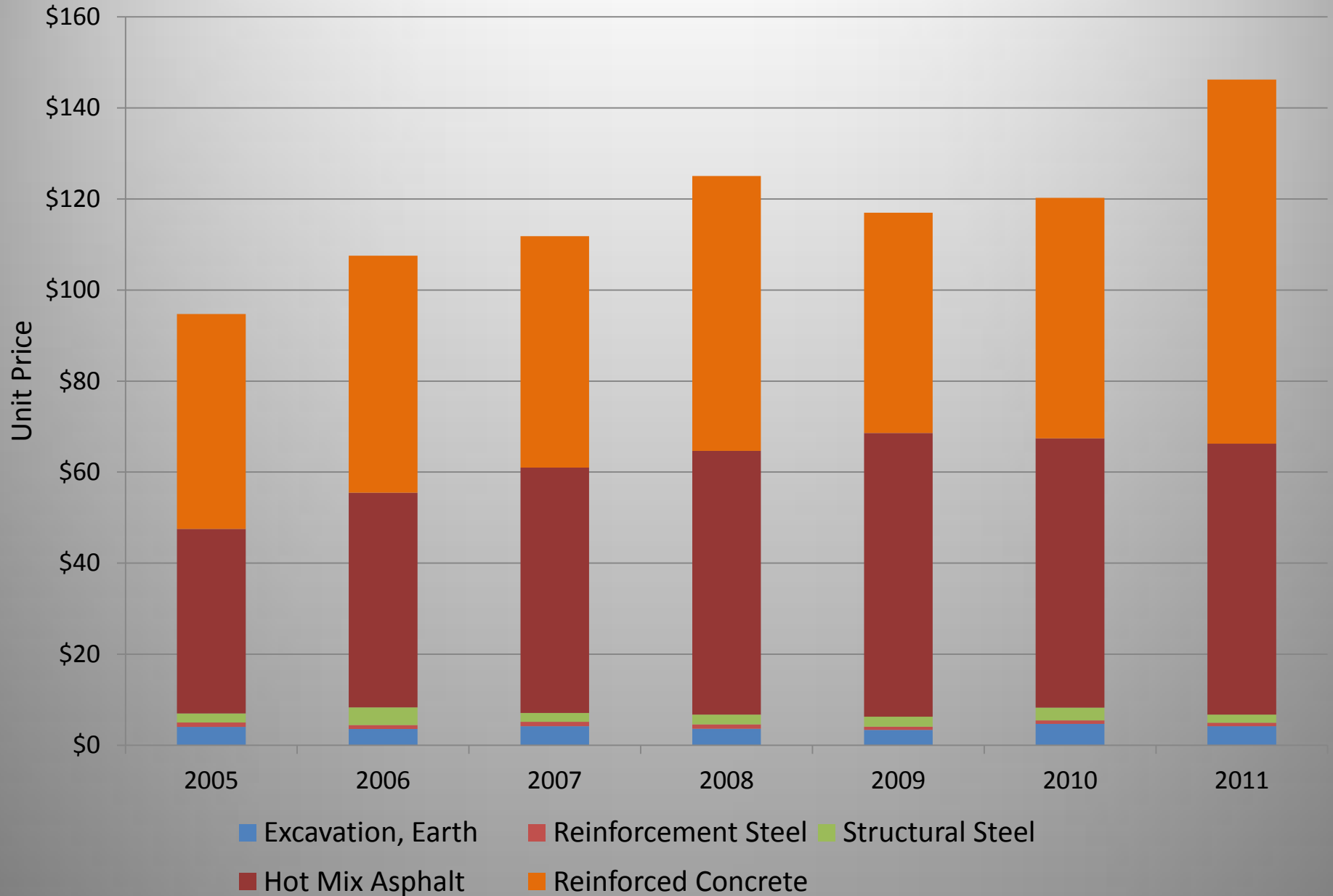
Figure 1

**Michigan gas tax revenues are declining**



