

**FY 2024-25: DEPARTMENT OF TRANSPORTATION**  
**Summary: Conference Report**  
**Article 15, Senate Bill 747 (S-1) CR-1**



**Analyst: William E. Hamilton**

	FY 2023-24 Enacted as of 2/7/24	FY 2024-25 Executive	FY 2024-25 House	FY 2024-25 Senate	FY 2024-25 Conference	Difference: Conference From FY 2023-24 Enacted	
						Amount	%
<b>IDG/IDT</b>	\$4,353,000	\$4,316,700	\$4,316,700	\$4,316,700	\$4,316,700	(\$36,300)	(0.8)
<b>Federal</b>	2,149,121,400	2,253,675,100	2,253,675,100	2,253,675,100	2,273,675,100	124,553,700	5.8
<b>Local</b>	85,773,500	87,448,500	87,448,500	87,448,500	87,448,500	1,675,000	2.0
<b>Private</b>	16,800,000	18,800,000	18,800,000	18,800,000	18,800,000	2,000,000	11.9
<b>Restricted</b>	4,082,402,000	4,232,048,900	4,327,048,900	4,230,660,000	4,230,660,000	148,258,000	3.6
<b>GF/GP</b>	288,100,000	185,000,000	170,000,000	215,000,100	193,000,000	(95,100,000)	(33.0)
<b>Gross</b>	<b>\$6,626,549,900</b>	<b>\$6,781,289,200</b>	<b>\$6,861,289,200</b>	<b>\$6,809,900,400</b>	<b>\$6,807,900,300</b>	<b>\$181,350,400</b>	<b>2.7</b>
<b>FTEs</b>	3,224.3	3,228.3	3,228.3	3,028.3	3,228.3	4.0	0.1

Note: Appropriation figures for FY 2024-25 include all proposed appropriation amounts, including amounts designated as "one-time." FY 2023-24 "Enacted" figures do not include \$3.9 million GF/GP supplemental appropriation for Critical Infrastructure Projects made in HB 4292, signed by the Governor December 18, 2023, but not effective until February 14, 2024. "House" means House Bill 5517; "Senate" means Senate Bill 761; "Conference" means Senate Bill 747 (S-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. 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).

<b>Major Budget Changes from FY 2023-24 Enacted Appropriations</b>		<b>FY 2023-24 Enacted (as of 2/7/24)</b>	<b>FY 2024-25 Conference Change</b>
<b>1. Debt Service</b>		<b>Gross</b>	<b>\$343,740,100</b>
<u>Executive</u> includes \$340.7 million for debt service, \$3.0 million less than current year. Debt service is primarily based on debt service schedules for previously issued and outstanding bonds, including STF Rebuilding Michigan bonds issued in 2020, 2021, and 2023. Debt service also includes estimated debt service on remaining Rebuilding Michigan bonds the department anticipates issuing in late 2024. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with <u>Executive</u> .		Restricted	343,740,100
		GF/GP	\$0
			<b>(\$3,036,400)</b>
			<b>(3,036,400)</b>
			<b>\$0</b>
			<b>\$0</b>
<b>2. Transportation Asset Management Council</b>		<b>Gross</b>	<b>\$1,876,400</b>
<u>Executive</u> increases baseline support by \$423,600 MTF for increased data collection and information technology costs. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with <u>Executive</u> .		Restricted	1,876,400
		GF/GP	\$0
			<b>\$423,600</b>
			<b>423,600</b>
			<b>\$0</b>
			<b>\$0</b>
<b>3. Finance, Contracts, Support Services – MICARS Support</b>		<b>Gross</b>	<b>\$27,123,200</b>
<u>Executive</u> includes \$270,000 STF increase for MICARS cash receipt/accounts receivable system; reduces IDG support by \$113,800 to better reflect service costs; net adjustment totals \$156,200 Gross. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with <u>Executive</u> .		IDG	4,353,000
		Restricted	22,770,200
		GF/GP	\$0
			<b>\$156,200</b>
			<b>(113,800)</b>
			<b>270,000</b>
			<b>\$0</b>
			<b>\$0</b>

<b><u>Major Budget Changes from FY 2023-24 Enacted Appropriations</u></b>	<b>FY 2023-24 Enacted (as of 2/7/24)</b>	<b>FY 2024-25 Conference Change</b>
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**4. Transportation Planning Services**

Executive recognizes \$2.0 million increase in federal Statewide Planning and Research (SPR) funds. House, Senate, and Conference concur with Executive.

FTE	145.0	0.0
<b>Gross</b>	<b>\$42,843,800</b>	<b>\$2,000,000</b>
Federal	24,000,000	2,000,000
Restricted	18,843,800	0
GF/GP	\$0	\$0

**5. Design and Engineering Services**

Executive does not make any changes other than economics and internal position transfers. House concurs with Executive. Senate reduces staffing authorization by 200.0 FTEs (exclusive of internal transfers) and shifts \$20.0 million STF to the one-time Federal aid match line item.

