

FY 2022-23: DEPARTMENT OF TRANSPORTATION
Summary: As Passed by the Senate
Senate Bill 841(S-1)



Analyst: William E. Hamilton

	FY 2021-22 YTD as of 2/9/22	FY 2022-23 Executive	FY 2022-23 House	FY 2022-23 Senate	FY 2022-23 Conference	Difference: Senate From FY 2021-22 YTD	
						Amount	%
IDG/IDT	\$4,044,800	\$4,123,800	\$4,123,800	\$4,123,800		\$79,000	2.0
Federal	1,641,755,300	2,026,480,000	2,026,480,000	2,026,480,000		384,724,700	23.4
Local	80,782,000	85,773,500	85,773,500	85,773,500		4,991,500	6.2
Private	900,000	900,000	900,000	900,000		0	0.0
Restricted	3,702,373,400	3,903,771,600	3,903,771,700	3,903,771,600		201,398,200	5.4
GF/GP	0	279,900,000	753,900,000	290,000,100		290,000,100	--
Gross	\$5,429,855,500	\$6,300,948,900	\$6,774,949,000	\$6,311,049,000		\$881,193,500	16.2
FTEs	2,942.3	3,142.3	3,142.3	2,942.3		0.0	0.0

Notes: (1) FY 2021-22 year-to-date figures include mid-year budget adjustments through February 9, 2022. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) House means House Bill 5791 (H-2) as passed by the House May 5, 2022.

Overview

The state transportation budget supports state and local highway programs, public transportation programs, aeronautics programs, and administration of the Michigan Department of Transportation (MDOT). Historically, two-thirds of the revenue in this budget has come from state restricted revenue, with approximately one-third from federal sources. Most of the state-restricted revenue in this budget is constitutionally restricted – from motor fuel taxes and vehicle registration taxes – and is first credited to the Michigan Transportation Fund (MTF) and then distributed in accordance with 1951 PA 51 (Act 51) to other state transportation funds and programs, including the State Trunkline Fund (STF), the Comprehensive Transportation Fund (CTF), and local road agencies (county road commissions and cities/villages). Revenue from aviation fuel and registration taxes, as well as a portion of Airport Parking Tax revenue, is credited to the State Aeronautics Fund for aeronautics programs.

Major Budget Changes from FY 2021-22 YTD Appropriations

1. Debt Service

Executive includes \$225.3 million for debt service on previously issued bonds – bonds issued under a pledge of state restricted revenue or in anticipation of federal grants. The appropriation request reflects anticipated debt service schedules. The most significant change is a \$50.6 million shift in fund sources – from federal to STF – used to repay federal grant anticipation refunding bonds sold in 2016. House and Senate concur with Executive.

	FY 2021-22 Year-to-Date (as of 2/9/22)	FY 2022-23 Senate Change
Gross	\$253,643,600	(\$28,343,100)
Federal	50,582,100	(50,582,100)
Restricted	203,061,500	22,239,000
GF/GP	\$0	\$0

2. Department Administration and Support

Executive increases baseline funding by \$1.2 million STF, exclusive of economic adjustment or position transfers. Increases include: \$1.1 million for 7.0 FTE positions (3.0 each in Business support and Finance, contracts and support services; 1.0 in Economic development); \$77,400 to recognize increased costs of security services at MDOT properties. House concurs with Executive. Senate includes the \$77,400 increase for security services but not the staffing increase or related funding.

FTE	257.3	0.0
Gross	\$45,766,000	\$77,400
IDG	4,044,800	0
Restricted	41,721,200	77,400
GF/GP	\$0	\$0

Major Budget Changes from FY 2021-22 YTD Appropriations

3. Design and Engineering Services

Executive increases baseline funding by \$10.0 million, exclusive of economic adjustment or position transfers. Increases include: \$7.1 million STF for 154.0 FTE positions to support increased construction program; \$1.8 million STF for construction field services support contracts; \$206,000 MTF for a local agency construction administration tool; \$400,000 MTF for actual cost of traffic signal energy cost allocation; \$475,400 MTF for 2.0 FTE positions to assist local road agencies in National Historic Preservation Act compliance. House concurs with Executive. Senate concurs in part but does not include baseline staffing increase or related funding, and does not include \$475,400 MTF or 2.0 FTEs for Historic Preservation Act compliance, but instead shifts \$475,400 MTF to Local Program Fund (Item #8, below).

