

FEDERAL AID IN MICHIGAN'S TRANSPORTATION BUDGET – FOCUS ON THE FEDERAL-AID HIGHWAY PROGRAM

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March 31, 2023

FAST FACTS

- Federal surface transportation programs are established through multi-year authorizing acts. Federal surface transportation programs were reauthorized as part of Infrastructure Investment and Jobs Act (IIJA).
- 1951 PA 51 (“Act 51”) requires that an average of 23% to 27% of certain major federal-aid program categories be allocated for local road agency projects.
- The FY 2022-23 state transportation budget recognizes \$2.0 billion in federal funds. This includes \$1.6 billion in federal-aid highway funds, of which \$385.0 million is appropriated for local road agency projects.

FEDERAL-AID TRANSPORTATION PROGRAMS

There are a number of federal-aid transportation programs established in federal law. Some of the largest and most significant of these programs provide federal-aid transportation funds to states, provide funds through states to local units of government, or, in some cases, make program funds available directly to local units of government.

These federal-state or federal-local partnership programs include: the federal-aid highway program, federal transit programs, federal rail passenger programs, and the federal airport improvement program. These programs are established and defined in Title 23 (Highways) and Title 49 (Transportation) of the U.S. Code.

The federal-aid highway program, federal transit programs, and federal rail passenger programs are described as "surface transportation programs." Federal surface transportation programs are typically reauthorized in multi-year surface transportation reauthorization acts that amend Title 23 and/or Title 49 of the U.S. Code. These reauthorization acts also establish funding targets for specific programs over the life of the reauthorization.¹

The current federal-aid surface transportation reauthorization act, the Infrastructure Investment and Jobs Act (IIJA), Public Law 117-58, was signed into law by President Biden on November 15, 2021. Among other things, the IIJA reauthorized federal-aid surface transportation programs for a five-year period, through September 30, 2026.²

The IIJA, also referenced as the Bipartisan infrastructure Law, was different from previous federal-aid surface transportation reauthorization acts in that it contained a number of divisions not directly related to transportation, including Division D (Energy), Division E (Drinking Water and Wastewater Infrastructure), and Division F (Broadband). The two divisions dealing with reauthorization of federal-aid surface transportation programs are Division A (Surface Transportation) and Division C (Transit).

¹ These acts both authorize new programs and reauthorize or modify existing programs—typically for five-year periods. This publication will refer to these acts as “reauthorization acts.”

² <https://www.congress.gov/117/plaws/publ58/PLAW-117publ58.pdf>

Divisions A and C of the IIJA are similar to previous federal-aid surface transportation reauthorization acts in that they are largely amendments to Title 23 and Title 49 of the U.S. Code, respectively. Divisions A and C generally cannot be read as stand-alone documents. They only make sense when read in conjunction with Titles 23 and 49 of the U.S. Code. The Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), and several transportation and budget policy organizations publish guidance documents to key provisions of the act.³

*Michigan's transportation budgets recognize estimated federal-aid transportation funds available to the state. Specifically, Michigan's enacted transportation budget for fiscal year (FY) 2022-23 recognizes **\$2.026 billion** in federal funds, representing approximately one-third of the total \$6.129 billion state transportation budget. Of the \$2.026 billion in federal funds shown in Michigan's transportation budget, **\$1.618 billion** is identified as from the federal-aid highway program. Note that federal funds recognized in state transportation budgets are based on estimates made by the Michigan Department of Transportation (MDOT).*

*See **Table A** for a breakdown of revenue sources, including federal funds, in recent Michigan transportation budgets (FYs 2019-20, 2020-21, 2021-22, and 2022-23).*

FEDERAL-AID HIGHWAY PROGRAM/THE IIJA

The federal-aid highway program is established under Title 23 of the U.S. Code (hereafter "Title 23").⁴ The federal-aid highway program is composed of a number of categorical programs. Funding for the categorical programs, and the apportionment of program funds by category to states, is based on formulas established in Title 23, as amended by reauthorization acts.

The federal-aid highway program is primarily a program of federal aid made available to states under various program categories for specific authorized programs and activities. States are responsible for administering the federal aid programs in accordance with federal requirements.

From the state perspective, federal funds help in meeting state transportation program objectives. From the federal perspective, the federal government enlists state participation in achieving national transportation program goals.

For the five year period ending September 30, 2026, Division A, Title I of the IIJA did all of the following:

- Reauthorized seven previously authorized apportioned/categorical programs.
- Authorized two new apportioned/categorical programs.
- Established or amended program guidance for the categorical programs.
- Established funding targets (apportionments) for the programs.

