

The Center for Local, State, and Urban Policy

Gerald R. Ford School of Public Policy >> University of Michigan



Michigan Public
Policy Survey February 2015

Local leaders say Michigan road funding needs major increase, but lack consensus on options that would raise the most revenue

By Thomas Ivacko and Sarah Mills

This report presents the opinions of Michigan's local government leaders on a range of issues surrounding roads and bridges in their jurisdictions, from their current condition and maintenance to state and local road funding. Findings in the report are based on statewide surveys of local government leaders in the Fall 2014 wave of the Michigan Public Policy Survey (MPPS).

>> The Michigan Public Policy Survey (MPPS) is a census survey of all 1,856 general purpose local governments in Michigan conducted by the Center for Local, State, and Urban Policy (CLOSUP) at the University of Michigan in partnership with the Michigan Municipal League, Michigan Townships Association, and Michigan Association of Counties. The MPPS takes place twice each year and investigates local officials' opinions and perspectives on a variety of important public policy issues. Respondents for the Fall 2014 wave of the MPPS include county administrators, board chairs, and clerks; city mayors and managers; village presidents, managers, and clerks; and township supervisors, managers, and clerks from 1,356 jurisdictions across the state.

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Key Findings

- Just 1 in 5 (19%) of Michigan's local leaders say their jurisdictions' roads overall are in "good" condition, while 24% say their roads are in "poor" condition. The balance (57%) say their roads are somewhere in between, rating them as "fair."
- Where roads are in poor condition, local leaders believe they have multiple negative impacts on their communities, including on economic development (58%), citizen satisfaction with local government (58%), emergency response capabilities (52%), and the local governments' fiscal health (51%).
- The majority (52%) of local officials say that their jurisdictions are mostly or only able to keep up with short-term road fixes (e.g., filling potholes) as opposed to practicing long-term asset management. Where roads are poor, 71% say they are mostly or only able to focus on short-term fixes.
- Overall, 65% of local leaders say they would have significant problems improving roads and bridges within their jurisdictions if the state does not significantly increase road funding. In fact, a majority (53%) say it would be a significant problem *just to maintain* their roads if the state does not significantly increase funding.
- When asked how much is needed, 79% of local leaders estimate they would need a 50% increase or more in state funding just to maintain their roads. And if they wanted to improve their roads, more than half (56%) say that they would need state funding to *at least double*.
- When presented in the Fall 2014 MPPS as a stand-alone option to raise road funding, local leaders were split on support for a state sales tax increase. Overall, 43% of local leaders supported such an increase while 38% opposed it. They may or may not feel differently about the more complicated plan set for a May 5 statewide vote.
- If significant increases in road funding are not made at the state level, only 26% of local leaders think that the majority of their citizens would support raising additional local revenue for roads.

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Background

With over 122,000 miles of public roads, Michigan has the ninth largest public road system in the United States.¹ Unfortunately, the state's roads and bridges have been in decline for years. According to Michigan's Transportation Asset Management Council (TAMC), the percentage of lane miles on city and village streets rated in good condition fell from 19% in 2005 to 15% in 2013 while those in poor condition increased from 15% to 40%.² Over the same time period, county roads (including most roads in Michigan's townships) in good condition fell from 23% to 16% while those in poor condition increased from 14% to 44%. The trend, according to TAMC, shows that more than half of Michigan's roads will be rated as poor by 2019.³

Poor roads aren't just dangerous and jarring to drive on. The coalition known as "Local Roads Matter" (a public-private group of local governments, county road commissions, business organizations, and others) argues that the state's poor road conditions have a negative impact on a wide range of issues in Michigan, including economic development, public safety and emergency response capabilities, the agriculture sector, tourism, and more.⁴

Insufficient funding is a primary reason for Michigan's declining road system: Michigan is 47th among the states in highway spending per capita, according to 2013 data from the U.S. Census Bureau.⁵ While Michigan spent \$244 per person on highways, looking to nearby states, Ohio spent \$318, Wisconsin spent \$420, and Pennsylvania spent \$595 (ranking eighth in the nation). And according to the "Local Roads Matter" coalition, Michigan has been in the bottom eight states for road funding for each of the last 50 years.⁶ It's perhaps no surprise, then, that most Michigan roads "are in much poorer condition than those of neighboring states."⁷

For the last decade, the State of Michigan has raised about \$2 billion annually for the Michigan Transportation Fund (MTF), primarily from vehicle registration fees and fuel taxes. After a series of complicated adjustments, MTF funds are then distributed according to a formula to maintain and improve state trunkline roads and bridges (39.1% of the MTF revenue), county roads (39.1 percent), and city and village streets (21.8 percent).⁸

In 2011, Governor Rick Snyder asked the state's legislature to raise an additional \$1.2 billion per year for road funding, but the proposal stalled. After years with little progress in finding a road funding solution, in December 2014, the Legislature approved a complicated plan to increase road and bridge funding by about \$1.2 billion per year, if approved by voters on a statewide ballot set for May 5, 2015.⁹

While this proposal would mean a roughly 60% increase from current funding levels, even that amount may not be enough to fix Michigan's roads. Business Leaders for Michigan, for example, notes that most experts believe an increase of about \$2 billion per year¹⁰—a 100% increase from current levels—is required to bring Michigan's roads up to good condition, and the "Local Roads Matter" coalition pegs the cost at \$2-\$2.5 billion per year.¹¹

To learn more about road related issues at the local level, the MPPS asked a wide range of questions of local government leaders in the fall of 2014 (before the Legislature passed the plan calling for a May 2015 statewide vote). This report reviews local leaders' views on issues such as road conditions and maintenance, road impacts on a range of community issues, the priority of roads compared to other public services, the need for additional state funding, the willingness of local stakeholders to raise more revenue at the local level, and more.



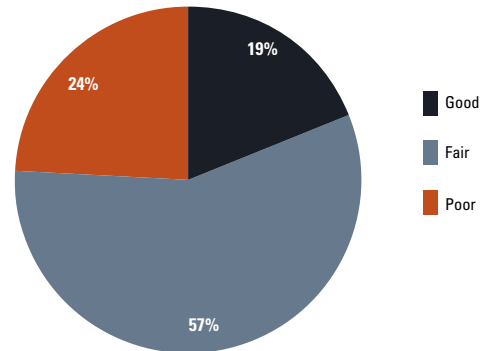
Just one in five local leaders say their jurisdictions' roads are in good condition

Just one in five (19%) of Michigan's local leaders rate the roads in their jurisdiction overall as being in "good" condition. About a quarter (24%) of local leaders think that their roads overall are in "poor" condition, while the remainder (57%) say that their roads are somewhere in between, rating them as "fair" (see *Figure 1*). Further, nearly half (49%) report that the condition of their roads has deteriorated over the past five years, including 20% citing significant deterioration (see *Figure 2*). By contrast, only 10% of jurisdictions say that their roads have significantly improved over that time.

Within a single jurisdiction, though, the overall condition of different types of roads can widely vary. For instance, a full third (33%) of local leaders say that state trunklines¹² and county primary roads within their jurisdiction are in good condition (see *Figure 3*), while just 22% say the same for local paved roads. And local unpaved roads appear to be in even worse shape, with only 15% of local officials rating their condition as good. In most jurisdictions, local leaders are more likely to say bridges are in better shape than roads, with 27% reporting that the bridges are in good condition and only 15% citing poor bridge conditions.