	FY 2021-22 Year-to-Date (as of 2/9/22)	FY 2022-23 Senate Change
FTE	1,506.3	0.0
Gross	\$177,078,900	\$2,394,700
Federal	23,529,800	0
Restricted	153,549,100	2,394,700
GF/GP	\$0	\$0

4. State Trunkline Maintenance

Executive increases baseline funding by \$15.6 million STF, exclusive of economic adjustment and technical changes. Increases include: \$13.1 million to recognized increase costs associated with maintenance materials and services; \$2.5 million to provide a 22.0 FTE staffing increase. House concurs with Executive. Senate concurs in \$13.1 million increase for costs associated with maintenance materials and services but does not recognize FTE increase or related funding.

FTE	880.7	0.0
Gross	\$425,881,200	\$13,057,200
Restricted	425,881,200	13,057,200
GF/GP	\$0	\$0

5. State Trunkline Road and Bridge Construction

Executive recommendation for the trunkline capital construction program totals \$1.652 billion, a net increase of \$323.2 million from current year. The increase in federal support of \$334.0 million represents the state trunkline share, \$283.4 million, of the estimated increase in federal funds available to Michigan under the Infrastructure Investment and Jobs Act (IIJA), as well as \$50.6 million in additional federal funds from the end of debt service payments made with federal funds (Item #1, above).

Gross	\$1,328,645,000	\$332,588,900
Federal	851,248,800	333,982,100
Local	30,003,500	0
Restricted	447,392,700	(1,393,200)
GF/GP	\$0	\$0

The anticipated increase in available federal-aid is partially offset by a net decrease of \$10.8 million in state restricted support in the Executive budget proposal: available STF revenue declines by \$14.7 million – in part due to increases in STF funded debt service and increased STF funded trunkline maintenance. State restricted revenue also reflects a \$4.0 million increase in appropriated Blue Water Bridge Fund revenue, from \$4.0 million to \$8.1 million, for Blue Water Bridge capital projects.

House concurs with Executive. Senate recognizes federal and state restricted revenue adjustments but adds an additional \$10,749,600 STF as compared to Executive. The additional STF is available as a result of the Senate's rejection of Executive-requested increases in department operating lines.

Major Budget Changes from FY 2021-22 YTD Appropriations**FY 2021-22
Year-to-Date
(as of 2/9/22)****FY 2022-23
Senate
Change****6. MTF to Local Road Agencies**

Executive includes \$1.9 billion as the estimated MTF distribution to local road agencies (county road commissions, and cities and villages), \$87.6 million more than the current year. This reflects the Act 51 distribution of estimated MTF revenue from motor fuel and vehicle registration taxes as well as local road agency share of \$600.0 million earmarked for road and bridge programs in the Income Tax Act.

Gross	\$1,823,329,700	\$87,645,700
Restricted	1,823,329,700	87,645,700
GF/GP	\$0	\$0

MTF Distribution to Local Road Agencies			
	FY 2021-22	FY 2022-23	Difference
Cities/Villages	\$652,686,200	\$684,060,200	\$31,374,000
County Road Commissions	1,170,643,500	1,226,915,200	56,271,700
Total	\$1,823,329,700	\$1,910,975,400	\$87,645,700

House and Senate concur with Executive.

7. Local Federal Aid and Road and Bridge Construction

Executive includes \$385.0 million to recognize the Act 51 earmark of certain federal-aid highway funds to local road agencies. The \$94.4 million increase reflects the local road agency share of the estimated increase in federal aid from IIJA. House and Senate concur with Executive.

Gross	\$290,587,800	\$94,400,000
Federal	290,587,800	94,400,000
GF/GP	\$0	\$0

8. Grants to Local Programs (Local Program Fund)

Executive includes \$33.0 million for this Act 51 MTF earmark distributed 64.2% to county road commissions and 35.8% to cities and villages. House concurs with Executive. Senate shifts an additional \$475,400 MTF to this line (See Item #3, above).

