

IV. Jurisdictional Control

The following was written by the Michigan Department of State Highways in 1967 in discussing how the Michigan highway system had failed to adjust to changes in use:

Highway classification is an essential element in highway administration because it provides a framework for projection of needs, construction, and financing at each level of government. After the state, county and municipal road and street systems are determined by classification, studies are conducted to determine the administrative, maintenance, and construction needs, both physical and financial, of each system. Using the financial needs of each system as guidelines, the State Legislature can then make whatever fiscal adjustments are necessary for sound highway financing.

Jurisdictional control remains as essential to highway administration today as it was in 1967. Yet while highway use and the factors that affect functional classification have changed, jurisdictional control largely has remained unchanged.

Two elements constitute the organization of a highway system: 1) functional classification – what purpose the road serves, and 2) jurisdictional control – what type of governmental unit is responsible for construction and maintenance of the road.

Functional classification is the starting point for determining jurisdictional control. Each classification – interstate, arterial route, collector route, and local access road – is built to different specifications and has different maintenance needs. Each classification serves different purposes, carries different types of vehicles, and provides varying degrees of property access. As such, each classification requires a different level of financing.

Roads in urban areas are constructed and maintained differently than roads in rural areas due to differences in use and characteristics. In large part, functional classification is determined by the highway users, but policymakers also play a role in its determination – in determining the specifications to which each road is

constructed. Thus, while functional classification is the starting point for determining jurisdictional control, issues such as population density, the location of each road relative to other types of roads, and the use of each road, also affect jurisdictional control.

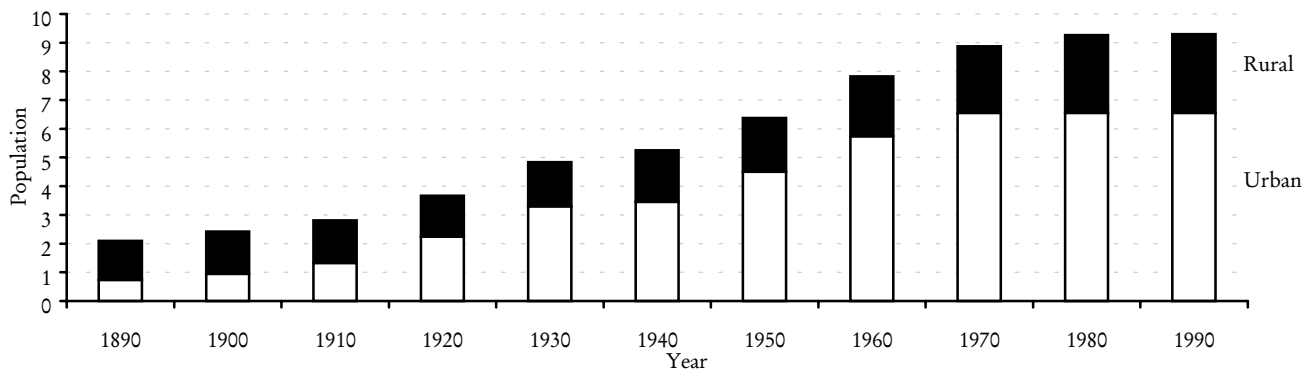
As the determining factors for functional classification change, as is prone to happen over time, the jurisdictional control of each road should be revisited and changed if necessary. Again, quoting the 1967 report from the Department of State Highways:

Continuing review is axiomatic to the highway classification process and is fundamental to its theory. To ignore review is to assume that conditions which directly influence highway classifications remain static. The process of review and updating should encompass not only physical changes in the criteria used to evaluate the jurisdictional status of our road network but also the methods employed in such classification.

In many ways, highway organization can be considered the weakest link in the Michigan highway system. Jurisdictional control and the governance structures of the governmental units involved in the care of the highway system in the 1990s reflects a 1930s' model of Michigan.

Because the organization of the Michigan highway system has not changed, it has failed to maintain sufficient rationality, consistency, and stability in highway planning, financing, and governance. Rationality would dictate that there be a logical assignment of jurisdiction to the proper level of government based on the nature of the services each road provides. Consistency would dictate that the logic applied in assigning jurisdiction to one road be clearly laid out and uniformly applied in assigning jurisdiction to all other roads of like character. Stability would dictate that the factors used to apply jurisdictional control remain unchanged over time. If these factors are applied in organizing the highway system, the organization should be acceptable to all levels of government and easily understood by all highway users.

Chart 15
Michigan Population Growth: 1890-1990
(in millions)



Source: Bureau of the Census, *U.S. Census of Population: Number of Inhabitants, Summary*, (Washington, D.C.: 1991).

A. How Michigan Has Changed

Michigan has undergone a great deal of change relative to the factors that determine the organization of the highway system ways, including population growth and urban sprawl. State and county government have changed in many. Finally, highway use has undergone major changes.