FTE	1,706.3	0.0
<b>Gross</b>	<b>\$258,071,200</b>	<b>\$0</b>
Federal	13,529,800	10,000,000
Restricted	244,541,400	(10,000,000)
GF/GP	\$0	\$0

Conference concurs with Executive and retains current year baseline funding. Conference also reflects Executive Budget Revision 2025-1 net-to-zero transfer: \$10.0 million STF shifted to State Trunkline Road and Bridge Construction is offset by \$10.0 million in federal funds shifted from State Trunkline Road and Bridge Construction.

**6. State Trunkline Maintenance**

Executive increases baseline STF support by \$17.9 million: \$12.8 million is related to increased cost of maintenance materials; \$5.1 million is for contract services, including contract state trunkline maintenance performed by county road agencies. House, Senate, and Conference concur with Executive.

FTE	909.7	0.0
<b>Gross</b>	<b>\$466,088,700</b>	<b>\$17,878,700</b>
Restricted	466,088,700	17,878,700
GF/GP	\$0	\$0

**7. State Trunkline Road and Bridge Capital Program**

Executive includes \$123.4 million increase for the capital State Trunkline Road and Bridge Construction line item. This reflects a \$76.5 million increase in estimated federal funds made available under IIJA, and a net increase in state restricted funds of \$46.9 million: available STF revenue increases by \$48.5 million while Blue Water Bridge Fund (BWBF) support would decline by \$1.6 million. House concurs with Executive. Senate concurs with Executive.

<b>Gross</b>	<b>\$1,494,482,900</b>	<b>\$123,409,800</b>
Federal	1,195,230,900	66,542,800
Local	30,003,500	0
Private	10,000,000	0
Restricted	259,248,500	56,867,000
GF/GP	\$0	\$0

Conference concurs with Executive and retains current year baseline. Conference also reflects Executive Budget Revision 2025-1 net-to-zero transfer: \$10.0 million in federal funds shifted to Design and Engineering Services are offset by \$10.0 million in STF from Design and Engineering Services.

**8. MTF to Local Road Agencies**

Executive includes \$2.051 billion in estimated MTF distribution to local road agencies (county road commissions, and cities and villages), \$101.0 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, and the local agency share of an earmark of the excise tax on recreational marijuana. The actual distribution will be based on actual MTF revenue collections. House, Senate, and Conference concur with Executive.

<b>Gross</b>	<b>\$1,949,687,800</b>	<b>\$100,991,500</b>
Restricted	1,949,687,800	100,991,500
GF/GP	\$0	\$0

Increases in estimated MTF revenue reflect anticipated increases in motor fuel tax revenue due to the indexing of the motor fuel tax rate, increases in estimated vehicle registration taxes, and increases in revenue from the earmark revenue from the excise tax on recreational marijuana.

		FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 Conference Change
<b>Major Budget Changes from FY 2023-24 Enacted Appropriations</b>			
<b>9. Local Bridge Fund/Program</b>			
<u>Executive</u> decrease of \$483,800 MTF reflects lower per-penny yield of the motor fuel tax on gasoline. The Local Bridge Fund/Program receives two statutory earmarks of MTF revenue: a fixed amount of \$5.0 million, and revenue equal to one-half cent of motor fuel tax revenue. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	<b>Gross</b>	<b>\$27,398,500</b>	<b>(\$483,800)</b>
	Restricted	27,398,500	(483,800)
	GF/GP	\$0	\$0
<b>10. Movable Bridge Fund</b>			
<u>Executive</u> recognizes inflation adjustment of \$150,500 MTF pursuant to statute. The Movable Bridge Fund was established through a 2016 amendment to Act 51 to provide targeted funding for operation of publicly owned movable bridges in Michigan – 12 on the state trunkline system and 12 owned by local road agencies (8 separate jurisdictions). The earmark, originally \$5.0 million, is indexed for inflation. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	<b>Gross</b>	<b>\$6,016,600</b>	<b>\$150,500</b>
	Restricted	6,016,600	150,500
	GF/GP	\$0	\$0
<b>11. Local Federal Aid and Road and Bridge</b>			
<u>Executive</u> includes \$411.2 million, an increase of \$26.2 million, for line item representing federal-aid highway funds available for local road agency federal-aid projects. The increase reflects additional federal funds made available to Michigan under IIJA as allocated to local road agencies in accordance with Act 51. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	<b>Gross</b>	<b>\$384,987,800</b>	<b>\$26,181,000</b>
	Federal	384,987,800	26,181,000
	GF/GP	\$0	\$0
<b>12. Blue Water Bridge Operations</b>			
<u>Executive</u> increases baseline support by \$515,800 BWBF, and authorizes a 3.0 FTE position staffing increase, for bridge operations and maintenance. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	FTE	44.0	3.0
	<b>Gross</b>	<b>\$7,152,700</b>	<b>\$515,800</b>
	Restricted	7,152,700	515,800
	GF/GP	\$0	\$0
<b>13. Transportation Economic Development Fund (TEDF)</b>			
<u>Executive</u> includes \$52.7 million restricted TEDF support, a decrease of \$2.6 million. The decrease reflects a reduction in estimated driver's license fee revenue earmarked to the TEDF as well as reduced interest on the TEDF balance. The TEDF program is a targeted transportation program established and governed by statute, 1987 PA 231. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	<b>Gross</b>	<b>\$55,369,000</b>	<b>(\$2,642,700)</b>
	Restricted	55,369,000	(2,642,700)
	GF/GP	\$0	\$0
<b>14a. Local Bus Operating – Baseline CTF Funding</b>			
<u>Executive</u> includes a \$5.0 million baseline increase in CTF funding. As described in Item 14b below, FY 2023-24 also included \$45.0 million in federal American Rescue Plan (ARP) COVID-19 relief funds as a one-time appropriation. <u>House</u> includes a \$12.5 million baseline increase - \$7.5 million more than the Executive – by shifting \$7.5 million from Transit Capital. <u>House</u> also includes one-time funding of \$25.0 million GF/GP. <u>Senate</u> concurs with Executive with respect to CTF support but adds \$40.0 million GF/GP to ongoing baseline.	<b>Gross</b>	<b>\$216,750,000</b>	<b>\$10,000,000</b>
	Restricted	216,750,000	10,000,000
	GF/GP	\$0	\$0
<u>Conference</u> includes \$10.0 million CTF increase (\$5.0 million from estimated available CTF revenue and a \$5.0 million shift from Transit Capital). As described in Item 14b below, <u>Conference</u> also includes \$20.0 million in one-time ARP funding.			
<b>14b. Local Bus Operating – Federal ARP Funds (One-Time)</b>			
<u>Executive</u> removes \$45.0 million one-time appropriation of federal ARP funding for local bus operating assistance. <u>House</u> concurs with Executive. <u>Senate</u> concurs with Executive. <u>Conference</u> includes \$20.0 million in one-time federal ARP funding, \$25.0 million less than current year.	<b>Gross</b>	<b>\$45,000,000</b>	<b>(\$25,000,000)</b>
	Federal	45,000,000	(25,000,000)
	GF/GP	\$0	\$0

		FY 2023-24 Enacted (as of 2/7/24)	FY 2024-25 Conference Change
<b>Major Budget Changes from FY 2023-24 Enacted Appropriations</b>			
<b>15. Transit Programs – Non-Urban Operating/Capital</b>			
<u>Executive</u> includes \$40.6 million for federal non-urbanized area formula grants under 49 USC 5311, an increase of \$780,900 in federal funds reflecting estimated increase in federal grants available to Michigan under IIJA. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	<b>Gross</b>	<b>\$39,845,600</b>	<b>\$780,900</b>
	Federal	37,845,600	780,900
	Local	2,000,000	0
	GF/GP	\$0	\$0
<b>16. Transit Capital</b>			
<u>Executive</u> includes \$36.9 million increase. Increase represents \$22.4 million in additional federal aid made available to Michigan under IIJA, as well as \$14.5 million CTF available from the CTF fund balance. This line item represents federal transit capital grant programs and related state, local, and private matching funds. <u>House</u> recognizes \$22.4 million of increased federal funding and includes \$7.0 million CTF baseline increase - \$7.5 million less than the Executive; <u>House</u> shifts \$7.5 million to Local bus operating as shown in Item #13a above. <u>Senate</u> concurs with Executive. <u>Conference</u> recognizes increase in federal funds and a \$9.5 million increase in CTF; Conference shifts \$5.0 million to Local bus operating.	<b>Gross</b>	<b>\$222,717,500</b>	<b>\$31,925,800</b>
	Federal	121,641,400	22,425,800
	Local	31,000,000	0
	Private	2,000,000	0
	Restricted	68,076,100	9,500,000
	GF/GP	\$0	\$0
<b>17. Service Initiatives</b>			
<u>Executive</u> includes \$2.1 million Gross net increase. Increase recognizes additional federal and local funds; includes \$2.0 million in private funds; reduces baseline CTF support by \$1.7 million. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	<b>Gross</b>	<b>\$18,681,600</b>	<b>\$2,120,400</b>
	Federal	9,327,200	186,500
	Local	325,000	1,675,000
	Private	0	2,000,000
	Restricted	9,029,400	(1,741,100)
	GF/GP	\$0	\$0
<b>18. Specialize Services</b>			
<u>Executive</u> recognizes \$262,500 increase in estimated federal grant funding. Gross appropriation for public transportation program targeted for elderly and disabled populations would total \$30.6 million. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	<b>Gross</b>	<b>\$30,312,400</b>	<b>\$262,500</b>
	Federal	13,127,400	262,500
	Local	4,185,000	0
	Restricted	13,000,000	0
	GF/GP	\$0	\$0
<b>19a. Rail Operations and Infrastructure</b>			
<u>Executive</u> includes \$14.5 million increase in baseline CTF support from available CTF fund balance. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive. [As described in Item 18b below, FY 2023-24 also included \$14.9 million CTF as a one-time appropriation.]	<b>Gross</b>	<b>\$137,687,700</b>	<b>\$14,501,500</b>
	Federal	30,000,000	0
	Local	100,000	0
	Private	2,000,000	0
	Restricted	105,587,700	14,501,500
	GF/GP	\$0	\$0
<b>19b. Rail Operations and Infrastructure (One-Time)</b>			
<u>Executive</u> removes \$14.9 million CTF included as one-time in FY 2023-24. <u>Executive</u> does not retain this one-time funding item. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive and do not include.	<b>Gross</b>	<b>\$14,900,000</b>	<b>(\$14,900,000)</b>
	Restricted	14,900,000	(14,900,000)
	GF/GP	\$0	\$0
<b>20. Marine Passenger Service</b>			
<u>Executive</u> recognizes \$15.1 million increase in federal grants available to Michigan under IIJA. This line item that provides capital assistance to eligible public ferry services in Michigan. <u>Executive</u> does not retain this one-time funding item. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.	<b>Gross</b>	<b>\$5,152,000</b>	<b>\$15,053,000</b>
	Federal	2,652,000	15,053,000
	Local	500,000	0
	Restricted	2,000,000	0
	GF/GP	\$0	\$0