Gross	\$33,000,000	\$475,400
Restricted	33,000,000	475,400
GF/GP	\$0	\$0

9. Local Bridge Program

Executive includes \$27.0 million for the local bridge program, a program that receives funding from an Act 51 earmark of MTF revenue equal to one-half cent of the motor fuel tax on gasoline. The decrease reflects the estimated decrease in revenue generated from each penny of the motor fuel tax on gasoline as compared to the current year estimate. Although not specifically recognized in this line item, the program is also allocated a share of local federal aid. House and Senate concur with Executive.

Gross	\$27,812,600	(\$831,000)
Restricted	27,812,600	(831,000)
GF/GP	\$0	\$0

10. Blue Water Bridge Operations

Executive includes \$340,300 baseline increase to support additional 3.0 FTE positions. House concurs with Executive. Senate includes funding increase but not related increase in FTE authorization.

FTE	41.0	0.0
Gross	\$6,714,700	\$340,300
Restricted	6,714,700	340,300
GF/GP	\$0	\$0

11. Transportation Economic Development Fund (TEDF)

Executive includes \$46.0 million for the TEDF grant program, an increase of \$4.3 million. TEDF revenue comes from two statutory earmarks: an Act 51 earmark of MTF revenue, and an earmark of certain driver's license fees. The increase in available TEDF revenue is due to a \$3.8 million reduction in TEDF-funded debt service, as well as an anticipated increase in interest credited to the fund. The TEDF program is a targeted program established and governed by statute, 1987 PA 231. House and Senate concur with Executive.

Gross	\$41,601,900	\$4,349,100
Restricted	41,601,900	4,349,100
GF/GP	\$0	\$0

12. Aeronautics Services

Executive includes \$288,800 baseline increase to support additional 2.0 FTE positions; also rolls up two operating lines into one. House concurs with Executive. Senate includes funding increase but not related increase in FTE authorization; does not recognize line item rollup.

FTE	46.0	0.0
Gross	\$7,127,700	\$288,800
Restricted	7,127,700	288,800
GF/GP	\$0	\$0

Major Budget Changes from FY 2021-22 YTD Appropriations		FY 2021-22 Year-to-Date (as of 2/9/22)	FY 2022-23 Senate Change
13. Passenger Transportation Services	FTE	46.0	0.0
<u>Executive</u> includes \$277,900 baseline increase to support additional 4.0 FTE positions. <u>House</u> concurs with <u>Executive</u> . <u>Senate</u> includes funding increase but not related increase in FTE authorization.	Gross	\$7,127,700	\$277,900
	Restricted	7,127,700	277,900
	GF/GP	\$0	\$0
14. Local Bus Transit Programs	Gross	\$226,777,900	\$16,817,700
<u>Executive</u> recognizes additional \$9.8 million in federal-aid transit funding to rural transit systems made available under IIJA. <u>Executive</u> also includes \$201.7 million CTF for operating assistance to local transit systems, an increase of \$5.0 million. <u>House</u> also recognizes the increase in federal support and increases CTF funding by \$10.0 million, \$5.0 million more than the <u>Executive</u> . The additional \$5.0 million comes from a like reduction in Transit capital (Item #16, below). <u>Senate</u> includes an additional \$7.0 million CTF as compared to current year, \$2.0 million more than <u>Executive</u> .	Federal	28,027,900	9,817,700
	Local	2,000,000	0
	Restricted	196,750,000	7,000,000
	GF/GP	\$0	\$0
15. Specialized Services/Transportation to Work	Gross	\$18,438,900	\$3,227,400
<u>Executive</u> recognizes \$3.2 increase in estimated federal support, and \$1.0 million increase in baseline CTF support for program targeted at transportation needs of elderly and disabled persons. Also rolls up the \$3.9 million CTF Transportation to Work line into this line. <u>House</u> concurs with <u>Executive</u> . <u>Senate</u> recognizes increase in federal support but not the <u>Executive</u> -proposed increase in CTF funding or the proposed line item rollup.	Federal	9,900,000	3,227,400
	Local	4,185,000	0
	Restricted	4,353,900	0
	GF/GP	\$0	\$0
16. Transit Capital	Gross	\$109,070,700	\$41,162,600
<u>Executive</u> recognizes \$41.0 increase in estimated federal support, and \$27.0 million increase in CTF support for program that provides matching funds on behalf of local transit agencies to access federal transit capital grants. <u>House</u> also recognizes the increase in federal support and includes an increase of \$22.0 million in restricted CTF support, \$5.0 million less than the <u>Executive</u> ; the <u>House</u> shifts \$5.0 million from Transit capital to Local bus operating (Item #14, above). <u>Senate</u> recognizes increase in federal support but not the <u>Executive</u> -proposed increase in CTF funding.	Federal	37,000,000	41,000,000
	Local	31,000,000	0
	Restricted	41,070,700	162,600
	GF/GP	\$0	\$0
17. Intercity Services	Gross	\$8,060,000	\$1,558,800
<u>Executive</u> provides \$10.0 million for program that supports intercity bus service in Michigan, an increase of \$1.9 million from current year. Budget recognizes additional federal aid for intercity programs made available under IIJA, as well as increased CTF support. <u>House</u> concurs with <u>Executive</u> . <u>Senate</u> recognizes federal-aid increase but not proposed CTF increase.	Federal	4,500,000	1,558,800
	Local	160,000	0
	Private	800,000	0
	Restricted	2,600,000	0
	GF/GP	\$0	\$0
18. Marine Passenger	Gross	\$1,012,000	\$2,652,000
<u>Executive</u> includes \$5.0 million for program that provides capital grants for marine passenger (ferry) service in Michigan, specifically for ferries that provide service to Beaver Island and to islands on the St. Mary's River in the eastern Upper Peninsula. The <u>Executive</u> proposal, \$4.0 million more than current year, recognizes \$2.6 million in federal aid made available under IIJA, as well as \$1.3 million increased CTF support. <u>House</u> concurs with <u>Executive</u> . <u>Senate</u> recognizes federal-aid increase but not proposed CTF increase.	Federal	0	2,652,000
	Local	500,000	0
	Restricted	512,000	0
	GF/GP	\$0	\$0