1. Population Growth

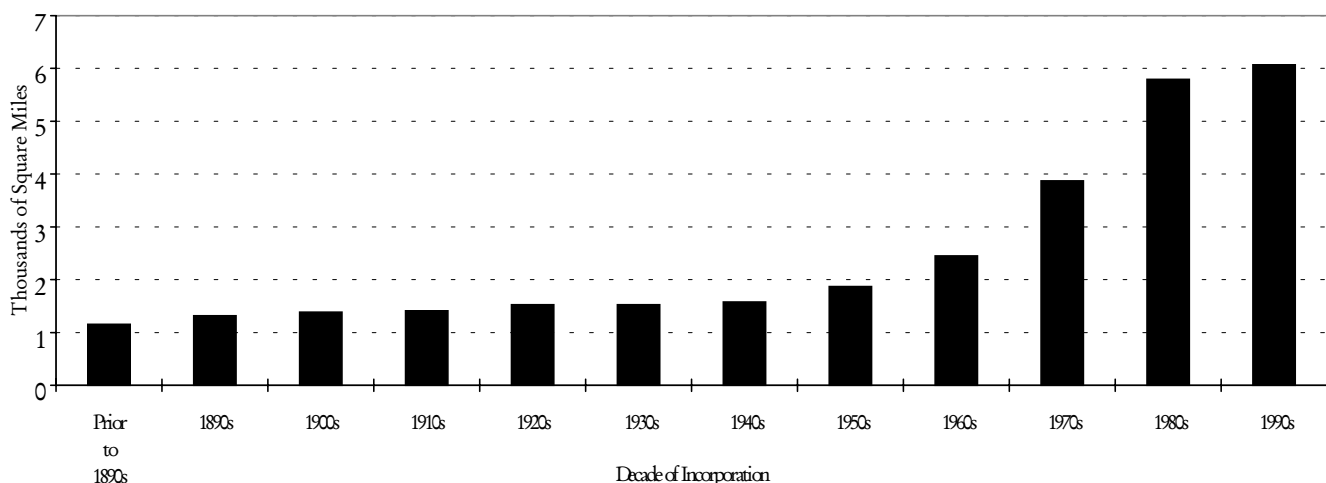
Over the past century, the population of Michigan has grown from approximately 2 million to about 9.6 million people. A century ago, when the Michigan highway system was in its infancy, only 35 percent of the population resided in urban areas. By 1950, over

70 percent of the state population resided in urban areas. While the urban population has remained about 70 percent of the total population, the state population has grown 46 percent since 1950 (See Chart 15). This growth has come through urban sprawl. These changes should affect jurisdictional control as well as the sources of funding for road mileage within these urban areas.

2. Urban Sprawl

As an area's population grows, the tendency is for citizens to organize local governments to provide a greater number of services. Since 1930, 216 local units of gov-

Chart 16
Land Area of Incorporated Governmental Units in Michigan by Decade of Incorporation



Source: U.S. Bureau of Census, Michigan Legislative Service Bureau, *Michigan Manual*, and Michigan Municipal League. CRC Calculations.

ernment in Michigan have incorporated, 124 of which have been charter townships. In 1930, about 1,500 square miles (less than three percent of the total state land area of 56,809 square miles) were part of a city or village. By 1990, the total land encompassed by cities, villages, or charter townships had increased to 6,073 square miles (11 percent). Chart 16 illustrates how much more land area in Michigan has come to lie within incorporated areas. (Not all land area was initially incorporated in each of these decades. Some land area became incorporated due to annexation. However, this chart approximates as near as possible the trend that has occurred in Michigan.)

3. Highway Use

Use of the highway system has also changed. Development of the interstate highway system, with urban freeways and expressways, is a recent phenomenon.

B. Jurisdictional Control Has Remained Unchanged

While all of these changes have been occurring, organization of the system has changed very little. The roads over which the state, county road commissions, and municipalities had jurisdiction 60 years ago, following implementation of the McNitt Act, for the most part, continue to fall under the jurisdiction of these same units of government.

1. Roads No Longer Serving the Same Purposes

Examples can be found throughout the state, at all levels of government, where the purpose and use of a section of road has changed to such an extent that the governmental body with jurisdiction over that section of road is no longer the body best suited to care for that road.

a) The State Trunkline System.

Interstates, freeways, and expressways account for only 15 percent of the state trunkline system. The balance of the mileage is arterial routes and collector routes. Many instances can be found of arterial and collector routes under state jurisdiction serving much the same purpose as the county or municipal roads running parallel or intersecting them.

Prior to the advent of the interstate system, the state trunkline system consisted of arterial routes connecting major population centers. With the evolution of the interstates, these arterial routes have taken on a

This development has shifted traffic away from arterial routes that were previously used for long distance travel and has enabled a greater degree of urban sprawl. State trunkline use has evolved from facilitating commerce and enabling travel between population centers, to providing a means for workers to travel to places of employment. These changes have had implications on all facets of the highway system.

Additionally, the types of vehicles using the highways have changed. Businesses' dependence on railroads has declined and been replaced with a greater dependence on long-haul truck shipping. Moreover, automobiles have become lighter and fuel economy has improved. More families have more than one automobile. In addition to affecting functional classification, these changes affect highway finance.

secondary purpose in terms of long distance travel. They have come to serve traffic that is primarily regional, often providing access to private property.

