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## **CRC: Michigan Should Evaluate Road Funding Distribution**

The state should consider replacing Public Act 51 of 1951, the key pillar of road funding distribution, to better reflect the needs of local road agencies, the Citizens Research Council said in recent research.

In a [report last week](#), the CRC pointed to its past research showing Michigan has road funding levels similar to those of its peer states, like Indiana and Ohio, but also is challenged to achieve similar levels of pavement quality (See [Gongwer Michigan Report, August 8, 2024](#)).

Many have called on tackling the formula outlined in PA 51, but there has not been a serious effort to change how the state's roads are funded through the law.

The CRC said the state's public road network is "notable decentralized and fragmented." Only 7.9 percent of the state's public road network is under the authority of the Department of Transportation. The CRC noted only two states have a lower percentage of roads overseen by the state's road agency.

Michigan's locally owned public road network is distributed among 614 individual road agencies, representing 83 counties and 531 cities and villages.

"Our analysis of funding distributions to local governments suggests that Michigan could make better use of existing road funding by updating the framework that allocates road ownership and funding across agencies," the CRC said.

CRC research showed low-population rural counties are typically much better funded on a per-capita basis. Keweenaw County receives the most PA 51 funding per population, with \$1,070 per resident. Washtenaw County ranks last, receiving only \$154 per resident in the 2022-23 fiscal

year. The average county received \$296 per resident and the median county received \$268, CRC said.

"Public Act 51 today is a result of historical inertia. Distribution of road funding remains subject to the same allocation factors written into the law in 1951," the CRC report said. "Road ownership and related funding levels were established not according to an assessment of current needs, but by outdated priorities and political compromises negotiated decades ago."

PA 51 is obsolete, the CRC said. The report noted the key factors to estimate road funding needs through the current law are vehicle registrations, population and road miles. In 2024, however, there are better methods of estimating funding needs, the CRC said.

The lifecycle of a road is determined by factors like pavement area, traffic volume, commercial traffic load, climate and more. The CRC said those factors could now be used to create a road funding formula from scratch.

"Again, there are ongoing efforts to find more funding to repair and maintain Michigan's roads," the report said. "What is missing is an earnest effort to evaluate how the distribution formula has undercut Michigan's ability to allocate funding to where it would most benefit the state, local agencies, and all Michigan residents."

The CRC recommends the repeal of PA 51 and replacing it with a distribution formula that better reflects the costs to road agencies and the priorities of residents.

Specifically, the CRC said the state should consider evaluating road ownership across the state and potentially redistributing that ownership according to the importance of each jurisdiction.

Michigan should also consider allowing local governments additional revenue options for road funding and including charter townships as certified recipients of revenue sharing. The state should also evaluate the costs and benefits of consolidating road agencies.

"In past decades, Michigan has had many policy initiatives to increase road funding. Yet it is rare that anyone thinks about how our existing funding is allocated or why," the CRC said. "The law was once scheduled to sunset, but the sunset provision was repealed in 2000 after multiple extensions. Legislative attempts to rationalize the funding

formula to better meet needs have only resulted in an overly complex law that is practically impossible to understand or audit.”

– By Alethia Kasben

[Back to top](#)



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