<b><u>Major Budget Changes from FY 2023-24 Enacted Appropriations</u></b>		<b><u>FY 2023-24 Enacted (as of 2/7/24)</u></b>	<b><u>FY 2024-25 Conference Change</u></b>
<b>21. Capital Outlay - Airport Improvement Program (AIP)</b>	<b>Gross</b>	<b>\$179,983,500</b>	<b>\$2,258,800</b>
<u>Executive</u> recognizes \$3.6 million increase in state restricted State Aeronautics Fund revenue for program of capital assistance to eligible local public airports in the state. This increase would come, in part, from a proposed increase in the state aircraft registration fee. The Gross appropriation total of \$183.6 million is supported by federal AIP funds, as well as state restricted, local, and private funds. This program is shown in the budget under the line item, Airport Safety, Protection, and Improvement (ASAP). <u>House</u> concurs with <u>Executive</u> . <u>Senate</u> only includes \$2.3 million of the restricted fund increase, reflecting a phased-in of the proposed aircraft registration fee increase. <u>Conference</u> concurs with <u>Senate</u> .	Federal	155,000,000	0
	Local	17,500,000	0
	Private	2,000,000	0
	Restricted	5,483,500	2,258,800
	GF/GP	\$0	\$0
<b>22. Detroit Metropolitan Wayne County Airport</b>	<b>Gross</b>	<b>\$6,370,000</b>	<b>\$390,000</b>
<u>Executive</u> recognizes \$390,000 increase in estimated Qualified Airport Fund revenue. As provided through 2015 amendments to the State Aeronautics Code, Qualified Airport Fund revenue is appropriated to the Detroit Metropolitan Wayne County Airport. <u>Executive</u> does not retain this one-time funding item. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with <u>Executive</u> .	Restricted	6,370,000	390,000
	GF/GP	\$0	\$0
<b>23. IJJA Airport Infrastructure Grants</b>	<b>Gross</b>	<b>\$95,000,000</b>	<b>\$20,000,000</b>
<u>Executive</u> includes \$115.0 million federal spending authority, an increase of \$20.0 million, for a program of federal aid to public airports established under Division J of IJJA. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with <u>Executive</u> .	Federal	95,000,000	20,000,000
	GF/GP	\$0	\$0
<b>24. Removal of FY 2023-24 One-Time Appropriations</b>	<b>Gross</b>	<b>\$344,100,000</b>	<b>(\$344,100,000)</b>
<u>Executive</u> budget removes \$344.1 million Gross (\$285.1 million GF/GP) of one-time funding that had been included in the FY 2023-24 budget, for the following items:	Federal	14,000,000	(14,000,000)
<ul style="list-style-type: none"> <li>• Intermodal Capital Investment Grants, (\$45.0 million CTF, \$5.0 million GF/GP)</li> <li>• Local Bridge Bundling Initiative, (\$80.0 million GF/GP)</li> <li>• Critical Infrastructure Projects, (\$181.6 million GF/GP)</li> <li>• New Technology and Mobility, (\$18.5 million GF/GP)</li> <li>• ARP – Mobility Fund Platform (\$3.5 million federal)</li> <li>• ARP – Mobility Challenge (\$3.5 million federal)</li> <li>• ARP – Air Service Revitalization (\$7.0 million federal)</li> </ul>	Restricted	45,000,000	(45,000,000)
	GF/GP	\$285,100,000	(\$285,100,000)
<u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with <u>Executive</u> and do not retain the above one-time items.			
In addition to the one-time items referenced above, one-time appropriations for Local bus operating, and Rail Operations and Infrastructure, are described in Item #s 14b and 19b, respectively, above. MI Contracting Opportunity is described in Item #25, below.			
<b>25. MI Contracting Opportunity (One-Time)</b>	FTE	0.0	1.0
<u>Executive</u> includes \$5.0 million in one-time GF/GP for program to increase contracting opportunities for socially or economically disadvantaged business concerns. This represents an increase of \$2.0 million GF/GP as compared to FY 2023-24. Also includes authorization for 1.0 FTE position. The program is defined in boilerplate section 1003. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with <u>Executive</u> .	<b>Gross</b>	<b>\$3,000,000</b>	<b>\$2,000,000</b>
	GF/GP	\$3,000,000	\$2,000,000
<b>26. Blue Water Bridge Equipment and Facilities (One-Time)</b>	<b>Gross</b>	<b>\$0</b>	<b>\$990,000</b>
<u>Executive</u> includes \$990,000 BWBF for one-time equipment and facilities. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with <u>Executive</u> .	Restricted	0	990,000
	GF/GP	\$0	\$0

