



MEMORANDUM

To: Miles Weaver
From: Matt Solak
Date: September 2021
Re: MAAE Monthly Legislative Report

Overall State Issues

Michigan's Largest Annual Budget Signed

After signing the K-12 Education Budget this summer, the Legislature and Governor Whitmer spent September hammering out negotiated general government and higher education budgets. On September 29, the Governor signed the final piece of Michigan's record-breaking \$70 billion Fiscal Year (FY) 2022 budget. The budgets passed both legislative chambers overwhelmingly in a sometimes-rare moment of strong bipartisan support. The House passed the general government budget 99-6 after the Senate adopted the same spending document unanimously.

Spending for state universities and community colleges passed the House 97-8 and the Senate 34-2. With higher extra federal funding and higher than expected state income tax and sales tax revenue, priorities for the Governor and Republican legislative leaders were able to be met resulting in a smoother than expected process. While all state budgets have been completed there is still approximately \$11 billion in federal COVID money that remains unallocated.

Airport Issues

Aviation in Approved Budget

The total revenue for Airport Improvement Program (AIP) includes \$121.6 million an increase of \$500,000 in restricted support based on an increase in estimated available State Aeronautics Fund revenue. The breakdown is as follows:

Gross:	\$121,076,500
Federal:	\$106,000,000

Local: \$12,508,500
Restricted: \$2,568,000
General Fund: \$0.00

The Qualified Airport Fund (DTW Only) saw an increase in \$897,000 reflecting revenue estimates. The breakdown is as follows:

Gross: \$4,303,000
Restricted: \$4,303,000
General Fund: \$0.00

There were additional federal dollars allocated in the budget.

\$2.0 million in federal Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) funding was allocated to an Airport Coronavirus Response Grant Program to provide economic relief to general aviation airports in Michigan.

\$68 million in federal CRRSAA funding was allocated to an Airport Coronavirus Response Grant Program to provide economic relief to commercial service airports in Michigan.

One item that was not included was the boilerplate language that would have required a certain amount of the PFAS remediation grants be allocated to airports. Despite this requirement not being included there will be additional supplemental federal money that will need to be spent and there is a good chance it will still make it into a future supplemental appropriate bill. There is roughly \$10 billion more in additional federal COVID relief money and unexpected balances that could be spent through the supplemental process in the next few months.

Senate Republican Listening Tour

On August 9, KDA arranged a listening tour in Marquette with Senate Republicans and several of its Upper Peninsula based clients to discuss issues important to the UP and their respective industries. Duane R. DuRay C.M., Director of Operations at Sawyer International Airport was able to participate in the event, represent the MAAE and discuss aviation statewide and the critical services airports provide with key Michigan lawmakers.

House Supplemental Budgets

Beyond the general government that was passed an additional \$10 billion in federal, COVID relief, dollars remain available for the State Legislature. MAAE is coordinating with MDOT on supplemental budget requests. Requests include:

- Automated Weather Observation Station Upgrade - \$4 million to upgrade the 41 station Michigan AWOS Network that is beyond its useful life. General fund request.
- Air Service Program Revitalization - increase funding made available for air carrier recruitment and retention - \$1.5 million general fund

- State / Local Airport Development Program - Michigan has not been able to provide non-federally eligible airports with grant assistance for many years. This request would provide vital support to these airports. \$2 million general fund.
- Unmanned Aircraft System Program Funding - \$350,000 for education and outreach activities +1 FTE, \$500,000 for initial analysis of state operated airspace management system - 850,000 general fund

Peer-to-peer Carsharing Legislation (HB 4915-HB 4917) Introduced

On May 25, bipartisan legislation was introduced to regulate peer-to-peer carsharing service companies. These companies include Turo, Getaround and Maven. Peer-to-peer carsharing (also known as person-to-person carsharing and peer-to-peer car rental) is the process whereby existing car owners make their vehicles available for others to rent for short periods of time..

These companies may be operating without a service agreement at some airports in likely violation of those airport's ground transportation regulations. The MAAE Board has taken a position of support on this legislation as the bills require these companies to enter into operational agreements with airports.

MAAE worked previously on a similar issue when Lyft and Uber wanted to operate on airport property without complying with any type of ground transportation agreement with airports or any payment to the airport like other ground transportation companies.

MAAE is finalizing a letter to share with Committee Members advocating for passage of the legislation.