House Transportation Committee

Special Subcommittee on Local Maintenance and Improvement Grants

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In 2010, Senate Bill 200 established a new budget program at the Georgia Department of Transportation to replace the Local Assistance Road Program (LARP). This new budget item, the Local Maintenance and Improvement Grants (LMIG) program, would be funded with motor fuel revenues and would receive, per statutory requirement, a minimum of 10% of those revenues each fiscal year. The LMIG funds would then be distributed to cities and counties that applied for the assistance. Distributions would be based on a formula set by the newly established director of planning at the department.

LMIG funds may be used for any project that is motor fuel eligible; distributions vary across the state. The current LMIG formula was set by the first planning director and has remained the same to date.

LMIG Formula Factor = (Local government population/state population) x 1/3 +

(Local government mileage/total state mileage) x 2/3

The FY 2020 LMIG allocation is $187,586,631; an increase of approximately 65% since 2015 funding levels. This increase is credited to the passage of the ‘Transportation Funding Act’, passed in 2015 by the General Assembly. This Act changed the motor fuel from a variable rate to a flat excise rate and made revenues more predictable than they had ever been. With the rise in available revenues and closing in on 10 years of the LMIG program being in existence, the House Transportation Chairman appointed the Special Subcommittee on LMIG to listen to testimony covering the history, effectiveness, and local government opinion on the program.

The subcommittee held two meetings: September 18, 2019 at the Capitol in Atlanta and November 19, 2019 at the Georgia Department of Transportation (GDOT) headquarters in Macon. Testimony from Kelvin Mullins, the Local Grants Administrator at GDOT, included a history of the program and how it has been working since inception.

Representatives from Georgia Municipal Association (GMA), the Association County Commissioners of Georgia (ACCG), and local government officials came to each meeting to speak about the program, how it has impacted them, and how it continues to impact their communities. GMA would like to see the General Assembly work toward increasing the annual appropriation level beyond the minimum requirement. They recommend that the planning director consider the creation of other ancillary funds within LMIG and they would like to have the House and Senate Transportation committees hold an annual meeting for the purpose of having the planning director explain the rationale for the established formula. Both ACCG and GMA would like to have more spending flexibility so that funds may be spent on the purchase or lease of capital equipment for transportation-related purposes.

County representatives testified that they enjoy the benefits of the program and do not want to see a change in the formula. At the first meeting in September, the Georgia Municipal Association expressed a desire to see the formula include other data points such as lane mileage, vehicle miles traveled, congestion, employment centers, economic development, road capacity, and type of road. The counties, however, felt that the formula, as set, is the most objective way to award the grants and that changing the formula would most definitely create winners and losers with many of the sparsely populated counties that are larger geographically walking away with even less than they receive today.

Both the counties and the cities agree that the local governments provide many benefits to Georgia's transportation network and that any increased investment is always welcome. The department reminded the committee that as revenues from motor fuel collections rise, so do the allocations. GDOT also warned that funneling more money into the LMIG program through an increase to the percentage allocated would pull funds from other very important state-wide programs.

The committee made no formal recommendations on this issue but agreed to continue reviewing performance and hearing from all parties involved periodically.