<b><u>Major Budget Changes from FY 2023-24 Enacted Appropriations</u></b>		<b>FY 2023-24 Enacted (as of 2/7/24)</b>	<b>FY 2024-25 Conference Change</b>
<b>27. Federal Aid Match (One-Time)</b>		<b>Gross</b>	<b>\$0</b>
<u>Executive</u> includes \$150.0 million GF/GP: \$95.0 million represents MDOT's estimate of additional funds needed to match all available federal-aid highway funds available to Michigan through IJA. The remaining \$55.0 million would be used to support local road agency bridge and culvert projects. <u>House</u> concurs with Executive in total but uses \$95.0 million from the Make it in Michigan Competitiveness Fund and \$55.0 million GF/GP. <u>Senate</u> breaks out into two separate line items: (1) Federal Aid Match, \$95.0 million Gross (\$75.0 million GF/GP and \$20.0 million STF from Design and Engineering service); and (2) Priority Bridge Investments, \$20.0 million GF/GP.		Restricted	0
		GF/GP	\$0
			\$76,000,000
<u>Conference</u> includes \$76.0 million GF/GP exclusively for Federal Aid Match.			
<b>28. Air Service/Airport Revitalization (One-Time)</b>		<b>Gross</b>	<b>\$0</b>
<u>House</u> includes \$6.0 million GF/GP for airport service and capital improvement projects defined in Sec. 1001. <u>Conference</u> concurs with House.		GF/GP	\$0
			\$6,000,000
<b>29. Lake Michigan Car Ferry (One-Time)</b>		<b>Gross</b>	<b>\$0</b>
<u>House</u> includes \$2.0 million GF/GP for decarbonization planning and implementation of clean-energy maritime technology on the S. S. Badger; defined in Sec. 1102. <u>Conference</u> concurs with House.		GF/GP	\$0
			\$2,000,000
<b>30. Local Rail Grade Crossing Surface Improvements</b>		<b>Gross</b>	<b>\$0</b>
<u>House</u> includes \$2.0 million GF/GP for rail grade crossing surface improvements. <u>Conference</u> concurs with House.		GF/GP	\$0
			\$2,000,000
<b>31. Local Road and Material Research Program</b>		<b>Gross</b>	<b>\$0</b>
<u>House</u> includes \$1.0 million GF/GP for a local road and material research program; defined in Sec. 1104. <u>Conference</u> concurs with House.		GF/GP	\$0
			\$1,000,000
<b>32. New Technology and Mobility</b>		<b>Gross</b>	<b>\$0</b>
<u>House</u> includes \$36.5 million GF/GP for various initiatives. <u>Conference</u> includes at \$23.95 million; defined in Sec. 1105:		GF/GP	\$0
(a) \$7.5 million for aerial mobility/ drone infrastructure projects including drone hubs, drone ports, and last mile delivery.			\$23,950,000
(b) \$6.0 million for Michigan Mobility Funding Platform			
(c) \$4.5 million for an inductive charging pilot project.			
(d) \$3.0 million for Shared streets and spaces			
(e) \$2.95 million for e-bike purchase incentive program.			
<b>33. School Zone Automated Speed Enforcement Pilot Project</b>		<b>Gross</b>	<b>\$0</b>
<u>House</u> includes \$2.5 million GF/GP for pilot project; defined in Sec. 1106. <u>Conference</u> concurs with House.		GF/GP	\$0
			\$2,500,000
<b>34. Supplier Risk and Information Subscription</b>		<b>Gross</b>	<b>\$0</b>
<u>House</u> includes \$50,000 for supplier risk and information subscription; defined in Sec. 1107. <u>Conference</u> concurs with House.		GF/GP	\$0
			\$50,000
<b>35. Critical Infrastructure Projects (One-Time)</b>		<b>Gross</b>	<b>\$0</b>
<u>Senate</u> includes \$30.0 million GF/GP for various projects designated in boilerplate. <u>House</u> does not include. <u>Conference</u> includes \$74.5 million GF/GP for various projects designated in Sec. 1111.		GF/GP	\$0
			\$74,500,000

