

**FY 2023-24: DEPARTMENT OF TRANSPORTATION**  
**Summary: As Passed by the Senate**  
**Senate Bill 178 (S-2) as Amended**



**Analyst: William E. Hamilton**

	FY 2022-23 YTD as of 2/8/23	FY 2023-24 Executive	FY 2023-24 House	FY 2023-24 Senate	FY 2023-24 Conference	Difference: Senate From FY 2022-23 YTD	
						Amount	%
<b>IDG/IDT</b>	\$4,123,800	\$4,353,000	\$4,353,000	\$4,353,000	\$	\$229,200	5.6
<b>Federal</b>	2,026,480,000	2,090,121,400	2,090,121,400	2,090,121,400		63,641,400	3.1
<b>Local</b>	85,773,500	85,773,500	85,773,500	85,773,500		0	0.0
<b>Private</b>	16,800,000	16,800,000	16,800,000	16,800,000		0	0.0
<b>Restricted</b>	3,905,021,600	4,082,402,000	4,082,502,000	4,082,402,000		177,380,400	4.5
<b>GF/GP</b>	91,250,000	303,000,000	525,500,000	551,500,000		460,250,000	504.4
<b>Gross</b>	<b>\$6,129,448,900</b>	<b>\$6,582,449,900</b>	<b>\$6,805,049,900</b>	<b>\$6,830,949,900</b>	<b>\$</b>	<b>\$701,501,000</b>	<b>11.4</b>
<b>FTEs</b>	3,056.3	3,224.3	3,224.3	3,159.3		103.0	5.5

Notes: (1) FY 2022-23 year-to-date figures include mid-year budget adjustments through February 8, 2023. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) House means House Bill 4309 (H-2), as passed by the House, May 10, 2023. (4) Senate means Senate Bill 178 (S-2), as passed by the Senate, May 10, 2023.

**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. State-restricted revenue in this budget includes revenue from motor fuel taxes, vehicle registration taxes, and from a \$600.0 million earmark of Income Tax Act revenue. Approximately \$3.7 billion in state restricted revenue 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. Federal funds for transportation programs are authorized under the federal Infrastructure Investment and Jobs Act (IIJA).

**Major Budget Changes from FY 2022-23 YTD Appropriations**

**1. Debt Service**

Executive includes \$343.7 million for debt service on bonds issued under a pledge of state restricted revenue – a net increase of \$118.4 million as compared to current year. Debt service primarily relates to previously issued and outstanding bonds, although part of the increase relates to debt service for STF bonds MDOT anticipates issuing in 2023 as part of the Rebuilding Michigan bond program.

	FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Senate Change
<b>Gross</b>	<b>\$225,300,500</b>	<b>\$118,439,600</b>
Restricted	225,300,500	118,439,600
GF/GP	\$0	\$0

Debt service is made from different restricted fund sources (STF, Blue Water Bridge Fund, CTF, Local bridge fund, State Aeronautics Fund, or Transportation Economic Development Fund (TEDF)) based on the use of the original bond proceeds. While TEDF-related debt service falls by \$6.0 million, and debt service for CTF-backed bonds would end entirely, STF-related debt service would increase by \$124.5 million as compared to the current year. House concurs with Executive. Senate concurs with Executive.

<b><u>Major Budget Changes from FY 2022-23 YTD Appropriations</u></b>	<b>FY 2022-23 Year-to-Date (as of 2/8/23)</b>	<b>FY 2023-24 Senate Change</b>
<b>2. Baseline Staffing and STF Funding Increases</b>	FTE 2,879.3	101.0
<u>Executive</u> increases staffing authorization by 165.0 FTE positions across a number of STF-funded operating and service line items; increases funding by \$9.1 million STF to better align funding with FTE authorization. Specific increases by line item:	<b>Gross \$638,520,400</b>	<b>\$9,081,000</b>
	Restricted 638,520,400	9,081,000
	GF/GP \$0	\$0

Business Support: 4.0 FTEs, \$588,200; Commission Audit: \$1.2 million, (no increase in FTE authorization); Office of Transportation Economic Development: 1.0 FTE, \$111,600; Finance, Contracts, Support Services: 10.0 FTEs, \$1.6 million; Planning Services: 3.0 FTEs, \$489,900; Design/Engineering: 139.0 FTEs, \$4.3 million; Maintenance Operations: 8.0 FTEs, \$879,700.

In addition to the STF-funded lines, the request for Office of Rail includes an additional 2.0 FTE positions and a \$300,500 increase in CTF support.

