9. Doesn’t all the development in Oakland County in recent decades generate a lot of money for RCOC?

No. RCOC receives no funding as a direct result of development. New development generates money primarily through increased property taxes (as new buildings are built) and increased sales taxes (as a result of increased commerce). RCOC receives no funding based on property or sales taxes. However, RCOC is expected to provide a level of service that accommodates the increased traffic that has been generated by all the development — without additional funding.

10. Where does RCOC get its funding?

RCOC gets about 60 percent of its budget from state fuel taxes (gas and diesel taxes) and vehicle registration fees. About 11 percent comes from federal sources (used only for construction projects, not road maintenance). Nearly 10 percent is from other state sources, 10 percent is from the Michigan Department of Transportation to maintain state highways in the county on behalf of MDOT and the final 10 percent comes from municipal contributions and fees. Fortunately, revenues from the state fuel taxes and vehicle registration fees were increased by the state legislature in 2015 (the increases took effect in 2017).

11. How is federal road funding dispersed within Oakland County?

Oakland County receives a portion of the federal transportation funding generated by the 18.4 cents per gallon federal gas tax. This money is funneled through MDOT and the Southeast Michigan Council of Governments (SEMCOG). It is distributed to each county based on a formula that takes into account population and other factors. SEMCOC allocates Oakland’s share to the Oakland County Federal Aid Task Force, which determines which projects will be funded based on a set of objective criteria.

12. As the price of gas has risen in recent years, has the gas tax generated more money?

No. The gas tax is a flat rate in cents per gallon, regardless of the price of gas at the gas pump. Additionally, cars have become more fuel efficient in recent years. That means motorists are paying less per mile of travel. In fact, fuel consumption in the country has stayed essentially flat in recent decades, while the amount of miles driven has gone up dramatically, meaning more wear and tear on the roads, but no additional money to maintain the roads.

13. Why do townships have to provide matching funds on RCOC construction projects?

Most major RCOC projects are underwritten with federal funds. Typically, state or federal guidelines require that those funds be matched by local funds. RCOC’s standard procedure requires the local municipality to contribute half of the local matching funds. This reduces RCOC’s contribution so we can better leverage our funds and repair or improve more roads. Also, these road improvement projects tend to increase surrounding property values and create development opportunities, thus generating additional revenues for the communities, but not for RCOC.

14. Why not make developers pave or widen roads when they put in new developments?

This sometimes happens. In some cases, developers pay all or part of the cost of paving or widening roads near their developments. However, these agreements are negotiated by the local communities and must be agreed to by the developers. The Road Commission has no authority to mandate such arrangements.

15. How are subdivision streets in townships paved or repaved?

RCOC receives relatively little funding for subdivision roads – less than enough to cover the cost of basic maintenance operations such as plowing in the winter and pothole patching in the summer in most cases. As a result, the long-standing RCOC policy has been that township residents wishing to have their subdivision roads repaved can do so through a special assessment district (SAD) project, in which property owners are assessed for the cost of the project over a 10-year period. For more information about the SAD process, call 248-645-2000, ext. 2270.
1. Why don’t townships receive funding for roads as do cities and villages? 

State law specifies that cities, villages, county road agencies and the Michigan Department of Transportation (MDOT) have jurisdiction over roads. These agencies are responsible for constructing and maintaining the roads within their jurisdiction. They also carry the legal liability for the roads. Consequently, funding for roads is provided by the state Legislature only to these agencies.

Most maintenance on roads in townships is funded with dollars allocated to county road commissions by the state Legislature. Most major road improvements (bridge replacements, road widening, gravel road paving, etc.) are funded primarily with federal monies. In Oakland County, those monies are allocated by the Oakland County Federal Aid Task Force (see question 11 for details about the Federal Aid Task Force).

State road funds are distributed according to a formula established by state law. The formula provides 91.8 percent of the state aid to MDOT by percent to county road agencies and 28.1 percent to cities and villages. While townships are not included in the formula, the portion going to county road commissions is intended to cover roads in towns. The formula, however, has historically been woefully inadequate for all roads, especially in high-population counties such as Oakland.

