



Senate Appropriations
Committee

April 16, 2025



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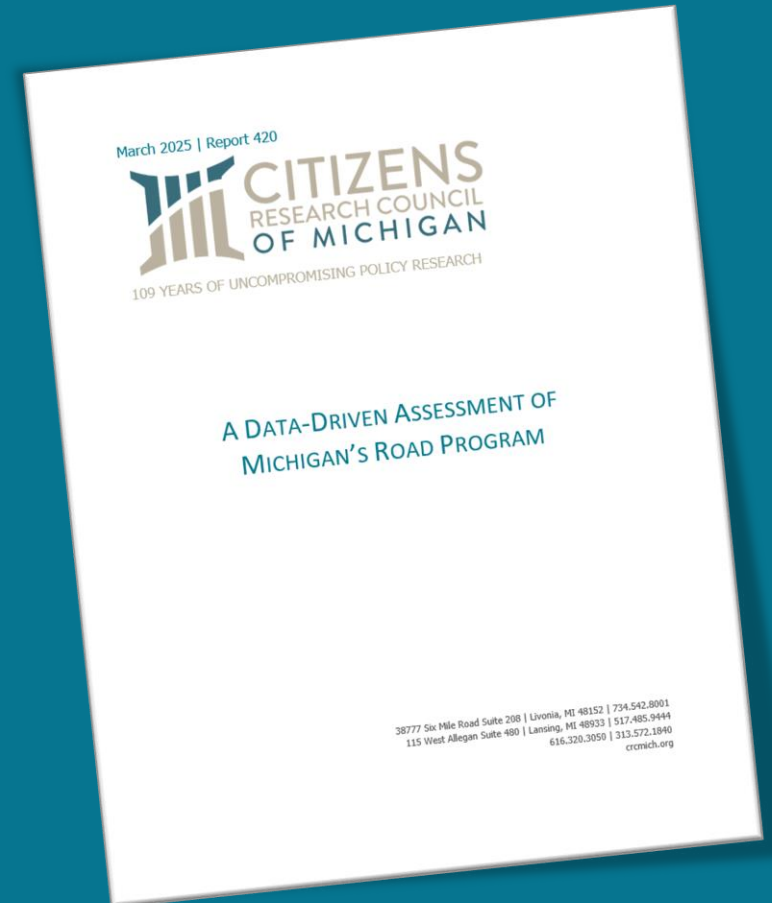
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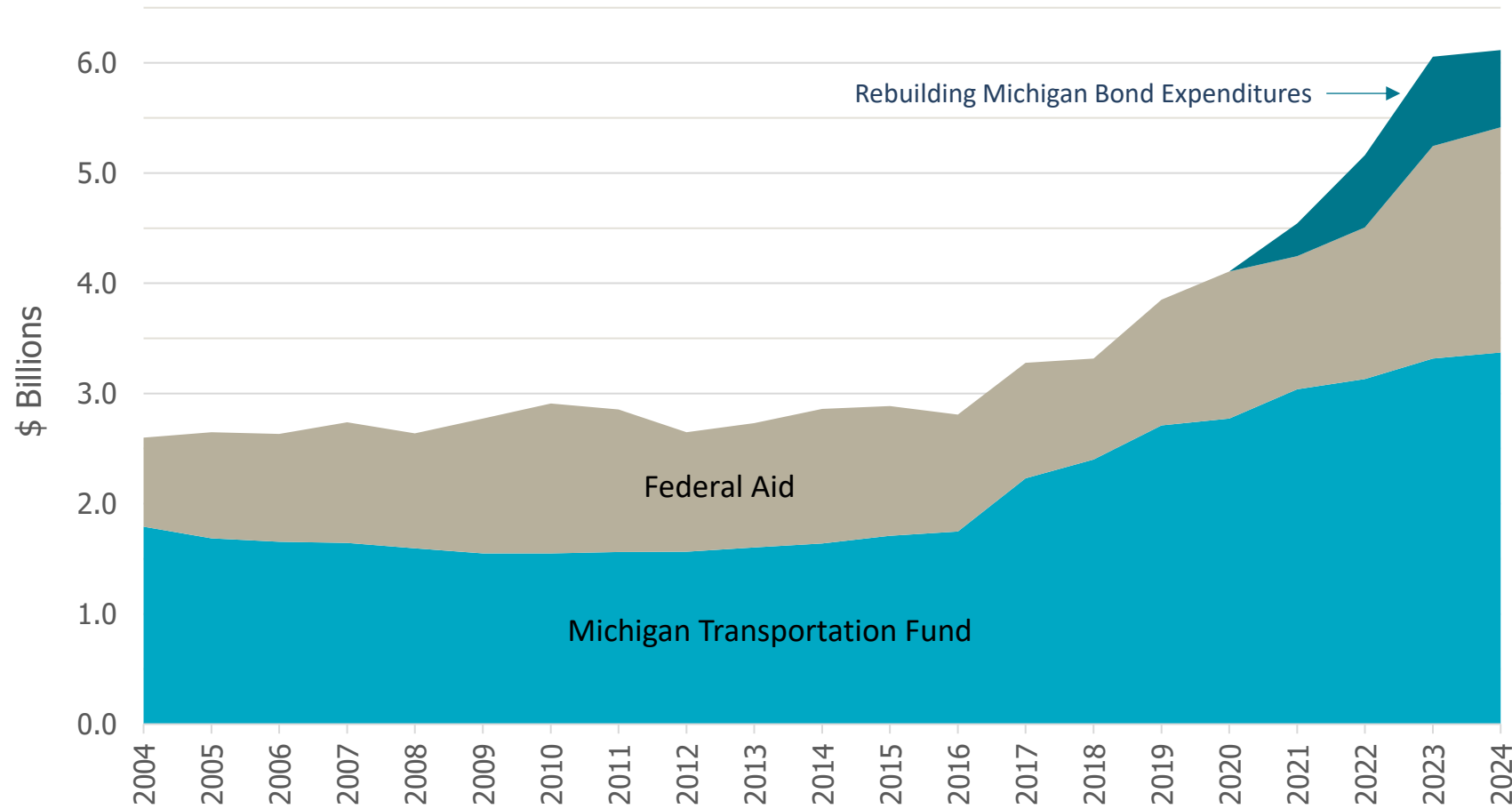
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Report #420, March 2025: *A Data-Driven Assessment of Michigan's Road Program*

- Road Program Funding Levels
 - Funding in Nominal and Inflation-adjusted Dollars, 2004-2024
 - State Comparisons, 2012-2021
- Road System Condition
 - Pavement Conditions, 2004-2023
 - Bridge Conditions, 2004-2024
 - State Comparisons - most recent available data
- Road Program Performance
 - Pavement/Bridge Condition Related to Funding, 2004-2023
 - State Comparisons
- Policy Implications



Michigan Road Program Funding, FY 2004 - 2024



Sources:

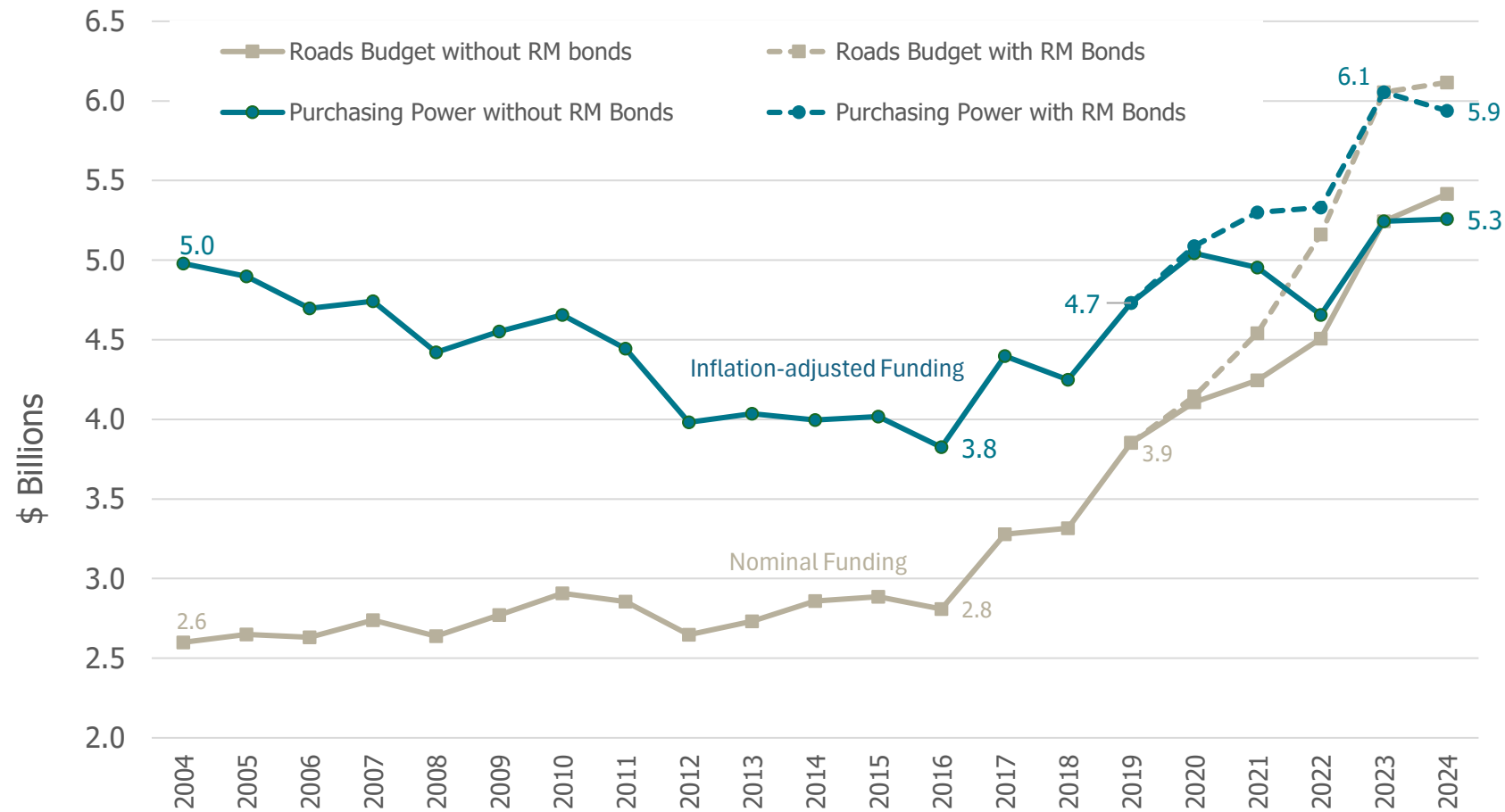
MTF data from: W. Hamilton, House Fiscal Agency, Fiscal Brief; MTF Distribution to Local Road Agencies. Appendix B, Subtotal “Road” Programs. March 2024.

Federal Aid from: W. Hamilton, House Fiscal Agency, Fiscal Brief; Federal Aid in Michigan’s Transportation Budget – Focus on the Federal Aid Highway Program, Table D, Total Federal Aid Highway Funds. 2023 and 2024 Federal Aid is estimated by assuming that 95 percent of budgeted federal revenue (from HFA FY2023 and FY2024 Transportation Budget Briefings) is applied to road programs (as was the case in FY2022).

Bond funding from: MDOT 2023 Annual Financial Report, p. 63, Rebuilding Michigan Bond Expenditures. 2024 Rebuilding Michigan bond expenditures were not yet available for this analysis and is estimated at \$700 million.

Note: The MTF data includes certain Act 51 earmarks (State Trunkline Bridges, Local Program Fund, State Trunkline debt service). Local funding for local projects is not included.

Purchasing Power of Road Program Funding, FY 2004 – 2024 (2023 Inflation-adjusted dollars)



Sources:
See previous slide for sources of non-inflation adjusted expenditures and bond funding. 2023-equivalent purchasing power was calculated by adjusting half of funding to the Michigan Highway Construction Cost Index, and the other half to the Detroit Regional Consumer Price Index for all urban consumers (CPI-U) inflation rate (U.S. Bureau of Labor Statistics). Construction Cost Inflation from the MHCCI is not available from 2004 to 2010 and is estimated at four percent. For 2024, both MHCCI and CPI inflation are estimated at three percent.

Notes: Purchasing power was adjusted to 2023 dollars to avoid any misestimation of 2024 inflation from imposing inaccuracies on the 2004-2023 data set. While financial data is in Michigan fiscal years (October 1 – September 30), inflation data is in calendar years, imposing some uncertainty on the precision of the calculation of purchasing power in each year. Local Revenue for local projects is not included.

State Road Funding Index Methodology

Peer-reviewed and accepted for presentation.



104th ANNUAL MEETING
January 5–9, 2025 • Washington, DC

Step 1. Extract Relevant Financial Data (2012 – 2021)

Step 2. Parse Data into 10-year and 3-year Bins

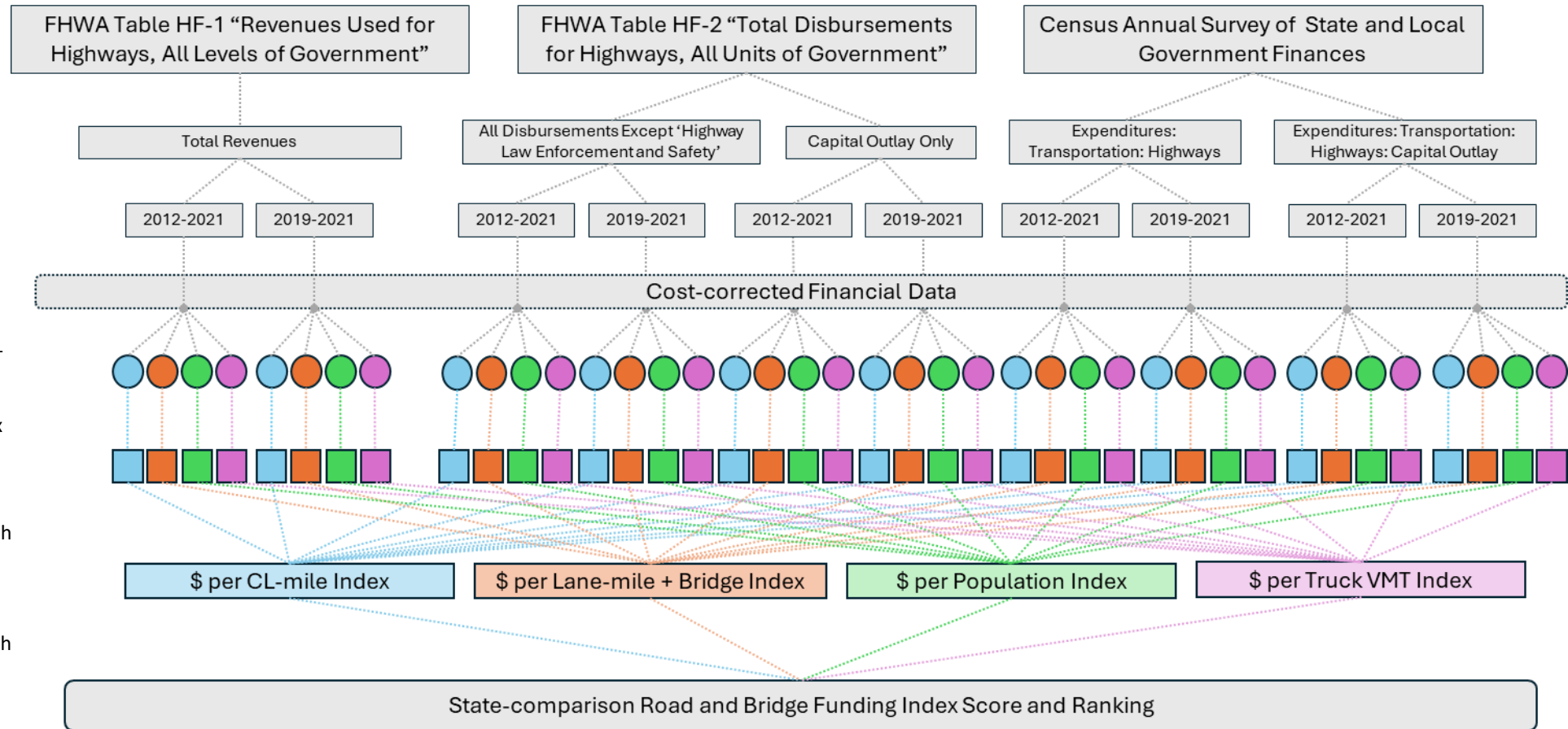
Step 3. Correct for Variable Construction Costs