House concurs with Executive. Senate includes funding increases but only includes 101.0 FTE increase.

<b>3. State Trunkline Maintenance</b>	FTE 901.7	0.0
<u>Executive</u> increases STF support by \$21.7 million to recognized increased costs associated with maintenance materials and contract services. <u>House</u> concurs with Executive. <u>Senate</u> concurs with Executive.	<b>Gross \$443,561,300</b>	<b>\$21,698,500</b>
	Restricted 443,561,300	21,698,500
	GF/GP \$0	\$0

<b>4. Design and Engineering Services – Budget Realignment</b>	FTE 1,572.3	0.0
<u>Executive</u> shifts federal and state restricted funding between the capital State Trunkline Road and Bridge line item and Design and Engineering operating line items. See corresponding action in Item #5, below. <u>House</u> concurs with Executive.	<b>Gross \$190,254,100</b>	<b>\$58,857,400</b>
	Federal 23,529,800	(10,000,000)
	Restricted 166,724,300	68,857,400
	GF/GP \$0	\$0

Note that these fund shifts affect only the internal structure of the budget and do not affect actual funds available for the capital trunkline road and bridge construction program. Senate concurs with Executive.

<b>5. Road and Bridge Program – Revenue Adjustments/Fund Shift</b>	<b>Gross \$1,661,869,600</b>	<b>(\$212,230,600)</b>
<u>Executive</u> funding for the capital State Trunkline Road and Bridge Construction line item would decrease by a net \$162.2 million: federal funds would increase by \$10.0 million while state restricted funds would decline by a net \$172.2 million. The change in this program line item is due to: increases in restricted revenue recognized in the budget, \$53.3 million; the Design/Engineering budget realignment described in Item #4 above, (\$58.9 million); increases in other STF-funded line items totaling \$158.7 million (including \$124.5 million STF debt service increase).	Federal 1,185,230,900	10,000,000
	Local 30,003,500	0
	Private 10,000,000	0
	Restricted 436,635,200	(222,230,600)
	GF/GP \$0	\$0

**See Table below**

House concurs with Executive. Senate recognizes the shifts described above but shifts \$50.0 million STF to provide one-time funding for a rail project in the city of Trenton, Wayne County. See Item # 24 below.

**Major Budget Changes from FY 2022-23 YTD Appropriations**

**FY 2022-23  
Year-to-Date  
(as of 2/8/23)**

**FY 2023-24  
Senate  
Change**

Reconciliation of State Trunkline Road and Bridge Program Changes					
		Changes from FY 2022-23			
Fund Source	FY 2022-23 YTD	Revenue Adjustments	Design/Engineering Budget Realignment <sup>(3)</sup>	Other STF Line Item Increases that Reduce Available STF	FY 2023-24 Net Change per Executive Recommendation
<b>Gross</b>	<b>\$1,661,869,600</b>	<b>\$55,338,200</b>	<b>(\$58,857,400)</b>	<b>(\$158,711,400)</b>	<b>(\$162,230,600)</b>
Federal	1,185,230,900		10,000,000		10,000,000
Local	30,003,500				0
Private	10,000,000				0
Restricted	436,635,200	42,695,500 <sup>(1)</sup> 12,642,700 <sup>(2)</sup>	(68,857,400)	(124,523,600) <sup>(4)</sup> (34,187,800) <sup>(5)</sup>	(172,230,600)
GF/GP	\$0	\$0	\$0	\$0	\$0

The table reconciles the FY 2023-24 net change in the State Trunkline Road and Bridge Construction line item with the elements that effected that change:

Key:

1. Increase in estimated STF revenue
2. Increase in Blue Water Bridge Fund revenue recognized in the budget
3. Design/Engineering Budget realignment described in Item #4, above.
4. Increase in STF Debt service
5. Other STF line item budget changes including staffing increases, maintenance cost increases, etc.

Note that in addition to the revenue and line items adjustments shown above, the Senate also shifts \$50.0 million STF to provide one-time funding for a rail project in the city of Trenton, Wayne County. See Item # 24 below.

**6. MTF to Local Road Agencies**

Executive includes \$1.95 billion in estimated MTF distribution to local road agencies (county road commissions, and cities and villages), \$39.0 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. The actual distribution will be based on actual MTF revenue collections. House concurs with Executive. Senate concurs with Executive.