Major Budget Changes from FY 2021-22 YTD Appropriations		FY 2021-22 Year-to-Date (as of 2/9/22)	FY 2022-23 Senate Change
19a. Rail Operations and Infrastructure		Gross \$104,356,200	\$10,000,000
<u>Executive</u> includes \$135.9 million for state rail programs, an increase of \$31.5 million from current year, for line item that provides capital and operating support for rail passenger service in Michigan as well as rail freight and rail economic development programs. <u>Executive</u> proposal includes \$10.0 million increase in federal-aid for rail programs as well as \$21.5 million increase in CTF support. <u>House</u> concurs with <u>Executive</u> , but earmarks the \$21.5 million CTF increase for targeted rail freight program in boilerplate section 707. <u>Senate</u> recognizes only the increase in federal aid, and establishes a separate \$32.7 million CTF freight railroad development grant program (below).	Federal	20,000,000	10,000,000
	Local	100,000	0
	Private	100,000	0
	Restricted	84,156,200	0
	GF/GP	\$0	\$0
19b. Freight Railroad Development Grant Program		Gross \$0	\$32,750,000
<u>Senate</u> establishes a new freight rail grant program line item, funded at \$32.7 million CTF.	Federal	0	0
	Local	0	0
	Private	0	0
	Restricted	0	32,750,000
	GF/GP	\$0	\$0
20. Airport Improvement Program (AIP)		Gross \$121,576,500	\$36,885,400
<u>Executive</u> includes \$158.6 million for program of federal capital assistance to eligible local public airports in the state. Recognizes \$135.0 million in federal AIP funds, an increase of \$29.0 million from current year reflecting higher program funding targets under IIJA. Also recognizes increases in local matching funds and State Aeronautics Fund revenue. This program is shown in the state budget under the line item Airport Safety, Protection, and Improvement (ASAP). <u>House</u> and <u>Senate</u> concur with <u>Executive</u> .	Federal	106,000,000	29,000,000
	Local	12,508,500	4,991,500
	Restricted	3,068,000	2,893,900
	GF/GP	\$0	\$0
21. IIJA Airport Infrastructure Grants		Gross \$0	\$95,000,000
<u>Executive</u> includes \$95.0 million federal spending authority for a new program, established under IIJA, of federal aid to public airports. <u>House</u> and <u>Senate</u> concur with <u>Executive</u> .	Federal	0	95,000,000
	GF/GP	\$0	\$0
22. Detroit Metropolitan Wayne County Airport		Gross \$5,200,000	\$650,000
<u>Executive</u> increases Qualified Airport Fund support by \$650,000 reflecting revenue estimates. As provided through 2015 amendments to the State Aeronautics Code, Qualified Airport Fund revenue is appropriated to the Detroit Metropolitan Wayne County Airport. <u>House</u> and <u>Senate</u> concur with <u>Executive</u> .	Restricted	5,200,000	650,000
	GF/GP	\$0	\$0
23. One-Time GF/GP – Critical Road and Bridge Infrastructure		Gross \$0	\$0
<u>Executive</u> requests \$150.0 million in one-time GF/GP for critical road and bridge infrastructure. <u>House</u> and <u>Senate</u> do not include.	GF/GP	\$0	\$0
24. One-Time GF/GP – Freeway Pumphouse Generators		Gross \$0	\$0
<u>Executive</u> requests \$66.6 million in one-time GF/GP for freeway pumphouse backup generators at 164 locations. <u>House</u> and <u>Senate</u> do not include. (Included in Senate Bill 565 using federal funds.)	GF/GP	\$0	\$0
25. One-Time GF/GP – Priority Grade Separation Projects		Gross \$0	\$140,000,100
<u>Executive</u> includes \$60.0 million in one-time GF/GP for priority rail grade separation projects. <u>House</u> includes \$100 MTF placeholder. <u>Senate</u> includes \$140.0 million GF/GP, plus \$100 CTF.	Restricted	0	100
	GF/GP	\$0	\$140,000,000
26. One-Time GF/GP – Replace Weather Station Equipment		Gross \$0	\$0
<u>Executive</u> requests \$3.9 million in one-time GF/GP to replace 32 state-owned weather station equipment. <u>House</u> concurs with <u>Executive</u> . <u>Senate</u> does not include.	GF/GP	\$0	\$0

