

**United States House of Representatives
Committee on Transportation and Infrastructure
Testimony of Amy O’Leary, Executive Director
Southeast Michigan Council of Governments (SEMCOG)
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Introduction - SEMCOG—Southeast Michigan Council of Governments

Thank you Chairman Graves, Ranking Member Larsen, and members of the Committee for the opportunity to testify today.

My name is Amy O’Leary, and I serve as the Executive Director of SEMCOG, the Southeast Michigan Council of Governments. SEMCOG is a regional planning agency serving almost 5 million people in the seven-county region of Southeast Michigan. Our region is home to 58% of Michigan’s economic activity and nearly half the population. We are both an association of local governments and a Metropolitan Planning Organization.

As a local government association or council of governments, SEMCOG has over 180 members, including counties, cities, villages, townships, intermediate school districts, and community colleges. We help facilitate coordinated planning and decision-making to address regional challenges and opportunities. This includes transportation planning, environmental stewardship, economic development, and quality-of-life improvements. By bringing together local governments and agencies, SEMCOG encourages sustainable growth, transportation infrastructure development, and preservation of natural resources, ultimately enhancing the region's overall well-being.

SEMCOG also has numerous federal designations, including Metropolitan Planning Organization (MPO), water and air quality planning agency, and Economic Development District for the metropolitan Detroit region. As the region’s MPO, SEMCOG has the responsibility for ensuring that existing and future expenditures of government funds for transportation projects and programs are based on a continuing, cooperative, and comprehensive planning process. This is conducted through the development and implementation of a long-range transportation plan. In this capacity, we support coordinated, local planning with technical data, and intergovernmental resources for the region’s complex transportation system of more than 25,000 miles of road, 2,900 bridges, 8 fixed-route transit providers, 4,000 miles of all-season truck routes, 7 commercial marine ports, 34 airports, and 8 international border crossings that account for 36% of the U.S. trade with Canada. Our current 2023- 2026 Transportation Improvement Program includes \$5.8 billion in federally funded road projects, which represents the success of the federal formula funding program in our region.

Through our work as the regional planning organization, we support a regional vision of:

All people in Southeast Michigan benefit from a connected, thriving region of small towns, dynamic urban centers, active waterfronts, diverse neighborhoods, premier educational institutions, and abundant agricultural, recreational, and natural areas.

Successes and Challenges of Discretionary Programs

Discretionary funds from the Bipartisan Infrastructure Law (BIL), and other federal programs, have been positive for the region, enhancing our capacity to undertake larger and more diverse transportation projects and leading to substantial improvements in local and regional transportation networks. From our experience, the positive aspects of these funds and programs can be placed into three broad buckets that allow for new and needed resources for the region and our communities.

Bucket 1. Discretionary funds that focus on new or emerging issues and challenges.

The best example for our region is the Safe Streets and Roads for All (SS4A) Grant Program. For metropolitan Detroit, like the rest of the country, the safety on our roadways for all users is one of our most pressing issues. While we were making progress in the years leading up to the COVID-19 pandemic, we experienced a spike in both fatalities and serious injuries due to crashes on our roadways. This increase continues post-pandemic, and it highlights needed investments in enhanced infrastructure, education, policies, and enforcement.

SEMCOG has long advocated for funding to be directly allocated to MPOs, cities, and counties on transportation issues that are best understood and addressed at the local levels, and safety is one of these issues. The goals and priorities of the Safe Streets and Roads for All Grant Program provide specific and dedicated funding that previously was unavailable at regional and local levels.

SEMCOG was proactive by adopting a data-driven regional transportation safety plan, developed through input from all levels of government, along with stakeholders, advocates, and community organizations. At the same time, many of our communities have also developed, or need to develop comprehensive safety plans that direct limited dollars to the most in-need and impactful locations or programs.

SEMCOG is thankful to have received over \$10 million in SS4A funding in both rounds of the program. This funding will be utilized to conduct needed transportation safety audits on our high-injury road networks, establish quick-build safety infrastructure pilots with an emphasis on locations in Justice40 Communities, and enhance our regional public education campaigns. In total, communities in Southeast Michigan received over \$80 million through the first two rounds of this program, including much-needed implementation and construction funds for the cities of Detroit and Dearborn. These awards will enhance safety infrastructure along major corridors for the most vulnerable road users. Having proactive plans in place in the region benefited our readiness for these discretionary funds.