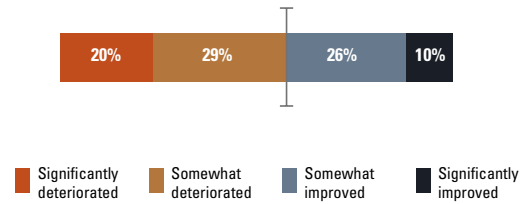
Data from the State of Michigan's Transportation Asset Management Council (TAMC) put some of these differences into context. On one hand, most of the state's traffic volume (80%) takes place on the classes of roads that are in better condition (state trunklines and county primary roads).¹³ On the other hand, TAMC data also show that the types of roads that are in worse condition (local roads), make up about 70% of the total lane miles in Michigan.

Figure 1
Local officials' assessments of the overall current condition of roads within their jurisdiction



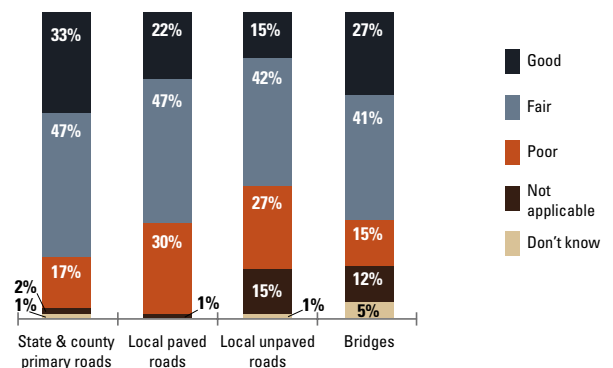
Note: responses for "Not applicable" and "Don't know" not shown

Figure 2
Percentage of jurisdictions reporting that the overall condition of roads and bridges in their jurisdiction has improved or deteriorated over the past five years



Note: responses for "No significant change overall" and "Don't know" not shown

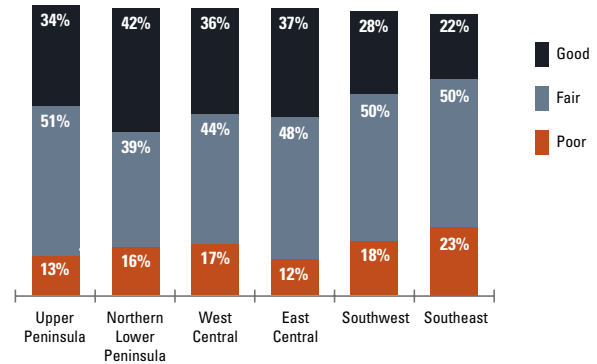
Figure 3
Local officials' assessments of the current condition of different classes of roads and bridges within their jurisdiction



In addition to differences in conditions based on the type of roadway, there are also regional differences across the state. For example, local officials report fewer state trunklines and county primary roads in good condition in Southeast (22%) and Southwest (28%) Michigan than elsewhere (see *Figure 4*). Notably, these two regions carry 65% of all traffic on state trunklines and county roads, according to TAMC data.¹⁴

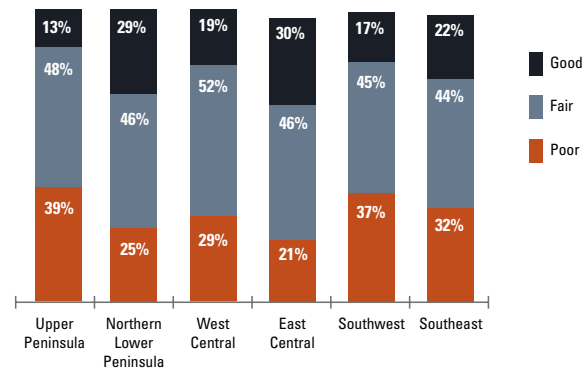
Local roads appear to be in particularly rough shape in the Upper Peninsula, where almost 40% of local officials say that their local paved and unpaved roads are in poor condition (see *Figures 5 & 6*). By contrast, local officials in the East Central region¹⁵ report the highest "good" ratings of local paved (30%) and unpaved (23%) roads of any region in the state.

Figure 4
Local officials' assessments of the current condition of state trunklines and county primary roads within their jurisdiction, by region



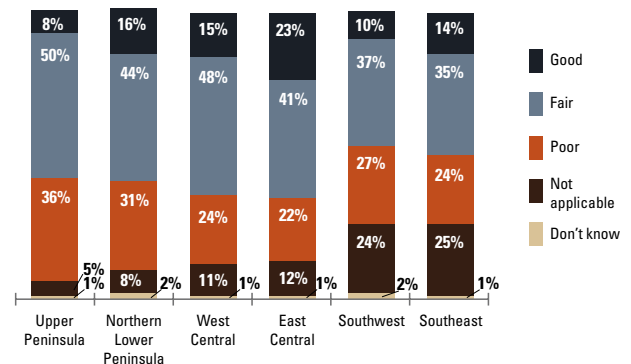
Note: responses for "Not applicable" and "Don't know" not shown

Figure 5
Local officials' assessments of the current condition of local paved roads within their jurisdiction, by region



Note: responses for "Not applicable" and "Don't know" not shown

Figure 6
Local officials' assessments of the current condition of local unpaved roads within their jurisdiction, by region

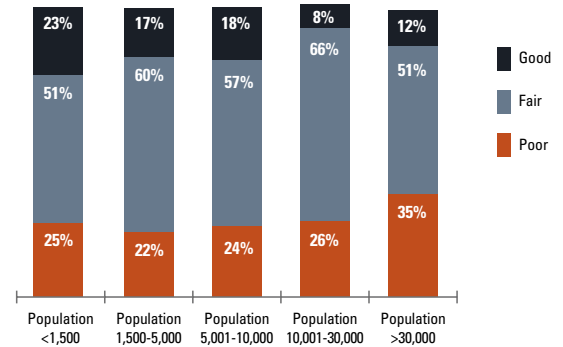




Differences are also associated with community population size. The largest jurisdictions—those with 30,000 residents or more—are the most likely to rate their roads as being in poor condition, with 35% giving an overall poor assessment to the roads within their geographic boundaries (see *Figure 7*). Further, local leaders in the largest jurisdictions report significantly more deterioration (74%) and less improvement (14%) in road conditions over the last five years than leaders in smaller jurisdictions (see *Figure 8*).

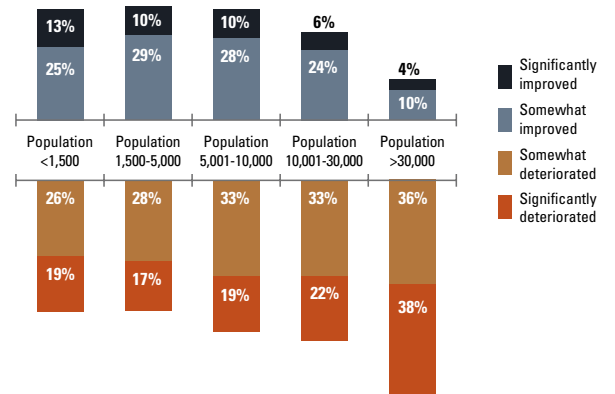
This is particularly notable since about two-thirds of Michigan residents live in cities or townships with more than 10,000 people.