Step 4. Normalize Data to Denominators (CL miles, Lane-miles + Bridge, Population, Truck VMT)

Step 5. Transform Data Into Index Score for Each Category

Step 6. Combine and Average Each Index Score Grouped by Denominator

Step 7. Combine and Average Each Index Score into Final State Road Funding Index Score and Ranking



Final Road Funding Index (2012-2021)

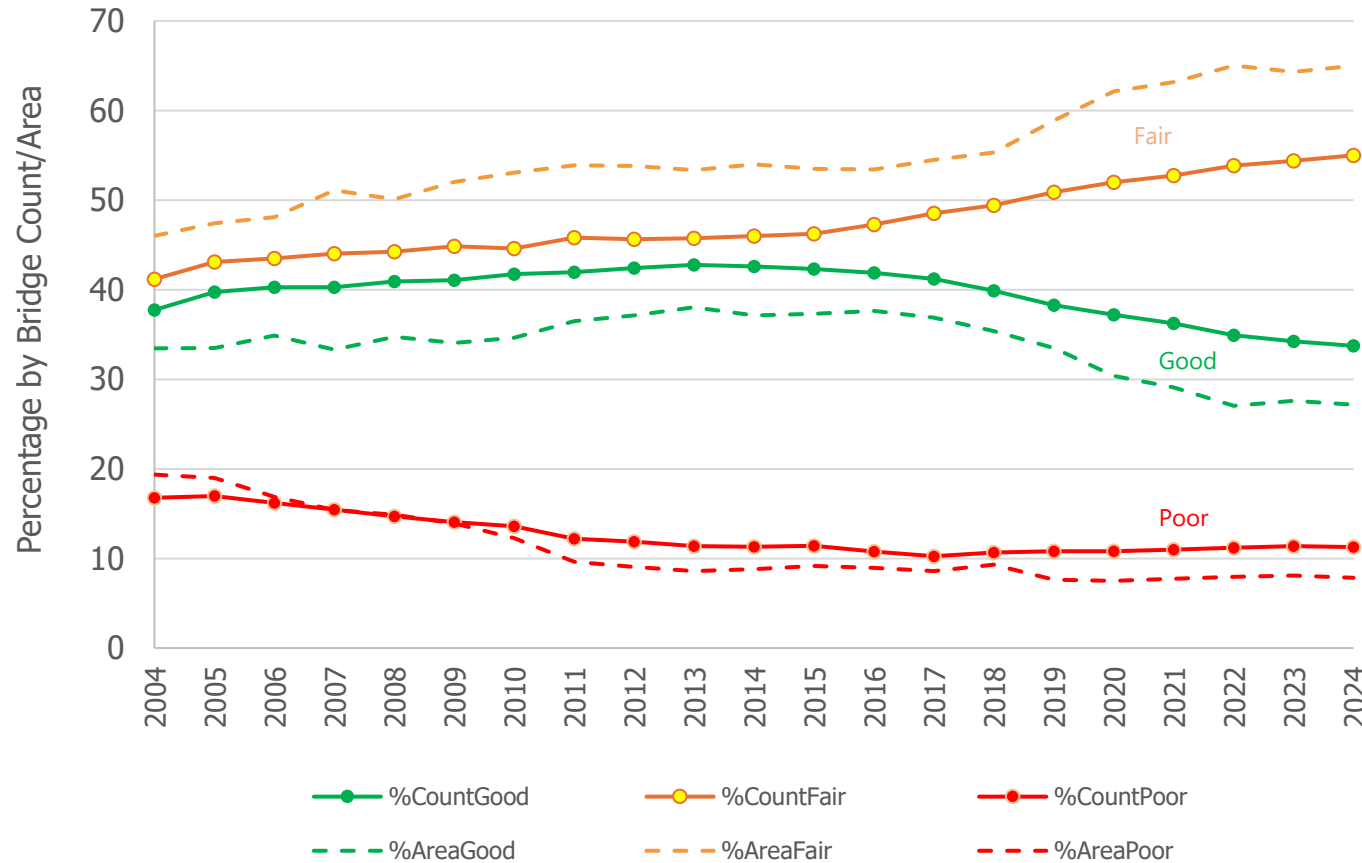
- Adjusted for variable construction costs to reflect purchasing power of funding
- Average of four component index scores
 - \$/centerline mile
 - \$/lane-mile + bridge costs
 - \$/capita
 - \$/TruckVMT

Michigan ranks as the 30th most well-funded state.

State	\$/C/mile		\$/LaneMile+Bridge		\$/Cap		\$/TruckVMT		Overall Funding	
	Index	Rank	Index	Rank	Index	Rank	Index	Rank	Index	Rank
Texas	79.4	2	79.5	2	64.9	4	48.2	2	67.98	1
Alaska	34.5	14	39.2	13	70.7	3	99.5	1	60.94	2
Florida	82.7	1	80.9	1	32.6	19	24.7	21	55.23	3
Delaware	67.3	3	67.4	3	36.5	15	39.3	6	52.61	4
New York	60.4	4	63.4	4	24.6	34	41.2	4	47.43	5
Pennsylvania	45.6	9	48.5	8	31.8	23	44.9	3	42.72	6
North Carolina	47.8	8	49.9	7	37.1	14	29.8	11	41.15	7
Maryland	55.2	6	54.1	6	19.1	40	29.1	14	39.39	8
New Jersey	57.8	5	56.5	5	15.5	45	13.3	36	35.77	9
Iowa	17.9	31	19.5	28	63.8	5	40.2	5	35.33	10
Wisconsin	29.1	17	31.8	16	49.3	9	30.1	10	35.07	11
Wyoming	15.7	35	17.0	35	88.3	1	16.0	31	34.25	12
Virginia	40.5	12	40.4	12	26.1	32	29.3	12	34.08	13
Illinois	36.5	13	38.7	14	31.8	22	29.2	13	34.07	14
West Virginia	25.6	20	27.5	20	49.8	8	28.2	16	32.76	15
Rhode Island	42.3	11	44.0	11	14.5	46	25.8	19	31.67	16
Colorado	25.6	19	27.9	19	33.9	17	38.0	7	31.35	17
Connecticut	43.7	10	44.4	10	17.2	42	19.3	26	31.15	18
North Dakota	3.0	48	3.6	48	87.3	2	28.2	17	30.52	19
California	50.1	7	47.6	9	13.2	47	8.8	43	29.91	20
Nevada	23.5	23	25.3	22	30.3	25	30.5	9	27.38	21
Kentucky	25.1	21	26.8	21	37.5	13	19.5	25	27.23	22
Washington	28.7	18	30.8	18	23.5	37	24.6	22	26.90	23
Ohio	30.5	16	31.3	17	23.8	36	16.8	29	25.58	24
Minnesota	14.1	39	15.6	37	35.8	16	28.8	15	23.56	25
South Carolina	23.1	24	24.3	23	30.3	24	14.1	34	22.95	26
Louisiana	24.2	22	23.3	25	26.2	30	14.7	32	22.09	27
Oklahoma	15.0	36	15.9	36	45.3	11	11.9	38	22.03	28
Montana	3.4	47	3.8	47	55.2	6	23.4	23	21.46	29
MICHIGAN	19.6	27	21.0	26	19.2	39	26.0	18	21.44	30
Alabama	17.7	32	18.6	30	32.0	21	16.8	28	21.29	31
South Dakota	0.2	50	0.2	50	53.5	7	31.1	8	21.26	32
Nebraska	6.8	44	7.6	44	49.2	10	21.0	24	21.13	33
Indiana	22.2	25	23.5	24	26.7	29	11.9	39	21.07	34
Mississippi	14.7	37	15.1	38	38.0	12	16.1	30	20.97	35
Maine	16.6	33	18.4	31	26.1	31	18.0	27	19.76	36
Vermont	12.3	41	13.5	40	28.3	26	24.9	20	19.75	37
Massachusetts	30.7	15	31.9	15	9.4	49	3.5	47	18.88	38
Utah	19.2	28	20.8	27	24.5	35	2.5	48	16.76	39
Missouri	12.9	40	13.4	41	28.3	27	10.1	42	16.19	40
Arkansas	7.6	43	8.2	43	33.7	18	13.4	35	15.73	41
New Hampshire	16.2	34	17.6	34	16.1	44	11.8	40	15.41	42
Georgia	18.5	29	19.2	29	17.6	41	3.7	46	14.76	43
Oregon	11.0	42	12.0	42	21.1	38	11.1	41	13.81	44
Tennessee	14.2	38	14.4	39	16.7	43	8.4	44	13.42	45
Arizona	18.1	30	17.8	33	12.2	48	4.3	45	13.11	46
Idaho	6.3	45	7.0	45	25.6	33	13.3	37	13.05	47
Kansas	2.1	49	2.2	49	32.5	20	14.5	33	12.83	48
Hawaii	20.4	26	18.3	32	0.0	50	2.0	49	10.17	49
New Mexico	4.6	46	4.8	46	27.8	28	1.7	50	9.71	50

Note: Peer States in bold font.

Condition of Michigan Bridge Infrastructure (National Bridge Inventory Data)



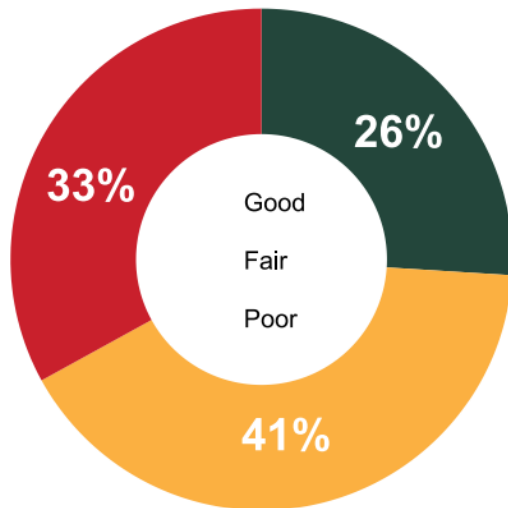
NBI Bridge Condition, All Bridges, 2024

State	Count	Good		Poor	
		Percentage	Rank	Percentage	Rank
Nevada	2,099	58.3%	5	1.1%	1
Arizona	8,573	63.5%	2	1.2%	2
Texas	56,729	51.3%	12	1.2%	3
Delaware	872	40.5%	24	1.3%	4
Georgia	15,069	74.8%	1	1.6%	5
Virginia	14,121	33.0%	38	3.4%	10
Tennessee	20,379	42.5%	20	4.4%	11
Ohio	26,729	61.1%	3	4.7%	17
Indiana	19,495	42.2%	22	5.2%	20
Wisconsin	14,446	51.0%	13	6.5%	29
North Carolina	19,210	43.8%	19	6.8%	31
Missouri	24,618	37.6%	28	8.9%	39
Illinois	26,928	45.6%	17	9.3%	40
Michigan	11,371	33.7%	36	11.3%	43
Pennsylvania	23,299	34.0%	34	12.6%	45
Rhode Island	783	22.9%	49	15.2%	46
Maine	2,518	24.9%	48	15.4%	47
South Dakota	5,887	33.8%	35	16.4%	48
West Virginia	7,348	25.2%	46	18.6%	49
Iowa	23,719	38.8%	26	19.2%	50