<b>Gross</b>	<b>\$1,910,975,400</b>	<b>\$39,028,900</b>
Restricted	1,910,975,400	39,028,900
GF/GP	\$0	\$0

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Senate Change
<b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>			
<b>7. Transportation Economic Development Fund (TEDF)</b>			
<u>Executive</u> includes \$55.4 million for the TEDF program, an increase of \$9.4 million from the current year. The increase primarily reflects a \$6.0 million reduction in TEDF debt service, as well as increases in estimated interest earnings on the TEDF balance.	<b>Gross</b>	<b>\$45,951,000</b>	<b>\$9,418,000</b>
	Restricted	45,951,000	9,418,000
	GF/GP	\$0	\$0
The TEDF/Target Industries categorical program (Category "A") would increase by a total of \$7.4 million. Of this increase, \$4.2 million reflects the Category A share of the \$9.4 million total TEDF increase, and \$3.0 million is due to shift of \$3.0 million from the TEDF/Community Service Infrastructure program (Category "B") to Category A. The Category B program and \$3.0 million funding earmark, established in 2018 PA 473, sunset at the end of FY 2022-23. The TEDF program is a targeted transportation program established and governed by statute, 1987 PA 231. <u>House</u> concurs with Executive. <u>Senate</u> concurs with Executive.			
<b>8. Transit Programs – Local Bus Operating Assistance</b>			
<u>Executive</u> increases state operating support for local public transit by \$15.0 million CTF. The increase is possible as a result of an increase in available CTF revenue available as well as appropriation of the available CTF fund balance. <u>House</u> includes an increase of \$75.0 million CTF as compared to current year, \$60.0 million more than the Executive. <u>Senate</u> : Concurs with the Executive and includes a \$15.0 million CTF increase from current year.	<b>Gross</b>	<b>\$201,750,000</b>	<b>\$15,000,000</b>
	Restricted	201,750,000	15,000,000
	GF/GP	\$0	\$0
<b>9. Transit Capital</b>			
<u>Executive</u> recognizes \$43.6 million increase in estimated federal transit capital grants for local transit agencies. <u>House</u> concurs with Executive. <u>Senate</u> concurs with Executive.	<b>Gross</b>	<b>\$179,076,100</b>	<b>\$43,641,400</b>
	Federal	78,000,000	43,641,400
	Local	31,000,000	0
	Private	2,000,000	0
	Restricted	68,076,100	0
	GF/GP	\$0	\$0
<b>10. Specialized Services</b>			
<u>Executive</u> includes a baseline increase of \$3.8 million CTF for this targeted transit line item. The increase is made possible as a result of an increase in available CTF revenue. <u>House</u> concurs with Executive. <u>Senate</u> concurs with Executive.	<b>Gross</b>	<b>\$26,541,300</b>	<b>\$3,771,100</b>
	Federal	13,127,400	0
	Local	4,185,000	0
	Restricted	9,228,900	3,771,100
	GF/GP	\$0	\$0
<b>11. Van Pooling</b>			
<u>Executive</u> includes \$400,000 CTF for the van pool program; \$205,000 CTF more than current year. <u>House</u> concurs with Executive. <u>Senate</u> concurs with Executive.	<b>Gross</b>	<b>\$195,000</b>	<b>\$205,000</b>
	Restricted	195,000	205,000
	GF/GP	\$0	\$0
<b>12. Detroit/Wayne County Port Authority</b>			
<u>Executive</u> would retain current year funding levels of \$500,000 CTF. <u>House</u> includes \$600,000 CTF, \$100,000 more than Executive. <u>Senate</u> concurs with Executive and retains current-year funding level.	<b>Gross</b>	<b>\$500,000</b>	<b>\$0</b>
	Restricted	500,000	0
	GF/GP	\$0	\$0
<b>13. Marine Passenger Service</b>			
<u>Executive</u> increases CTF support by \$188,000 for line item that provides capital assistance to eligible public ferry services in Michigan. <u>House</u> concurs with Executive. [See also one-time funding.] <u>Senate</u> concurs with Executive.	<b>Gross</b>	<b>\$4,964,000</b>	<b>\$188,000</b>
	Federal	2,652,000	0
	Local	500,000	0
	Restricted	1,812,000	188,000
	GF/GP	\$0	\$0
<b>14. Capital Outlay – Salt Storage and other Property Maintenance</b>			
<u>Executive</u> increases STF support by \$2.5 million for construction of salt storage facilities and capital maintenance of other MDOT-owned facilities. <u>House</u> concurs with Executive. <u>Senate</u> concurs with Executive.	<b>Gross</b>	<b>\$5,501,500</b>	<b>\$2,499,000</b>
	Restricted	5,501,500	2,499,000
	GF/GP	\$0	\$0

