

Report finds that Michigan has a \$3.9 billion annual funding shortfall to fix roads and bridges

LANSING, Mich. – Public Sector Consultants (PSC) released the [Michigan Transportation Infrastructure Needs and Funding Solutions](#) report today that found that Michigan faces a \$3.9 billion annual funding shortfall to fix Michigan’s deteriorating roads and bridges. At a press conference Tuesday morning, leaders from Michigan’s road building industry and business community gathered to share their reactions to the new report.

“This report makes it crystal clear that it’s time to take our infrastructure funding crisis seriously,” said Rob Coppersmith, Executive Vice President of the [Michigan Infrastructure & Transportation Association \(MITA\)](#). “The data speaks for itself. Michigan faces an annual funding shortfall of \$3.9 billion, and that is even with the funding from the governor’s bonding program and the federal infrastructure plan dollars included. There will be a day coming in the not-too-distant future when those funds will dry up, but our need will only continue to grow.”

The PSC report examined three key topics:

- The overall cost of maintaining Michigan’s vast road network as well as future funding needs.
- The current road funding estimates, the revenue sources for funding roads, and long-term trends in transportation spending.
- The potential options for raising additional revenue to close the funding gap.

The report highlights Michigan’s need for an equitable, long-term, sustainable funding plan that will finally dedicate the resources to improve and maintain our roads and bridges.

“Michigan’s prosperity, competitiveness and quality of life depend on modern, reliable infrastructure,” said Jim Holcomb, President & CEO of the Michigan Chamber of Commerce. “This infrastructure is what connects us, allows our businesses and our economy to grow and thrive, and creates countless opportunities for our communities and families. The time is now for a bipartisan, long-term strategy with solutions and investments that improve our roads and bridges. We can’t afford to wait.”

In 2016, the State of Michigan’s 21st Century Infrastructure Commission estimated that Michigan needed to invest an additional \$2.2 billion in roads and bridges each year to meet established goals for state road and bridge quality. The PSC report found that since that time, the amount of additional investment needed has risen to \$3.9 billion annually to maintain Michigan’s road and bridge infrastructure network.

“For years our members have seen firsthand what this reports highlights, our local roads are underfunded, and the condition of the infrastructure has suffered as a result,” said John LaMacchia, Director of State and Federal Affairs for the Michigan Municipal League. “Now is the time to find real solutions that will have meaningful impact on the people we represent by investing new and sustainable resources and funding models for our local roads, public transit systems, and mobility options, allowing us to compete for talent and jobs, and create an environment that allows both people and business to thrive.”

The PSC report found that Michigan's transportation system needs are higher than previous estimates and that spending to maintain and rehabilitate roads is more cost effective than waiting until a lane mile has reached the end of its design life, when reconstruction becomes the only option. Additionally, MDOT assessments of Michigan road conditions show that 33 percent of all federal-aid roads and 45 percent of non-federal-aid roads are in poor condition and should be reconstructed in the next two years. The report found that reconstruction is five to eight times more expensive per lane mile than preventative maintenance.

"The motoring public has suffered enough," said Ed Noyola, Chief Deputy and Legislative Director at the County Road Association of Michigan. "With the infusion of electric vehicles, now more than ever, it's time for our legislative leaders to focus on long-term transportation funding, including a pilot mileage-based tax that will move Michigan toward a new and fair system of revenue collection for EVs."

To address the estimated gap in transportation infrastructure funding in 2015, the State of Michigan and the Michigan legislature worked to increase revenue. In 2017, Michigan's gas tax increased slightly to \$.263 per gallon for both gas and diesel, increasing the total motor fuel tax revenue by 34.3 percent, or \$347.2 million. Additionally, Michigan will receive a one-time funding allocation of \$7.3 billion from the federal Infrastructure Investment and Jobs Act (IIJA), and the 2019 Rebuilding Michigan Program (RBMP) provided \$3.5 billion in one-time bond funding for state and federal roads. However, the PSC report found that none of these increased investments have been enough to bridge the funding gap.

"As we see from this report, the cost of inaction is intolerable for Michigan businesses that rely on the basic infrastructure of highways and Main Streets to succeed," said Brad Williams, Vice President of Government Relations at the Detroit Regional Chamber of Commerce.

"Michigan's need is clear and this report shows that we need to enact an equitable, long-term, sustainable infrastructure investment plan that will finally dedicate the resources to improve our roads and bridges that our friends and families use to get to school, work, and their homes," said Coppersmith. "In the coming days, I look forward to launching the Fix MI State Coalition with our industry partners and those who advocate for making Michigan a better place to help finally bring an end to our funding crisis. We look forward to working with the governor and Michigan's legislative leaders to finally get a solution in place that works for all of Michigan and fixes the damn roads."

A copy of the report from Public Sector Consultants can be viewed [here](#).

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The Michigan Infrastructure & Transportation Association is a statewide trade association that represents a broad spectrum of heavy construction companies and suppliers that help build a better Michigan from the ground up. For more information, visit thinkmita.org.