

**FY 2022-23: DEPARTMENT OF TRANSPORTATION**  
**Summary: Conference Report**  
**Article 13, House Bill 5783 (H-2) CR-1**



**Analyst: William E. Hamilton**

IDG/IDT	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: Conference From FY 2021-22 YTD	
						Amount	%
	\$4,044,800	\$4,123,800	\$4,123,800	\$4,123,800	\$4,123,800	\$79,000	2.0
<b>Federal</b>	1,641,755,300	2,026,480,000	2,026,480,000	2,026,480,000	2,026,480,000	384,724,700	23.4
<b>Local</b>	80,782,000	85,773,500	85,773,500	85,773,500	85,773,500	4,991,500	6.2
<b>Private</b>	900,000	900,000	900,000	900,000	16,800,000	15,900,000	1,766.7
<b>Restricted</b>	3,702,373,400	3,903,771,600	3,903,771,700	3,903,771,600	3,905,021,600	202,648,200	5.5
<b>GF/GP</b>	0	279,900,000	753,900,000	290,000,100	66,250,000	66,250,000	--
<b>Gross</b>	<b>\$5,429,855,500</b>	<b>\$6,300,948,900</b>	<b>\$6,774,949,000</b>	<b>\$6,311,049,000</b>	<b>\$6,104,448,900</b>	<b>\$674,593,400</b>	<b>12.4</b>
<b>FTEs</b>	2,942.3	3,142.3	3,142.3	2,942.3	3,056.3	114.0	3.9

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. (4) Conference means the conference agreement for House Bill 5783 (H-2) CR-1.

**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. Conference concurs with Executive, House, and Senate.

	FY 2021-22 Year-to-Date (as of 2/9/22)	FY 2022-23 Conference Change
<b>Gross</b>	<b>\$253,643,600</b>	<b>(\$28,343,100)</b>
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.

	FY 2021-22 Year-to-Date (as of 2/9/22)	FY 2022-23 Conference Change
<b>FTE</b>	257.3	7.0
<b>Gross</b>	<b>\$45,766,000</b>	<b>\$1,184,400</b>
IDG	4,044,800	0
Restricted	41,721,200	1,184,400
GF/GP	\$0	\$0

Conference concurs with Executive and House.

	<b>FY 2021-22 Year-to-Date (as of 2/9/22)</b>	<b>FY 2022-23 Conference Change</b>
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**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).

	FTE	1,506.3	66.0
	<b>Gross</b>	<b>\$177,078,900</b>	<b>\$9,575,500</b>
	Federal	23,529,800	0
	Restricted	153,549,100	9,575,500
	GF/GP	\$0	\$0

Conference concurs with Executive and House in funding; limits staffing increase to 66.0 FTE positions.

**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	22.0
	<b>Gross</b>	<b>\$425,881,200</b>	<b>\$15,594,400</b>
	Restricted	425,881,200	15,594,400
	GF/GP	\$0	\$0

Conference concurs with Executive and House.

**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).

	<b>Gross</b>	<b>\$1,328,645,000</b>	<b>\$333,224,600</b>
	Federal	851,248,800	333,982,100
	Local	30,003,500	0
	Private	0	10,000,000
	Restricted	447,392,700	(10,757,500)
	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 \$10.7 million 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.

Conference concurs with Executive and House with one exception; Conference includes \$10.0 million in private funds.

**Major Budget Changes from FY 2021-22 YTD Appropriations**

**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.

	FY 2021-22 Year-to-Date (as of 2/9/22)	FY 2022-23 Conference Change
<b>Gross</b>	<b>\$1,823,329,700</b>	<b>\$87,645,700</b>
Restricted	1,823,329,700	87,645,700
GF/GP	\$0	\$0

<b>MTF Distribution to Local Road Agencies</b>			
	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	<b>\$1,823,329,700</b>	<b>\$1,910,975,400</b>	<b>\$87,645,700</b>

House and Senate concur with Executive.  
Conference concurs with Executive, House, and Senate.

**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 IJA. House and Senate concur with Executive. Conference concurs with Executive, House, and Senate.