The Michigan Department of Transportation has identified over 267 miles (2.8 percent of the current state trunkline system) of potential "turn-back mileage" – roads under state control that should be returned to county or municipal control. A re-examination of the role some roads serve in the state system could lead to a much more extensive list. For instance, Grand River Avenue was once the primary route for traveling between Detroit and Lansing or Grand Rapids. Now I-96 is the primary route and Grand River serves local and regional traffic. Michigan Avenue was once the primary route between Detroit and Chicago. Now I-94 serves that purpose. M-37, M-66, and M-52 were once primary north-south routes. Now US-131, US-27, and I-75 are the primary north-south routes. Many other examples can be identified where the need to have certain roads under state jurisdiction no longer exists.

b) Urban Counties.

Often the role that functional classification plays in determining the jurisdictional control of a road is complicated by the urban or rural nature of the road. Basic differences in highway use and highway characteristics stem from the fact that urban areas commonly have a higher density of buildings and popula-

tion than rural areas. While most rural road systems exist in open spaces, urban systems tend to have few open spaces. While rural road systems tend not to have many curbs and have few driveways, urban road systems tend to have curbs and frequent driveways. While most urban roads are paved, rural areas often are adequately served with gravel roads. Finally, the typical users of rural roads often are different from the typical users of urban roads. Rural roads carry more agriculture-related vehicles, while urban roads carry more service, delivery, and commuter vehicles.

These differences have implications for the equipment, method of care, and staffing requirements placed on the governmental units maintaining the different road types. Urban characteristics require road care equipment to be smaller and more maneuverable than the equipment used in rural areas. With higher traffic volumes and more intersections requiring more frequent stopping and starting, it is necessary to embark on more intensive winter storm maintenance in urban areas. In the majority of the counties, these differences are evident in comparing the larger vehicles used by county road commissions, which typically have jurisdiction over non-urban areas, to the smaller vehicles used by municipal public works departments.

The exceptions to these observations are county road commissions that maintain urban county road systems. The original role of county road commissions was to provide roads in low-density, unincorporated areas, where a municipality was not available to provide them. As municipalities have incorporated in areas that were once the low-density and unincorporated, urban county road commissions have continued to maintain the roads that once were properly county roads. Jurisdictional control has not changed to reflect this growth and incorporation. County roads have come to serve the same purposes, and carry much of the same traffic, as the municipal streets intersecting them. Failure to adapt to change has resulted in county road commissions and municipalities both investing in similar equipment to maintain roads of like characteristics.

Table 9 lists the 19 Michigan counties that have at least 10 percent of their county road systems running through urban areas. As defined by the U.S. Bureau of the Census, urban areas are areas with at least 50,000 persons and a population density of at least

1,000 persons per square mile. The county road commissions serving the most urban counties of the state have a large percentage of their primary county roads serving much the same purpose as municipal streets. Further, a large percentage of local access streets in these counties continues to be maintained by county road commissions.

Additionally, there have been instances in recent years, of cities and villages undertaking the improvement of county roads with municipal resources. This has become necessary because the urban county road commissions do not have sufficient resources to meet all of their needs. If county roads are important enough to the municipalities that they would spend their own resources to improve them, they should be under municipal jurisdiction. If jurisdictional control were addressed, having municipalities spend money to improve county roads would not be an issue, and county road commissions would have resources available to care for roads that properly fall within their jurisdiction.

Municipalities should be expected to have jurisdiction over urban arterial, collector and local access roads. County road commissions should be expected to care for rural roads. Elimination of overlap would reduce duplication and reduce what many perceive as inequities in the allotment of Michigan Transportation Fund dollars among urban and rural county road commissions.

2. Should Townships Control Their Own Roads?

The composition of county road systems continues to reflect the effects that the Great Depression had on local road funding. An inability to finance road care forced townships to transfer jurisdiction to the counties. To this day, a majority of the county road system is local access roads that were once township roads.

Many townships levy a road millage to fund care of these roads (See Table 8 on page 32). In some counties, every township levies this millage, but in other counties, only a few townships levy a road millage. This creates an inequitable situation in which the county road commission is expected to maintain all local roads to a uniform standard, without full financial participation from the townships. Regardless of the number of townships raising local millage, the ultimate decision to perform work on these roads rests

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Table 9
County Road System Miles -- 1994

(Counties With At Least Ten Percent of Total County Road Mileage in Urban Areas)