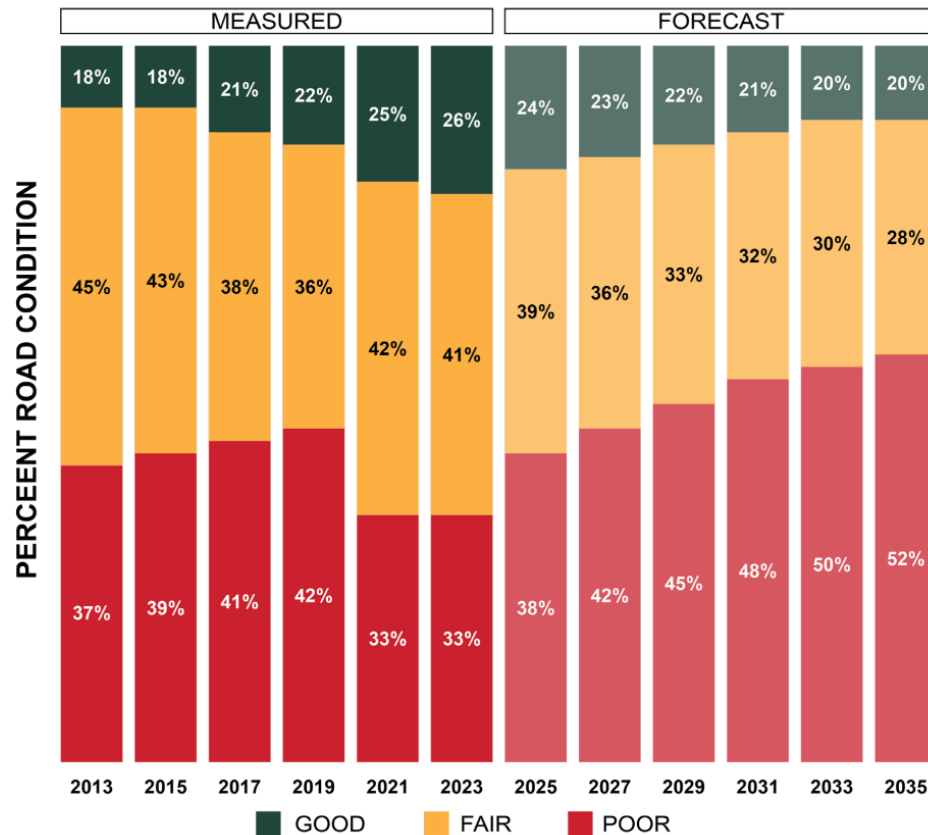


2023 Federal-Aid Pavement Condition

Percent Lane Miles



2023-2035

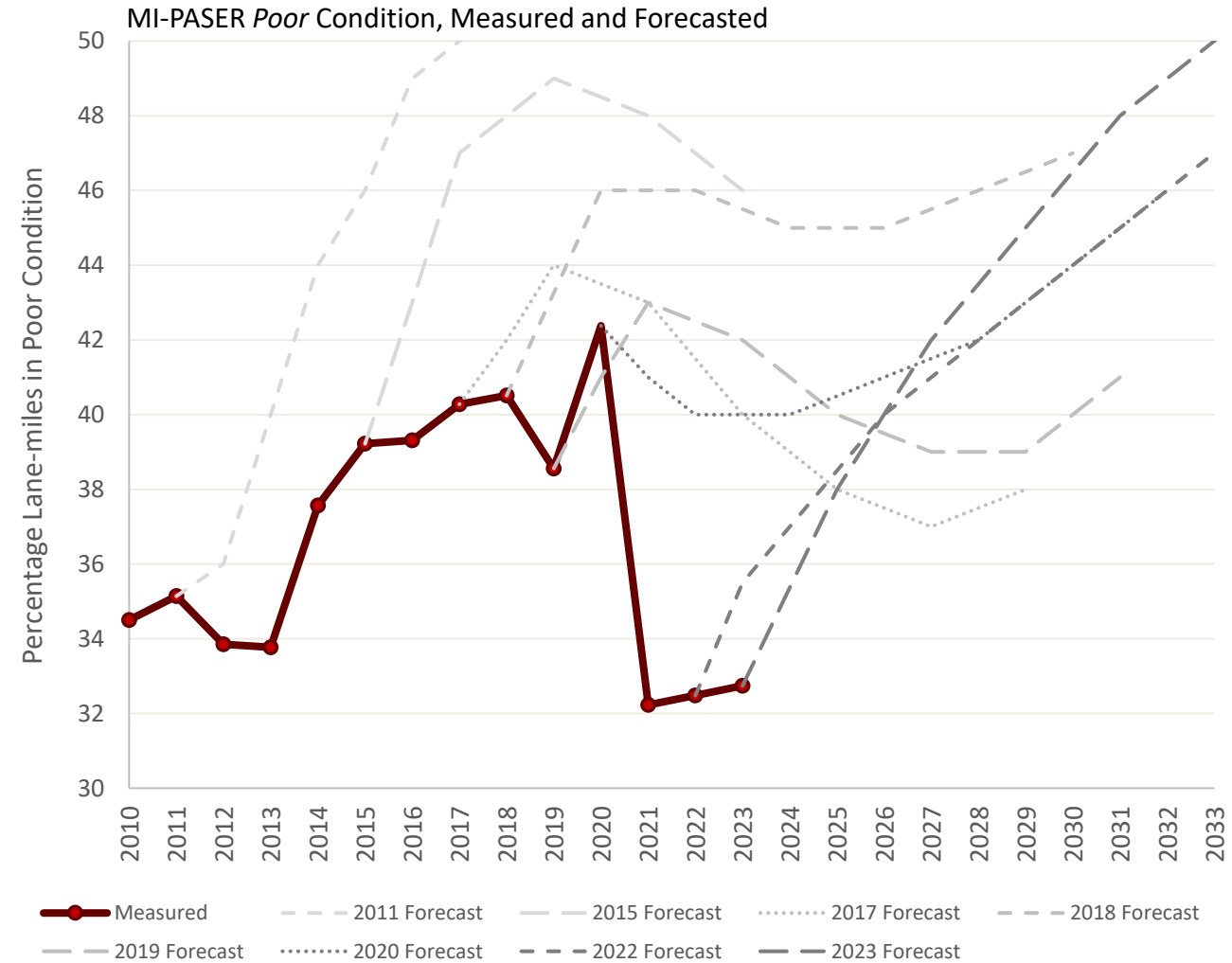
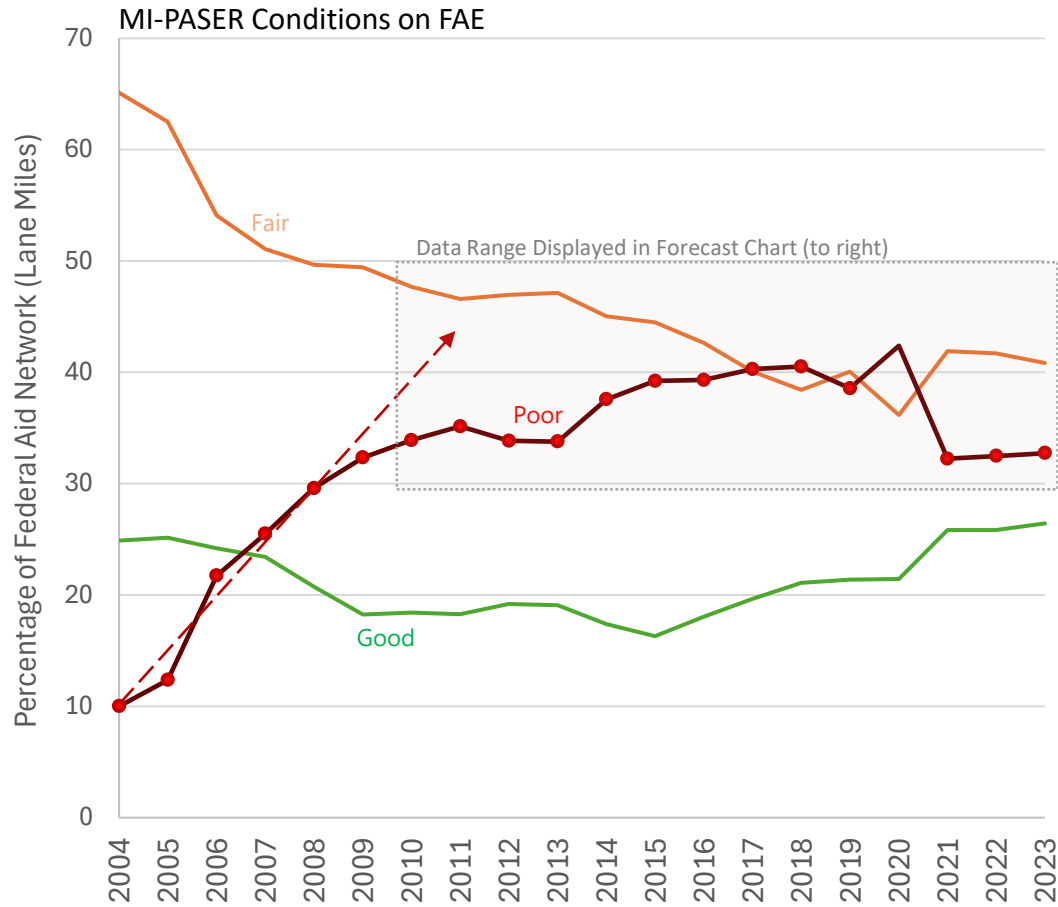


TAMC reports data on Federal Aid Eligible (FAE) routes using MI-PASER as a pavement condition metric.

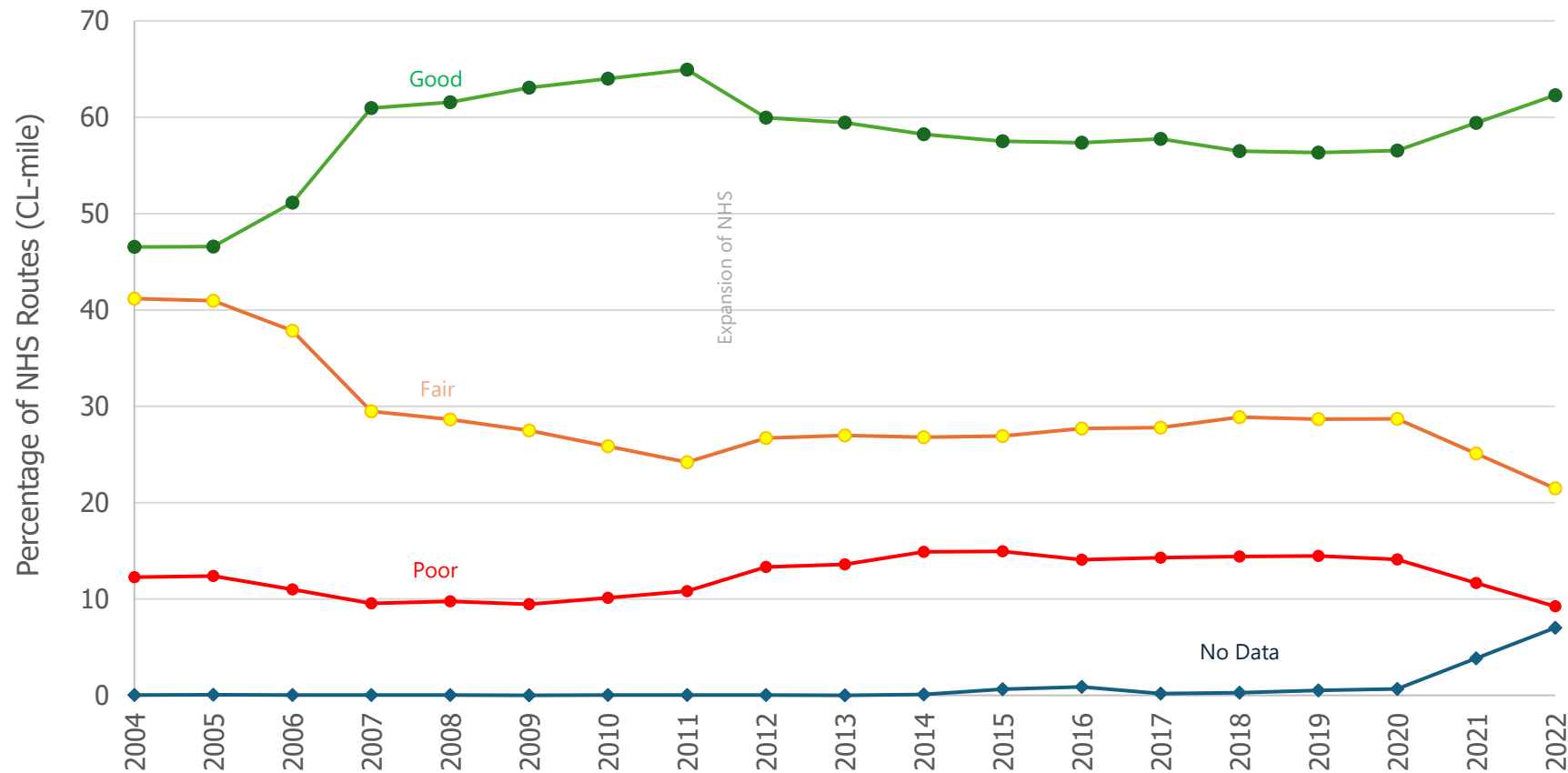
Michigan's FAE network is about 33% of all public roads by mile, but hosts about 90% of traffic.

About 26% of the FAE network is state trunkline with the remainder owned by local agencies.

TAMC MI-PASER Pavement Condition Forecasts



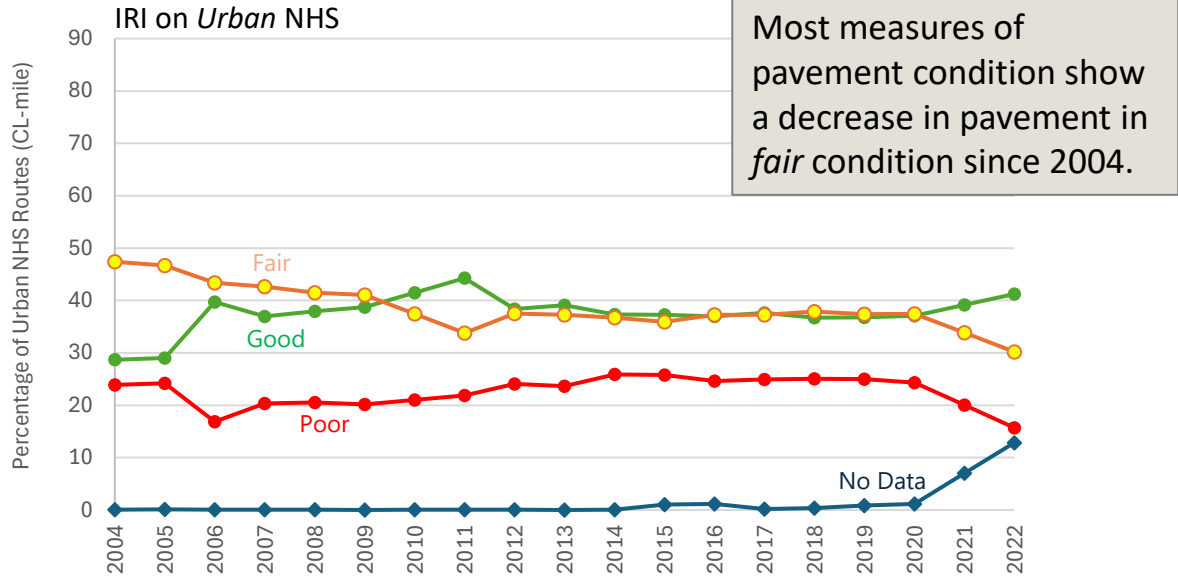
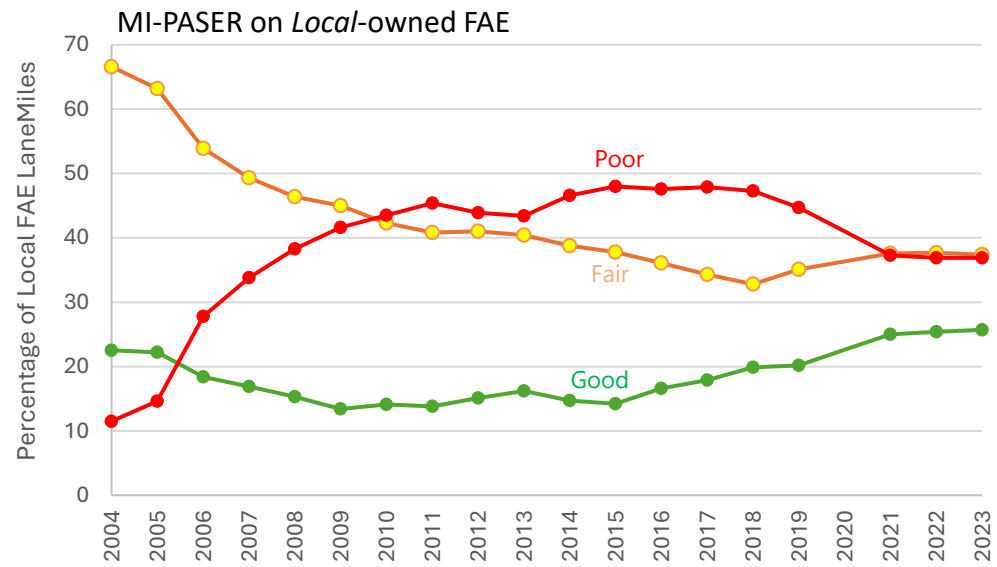
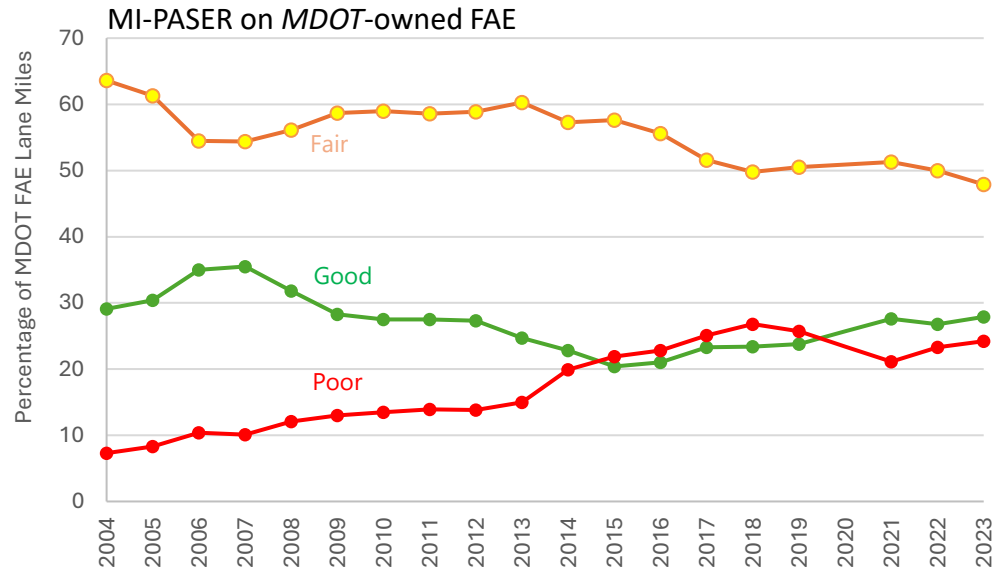
Condition of NHS Routes as Measured by International Roughness Index (IRI)



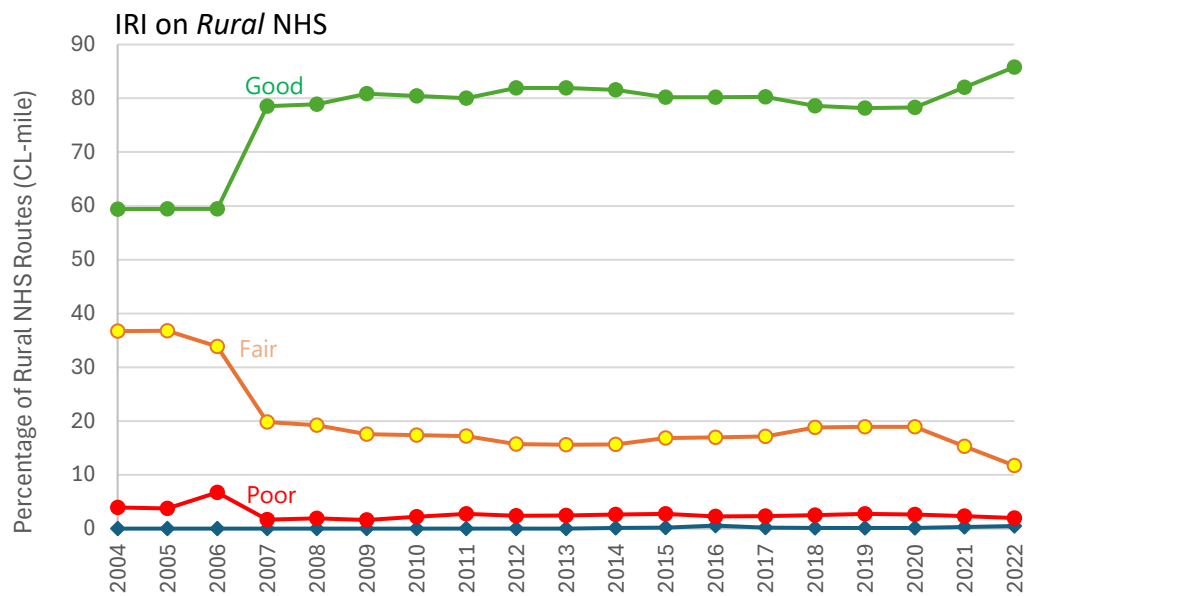
IRI data is reported on National Highway System (NHS) routes.

