



\$6.8B Transportation Budget Covers The Roads, Looks For Permanent Funding Fix 7/3/24

The Michigan Department of Transportation is looking at more than \$6.8 billion in funding for Fiscal Year 2025, which includes all the roads and bridges throughout the state but doesn't yet solve the problem of someday needing to replace the gas tax.

MDOT Director [Brad WIEFERICH](#) said he was very satisfied with the overall department budget for FY '25, raising the budget by nearly \$181.4 million. The budget puts nearly \$2 billion into fixing and maintaining state trunklines and bridges.

“There’s still more that we need to discuss with the Legislature about long-term sustainable funding that we can count on in order to make sure that we can get our system to the condition that we all know we want,” Wieferich said.

MDOT Communications Director Jeff **CRANSON** pointed to the \$76 million in one-time funding that would be used as a state match for winning money from the federal Infrastructure Investment and Jobs Act, or IIJA. He said that was the gap between what was needed in the budget and what was being offered.

“That’s an example of how traditional revenue streams are not keeping pace,” Cranson said.

Wieferich said the money was used to make sure that MDOT can get all the federal funding it can while also ensuring that it wasn’t being used for grants outside the IIJA, which would have matches come from other places.

The Local Bridge Fund also took a \$483,800 hit from a lower state income from the gas tax.

Wieferich said MDOT hasn’t advocated for any single way to replace the gas tax.

“At the end of the day we want to be able to provide as many options as possible,” he said.

State Rep. [Ken BORTON \(R-Gaylord\)](#) said the transportation budget didn’t have any funding for local roads, but the budget contained nearly \$2 billion for distribution to local road agencies from the gas tax.

The local federal aid for roads and bridges would also see an increase from the IIJA, worth nearly \$385 million.

Another \$2 million would be going to help improve the rail crossings over local roads.

Borton said the nearly \$24 million going for new technology and mobility shouldn't be in the budget.

"People in northern Michigan couldn't care less about drones and electric bikes. In fact, the only time many of them have seen them is watching Back to the Future. I don't think we should be governing through ideas in sci-fi movies from the 80s," Borton said.

There were also other one-time spending projects in the budget, including a \$2 million appropriation to decarbonize the Lake Michigan car ferry, the S.S. Badger.

There would be a one-time \$5 million to help economically disadvantaged businesses increase their project contract opportunities.

The Blue Water Bridge, which had been under repairs, got nearly \$1 million to buy equipment and update facilities.

The international bridge in Port Huron would also get more than \$7 million for normal operations.

There was also a one-time \$6 million that would go to helping revitalize airports across the state.

The Detroit Metropolitan Wayne County Airport saw an increase in funding to \$6.37 million.

The Airport Improvement Program received nearly \$180 million. The \$2.3 million increase would come from a phased-in aircraft registration fee increase.

The IJJA granted airport infrastructure in Michigan \$95 million.

The IJJA also made \$15.1 million in federal grants available for public ferry services.

Transit programs across the state would get nearly \$223 million, with \$22.4 million of that coming from the IJJA.

The non-urban transit program would have an increase to nearly \$40 million.

Local bus operations would see a \$25 million drop, after the one-time American Rescue Plan funding was removed from the budget.

However, the baseline comprehensive transportation fund for local bus operations would get a \$10 million increase to nearly \$217 million.

There was no funding put aside for any research regarding what could someday replace fuel taxes, but Wieferrich said MDOT has asked for a grant to conduct a pilot study surrounding road usage.

“That’s a longer term issue, but it is something that we need to think about,” he said.