<b>Major Budget Changes from FY 2023-24 Enacted Appropriations</b>		<b>FY 2023-24 Enacted (as of 2/7/24)</b>	<b>FY 2024-25 Conference Change</b>
<b>31. Economic Adjustments</b>	<b>Gross</b>	<b>NA</b>	<b>\$10,936,500</b>
<u>Executive</u> budget reflects increased costs of \$10.9 million Gross (\$0	IDG/IDT	NA	77,500
GF/GP) for negotiated salary and wage increases (5.0% on October 1,	Federal	NA	0
2024), actuarially required retirement contributions, worker's	Local	NA	0
compensation, building occupancy charges, rent, and other economic	Restricted	NA	10,859,000
adjustments. <u>House</u> and <u>Senate</u> concur with Executive. <u>Conference</u>	GF/GP	NA	\$0
concur with Executive.			

### **Major Boilerplate Changes from FY 2023-24**

#### **Sec. 207. Communication with the Legislature – REVISED**

Executive deletes section that prohibits department from taking disciplinary action against an employee for communicating with the Legislature. House and Senate retain with technical changes to reflect new standard language; renumbered as Sec. 206. Conference concurs with House and Senate and retains as revised.

#### **Sec. 212. Transparency Website – REVISED**

Executive deletes section that requires the department to cooperate with the Department of Technology, Management and Budget to maintain a searchable website, accessible by the public, that provides expenditure and staffing information. House and Senate retain with technical changes to reflect new standard language; renumbered as Sec. 211. Conference concurs with House and Senate and retains as revised.

#### **Sec. 213. Restricted Fund Report – REVISED**

Executive deletes section that requires the department to work with the State Budget Office to provide a report on restricted fund revenues, expenditures, and fund balances; renumbered as Sec. 212. [This report is currently included in the annual Budget Presentation.] House and Senate retain with technical changes to reflect new standard language. Conference concurs with House and Senate and retains as revised.

#### **Sec. 214. Key Metrics – DELETED**

Executive deletes section that requires the department to maintain on a publicly accessible website information on key metrics and performance measures. House and Senate concur with Executive and do not include. Conference concurs with Executive and does not include.

#### **Sec. 218. Remote Work Policy – DELETED**

Executive deletes section that indicates legislative intent that the department maximize the efficiency of the state workforce and, where possible, prioritize in-person work and post its in-person, remote, or hybrid work policy on its website. House retains with technical changes to reflect new standard language; renumbered as Sec. 217. Senate deletes section. Conference concurs with Executive and Senate and does not include.

#### **Sec. 219. State Administrative Board Transfers – DELETED**

Executive deletes section that authorizes the legislature to intertransfer funds within budget if the State Administrative Board transfers funds from an appropriation within this budget. House and Senate delete section. Conference concurs with Executive and does not include.

#### **Sec. 220. Report on Grant Sponsors and Grant Recipients – REVISED**

Executive deletes section that established detailed reporting requirements for grants made to single recipients or local units of government. House concurs with Executive and deletes. Senate retains. Conference includes revised section, renumbered as Sec. 250.

#### **Sec. 221. Record Retention Policy – REVISED**

Executive deletes section that prescribes the department's record retention policy. House retains with technical changes to reflect new standard language; renumbered as Sec. 219. Senate retains with technical changes to reflect new standard language; renumbered as Sec. 221. Conference concurs with House and retains, as revised, Sec. 219.

#### **Sec. 222. Impact of New Legislation – REVISED**

Executive deletes section that requires a report on specific policy changes made to implement new public acts enacted in prior calendar year. House retains with technical changes to reflect new standard language; renumbered as Sec. 220. Senate retains with technical changes to reflect new standard language; renumbered as Sec. 222. Conference concurs with House and includes, as revised, as Sec. 220.

## **Major Boilerplate Changes from FY 2023-24**

### ***Sec. 223. Severance Pay Report – DELETED***

Executive deletes section that established reporting requirements related to severance pay paid to department personnel upon the termination of employment. House concurs with Executive and does not include. Senate retains. Conference concurs with Executive and does not include.

### ***Sec. 223. Fiscal Recovery Funds – NEW***

Conference includes new section prescribing use of federal fiscal recovery funds.

### ***Sec. 225. Work Project Expenditures – REVISED***

Executive deletes section that requires that work project balances be exhausted before expenditure from part 1 appropriations. House retains with technical changes to reflect new standard language; renumbered as Sec. 222. Senate retains with technical changes to reflect new standard language, renumbered as Sec. 225. Conference concurs with House and retains, as revised, as Sec. 225.

