

FY 2025-26 TRANSPORTATION BUDGET

H.B. 4706 (P.A. 22 of 2025): INITIAL APPROPRIATIONS

Article 15



FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2024-25 YEAR-TO-DATE*	FY 2025-26 INITIAL APPROPRIATIONS	CHANGES FROM FY 2024-25 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions	3,222.3	3,202.3	(20.0)	(0.6)
GROSS	6,813,650,300	7,889,495,800	1,075,845,500	15.8
Less:				
Interdepartmental Grants Received	4,316,700	4,366,200	49,500	1.1
ADJUSTED GROSS	6,809,333,600	7,885,129,600	1,075,796,000	15.8
Less:				
Federal Funds	2,273,675,100	2,329,605,500	55,930,400	2.5
Local and Private.....	106,248,500	107,948,500	1,700,000	1.6
TOTAL STATE SPENDING.....	4,429,410,000	5,447,575,600	1,018,165,600	23.0
Less:				
Other State Restricted Funds.....	4,230,660,000	5,447,575,600	1,216,915,600	28.8
GENERAL FUND/GENERAL PURPOSE	198,750,000	0	(198,750,000)	(100.0)
PAYMENTS TO LOCALS	2,507,859,400	3,342,382,300	834,522,900	33.3

*As of October 7, 2025.

Major Boilerplate Changes from FY 2024-25 Year-to-Date:

- 1. Added Section 308.** The Conference added Sec. **239**, transparency language with requirements for legislatively directed spending items.
- 2. Added Section 309.** The Conference added Sec. **309** which requires State contracts for pavement markings for certain pigment colors to purchase from companies that produce them in the United States and recommends the department to use cement manufactured in the United States.
- 3. Added Section 1005.** The Conference included Sec. **1005**. This section lays the groundwork for a road usage charge study and pilot program. This pilot program is funded in the one-time section using Restricted funds.
- 4. Added Section 314.** The Conference added Sec. **314**, this section creates the MI contracting opportunity loan fund. This section additionally directs repayment of loans and interest earned from the MI contracting opportunity program to this fund to be used for future loans.

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FY 2024-25 Year-to-Date Appropriation	\$6,813,650,300	\$198,750,000		
	CHANGE FROM FY 2024-25 Y-T-D		FY 2025-26 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
<u>Baseline Adjustments</u>				
1. State Trunkline Road and Bridge. The Conference included a \$53.6 million increase for road and bridge construction including \$53.5 million Federal funds and \$109,500 Restricted funds.	53,602,200	0	1,671,495,000	0
2. Local Road and Bridge. The Conference included a \$17.8 million increase in Federal funds for local road and bridge construction.	17,831,000	0	428,999,800	0
3. County Road Commissions. The Conference included a \$17.5 million increase in Restricted funds for county road commissions' operations.	17,507,300	0	1,334,117,400	0
4. State Trunkline Operations. The Conference included an increase of \$15.3 million, all Restricted, to support trunkline operations, including plowing the snow on highways.	15,318,500	0	503,716,400	0
5. Cities and Villages. The Conference included an increase of \$9.8 million, all Restricted funds, for city and village road operations.	9,761,000	0	743,830,200	0
6. Airport Safety, Protection, and Improvement Program. The Conference included an increase of \$2.5 million, all Restricted funds, to support safety and road improvements at airports.	2,491,600	0	187,233,900	0
7. Interdepartmental Grants. The Conference included an increase in the interdepartmental grants from the Department by \$2.3 million, all IDGs.	2,266,500	0	52,972,200	0
8. Program Increases. The Conference included program increases totaling \$1.5 million. Of that, \$49,500 are IDGs, \$313,900 Federal, and \$1.1 million Restricted funds. These program increases include funding for Detroit Metropolitan Wayne County airport (\$260,000, all Restricted), target industries/economic redevelopment (\$232,200, all Restricted), services initiative (\$190,300, all Federal), finance, contracts, and support services (\$171,900 Gross, \$49,500 IDG, \$122,400 Restricted), movable bridge (\$141,900 all Restricted), intercity services (\$123,600, all Federal), rural county primary (\$116,000, all Restricted), urban county congestion (\$116,000, all Restricted), and debt service (\$100,500, all Restricted).	1,452,400	0	N/A	0
9. Program Development and Delivery. The Conference included an increase of \$1.1 million, all Restricted, to program development and delivery for bridge design and program coordination.	1,128,400	0	135,554,900	0