Figure 7
Local officials' assessments of the overall current condition of roads within their jurisdiction, by population size



Note: responses for “Not applicable” and “Don’t know” not shown

Figure 8
Percentage of jurisdictions reporting that the overall condition of roads and bridges in their jurisdiction has changed over the past five years, by population size



Note: responses for “Not applicable” and “Don’t know” not shown

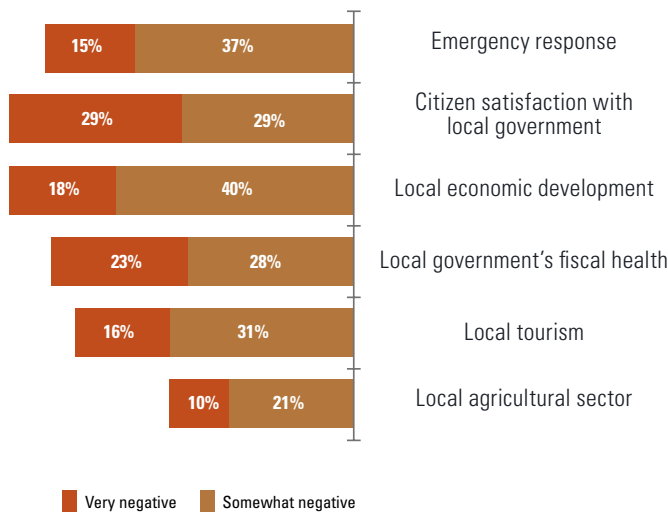
Roads can be an asset or liability to local jurisdictions, depending upon their state of (dis)repair

The MPPS further aimed to understand whether current road conditions were having any impact, positive or negative, on local communities. When asked about a range of possible issues, responses from local leaders show a clear association between the condition of the roads and their perceived impacts. Specifically, those local officials who report that their roads are in good condition see road conditions as having a positive impact within their community, while those who report overall poor conditions note negative impacts on a range of community issues.

This discrepancy is most striking—and perhaps most troubling—when looking at the impact on the ability of public safety personnel to respond to an emergency. Where roads are reported to be in overall poor condition, 52% of local leaders say that they have a negative impact on emergency response capabilities in the jurisdiction (see *Figure 9a*). But where roads are “good,” 78% say they positively impact emergency response (see *Figure 9b*). These same trends hold true for the perceived impact road conditions have on citizen satisfaction with local government, local economic development, the jurisdiction’s fiscal health, and local tourism. Poor road conditions have less of a perceived negative impact on the agricultural sector, but this disparity is still evident, with 31% of local leaders who rate their roads as poor also citing negative impacts on the local agricultural sector.

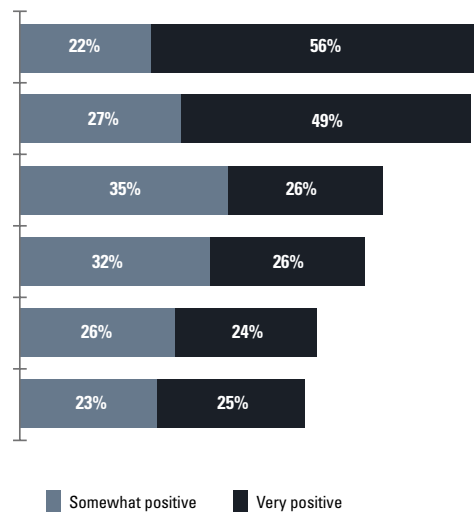
Because road conditions vary across the state, the impacts also vary. Comparatively good roads in East Central Michigan, for example, likely explain why it is the only region where a majority (53%) of local leaders believe road conditions have a positive impact on citizen satisfaction with local government. By contrast, the poor condition of local roads in the Upper Peninsula may account for local leaders there reporting particularly negative impacts on local governments’ fiscal health. The breakdowns by region can be found in *Appendix A*.

Figure 9a
Local officials’ assessments of the impact of road conditions, among jurisdictions that report their roads are overall in poor condition



Note: responses for “Very positive,” “Somewhat positive,” “Not applicable,” and “Don’t know” not shown

Figure 9b
Local officials’ assessments of the impact of road conditions, among jurisdictions that report their roads are overall in good condition



Note: responses for “Very negative,” “Somewhat negative,” “Not applicable,” and “Don’t know” not shown



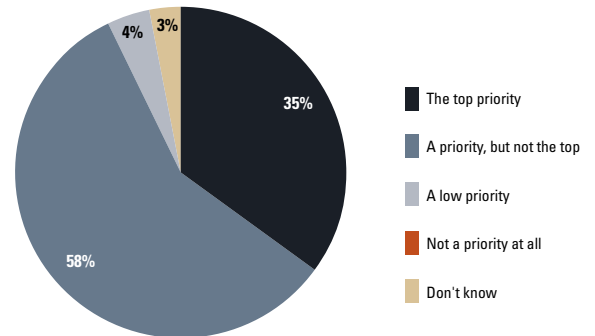
Roads reported to be a priority to citizens in nearly all of Michigan’s local jurisdictions

Given the impacts—both positive and negative—that road conditions have on local communities, it is unsurprising that road and bridge maintenance and improvement are a high priority within local communities. Local leaders in 35% of Michigan’s jurisdictions believe that road maintenance is *the* top public service priority among their citizens. Another 58% say that roads are a priority, but not the top priority for their citizens, while just 4% report that roads are a low priority or not a priority at all (see *Figure 10a*).

This, too, varies greatly based on the current road conditions in the jurisdiction. Where road conditions are poor, 53% of local leaders think that roads are their citizens’ top public service priority (see *Figure 10b*). By contrast, where roads are good, only 26% believe that roads are the top priority in the view of their citizens.

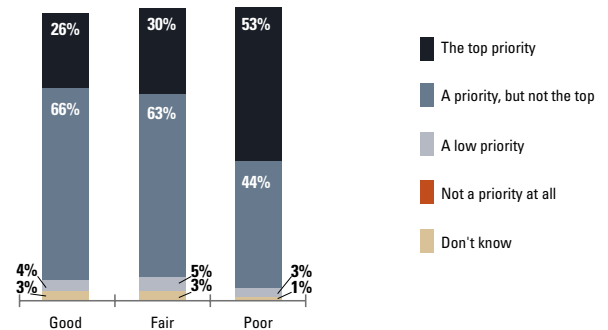
Like the citizens they represent, 35% of all local leaders themselves also say roads are the top priority for their jurisdiction (while another 61% say they are a priority, but not the top one). Local leaders similarly believe that the majority of both their jurisdictions’ board or council and of its local business community share similar priority rankings, if at slightly reduced levels (see *Figure 11*).

Figure 10a
Priority of road and bridge maintenance and improvement to the majority of jurisdictions’ citizens, as reported by local official



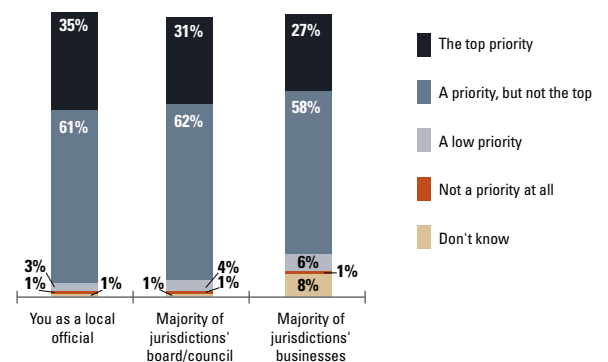
Note: Less than 0.5% of respondents selected “Not a priority at all”

Figure 10b
Priority of road and bridge maintenance and improvement to the majority of jurisdictions’ citizens, as reported by local official, by respondent’s assessment of the overall current condition of the roads in their jurisdiction



Note: Less than 0.5% of respondents selected “Not a priority at all”

Figure 11
Priority of road and bridge maintenance and improvement for various stakeholders within local jurisdiction, as reported by local official



Jurisdictions unable to take long-term approach to maintenance

How do these priorities, then, translate into action? Are Michigan’s local governments able to focus their road and bridge maintenance on long-term plans and goals, or are they so busy filling potholes and making other short-term fixes that they can only “put out fires” and don’t have the ability to take a longer-term approach?

Overall, a majority (52%) of local officials say that their jurisdiction is mostly or only able to keep up with short-term fixes, but 43% say that they mostly (or only) follow a long-term asset management plan (see *Figure 12a*).