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

Executive deletes section that established a reporting requirement regarding debt service. House concurs and does not include. Senate retains with updated period and reporting dates. Conference concurs with House and does not include.

### ***Sec. 305. Practice and Policies Regarding Homelessness – NEW***

Senate includes new section on practices and policies regarding homelessness. Conference includes as revised.

### ***Sec. 311. Local Bridge Bundling Report – REVISED***

Executive deletes reporting requirement related to 2021-2022 bridge bundling initiative. House retains report with expanded scope. Senate retains with updated period and reporting dates. Conference includes, as revised.

### ***Sec. 383. Report on State Airfleet – RETAINED***

Executive deletes reporting requirement regarding use of state airfleet. House and Senate retain. Conference concurs with House and Senate and retains.

### ***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 and does not include. Senate retains. Conference concurs with Senate and retains.

### ***Sec. 393. Public Transportation Best Practices – RETAINED***

Executive deletes section that directs the department to promote best practices for public transportation. House retains (Does not retain reporting requirement.) Senate deletes. Conference concurs with House.

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

Executive deletes section that allocates sets \$100.0 million to prioritize capital preventive maintenance. House retains. Senate deletes. Conference concurs with House and retains.

### ***Sec. 601. Road Construction Warranties – DELETED***

Executive deletes section that directs the department to maintain documentation to support acceptance of warranted projects; includes reporting requirement. House and Senate retain. Conference concurs with Executive and deletes.

### ***Sec. 612. Incentive/Disincentive Contracts – REVISED***

Executive deletes section that directs the department to maintain documentation to support acceptance of warranted projects; includes reporting requirement. House retains. Senate retains with updated report due date. Conference retains with revised reporting requirement.

### ***Sec. 613. Magnetic Roadway Sweepers – NEW***

House earmarks \$350,000 (STF) for purchase of magnetic roadway sweepers. Senate does not include. Conference concurs with House.

### ***Sec. 614. Earmark for Low Impact Development Stormwater Management Practices – DELETED***

Executive deletes "up to" \$5.0 million earmark to incentivize and support the inclusion of low impact development stormwater management practices in trunkline and local road agency construction projects. House retains but deletes "up to" limitation. Senate deletes. Conference concurs with Executive and deletes.

### ***Sec. 615. Federal Vehicle Usage Fee Pilot Program – DELETED***

Executive deletes section that requires the department to apply for federal grants established under IIJA for a per-mile user fee pilot project. House retains. Senate deletes but includes separate language related to road usage charges in Sec. 1006. Conference concurs with Executive and deletes. [The department as applied for federal grant.]

## **Major Boilerplate Changes from FY 2023-24**

### ***Sec. 660. Alternative Materials – RETAINED***

Executive deletes section that encouraged the department to examine the use of alternative road surface materials. Subsection 2, which directed the department to establish a transportation innovation council, was deemed unenforceable in the governor's signing statement. House retains. Senate deletes. Conference concurs with House.

### ***Sec. 707. Rail Strategic Plan – RETAINED***

Executive deletes section that required the department to report on a five-year rail strategic plan and that also earmarked \$20.0 million for rail-related economic and rail freight system preservation projects. House retains; revises earmark to \$15.0 million. Senate retains current year language with updated reporting dates. Conference concurs with Senate.

### ***Sec. 1001. Federal Aid Match/ Priority Bridge Investments – NEW***

Executive includes new section, Sec. 1001, to define the use of proposed one-time \$150.0 million GF/GP appropriation. House concurs with Executive. Senate includes Sec. 1004 defining one-time federal aid match and a separate section, Sec. 1005, defining Priority Bridge Investments line item. Conference includes Sec. 1001 to define use of \$76.0 million Federal aid match line item to ensure the department secures all federal funds made available to the department from the FHWA under IIJA.

### ***Sec. 1002. Transit Innovation Grants – NEW***

Executive includes new section to defines the use of the one-time \$30.0 million GF/GP appropriation: (1) for studies in support of local and regional transit development; (2) development of transit facilities that support connections between local, regional, national, or international public transportation services. House and Senate concur with Executive. Conference does not include new line item or related boilerplate.

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

Executive includes section that defines the one-time \$5.0 million GF/GP Mi Contracting Opportunity line item; 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 IIJA; establishes a revolving loan fund. [This section is a modified version of Sec. 1003 in the FY 2023-24 budget.] House concurs with Executive. Senate concurs with Executive. Conference concurs with Executive.

### ***Sec. 1101. Air Service/Airport Revitalization – NEW***

House includes section that defines uses of the \$6.0 million GF/GP grant program appropriation in part 1: \$2.0 million for air service development; \$4.0 million for capital development projects at general aviation airports in the state. Conference concurs with House.

### ***Sec. 1102. Lake Michigan Car Ferry – NEW***

House includes section that directs that the \$2.0 million GF/GP part 1 appropriation for Lake Michigan car ferry be used for decarbonization planning and implementation of clean-energy maritime technology on the S. S. Badger. Conference concurs with House.