While this program and additional funding to address our safety needs have been successful for the region and our local communities, we recommend that this funding move from Discretionary to Formula. Transportation safety is a pressing issue nationwide, and to address it we need a more reliable and consistent funding source. This is especially the case in ensuring that the most in need and challenging roadways can receive and benefit from these funds.

Bucket 2. Discretionary funds that focus on innovation and pilots

Southeast Michigan has experienced several extreme weather events and flooding disasters – seven FEMA Major Disaster declarations since 2012 - which have caused significant and

repeated impacts to regional transportation infrastructure. To begin to address these risks, SEMCOG has invested in several efforts over the last seven years, including a Flood Risk Tool, current and future precipitation estimates for the seven counties in the region, a special interest group to address stormwater management in the transportation planning process, and a Regional Resilience Framework as a resource for communities. SEMCOG is applying for the PROTECT Discretionary Grant Program to build on this foundation of work and **accelerate implementation of equitable, nature-based resilience strategies** across the SEMCOG region, and develop a *Southeast Michigan Regional Resilience Improvement Plan*.

The Reconnecting Communities and Neighborhoods Program is also impactful to Southeast Michigan. The challenge of transportation facilities, especially our freeways, is that they often divide communities and become physical barriers between neighborhoods and access to core services. While this occurs across the country, it is especially the case in older cities and metropolitan areas, like Detroit. One major barrier to accessibility and economic development in our communities and neighborhoods is I-696. In partnership with the Michigan Department of Transportation, we were the recipient of a \$21 million Reconnecting Communities award for the City of Oak Park, which is divided in half by I-696. With a significant Orthodox Jewish community, along with several disadvantaged communities and populations in the city, the need to access local businesses, schools, places of worship, and other daily destinations by foot is a necessity. This award will support a \$43 million investment to reconstruct the deck and plaza over I-696 to ensure residents can safely be connected to vital destinations.

Bucket 3. Discretionary funds that focus on large projects

The truth is that not every community has an issue or challenge that these discretionary funds are designed to address, nor are all communities ready to apply when the funding is made available. Additionally, there are simply many large, high-expense needs that traditional and formula funding cannot address. A benefit of some of the new discretionary programs is that they direct funding to those communities that are ready or have a specific challenge or need. This can be seen as a benefit for strategically aligned opportunities, versus formula funds that go to everyone and in quantities not large enough for some of the most regionally significant projects and needs.

Three examples of this are the INFRA, RAISE, and Railroad Crossing Elimination funding programs, which fund large projects that would unlikely be funded through formula funds or which would only be funded by several years of pooling funds. In our region, four major projects have benefited from access to these larger funding amounts.

The first is the Innovate Mound project in the cities of Warren and Sterling Heights in Macomb County. This project received \$98 million through the INFRA Program, the largest grant ever awarded to a non-state agency, and is expected to be completed later this year. This investment, along with funds from Macomb County, both cities, and other funding sources contributed to the \$217 million project. The Mound Road Corridor is home to more than 47,000 jobs, over \$2 billion in earnings, and national economic drivers such as General Motors, Detroit Arsenal, the Army’s Tank Automotive and Armaments Command (TACOM), General Dynamics, and BAE Systems. This project will reconstruct 9 miles of roadway to support current and future economic development and Intelligent Transportation Systems, along with improved transit and nonmotorized facilities.

The reconstruction of I-375 in Detroit from a sunken freeway to a lower-speed surface level boulevard and grid creates a mobility vision prioritizing pedestrians and walkable connections. This is another project that has long been needed, but funding was never available. The Michigan Department of Transportation received an INFRA grant for \$104 million, supporting the \$300 million project, to reconnect once-predominantly Black neighborhoods divided by the highway when it was built in the 1960s, bulldozing the Black Bottom and Paradise Valley residential and commercial districts.

Through the RAISE program, the City of Pontiac received a \$16 million award to complete and connect one of the region’s most popular trails – the Clinton River Trail – through the city. This project will increase transportation choices and eliminate gaps through ADA and universal design improvements in a Justice40 and long disinvestment neighborhood and community. This is an excellent example of a project that would have been unlikely to have had the formula funds available through programs like the Surface Transportation Block Grant or TAP.