However, there again are striking differences between those jurisdictions with good versus poor roads in the state. In jurisdictions where local officials rate their roads overall as good, 68% focus mostly (or only) on long-term asset management (see *Figure 12b*). On the other extreme, where road conditions are already poor, 71% of officials say that their approach to maintenance is primarily (or only) focused on short-term fixes.

Jurisdictions with poor road conditions are also more likely to say that within the last five years they have resorted to grinding up paved roads that they can no longer afford to maintain, turning them back into dirt or gravel roads. While this practice has been undertaken in 12% of Michigan jurisdictions as a whole, local officials in 17% of those jurisdictions with self-reported poor road conditions have done this, compared to only 6% where road conditions overall are reported to be good (see *Table 1*). As is evident in *Appendix B*, grinding up paved roads is most prevalent in the Upper Peninsula, but at least 10% of jurisdictions in all regions of the state report having done this.

Figure 12a
Jurisdiction’s current approach to road and/or bridge maintenance and improvement

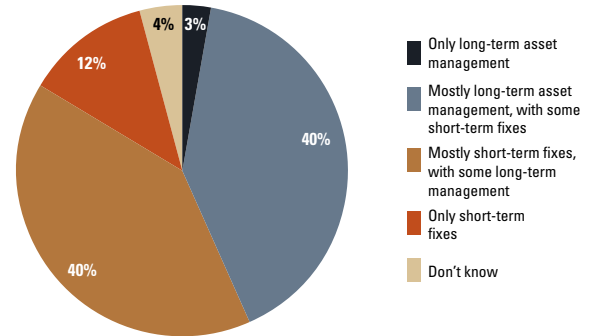


Figure 12b
Jurisdiction’s current approach to road and/or bridge maintenance and improvement, by respondent’s assessment of the overall current condition of the roads in their jurisdiction

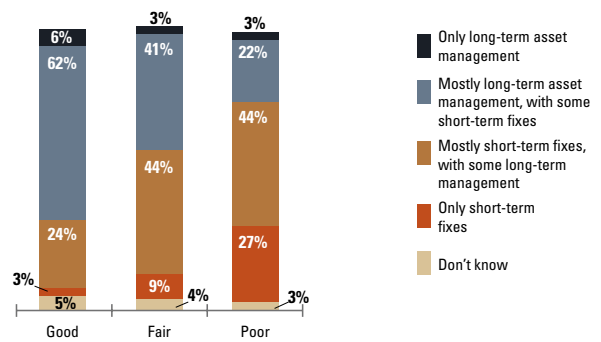


Table 1
Percentage of jurisdictions that have ground up paved roads in the last five years, by respondent’s assessment of the overall current condition of the roads in their jurisdiction

	Good	Fair	Poor	Overall
Have ground up paved roads	6%	11%	17%	12%
Have not ground up paved roads	89%	81%	74%	81%
Don't know	5%	7%	9%	7%



Most local governments expend own-source revenues on roads and bridges

Whether they have good or bad roads, a large majority (81%) of local governments in Michigan report spending some of their own local revenues on road and bridge maintenance and repair. This includes 86% of Michigan’s townships, 85% of cities, and 66% of villages (see *Table 2*). By contrast, slightly fewer than half (47%) of counties report expending some of their own-source revenues on roads.

Of these jurisdictions that expend own-source revenues on roads and/or bridges, most (72%) report using general fund revenues (see *Figure 13*). In addition, 38% of jurisdictions that expend own-source revenues levy a millage for roads, 11% collect special assessments, and 9% generate funds for roads from some other source (for example, through tax increment finance districts [TIFs] or leasing right-of-way for telecommunication providers). While there are regional differences in the prevalence of these local funding options (see *Appendix C* for more details), these tools are used at least to some extent all across the state.

In the last two years, most of the jurisdictions that have tried to raise additional road funding report that they have succeeded. Leaders in 30% of Michigan’s local jurisdictions report having attempted to either renew or introduce a new millage in the last two years, of which 71% had at least one such millage succeed (see *Figure 14*).

Table 2
Percentage of jurisdictions that expend any own-source local revenues on roads and/or bridges, by jurisdiction type

	County	Township	City	Village	Overall
Expend own source revenue	47%	86%	85%	66%	81%
Do not expend own source revenue	43%	11%	13%	18%	13%
Don't know	11%	4%	2%	16%	5%

Figure 13
Percentage of jurisdictions that expend various types of revenue, among jurisdictions that expend any own-source local revenue on roads and/or bridges

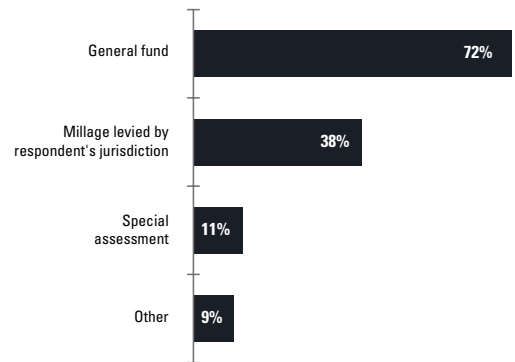
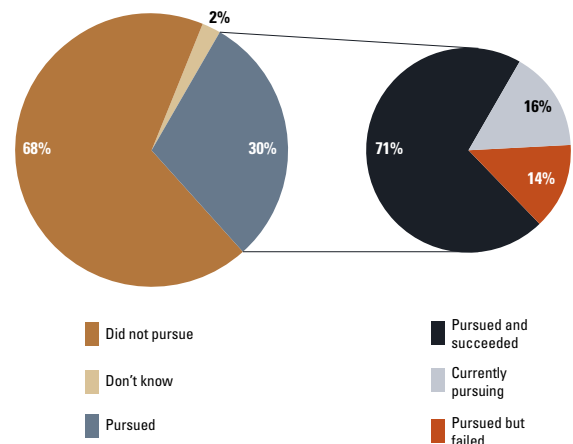


Figure 14
Percentage of jurisdictions that have tried to raise local funding for roads and/or bridges through either a new or renewed road millage, by outcome



Note: Percentages in the right-hand pie chart may not add to 100 because respondents were given the option to choose all that apply.

Local officials say substantial state road funding increases needed just to maintain their roads

Despite so many governments allocating locally sourced revenues for road maintenance and improvement, an overwhelming majority (89%) say that if the state does not significantly increase funding for roads, it will be either a significant problem (53%) or somewhat of a problem (36%) just to maintain their roads (see *Figure 16*).

When asked how much money would be needed just to maintain roads and bridges, 79% of Michigan’s local leaders say that they would need a 50% increase or more in state funding, while about 6% say they would not need any increase in state funds (see *Figure 17a*). In jurisdictions where the road conditions are already poor, 61% report that they would need the state legislature to *at least double* funding, just to maintain their roads and bridges (see *Figure 17b*).