The NHS is a subset of the FAE (~20%) - primarily including Interstate highways and principal arterials. This is about 6% of Michigan's public roads network by mile.

About 81% of the NHS network is state trunkline with the remainder owned by local agencies.



Most measures of pavement condition show a decrease in pavement in fair condition since 2004.



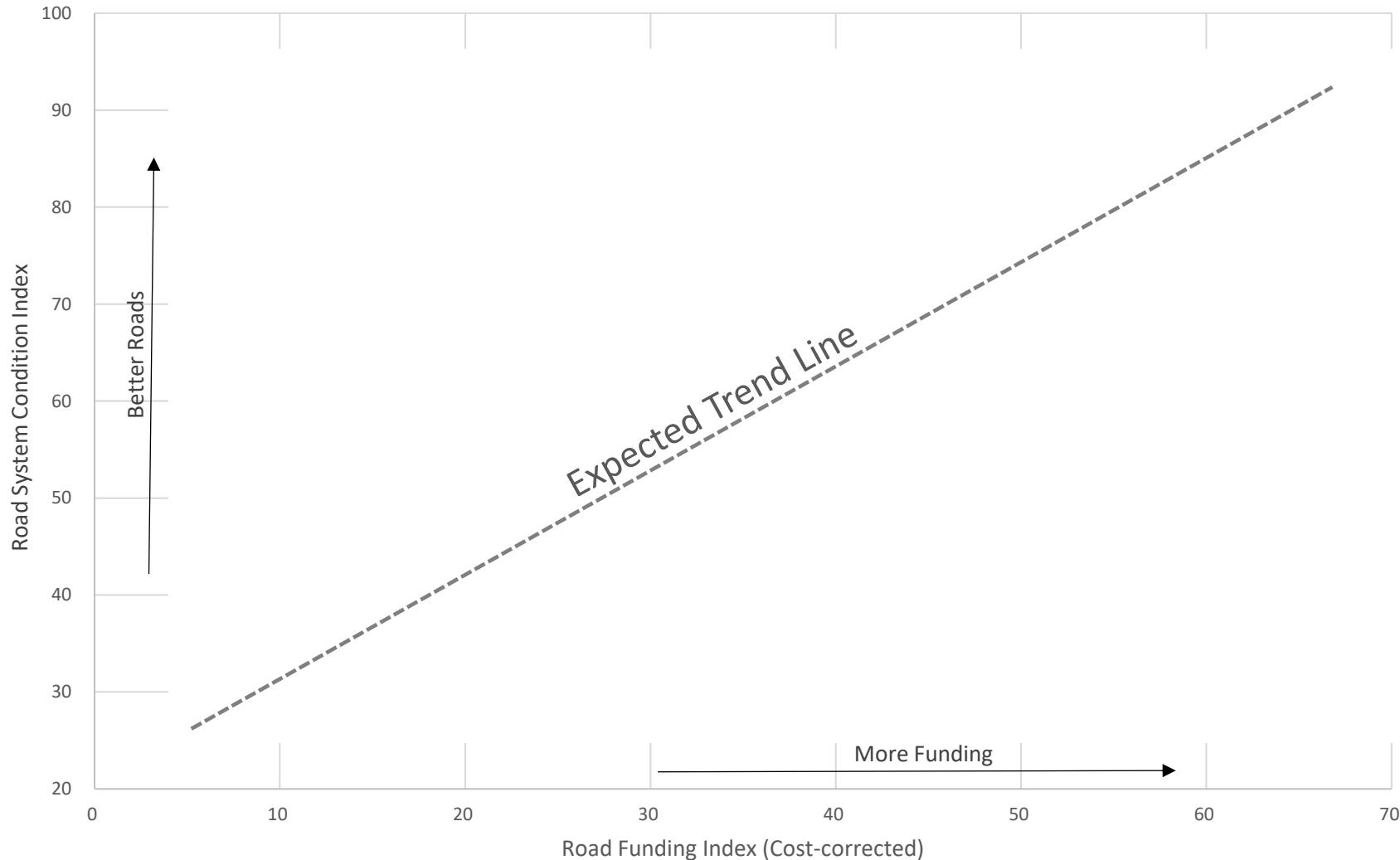
Road System Condition Index

Michigan ranks 40th
in system condition.
(Data from 2020-2022.)

System Data Year	Federal Aid 2020			Functional 2022			NHS 2022				NHS (TPM Data) 2021					Sum Weights	Unweighted Average	Weighted Average (Index Score)	Rank	
	0.2	0.2	0.2	0.3	0.4	0.3	0.2	0.4	0.8	0.6	1.0	0.8	1.0	0.8	1.0					0.8
Metric	FAE - JCP Faulting Poor	FAE - Cracking Poor	FAE - HMA Rutting Poor	FAE - IRI/PSR Poor	Expressways Poor - IRI	Arterials Poor - IRI	Collectors Poor - IRI+PSR	NHS - IRI Good	NHS - IRI Poor	NHS -ADT/IRI Good	NHS - ADT/IRI Poor	Interstate - PCM Good	Interstate - PCM Poor	Non-Interstate PCM Good	Non-Interstate PCM Poor	NHS Bridge Good	NHS Bridge Poor	Unweighted Average	Weighted Average (Index Score)	Rank
Georgia	99	59	99	96	95	90	82	85	98	86	97	76	97	63	96	100	98	89.3	90.6	1
North Dakota	99	100	98	99	99	94	88	92	97	83	90	100	97	90	100	51	87	92.0	90.5	2
Nevada	92	96	98	79	96	83	58	97	99	71	86	97	92	98	98	57	94	87.9	89.0	3
Kansas	95	77	98	86	94	96	89	99	98	84	93	75	92	78	89	88	85	89.2	88.5	4
Indiana	97	48	98	70	90	95	97	89	99	83	98	85	90	86	95	59	87	86.2	87.1	5
South Dakota	98	96	99	81	97	85	69	81	95	83	92	98	100	100	100	19	80	86.7	86.6	6
Florida	100	85	80	85	96	83	62	84	96	84	94	81	82	60	92	74	98	84.4	85.2	7
Minnesota	99	83	100	91	96	93	81	86	98	83	100	82	85	86	97	31	65	85.7	83.5	8
New Hampshire	na	63	87	71	100	75	59	93	93	100	100	69	100	56	87	70	74	81.0	83.0	9
Kentucky	98	66	99	95	93	85	82	93	95	84	90	75	77	81	91	27	77	82.9	80.6	10
Ohio	100	72	96	76	86	62	74	66	79	72	77	85	97	58	86	74	88	79.3	79.9	11
North Carolina	77	81	98	88	91	73	77	68	92	75	89	88	95	35	92	52	83	79.7	79.6	12
Missouri	97	73	82	56	92	65	41	84	93	82	87	95	100	86	94	25	57	77.0	79.2	13
Nebraska	98	96	95	96	86	90	86	69	77	51	47	92	97	76	83	69	88	82.1	79.0	14
Idaho	76	98	70	90	95	91	92	90	97	91	97	62	92	46	95	16	78	81.0	79.0	15
Utah	93	92	0	66	96	82	48	72	97	63	90	77	95	63	94	27	100	73.8	78.6	16
Alabama	39	0	94	91	89	100	99	100	100	92	95	83	69	39	81	25	98	76.1	77.5	17
South Carolina	99	22	87	93	93	83	59	66	92	73	91	89	95	43	89	41	74	75.8	77.4	18
Tennessee	95	45	97	100	93	86	85	81	89	84	88	82	95	46	69	32	70	78.7	76.2	19
Texas	90	94	97	60	87	59	50	58	79	48	69	72	97	68	91	57	94	74.7	76.0	20
Oklahoma	87	55	99	98	84	81	86	61	82	64	79	78	72	52	80	55	96	77.0	75.6	21
Montana	48	97	79	83	98	92	66	82	95	85	92	59	92	49	90	16	72	76.3	75.6	22
Oregon	88	58	87	94	94	90	86	74	88	74	79	62	97	33	79	3	94	75.3	72.8	23
Arizona	97	71	96	60	88	61	38	62	82	67	79	50	77	32	82	69	95	70.9	71.7	24
Wyoming	94	78	93	99	93	97	89	90	99	83	92	37	46	49	92	17	69	77.5	71.3	25

System Data Year	Federal Aid 2020			Functional 2022			NHS 2022				NHS (TPM Data) 2021					Sum Weights	Unweighted Average	Weighted Average (Index Score)	Rank	
	0.2	0.2	0.2	0.3	0.4	0.3	0.2	0.4	0.8	0.6	1.0	0.8	1.0	0.8	1.0					0.8
Metric	FAE - JCP Faulting Poor	FAE - Cracking Poor	FAE - HMA Rutting Poor	FAE - IRI/PSR Poor	Expressways Poor - IRI	Arterials Poor - IRI	Collectors Poor - IRI+PSR	NHS - IRI Good	NHS - IRI Poor	NHS -ADT/IRI Good	NHS - ADT/IRI Poor	Interstate - PCM Good	Interstate - PCM Poor	Non-Interstate PCM Good	Non-Interstate PCM Poor	NHS Bridge Good	NHS Bridge Poor	Unweighted Average	Weighted Average (Index Score)	Rank
Virginia	0	98	99	82	92	78	52	53	87	58	78	61	97	33	97	29	82	69.1	71.3	26
Delaware	79	72	99	75	70	72	65	59	82	55	73	70	82	60	95	17	84	71.1	71.0	27
Iowa	97	59	91	92	92	81	0	52	78	54	77	63	90	41	73	57	86	69.5	70.8	28
Mississippi	65	46	93	51	88	64	29	62	76	69	76	82	82	41	69	66	75	66.7	69.6	29
Arkansas	90	83	83	43	81	89	96	64	81	63	70	73	67	35	60	49	79	71.0	67.3	30
West Virginia	91	69	92	39	86	81	100	54	79	68	83	86	90	58	94	0	15	69.6	66.3	31
Maine	na	76	26	64	99	75	56	87	86	91	90	21	95	51	61	22	57	66.1	66.3	32
New Mexico	87	72	81	33	85	47	12	74	85	76	81	56	56	39	81	38	86	64.0	66.1	33
Wisconsin	86	86	97	54	84	43	49	39	61	38	49	74	92	38	69	60	85	65.0	64.6	34
Connecticut	na	82	99	36	91	36	20	40	73	67	81	78	95	41	87	6	53	61.5	64.2	35
Pennsylvania	97	86	86	48	80	55	31	45	64	48	50	79	90	40	89	25	74	63.9	63.9	36
Vermont	na	51	2	68	94	78	0	86	86	87	85	4	74	37	44	53	80	58.0	61.7	37
New Jersey	39	66	99	32	77	77	99	36	40	60	51	89	97	48	64	16	60	61.8	60.2	38
Maryland	92	53	70	48	77	40	30	56	48	66	56	58	85	27	53	21	85	56.8	57.1	39
MICHIGAN	77	43	93	62	82	60	62	66	77	58	61	81	54	48	33	17	58	60.8	57.0	40
Colorado	85	68	99	61	69	54	43	45	73	32	51	40	0	44	77	41	80	56.6	52.5	41
Alaska	na	87	49	68	64	52	39	42	49	62	74	20	77	17	43	38	61	52.7	51.5	42
Illinois	84	0	93	66	85	55	57	45	64	49	51	74	90	25	40	18	25	54.2	51.5	43
Washington	91	95	75	46	80	45	37	41	62	53	57	44	51	8	69	33	47	55.0	50.9	44
Massachusetts	na	95	82	48	83	14	98	22	21	58	31	83	100	0	0	9	26	48.1	40.5	45
California	95	70	97	35	68	33	2	14	17	22	17	46	44	14	49	53	63	43.4	39.5	46
New York	41	28	94	52	50	37	52	30	39	19	0	43	72	5	43	22	31	38.7	34.6	47
Hawaii	88	83	94	19	0	37	2	1	31	0	5	2	0	19	72	22	89	33.2	29.6	48
Louisiana	67	33	9	58	50	45	39	23	49	28	27	0	15	0	4	40	67	32.6	29.0	49
Rhode Island	na	48	84	0	80	0	20	0	0	43	15	56	97	7	0	9	0	28.6	26.3	50

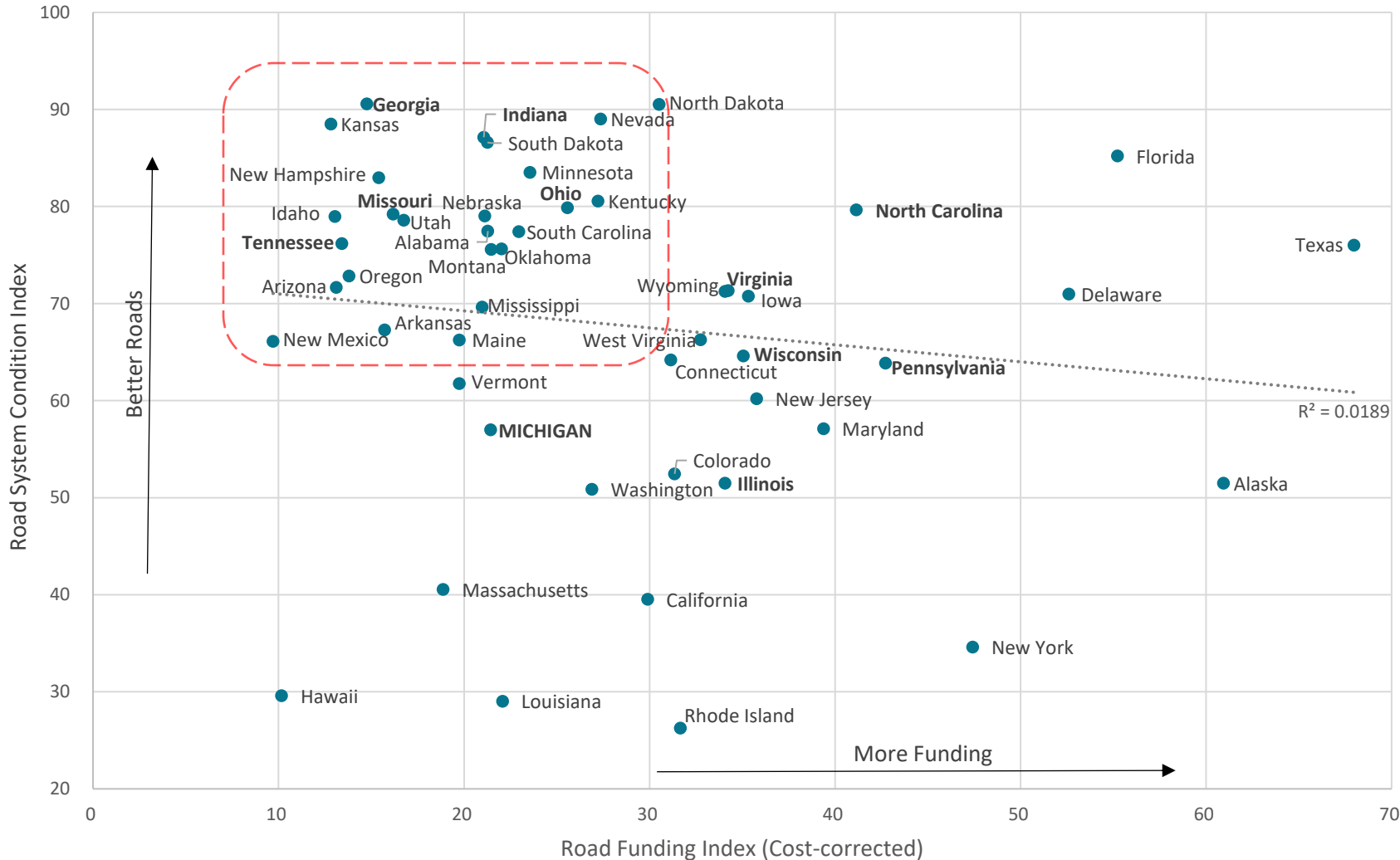
Road System Condition Index vs. Road Funding Index



States' road program performance was assessed by plotting Road System Condition Index scores (data from 2020-2022) against Road Funding Index scores (data from 2012-2021).

This provides an idea of how system condition relates to funding in the preceding decade.

