



COUNTY ROAD ASSOCIATION OF MICHIGAN

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Talking Points- Abolish Road Commissions Senate Bills 124-125

Summary:

Senate Bills 124-125, introduced by Sens. Gilbert and Gleason, are nothing more than political power grabs! County Road Commissions were created by a vote of the people. This legislation would allow a county to take over the responsibilities of the road commission by a resolution of the County Board of Commissioners.

CRAM Position:

CRAM opposes this legislation.

Talking Points:

Administrative overhead costs are not likely to be reduced.

- ✓ The average road commission's administrative expenses for the past five years have been consistently around 7.5%. Administrative costs have stayed low despite double digit increases in health care costs.
- ✓ Administrative salaries and benefits are only a small portion of the total administrative overhead.
- ✓ Many road commissions are already operating below the bare minimum staff levels.
- ✓ The majority of administrative expenses are static costs.
 - Examples include: legal expenses, utilities, insurance, surety bonds, equipment rental, engineering supplies and services, and building maintenance and depreciation.
- ✓ It is likely the only cost savings would be the salary and benefits of 3 to 5 part-time road commissioners.

County Boards currently have significant oversight over road commissioners.

- ✓ County Boards determine if road commissioners are appointed or elected.
- ✓ County Boards determine the number of road commissioners (3 or 5)
- ✓ If appointed, the County Commissioners make the appointments.
- ✓ The County Commissions also set the salaries and benefits of the road commissioners.

Taxpayers could be stripped of a level of accountability and accessibility.

- ✓ Legislation was recently enacted allowing counties to expand road commissions from three to five members to better represent county residents, and for increased accountability.
- ✓ Unlike county government leaders, road commissions have one interest- roads, operating, maintaining and improving them.
- ✓ Available funds drive road commission operations, not political deals or decisions.

This legislation could increase costs incurred by county government.

- ✓ With revenue sharing cuts experienced by counties in recent years, it is unlikely current staff would be able to absorb the highly specialized tasks of road commission administrative employees.
- ✓ The Michigan Constitution requires transportation funds to be used solely for transportation purposes. If this legislation is approved, the state will audit to ensure a county government allocates the actual costs to administer road commission business.
- ✓ If mistakes are made in the way funding is allocated, the state will not hesitate to demand the funds be returned.

Counties would be subject to increased liability.

- ✓ Road commissions have a very limited governmental immunity.
- ✓ Currently, only road agencies can be sued for a legal defect causing injury or death to a person. Even if named, county government will typically be removed from any law suit regarding roads.
- ✓ If the county took over control of the road commission, this liability would fall solely on the shoulders of county government.
- ✓ The overwhelming majority (79) of Michigan's 83 counties pool their risk in the Michigan County Road Commission Self Insurance Pool (MCRCSIP) which covers nearly all types of property and casualty coverage (except health and life) needed by road commissions. It is very difficult for road commissions to find insurance on the private market due to their unique liability levels. General county governments are unable to participate in the MCRCSIP.

What about counties with executive styles of government?

- ✓ Wayne County Government took over the responsibilities of the road commission in the mid-1980s - but this was by a vote of the people, and not without significant problems.
- ✓ The Oakland County Executive, L. Brooks Patterson, wants nothing to do with taking over the duties of the Road Commission for Oakland County and language in the bill excludes Oakland from this legislation.
- ✓ This legislation has been supported by the Macomb County Board of Commissioners as they attempt to convert to an executive government. If they wish to make this change, they can do so by referendum as Wayne County did. Allowing this legislation for one county would create a slippery slope of disenfranchising voters.