### ***Sec. 1104. Local Road and Material Research Program – NEW***

House includes section that defines the \$1.0 million GF/GP part 1 appropriation; establishes a Local roads and materials research grant program; establishes a local road agency research board to administer the program. Conference concurs with House.

### ***Sec. 1105. New Technology/Mobility Grants – NEW***

House includes section that defines the uses of the part 1 appropriation. Conference concurs with House with revised appropriation total of \$23.95 million. (See Item #32, above).

### ***Sec. 1106. School Zone Automated Speed Enforcement Pilot Project – NEW***

House includes section that defines the \$2.5 million GF/GP part 1 appropriation; provides guidance on development and implementation of the pilot program; provides for a report. Conference concurs with House with some language changes.

### ***Sec. 1107. Supplier Risk and Information Subscription Service – NEW***

House includes section that requires the department to use not less than \$50,000 from the part 1 appropriation for a comprehensive supplier risk and information subscription service for precontract risk assessment. Conference concurs with House.

### ***Sec. 1108. BioSwales – NEW***

House includes new section that directs the department to install bioswales, biofilters, and other vegetation on state trunkline highway medians to mitigate impact of stormwater runoff. Conference revises to require a report on best environmental practices.

**Major Boilerplate Changes from FY 2023-24**

**Sec. 1109. Road Diets – NEW**

House includes new section that directs the department to study factors related to implementation of road diets on nonfreeway state trunkline highways within municipal boundaries. Conference revises to require a report on State Transportation Commission's Complete Streets policy.

**Sec. 1011. Critical Infrastructure Projects – NEW**

Conference includes new section that defines uses of the \$74.5 million part 1 grant program as follows:

<b>Subsec. (2) Subdivision</b>	<b>Recipient/Designation</b>	<b>Amount</b>
a	Ferry Lane road project St. Ignace, Mackinac County	\$1,000,000
b	Tunnel under M-20, Shelby Township, Oceana County	2,200,000
c	Wayne Road, Romulus, Wayne County	5,000,000
d	Deposit to Local [rail] grade separation fund	5,000,000
e	Industrial Park roadwork, City of Fraser, Macomb County	4,000,000
f	Airport Road, Clinton County	4,000,000
g	SMART bus stops and shelters	1,000,000
h	Road repairs, Mt. Morris Township, Genesee County	2,320,000
i	Road and intersection improvements, Grosse Pointe Woods, Wayne County	980,000
j	Pump station and roadway rehabilitation; Roseville, Macomb County	6,600,000
k	Leland Avenue Bridge over Silver Creek, Wayne County	2,000,000
l	Jefferson Avenue Bridge over Monguagon Creek, Wayne County	2,000,000
m	Reconstruction, 10-Mile Road, Eastpointe, Macomb County	3,000,000
n	Noise study of M-14 corridor, Ann Arbor	3,000,000
o	Road repairs, Southfield, Oakland County	4,000,000
p	Street maintenance and cleanup, City of Detroit	5,000,000
q	Road project, Ingham County	1,500,000
r	Street repairs, East Lansing, Ingham County	2,400,000
s	Palmer Road bridge over I-275, Wayne County	3,250,000
t	Horizon Park, City of Belleville, Wayne County	750,000
u	Sidewalk and alley repairs; Hamtramck, Wayne County	1,500,000
v	Streetscapes, Westland, Wayne County	1,000,000
w	Mound Road reconstruction, Macomb County	2,500,000
x	City of Northville	750,000
y	Pedestrian pathways, Dearborn, Wayne County	500,000
z	Exit ramp safety improvements, M-14 in Ann Arbor	500,000
aa	Intersection safety improvements, Quirk Road, City of Belleville, Wayne County	750,000
bb	Sidewalk repairs, City of Detroit	500,000
cc	MDOT for soundwall construction, I-75 in Southgate	6,500,000
dd	Road repairs, Romulus, Wayne County	1,000,000
	<b>Total</b>	<b>\$74,500,000</b>

The section also establishes the appropriation as a work project.

**FY 2023-24 Supplemental Appropriation Items**

**Article 16, Senate Bill 747 (S-1) CR-1**

**Appropriation  
Change**

**1. Employee Lump Sum Payments**

Includes \$8.4 million GF/GP to cover costs of one-time lump sum payments for eligible state employees. The Civil Service Commission approved payments of \$2,250 for staff employed full-time as of December 23, 2023.

<b>Gross</b>	<b>\$8,373,600</b>
GF/GP	\$8,373,600

**FY 2023-24 Supplemental Boilerplate Items**

**Article 16, Senate Bill 747 (S-1) CR-1**

**Sec. 1401. Authorization to Hire Employees for Aeronautics Programs**

Authorizes the department to hire 2.0 FTEs to support implementation of various aeronautics programs.