Road System Condition Index vs. Road Funding Index

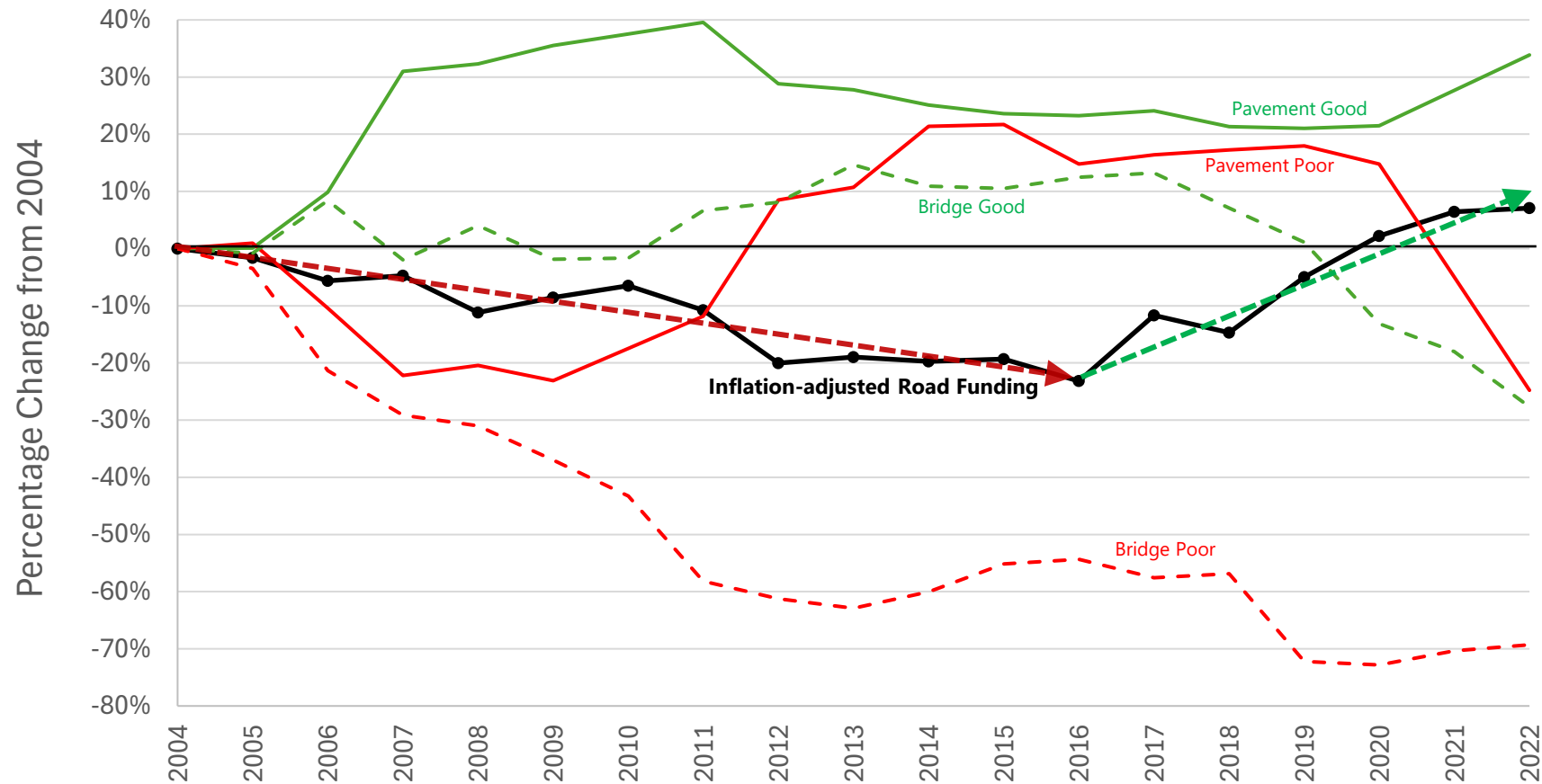


- No correlation between funding levels and system condition ($R^2=0.019$).
- States clustered in the upper left corner are achieving relatively good pavement conditions with relatively low funding.
- Other states appear to have room to improve.

Lack of relationship between funding and system condition on a state-by-state basis is supported by alternative methods of analysis.

Note: Michigan & Peer States in bold font.

Relative Change in NHS Pavement Condition (IRI), NHS Bridge Condition, and Inflation-Adjusted Funding



Michigan’s historical system conditions were compared to road program funding to understand the relationship between funding and condition (2004-2022).

As with state-by-state comparison, there appears to be little correlation between funding and condition.

Note: IRI data was not reported in 2021 (and was estimated). IRI data for 2022 included 14% of NHS pavement unreported – imposing uncertainty on final two years of pavement condition data.

Changing System Conditions Following Period of Increasing and Decreasing Funding



Metric	2004	2017	Absolute Change	Relative Change
Inflation-adjusted Road Funding	\$5.0bn	\$3.8bn (2016)	-\$1.2bn	-23.2%
MI-PASER Good on FAE Lane-miles	24.9%	19.7%	-5.2%	-20.9%
MI-PASER Fair on FAE Lane-miles	65.1%	40.1%	-25.0%	-38.4%
MI-PASER Poor on FAE Lane-miles	10.0%	40.3%	+30.3%	+303.0%
IRI Pavement Good on NHS CL-miles	46.5%	57.8%	+11.3%	+24.1%
IRI Pavement Fair on NHS CL-miles	41.2%	27.8%	-13.4%	-32.5%
IRI Pavement Poor on NHS CL-miles	12.3%	14.3%	+2.0%	+16.4%
Bridge Area Good (NBI, All Bridges)	33.4%	36.9%	+3.5%	+10.3%
Bridge Area Fair (NBI, All Bridges)	46.0%	54.5%	+8.5%	+18.5%
Bridge Area Poor (NBI, All Bridges)	19.4%	8.6%	-10.8%	-55.6%



Metric	2016	2023	Absolute Change	Relative Change
Inflation-adjusted Road Funding	\$3.8bn	\$5.3bn (2022)	+\$1.5bn	+39.4%
MI-PASER Good on FAE Lane-miles	18.0%	26.4%	+8.4%	+46.7%
MI-PASER Fair on FAE Lane-miles	42.6%	40.8%	-1.8%	-4.2%
MI-PASER Poor on FAE Lane-miles	39.3%	32.7%	-6.6%	-16.8%
IRI Pavement Good on NHS CL-miles	57.3%	62.3%	+5.0%	+8.7%
IRI Pavement Fair on NHS CL-miles	27.7%	21.5%	-6.2%	-22.4%
IRI Pavement Poor on NHS CL-miles	14.1%	9.2%	-4.9%	-34.7%
Bridge Area Good (NBI, All Bridges)	37.6%	27.6%	-10.0%	-26.6%
Bridge Area Fair (NBI, All Bridges)	53.4%	64.3%	+10.9%	+20.4%
Bridge Area Poor (NBI, All Bridges)	9.0%	8.1%	-0.9%	-10.0%

Tables reflect an attempt to formally quantify the relationship between funding and system condition. Ideally this could be used to estimate funding needs to achieve desirable pavement and bridge conditions.

Data suggests that increasing funding since 2016 has improved system conditions somewhat. But, overall, there appears to be little correlation between funding and system conditions.

During both periods of decreasing and increasing funding, there was a decline in pavement in fair condition. The opposite trend is seen in bridge conditions.

Bottom-line road funding levels are only one factor in achieving good system condition.

How funding is spent appears to be just as important.

Data suggests that distribution of state road revenue is misaligned with needs.

Factors used in Act-51 Distribution Formula

- Ownership (State, County, City/Village)
- Counties (39.1%)
 - Vehicle Registrations
 - "Local" Road Mileage
 - Mileage in Urban Areas
 - Per-County Baseline Funding
 - County Population outside Cities/Villages
 - "Primary" Road Mileage
- Cities and Villages (21.8%)
 - Population
 - "Major" Street Mileage (Pop. Multiplier)
 - "Local" Street Mileage (Pop. Multiplier)

Factors that Impose Road System Costs

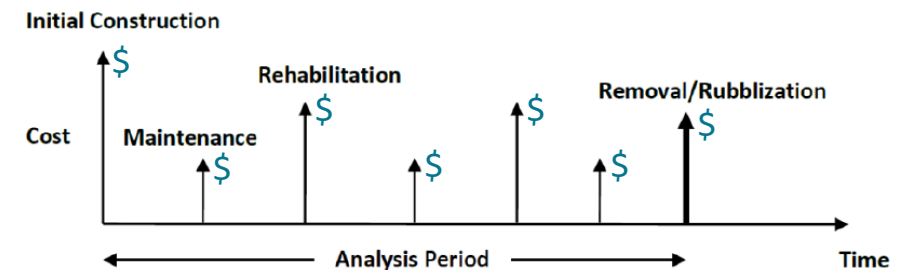
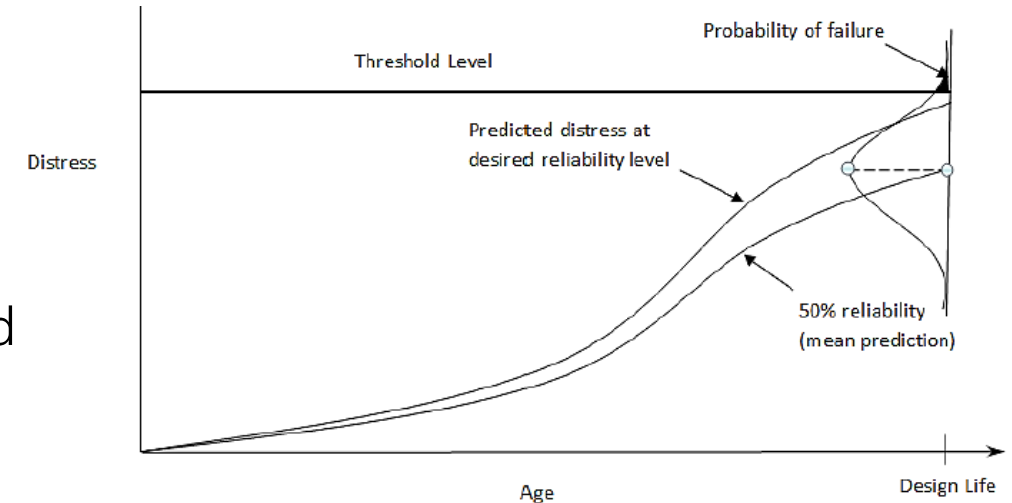
- System Size and Usage Classification (Interstate, NHS, FAE, Major/Minor Arterial, Major/Minor Collector, Local)
- Traffic Volume
- Truck Load Spectra
- Bridges
- Climate and Weather
- Subbase Geology (Drainage)
- Complex Right-of-Ways
- Local Construction Costs

How Best to Estimate Road Funding Needs (Comprehensive Pavement Asset Management)

Resources:

- [AASHTO M-E Pavement Design Guide](#)
- [AASHTO TAM Guide](#)
- [FHWA Performance-based Planning and Programming Program](#)
- [NCHRP 898: A Guide to Developing Financial Plans and Performance Measures for Transportation Asset Management](#)

- Determine existing (/design) pavement characteristics
 - [Truck loading!](#)
 - Climate, geology (subbase)
 - Pavement cross section & materials
 - Existing condition using [distress indicators](#) that can be linked to loading/aging (IRI, Rutting, Faulting, Cracking)
- Forecast pavement performance (quality) for established pavement characteristics
- Estimate [maintenance](#)-rehabilitation-replacement schedule & costs (regional, urban/rural)
- Annual Funding Needs = $\Sigma \$$ / Pavement Service Life
- Apply approach to network, extrapolate as necessary.



An effort to repeal Act 51 will be difficult, but necessary to make better use of available funding.

Further improvements to Michigan's road program are available beyond the distribution formula.

Local-Option Taxes

Arguments for Local-Option Taxes

- Recognizes different roles for various types of roads
 - Interstates, arterials, collectors, local access
 - Statewide interest in each type is not uniform
- Inefficient distribution formula means some new resources will:
 - Over fund some communities
 - Fail to meet the needs of other communities
- Benefit Principle of Taxation
 - The misery of raising revenue should accompany the pleasure of spending it.
- Take burden off property taxes

Local-Option Taxes Authorized in the Great Lakes States

State	Property Taxes	Income Taxes	Retail Sales Taxes	Motor Fuel Taxes	Vehicle License Taxes	Utility Users' Taxes	Alcohol Taxes	Tobacco Taxes	Marijuana Taxes	Casino Gambling Taxes	Soda/Sugar Taxes	Restaurant Meals Taxes	Hotel/Motel Taxes	Vehicle Rental Taxes	Entertainment/Admissions Taxes	9-1-1 Phone Taxes	Sharing Economy Taxes	Total
Illinois	X		X	X	X	X	X	X		+	X	X	X	X	X	X	X	14
Indiana	X	X			X					X		X	X	X	X			8
Michigan	X	X		+	+	Detroit			+	Detroit		X**	X	Wayne		X		6
New York	X	X	X	X	X	X	X	*	+				X			X		9
Ohio	X	X	X	+	X	X	*	*		+			X	X	X	X		9
Pennsylvania	X	X	X		X		X	*	+	X	X		X	X	X		X	11
Wisconsin	X		X		X							X	X	X		X		7

* Only authorized to one local unit

** Question of constitutionality

+ State taxes shared with local units of government

Note: This table highlights which states allow at least some local units to levy a tax -- does not mean that all types of local units within state can levy the tax.

Principles of Good Tax Policy

- Adequacy
- Transparency
- Reliability
- Equity: horizontal and vertical
 - ❖ Problems caused by tax base disparities
- Neutrality: taxes should minimize interference with economy
- Administrative efficiency

What Level of Government Best Suited to Levy Local-Option Taxes?

- Cities and townships primary provider of services → not best suited to levy local-option taxes
 - ❖ 1,700 plus potential taxing jurisdictions
 - ❖ Reduce administrative efficiency
 - ❖ Decrease equity and neutrality
 - ❖ Increase competition
 - ❖ Intensify socioeconomic disparities

Regional Taxes and Services

- Counties already governing at regional level
- Regions still compete, but more difficult for businesses and individuals to leave a region
- Socioeconomic and income inequalities decreased at regional level
- Biggest hindrance – services provided at local level
 - ❖ Reorganize service delivery model to allow counties to provide services and levy new local-option taxes
 - ❖ Raise revenue at regional level and share revenue with all local units within a region

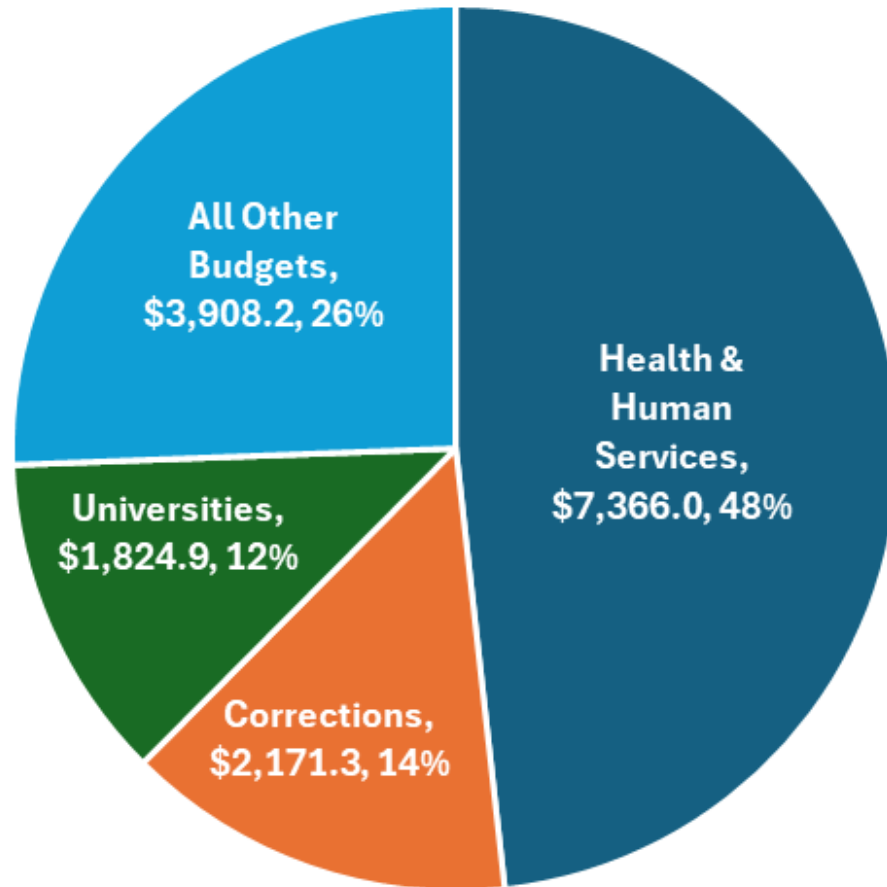
House Roads Package: What Does It Mean for the Budget?