<b>Gross</b>	<b>\$290,587,800</b>	<b>\$94,400,000</b>
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). Conference concurs with Executive and House.

<b>Gross</b>	<b>\$33,000,000</b>	<b>\$0</b>
Restricted	33,000,000	0
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. Conference concurs with Executive, House, and Senate.

<b>Gross</b>	<b>\$27,812,600</b>	<b>(\$831,000)</b>
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. Conference concurs with Executive and House.

FTE	41.0	3.0
<b>Gross</b>	<b>\$6,714,700</b>	<b>\$340,300</b>
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. Conference concurs with Executive, House, and Senate.

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

		FY 2021-22 Year-to-Date (as of 2/9/22)	FY 2022-23 Conference Change
<b>Major Budget Changes from FY 2021-22 YTD Appropriations</b>			
<b>12. Aeronautics Services</b>	FTE	46.0	2.0
<u>Executive</u> includes \$288,800 baseline increase to support additional 2.0 FTE positions; also rolls up two operating lines into one. <u>House</u> concurs with <u>Executive</u> . <u>Senate</u> includes funding increase but not related increase in FTE authorization; does not recognize line item rollup. <u>Conference</u> concurs with <u>Executive</u> and <u>House</u> .	<b>Gross</b>	<b>\$7,127,700</b>	<b>\$288,800</b>
	Restricted	7,127,700	288,800
	GF/GP	\$0	\$0
<b>13. Passenger Transportation Services</b>	FTE	46.0	4.0
<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. <u>Conference</u> concurs with <u>Executive</u> and <u>House</u> .	<b>Gross</b>	<b>\$7,127,700</b>	<b>\$277,900</b>
	Restricted	7,127,700	277,900
	GF/GP	\$0	\$0
<b>14. Local Bus Transit Programs</b>	<b>Gross</b>	<b>\$226,777,900</b>	<b>\$14,817,700</b>
<u>Executive</u> recognizes additional \$9.8 million in federal-aid transit funding to rural transit systems made available under IJJA. <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> . <u>Conference</u> concurs with <u>Executive</u> .	Federal	28,027,900	9,817,700
	Local	2,000,000	0
	Restricted	196,750,000	5,000,000
	GF/GP	\$0	\$0
<b>15. Specialized Services/Transportation to Work</b>	<b>Gross</b>	<b>\$18,438,900</b>	<b>\$8,102,400</b>
<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. <u>Conference</u> concurs with <u>Executive</u> and <u>House</u> .	Federal	9,900,000	3,227,400
	Local	4,185,000	0
	Restricted	4,353,900	4,875,000
	GF/GP	\$0	\$0
<b>16. Transit Capital</b>	<b>Gross</b>	<b>\$109,070,700</b>	<b>\$70,005,400</b>
<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. <u>Conference</u> concurs with <u>Executive</u> with one exception; <u>Conference</u> includes \$2.0 million in private funds	Federal	37,000,000	41,000,000
	Local	31,000,000	0
	Private	0	2,000,000
	Restricted	41,070,700	27,005,400
	GF/GP	\$0	\$0
<b>17. Intercity Services</b>	<b>Gross</b>	<b>\$8,060,000</b>	<b>\$1,921,800</b>
<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 IJJA, 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. <u>Conference</u> concurs with <u>Executive</u> and <u>House</u> .	Federal	4,500,000	1,558,800
	Local	160,000	0
	Private	800,000	0
	Restricted	2,600,000	363,000
	GF/GP	\$0	\$0