The funding source for the nine apportioned programs authorized in the IIJA is the federal Highway Trust Fund (HTF). Historically, HTF revenue was derived from dedicated federal highway user taxes, including federal motor fuel taxes (18.3 cents per gallon for gasoline, 24.3 cents per gallon for diesel); excise taxes on truck tires; sales tax on tractors

³ Bipartisan Infrastructure Law Grant Programs | US Department of Transportation

<https://www.fhwa.dot.gov/bipartisan-infrastructure-law/>

https://www.fhwa.dot.gov/bipartisan-infrastructure-law/fact_sheets.cfm

<https://www.transit.dot.gov/funding/grants/fta-program-fact-sheets-under-bipartisan-infrastructure-law>

⁴ While the federal government has provided financial assistance for public road programs since at least 1916, with the Federal Aid Road Act of 1916, the current federal-aid highway program dates largely from 1956 with the passage of the Federal-Aid Highway Act of 1956. That act established an expanded federal-aid highway program that included the Interstate Highway Program. The Highway Revenue Act of 1956 provided the funding mechanism for the expanded federal-aid highway programs. It established the Highway Trust Fund and dedicated certain "road taxes" for credit to the trust fund. In 1958, the Federal-Aid Highway program, which was previously contained in a number of separate statutes, was codified into a single act, Title 23 of the U.S. Code.

and trucks over 33,000 pounds gross vehicle weight (GVW) and trailers over 26,000 pounds GVW; and an annual Heavy Highway Vehicle Use Tax (HVUT) tax on trucks 55,000 pounds and greater.

According to a U.S. General Accountability Office (GAO) report on the HTF, at the time the HTF was established (1956), "Congress declared its policy to make the federal-aid highway program self-financing through these revenues—that is, the amount of revenue collected from highway users would be at least equal to the amount of federal funding used on highway projects benefitting these users."⁵ However, in recent years, dedicated federal user taxes have not been sufficient to support program obligations. Beginning in 2008 and through December 2022, Congress has authorized the transfer of \$211.7 billion in federal general fund revenue to the Highway Account of the HTF. During this period, an additional \$3.7 billion was transferred to the Highway Account of the HTF from the federal Leaking Underground Storage Tank (LUST) fund, a restricted fund supported by a 0.1-cent-per-gallon federal environmental fee on motor fuels. To put these additional federal transportation funds in perspective, baseline revenue from dedicated federal transportation "user taxes" for credit to the HTF in FY 2019-20 totaled \$43.7 billion.

In addition to the HTF-funded apportioned programs, Division J of the IJA provides additional funding for certain transportation programs directly from federal general fund revenue. These are described as "advanced" or "guaranteed" [general fund] appropriations; that is to say, certain federal general fund appropriations for specific transportation programs were guaranteed over the life of the IJA (through September 30, 2026), bypassing the need for additional spending authorization from future Congresses.

The most significant of the guaranteed appropriation highway programs under the IJA are: National Electric Vehicle Formula Program, Nationally Significant Freight and Highway Projects, Construction of Ferry Boats and Terminal Facilities, and the Bridge Formula Program. In making direct federal general fund appropriations for specific highway programs, Division J of the IJA followed a pattern established in recent federal transportation appropriations. In four fiscal years (FYs 2017-18, 2018-19, 2019-20, and 2020-21), federal transportation appropriations included direct federal general fund support for "Highway Infrastructure Programs." Although there was not a named Highway Infrastructure Program under Title 23, the appropriation acts designated that funding was for activities eligible under section 133(b)(1)(A) of Title 23, the Surface Transportation Block Grant Program, for the construction of highways, bridges, and tunnels. Funds were apportioned to states in the same manner as section 133 of Title 23.

In effect, these direct federal general fund appropriations were outside Title 23 statutory authority and, at the same time, referred back to Title 23 statutory requirements for program guidance and apportionment.⁶

In addition to guaranteed appropriations for highway programs noted above, Division J of the IJA also included guaranteed general fund appropriations for other transportation programs, including passenger rail programs, transit programs, and airport improvement programs.

IMPACT OF THE IJA ON MICHIGAN HIGHWAY PROGRAMS

The FHWA releases apportionment figures for each federal-aid highway categorical program, by state apportionment, over the life of the authorizing act. The FHWA released six apportionment notices over the life of the prior surface transportation reauthorization act, the FAST Act, from January 2016 through December 2021.⁷

⁵ GAO-22-104299, HIGHWAY TRUST FUND: Federal Highway Administration Should Evaluate How Pilot Projects Could Inform Expanded Use of Mileage Fee Systems (page 4)

⁶ <https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title23-section133&num=0&edition=prelim>

⁷ The Fixing America's Surface Transportation (FAST) Act was signed into law by President Obama on December 4, 2015, and authorized federal surface transportation programs, i.e., highway, transit, and rail passenger programs, for a five-year period ending September 30, 2020. Congress passed a one-year extension of the FAST Act to extend program authorizations through September 30, 2021.