		FY 2022-23 Year-to-Date (as of 2/8/23)	FY 2023-24 Senate Change
<b>Major Budget Changes from FY 2022-23 YTD Appropriations</b>			
<b>15. Capital Outlay - Airport Improvement Program (AIP)</b>	<b>Gross</b>	<b>\$160,461,900</b>	<b>\$19,607,800</b>
<u>Executive</u> includes \$180.0 million for program of federal capital assistance to eligible local public airports in the state, a net increase of \$19.6 million. Recognizes \$155.0 million in federal AIP funds, an increase of \$20.0 million from current year. Also reflects estimated available State Aeronautics Fund revenue. This program is shown in the budget under the line item Airport Safety, Protection, and Improvement (ASAP). <u>House</u> concurs with Executive. <u>Senate</u> concurs with Executive.	Federal	135,000,000	20,000,000
	Local	17,500,000	0
	Private	2,000,000	0
	Restricted	5,961,900	(392,200)
	GF/GP	\$0	\$0
<b>16. Detroit Metropolitan Wayne County Airport</b>	<b>Gross</b>	<b>\$5,850,000</b>	<b>\$520,000</b>
<u>Executive</u> increases Qualified Airport Fund support by \$520,000 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> concurs with Executive. <u>Senate</u> concurs with Executive.	Restricted	5,850,000	520,000
	GF/GP	\$0	\$0
<b>17. IIJA Airport Infrastructure Grants</b>	<b>Gross</b>	<b>\$95,000,000</b>	<b>\$0</b>
<u>Executive</u> retains current year \$95.0 million federal spending authority for a new program of federal aid to public airports established under Division J of IIJA. <u>House</u> concurs with Executive. <u>Senate</u> concurs with Executive.	Federal	95,000,000	0
	GF/GP	\$0	\$0
<b>18. Back Out FY 2022-23 One-Time Items</b>	<b>Gross</b>	<b>\$92,500,000</b>	<b>(\$92,500,000)</b>
<u>Executive</u> removes one-time FY 2022-23 items not carried forward for FY 2023-24: Replace Weather Station Equipment, \$3.9 million GF/GP; Airport Infrastructure Grants, \$25.0 million GF/GP; Basic Marine Dock, \$700,000 CTF; Magnetic Roadway Sweepers, \$350,000 GF/GP; Priority Grade Separation Projects, \$12.0 million GF/GP; Technical Assistance, Planning, and IIJA Match Grants, \$25.0 million GF/GP; Upper Peninsula Freight Rail Infrastructure, \$550,000 CTF; Category "B" TEDF projects, \$25.0 million (in supplemental, 2023 PA 1.) <u>House and Senate</u> concur with Executive.	Restricted	1,250,000	(1,250,000)
	GF/GP	\$91,250,000	(\$91,250,000)
<b>19. One-Time – Intermodal Capital Investments Grants</b>	<b>Gross</b>	<b>\$0</b>	<b>\$100,000,000</b>
<u>Executive</u> includes \$160.0 million (\$100.0 million GF/GP, \$60.0 million CTF) for a one-time program in support of intermodal capital grants. <u>House</u> includes as a \$100 GF/GP placeholder; shifts \$60.0 million CTF to Local bus operating. <u>Senate</u> includes \$100.0 million Gross, (\$40.0 million GF/GP); related boilerplate section 1001.	Restricted	0	60,000,000
	GF/GP	\$0	\$40,000,000
<b>20. One-Time GF/GP – Michigan Bridge Bundling Initiative</b>	<b>Gross</b>	<b>\$0</b>	<b>\$150,000,000</b>
<u>Executive</u> includes \$200.0 million in one-time GF/GP for a targeted program to address failing or critical bridges in need of rehabilitation or replacement. <u>House</u> includes \$100 GF/GP placeholder. <u>Senate</u> includes \$150.0 million GF/GP. Related boilerplate section 1002.	GF/GP	\$0	\$150,000,000
<b>21. One-Time GF/GP – MI Contracting Opportunity</b>	<b>Gross</b>	<b>\$0</b>	<b>\$3,000,000</b>
<u>Executive</u> includes \$3.0 million in one-time GF/GP for program to increase contracting opportunities for socially or economically disadvantaged business concerns. <u>House</u> includes at \$5.0 million GF/GP. <u>Senate</u> concurs with Executive and includes \$3.0 million GF/GP.	GF/GP	\$0	\$3,000,000
<b>22. One-Time GF/GP – Local Road Funding</b>	<b>Gross</b>	<b>\$0</b>	<b>\$150,000,000</b>
<u>House</u> includes \$400.0 million one-time GF/GP for distribution to local road agencies by population formula defined in boilerplate. <u>Senate</u> includes \$150.0 million one-time GF/GP for distribution to local road agencies by population-based formula defined in boilerplate section 1006.	GF/GP	\$0	\$150,000,000