Major Budget Changes from FY 2021-22 YTD Appropriations		FY 2021-22 Year-to-Date (as of 2/9/22)	FY 2022-23 Senate Change
27. One-Time GF/GP – Distribution to Local Road Agencies	Gross	\$0	\$150,000,000
<u>House</u> includes \$750.0 million GF/GP for distribution to local road agencies: county road commissions, \$481.5 million; cities and villages, \$268.5 million. Distributed to specific agencies in accordance with Act 51 formula per Sec. 1001. <u>Senate</u> includes \$150.0 million GF/GP for distribution to local road agencies.		GF/GP	\$0
28. Ann Arbor – Traverse City Passenger Rail	Gross	\$0	\$100
<u>Senate</u> establishes a new line item using \$100 CTF placeholder, with the intention, once additional funding is identified, of initiating rail passenger service between Ann Arbor and Traverse City Michigan.		Restricted	0
	GF/GP	\$0	\$0
29. Basic Marine Dock Project	Gross	\$0	\$700,000
<u>Senate</u> establishes a new one-time line item, funded at \$700,000 CTF, for improvements to the Basic Marine dock in Escanaba, Michigan.		Restricted	0
	GF/GP	\$0	\$0
30. Lake Michigan Car Ferry	Gross	\$0	\$100
<u>Senate</u> establishes a new one-time line item using \$100 GF/GP placeholder.		Restricted	0
	GF/GP	\$0	\$100
31. Marine and Port Facility Improvement Office	Gross	\$0	\$100
<u>Senate</u> establishes a new one-time line item, using \$100 CTF placeholder. The line would support a marine and port facility improvement office that would be established under Senate Bill 744.		Restricted	0
	GF/GP	\$0	\$0
32. Marine Passenger Ferry	Gross	\$0	\$14,000,000
<u>Senate</u> establishes a new one-time line item, funded at \$14.0 million CTF, for the purchase of a new passenger ferry (Beaver Island).		Restricted	0
	GF/GP	\$0	\$0
33. Northern Michigan Rail Study – Phase II	Gross	\$0	\$1,000,000
<u>Senate</u> includes \$1.0 million CTF in one-time funding to complete a study of rail passenger service for northern Michigan.		Restricted	0
	GF/GP	\$0	\$0
34. Upper Peninsula Freight Rail Infrastructure	Gross	\$0	\$550,000
<u>Senate</u> includes \$550,000 CTF in one-time funding for a Chippewa County freight economic development project.		Restricted	0
	GF/GP	\$0	\$0
35. Economic Adjustments	Gross	NA	\$9,981,600
<u>Executive</u> budget reflects increased costs of \$10.0 million Gross (\$0 GF/GP) for negotiated salary and wage increases (5.0% on October 1, 2022 and 0.5% to annualize the FY 2022 1.0% increase that began on April 1, 2022), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments. <u>House</u> and <u>Senate</u> concur with Executive.		IDG	NA
		Federal	NA
		Restricted	NA
	GF/GP	NA	\$0