<b>Major Budget Changes from FY 2021-22 YTD Appropriations</b>		<b>FY 2021-22 Year-to-Date (as of 2/9/22)</b>	<b>FY 2022-23 Conference Change</b>
<b>18. Marine Passenger</b>	<b>Gross</b>	<b>\$1,012,000</b>	<b>\$3,952,000</b>
<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 Executive 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 Executive. <u>Senate</u> recognizes federal-aid increase but not proposed CTF increase. <u>Conference</u> concurs with Executive and House.	Federal	0	2,652,000
	Local	500,000	0
	Restricted	512,000	1,300,000
	GF/GP	\$0	\$0
<b>19a. Rail Operations and Infrastructure</b>	<b>Gross</b>	<b>\$104,356,200</b>	<b>\$33,394,500</b>
<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. Executive 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 Executive, 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). <u>Conference</u> concurs with Executive and House with one exception; Conference includes \$2.0 million in private funds, \$1.9 million more than current year. Conference also includes House boilerplate, Sec. 707.	Federal	20,000,000	10,000,000
	Local	100,000	0
	Private	100,000	1,900,000
	Restricted	84,156,200	21,494,500
	GF/GP	\$0	\$0
<b>19b. Freight Railroad Development Grant Program</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>Senate</u> establishes a new freight rail grant program line item, funded at \$32.7 million CTF. <u>Conference</u> does not include.	Federal	0	0
	Local	0	0
	Private	0	0
	Restricted	0	0
	GF/GP	\$0	\$0
<b>20. Airport Improvement Program (AIP)</b>	<b>Gross</b>	<b>\$121,576,500</b>	<b>\$38,885,400</b>
<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 Executive. <u>Conference</u> concurs with Executive, House, and Senate with one exception; Conference includes \$2.0 million in private funds.	Federal	106,000,000	29,000,000
	Local	12,508,500	4,991,500
	Private	0	2,000,000
	Restricted	3,068,000	2,893,900
	GF/GP	\$0	\$0
<b>21. IIJA Airport Infrastructure Grants</b>	<b>Gross</b>	<b>\$0</b>	<b>\$95,000,000</b>
<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> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	Federal	0	95,000,000
	GF/GP	\$0	\$0
<b>22. Detroit Metropolitan Wayne County Airport</b>	<b>Gross</b>	<b>\$5,200,000</b>	<b>\$650,000</b>
<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> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	Restricted	5,200,000	650,000
	GF/GP	\$0	\$0
<b>23. One-Time GF/GP – Critical Road and Bridge Infrastructure</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>Executive</u> requests \$150.0 million in one-time GF/GP for critical road and bridge infrastructure. <u>House</u> , <u>Senate</u> , <u>Conference</u> does not include.	GF/GP	\$0	\$0

<b>Major Budget Changes from FY 2021-22 YTD Appropriations</b>		<b>FY 2021-22 Year-to-Date (as of 2/9/22)</b>	<b>FY 2022-23 Conference Change</b>
<b>24. One-Time GF/GP – Freeway Pumphouse Generators</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>Executive</u> requests \$66.6 million in one-time GF/GP for freeway pumphouse backup generators at 164 locations. <u>House</u> , <u>Senate</u> , <u>Conference</u> do not include. (Included in Senate Bill 565 using federal funds.)	GF/GP	\$0	\$0
<b>25. One-Time GF/GP – Priority Grade Separation Projects</b>	<b>Gross</b>	<b>\$0</b>	<b>\$12,000,000</b>
<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. <u>Conference</u> includes \$12.0 million GF/GP; earmarked for Wayne County in boilerplate Sec. 1001.	Restricted	0	0
	GF/GP	\$0	\$12,000,000
<b>26. One-Time GF/GP – Replace Weather Station Equipment</b>	<b>Gross</b>	<b>\$0</b>	<b>\$3,900,000</b>
<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 Executive. <u>Senate</u> does not include. <u>Conference</u> concurs with Executive and House and includes \$3.9 million GF/GP.	GF/GP	\$0	\$3,900,000
<b>27. One-Time GF/GP – Distribution to Local Road Agencies</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<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. <u>Conference</u> does not include.	GF/GP	\$0	\$0
<b>28. Ann Arbor – Traverse City Passenger Rail</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<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. <u>Conference</u> does not include.	Restricted	0	0
	GF/GP	\$0	\$0
<b>29. Basic Marine Dock Project</b>	<b>Gross</b>	<b>\$0</b>	<b>\$700,000</b>
<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. <u>Conference</u> concurs with Senate and includes; defined in boilerplate Sec. 1002.	Restricted	0	700,000
	GF/GP	\$0	\$0
<b>30. Lake Michigan Car Ferry</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>Senate</u> establishes a new one-time line item using \$100 GF/GP placeholder. <u>Conference</u> does not include.	Restricted	0	0
	GF/GP	\$0	\$0
<b>31. Magnetic Roadway Sweepers</b>	<b>Gross</b>	<b>\$0</b>	<b>\$350,000</b>
<u>Conference</u> includes new line item, \$350,000 GF/GP; defined in boilerplate section, Sec. 613.	Restricted	0	0
	GF/GP	\$0	\$350,000
<b>32. Marine and Port Facility Improvement Office</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<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. <u>Conference</u> does not include.	Restricted	0	0
	GF/GP	\$0	\$0
<b>33. Marine Passenger Ferry</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<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). <u>Conference</u> does not include.	Restricted	0	0
	GF/GP	\$0	\$0
<b>34. Northern Michigan Rail Study – Phase II</b>	<b>Gross</b>	<b>\$0</b>	<b>\$0</b>
<u>Senate</u> includes \$1.0 million CTF in one-time funding to complete a study of rail passenger service for northern Michigan. <u>Conference</u> does not include.	Restricted	0	0
	GF/GP	\$0	\$0

