

MDOT Perspective

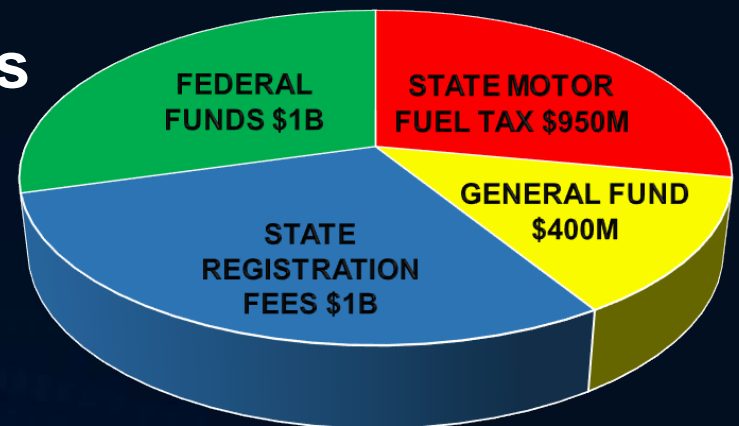
KIRK STEUDLE, P.E., DIRECTOR

MARCH 30, 2016



Transportation Funding

- Roads & Bridges are funded with “user fees”
 - Federal funds from federal gas tax: \$1 billion
 - Includes \$250 m to local agencies
 - State motor fuel taxes: \$950 million
 - State vehicle registration fees: \$1 billion
 - FY 15-16 General Fund: \$400 million
 - **No state sales tax goes to roads**
 - Not even the sales tax on gas



FAST Act Highway Funding to Michigan

(in millions)	MAP-21	FAST Act				
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Total Apportioned Highway Program Funding	\$1,016	\$1,068	\$1,090	\$1,114	\$1,139	\$1,166
Increase from Prior Year	0.0%	5.1%	2.2%	2.2%	2.2%	2.4%

Nationally Significant Freight and Highway Projects: FASTLANE

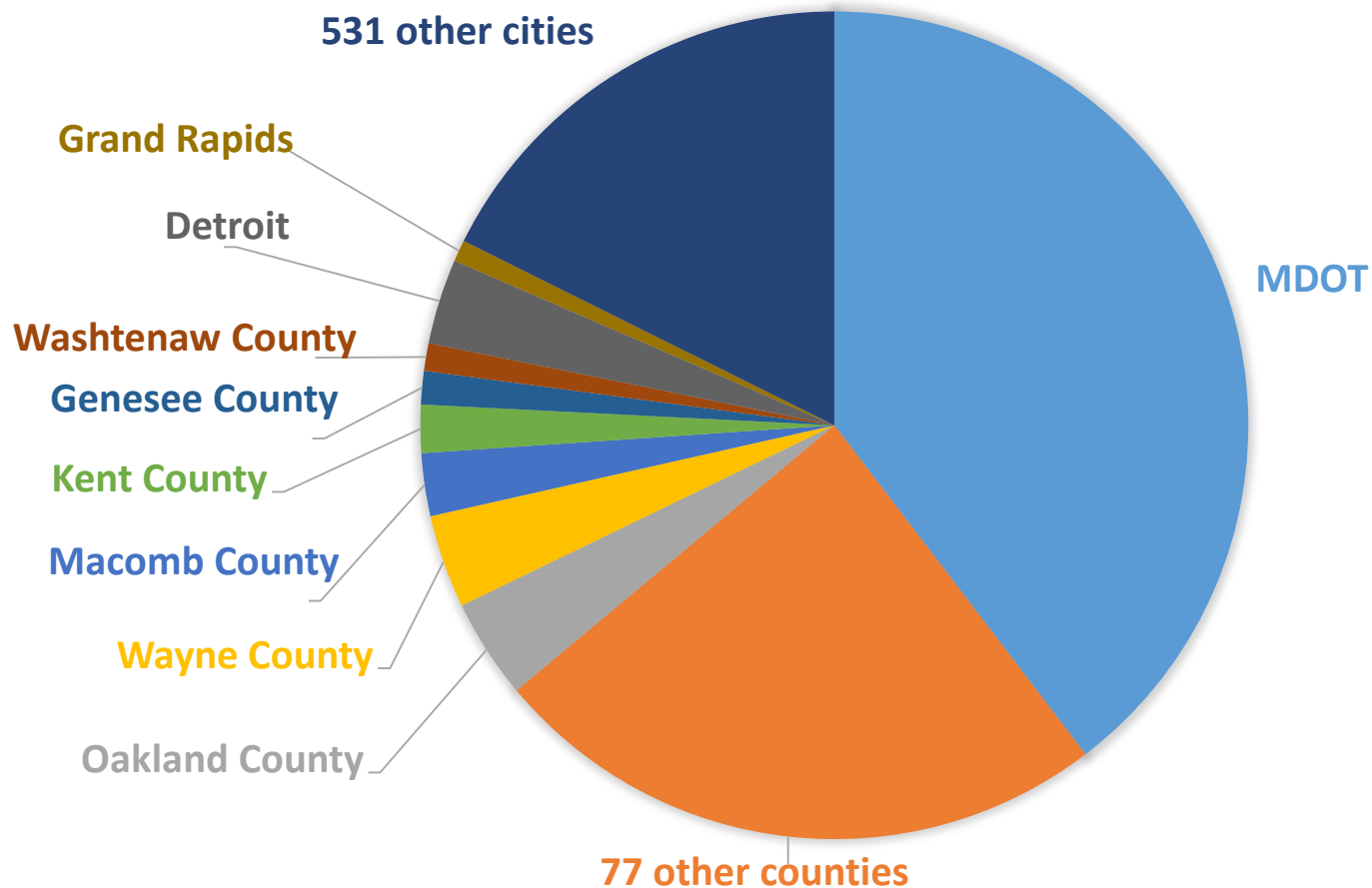
- FASTLANE: Fostering Advancements in Shipping & Transportation for the Long-term Achievement of National Efficiencies
- Projects on the National Highway Freight Network or NHS
- Applications due April 14, 2016, up to 3 per agency
- Projects over \$100 M can receive grants of at least \$25 M; Projects under \$100 M can receive grants of at least \$5 M
- MDOT submitting three large project applications on major interstate routes, to complete ongoing projects
 - I-75 in Monroe County
 - I-94 in Jackson
 - I-94 in Kalamazoo