Summary: Revenue and Budget Impact

	FY2025	FY2026
New Revenue for Transportation		
• Shift Corporate Income Tax (CIT) to transportation		\$2.2B
• Increase in motor fuel tax revenue by \$0.20/gallon		\$1.0B
Total New Transportation Revenue		\$3.2B
Offsetting Budget Reductions		
• Loss of CIT revenue to GF/GP		\$2.2B
• Loss of sales tax revenue to GF/GP		\$120M
• School Aid Fund hold harmless		\$755M
• Constitutional revenue sharing hold harmless		\$95M
• Cancel existing CIT earmarks (proposed savings from MBT credits start in FY2027)	(\$600M)	
Reductions to Executive Budget		\$2.5B

Source: [House Fiscal Agency analysis](#) of House bill package

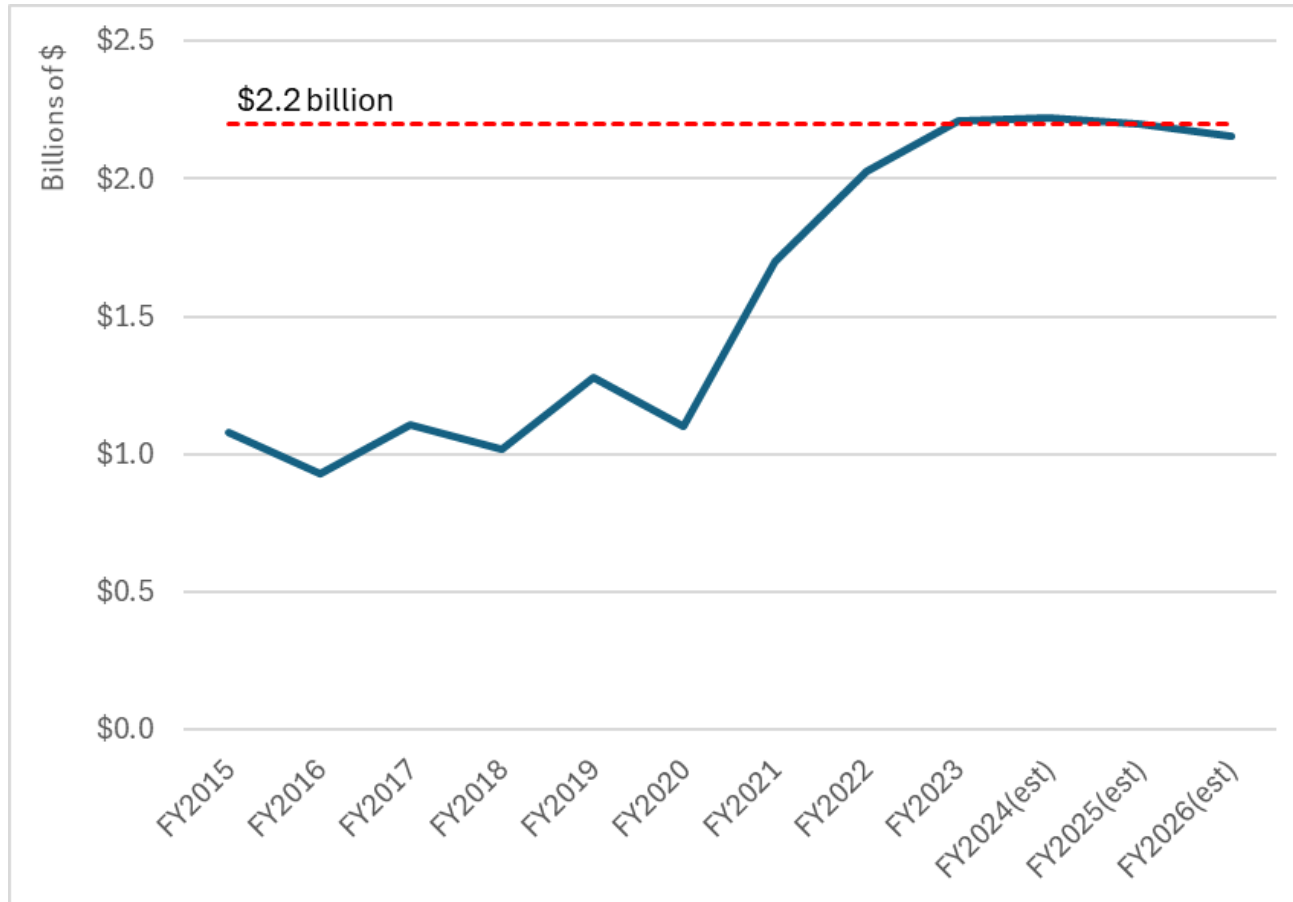
FY26 GF/GP Executive Budget Appropriations



Almost three-quarters of the state's discretionary General Fund/General Purpose (GF/GP) appropriations fall into areas: Health and Human Services, Corrections, and Public Universities

Source: House Fiscal Agency [appropriations tracking](#)

A Note on CIT Revenue Trends



- Corporate Income Tax revenues increased significantly during the COVID-19 pandemic period, then have flattened since FY2023
- Will revenue drop back toward longer-run trend?
- This is a revenue risk regardless of how we fund the roads

Source: Final revenues through FY2023; January 2025 Consensus Revenue Estimating Conference estimates for FY2024 through FY2026

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Additional Background and Potential Questions

Q: How was climate factored in Index Methodology?

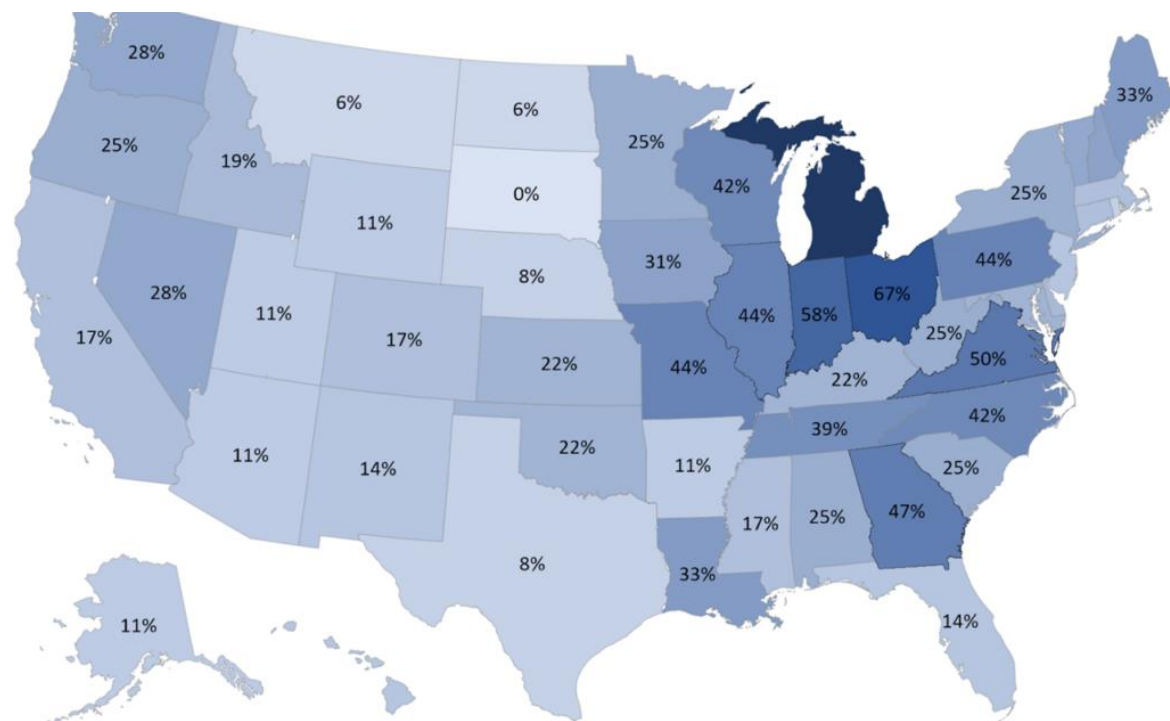
A: It was not.

- No data identified to estimate costs imposed by climate
- Multiple climate and geological factors would have to be considered
 - Freeze/thaw cycling
 - Precipitation
 - UV Incidence
 - Extreme Temperatures
 - Subbase Geology
 - Topography (e.g., Mountains)
 - Volcanic and Seismic Activity
- System size and truck traffic considered far more influential
- Climate likely has largest impact on construction costs via weather variability and length of “construction season,” which has been (theoretically) captured in cost-correction step

Peer State Analysis

Climate was factored into selection of peer states, but was only one factor.

		Population (2020)	Pop. Change	Network Miles	Urban Land %	Urban Pop %	Overall Density	Per Cap Income	VMT per Cap.	Urban % Truck	ADT/Lane	Climate	Consistency	Total Score /36	Michigan-like
Michigan		3	3	3	3	3	3	3	3	3	3	3	3	36	100%
1st-tier Peer States	Ohio	3	3	3		2	1	2	3		1	3	3	24	67%
	Indiana	1	1	1	3	2	3	3		2	1	1	3	21	58%
	Virginia	3			3	3	2		1	3		1	2	18	50%
	Georgia	3		2	2	3	3	3					1	17	47%
2nd-tier Peer States	Illinois	2	2	1	3		2		1		3	2	16	44%	
	Missouri	1	3	2	1	1	1	3			1	3	16	44%	
	Pennsylvania	2	3	3		1			1	2	2	2	16	44%	
	Wisconsin	1	1	3	1	1	1	1			3	3	15	42%	
	North Carolina	3		2	1	1	3	1		2		2	15	42%	
	Tennessee	1		1	3	1	3	2		1		2	14	39%	



https://crcmich.org/dennis_20240117_infrastructure_peer-states

Road Funding Index Critical Step: Construction Cost Correction Factor

- Road and bridge construction costs can vary *widely* by state. It is important to consider variable construction costs because a nominal dollar in each state may have very different purchasing power for construction and maintenance of roads and bridges.
- The Road Funding Index includes a construction cost correction factor using FHWA estimated replacement costs for bridge deck (\$/sq.ft.) for 2020.
 - This is judged to be the best available proxy for all road and bridge construction costs for purposes of state comparisons.*
 - A cost correction factor was developed as a percentage deviation from a “typical state.”
 - The hypothetical typical state was constructed as having construction costs between the mean and median state.
- Financial data for each state was corrected by dividing financial data by the cost correction factor.
 - Capital Expenditures data was adjusted at 80% of the cost correction factor. Other financial data was adjusted at 50%.
 - The 100% cost correction factor was not used to avoid over-correction and to acknowledge that many road expenditures are non-construction expenditures so not subject to the construction cost variation.

	Percent Difference from Typ. State	Unweighted correction factor	80% correction factor	50% Correction Factor
Hawaii	540.8%	6.408	5.326	3.704
Massachusetts	151.4%	2.514	2.211	1.757
New Jersey	112.8%	2.128	1.903	1.564
Delaware	107.6%	2.076	1.860	1.538
Vermont	89.1%	1.891	1.713	1.445
Rhode Island	88.6%	1.886	1.708	1.443
Connecticut	82.2%	1.822	1.658	1.411
New Hampshire	70.6%	1.706	1.565	1.353
New York	70.6%	1.706	1.565	1.353
Pennsylvania	68.5%	1.685	1.548	1.343
Maine	60.6%	1.606	1.485	1.303
Washington	51.1%	1.511	1.409	1.255
Alaska	49.5%	1.495	1.396	1.248
California	45.3%	1.453	1.362	1.226
Maryland	43.2%	1.432	1.345	1.216
Arizona	30.5%	1.305	1.244	1.153
Utah	20.5%	1.205	1.164	1.102
Minnesota	18.9%	1.189	1.151	1.095
Idaho	15.7%	1.157	1.126	1.079
Oregon	15.7%	1.157	1.126	1.079
Virginia	12.6%	1.126	1.101	1.063
MICHIGAN	9.9%	1.099	1.079	1.050
South Dakota	5.7%	1.057	1.046	1.029
Kansas	-6.4%	0.936	0.949	0.968
Nevada	-7.0%	0.930	0.944	0.965
Illinois	-9.6%	0.904	0.923	0.952
New Mexico	-10.6%	0.894	0.915	0.947
West Virginia	-11.2%	0.888	0.911	0.944
Arkansas	-11.7%	0.883	0.906	0.941
North Dakota	-12.2%	0.878	0.902	0.939
Ohio	-12.2%	0.878	0.902	0.939
Indiana	-16.5%	0.835	0.868	0.918
Georgia	-18.0%	0.820	0.856	0.910
Wyoming	-21.7%	0.783	0.826	0.891
Nebraska	-26.0%	0.740	0.792	0.870
Montana	-27.5%	0.725	0.780	0.862
Tennessee	-27.5%	0.725	0.780	0.862
Colorado	-28.1%	0.719	0.776	0.860
Oklahoma	-29.6%	0.704	0.763	0.852
Florida	-31.2%	0.688	0.750	0.844
Wisconsin	-33.9%	0.661	0.729	0.831
South Carolina	-37.6%	0.624	0.700	0.812
Louisiana	-38.6%	0.614	0.691	0.807
North Carolina	-39.1%	0.609	0.687	0.804
Kentucky	-42.8%	0.572	0.657	0.786
Missouri	-49.2%	0.508	0.607	0.754
Alabama	-50.8%	0.492	0.594	0.746
Iowa	-50.8%	0.492	0.594	0.746
Mississippi	-54.4%	0.456	0.564	0.728
Texas	-68.7%	0.313	0.450	0.657
Mean (excludes Ha	0.189	1.189	1.151	1.095
Median	(0.083)	0.917	0.934	0.959

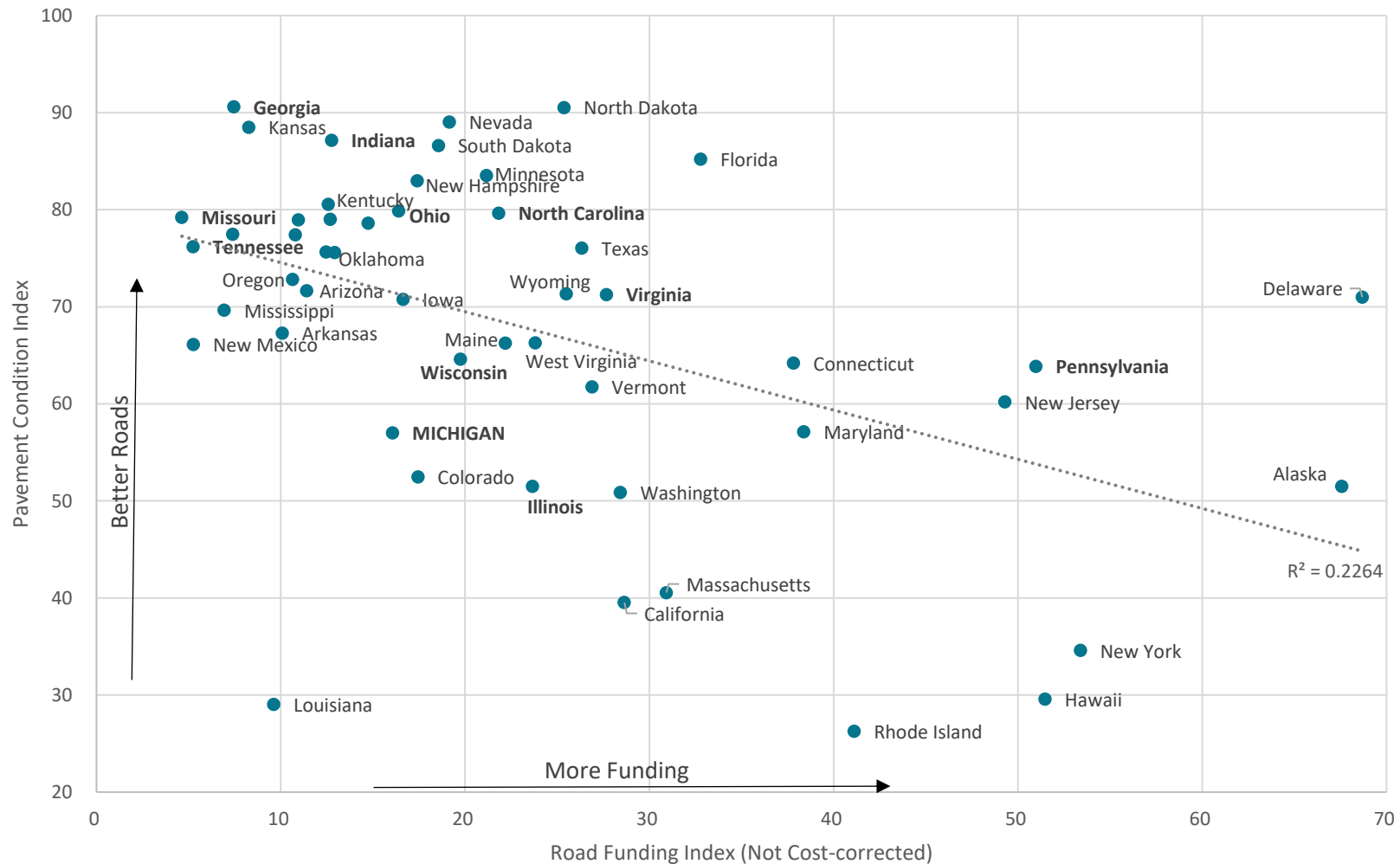
Road Funding Index (NOT Cost-corrected)

If the cost-correction step is not applied to the funding analysis, many states move several rankings. However, Michigan's ranking moves only from 30th to 31st.

