**Plain Facts about the Michigan Department of Transportation's
Revenue, Cost-Cutting and Investment**

Revenue

Michigan's decade-long economic struggle and increasing vehicle fuel efficiency have eroded the revenue stream for transportation. **Over the past decade, MDOT's annual revenue from fuel taxes and registration fees has decreased by an average of $10.5 million per year. With inflation, the decrease in revenue to the Michigan Transportation Fund (MTF) equates to $252 million over the past 10 years.**

Inflation has undercut the buying power of transportation revenue since the last gas tax increase. **Because of inflation, the buying power of revenue for FY 2014 is the same as revenue received in the mid-1980s.**

Cost-cutting

In 1997, when the last gas tax increase was enacted, MDOT had a $752 million highway capital program and 3,455 employees. In 2013, MDOT had a $1.17 billion highway capital program and 2,537 employees. **MDOT is currently operating with more than 900 fewer employees than it was the last time the gas tax was increased.**

Over the past four years, MDOT has done many things to save money. It has closed and consolidated facilities, reduced energy consumption, and refinanced bonds, among other things. **MDOT's ongoing cost-cutting efforts over the past four years have saved more than $160 million to provide additional funds for investment in roads, bridges, transit and aviation.**

MDOT continues to make changes that save money for the agency and for its contractors. Going paperless with digital signatures and electronic plans saved an estimated $185,000 for MDOT and contractors on just one pilot project. **MDOT plans to roll out its "e-Construction" pilot to other projects and programs over the next two years, potentially saving millions of dollars over time for the agency and its contractors.**

Of every dollar of transportation revenue generated at the state level, only 35 percent goes to MDOT for trunkline highway and bridge investment. **Any required cost-cutting measures need to be implemented across all 696 local road and transit agencies to be truly effective.**

Investment

MDOT's 2014 budget is $3.6 billion, including $121 million in general funds transferred to enable the agency to match all available federal aid. **MDOT's 2014 program is expected to sustain 20,000 jobs across the state.**

Of MDOT's 2014 budget, only 7.7 percent will be used for administration and capital expenditures on MDOT facilities, while **68 percent of revenue will be used to preserve or maintain state trunkline highways and 15.2 percent will be used for transit and aviation. The remaining 9.1 percent is for debt service.**

For the past decade, MDOT has worked with local road agencies through the Transportation Asset Management Council created by the Legislature to implement an asset management approach to investment for federal-aid-eligible roads, regardless of who is responsible for their upkeep. **Michigan is nationally recognized as a leader in asset management. However, despite state and local efforts to make the most effective use of road and bridge funds, the condition of the federal-aid system in**

Michigan has gone from 23 percent poor in 2006 to 33 percent poor today because of a continued lack of adequate investment.

Despite MDOT's efforts to save money, its asset management program, and the infusion of general funds to the state trunkline fund, investment in state highways is not sufficient to sustain current conditions. **State trunkline highways, which carry 50 percent of Michigan traffic, are projected to be 18 percent poor by the end of 2014 unless action is taken to provide additional investment immediately.**

Even with its funding problems, MDOT's public approval rating is 73 percent, according to its 2013 "Attitudes & Perceptions" customer satisfaction survey.