State Revenue Package

- Beginning in January 2017:
 - \$410 M in additional fuel tax revenues
 - Tax on gasoline & diesel fuel rises to 26.3¢ & provides for diesel parity
 - 20% increase in vehicle registration fees totaling \$190 M
- General Funds transferred to transportation & distributed through 3-way Act 51 formula for road agencies:
 - 2019: \$150 M
 - 2020: \$325 M
 - 2021: \$600 M
- Beginning in 2022, fuel tax will be indexed, rising in proportion to increases in Consumer Price Index, or 5%, whichever is less

Distribution of Funding

ROAD DISTRIBUTIONS IN 2021, WITH 8 LARGEST LOCAL AGENCIES



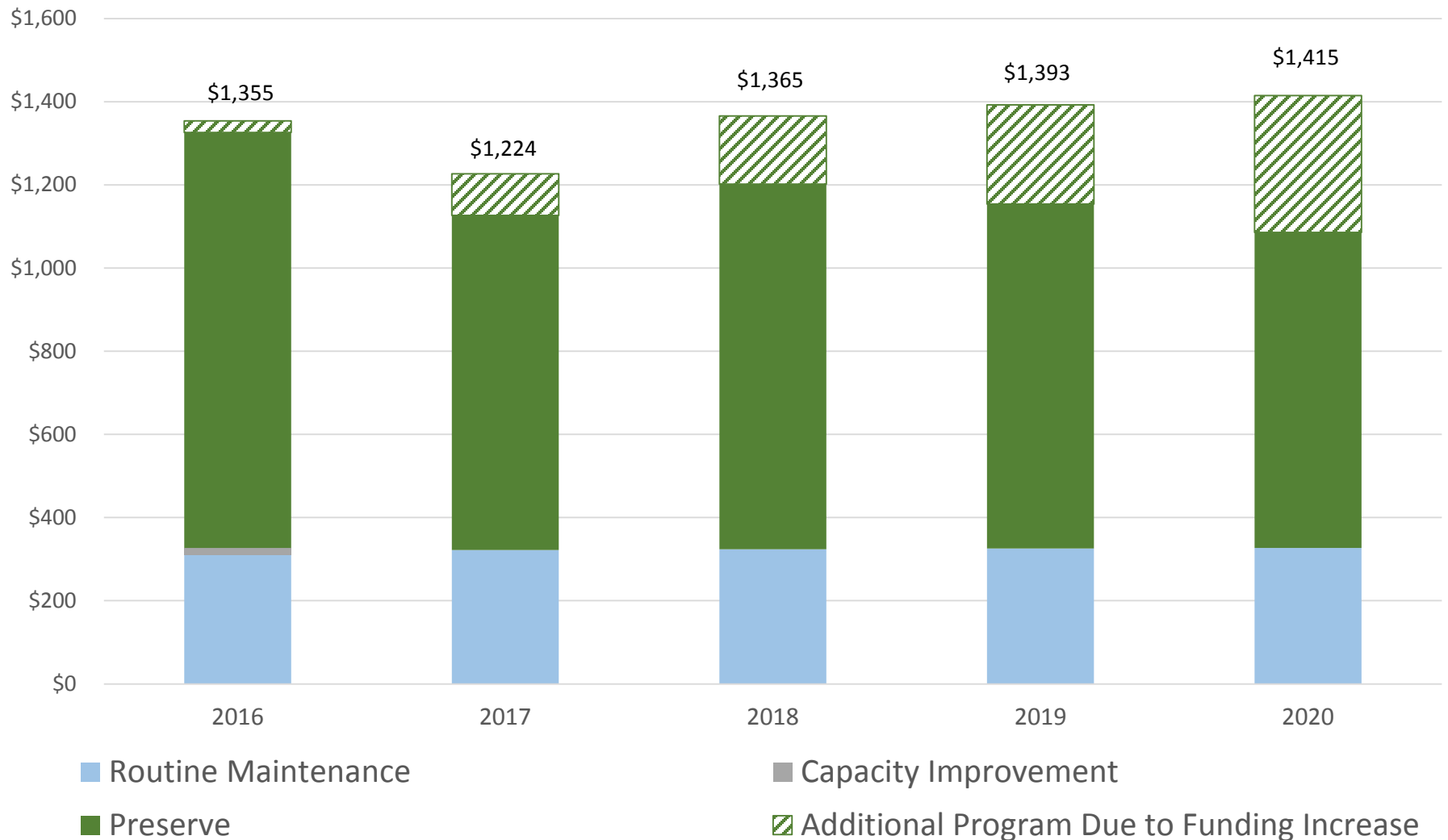
Additional Transportation Revenues to State Trunkline Fund (STF)