State	\$/C/mile		\$/LaneMile+Bridge		\$/pop.2020		\$/TruckVMT		Overall Funding	
Column1	IndexCL	RankC	IndexLM	RankL	IndexPo	RankF	IndexTr	Rank	AvgIndex	Funding R
Delaware	85.5	1	86.9	1	52.0	4	50.4	2	68.68	1
Alaska	37.4	12	43.1	12	92.3	1	97.6	1	67.58	2
New York	68.2	4	72.6	4	27.1	15	45.7	4	53.40	3
Hawaii	84.1	2	81.3	2	9.8	42	30.7	7	51.47	4
Pennsylvania	54.7	7	59.3	6	40.3	6	49.7	3	50.97	5
New Jersey	78.6	3	78.4	3	19.1	23	21.1	15	49.30	6
Rhode Island	56.2	5	59.4	5	15.7	30	33.1	5	41.11	7
Maryland	55.1	6	55.1	8	14.7	34	28.6	8	38.38	8
Connecticut	53.2	8	55.2	7	18.3	26	24.7	10	37.83	9
Florida	52.3	9	51.6	10	14.8	33	12.5	28	32.78	10
Massachusetts	48.7	11	51.7	9	11.8	39	11.4	29	30.92	11
California	49.8	10	48.1	11	6.7	46	9.9	33	28.64	12
Washington	31.2	15	34.1	14	22.7	18	25.7	9	28.43	13
Virginia	34.4	13	34.7	13	18.2	27	23.4	13	27.67	14
Vermont	17.6	25	19.7	23	38.3	7	31.9	6	26.90	15
Texas	32.7	14	32.7	15	24.6	17	15.3	24	26.33	16
Wyoming	10.1	35	11.2	35	72.1	3	8.6	36	25.49	17
North Dakota	2.0	47	2.4	47	79.0	2	18.1	21	25.38	18
West Virginia	18.5	21	20.2	21	38.2	8	18.3	20	23.82	19
Illinois	26.8	17	28.8	17	19.7	21	19.3	19	23.66	20
Maine	19.1	20	21.5	19	27.7	14	20.4	17	22.19	21
North Carolina	27.7	16	29.2	16	16.5	28	13.8	26	21.82	22
Minnesota	13.4	30	15.0	30	32.2	11	24.1	11	21.16	23
Wisconsin	16.6	26	18.3	26	28.8	13	15.4	23	19.76	24
Nevada	17.7	24	19.3	24	19.0	24	20.7	16	19.16	25
South Dakota	0.6	50	0.7	50	49.5	5	23.5	12	18.56	26
Colorado	15.3	28	16.8	28	16.5	29	21.3	14	17.46	27
New Hampshire	19.3	19	21.3	20	13.8	35	15.2	25	17.40	28
Iowa	7.6	39	8.3	39	33.7	10	17.0	22	16.64	29
Ohio	21.9	18	22.7	18	10.7	41	10.4	32	16.40	30
MICHIGAN	16.4	27	18.0	27	9.6	43	20.3	18	16.07	31
Utah	18.1	23	19.8	22	18.4	25	2.7	47	14.75	32
Montana	1.1	49	1.3	49	36.8	9	12.5	27	12.93	33
Indiana	15.3	29	16.4	29	12.8	36	6.6	39	12.76	34
Nebraska	3.5	45	4.0	45	32.0	12	11.2	30	12.69	35
Kentucky	12.9	32	13.9	31	15.7	31	7.8	38	12.58	36
Oklahoma	8.6	37	9.2	37	26.8	16	5.2	43	12.46	37
Arizona	18.3	22	18.4	25	4.1	48	4.8	44	11.41	38
Idaho	6.4	41	7.2	41	19.2	22	11.1	31	10.97	39
South Carolina	12.9	33	13.7	32	11.1	40	5.5	41	10.79	40
Oregon	9.7	36	10.8	36	12.7	37	9.3	35	10.65	41
Arkansas	5.3	43	5.7	42	21.2	19	8.1	37	10.09	42
Louisiana	13.0	31	12.4	34	7.3	45	5.8	40	9.63	43
Kansas	1.3	48	1.4	48	20.9	20	9.5	34	8.27	44
Georgia	12.5	34	13.0	33	3.3	49	1.1	49	7.46	45
Alabama	7.5	40	7.7	40	9.0	44	5.4	42	7.40	46
Mississippi	5.4	42	5.3	43	12.4	38	4.6	45	6.93	47
New Mexico	3.0	46	3.1	46	14.8	32	0.3	50	5.27	48
Tennessee	8.3	38	8.4	38	0.9	50	3.3	46	5.25	49
Missouri	4.9	44	5.0	44	6.3	47	2.3	48	4.63	50



Pavement Condition Index vs. Road Funding Index (Not Cost Corrected)

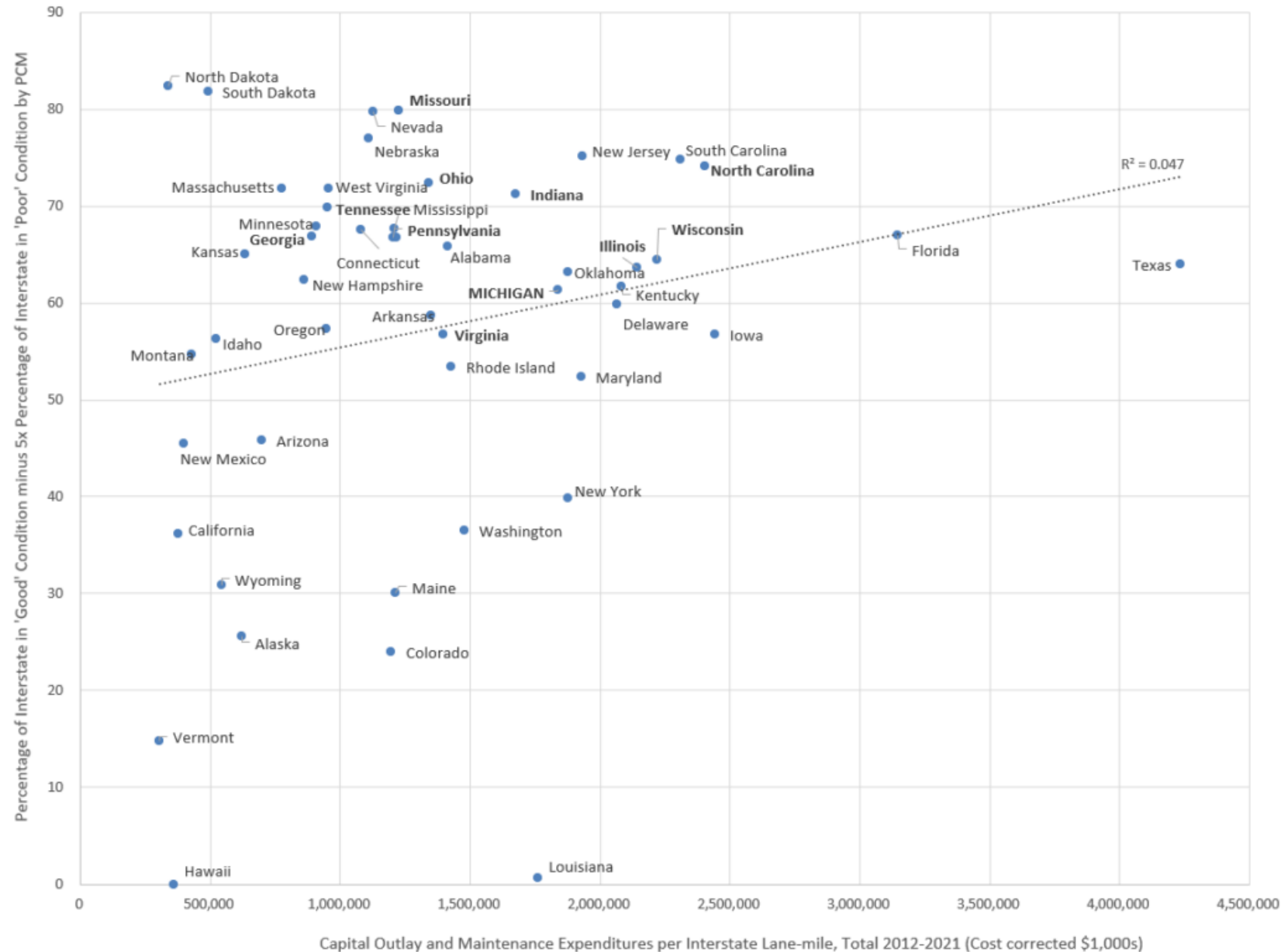


If Road Funding Index is *not* corrected for variable construction costs, correlation of pavement condition to funding is stronger ($R^2=0.226$), *but relationship is negative.*

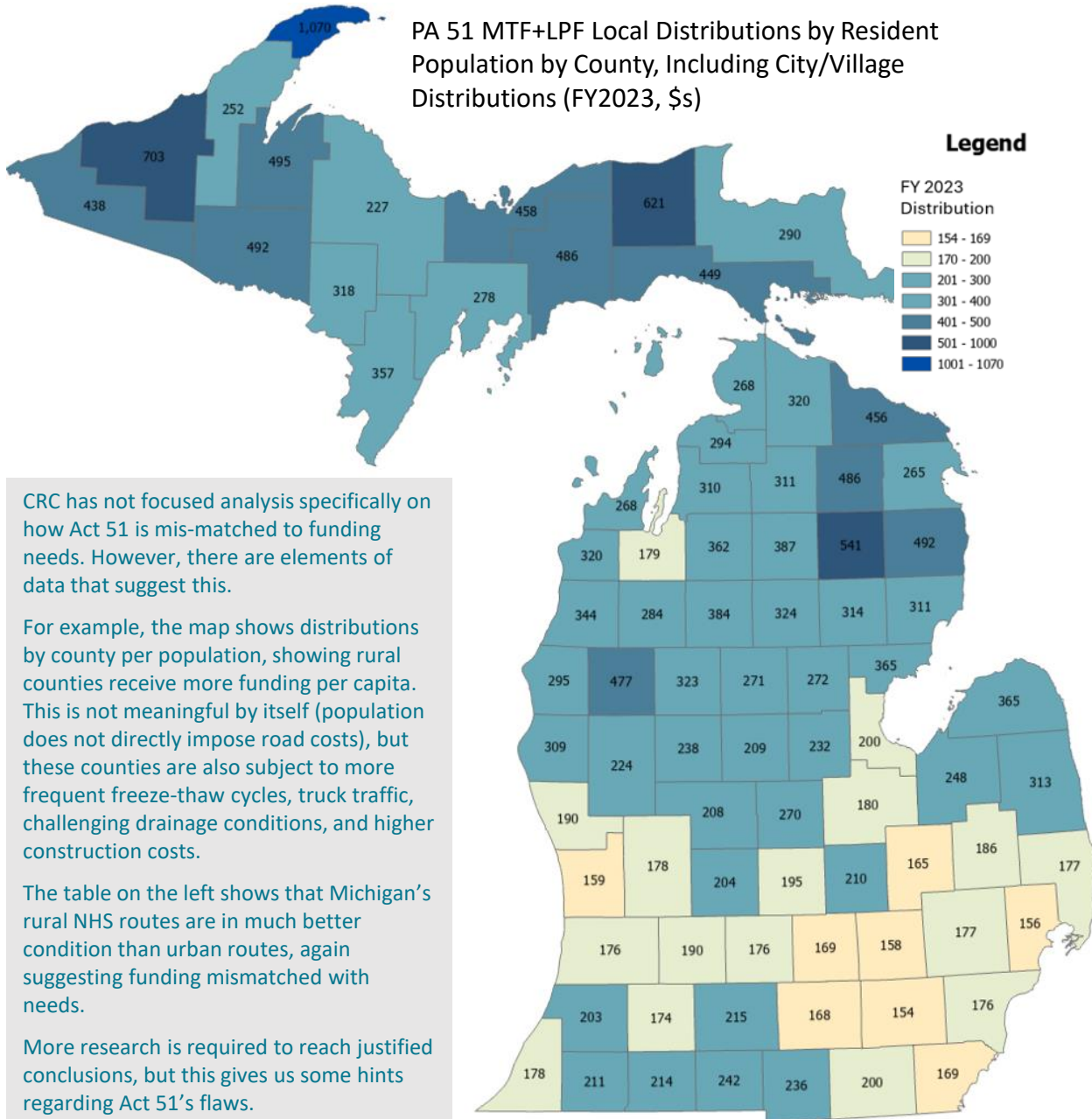
Note: Some states are unlabeled for clarity. Michigan and peer states shown in bold.

Interstate Condition vs. Expenditures

- Conducted analysis on Interstate data as this was deemed most reliable.
- Used costs-corrected expenditures and PCM data (not Indexes).
- Relationship between expenditures and condition is positive but weak ($R^2=0.047$).
- Supports previous finding of pavement conditions uncorrelated with funding.



PA 51 MTF+LPF Local Distributions by Resident Population by County, Including City/Village Distributions (FY2023, \$s)



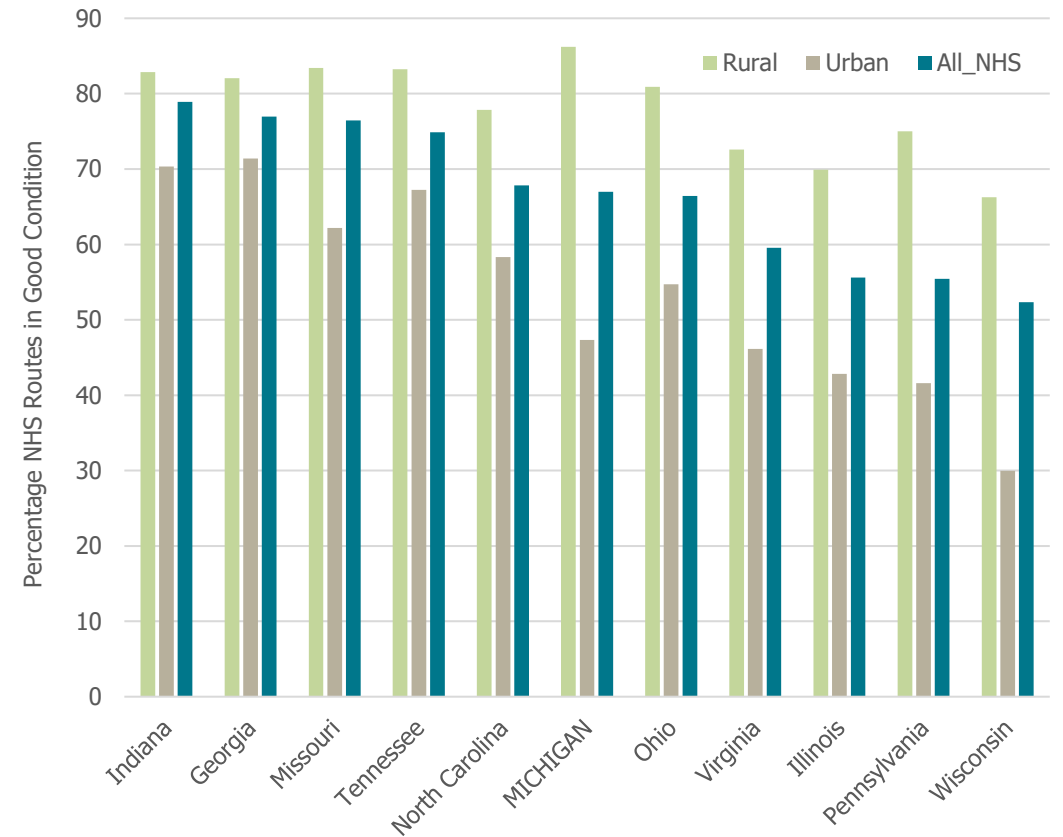
CRC has not focused analysis specifically on how Act 51 is mis-matched to funding needs. However, there are elements of data that suggest this.