Figure 16
Local officials’ opinions on how much of a problem, if at all, it would be to maintain the roads and bridges within their jurisdiction if the state legislature does not significantly increase road funding

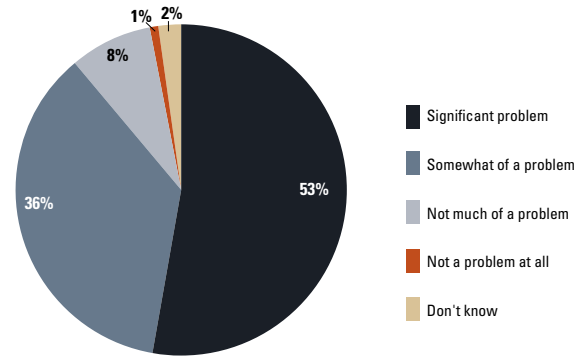


Figure 17a
Local officials’ opinions of how much of an increase in state funding their jurisdiction would need to maintain their roads and bridges

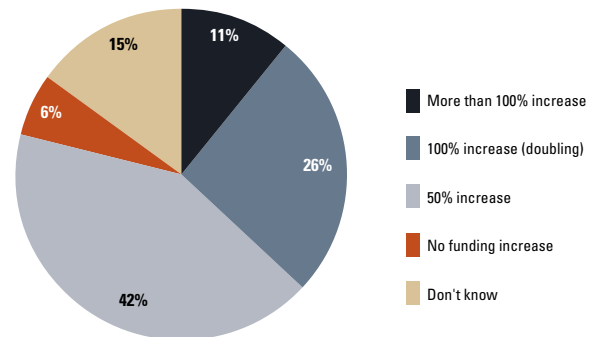
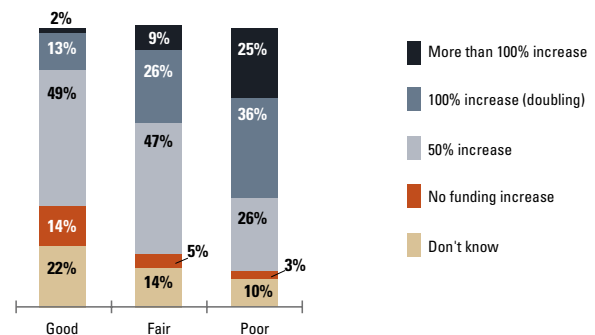


Figure 17b
Local officials’ opinions of how much of an increase in state funding their jurisdiction would need to maintain their roads and bridges, by respondent’s assessment of the overall current condition of the roads in their jurisdiction





The funding situation is even more grim if road conditions are to be *improved*. Overall, 91% of local leaders say that if the state fails to make significant increases to road funding, it would be a significant problem (65%) or somewhat of a problem (26%) to improve roads and bridges within their jurisdiction (see *Figure 18*).

Unsurprisingly, local leaders say they would need even more money from the state in order to improve roads and bridges. Overall, 83% of all local jurisdictions would need a 50% funding increase or more (see *Figure 19a*). More than half (56%) say that they would need funding to at least double in order to improve their roads. And only 2% of jurisdictions in the state say that they would not need any additional funding from the state.

Among jurisdictions with poor road conditions, 43% would need *more than twice* their current state funding in order to improve roads and bridges (see *Figure 19b*).

Figure 18

Local officials' opinions on how much of a problem, if at all, it would be to improve the roads and bridges within their jurisdiction if the state legislature does not significantly increase road funding

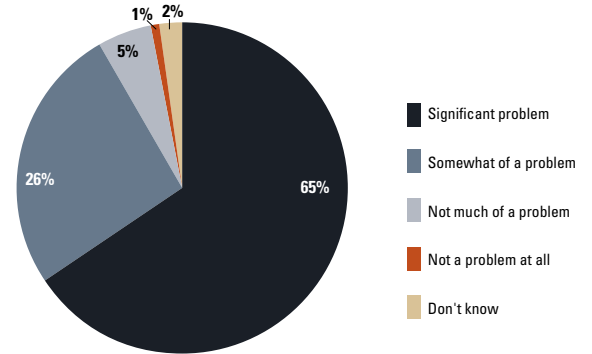


Figure 19a

Local officials' opinions of how much of an increase in state funding their jurisdiction would need to improve their roads and bridges

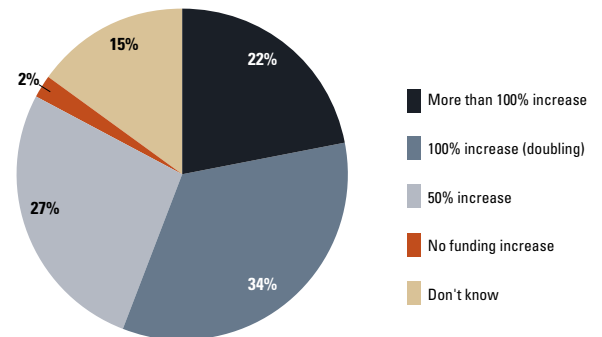
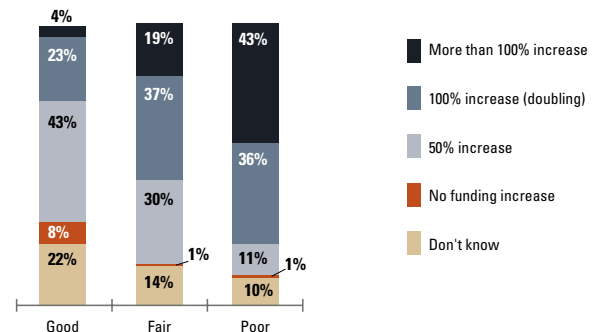


Figure 19b

Local officials' opinions of how much of an increase in state funding their jurisdiction would need to improve their roads and bridges, by respondent's assessment of the overall current condition of the roads in their jurisdiction

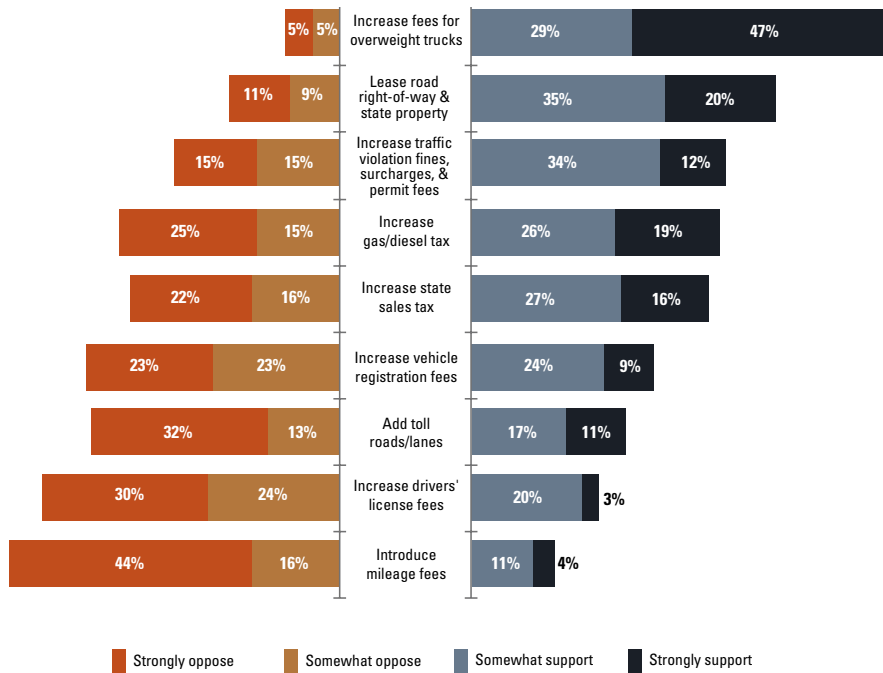


Local officials divided on how state should raise additional funds when it comes to options that could raise the most

Because the MPPS was sent to local officials before the Michigan Legislature settled on the complex plan for raising funds through a statewide vote to be held in May 2015, the survey asked local leaders a wide range of possible options that the state might consider in order to raise additional road funding. From the list of nine possible options, only two received majority support (see *Figure 20*): increasing fees for overweight trucks (76% support) and leasing road right-of-way and/or state property for cell phone towers, billboard advertisements, etc. (55% support). These two options, however, would certainly not raise enough money to provide local jurisdictions with the additional revenues that they say they need to maintain or improve roads.