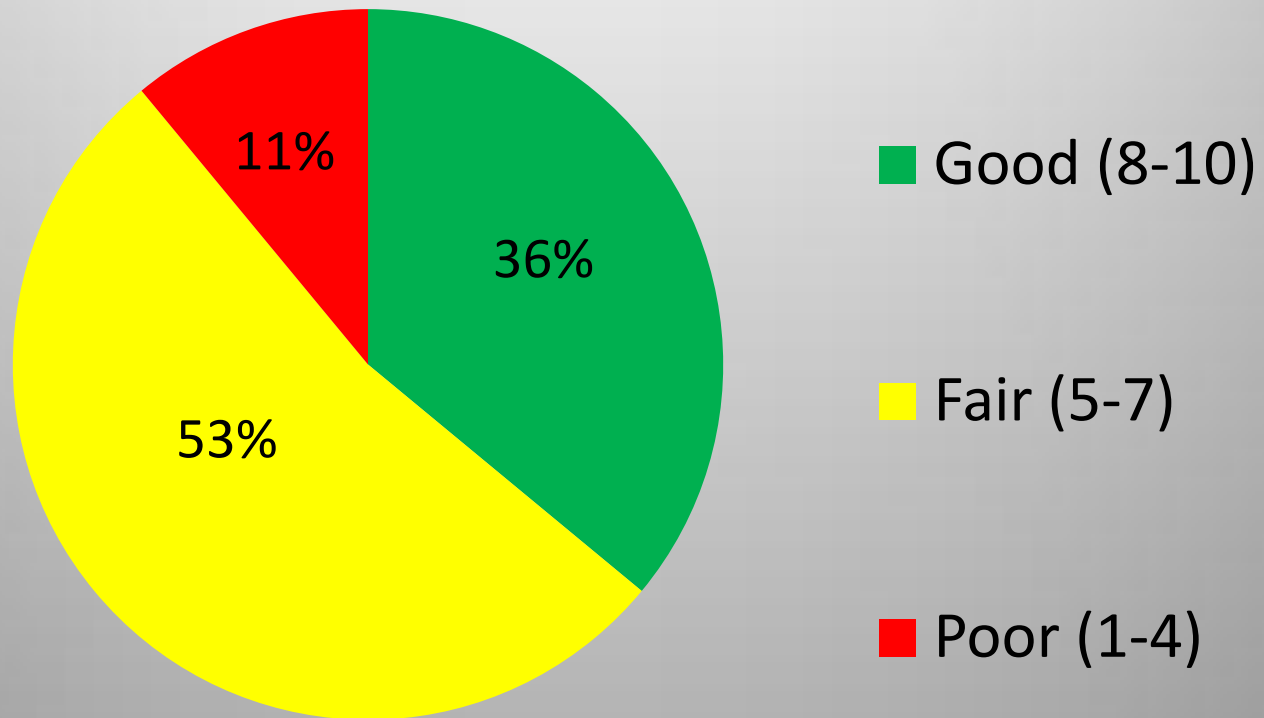
Source: SEMCOG, 2013

# Commodity Prices

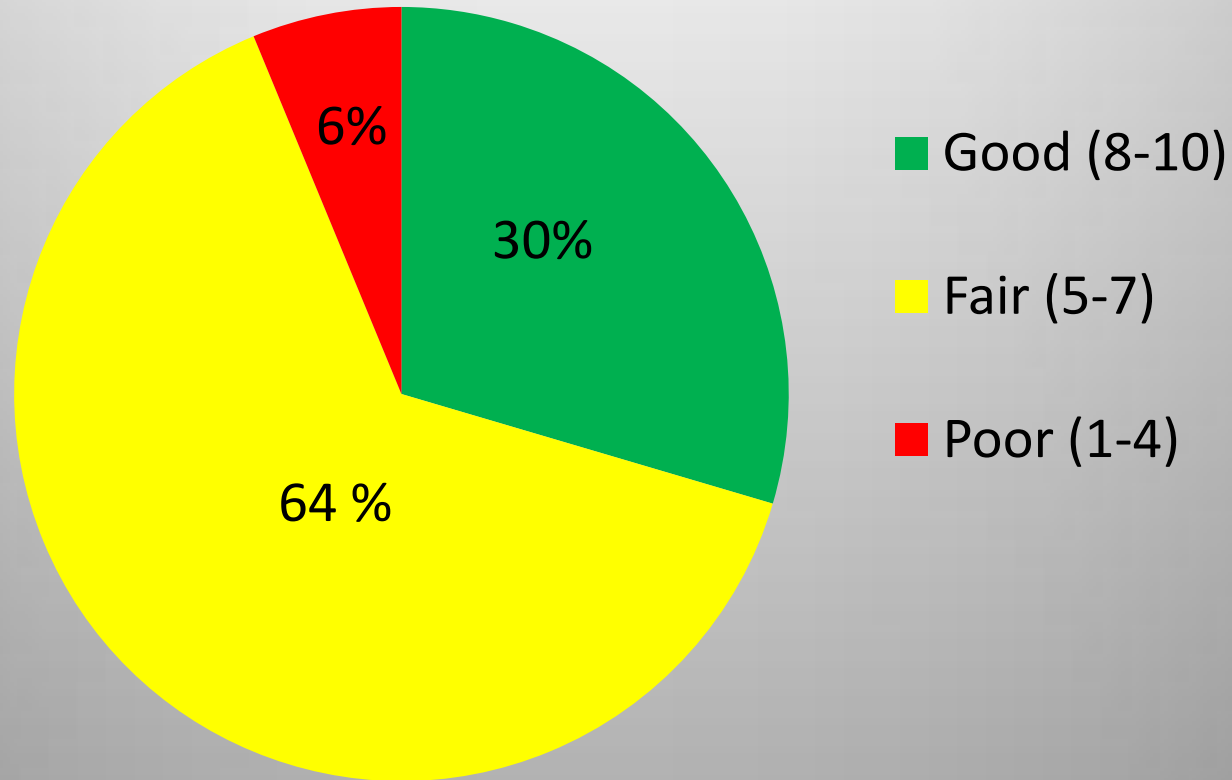


- Question 3: Are roads in Southwest Michigan worse than the state as a whole?