Federal-aid highway program funds apportioned to Michigan under the initial five-year FAST Act authorization period, 2016-2020, totaled **\$5.576 billion** (five-year total). Current FHWA apportionment tables identify Michigan's share of federal-aid highway funds under the IIJA as **\$7.259 billion**, an increase of **\$1.682 billion** over the five-year life of the IIJA as compared to the FAST Act. Average annual apportionments available to Michigan under the IIJA total **\$1.452 billion**, which is **\$336.5 million** more than the average annual apportionments under the FAST Act.

[Note that we did not use 2021 figures in the above comparisons—2021 represented a one-year extension of the original FAST Act authorization. Michigan's share of 2021 apportioned programs was approximately equal to average annual FAST act apportionments from 2016-2020.]

See **Table B** and **Table C** for Michigan's share of apportioned programs under the IIJA as compared to the FAST Act. Note that a description of the categorical programs is beyond the scope of this publication. FHWA Fact Sheets, available on the FHWA website, provide such descriptions.

Note that the amount of federal-aid highway funding available to Michigan under IIJA, as described above and as shown in **Table B**, reflect apportioned programs where the amounts apportioned to Michigan are known and published. **Table C**, in addition to showing funding for apportioned programs, also identifies Michigan's estimated share of guaranteed general fund appropriations.

IIJA also includes funding for certain competitive grant programs. Michigan's share of IIJA competitive grant programs cannot be reasonably estimated over the life of IIJA. However, in March 2023, Michigan was awarded a total of \$7.1 million for four separate projects, under the competitive Strengthening Mobility and Revolutionizing Transportation (SMART) Grant Program, a program established under Section 25005 of IIJA, and funded using federal general fund appropriations under IIJA Division J.⁸

FEDERAL-AID HIGHWAY FUNDS IN THE STATE BUDGET

As noted, federal funds shown in Michigan's transportation budget represent MDOT's estimate of available federal funds for the respective fiscal year. The figures are estimated long before actual federal apportionments are announced. For example, the FY 2022-23 enacted state transportation budget included **\$1.618 billion** in federal-aid highway fund support. The federal-aid figures used in this budget were based on MDOT estimates made prior to February 2022, when the budget was first presented. The FHWA's apportionment announcement for FY 2022-23, which identified \$1.422 billion in federal-aid highway funds for Michigan, was not made until October 2022.

Federal-aid highway funds are used to support eligible state transportation planning, technology, and design/engineering activities in the budget. However, the most significant use of federal-aid highway funds in the budget is in two capital road construction appropriation line items: the state trunkline road and bridge construction line item and the local federal aid construction line item.

Federal-Aid Highway Funds as Shown in Michigan's FY 2022-23 Transportation Budget	
Line Item	FY 2022-23
Information Technology	\$525,500
Planning Services	24,000,000
Design and Engineering	23,529,800
Road and Bridge Construction - Local	384,987,800
Road and Bridge Construction - State Trunkline	1,185,230,900
Total	\$1,618,274,000

⁸ <https://www.transportation.gov/grants/smart/2022>

ALLOCATION OF FEDERAL-AID HIGHWAY FUNDS TO LOCAL ROAD AGENCIES - 1

As shown above, Michigan’s federal-aid highway funds are appropriated in state transportation budgets for MDOT information technology, planning, and engineering services; for the state trunkline capital construction and preservation program; and for local federal aid construction programs. The appropriation of federal aid for local road programs is a function of the divided road jurisdiction in Michigan—a large number of federal-aid-eligible roads in Michigan are under the jurisdiction of local road agencies (county road commissions, cities, and villages).

Because local road agencies have jurisdiction over roads that are eligible for capital assistance under the federal-aid highway program, section 10o of 1951 PA 51 (“Act 51”) requires that an average of 23% to 27% of certain major federal-aid program categories be allocated for local road agency projects. There is no required amount or percentage allocation to any particular local road agency. The FY 2022-23 state transportation budget recognizes \$385.0 million in federal aid for local road agency federal-aid programs.

Note that this suballocation of federal-aid highway program funds between state trunkline programs and local road agency programs is a requirement of state law, Act 51, and is not a federal requirement.⁹

It may be helpful to contrast the way federal funds are *made available* to local road agencies in Michigan with the way state restricted motor fuel and vehicle registration tax revenue is *distributed* to local road agencies. Under the provisions of Act 51, all 83 road commissions and 531 eligible cities and villages receive a monthly distribution from the Michigan Transportation Fund (MTF)—the main collection and distribution fund for motor fuel and vehicle registration tax revenue. These local road agencies have broad authority to spend their MTF money for local road and street programs, including routine maintenance.

Federal-aid highway program funds are not *distributed* in the same way that MTF funds are distributed under Act 51. Federal funds are *made available* within categorical programs for certain qualified projects—only for capital construction or preservation projects (not routine maintenance) and only for roads or bridges that meet certain criteria. [See Note below].