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	CHANGE FROM FY 2024-25 Y-T-D		FY 2025-26 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
10. Passenger Transportation Services. The Conference included an increase of \$856,400, all Restricted, to passenger transportation services, to develop and manage capital and technical assistance programs.	856,400	0	7,410,900	0
11. Nonurban Operating/Capital. The Conference included \$496,500 for nonurban operating/capital, all Federal, to provide operating and capital assistance to transit agencies in nonurbanized areas (under 50,000 population).	496,500	0	41,123,000	0
12. Marine Passenger Services. The Conference included \$354,100, all Federal, for marine passenger services to fund ferries to various islands.	354,100	0	20,559,100	0
13. Transit Capital. The Conference included a decrease in transit capital of \$3.9 million (increase in Federal by \$2.9 million and decrease in Restricted by \$6.8 million), This program funds capital needs of local transit systems and specialized services systems for elderly and persons with disabilities.	(3,877,100)	0	250,724,200	0
14. Rail Operations and Infrastructure. The Conference included a decrease of \$4.5 million to the rail operations and infrastructure line for rail activities. The Conference also included \$1.7 million more from private funds.	(2,800,700)	0	147,688,500	0
15. Local Bridge Program. The Conference included a decrease of \$497,600, all Restricted, for the local bridge program. This fund is used for repair and replacement costs of local bridges.	(497,600)	0	26,417,100	0
16. Specialized Services. The Conference included a decrease of \$232,200, all Federal, for specialized services which are grants to support transit service to Michigan's elderly and persons with disabilities.	(232,200)	0	30,342,700	0
17. Economic Adjustments. Includes \$10,907,200 Gross and \$0 GF/GP for total economic adjustments.	10,907,200	0	N/A	0
<u>New Programs/Program Increases</u>				
18. Road Funding Package. The Conference include a significant road funding package of increased ongoing funding in the amount of roughly 1.1 billion. The largest recipients are Counties (\$456,741,700), Cities and Villages (\$246,063,400), and the State Trunkline Fund (\$179,717,700).	1,139,080,100	0	N/A	N/A
19. Airport Safety, Protection, and Improvement Program. The Conference included an increase of \$1.1 million.	1,111,100	0	187,233,900	0

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	CHANGE FROM FY 2024-25 Y-T-D		FY 2025-26 RECOMMENDED APPROPRIATION	
	Gross	GF/GP	Gross	GF/GP
<u>Eliminations/Reductions - NONE</u>				
<u>One-Time Appropriations</u>				
20. Road User Charge Study and Pilot Program. The Conference included \$7.7 million, all Restricted, for a study and implementation of a program to evaluate the possibility of charging a per-mile fee on drivers.	7,650,000	0	0	0
21. Railroad Heritage Preservation Fund. The Conference included \$5.3 million for the preservation of rail lines.	5,294,700	0	0	0
22. Non-Motorized Public Transportation/Trails. The Conference included \$5.3 million for non-motorized trails.	5,294,700	0	0	0
23. Maritime and Port Fund. The Conference included a deposit into the maritime and port fund of \$5.3 million, all restricted.	5,294,700	0	N/A	N/A
24. Deposit to State Aeronautics Fund General Aviation. The Conference agreed to include \$5.3 million for the State Aeronautics Fund.	5,294,700	0	0	0
25. Removal of Current One-Time. Removal of all current one-time items.	(219,740,000)	(198,750,000)	N/A	N/A
<u>Other</u>				
26. Position Transfer/Fund Shift. The Conference included a net-zero 1.0 FTE and \$126,200 STF transfer from State Trunkline Operations to Program Dev. and Delivery, a net-zero shift of \$29,700 (STF and State Aeronautics Fund) within Business Support Services, and a net-zero shift of \$57,400 within Passenger Transportation Services (Federal and CTF).	0	0	N/A	N/A
27. Net-Zero Transfer. The Conference included a net-zero transfer from transit capital of \$2,930,700 to local bus operating \$2.5 million and intercity services of \$430,700.	0	0	0	0
Total Changes	\$1,075,845,500	(\$198,750,000)		
FY 2025-26 INITIAL APPROPRIATIONS	\$7,889,495,800	\$0		

Date Completed: 10-7-25

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