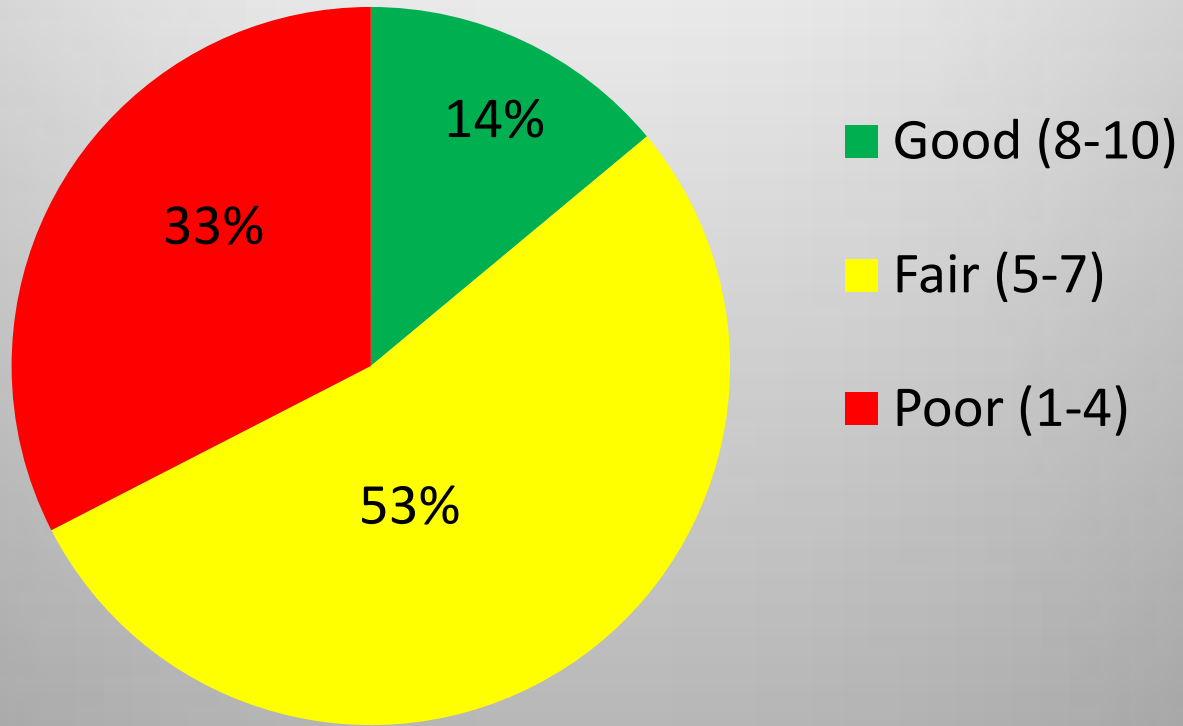
# Michigan Federal Aid Roads in 2003



# Southwest Region in 