County	County Primary Mileage	County Urban Primary	Urban as a % of All Primary	County Local Mileage	County Urban Local	Urban as a % of All Local	Urban as a % of Total County
Wayne	719.2	652.4	90.7%	749.7	640.7	85.5%	88.0%
Macomb	407.7	280.8	68.9%	979.3	628.5	64.2%	65.6%
Oakland	821.4	551.8	67.2%	1,670.0	1,067.5	63.9%	65.0%
Genesee	474.1	274.1	57.8%	1,068.0	576.0	53.9%	55.1%
Kent	664.8	237.0	35.6%	1,242.5	404.1	32.5%	33.6%
Ottawa	372.3	100.5	27.0%	1,174.3	413.4	35.2%	33.2%
Kalamazoo	436.0	126.6	29.0%	751.9	223.8	29.8%	29.5%
Ingham	428.6	113.1	26.4%	773.8	235.3	30.4%	29.0%
Washtenaw	519.4	135.0	26.0%	1,007.8	298.6	29.6%	28.4%
Berrien	474.0	76.0	16.0%	985.7	251.4	25.5%	22.4%
Saginaw	480.8	95.5	19.9%	1,339.6	299.8	22.4%	21.7%
Jackson	540.5	94.3	17.4%	1,023.3	240.2	23.5%	21.4%
Bay	357.1	81.1	22.7%	665.3	116.1	17.5%	19.3%
Muskegon	371.4	60.9	16.4%	750.1	152.1	20.3%	19.0%
Monroe	430.3	75.6	17.6%	872.7	170.5	19.5%	18.9%
Eaton	356.3	60.2	16.9%	786.4	113.3	14.4%	15.2%
Calhoun	498.1	57.9	11.6%	834.3	138.4	16.6%	14.7%
St. Clair	466.8	53.5	11.5%	1,032.3	148.3	14.4%	13.5%
Livingston	364.9	39.1	10.7%	915.4	104.0	11.4%	11.2%
All 83 Counties	26,322.2	3,499.2	13.3%	62,555.4	7,424.9	11.9%	11.7%

Source: Michigan Department of Transportation, CRC calculations.

not with the township, but with the county road commission.

This situation raises the question, "Should county road commissions take care of local access roads?" Does an arrangement dictated by circumstances of 60 years ago apply today? There are two aspects to this question: 1) should all townships, charter and general law, have responsibility for local roads? and 2) should charter townships have responsibility for roads equal to that required of cities and villages?

a) Townships.

A number of issues have been raised about the responsiveness and accountability of county road commissions. Often these issues regard local access roads, because they are 70 percent of the county road system. The problems arise from expecting county road commissions, an inherently regional body, to be responsive to local needs. In instances where county

road commissions have poor relationships with townships, the townships often object to having revenue-raising requirements without having input on how the money is spent. Because townships have zoning responsibilities, coordination of zoning plans with road plans would be simplified if the townships controlled their roads. One possible remedy to these complaints is not to eliminate county road commissions, with the expectation that county government will be more responsive, but to return local roads to township jurisdiction. This would return county road commissions to the purpose for which they were intended: care of roads serving county-wide purposes.

Townships can play a role in highway care under current law. Act 51 provides that in counties with populations over 500,000 people, townships with populations of 40,000 or more may contract with the county road commissions to maintain the roads within that township. The contracting township is eligible to re-

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ceive only 75 percent of the funds received by the county road commission due to the roads in that township. State law would have to be amended to provide for townships -- whether general law or charter townships -- to gain jurisdiction over their local roads independent of county road commissions.

b) Charter Townships.

The growth in the number of charter townships has resulted in many county road commissions being involved in the maintenance of urban local access roads in incorporated areas (See Table 9). As illustrated in Table 10, most of the charter townships are located in the more populated counties: Bay, Berrien, Clinton, Eaton, Genesee, Ingham, Kalamazoo, Kent, Macomb, Oakland, Ottawa, St. Clair, Washtenaw, and Wayne.

Public Act 359 of 1947, the Charter Township Act, has allowed 124 townships to incorporate to provide

an enhanced level of services and to protect against annexation by adjacent cities or villages. Any general law township with 2,000 or more residents is authorized to adopt the Charter Township Act and incorporate as a charter township. The result is that while areas have grown to require a greater level of services, township status has been maintained and road care has remained with the county road commissions.

County road commission resources are being used to maintain streets that appear very much the same in character as the streets that neighboring cities and villages maintain with much more of their own resources. These municipalities compete with charter townships for economic development and for the resources of the county and state. Charter townships contribute resources to county road commissions, but by relying on counties to maintain their roads, they