Among the remaining policies, increasing traffic violation fines, surcharges, and permit fees was the next most popular option. Two of the most frequently discussed options in Lansing and elsewhere—increasing the gas and/or diesel tax, and increasing the state sales tax—have slightly more supporters than opponents among local officials, but neither had majority support. Meanwhile, increasing registration fees, adding toll roads or lanes, increasing drivers’ license fees, and introducing mileage fees all have more opposition than support.

Figure 20
Local officials’ support for and opposition to a range of policy options to raise additional state revenue for roads



Note: responses for “Neither support nor oppose” and “Don’t know” not shown



Local leaders have mixed feelings about increasing the state sales tax to fund roads

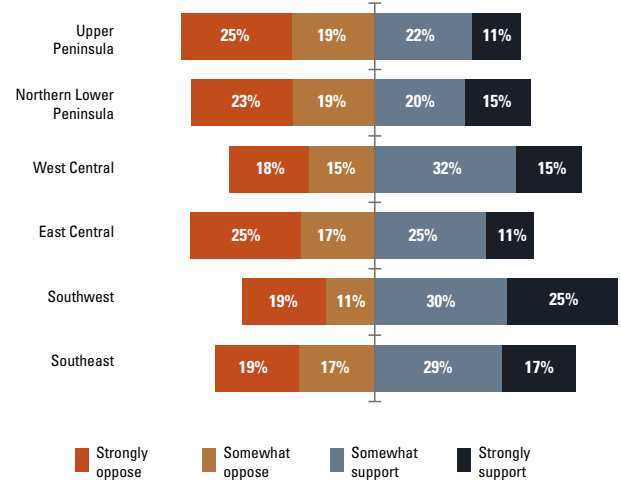
The complex proposal that the state legislature chose to put before voters on the May 2015 statewide ballot includes, among other changes, an increase in the state sales tax.¹⁶ Again, while the details of the plan were developed after the MPPS was already in the field, the survey did ask local officials whether they would support an increase in the state sales tax as one of many stand-alone options.

Though supporters of an increase in the sales tax (43%) outnumber opponents (38%), only 16% of local officials strongly support an increase compared to 22% who strongly oppose one. Only in the Southwest corner of the state did the majority (55%) of local officials support an increase (see *Figure 21a*). By contrast, opposition is strongest in the Upper Peninsula (44% oppose), Northern Lower Peninsula (42% oppose) and East Central region (42% oppose).

When broken down by community size, the majority of officials in jurisdictions with more than 10,000 residents say they would support an increase in the sales tax (see *Figure 21b*). Officials in the state’s smallest jurisdictions—those with less than 1,500 residents—are most strongly opposed to such an increase.

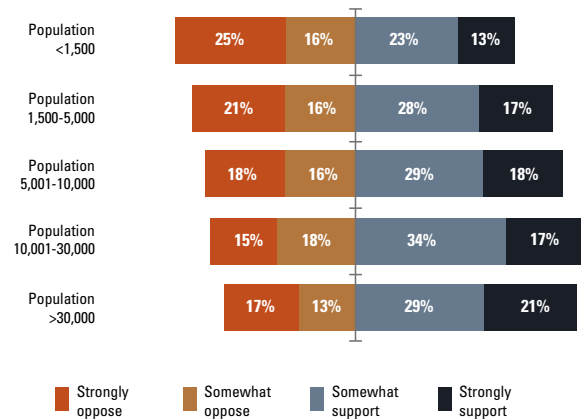
Notably, there are no significant differences along party lines, with both Republican and Democratic local leaders split on whether or not an increase in the sales tax is a preferred option (see *Figure 21c*). In fact, there are very few differences in support and opposition to each of the nine options presented when broken down along party lines. Whether they are Democrats, Independents, or Republicans, local leaders across Michigan share quite similar views on the various options to raise more road funding at the state level.

Figure 21a
Percentage of local officials who support and oppose increasing the state sales tax to increase revenues for roads, by region



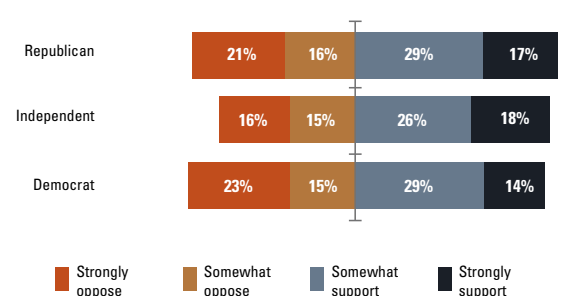
Note: responses for “Neither support nor oppose” and “Don’t know” not shown

Figure 21b
Percentage of local officials who support and oppose increasing the state sales tax to increase revenues for roads, by population size



Note: responses for “Neither support nor oppose” and “Don’t know” not shown

Figure 21c
Percentage of local officials who support and oppose increasing the state sales tax to increase revenues for roads, by political affiliation



Note: responses for “Neither support nor oppose” and “Don’t know” not shown

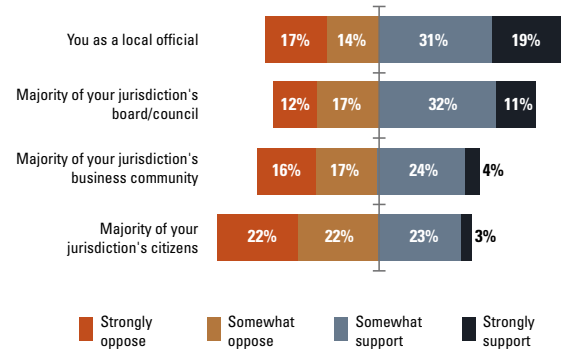
Uncertainty whether local communities will increase road funding if state initiatives fail

In the event that significant increases in road funding are not made at the state level, the MPPS also asked local leaders whether they think there would be local support for raising additional local revenue dedicated to roads. Half (50%) of leaders say that they personally, in their roles as local officials, would support pursuing additional local revenues (see Figure 22). However, less than half (43%) believe that the rest of their jurisdiction's board or council would support such increases. And, local officials believe there is even less support among other groups within their communities. Only 28% believe that the business community would be in support of pursuing additional local road revenues. Somewhat surprisingly, given the high rates of local millage approvals reported on page 9, only 26% of local leaders think that the majority of their citizens would support dedicating more local funding for roads, while 44% believe that their citizenry would oppose such an action. Local leaders may think their citizens have already given all they can for road funding locally, or they may have some other reasons for thinking their citizens will not support substantial additional local tax increases.

Among those leaders who indicated that the majority of their citizens would not oppose raising additional local revenues for road and bridge maintenance, the MPPS further asked about perceived citizen support and opposition to a range of local funding mechanisms. Of six possible options presented, local leaders believe a local or county millage to be the most likely to gain citizen support (see Figure 23). Local leaders believe that there would be more opposition than support for all of the other options, some of which are currently used (i.e. special assessments), and others which are employed by local governments in other states but not currently allowed in Michigan (for example, local or regional fuel taxes or local vehicle registration fees).