For example, the map shows distributions by county per population, showing rural counties receive more funding per capita. This is not meaningful by itself (population does not directly impose road costs), but these counties are also subject to more frequent freeze-thaw cycles, truck traffic, challenging drainage conditions, and higher construction costs.

The table on the left shows that Michigan's rural NHS routes are in much better condition than urban routes, again suggesting funding mismatched with needs.

More research is required to reach justified conclusions, but this gives us some hints regarding Act 51's flaws.

Percentage of Rural, Urban, and All NHS Routes in Good Condition by IRI, 2022



Michigan Rank of NHS in Good Condition by IRI (2022):

Rural NHS: 86.2% - 7th

Urban NHS: 47.3% - 35th

Pertinent history: Act 51 was written to respond to a 1948 “deficiencies” study and was intended as a 15-year construction program.

**BASES AND PROCEDURES
FOR DETERMINING
HIGHWAY, ROAD
AND STREET DEFICIENCIES
IN MICHIGAN**

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Richard Harfst, Automobile Club of Michigan
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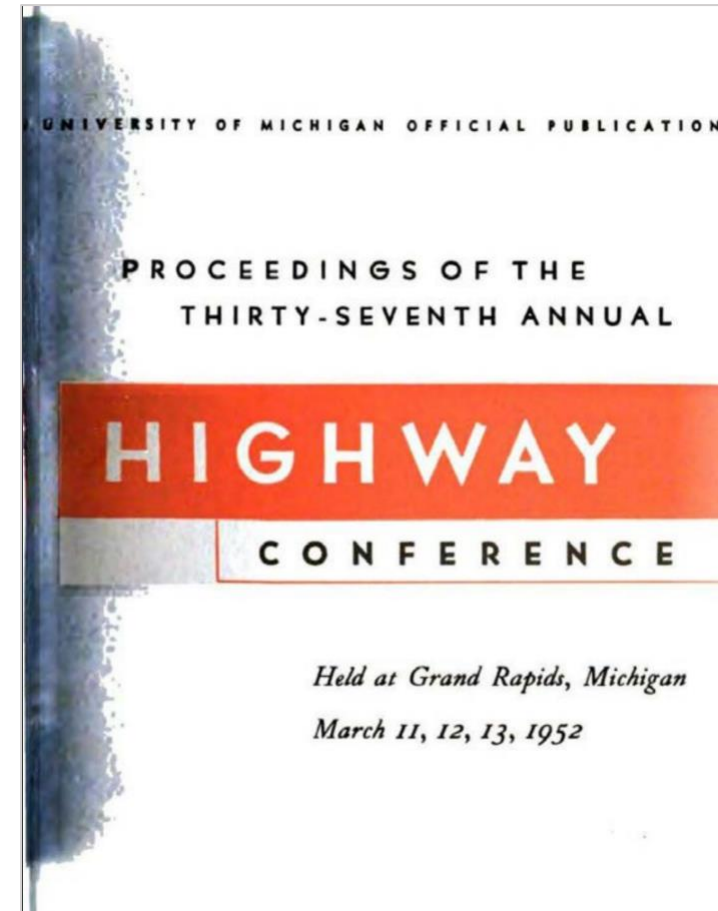
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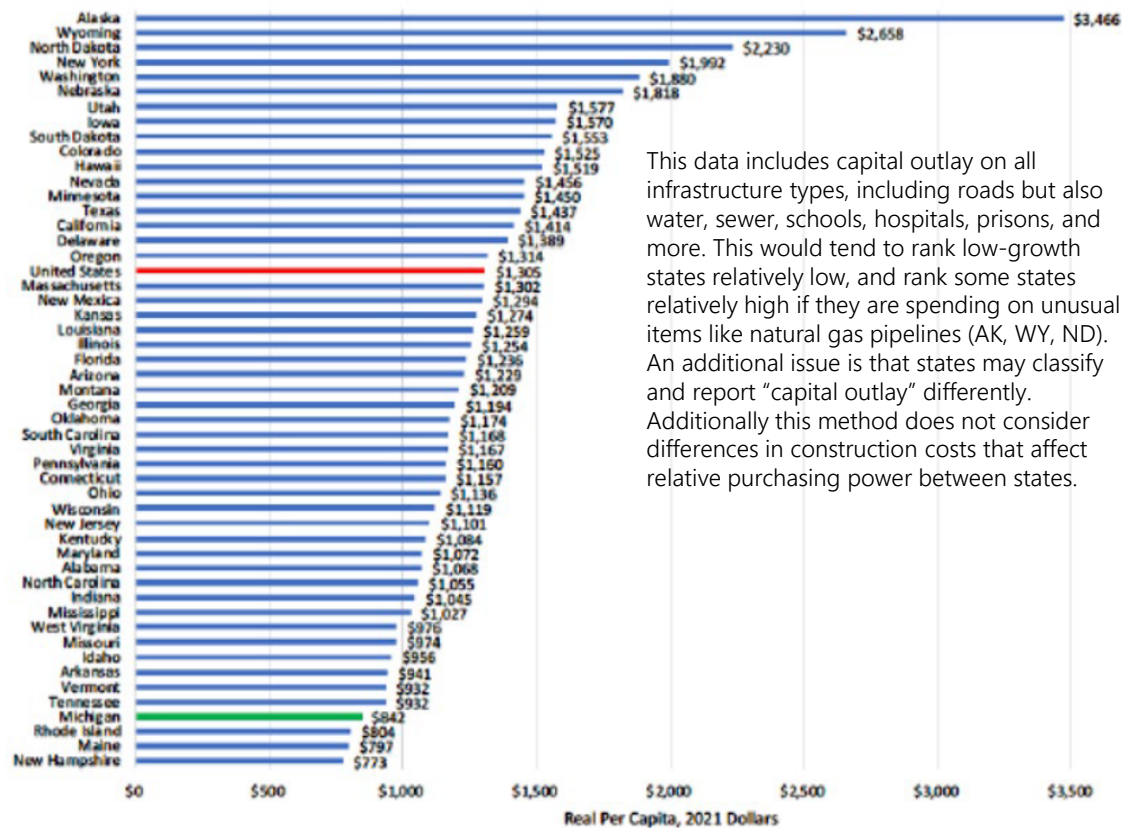
“The highway agencies say costs have gone up and the fifteen-year program [PA 51] has to be lengthened.”

- J. G. Shaub, Special Assignment Engineer, Michigan State Highway Department

One recent analysis that concludes Michigan ranks 47th in infrastructure funding uses capital outlay data from the U.S. Census normalized to population.

CRC's State Road Funding Index included some of this data (U.S. Census Highways Capital Outlay 2012-2021 normalized by 2020 population). By this measure, CRC found Michigan to rank 47th nationally (and 50th if not adjusted for variable construction costs). However, this was only one of 40 components used to derive the final Index score and ranking.

Average Annual Real Per Capita Capital Outlay, 2000-2021



This data includes capital outlay on all infrastructure types, including roads but also water, sewer, schools, hospitals, prisons, and more. This would tend to rank low-growth states relatively low, and rank some states relatively high if they are spending on unusual items like natural gas pipelines (AK, WY, ND). An additional issue is that states may classify and report "capital outlay" differently. Additionally this method does not consider differences in construction costs that affect relative purchasing power between states.

How did we get in the current infrastructure deficit?

Since 2000, Michigan has spent substantially less than other states on capital (infrastructure). The chart shows average capital spending per person per year, inflation adjusted, for the years 2000 through 2021. **Michigan's average spending over this period, \$842, ranked 47th among all the states and well below the U.S. average of \$1,305.**

How does Michigan rank in the most recent year with census data available (2021)?

Although slightly better than the long-run ranking, it is still well below most other states. **Fiscal year 2021 is an anomaly.** The nation was still recovering from the recession related to the pandemic. The American Rescue Plan Act was adopted in early 2021, but not enough to affect spending in that fiscal year.

Analysis by Professor Ron Fisher. Data from U.S. Census Bureau.

Why are Michigan roads so much worse than surrounding states?

Michigan governors and legislatures have failed – for literally decades – to invest enough resources into infrastructure. As a result, Michigan today spends less per person on roads than many if not most other states. Federal Highway Administration data from 2017 show that among the Great Lakes states, Michigan spends \$195 per person on state-owned roads, while Ohio spends \$296 per person (and Ohio just raised its gas tax in July); Minnesota spends \$352; New York spends \$401; Wisconsin spends \$410; Indiana spends \$426; Illinois spends \$441; and Pennsylvania spends \$676.



One analysis using 2017 data concluded that Michigan ranked last in road funding among peer states for that year. This method used disbursements on state-owned highways normalized to state population. As Michigan’s state trunkline network is a lower percentage of the public road network than most other states, this is not a meaningful comparison.

CRC’s State Road Funding Index included similar data (FHWA Table SF-2, Total Disbursements for Highways, All Units of Government, 2012-2021 normalized to 2020 state population). However, four additional categories of financial data and three additional methods of normalization were also included in deriving the final Index score and ranking.

FHWA
Highway Statistics Series
Table SF-4, Disbursements for
State-Administered Highways –
2017 (\$1,000s)

	Capital Outlay	Maintenance and Services	Research and Administration	Interest	Bond Retirement	Total Highway Spending	2017 Population (1,000s)	Spending per Person
Michigan	1,235,729	328,873	146,389	81,672	148,525	1,941,188	9,977	\$ 195
Ohio	2,406,441	464,757	94,689	105,617	379,148	3,450,652	11,670	\$ 296
Minnesota	1,056,937	484,409	146,065	108,061	167,207	1,962,679	5,569	\$ 352
New York	4,018,762	1,623,208	479,742	804,453	1,033,247	7,959,412	19,590	\$ 406
Wisconsin	1,279,547	261,666	188,779	185,335	462,128	2,377,455	5,793	\$ 410
Indiana	1,304,272	734,500	107,030	45,644	651,335	2,842,781	6,662	\$ 427
Illinois	3,544,877	794,463	254,738	311,652	734,904	5,640,634	12,780	\$ 441
Pennsylvania	3,356,765	1,730,214	551,539	628,442	2,389,865	8,656,825	12,790	\$ 677

Dividing total [state] highway spending by state population provides the same figures used to argue that Michigan’s roads are underfunded.

	Total Highway Spending	Miles of State-owned Roads	Percentage of Public Road Network	Spending per Mile
Michigan	1,941,188	9,668	8.2%	\$ 201
Ohio	3,450,652	19,233	15.6%	\$ 179
Minnesota	1,962,679	11,749	8.4%	\$ 167
New York	7,959,412	15,062	13.3%	\$ 528
Wisconsin	2,377,455	11,745	10.2%	\$ 202
Indiana	2,842,781	11,001	11.4%	\$ 258
Illinois	5,640,634	15,893	10.9%	\$ 355
Pennsylvania	8,656,825	39,733	33.0%	\$ 218

Dividing the same data (total [state] highway spending) by miles in the state network shows Michigan is better funded than OH and MN on a \$/mile basis. However, this is also a flawed method of comparison.

MARCH 28, 2025

A Data-Driven Assessment of Michigan's Road Program

In a Nutshell:

- Michigan ranks 30th among all 50 states in road funding levels by an assessment of data from 2012 to 2021 and 40th in road system conditions using the latest available data.
- The performance of Michigan's road program—the effectiveness in using available funding to maintain public roads—has declined between 2004 and 2024.
- Improving road conditions in Michigan will require more than just increasing funding. Policy solutions should focus on how money is spent. This includes revisiting the state's pavement management strategies and replacing Michigan's outdated road funding law, Public Act 51 of 1951.

OCTOBER 2, 2024

Michigan Could Increase Road Funding with a Truck Weight-Distance Fee

In a Nutshell:

- A truck weight-distance fee is used in several states as a source of road funding. These fees help ensure that heavy trucks more fully pay for the damage they impose on pavements and typically provide three to six percent of transportation fund revenue in the states that have adopted them.
- A modest weight distance fee in Michigan could generate over \$100 million annually. This revenue could then be rationally distributed to routes subject to the most damage from heavy trucks.
- Michigan should direct and fund a study evaluating the costs, benefits, and impacts of the potential adoption of a truck weight-distance fee.

AUGUST 21, 2024

Michigan's Transportation Funding Law Hinders Efficient Use of Road Funding

In A Nutshell:

- State revenue for locally-owned roads is distributed to 614 local government road agencies, including 83 counties and 531 cities and villages.
- Analysis of allocation data shows that while dense urban counties receive the highest share of funding, sparsely populated rural counties receive much more funding per resident.
- These results suggest a need to evaluate the efficacy of Michigan's road funding distribution formula. Michigan's current road funding law, Public Act 51 of 1951, should be repealed and replaced with a distribution formula that better reflects the needs of road agencies and the priorities of Michigan residents.

JULY 17, 2024

Fixing Michigan's Roads may not Require Huge Funding Increases

In a Nutshell:

- Michigan road agencies and the construction industry are seeking billions of dollars in yearly funding increases to fix and maintain Michigan's roads and bridges.
- Many states with similar road funding levels to Michigan have achieved better pavement conditions.
- As Michigan seeks new and expanded revenue options, we should also evaluate the potential to use existing funding better.

JUNE 19, 2024

Michigan Ranks 30th in Road Funding Assessment

In a Nutshell:

- Comparisons to road funding levels in other states are frequently used to argue that Michigan road agencies are underfunded.
- When invoking such comparisons, a policy analyst must take care to assure that the data and methodology used can provide a reasonable and meaningful basis of comparison.
- The Citizens Research Council has constructed a Road Funding Index that compares revenue and expenditures for all 50 states across multiple variables. We find that over the decade including years 2012 through 2021, Michigan ranks 30th nationally and 7th in an 11 state peer group.

MAY 8, 2024

Michigan's Highway Funding is Undermined by Recent Construction Cost Inflation

In a Nutshell

- Michigan is working to 'fix the damn roads,' supported by recent increases in state and federal funding. Yet this effort has been undermined by unprecedented inflation in the cost of construction. The Federal Highway Administration estimates that highway construction costs have increased by 62 percent from 2020 to the third quarter of 2023.
- Highway construction costs in Michigan have been lower than the national average since 2020, but still have increased 12 percent above expected historical rates. This reduced the purchasing power of Michigan's road agencies by over \$700 million in 2023 alone.
- Michigan's road agencies generally have significantly more funding than anytime in the past. However, this funding is not going as far as would have been expected only a few years ago. Agencies remain challenged to utilize existing funding levels to catch up with historical maintenance backlogs and bring Michigan's roads and bridges into a state of good repair.

APRIL 10, 2024

Michigan Ranks 40th in Road Pavement Quality Assessment

In a Nutshell

- A novel method provides a multi-factorial index score to evaluate statewide pavement conditions across multiple metrics.
- Michigan ranks 40th nationally, and tenth in an eleven-state peer group for overall pavement quality.
- This analysis can help to evaluate funding adequacy, as well as identify inefficiencies in current resource allocation and management strategies.

FEBRUARY 4, 2022

Fix the Damn Road Funding Formula

In a Nutshell

- Michigan is in danger of squandering an historical opportunity to leverage a windfall of transportation funding.
- The current distribution formula determined by Act 51 of 1951 is not only unrepresentative of current needs, but the entire legal framework has become inscrutable.
- Act 51 and the myriad of associated codes must be repealed and replaced with a contemporary approach to make sustainable improvements in the condition of the state transportation system.