<b><u>Major Budget Changes from FY 2022-23 YTD Appropriations</u></b>		<b><u>FY 2022-23 Year-to-Date (as of 2/8/23)</u></b>	<b><u>FY 2023-24 Senate Change</u></b>
<b>23. One-Time GF/GP – Critical Infrastructure Projects</b>	<b>Gross</b>	<b>\$0</b>	<b>\$104,000,000</b>
<u>Senate</u> includes \$104.0 million one-time GF/GP for a number of projects earmarked in boilerplate section 1007.		GF/GP	\$0
<b>24. One-Time GF/GP – Critical Grade Separation</b>	<b>Gross</b>	<b>\$0</b>	<b>\$50,000,000</b>
<u>Senate</u> includes \$50.0 million one-time GF/GP for a specific rail grade separation project in Trenton, Wayne County Michigan, defined in boilerplate section 1004. [The Senate also earmarks \$15.0 million for a rail grade separation program in boilerplate section 1007. ]		GF/GP	\$0
<b>25. One-Time GF/GP – High Speed Rail/Regional Transit</b>	<b>Gross</b>	<b>\$0</b>	<b>\$100,000,000</b>
<u>Senate</u> includes \$100.0 million one-time GF/GP for new line item defined in boilerplate section 1005.		GF/GP	\$0
<b>26. One-Time GF/GP – Trail Network</b>	<b>Gross</b>	<b>\$0</b>	<b>\$4,500,000</b>
<u>Senate</u> includes \$4.5 million one-time GF/GP for a rails-to-trails project in Shiawassee county, defined in boilerplate section 1010.		GF/GP	\$0
<b>27. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>(\$84,800)</b>
Reflects net decrease in estimated costs of \$84,800 Gross (\$0 GF/GP) for negotiated salary and wage increases (2.0% on October 1, 2023), actuarially required retirement contributions, worker's compensation, building occupancy charges, rent, and other economic adjustments.		IDG	NA
	Federal	NA	(8,300)
	Restricted	NA	(136,100)
	GF/GP	NA	59,600
		NA	\$0

### **Major Boilerplate Changes from FY 2022-23**

#### **Sec. 214. Annual Legacy Costs – DELETED**

Executive does not include section that identifies estimated department "legacy costs" for the upcoming fiscal year. [Total legacy costs are \$59,196,000, of which pension related costs were \$38,949,600 and retiree health care costs \$20,246,400]. House and Senate concur with Executive and delete.

#### **Sec. 218. State Administrative Board Transfers – DELETED**

Executive does not include section that provides for the legislature to intertransfer funds within this departmental budget if the State Administrative Board transfers funds from an appropriation within this departmental budget. House and Senate concur with Executive and delete.

#### **Sec. 222. Restrictions on COVID-19 Passport – DELETED**

Executive does not include section that restricts use of COVID-19 "passports" to document vaccination status. House and Senate concur with Executive and delete.

#### **Sec. 225. Access to State and Local Services – NOT INCLUDED**

Executive includes new section that prohibits appropriations from being used to restrict or interfere with actions related to diversity, equity, and inclusion, to restrict or impede community access to government programs, or restrict an individual's ability to exercise the right to reproductive freedom; requires local governments to report on actions that attempt to restrict duties of local health officers. House concurs with Executive and includes. Senate does not include.

#### **Sec. 303. Signage Related to Bond-Financed Projects – DELETED**

Executive does not include language related to signage identifying trunkline construction projects as bond-financed. House and Senate concur with Executive and delete.

#### **Sec. 309. Remanufactured Parts – DELETED**

Executive does not include language requiring the use of remanufactured parts. House and Senate concur with Executive and delete.

#### **Sec. 311. Bridge Bundling Report – DELETED**

Executive does not include reporting requirement related to 2021-2022 bridge bundling initiative. House retains with updated reporting date. Senate concurs with Executive and deletes.

#### **Sec. 312. Prohibition on Establishment of Non-Directional Markings – DELETED**

Executive does not include intent language regarding placement non-directional markings on public roads or streets. House and Senate concur with Executive and delete.