<b><u>Major Budget Changes from FY 2021-22 YTD Appropriations</u></b>		<b><u>FY 2021-22 Year-to-Date (as of 2/9/22)</u></b>	<b><u>FY 2022-23 Conference Change</u></b>
<b>35. Upper Peninsula Freight Rail Infrastructure</b>		<b>Gross</b>	<b>\$0</b>
<u>Senate</u> includes \$550,000 CTF in one-time funding for a Chippewa County freight economic development project. <u>Conference</u> concurs with <u>Senate</u> ; defined in boilerplate section, Sec. 1003.		Restricted	550,000
		GF/GP	\$0
<b>36. Airport Infrastructure Grants</b>		<b>Gross</b>	<b>\$0</b>
<u>Conference</u> includes new line item, \$25.0 million GF/GP. Related boilerplate Sec. 1005 earmarks this line item for the Wayne County Airport Authority.		Restricted	0
		GF/GP	\$25,000,000
<b>37. Technical assistance, planning, and IJA match grants</b>		<b>Gross</b>	<b>\$0</b>
<u>Conference</u> includes new line item, \$25.0 million GF/GP. As defined in boilerplate Sec. 1004, the line will support grants available to local units of government and planning organization under the federal Infrastructure Investment and Jobs Act (IIJA).		Restricted	0
		GF/GP	\$25,000,000
<b>38. Economic Adjustments</b>		<b>Gross</b>	<b>NA</b>
<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> , <u>Senate</u> , and <u>Conference</u> concur with <u>Executive</u> .		IDG	79,000
		Federal	1,006,100
		Restricted	8,896,500
		GF/GP	\$0

**Major Boilerplate Changes from FY 2021-22**

**Sec. 210. Use of Contingency Fund Transfers – RETAINED**

Executive increases maximums for contingency fund transfers in accordance with the Management and Budget Act. Senate deletes section. Conference concurs with House and Senate and retains.

**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. Conference concurs with House and Senate and retains.

**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. Conference concurs with House and Senate and retains.

**Sec. 217. Work Project Limits – RETAINED**

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

**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. Conference concurs with House and Senate and retains.

**Sec. 219. Report Retention Requirements – RETAINED**

Executive deletes section that provides for retention of certain records. Conference concurs with House and Senate and retains.

**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. Conference concurs with House and Senate and retains.

**Sec. 222. Severance Pay Report – RETAINED**

Executive deletes reporting requirements related to severance pay paid to department personnel upon the termination of employment. Conference concurs with House and Senate and retains.

## **Major Boilerplate Changes from FY 2021-22**

### **Sec. 223. Restrictions on Covid-19 Vaccine Passport – RETAINED**

Executive deletes restrictions on the use of Covid-19 "passports" to document vaccination status. Conference concurs with House and Senate and retains.

### **Sec. 224. Limitation on Remote Work – NEW**

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.

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.