In addition, local road agencies do not receive federal funds and then decide how to spend them. The federal-aid highway program is a reimbursement program. Federal aid reimburses the local agency for those expenditures only after an eligible project is approved—following a federally mandated planning process—and the local agency makes eligible project expenditures.¹⁰

ALLOCATION OF FEDERAL FUNDS TO LOCAL ROAD AGENCIES - 2

As required by federal law, the federal-aid highway programs are administered in urbanized areas by the applicable metropolitan planning organization (MPO).¹¹

As noted above, the federal-aid highway program makes funds available to states. Act 51 establishes a set-aside of certain federal funds for local agency federal-aid projects. However, Act 51 does not further suballocate to specific local road agencies. While some federal-aid highway categorical programs provide for the suballocation of funds within a state by population, federal law does not support suballocation of federal funds to political jurisdictions

⁹ The specific state law requirement is found in Section 10o of 1951 PA 51: <http://legislature.mi.gov/doc.aspx?mcl-247-660o>

¹⁰ In practice, because MDOT administers the federal-aid program and local federal-aid projects on behalf of local road agencies, project expenditures are generally made directly by MDOT on behalf of local road agency owners; MDOT is then reimbursed with federal-aid funds.

¹¹ According to 23 USC 134, the term “urbanized area” means a geographic area with a population of 50,000 or more, as designated by the Bureau of the Census. 23 USC 134 establishes specific authority and responsibility for MPOs as part of the federally mandated planning process. <https://www.fhwa.dot.gov/planning/>

within a state. However, in administering the local federal aid program, some MPOs effectively do suballocate federal aid to local road agencies by establishing federal aid “targets” by jurisdiction.

MDOT, working within the directives of federal law and Act 51 requirements, identifies the amount of federal aid highway funds, by category, available for local road agency programs in urbanized areas. The MPO establishes federal aid “targets” for local road agencies within the region. Local “federal aid committees,” working within the target figures, then identify and rank projects according to various criteria (pavement condition rating, average daily traffic, etc.). The highest priority projects are proposed for consideration, approval, and inclusion in the region’s Transportation Improvement Plan (TIP).

The proposed projects must be fundable within the federal aid “target.” In other words, the TIP must be “fiscally constrained.” Projects can be included in the TIP only if an actual funding source is identified.

Note that a local road agency’s federal target figure is just that—a target. Again, unlike the MTF revenue distribution to local road agencies, the federal funds represented by the target figure do not belong to the road agency when the target is established—there is no entry in the agency’s financial records. The target figure is used to assist local agencies in programming a federal-aid capital construction program. If a local agency is unable to develop an eligible project in the TIP, funds may be shifted to other agencies to ensure that all available federal funds are obligated. Failure to obligate all available federal funds by program deadlines could result in the loss of federal aid to the state.

RURAL TASK FORCES

While MPOs help administer federal surface transportation funds in urbanized areas, the allocation of federal aid in non-urbanized areas follows a somewhat different process. In non-urbanized areas, Act 51 agencies—county road commissions, cities, villages, and eligible public transit agencies—meet periodically through a *rural task force* process to come to a consensus agreement on the allocation of federal aid within the designated rural task force geographic area. There are 22 designated rural task forces in Michigan within 14 planning and development regions in Michigan. These rural task force areas were defined by MDOT in 1987.

As in urbanized areas, MDOT identifies estimated available federal aid by category for each rural task force. Projects selected by each rural task force must be matched by identifiable funding levels—they must be fiscally constrained. Projects selected by each rural task force become part of the State Transportation Improvement Program (STIP).

Unlike MPOs, which are ongoing formal associations of member local units of government, rural task forces are ad hoc meetings of Act 51 agencies—they do not have a formal structure or ongoing organization. Rural task force decision-making is guided by Regional Planning and Development agencies and MDOT’s Local Agency Program Unit.¹²

SOUTHEAST MICHIGAN/SEMCOG

In southeast Michigan, the federal-aid highway program is administered by the Southeast Michigan Council of Governments (SEMCOG), a voluntary association of local governments (counties, cities, townships, villages, and school districts) within the seven-county area of Southeast Michigan. SEMCOG is an MPO, organized in 1968 under the authority of 1945 PA 281.

¹² For additional information on the MDOT Local Federal Aid program, see the July 2016 MDOT White Paper *Michigan’s Metropolitan Planning Organizations and Regional Planning Agencies*.
https://www.michigan.gov/documents/mdot/2040_MPO-RPA_White_Paper_Final_2016_514142_7.pdf

The process for allocation of federal-aid highway funds in the SEMCOG MPO region is somewhat more complex than in the other outstate urbanized areas. In the tri-county Lansing region, for example, there is only one federal aid committee composed of representatives of the three counties, and other local units of government, within the region. In the SEMCOG region, there are separate federal aid committees for each county as well as a separate “committee” for the city of Detroit. Because Wayne County has jurisdiction over certain federal-aid eligible roads within the municipal boundaries of the city of Detroit, those two agencies have to coordinate project selection.