Major Boilerplate Changes from FY 2021-22

Sec. 208. Legal Services/Use of Attorney General – REVISED

Executive makes minor technical changes to current language prohibiting state departments from hiring legal work that is the responsibility of the Attorney General. House retains current language. Senate authorizes state departments to use appropriated funds to hire legal services other than the Attorney General.

Sec. 210. Contingency Authorizations/Transfers – NOT INCLUDED

Executive increases contingent federal and state spending authority, to \$200.0 million and \$40.0 million, respectively, that may be transferred into this budget through process defined in Section 393(2) of the Management and Budget Act. House retains current contingent authorization limits. Senate does not include contingency transfer authorization language.

Sec. 215. Communication with the Legislature – RETAINED

Executive deletes section that prohibits department from taking disciplinary action against an employee for communicating with the Legislature. House and Senate retain.

Major Boilerplate Changes from FY 2021-22

Sec. 216. Report on FTE Positions and Remote Work – RETAINED

Executive deletes reporting requirement on staffing levels in relation to FTE authorization; employees authorized to work remotely; and related cost savings. House and Senate retain.

Sec. 217. Use of Work Project – RETAINED

Executive deletes section that requires that work project balances be exhausted before expenditure from part 1 appropriations. House and Senate retain.

Sec. 218. State Administrative Board Transfers – RETAINED

Executive deletes section that provides for the legislature to intertransfer funds within departmental budget if the State Administrative Board transfers funds from an appropriation within this departmental budget. House and Senate retain.

Sec. 219. Record Retention – RETAINED

Executive deletes section that requires department to retain reports funded from Part 1 appropriations and which established record retention guidelines. House and Senate retain.

Sec. 220. Impact of New Legislation – RETAINED

Executive deletes section that requires a report on specific policy changes made to implement new public acts enacted in prior calendar year. House and Senate retain.

Sec. 221. Severance Pay Report – RETAINED

Executive deletes new reporting requirements related to severance pay paid to department personnel upon the termination of employment. House and Senate retain.

Sec. 222. Restrictions on Covid-19 Passport – RETAINED

Executive deletes section that established restrictions on the use of Covid-19 “passports” to document vaccination status. House and Senate retain.

Sec. 224. Limitation on Remote Work – NOT INCLUDED

House includes language prohibiting “An executive branch department, agency, board, or commission that receives funding under part 1” from permitting a state employee who was not working remotely, either full-time or part-time, before February 28, 2020, to work remotely, either full-time or part-time, during FY 2022-23. Senate does not include.

Sec. 270. Remanufactured Parts – REVISED

Executive deletes legislative intent language regarding use of remanufactured parts for repair and maintenance of state motor vehicle fleet. House concurs with Executive. Senate retains but modifies to include reference to “recycled parts.”

Sec. 302. Report on Debt Service Coverage – RETAINED

Executive deletes section that establishes debt service limits applicable to constitutionally restricted transportation revenue and that established a reporting requirement. House includes only a reporting requirement. Senate retains with updated references.

Sec. 303. Signage Related to Bond-Financed Projects – RETAINED

Executive does not include language related to signage identifying trunkline construction projects as bond-financed. House includes current year language requiring that when the department places signs identifying trunkline construction projects as bond-financed, the signs also identify the total cost of the project and the estimated borrowing costs associated with the bonds used to finance the project. House adds new subsections that require the department to remove signs not in compliance with the section; makes the department director's salary contingent on compliance. Senate retains current language.

Sec. 312. Prohibition on Establishment of Non-Directional Markings – NOT INCLUDED

House includes intent language regarding placement non-directional markings on public roads or streets. Senate does not include.