Conference includes new intent language: "that departments maximize the efficiency of the state workforce and, where possible, prioritize in-person work", and that executive branch agencies post in-person, remote, or hybrid work policy on its website.

### **Sec. 302. Report on Debt Service Coverage – REVISED**

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. Conference concurs with House.

### **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. Conference concurs with Senate.

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

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

### **Sec. 395. Authority to Transfer Between Construction/Maintenance – NEW**

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. Conference concurs with Executive and includes.

### **Sec. 399. Capital Preventive Maintenance – REVISED**

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. Conference modifies to indicate not less than **\$100.0 million** be allocated for capital preventive maintenance treatments for pavement preservation.

### **Sec. 503(2). Local Bridge Fund Lapse and Carry-Forward Authority – REVISED**

Executive provides for lapse of restricted funds and carry-forward spending authority for Local Bridge Fund. House concurs with Executive. Senate does not provide for carry-forward spending authority for Local Bridge Fund. Conference concurs with Executive and House.

### **Sec. 602. Impact of Electric Vehicles Study – NEW**

Senate requires the department to study the potential impact of electric vehicles on MTF revenue. House had included language (Sec. 615) requiring the department to conduct a study of the feasibility of VMT as a basis for transportation funding in replacement of motor fuel taxes. Conference consolidates into a single reporting requirement.

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

Conference includes new 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.

### **Sec. 613. Earmark for Industrial Magnetic Roadway Sweepers – NEW**

House earmarks \$750,000 STF from state trunkline operations for the procurement of industrial magnet roadway sweepers. Senate does not include. Conference directs the use of the \$350,000 part 1 line item.

**Major Boilerplate Changes from FY 2021-22**

**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. Conference does not include.

**Sec. 615. Vehicle Miles Traveled (VMT) Study – (See Sec. 602, above)**

**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. Conference concurs with the Senate and retains.

**Sec. 707. Rail Strategic Plan – REVISED**

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. Conference concurs with the House.

**Sec. 710. Freight Railroad and Development Grant Program – NOT INCLUDED**

Senate includes language defining the new part 1 grant program. Conference does not include.

**Sec. 754. Report on Public Transportation Development Lines – NOT INCLUDED**

Senate includes a new reporting requirement for public transportation development program. Conference does not include.

**Sec. 757. Feasibility Study – Rail Passenger Service from New Buffalo to Traverse City – NEW**

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. Conference includes reference to both the New Buffalo/Traverse City and Ann Arbor/Traverse City routes in the department's rail passenger corridor investment plan.

**Sec. 1001. Priority Rail Grade Crossing/Separation Initiative – NEW**

Conference earmarks the \$12.0 million GF/GP priority rail grade crossing/separation initiative line item for Wayne County.

**Sec. 1002. Basic Marine Dock Project – NEW**

Conference includes language defining the \$700,000 line item for the Marine dock project in Escanaba.

**Sec. 1003. Upper Peninsula Freight Rail Infrastructure Project (Chippewa County) – NEW**

Conference includes language defining the \$550,000 line item.

**Sec. 1004. Technical Assistance, Planning, IIJA Match – NEW**

Conference includes language defining the \$25.0 million line item.

**Sec. 1005. Airport Infrastructure Grants – NEW**

Conference earmarks \$25.0 million line item for Wayne County Airport Authority.

**FY 2021-22 Supplemental Appropriation Items**

**Article 15, House Bill 5783 (H-2) CR-1**

**1. Aviation Services – Private Funding for Study**

Includes \$350,000 of private funds to support a feasibility study related to the deployment of small unmanned aerial systems for just-in-time delivery, medical transport, or other small-scale uses.

	<b>Gross</b>	<b>\$350,000</b>
Private		350,000
GF/GP		\$0

**2. IIJA Airport Infrastructure Grants**

Includes \$12.0 million GF/GP to provide the state's share of required non-federal matching funds over the five-year life of the new capital grant program established under the Infrastructure Investment and Jobs Act (IIJA).

	<b>Gross</b>	<b>\$12,000,000</b>
GF/GP		\$12,000,000