2003

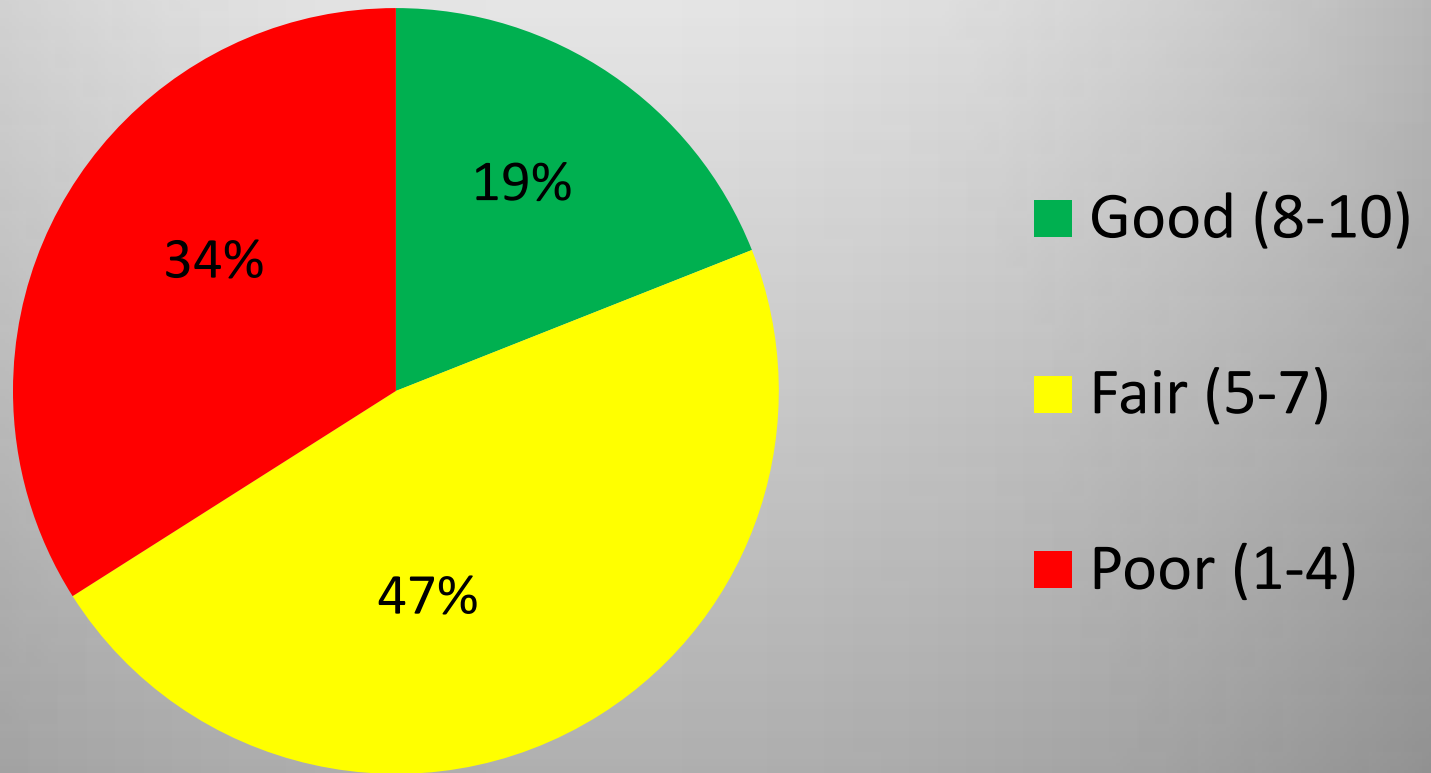


# Southwest Region in 2009-2010

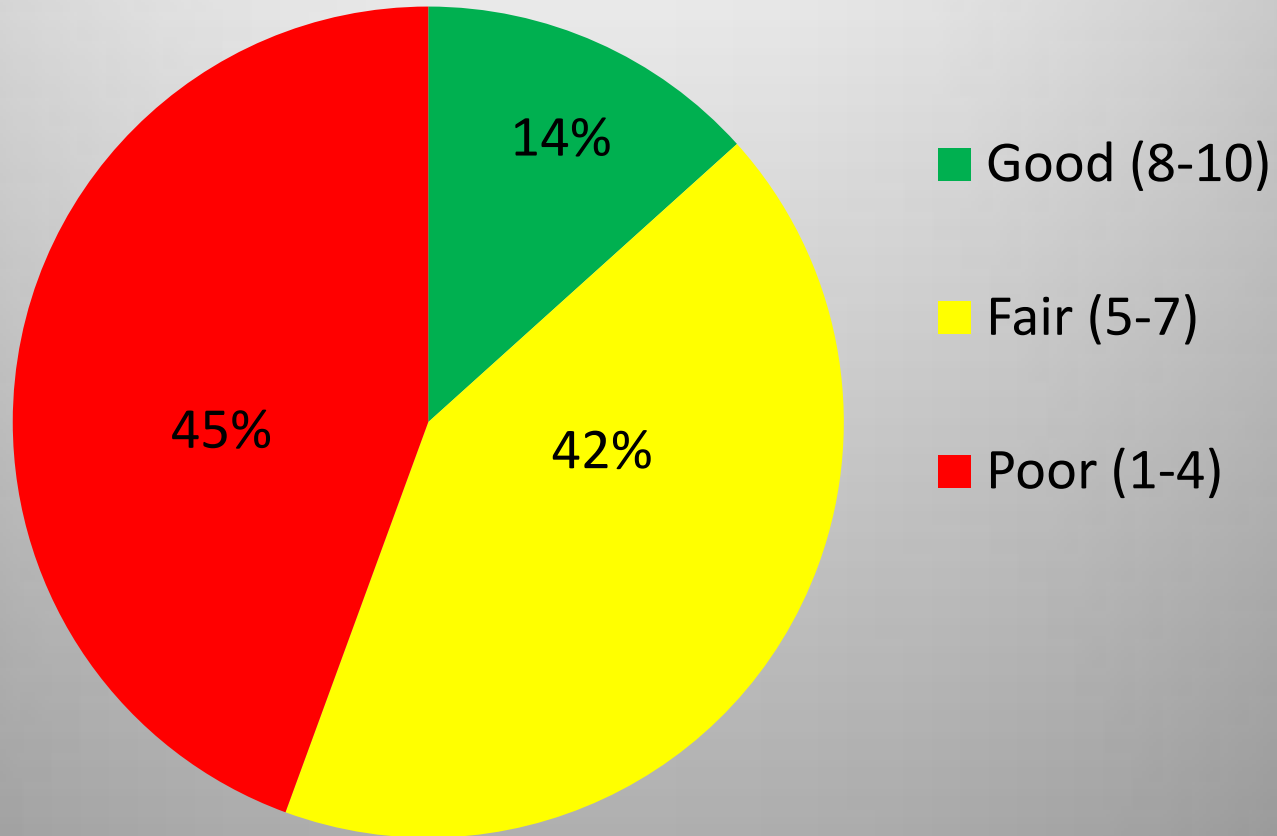