MDOT AND LOCAL ROAD AGENCIES

The Michigan Department of Transportation provides administrative and technical support to local agencies to ensure that the development of local federal-aid projects follows federal requirements. In addition, the department advertises and awards local federal-aid project construction contracts on behalf of local road agencies. Local federal-aid projects follow the same competitive bidding process as state trunkline projects. Contractor payments and other local project costs are processed through the department’s contractor payment and federal-aid billing systems.

MDOT accounts for the local federal aid program in a *Transportation Related Trust Fund*. Trust fund expenditures represent local federal aid project costs, including costs of local federal aid construction activity. Trust fund revenues are primarily federal aid reimbursement of the cost of those local federal aid projects. All projects accounted for in this fund are locally owned. Each year, Transportation Related Trust Fund revenue and expenditures equal. The Transportation Related Trust Fund never carries a fund balance.

See **Table D** for federal-aid highway funds expended by the state of Michigan, including a breakout of funds suballocated to local road agencies, for FY 1996-97 through FY 2021-22. Note that the year of expenditure may not align with the federal fiscal year of apportionment or the state fiscal year of spending authorization.

FEDERAL-AID HIGHWAY FUNDS RELATION TO THE STATE BUDGET

Activities related to the allocation of federal-aid highway funds, and the federal-aid project planning process, are generally independent of the state appropriations process. As previously noted, federal-aid highway funds shown in the annual state transportation budget are based on MDOT estimates of available federal funds. The actual amount is often unknown during budget development and may not be known until well into the state fiscal year. The annual state budget simply provides MDOT with state appropriation authority to spend federal funds. The state budget does not determine the amount of federal funds available to spend or the allocation by program category.

Federal-aid highway funds are appropriated in several programmatic line items in the transportation budget, including information technology, transportation planning services, and design and engineering services, as well as state trunkline road and bridge construction. As MDOT makes eligible expenditures, it charges those expenditures to federal funds appropriated in those line items, and is in turn reimbursed by federal funds.

The local road agency share of federal aid is represented in the appropriation line item *Local federal aid and local road and bridge construction* in the state transportation budget. This line item is shown as \$385.0 million in the FY 2022-23 budget. However, this line item is simply a marker to represent federal funds available to local road agencies. This appropriation does not determine the actual amount available to local agencies or direct the amount available to particular local agencies. No expenditures are actually charged to this line item.

Note on the Federal-Aid Highway System:

Roads and streets that meet specific federal-aid criteria are described as being federal-aid eligible or on the federal-aid system. Not all of Michigan's 614 local road agencies have roads or streets that are federal-aid eligible. Some local road agencies have a limited number of federal-aid-eligible roads or streets (in terms of road or street mileage).

One of the major factors in determining whether a road is eligible for federal aid is the road's functional classification—that is, the function of the road in the state highway system. The functional classification is a standardized system for designating road function developed by the FHWA and used nationally.

The **National Highway System** (NHS) is subset of federal-aid-eligible roads. NHS routes are specifically designated as of higher importance. They are described in an FHWA document as "the Interstate Highway System as well as other roads important to the nation's economy, defense, and mobility."

With respect to the 6,456.8 NHS route miles in Michigan, 5,226.6 route miles (81%) are state trunkline highways (including all interstate highways) under MDOT jurisdiction, with 1,230.2 route miles (19%) under local road agency jurisdiction. Only 66 cities and 19 county road agencies have roads on the NHS.

See **Table E** for a breakout of federal-aid eligible roads in Michigan by classification and jurisdiction.

See also:

<https://www.michigan.gov/mdot/programs/highway-programs/nfc/definitions>

https://www.fhwa.dot.gov/planning/national_highway_system/

https://www.fhwa.dot.gov/planning/national_highway_system/nhs_maps/michigan/

**Table A: Michigan's Transportation Budgets
Summary by Fund Source: FYs 2020 to 2023**

Fund Source	FY 2020	FY 2021	FY 2022 <i>Enacted YTD #</i>	FY 2023 <i>Enacted YTD #</i>
Local/Private/Interdepartmental Grant Revenue	55,906,300	85,745,100	91,068,300	106,697,300
Total IDG/IDT Revenues	\$55,906,300	\$85,745,100	\$91,068,300	\$106,697,300
Federal Revenues				
Federal aid, transportation programs (FAA/aero)	79,000,000	106,000,000	198,827,000	230,000,000
Federal aid, transportation programs (FRA/rail)	20,700,000	20,000,000	30,000,000	30,000,000
Federal aid, transportation programs (FTA/transit)	60,350,000	82,050,000	148,211,000	148,211,000
Federal aid, transportation programs (FHWA/highways)	1,192,300,100	1,216,146,100	1,557,135,700	1,618,269,000
Total Federal Revenues	\$1,352,350,100	\$1,424,196,100	\$1,934,173,700	\$2,026,480,000
State Restricted Revenue				
Blue water bridge fund	24,879,600	20,790,800	17,660,900	19,254,200
Comprehensive transportation fund	363,651,500	350,222,900	362,730,100	410,950,900
Economic development fund	43,329,000	40,724,000	53,528,000	54,050,000
Intercity bus equipment fund	100,000	600,000	600,000	600,000
Local bridge fund	31,458,500	29,330,800	30,143,000	27,538,100
Michigan transportation fund	1,835,480,500	1,874,139,100	1,926,979,800	2,017,203,700
Qualified airport fund	5,850,000	4,303,000	5,200,000	5,850,000
Rail freight fund	6,000,000	6,000,000	6,000,000	6,000,000
State aeronautics fund	16,594,800	14,373,800	15,231,300	17,178,800
State trunkline fund	1,247,807,700	1,257,045,000	1,284,300,300	1,346,395,900
Total State Restricted Revenues	\$3,575,151,600	\$3,597,529,400	\$3,702,373,400	\$3,905,021,600
State general fund/general purpose	11,999,900	0	100,100,000	91,250,000
Total State General Fund/General Purpose	\$11,999,900	\$0	\$100,100,000	\$91,250,000
Total Funding YTD (excluding federal COVID relief)	\$4,995,407,900	\$5,107,470,600	\$5,827,715,400	\$6,129,448,900
Plus One-time Federal COVID Relief	344,645,700	390,883,100	259,236,300	0
Total YTD Budget	\$5,340,053,600	\$5,498,353,700	\$6,086,951,700	\$6,129,448,900

= YTD figures are through 2/1/2023

This table shows Michigan transportation enacted appropriations by fund source with federal funds highlighted, FYs 2020 – 2023

Source: House Fiscal Agency budget tracking records, State Budget Office breakout and format, adjusted for supplementals and transfers.

**Table B:
Michigan's Share of Federal-Aid Highway Fund Apportionments
Comparison of Apportionments under the FAST Act/IIJA**

<u>Fiscal Year</u>	<u>Fast Act Apportionments</u>
2016	\$1,067,989,869
2017	1,090,043,951
2018	1,113,601,188
2019	1,138,735,743
2020	1,166,007,859
Five-Year Total	\$5,576,378,610
Annual Average	\$1,115,275,722
2021 Extension	1,152,611,274

<u>Fiscal Year</u>	<u>IIJA Apportionments</u>
2022	\$1,394,849,821
2023	1,422,748,656
2024	1,451,205,467
2025	1,480,231,414
2026	1,509,837,877
Five-Year Total	\$7,258,873,235
Annual Average	\$1,451,774,647

Comparison:	
<i>IIJA FY 2022 compared to FAST FY 2021</i>	\$242,238,547
<i>Average Annual Difference IIJA - FAST (FY 2016-2020)</i>	\$336,498,925
<i>Five-Year Difference IIJA - FAST (FY 2016-2020)</i>	\$1,682,494,625

This table shows Michigan's share of federal-aid highway program funding apportionments under IIJA as compared to the FAST Act.

- First year total apportionments under IIJA (FY 2022) are \$242.2 million more than the last year apportionments under the FAST Act (2021).
- Average annual apportionments under IIJA (2022-2026) are \$336.5 million more than average annual apportionments under the FAST Act (2016-2020).
- Over the Five-Year life of IIJA, Michigan's share of federal-aid highway program apportionments are almost \$1.7 billion more than those under the original five-year life of the FAST act.

Sources:

*FFIS, State Funding in IIJA Updated, 2/28/2023
FHWA Fast Act Apportionment Tables*

Table C: Michigan's Share of Federal-Aid Highway Fund Appropriations
Apportioned Programs and General Fund Appropriations under IJJA as Compared with FAST Act
(Thousands of Dollars)