Table 10
Charter Townships in Michigan by County -- 1996

Allegan	Dickinson	Ionia	Macomb	Oakland	St. Clair
Gun Plain	Breitung	North Plains	Chesterfield	Bloomfield	China
Barry	Eaton	Iosco	Clinton	Brandon	East China
Hastings	Delta	Au Sable	Harrison	Commerce	Fort Gratiot
Rutland	Oneida	Oscoda	Shelby	Highland	Port Huron
Bay	Windsor	Isabella	Marquette	Independence	Van Buren
Bangor	Genesee	Union	Chocoday	Lyon	South Haven
Hampton	Clayton	Jackson	Marquette	Milford	Washtenaw
Monitor	Fenton	Blackman	Mason	Oakland	Ann Arbor
Portsmouth	Flint	Kalamazoo	Pere Marquette	Orion	Augusta
Williams	Flushing	Comstock	Mecosta	Oxford	Pittsfield
Berrien	Genesee	Cooper	Big Rapids	Royal Oak	Scio
Benton	Grand Blanc	Kalamazoo	Green	Springfield	Superior
Coloma	Montrose	Oshtemo	Midland	Waterford	York
Lake	Mt. Morris	Texas	Homer	West Bloomfield	Ypsilanti
Lincoln	Mundy	Kent	Larkin	White Lake	Wayne
Oronoko	Vienna	Alpine	Midland	Ottawa	Brownstown
St. Joseph	Gogebic	Caledonia	Monroe	Allendale	Canton
Calhoun	Ironwood	Cascade	Berlin	Georgetown	Grosse Pointe
Bedford	Grand Traverse	Gaines	Frenchtown	Grand Haven	Huron
Emmett	Garfield	Grand Rapids	Monroe	Holland	Northville
Pennfield	Houghton	Lowell	Montcalm	Jamestown	Plymouth
Chippewa	Calumet	Plainfield	Eureka	Polkton	Redford
Kinross	Portage	Leelanau	Muskegon	Tallmadge	Van Buren
Clinton	Ingham	Elmwood	Fruitport	Zeeland	Wexford
Bath	Delhi	Lenawee	Muskegon	Saginaw	Haring
De Witt	Lansing	Madison	Newaygo	Bridgeport	
Watertown	Meridian	Raisin	Sheridan	Buena Vista	
				Saginaw	

Source: Michigan Township Association.

have resources available to perform other functions that would otherwise be needed for road care if roads were their responsibility.

There are at least two potential remedies to this situation. First, charter townships could be required to become more involved in the maintenance of their own roads. Second, the annexation laws in Michigan could be revisited to allow easier annexation of areas that have grown in commerce and population to require an enhanced level of highway services.

1) Greater Involvement in Road Care.

Charter townships could be expected to play a more active role in maintaining the streets within their boundaries. This ability already exists under Public Act 359 of 1947, the Charter Township Act:

Section 10. The township board in each charter township shall have power to appoint a township superintendent and may delegate to him any or all of the following functions and duties which functions and duties, unless so delegated, shall be exercised by the supervisor:

Section 10(b). To manage and supervise all public improvements, works, and undertakings of the township;

Section 10(c). To have charge of the construction, repair, maintenance, lighting and cleaning of streets, sidewalks, bridges, pavements, sewers, and of all the public buildings or other property belonging to the township.

The above mention provisions of Act 51 pertaining to township control of roads would have to be amended.

This option would require charter townships to invest in additional staff and equipment. However, options such as contracting might be a greater possibility for charter townships than it is for current highway providers. Since most charter townships would be starting from scratch, there would not be the ingrained bureaucracies and previously owned equipment that confronts many local governments when considering the privatization of street maintenance.

Such an option would bring greater accountability to the care of roads within charter townships. The township supervisors, representing only that township, ultimately would be responsible for the care of the roads within that township, rather than county road commissioners.

2) Annexation Laws.

Many townships have become highly populated due to spill-over from neighboring municipalities. As sections of townships have grown in population, the demand for services has increased. Township residents are left with the choice of incorporation or annexation to neighboring municipalities.

If annexation were made easier, it would fall upon an annexing municipality to provide services to these areas such as road care. Economies of scale could be achieved in utilizing resources already owned by the annexing municipality to serve a wider area.

C. A New Era in Jurisdictional Control.

In addition to the need for changes in jurisdictional organization, policymakers must recognize that jurisdictional control carries a slightly different significance than it once did. During construction of the highway system, jurisdictional control was important for achieving continuity and uniformity. From an engineering standpoint, roads serving statewide or regional traffic needed to be built with like physical characteristics among different communities to provide efficient traffic flow. From a financial standpoint, funding was needed to construct roads to like standards among different communities. This period is summarized as an era when location and construction were the primary determinants of jurisdic-

tional control. During this era, jurisdictional control tended to come under regional or state government to meet these needs, with construction of the entire road funded by a single governmental unit. This is reflected by the role federal and state funding assumed in highway funding.

Today, however, the highway system is leaving the era of location and construction and entering an era of maintenance and operational efficiency. The Michigan and national highway systems are largely in place, and additions to the current system will be only incremental. Jurisdictional control is best served today with

roads under the control of the governmental unit best suited to monitor and respond to the needs of that road. Many roads can be transferred to a level of government more local than the level with current juris-

diction. Because the roads are already in place, it is possible to manage continuity and uniformity of the highway system at a more local level in this new era.

D. Conclusions: Re-Assigning Jurisdictional Control

Comprehensive highway finance and governance reform must include addressing the jurisdictional control of each road in the highway system. Major changes to highway jurisdiction have not occurred since 1932 when the McNitt Act consolidated township roads into the county road commissions. Since then, the factors that determine jurisdictional control have changed in many ways. Many roads do not serve the same purposes today that they once did. If there is to be rationality, consistency, and stability in the financing and governance of the highway system, it is necessary to tie together functional classification and jurisdictional control.

1. Determining Factors

The highway system will operate most effectively when jurisdictional control is organized in a rational, consistent, stable manner that is acceptable at all levels of government.

a) Rational Organization.