Millions	FY 2017	FY 2018	FY 2019	FY 2020
Additional Fuel & Registration Revenue	\$158	\$206	\$207	\$208
Additional General Fund	\$0	\$0	\$59	\$127
Additional Funds for STF Debt Service	\$7	\$7	\$7	\$7
<i>STF Revenue Package Total</i>	\$165	\$213	\$273	\$342
State Funds Needed to Match Federal Aid	-\$122	-\$126	-\$129	-\$132
<i>Available for Trunkline Program</i>	\$43	\$87	\$144	\$210
Fast Act Increase (MDOT 75%)	\$43	\$59	\$77	\$99

Highway Program Investment by Program Category

FY 2016 to 2020

Includes New Federal and State Transportation Revenues



Bottom Line

- Now is the time to focus efforts on asset management process
- MDOT is investing almost all new money into concrete, asphalt, & steel

Public Act 175 of 2015



- Requires establishment of MDOT Roads Innovation Task Force (RITF) to produce comprehensive public report with specific requirements:
 - Evaluates road materials & construction methods
 - Focuses on materials that may cost more in up-front spending but produce life-cycle savings
 - Strives to achieve a reduction of at least 50% in net present value 50-year life-cycle costs
 - Focuses on longer-term time frames that maximize value to taxpayers on total cost basis
 - Includes a plan to achieve these targets

Evaluation of Materials & Processes



Vision Statement

MDOT will be recognized as a progressive & innovative agency with an exceptional workforce that inspires public confidence.

Tools Used for Evaluating Materials & Processes

- New Materials Evaluation Procedure
- Pavement Demonstration Program
- Research Findings & Results
- National & International Studies

Longer-Term Time Frames

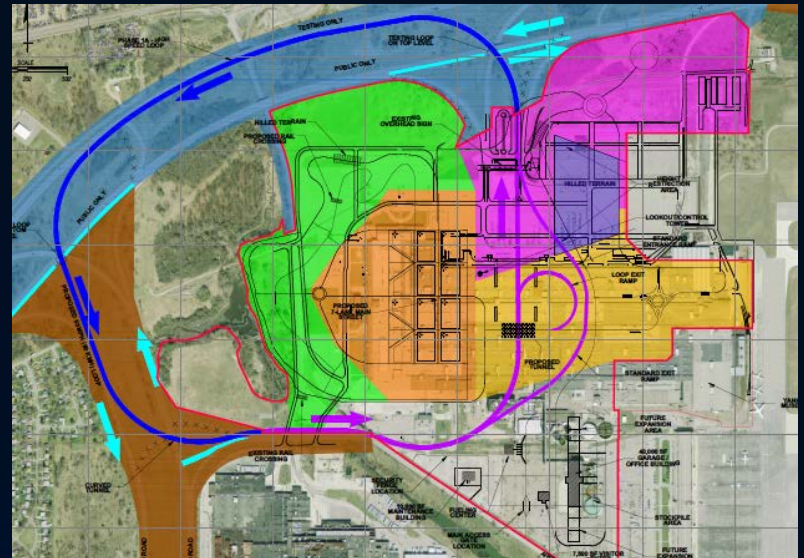
Improvements to HMA Pavements



- Regression of air voids to 3% to get more asphalt in the mixture
- Implemented longitudinal joint density specification
- Only allow fine-graded mixes for top courses
- Use of softer binders for preventive maintenance projects
- Performed HMA Peer Review – reviewing recommendations for implementation
 - Acceptance specifications
 - Construction practices
 - Mix design practices

The Future

- Infrastructure Committee
 - The Commission for Building 21st Century Infrastructure will make recommendations to solve our state's infrastructure challenge
 - Governor Rick Snyder,
2016 State of the State
- Autonomous Vehicle Deployment
 - M-city
 - American Center for Mobility





Better

Faster

Cheaper

Safer

Smarter