2. How are road-maintenance and improvement projects funded?

In most cases, if the township did the work itself, it would have to borrow money to do the work. The consultant who may not be familiar with the township’s road needs and design criteria. RCOC staff, on the other hand, are Oakland County’s local road professionals. We do more local road projects than most other road commissions in the state, and we’ve worked closely with Oakland County townships for more than 100 years.

The liability would come with the funding.

Townships likely would receive the state road funding only if they also received jurisdiction for the roads. The jurisdiction would bring with it the legal liability for the roads. It’s no secret that, in this age of frequent litigation, liability can be costly in terms of judgments and legal expenses. RCOC has the expertise to minimize potential liability costs.

3. Would townships be better off if they received state road funding directly?

The same level of service would probably cost townships more.

Economies of scale allow RCOC to provide more service for the same dollars than an individual township could. That’s because RCOC is able to buy supplies, equipment, vehicles, salt, etc. in bulk, and so, gets a better price than could an individual township.

4. Is there funding for townships to do road projects?

RCOC participates in road improvement projects only on roads under its jurisdiction. If townships took over jurisdiction of local roads within their boundaries, it is unlikely that RCOC funds would be used because they cannot be used on city or village streets. Today, most projects on roads in township are paid for through a combination of Road Commission and township funds as well as funds from other sources, such as federal funds.

5. Does the money RCOC receives for roads in townships subsidize roads in cities and villages?

No. The Michigan Transportation Fund (MTF) allocates money for both local and primary roads. County local roads are found only in townships; primary roads are found in cities and villages. Because it receives more money for primary roads than for local roads, it gives MTF money from primary roads to local roads to cover township road needs.

It is also true that RCOC is not spending enough money in any community. For more than 50 years — until 2017, Michigan ranked among the bottom 10 states in the nation in per capita state and local road funding.

6. Would it be more cost effective simply to pave all gravel roads?

Not necessarily — even if there were enough money, townships have an obligation to maintain gravel roads under RCOC’s jurisdiction (which there is not).

The cost of maintaining a paved road varies considerably depending upon the age of the pavement. The paved road might be less expensive to maintain just a few years after paving. However, as the pavement becomes more expensive to maintain than a gravel road (which is why more than 38 Michigan road commissions in recent decades have torn up paved roads and returned them to gravel).

So, the question becomes, is the cost of paving a gravel road ($4 million-plus per mile on average) more than the cost of maintaining the paved road, less, over time, than the cost of maintaining the gravel road?

There’s no easy answer to this question. It’s impossible to accurately predict how much maintenance paving will require in 10, 15 or 20 years.

But, it’s not just about money. Paving a gravel road can be an emotional issue. Some township residents want to see their gravel roads paved. Others oppose paving, arguing it reduces the sense of being in a “rural” community, and increases traffic volumes and speed.

7. What is involved in maintaining a gravel road?

There is more to gravel-road maintenance than many people realize — and the roads require attention year round.

In the spring, summer and fall, they must be graded and, in some cases, sprayed with chloride to reduce dust and maintain a smooth surface. In the fall, RCOC crews work frantically to ensure the roads are clear of leaves and debris before the first frost. Once the roads freeze, they can no longer be graded. In the winter, they must be plowed and, in some cases, sand must be applied to add traction.

But, spring is the real challenge. If the temperature increases rapidly, the ground will thaw quickly causing the road surface to break up and, sometimes, create sinkholes or soft areas. RCOC crews attempt to fill these holes with gravel, but it can’t be done at this time it is needed. Additionally, even the gravel does not provide enough stability and there is no option but to close a road until the water is able to run off.

Of course, drainage is critical to gravel roads. RCOC spends a lot of time cleaning out ditches and culverts. Sometimes even the gravel does not provide enough drainage and the road maintenance is tree trimming and removal, which goes on year-round.

8. How do local governments become closest to the people they serve? 

For many types of services that may be true.