A rationally organized highway system requires a logical assignment of jurisdiction to the proper level of government based on the nature of the services each road provides. It is this factor that ties together functional classification and jurisdictional control. Fundamental in tying together functional classification and jurisdictional control should be the role that each road currently serves in the overall highway system instead of the role they formerly played.

b) Consistent Organization.

The logic applied in assigning jurisdictional control to one road should be clearly laid out and uniformly applied in assigning jurisdictional control to all other roads of like character. There should be no parallel or overlapping patterns of responsibility. Neither the governing units nor the taxpayers are well served if a road performing a particular kind of service is in one instance a state responsibility, and in another instance a county or municipal responsibility.

A foremost reason why consistency should be applied in jurisdictional control is accountability. The governmental unit responsible for a particular road should be as clear to highway users as it is to the engineers caring for the roads. Accountability is important in holding the governing bodies responsible for inadequacies in road conditions and in the funding of roads.

Inconsistency in jurisdictional control is one of the fundamental reasons for the controversy over the Act 51 distribution formula. Because consistency is lacking in the current organization of jurisdictional control, it is not clear what roads would be affected by changing the percentage distribution to any level of government.

It is also not clear what roads would be affected by changes to local road taxes. This inconsistency creates confusion, making it illogical that some roads will be fixed because they are city roads, while others of seemingly equal purpose and importance within the municipal boundaries will not be fixed because they are under another level of government's jurisdiction.

c) Stable Organization.

The factors used to organize jurisdictional control should remain unchanged over time. Functional usage and travel patterns should remain the primary determinant of jurisdictional control. Jurisdictional control should not be based on the ability or willingness of a governmental unit to fund that road. That is to say, changes in jurisdictional control should result in, but never be the result of, fiscal adjustments.

d) Acceptable at All Levels.

The application of rationality, consistency, and stability should create a system of functional classification and jurisdictional control that is acceptable at all levels of government. If it is acceptable to all levels of government, there is likely to be greater intergovernmental cooperation.

2. Re-assignment to the State vs. Reassignment to Local Units

Thus far, this section has made the case that effective control of most roads would be achieved best by shifting jurisdictional control down to a more local level. This might entail transferring some state roads to county road commissions and some county roads to municipalities. It might include returning control of local access roads to townships. Another approach might be for the state to directly assume jurisdiction over some of the roads that are currently under local government control.

This approach would shift all primary roads that are not local access roads to the state's jurisdiction. Because this approach would address the factors of rationality, consistency, and stability in organizing jurisdictional control, accountability would, in one sense, be addressed. All primary roads would be the responsibility of one unit of government, and it would be clear to highway users whom to hold accountable for the condition of those roads. This would simplify allocation of state funds among the different levels of government and, because it would breakdown the boundaries of local governments, it also would create economies and efficiencies in highway spending.

On another level, this approach would create new problems of accountability. The focus of the Michigan Department of Transportation in maintaining the current state trunkline system is to facilitate traffic flow. Local governments tend to have a different focus in maintaining their road systems: providing access to properties as well as facilitating traffic flow. The state might not place as much importance on providing access to local properties, such as providing curbside parking on municipal streets, providing new turn lanes for access to new development, or responding in any other ways to needs that are strictly local?

Similarly, keeping zoning responsibilities with local governments, while highway jurisdiction is transferred to the state, creates problems of accountability. Because road capacity affects urban development, the state would have to play a much greater role in managing economic development. This could require local governments to consult with the state in making any zoning decisions that create new road funding

needs. Problems that currently exist due to this mismatch of zoning and road care responsibilities between townships and county road commissions might be duplicated on a much larger scale if the state had jurisdiction over all primary roads.

3. Impediments to Change

One impediment to addressing jurisdictional control is the issue of tort liability. Tort liability deals with the issue of personal injury and negligence suits being brought against the providers of highways. Highway providers face large insurance costs and court settlement costs from the liability involved with accidents on the Michigan highway system. Without tort reform, any transfer in jurisdictional control of roads – whether the issue is merging county road commissions with county government, allowing townships to take control of local access streets, or transferring control from one level of government to another – will be impeded by the legal liability that accompanies it. Governments must be prepared to finance the additional cost of assuming control of these highway miles. In some cases, this additional cost may dwarf the liability costs these units pay for the provision of other services.

Incremental changes to jurisdictional control are made difficult by current law. Public Act 296 of 1969 provides for the transfer of roads between levels of government. This process is complicated by requirements for the governmental unit ceding control to continue funding maintenance of that road to provide any renovation, repair, or reconstruction. It must also provide the estimated cost necessary to bring the road up to reasonable acceptable standards. Many people involved with highway administration feel this act goes too far in protecting governments from being stuck with the financial burden involved in assuming control of roads.

Very few miles actually are transferred under this law. Since 1973, about 100 miles of primary or major roads and only about six miles of local roads (less than 0.1 percent of the roads under local jurisdiction) have been transferred from county road commissions and municipalities to the state.