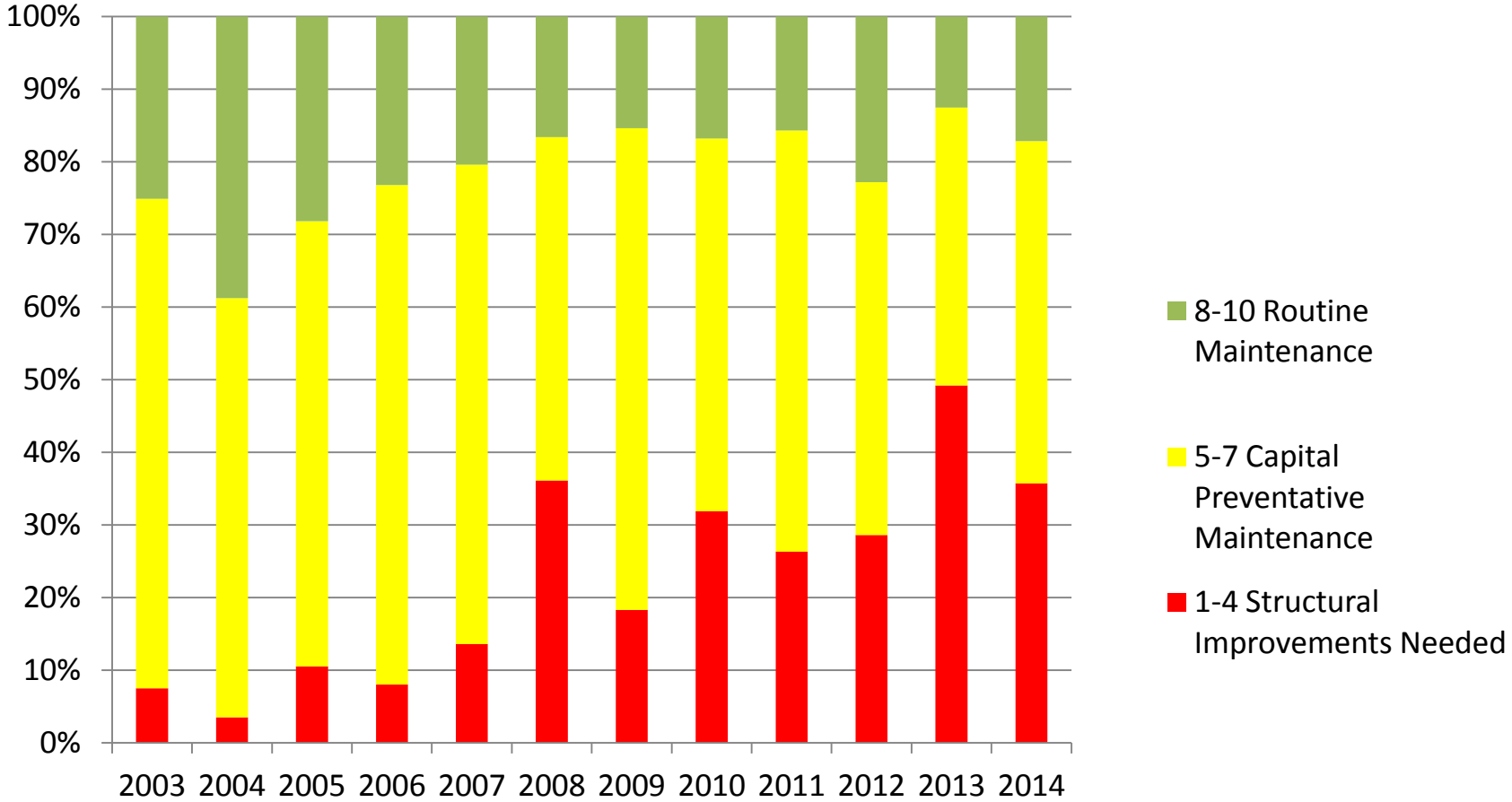
# Michigan Federal Aid Roads in 2012-2013