Sec. 395. Authority to Transfer Between Construction/Maintenance – NOT INCLUDED

Executive includes language to authorize the department to transfer up to \$10.0 million from the state trunkline road and bridge construction line item to state trunkline maintenance for certain specified activities. This section had been included in prior enacted budgets (FYs 2016-17 through FY 2020-21) but was not included in FY 2021-22. House concurs with Executive. Senate does not include.

Sec. 399. Capital Preventive Maintenance – RETAINED

Executive strikes section that requires the department to make capital preventive maintenance a program priority. House modifies to direct that not less than \$200.0 million be allocated for capital preventive maintenance treatments for pavement preservation. Senate retains current language.

Major Boilerplate Changes from FY 2021-22

Sec. 503. Restricted Funds Lapse and Carry-Forward Authority – RETAINED

Executive revises current language that provides for lapse of restricted funds to also authorize carry-forward spending authority for Local Bridge Fund. House concurs with Executive. Senate retains current law which effectively eliminates carry-forward spending authority for Local Bridge Fund.

Sec. 602. Impact of Electric Vehicles Study – NEW

Senate requires the department to study the potential impact of electric vehicles on MTF revenue.

Sec. 613. Earmark for Industrial Magnetic Roadway Sweepers – NOT INCLUDED

House earmarks \$750,000 STF from state trunkline operations for the procurement of industrial magnet roadway sweepers. Senate does not include.

Sec. 614. Earmark for Low Impact Development Stormwater Management Practices – NOT INCLUDED

House earmarks \$5.0 million to incentivize and support the inclusion of low impact development stormwater management practices in trunkline and local road agency construction projects. Senate does not include.

Sec. 615. Vehicle Miles Traveled (VMT) Study – NOT INCLUDED

House includes language requiring the department to conduct a study of the feasibility of VMT as a basis for transportation funding in replacement of motor fuel taxes. Senate does not include.

Sec. 660. Use of Alternative Materials – RETAINED

Executive deletes section that encourages the department to examine the use of alternative road surface materials. House concurs with Executive and does not include. Senate retains.

Sec. 707. Rail Strategic Plan – RETAINED

Executive retains current section that provides for a rail strategic plan. House retains but modifies to direct that from the funds appropriated in part 1 for rail operations and infrastructure, not less than \$21.5 million be allocated for support of rail-related economic development projects and rail freight system preservation projects. Senate retains current language.

Sec. 710. Freight Railroad and Development Grant Program – NEW

Senate includes language defining the new part 1 grant program.

Sec. 754. Report on Public Transportation Development Lines – NEW

Senate includes a new reporting requirement for public transportation development program.

Sec. 757. Feasibility Study – Rail Passenger Service from New Buffalo to Traverse City – NOT INCLUDED

House includes language requiring the department to conduct a study of the feasibility of rail passenger service from New Buffalo to Traverse City Michigan. Senate does not include.

Sec. 1001. Rail Passenger Service from Ann Arbor to Traverse City – NEW

Senate includes language establishing part 1 appropriation as a work project.

Sec. 1002. Basic Marine Dock Project – NEW

Senate includes language defining Basic Marine dock project in Escanaba.

Sec. 1003. Priority Rail Grade Crossing/Separation Initiative – NEW

Senate defines the uses of the part 1 appropriation for priority rail grade crossing/separation initiative; establishes as a work project.

Sec. 1004. Maritime and Port Facility Improvement Office – NEW

Senate includes language directing the department to establish a new port office.

Sec. 1005. Beaver Island Ferry Purchase – NEW

Senate directs use of part 1 appropriation for the purchase of a new passenger ferry.

Sec. 1006. Northern Michigan Passenger Rail Feasibility Study – NEW

Senate provides for use of part 1 appropriation for Ann Arbor – Traverse City rail study.

Sec. 1007. Chippewa County Freight Rail Project – NEW

Senate provides for use of the \$550,000 1 appropriation for a rail infrastructure project in Chippewa County.

Sec. 1008. Distribution of \$150.0 million to Local Road Agencies – NEW

Senate includes section that directs that the one-time GF/GP distribution to county road commissions be distributed among county road commissions in accordance with Sec. 12 of Act 51, and the one-time GF/GP distribution to cities and villages be distributed among cities and villages in accordance with Sec. 13 of Act 51.