## **Major Boilerplate Changes from FY 2022-23**

### ***Sec. 386. Toll Credit Report – DELETED***

Executive deletes section that provides for a report on use of toll credits as a method in financing federal-aid highway projects, which established priority in using toll credits, and which required a report on toll credits earned and year-end balance. House and Senate concur with Executive and delete.

### ***Sec. 389. Long-Term Obligations – RETAINED***

Executive deletes reporting requirement related to long-term agreements that obligate the department to make future payments of over \$5.0 million for five or more years. House concurs with Executive and deletes. Senate retains.

### ***Sec. 603. Mackinac Bridge Report – DELETED***

Executive does not include reporting requirement: that the department report by December 31, 2023 on the operational condition of the Mackinac bridge, its long-term viability, the costs of preventative maintenance and potential upgrades, and the cost and feasibility of constructing a separate method of transporting commercial, emergency, and passenger vehicle traffic. House and Senate concur with Executive and delete.

### ***Sec. 703. Rail Abandonment Notice – DELETED***

Executive deletes requirement that MDOT notify legislature when railroad companies file for abandonment of lines. House and Senate concur with Executive and delete.

### ***Sec. 1001. Intermodal Capital Investment Grants – NEW***

Executive proposes language defining the new one-time grant program established in part 1. Senate concurs with Executive for subsections 1-3; adds subsection 4 to limit individual grants to \$20.0 million.

### ***Sec. 1002. Bridge Bundling Initiative – NEW***

Executive proposes language defining the new one-time grant program established in part 1. Senate concurs with Executive for subsection 1; adds work project language as subsection 2.

### ***Sec. 1003. MI Contracting Opportunity – NEW***

Executive budget included \$3.0 million Mi Contracting Opportunity line item and related boilerplate which directs that funds be expended in support of activities that enhance the development and availability of contractors or suppliers for the delivery of department programs that are socially or economically disadvantaged as defined in Section 100002 of IJA. Also provides for a revolving loan program and revolving loan fund established within the department. House and Senate concur with Executive language.

### ***Sec. 1004. Rail Grade Separation Project – NEW***

Senate includes new section that defines use of the \$50.0 million part 1 grant program for a project near Van Horn and M-85 in the city of Trenton, Wayne County.

### ***Sec. 1005. High Speed Rail/Regional Transit – NEW***

Senate includes new section that defines the \$100.0 million part 1 appropriation to support transformational rail and transit projects; establishes appropriation as a work project.

### ***Sec. 1006. Local Road Funding – NEW***

Senate includes new section that defines the \$150.0 million part 1 appropriation for Local Road Funding. The section establishes a population-based distribution formula: 60% of total to be allocated to counties and then suballocated among counties by population; 40% to be allocated to cities and villages and then suballocated among cities and villages by population; "to be expended for road projects."

**Major Boilerplate Changes from FY 2022-23**

**Sec. 1007. Critical Infrastructure – NEW**

Senate includes new section that defines uses of the \$104.0 million part 1 grant program as follows:

Subdivision	Designation	Amount
a	Airport grant (Capital City Airport in Clinton County)	\$9,400,000
b	Great Lakes Marine Office with MDOT	5,000,000
c	County Road Association for software development	1,000,000
d	Rail grade separation - for "highest priority rail grade separation projects throughout this state."	15,000,000
e	Macomb township, Macomb County, local match for a county road project.	4,900,000
f	Airport capital grants for General Aviation airports	2,000,000
g	Construction of US-131 Business loop interchange	15,000,000
h	Wayne county "avenue improvement program"	1,000,000
i	Macomb county traffic signal and road improvement	400,000
j	Regional Transportation Authority for bus shelters in 3 cities	3,000,000
k	Wayne county for "infrastructure improvements for economic development"	12,000,000
l	Clinton county for "road reconstruction"	14,000,000
m	Sault Ste. Marie – dock and port rehabilitation	100
n	Southfield road project	5,500,000
o	City of Troy – design and build soundwalls	100
p	Air service development	5,000,000
q	Bay county - road reconstruction project	10,000,000
r	Drone feasibility project	100
s	Bridge project (Pontiac)	100
	Undesignated	799,600
	<b>Total</b>	<b>\$104,000,000</b>

The section also establishes the appropriation as a work project.

**Sec. 1010. Trail Network – NEW**

Senate includes new section that defines the uses of the \$4.5 million part 1 appropriation for a rails-to-trails project in Shiawassee County.