The final project is the \$24 million federal investment through the FRA Railroad Elimination Grant Program for the grade separation for the CSX railroad in the City of Monroe. This critical project will improve response times for emergency vehicles and increase safety for pedestrians and motorists.

Transition to Collaboration

While we support the funding made available through these new discretionary funds, we recognize and represent communities who are challenged to both understand the funding available and lack the resources to develop and submit a competitive application. This is a concern that we’ve been hearing and echoing over the last two years.

This is where regions come in. We are the connection to our local communities and one of our main functions is to help line up the projects with data, information, and funding availability.

1. One way we do this is by **applying for grants on behalf of the region** and then passing the funds through to our communities. This is how our Safe Streets for All project will be administered. This is also how we’ve established the region’s application for Climate Pollution Reduction Grant (CPRG) funding through EPA.
2. **Regions also convene and partner** to ensure we are strategic in determining the most appropriate entity or entities to apply. This includes both the alignment of the application to the specific funding source and the most appropriate entity within the region to apply. For example, the City of Detroit is applying on behalf of the region for a CPRG grant, going outside of its geography to apply for hydrogen buses and hydrogen fueling infrastructure. Pulling the appropriate players together and convening is the role of regions.
3. **Regions are a voice for local community concerns and help get them addressed.** We have been a voice for communities that these applications are expensive and if a goal is to ensure funds make their way to our most in-need communities, support must be given. The fact of the matter is that the communities that these programs are prioritizing, such as Justice40 identified communities, are the same ones without the resources and capacity to apply. To address this challenge, SEMCOG partnered with the Michigan Infrastructure Office, which formed a streamlined program to write grant applications for communities through a vetted process and has also set aside

matching funds for communities receiving dollars. An example of how this has thus far been successful, at least in the application phase, is a joint application submitted for the Thriving Communities Program. Through the region, we brought together and facilitated an application for three in-need and underinvested communities – Hamtramck, Warren, and Ypsilanti. While we are still awaiting notice about this award, the process of identifying available funding, coordinating with the most appropriate communities, aligning and funding a grant writing team, and submitting a competitive application has been a success. This is a sign of both the strength of regions and the need for additional resources for our most in-need communities to submit competitive applications.

I would be remiss to not mention the importance and reliance of formula funding for regions like Southeast Michigan. Regions use the same data and locally driven approach to successfully implement local formula programs as well. Three formula programs that our communities rely on most heavily to make much-needed investments in our infrastructure are the Surface Transportation Block Grant, Transportation Alternatives Program (TAP), and the newer Carbon Reduction Program. While these are formula funds that the region receives, we’ve established a competitive process to distribute funds in which we work directly with communities, provide technical assistance, and align the eligibility of the programs with the needs of the community and region. For each program, we’ve had successful implementation through strong partnerships at the local, regional, and state levels. Through the TAP program, we are investing \$10 million annually to build out our regional trail network while also enhancing our critical safety needs by enhancing crosswalks, closing gaps in our sidewalk systems, and connecting people to core services and transit lines.

Recommendations

The array of grant programs under BIL is highly valued by SEMCOG and our peer regions to address specific local needs, particularly those that do not align with traditional formula funding parameters. However, there is a need to balance discretionary and formula funding, with a particular emphasis on increasing formula funds to ensure consistent support for foundational planning activities. Discretionary funding has been pivotal for advancing projects with a strong focus on equity, environmental sustainability, safety enhancements, and technological innovation, filling critical gaps left by formula funding.

We urge simplification of the grant application process, provision of clearer guidelines, and more flexible match requirements to make these funds more accessible to all regions and communities, especially the smaller and less-resourced ones. Additionally, streamlining processes to reduce delays in procurement and grant agreement finalization, coupled with efforts to simplify compliance and reporting protocols, will facilitate smoother project execution. Adopting direct recipient funding structures, akin to the SS4A program, for other discretionary grant programs could significantly expedite funding distribution and reduce administrative delays, enabling streamlined project implementation.

I would like to conclude by thanking the members of the Committee for acknowledging the important role of regions and providing much-needed funding that helps us do our job and improve the lives of our residents.