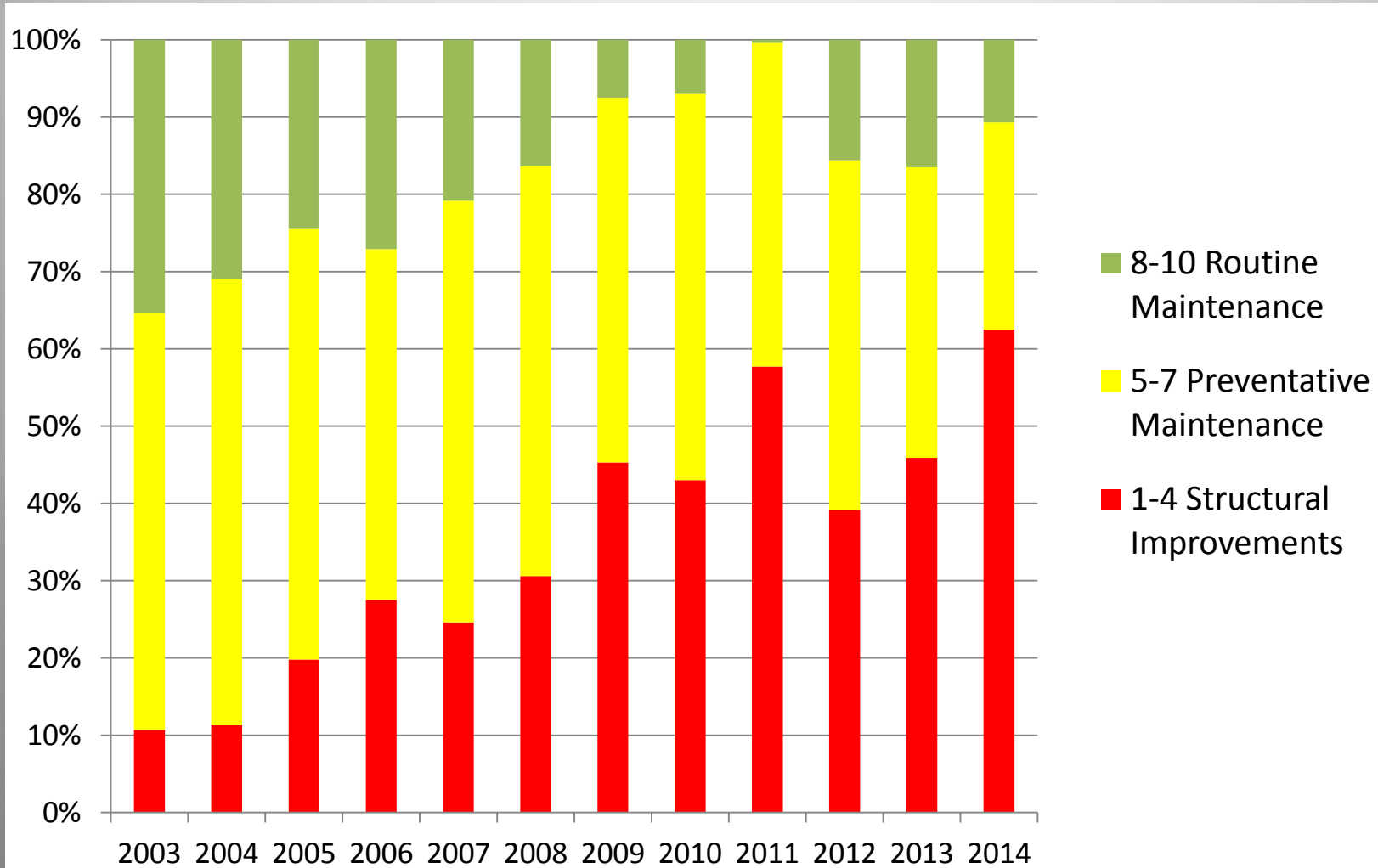
# Southwest Michigan Federal Aid Roads in 2013-2014



