



County Road Association
OF MICHIGAN

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FOR IMMEDIATE RELEASE:

January 4, 2023

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MDOT federal aid buyout plan – a game-changer for rural road agencies

LANSING, MI – March madness wasn't the only game in town last spring. The real game-changer for many rural agencies was passage of legislation to create the Michigan Department of Transportation (MDOT) Federal Aid Buyout Program.

In 2016, MDOT and County Road Association of Michigan (CRA) worked together to create a federal fund exchange program that allows counties to sell their federal aid to one another, usually for a rate of 75-80¢ : \$1. This gives buyers a significant financial benefit, while sellers, usually smaller counties, benefit from locally let projects and faster implementation.

To leverage these benefits, CRA initiated the proposal of another state-to-local exchange program that was signed into law in March 2022. This Federal Aid Buyout Program (FABP) allows MDOT to buy a county's federal aid dollars, and in turn gives the county more funds for work at the local level.

This new piece of legislation makes Michigan the 18th state to participate in FABP, and the first call for projects followed this past July. To date, 19 counties have 32 projects in FABP, while 8 municipalities have 10 projects—a total of about \$18.5 million for local level projects.

To learn more about the MDOT Federal Buyout Plan, read the winter issue of *Crossroads* magazine, which can be viewed digitally or downloaded at micountyroads.org/Crossroads.

The 83 members of the County Road Association of Michigan represent the unified voice for a safe and efficient county transportation infrastructure system in Michigan, including appropriate stewardship of the public's right-of-way in rural and urban Michigan. Collectively, Michigan's county road agencies manage 75% of all roads in the state, including 90,000 miles of roads and 5,700 bridges. County road agencies also maintain the state's highway system in 63 counties. Michigan has the nation's fourth-largest local road system.

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