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## Opinion: Michigan must fix how it spends money on roads

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Anyone who's driven through Michigan lately doesn't need a policy report to know our roads are in rough shape. Potholes are a part of the spring landscape. But as public frustration grows, we must ask: Is the problem simply that we are underfunding our roads? Or are we also mismanaging the money we already have?

Taxpayers deserve confidence that their dollars are being used wisely. In March, the Citizens Research Council of Michigan released a <u>timely report</u> titled "A Data-Driven Assessment of Michigan's Road Program." The findings show that while Michigan's roads require more funding, we're not getting full value from the money we already spend.

With full benefit of the 2015 funding package, Michigan's road program is currently better funded than it has been since 2004. Funding has increased by over 40 percent since 2016, resulting in tangible improvements to system conditions. However, the results have been mixed, and crumbling roads persist in many areas of the state.

One of the major obstacles is how Michigan distributes state revenue-sharing for transportation funding. Public Act 51 of 1951 governs how funding is divided between the MDOT, counties, and municipalities. In the 1950s and 60s, PA 51 helped modernize Michigan's highways, resulting in today's road network that facilitates high-speed, high-volume traffic throughout the state.

As Michigan has transitioned away from an era of road construction and now struggles to maintain existing infrastructure, PA 51 has grown into an overly complex law that retains outdated priorities. The allocation formula does not account for factors directly affecting funding requirements, such as traffic volume (especially truck traffic), pavement area, bridges, and variable construction costs. This data was difficult to acquire when PA 51 was enacted but is readily available today.

A consequence of the PA 51 formula is that road users would have to be overtaxed to get resources to the roads with the greatest needs. As a result, many of Michigan's historic urban communities have been especially challenged to upgrade and maintain existing infrastructure.

The Citizens Research Council has long recognized this disconnect. Before the 1997 transportation funding package, the Research Council issued a major report on Michigan's road system that documented the need for more funding and included a discussion of structural reforms needed to improve Michigan's road program. A follow-up report in 1998

tracked what actions had been taken, and what had not, to modernize PA 51. Nearly 30 years later, many of the same structural flaws remain.

Understandably, many local governments are wary of replacing the formula. No jurisdiction wants to see its funding cut. But replacing PA 51 doesn't have to mean creating "winners and losers." If new funding is introduced alongside reform, we can ensure that all existing recipients are "held harmless" while any new revenue is allocated based on objective need. This means no agency would see a reduction in state support, but new funding would be directed to where it would produce the most benefit, ensuring fairness in the process.

This approach could finally break the long-standing political stalemate around road funding reform. It would protect local interests while making the overall system smarter and more efficient.

Michigan can no longer afford to avoid this conversation. If we want better results, we need better policy.

Michigan residents deserve a transportation funding system that reflects today's needs and priorities, not one frozen in the logic of 1951. The Citizens Research Council has been urging reform for decades, and the case is only getting stronger.

It's time for lawmakers to stop patching potholes and start fixing policy. Only then can we ensure Michigan's roads are built and maintained for the long haul.

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