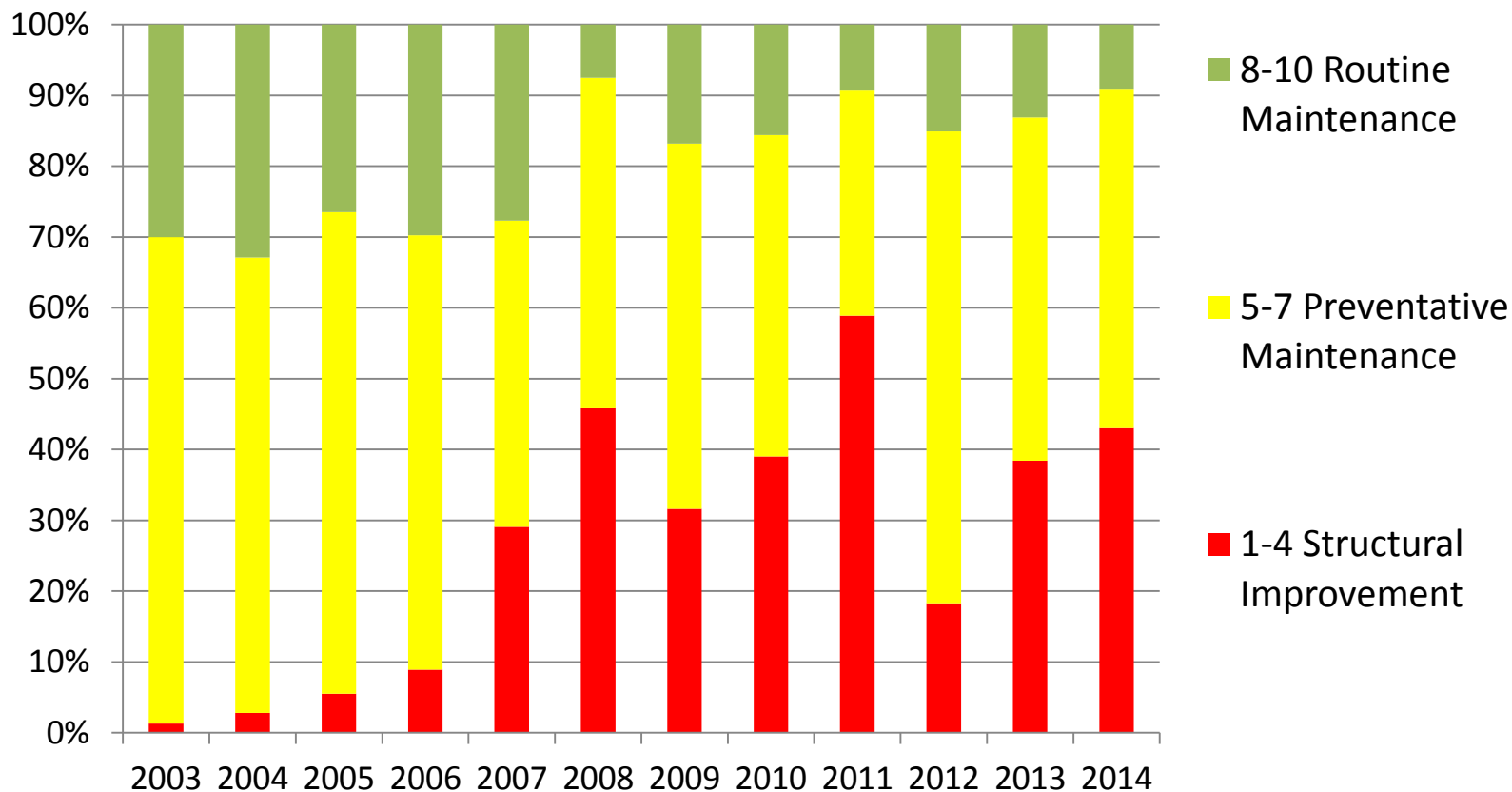
# Berrien County Federal Aid Roads 2003-2014



# Cass County Federal Aid Roads 2003-2014



# Van Buren County Federal Aid Roads 2003-2014



# Pervasive Problem

- Only 6 out of 88 municipalities in our three-county region saw their percentage of poor roads decline between 2003 and 2013/2014.
- Net total of 14.3 miles moved out of “Poor” category out of a total federal aid network of approximately 1600 miles.

# Guessing game

- How much money do you think it would take to get Southwest Michigan's federal aid roads back to 2003 conditions?

# Answer

- Over \$5 million a year for the next ten years.
- Can come from any source!