Apportioned Programs	Fund New?	Source	Formula/ Competitive	Federal Share	Annual Apportionments					Total (Five-Year) Apportionments		
					FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	IJJA	FAST	IJJA/FAST
					FY 2022-2026	FY 2016- 2020	Difference					
National Highway Performance Program	FAST	HTF	Formula	80%	\$745,856	\$760,792	\$776,027	\$791,567	\$807,417	\$3,881,659	\$3,086,113	\$795,545
Surface Transportation Block Grant	FAST	HTF	Formula	80%	\$363,314	\$370,580	\$377,992	\$385,552	\$393,263	\$1,890,701	\$1,546,632	\$344,069
Highway Safety Improvement Program	FAST	HTF	Formula	90%	\$76,526	\$78,473	\$80,203	\$81,966	\$83,766	\$400,934	\$298,167	\$102,767
Railway-Highway Crossings (HSIP set-aside)	FAST	HTF	Formula	100%	\$8,155	\$7,904	\$7,904	\$7,904	\$7,904	\$39,770	\$40,147	(\$377)
National Highway Freight Program	FAST	HTF	Formula	80%	\$36,514	\$37,244	\$37,989	\$38,749	\$39,524	\$190,021	\$167,704	\$22,317
Congestion Mitigation and Air Quality Improvement	FAST	HTF	Formula	80%	\$80,635	\$82,248	\$83,893	\$85,571	\$87,282	\$419,630	\$383,837	\$35,794
Metropolitan Transportation Planning	FAST	HTF	Formula	80%	\$13,661	\$13,934	\$14,213	\$14,497	\$14,787	\$71,092	\$53,778	\$17,314
Carbon Reduction Program	NEW	HTF	Formula	80%	\$32,396	\$33,043	\$33,704	\$34,378	\$35,066	\$168,588	\$0	\$168,588
Promoting Resilient Operations for Transformative, Efficient, and Cost-saving Transportation (PROTECT)	NEW	HTF	Formula	80%	\$36,836	\$37,573	\$38,324	\$39,091	\$39,872	\$191,696	\$0	\$191,696
Total - Apportioned Programs					\$1,393,893	\$1,421,792	\$1,450,249	\$1,479,275	\$1,508,881	\$7,254,091	\$5,576,379	\$1,677,712
Guaranteed/General Fund Appropriations												
National Electric Vehicle Formula Program	NEW	GA	Formula	80%	\$16,291	\$23,443	\$23,443	\$23,443	\$23,443	\$110,062	N/A	
Nationally Significant Freight and Highway Projects (INFRA)	FAST	GA	Competitive	80%	\$104,657	\$0	\$0	\$0	\$0	\$104,657	N/A	
Construction of Ferry Boats and Ferry Terminal Facilities	NEW	GA	Formula	80%	\$3,804	\$4,006	\$4,006	\$4,051	\$4,095	\$19,919	N/A	
Bridge Formula Program ^	FAST	GA	Competitive	80%	\$121,633	\$121,633	\$121,633	\$121,633	\$121,633	\$608,166	N/A	
General Fund Appropriations under FAST Act #	FAST	GA	Formula	80 - 85%							\$256,727	
Total - Guaranteed/General Fund Appropriations	NEW	GA	Formula	^	\$246,385	\$149,082	\$149,082	\$149,127	\$149,171	\$842,803	\$256,727	

This table shows Michigan's share of major federal-aid highway program apportionments under IJJA as compared to the FAST Act.

The table also shows Michigan's share of federal general fund appropriations for highway programs under IJJA as compared to the FAST Act.

Between FY 2017-18 and FY 2020-21, \$256.7 million in federal general fund "Highway Infrastructure" funding was provided to Michigan though federal appropriations. A breakout of Michigan's share of federal general fund Highway Infrastructure appropriations by program and fiscal year is available from the House Fiscal Agency.

^ 80% to 100% - federal share to 100% for off-system bridges owned by local government

Sources: FFIS, State Funding in IJJA Updated, 2/28/2023 FHWA Fast Act Apportionment Tables

Key:

FAST = program authorized or reauthorized under the FAST Act.

NEW = new program established under IJJA

HTF = Federal Highway Trust Fund

GA = Guaranteed (General Fund) Appropriation under Division J of IJJA.

Formula = Apportioned to states based on formula

Competitive = Competitive grant application program

Federal share = federal share of eligible project cost

**Table D: State of Michigan
Expenditure of Federal-Aid Funds
FYs 1996-97 Through FY 2021-22**

Fiscal Year	Total Federal-Aid Highway Funds			Breakout:
	Baseline Federal-Aid Highway Funds	Stimulus Highway Funds	Total Federal-Aid Highway Funds	Federal-Aid Highway Funds to Local Units
1996-97	\$605,869,000		\$605,869,000	\$104,493,000
1997-98	616,430,000		616,430,000	96,043,000
1998-99	670,176,000		670,176,000	115,884,000
1999-2000	881,620,000		881,620,000	166,468,000
2000-01	868,270,000		868,270,000	183,232,000
2001-02	808,708,000		808,708,000	194,139,000
2002-03	766,124,000		766,124,000	191,306,000
2003-04	809,932,000		809,932,000	187,790,000
2004-05	962,542,000		962,542,000	154,760,000
2005-06	976,286,000		976,286,000	173,594,000
2006-07	1,095,937,000		1,095,937,000	200,915,000
2007-08	1,043,921,000		1,043,921,000	291,828,000
2008-09	1,097,845,000	\$124,928,000	1,222,773,000	276,845,000
2009-10	826,812,300	532,113,200	1,358,925,500	368,980,000
2010-11	1,118,905,000	175,419,000	1,294,324,000	255,464,000
2011-12	1,060,572,200	24,115,200	1,084,687,400	245,319,000
2012-13	1,122,261,900	6,955,600	1,129,217,500	258,255,000
2013-14	1,219,563,600	641,300	1,220,204,900	314,204,000
2014-15	1,177,851,100	62,700	1,177,913,800	313,229,000
2015-16	1,062,622,200	0	1,062,622,200	263,272,000
2016-17	1,049,301,800	29,000	1,049,330,800	283,329,000
2017-18	915,666,796	29,000	915,695,796	286,610,000
2018-19	1,142,196,013		1,142,196,013	268,384,000
2019-20	1,334,764,910		1,334,764,910	345,170,000
2020-21	1,207,500,552	303,296	1,207,803,848	326,863,000
2021-22	1,358,311,412	19,271,640	1,377,583,052	337,770,000