During this period, almost 200 miles of primary or major roads and 6.5 miles of local roads (approximately two percent of the state trunkline system)

have been “turned-back” from the state to counties and municipalities. The state has identified over 267 miles of potential turn-back that are not being acted upon.

Many additional miles could be identified for transfer with a rethinking of the proper government level for maintaining some of the state’s arterial and collector routes. Determination of the exact number of miles that should change jurisdiction should result from a professional, comprehensive analysis of the entire highway system. Because the allocation of state funds would need to be altered to reflect major changes in jurisdictional control, an all encompassing approach to determining jurisdictional control would be preferable to a piecemeal, incremental approach.

4. Benefits of Addressing Jurisdictional Control

Jurisdictional control is perhaps the most critical link

in establishing a strong, efficiently funded highway system. Jurisdictional control affects all other aspects of highway finance and governance. Once jurisdictional control is determined and agreed to at all levels of government, it is possible to a greater extent to:

- Address the accountability of the highway providers to highway users and to property owners;
- Arrange for a meaningful allocation of state funding among the different levels and units of government; and
- Address economy and efficiency in the expenditure of highway dollars.

Without effective jurisdictional control of the highway system, relying on more than one level of government to provide highways cannot be done in an economical, efficient manner.

V. Prioritizing Highway Needs

It is fairly clear that major portions of the highway system have deteriorated, but it is impossible without a system-wide needs assessment to accurately put a price on the cost of addressing this deterioration. State government has failed in recent years to comprehensively assess needs. The state has not:

- convened a needs assessment committee since 1983;
- created a uniform ratings method for use by all highway providers;
- audited the pavement ratings reported by local governments; or
- independently assessed the needs of the entire highway system.

State-collected motor-fuel taxes and vehicle registration taxes are the primary highway revenue source not only for the state, but also for county road commissions and municipalities. These revenues are allocated from the Michigan Transportation Fund to each level of government through a formula in Act 51. This formula extends only through Fiscal Year 1998, and will have to be amended to provide for allocations beyond that date. However, there has not been a statewide needs assessment to pull together needs from the different levels of government and regions of the state since 1984. As a result, highway needs are not clear relative to the different levels of government and it is not clear what the highest priority highway needs are at any level.

A. Current Needs Assessment Provisions

An instrument for performing a needs assessment exists under current law. Public Act 51 of 1951 requires the State Transportation Commission to maintain a continuing study of transportation needs. In order to carry out these provisions, the governor was to appoint a needs study committee – with at least one representative from manufacturing, commerce, agriculture, tourism, and labor – and a citizens advisory committee in 1987 and every four years thereafter. In the past, these studies have identified deficiencies in the highway system, identified the actions and costs necessary to address

deficiencies, and prioritized the manner in which needs should be addressed.

A needs study has not been performed since 1983. This provision of the law has been ignored. Simply stated, the problem lies in the lack of enforceability in this law. While the law mandates that a needs assessment takes place, it does not provide a means of recourse should a needs assessment not be conducted.

The Governor recently issued Executive Order No. 1997-6, which transferred the responsibilities of this needs study committee to the State Transportation Commission.

B. The Problem

There are 83 counties, 271 cities, and 263 incorporated villages in Michigan, all operating independently in the assessment of highway needs. Every governmental unit assesses the conditions of roads and bridges within its jurisdiction and prioritizes the funding needs of these roads for their own purposes. But there is not a uniform methodology for judging road and bridge conditions across units or levels of government. While each governmental unit uses professional standards, the implementation of these standards, the needs assessment methodology, and final use of road condition measures varies among highway providers.

An additional complication is the perception of a paro-

chial bias, which causes an inability to view local needs in the context of an overall, statewide highway system. The result is perceived as a system with incentives for each governmental unit to create a “wish list” of funding needs. Each governmental unit is aware of these incentives to exaggerate needs, knows of the lack of uniformity in measuring needs, and tends to view the reported needs of the other governmental units as inflated. This system has created distrust and competitiveness among units and levels of government.

Finally, because there are no statutory provisions to prioritize roads according to their functional classification and contribution to the overall system for the purpose of assessing needs, all roads are given equal

Why Have Separate Efforts to Assess Needs Been Conducted?

Failure on the part of the state to conduct a needs assessment has caused the different levels of government to take steps on their own to assess needs as they have attempted to make the case for additional funding resources. MDOT has developed a detailed needs assessment methodology for the state trunkline system. This program was formulated to help the department prioritize projects using a combination of judgments, scores, and estimated benefits. Rather than judging all needs on an equal footing, road needs are divided into expansion (new roads), improvement (additions to capacity), preservation (repair or reconstruction substantially in kind), and maintenance. MDOT estimates the cost of addressing state trunkline needs based on results from this program.

A separate effort was undertaken to assess the needs of the county road systems. In November of 1994, The Road Information Program (TRIP), a Washington, D.C. based research organization, was contracted to assess the funding needs of the county roads and bridges. TRIP estimated the funding needs of the county roads and bridges based on their findings in this study. Local governments were frustrated with the lack of a statewide needs assessment or increased finding. They felt that because the state is not involved in the care for these local roads, it was not proper for the state to make assessments of the quality of the roads maintained by these local governments or for funding needs to be determined based on a state evaluation.

