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State needs long-term road infrastructure funding

By Scott Shogan

For decades, much has been discussed about the generational lack of investment in transportation infrastructure in Michigan and the poor condition of our roads, so much so that Gov. Gretchen Whitmer made it the centerpiece of her first campaign.

Without the support of the Legislature to advance a sustained solution, she used one of the few tools she had to “fix the damn roads,” putting forward the sale of up to \$3.5 billion in bonds to advance rehabilitation of some of the state’s heaviest-traveled freeways. This program, known as Rebuilding Michigan, was a great investment in our economy and a critically important step to address roadway condition, one that continues to be highly visible to the public, with construction underway around the state. In many ways that visibility is now our biggest challenge when it comes to addressing the underlying issue of our shortfall of infrastructure funding.

I think we can all relate to feeling like the problem is solved as we drive through major construction zones, seeing significant investments being made around our state. But the reality is that while Rebuilding Michigan was an important and valuable jump-start, it was not a long-term solution. It did not offer structural change to infrastructure funding, instead effectively relying on the state’s “credit card” to advance roadway improvement. It was also limited in terms of what it addressed, focusing entirely on freeways, while many local roads were left untouched. As a state, we will now be using a portion of our limited transportation funds to pay the debt from Rebuilding Michigan, further limiting our ability to complete future roadway improvements.

Michigan continues to dramatically lag peer states in the region in terms of per capita investment in roads. According to the Michigan Department of Transportation (MDOT), in 2019 (before the one-time surge from Rebuilding Michigan) the state invested just \$195 per person per year in transportation infrastructure, as compared to Ohio (\$296), Indiana (\$426), Illinois (\$441) and Wisconsin (\$410). The result of this underinvestment? Often, the answer is using a short-term fix to address road condition and safety rather than the appropriate long-term fix, to spread limited funds across the system. The American Society of Civil Engineers recently graded Michigan’s roads a “D,” and TRIP, a national transportation research nonprofit, estimated that 42% of state roads are in poor or mediocre condition.

The more proper maintenance is deferred, the greater the long-term cost of required repairs.

The lack of investment has a very direct financial impact on all of us as motorists. TRIP once estimated that deteriorated roads cost Michigan motorists \$4.8 billion a year in the form of additional repairs, accelerated vehicle depreciation, increased fuel consumption and tire wear.

Solving this challenge will likely take a variety of tools. Today, the vast majority of our transportation system is funded using gas tax and vehicle registration fees. While increasing or restructuring those fees are certainly options, they are not our only ones.

An increase in the sales tax could represent an option to dedicate funding, both at the state level and local levels. In addition, a recent study completed by MDOT showed the potential of tolling on some key routes in the state to raise revenue and maintain major freeways. New strategies, such as charging for use of our roads on a per mile basis, are being piloted around the country, in particular to address funding as our vehicle fleet increasingly transitions to electric.

The poor condition of our transportation system has a direct impact on our competitiveness as a state for jobs and residents. These are issues at the heart of the Growing Michigan Together Council. I urge them to recognize the critical need to address infrastructure funding, and to incorporate recommendations to do so.

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