Notes:

1. This table shows federal-aid highway funds expended by the state of Michigan, including federal-aid highway funds expended for projects under local road agency jurisdiction.
2. The table does not include Federal Transit Administration or Airport Improvement Program grants.
3. "Stimulus Highway Funds" represent funds provided to Michigan under various one-time stimulus programs including federal economic stimulus funds provided under the American Recovery and Reinvestment Act of 2009 (123 Stat. 115), and federal fiscal stimulus funds under various COVID-19 relief programs.
4. Baseline, Stimulus, and Total Federal-Aid Highway Fund figures are from the Schedule of Federal Financial Assistance in annual MDOT Financial Reports, with the exception of FY 2022, which are preliminary figures provided by MDOT, Financial Operations Division.
5. The column "Breakout: Federal-Aid Highway Funds to Local Units" is a subset of total federal-aid highway funds expended by the state of Michigan. These figures represent Transportation Related Trust Fund federal revenue as shown in annual MDOT financial reports, except for FY 2022 which is a preliminary figure provided by MDOT, Financial Operations Division.

**Table E: State of Michigan
Federal-Aid Eligible Highways and Bridges by Classification and Jurisdiction**

<u>Route or Linear Miles</u>	<u>State Trunkline</u>	<u>Local Road Agency</u>	<u>Total</u>
National Highway System			
Interstate	1,238	-	1,238
Non-Interstate NHS	3,988	1,230	5,218
Total NHS	5,226	1,230	6,456
Other Federal-aid Eligible Highways	4,669	25,376	30,045
Total Federal-aid system	9,895	26,606	36,501
Not Federal-aid Eligible	-	83,614	83,614
Total Route Miles	9,895	110,220	120,115
% share of federal-aid system	27%	73%	100%
% share of NHS miles	81%	19%	100%
% share of total system	8%	92%	100%
Lane Miles			
National Highway System			
Interstate	6,028	-	6,028
Non-Interstate NHS	12,030	4,376	16,406
Total NHS	18,058	4,376	22,434
Other Federal-aid Eligible Highways	9,806	53,291	63,097
Total Federal-aid system	27,864	57,667	85,531
Not Federal-Aid Eligible	-	167,229	167,229
Total Lane Miles	27,864	224,896	252,760
% share of federal-aid system	33%	67%	100%
% share of NHS miles	80%	20%	100%
% share of total system	11%	89%	100%
Structures			
National Highway System			
Interstate	1,239	-	1,239
Non-Interstate NHS	1,500	217	1,717
Total NHS	2,739	217	2,956
On-System	1,297	2,708	4,005
Total Federal-aid system	4,036	2,925	6,961
Off-System	456	3,733	4,189
Total	4,492	6,658	11,150
% share of federal-aid system	58%	42%	100%
% share of NHS miles	93%	7%	100%
% share of total system	40%	60%	100%

**Table E: State of Michigan (continued)
Federal-Aid Eligible Highways and Bridges by Classification and Jurisdiction**

Structures - Square Feet Decking	State Trunkline	Local Road Agency	Total
National Highway System			
Interstate	17,106,769	-	17,106,769
Non-Interstate NHS	15,763,411	2,332,127	18,095,538
Total NHS	32,870,180	2,332,127	35,202,307
On-System	11,670,630	9,308,183	20,978,813
Total Federal-aid system	44,540,810	11,640,310	56,181,120
Off-System	4,386,647	5,885,321	10,271,968
Total	48,927,457	17,525,631	66,453,088
% share of federal-aid system	79%	21%	100%
% share of NHS miles	93%	7%	100%
% share of total system	74%	26%	100%

Notes:

1. These tables show the breakdown of Michigan highways and bridges (structures) by jurisdiction and by federal-aid eligibility.
2. Highways and bridges eligible for federal aid are shown as "On-System."
3. Highways and bridges not eligible for federal aid are shown as "Off-System."
4. The National Highway System (NHS) is a subset of federal-aid eligible highways and represents highways of greatest importance.
5. NHS highways include all interstate highways.
6. Most NHS highways are state trunkline highways under state (Michigan Department of Transportation) jurisdiction.
7. Of the 83 county road agencies, 19 have highways on the NHS.
8. Of the 531 cities and villages, 66 have highways on the NHS.

Source: MDOT, Transportation Asset Management Plan (TAMP), July 2022