Figure 22

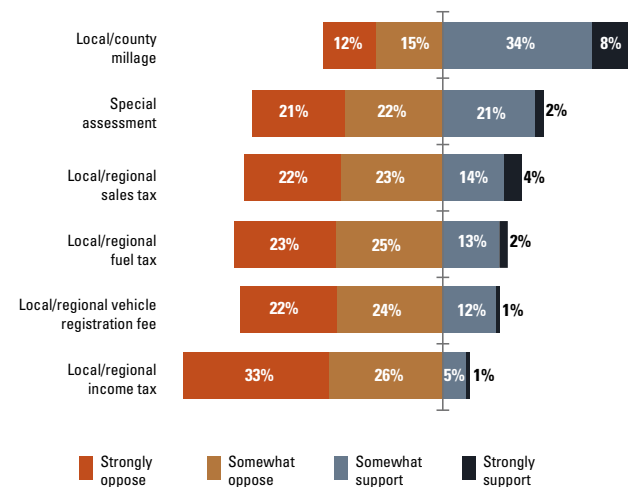
Support for and opposition to raising additional local revenue dedicated to roads if the state does not significantly increase funding, as reported by local officials



Note: responses for "Neither support nor oppose" and "Don't know" not shown

Figure 23

Perceived citizen support for and opposition to a range of possible sources to raise additional local revenue for roads, among respondents who indicated that the majority of their citizens would not oppose raising additional local revenues if the state legislature does not significantly increase funding



Note: responses for "Neither support nor oppose" and "Don't know" not shown



Coping with an era of insufficient road funding

The MPPS asked local leaders, if their jurisdictions have not had enough money in the past to maintain their roads, what actions they have taken to get by. Nearly 900 local leaders provided over 1,200 examples of approaches to dealing with insufficient funding. There are four broad categories of approaches that jurisdictions have taken. Roughly a quarter of the comments fall into each of the first three categories: reducing road maintenance by either focusing on short-term fixes or eliminating previously planned road projects; raising additional road funding through millages, grants, and other taxes; and diverting general fund dollars from other areas of the budget by cutting services, finding efficiencies, or reducing wages and benefits. The fourth broad category, mentioned by over 10% of commenters, was increasing collaboration with the county road commission, neighboring jurisdictions, or outside groups. Below are some representative comments, in the words of Michigan's local leaders.

Voices Across Michigan

“Prudent management, reductions in workforce, employee concessions, the use of technology to extract more efficiencies, and changing winter maintenance procedures to use less salt.”

“Have been just patching, but it is a losing deal. We'll have to go to gravel for a quarter of roads within two years!”

“We worked closely with the County Road Commission on a three year plan and longer; informed residents of work and cost to receive approval for special assessment for large projects; [and] put together a citizen road advisory committee to give advice on a regular basis.”

“We put more money from the general fund into roads and streets this year. I'm concerned that we're not paying down enough for our long term pension obligations and OPEB to maintain the roads.”

“We are currently working with [a business] who has committed road funds as part of their project.”

“Townships came together with the County Road Commission and put together a plan to raise funds with a county-wide millage... [It] will provide funding for projects on local roads that have been put on the back burner because there is no money left after the primary roads are taken care of and after snow removal is paid for.”

“We partnered with [large institutions] and the local Downtown Development Authority for roads in their areas.”

“We found efficiencies and savings in other parts of our General Fund through aggressive bidding of service contracts, consolidation of roles at employee retirement, [and] cost savings through reducing employee benefit costs.”

“Cut costs on operating and cut departments such as our police department.”

“Our roads have deteriorated and we have gone from well-maintained, properly repaired roads to quick fixes and cheap patching. We have a 1.5 extra voted millage that helps, but support from [the] County for road maintenance has greatly diminished.”

“Turned 4 miles of local hard surface roads back to gravel. Reduced road improvement miles due to increased costs and less general fund money to use on road projects. Delayed, indefinitely, ditch cleaning and maintenance due to lack of funds and reduced man power.”

“Paid off all Township debt so more dollars can go to roads. Stayed involved with [county] road commission.”

“We apply for as many grants as are available. All our local and major road work in the last few years has been done with grant dollars or it does not get done.”

“Allowed roads to deteriorate [and] undertake some borrowing to ensure cash is available to match federal funding.”

Conclusion

Road conditions vary widely across the state, and as a result are having very different impacts on local communities. Where road conditions are good, local leaders report positive impacts on economic development and on citizen satisfaction with local government. Where road conditions are poor, the local jurisdictions are not only affected economically, but leaders also report negative impacts on emergency response capabilities, the jurisdictions' fiscal health, and more. Further, those jurisdictions with roads in poor condition are more likely to focus on short-term repairs, making it even more difficult to improve road conditions in the long term.

Despite these varying experiences, there is widespread agreement among local leaders that more state-level funding is needed just to maintain roads, let alone improve them. Further, a strong majority (79%) believe that state-level funding needs to be increased by at least 50% in order to maintain roads. In order to improve road conditions, the majority (56%) of local leaders say that they would need state road funding to at least double. The most popular options among local leaders, however, are not likely to generate enough revenue to meet those stated needs. The more substantial funding options, including increasing the state sales tax, did not have majority support among local leaders when presented on the Fall 2014 survey (though there may be more or less support for the sales tax as a component in the vote on the complex proposal to be held in May 2015).

What will happen if sufficient funds are not raised at the state level? Most local leaders believe that if state-level initiatives fail, there will not be support amongst their citizens for increasing local revenues for roads. Based on how jurisdictions have coped with the recent era of insufficient road funding, the other primary approaches will likely include a combination of further cuts to road maintenance, cuts to other public services and staff to divert money toward roads, and possibly more collaboration to stretch dollars.



Notes

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2. Michigan Transportation Asset Management Council. (2014, May). *TAMC pavement condition and forecasting dashboard*. Retrieved from <http://www.mcgi.state.mi.us/MITRP/Data/Pavement.swf>
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4. Local Roads Matter to Michigan. (2013). *Local Roads Matter fact sheet*. Retrieved from <http://milocalroads.com/cms/assets/uploads/2013/09/Local-Roads-Matter-Fact-Sheet.docx>
5. This was calculated using 2013 state-level highway spending data from the U.S. Census Bureau (retrieved from <https://www.census.gov/govs/state/>), and 2013 population estimates retrieved from <http://www.census.gov/popest/data/state/totals/2013/>.
6. Local Roads Matter to Michigan. (2013). *Local Roads Matter PowerPoint presentation*. Retrieved from <http://www.milocalroads.com/cms/assets/uploads/2013/09/LRMPPT.pptx>
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8. Hamilton, W. E. (2013, April). *Financing Michigan's transportation network: The state transportation budget and beyond*. House Fiscal Agency Fiscal Focus Report. Lansing, MI: Michigan House Fiscal Agency. Retrieved from <http://www.house.michigan.gov/hfa/PDF/Transportation/TransportationBudget.pdf>
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10. Business Leaders for Michigan. (2014, June 13). *Focusing on Michigan's future*. Detroit, MI: Business Leaders for Michigan. Retrieved from <http://www.businessleadersformichigan.com/home/focusing-on-michigans-future.html>
11. Local Roads Matter to Michigan. (2013). *Local Roads Matter PowerPoint presentation*.
12. State trunklines are mostly highways that start with "I-", "US-", or "M-" though there are additional sections of roads in the trunkline system. Meanwhile, county primary roads are the more significant roads within a county that carry heavier traffic loads compared to county local roads. For more, see <http://legislature.mi.gov/doc.aspx?mcl-247-651> for trunklines, and <http://legislature.mi.gov/doc.aspx?mcl-247-652> for county primary roads.
13. According to the TAMC Traffic Dashboard, in 2013—the most recent year available—52.57% of the traffic (annual miles of travel) was on state trunklines and 26.71% was on county primary roads. (Retrieved from <http://tamc.mcgi.state.mi.us/MITRP/Data/PaserDashboard.aspx>)
14. County-level data from the TAMC Traffic Dashboard aggregated at the regional level shows that Southeast lower Michigan alone carries 49% of all traffic on state trunklines and 52% of all traffic on county primary roads.
15. The MPPS follows the lead of Michigan State University's State of the State Survey in terms of identifying regions of the state. For a breakdown of which counties are in each region, see <http://closup.umich.edu/michigan-public-policy-survey/mpps-regions.php>.
16. Detroit Free Press Staff. (2014, December 19). Highlights of Michigan's road funding proposal. *Detroit Free Press*. Retrieved from <http://www.freep.com/story/news/local/michigan/2014/12/18/highlights-road-funding/20609593/>

Survey Background and Methodology

The MPPS is a biannual survey of each of Michigan's 1,856 units of general purpose local government, conducted once each spring and fall. While the spring surveys consist of multiple batteries of the same "core" fiscal, budgetary and operational policy questions and are designed to build-up a multi-year time-series of data, the fall surveys focus on various other topics.