The failure of the different levels of government to cooperate in assessing needs has created distrust. State government, the unit ultimately responsible for allocating Michigan Transportation Fund dollars, is not involved in the evaluation of the roads of local highway agencies. As a result, MDOT tends to distrust the estimates reported by local governments. On the other hand, local governments tend to distrust the numbers used by the state and resent any idea of the state entering their jurisdiction for assessment purposes. For the ordinary, everyday operations of the highway system this distrust is not of great importance. However, when decisions must be made about how highway resources could best be used, this distrust becomes a burden that must be overcome.

importance. The needs of a rural road with little daily traffic is judged on an equal footing with the needs of an urban road with heavy daily traffic volumes, even though they clearly play different roles in the overall highway system. A prioritization of needs must recognize the different roles that roads play in the overall highway system.

A commonly expressed goal of the Michigan highway system is uniformity – uniformity among geographic areas and among functional classifications of roads.

Supporters of this goal argue that since highway-user taxes are levied uniformly throughout the state, the resulting revenues should provide roads of uniform quality throughout the state. And, since taxes are levied on vehicles driving on all types of roads – state, county, and municipal – the resulting revenues should maintain these roads at a uniform quality. If such a goal is to be achieved, a uniform measure of road and bridge condition must be established and shared with all highway providers, and highway-user tax revenues must be allocated based on these measures of need.

C. Why a Needs Assessment is Important

A meaningful allocation of state highway revenues requires the collection of information about the magnitude and location of road needs. Currently, the state allocates highway revenues based on vehicle registrations, highway mileage, and population. When roads are in good condition, revenue allocations based on these factors provide funding for preventive maintenance to avoid deterioration to bad roads. When roads have deteriorated beyond good condition, and some roads are in worse condition than others, revenue allocations based on highway use and some meas-

ures of highway needs, such as the number of potholes, congestion, or bridge deterioration, are needed to optimally address needs.

In order for such a change to occur, a standard, uniform method of assessing road condition quality needs to be established and shared with every governmental unit involved. The measure created should balance the economic values of the highway system with engineering values of what is required to create a strong highway system. It should create geographic

balance by recognizing differences between urban and rural parts of the state and between the southern and northern parts of the state. Finally, it should prioritize highway needs. The beginnings of such a measure are already in place with MDOT's road evalua-

tion program used for state trunkline roads. However, the state has not passed this methodology down to local units of government. Instead, each local unit remains responsible for rating the quality of its own roads and bridges with its own methodology.

D. An Alternative Needs Assessment Methodology -- An Oversight System

The following is a needs assessment process that would create an alternative means to involve local governments in a meaningful way and allow the state government to be involved unobtrusively.

Because of the perceived parochial bias in assessing local values or needs, it is necessary for a single governmental body to be the final judge of uniformity. This necessity is true across a wide spectrum of government issues, highways and otherwise. For years in the levy of property taxes, the standard assessment measure, state equalized value (SEV), has negated parochial biases and attempted to make property assessments uniform throughout the state. Property assessments are reported by each local government to an assessment and equalization unit in county government. This unit acts to bring uniformity (to equalize) to the assessments throughout the county. County equalized assessments are then reported to the State Tax Commission where they are equalized throughout the state. The Tax Commission does not enter into any local government to assess property. Rather, it provides a uniform methodology of property assessment for every local government. Such a system provides taxpayers assurances that they are not asked to pay more than their fair share of the property tax burden.

It would be possible to implement a system for measuring highway needs using similar methodology. The state would establish a standard, uniform method of assessing road and bridge condition. Each local government would rate road and bridge quality and report this information to the county, who would prioritize these needs among the local units and include county roads. This information would be reported it to the state, who would act as auditor and equalizer of road quality ratings. The needs as-

essment committee structure outlined in Act 51 -- including representatives from manufacturing, commerce, agriculture, tourism, and labor -- could act as the final equalizer of needs across the state.

It would be necessary for MDOT to play a strong role in assessing highway needs at all levels: state, county, and municipal. Because the state and county road commissions are also involved in the care of the highway system, these units would have to disclose their records to other highway providers to a greater extent than is currently the case. This would allow local road agencies to be satisfied that relative road quality is what it purports to be among levels of government, among units of government on the same level, and among regions of the state.

This system could address many local government concerns and many of the weaknesses of the current needs assessment structure. A road condition reporting system, using a statewide, uniform methodology, would avoid intrusion into local governments and it would allow for a standard comparison of local needs. It would also allow for:

- informed discussions about the level of funding needed to address needs;
- an informed, systematic division of the Michigan Transportation Fund for state trunkline, county roads, and municipal streets; and
- an on-going prioritization of highway needs so that funds can be allocated to those roads in the worst condition.

Until a needs assessment is completed, it is not possible to accurately estimate highway funding needs or to say whether Michigan has a revenue or an expenditure problem relative to highways.