In the Fall 2014 iteration, surveys were sent by the Center for Local, State and Urban Policy (CLOSUP) via the internet and hardcopy to top elected and appointed officials (including county administrators, board chairs, and clerks; city mayors and managers; village presidents, managers, and clerks; and township supervisors, managers, and clerks) from all 83 counties, 278 cities, 255 villages, and 1,240 townships in the state of Michigan.

The Fall 2014 wave was conducted from October 6 to December 11, 2014. A total of 1,356 jurisdictions in the Fall 2014 wave returned valid surveys (64 counties, 210 cities, 177 villages, and 905 townships), resulting in a 73% response rate by unit. The margin of error for the survey for the survey as a whole is +/- 1.4%. The key relationships discussed in the above report are statistically significant at the $p < .05$ level or below, unless otherwise specified. Missing responses are not included in the tabulations, unless otherwise specified. Some report figures may not add to 100% due to rounding within response categories. Quantitative data are weighted to account for non-response. "Voices Across Michigan" verbatim responses may have been edited for clarity and brevity. Contact CLOSUP staff for more information.

Detailed tables of the data analyzed in this report broken down three ways—by jurisdiction type (county, city, township, or village); by population size of the respondent's community; and by the region of the respondent's jurisdiction—are available online at the MPPS homepage: <http://closup.umich.edu/mpps.php>

The survey responses presented here are those of local Michigan officials, while further analysis represents the views of the authors. Neither necessarily reflects the views of the University of Michigan, or of other partners in the MPPS.



Appendix A

Local officials' assessments of the impact of road conditions on local economic development, by region

	Upper Peninsula	Northern Lower Peninsula	West Central	East Central	Southwest	Southeast
No impact	14%	11%	14%	14%	13%	12%
Very positive	5%	13%	9%	12%	7%	9%
Somewhat positive	17%	17%	19%	19%	16%	16%
Mixed positive and negative	23%	27%	25%	29%	22%	22%
Somewhat negative	31%	17%	21%	13%	28%	24%
Very negative	5%	6%	3%	3%	6%	11%
Not applicable	2%	4%	4%	5%	2%	4%
Don't know	4%	5%	6%	5%	5%	2%

Local officials' assessments of the impact of road conditions on local government's fiscal health, by region

	Upper Peninsula	Northern Lower Peninsula	West Central	East Central	Southwest	Southeast
No impact	10%	12%	14%	13%	10%	10%
Very positive	7%	12%	8%	13%	10%	11%
Somewhat positive	14%	18%	20%	22%	17%	18%
Mixed positive and negative	17%	25%	23%	21%	25%	19%
Somewhat negative	32%	18%	20%	16%	22%	22%
Very negative	14%	5%	9%	7%	11%	13%
Not applicable	3%	7%	4%	3%	2%	5%
Don't know	3%	5%	3%	5%	3%	2%

Local officials' assessments of the impact of road conditions on local tourism, by region

	Upper Peninsula	Northern Lower Peninsula	West Central	East Central	Southwest	Southeast
No impact	12%	15%	18%	17%	18%	18%
Very positive	7%	17%	8%	10%	8%	5%
Somewhat positive	17%	17%	18%	17%	13%	11%
Mixed positive and negative	22%	21%	21%	17%	19%	15%
Somewhat negative	30%	19%	16%	10%	14%	19%
Very negative	9%	5%	4%	4%	8%	7%
Not applicable	3%	4%	8%	19%	14%	20%
Don't know	2%	3%	7%	6%	7%	6%

Local officials' assessments of the impact of road conditions on local agricultural sector, by region

	Upper Peninsula	Northern Lower Peninsula	West Central	East Central	Southwest	Southeast
No impact	16%	17%	16%	15%	12%	16%
Very positive	3%	10%	8%	19%	14%	9%
Somewhat positive	7%	13%	14%	19%	14%	9%
Mixed positive and negative	21%	24%	21%	23%	25%	18%
Somewhat negative	15%	9%	16%	11%	15%	11%
Very negative	4%	3%	3%	3%	3%	2%
Not applicable	25%	18%	14%	5%	11%	31%
Don't know	9%	6%	8%	5%	6%	5%

Local officials' assessments of the impact of road conditions on emergency response, by region

	Upper Peninsula	Northern Lower Peninsula	West Central	East Central	Southwest	Southeast
No impact	12%	11%	13%	11%	13%	10%
Very positive	14%	24%	17%	27%	21%	20%
Somewhat positive	12%	18%	20%	23%	13%	13%
Mixed positive and negative	21%	19%	21%	19%	25%	22%
Somewhat negative	29%	18%	21%	14%	18%	25%
Very negative	9%	6%	4%	3%	6%	5%
Not applicable	1%	1%	1%	1%	1%	2%
Don't know	2%	2%	2%	3%	4%	2%

Local officials' assessments of the impact of road conditions on citizen satisfaction with local government, by region

	Upper Peninsula	Northern Lower Peninsula	West Central	East Central	Southwest	Southeast
No impact	3%	4%	5%	3%	2%	1%
Very positive	12%	20%	17%	26%	22%	21%
Somewhat positive	20%	22%	20%	27%	15%	18%
Mixed positive and negative	19%	26%	20%	19%	24%	18%
Somewhat negative	25%	15%	21%	13%	20%	24%
Very negative	16%	8%	11%	9%	13%	15%
Not applicable	1%	0%	0%	1%	0%	0%
Don't know	5%	3%	5%	2%	3%	3%



Appendix B

Percentage of jurisdictions that have ground up paved roads in the last five years, by region

	Upper Peninsula	Northern Lower Peninsula	West Central	East Central	Southwest	Southeast
Have ground up paved roads	19%	10%	11%	13%	10%	10%
Have not ground up paved roads	72%	79%	83%	80%	84%	85%
Don't know	9%	11%	6%	7%	6%	5%

Appendix C

Percentage of jurisdictions that expend own-source local revenues on roads, by region

	Upper	Northern Lower Peninsula	West Central	East Central	Southwest	Southeast
Expend own source revenue	81%	80%	81%	82%	72%	89%
Do not expend own source revenue	15%	15%	13%	10%	21%	8%
Don't know	4%	5%	6%	8%	7%	2%

Among jurisdictions that expend any own-source local revenues on roads, percentage that use each type, by region

	Upper Peninsula	Northern Lower Peninsula	West Central	East Central	Southwest	Southeast
General fund	58%	63%	75%	68%	82%	81%
Special assessment(s)	5%	12%	7%	10%	11%	19%
Local millage	50%	48%	33%	48%	25%	30%
Other	9%	10%	11%	5%	7%	9%

Previous MPPS reports

Michigan local government leaders' views on employee pay and benefits (January 2015)

Despite increasingly formal financial management, relatively few Michigan local governments have adopted recommended policies (December 2014)

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Fiscal stimulus package mostly ineffective for local economies (May 2010)

Fall 2009 key findings report: educational, economic, and workforce development issues at the local level (April 2010)

Local government officials give low marks to the performance of state officials and report low trust in Lansing (March 2010)

Local government fiscal and economic development issues (October 2009)

All MPPS reports are available online at: <http://closup.umich.edu/mpps.php>

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