



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LABOR AND ECONOMIC OPPORTUNITY
LANSING

SUSAN CORBIN
DIRECTOR

MEMORANDUM

DATE: September 29, 2022

TO: The Honorable Kenneth Horn, Chair
Senate Appropriations Subcommittee on Labor and Economic Opportunity/MEDC

The Honorable Greg VanWoerkom, Chair
House Appropriations Subcommittee on General Government

FROM: Susan Corbin, Director
Department of Labor and Economic Opportunity

SUBJECT: Public Act 53 of 2022, Section 360 (3)

Pursuant to Public Act 53 of 2022, Section 360 (3), please find attached the Mobility Futures Initiative legislative report on the status of the initiatives and objectives achieved.

Should you have any questions regarding this report or need additional information please contact Todd Cook, Director of Legislative Affairs at (517) 230-8900.

cc: Members, Senate Appropriations Subcommittee on Labor and Economic Opportunity/MEDC
Members, House Appropriations Subcommittee on General Government
Kathryn Summers, Director, Senate Fiscal Agency
Mary Ann Cleary, Director, House Fiscal Agency
Christopher Harkins, State Budget Director

Mobility Futures Initiative – Legislative Report 2022

The Mobility Futures Initiative (MFI) was created to enable a stronger state economy through safer, more equitable and environmentally sound transportation for all Michigan residents. It is a multi-agency effort, leveraging \$25,000,000 in supplemental FY22 state budget funds to seed the launch of several transformational projects related to the future of transportation, working to break down silos and increase efficiency. The Michigan Office of Future Mobility and Electrification manages these funds and projects with guidance provided by the Governor's Office, Legislature, Council on Future Mobility and Electrification, LEO, MEDC, MDOT, EGLE and MPSC.

The MFI is anchored by three goals/pillars, each of which features programs and initiatives designed to alleviate Michigan's mobility challenges and create and maintain a robust automotive and mobility ecosystem. The three MFI goals were designed with long-term positive outcomes in mind. Outcomes that ensure Michigan remains the global mobility leader over the next several decades.

These pillars, and their corresponding objectives/projects, are:

- 1) *Successfully transition and grow our mobility industry and workforce (\$15 million).*** 1 in 5 jobs in Michigan is mobility-based including those building EVs, charging stations, smarter roads, and better transit solutions. Lots of jobs, or new jobs alone aren't enough to claim global leadership, however. They must be paired with a diverse and skilled workforce, and a prepared community.

Initiatives in this pillar are focused on futureproofing Michigan's existing workforce and creating the right conditions to accelerate the flow of private investment into Michigan from mobility companies.

- *Activity 1:* Expand training options focused on next-generation mobility jobs
- *Activity 2:* Create new training options focused on EV charging infrastructure jobs
- *Activity 3:* Provide support services to communities affected by plant closures due to EVs
- *Activity 4:* Grow Michigan's high-tech mobility talent base

- 2) *Provide safer, greener, and more accessible transportation services and infrastructure (\$7 million).*** Infrastructure systems can be a new kind of currency for economic and community development in Michigan. Governments that leverage them to partner with industry can improve community vitality as they attract new investment. Where companies test is also where they invest.

Initiatives in this pillar are focused on alleviating mobility barriers at a community-level by deploying autonomous, connected, and shared technologies. This includes promoting EV adoption and aiding in charging infrastructure rollout.

- *Activity 5:* Address mobility and safety challenges in communities across the state by leveraging new technologies
- *Activity 6:* Make travel easier and more seamless across a range of regional transit options
- *Activity 7:* Deploy new mobility technologies in rural communities.

- *Activity 8:* Position Michigan as ground zero for companies seeking to build the future of clean freight and ground delivery

3) *Lead the world in mobility policies and innovations (\$3 million).* Responsive policy and dynamic innovation are core assets. Focusing on new policy frameworks and coordinated innovation networks (that account for future mobility scenarios) will allow us to maintain our leadership positions as the transportation landscape evolves. Michigan’s position as a global leader in mobility will be impacted by the level of cross-state coordination that exists.

Initiatives in this pillar are focused on reaffirming Michigan’s position as a global hub for transportation innovation. This includes attracting mobility startups to Michigan and supporting supply chain innovation.

- *Activity 9:* Relaunch CAV and EV industry-building and intelligence-sharing events that paused during the pandemic.
- *Activity 10:* Build the Michigan mobility startup and venture capital community to drive more deal flow and company creation.

Projects Completed/Underway

Activity 1: Expand training options focused on next-generation mobility jobs - \$3,000,000 in MFI funds were leveraged in August 2022 to scale the rollout of the Michigan EV Jobs Academy, announced by the Governor in Fall 2021 (FY2022). This academy model will grow the state’s current EV-focused workforce and catalyze the next generation of EV engineering talent by leveraging existing state assets in new ways. An additional \$1,000,000 in MFI will be allocated in FY2023 to support training in other next generation job categories being impacted by autonomous, connected, and shared technologies. The project is convening over a dozen employers to identify key skills and educational requirements, with the intent to recruit and train up to 400 participants, including those of underrepresented populations (youth, veterans, women, people of color, ex-offenders, and persons with disabilities) in autonomous, lightweight, hybrid, electric, alternative fuel and other advanced vehicle technologies. A minimum of 50 of those participants will be trained prior to the conclusion of year 1 of the project (2022).

Activity 2: Create new training options focused on EV charging infrastructure jobs - This activity, a supplement to the Michigan EV Jobs Academy, will dedicate \$4,000,000 in MFI funds to workforce development specifically supporting EV charging infrastructure deployment. These funds will help training providers procure needed equipment, improve administrative supports, and lower the cost of enrollment fees so Michigan can have more licensed electricians certified to work on EV chargers and ensure that workers are safe when dealing with high-voltage equipment. In leveraging the good will and brand recognition established by the EV Jobs Academy, this new program will supplement activities initiated at the federal level including the Electric Vehicle Infrastructure Training Program (EVITP) and the National Electric Vehicle Infrastructure plan (NEVI). As an employer-led collaborative, it will not only help create direct linkages between trainees completing the certification program(s), but will make Michigan more competitive in applications for upcoming discretionary federal funding. With State Ad Board approval, OFME will move forward with executing a grant agreement to create the EV Charging Jobs Academy.

Activity 3: Provide support services to communities affected by plant closures due to EVs - To assist communities made vulnerable due to advances in technology, this initiative will leverage learnings from the State of Michigan's Energy Transition Impact Project (ETIP) to create the Electric Vehicle Transformation Impact Program (EVTIP). It will specifically target support for communities that may be imminently impacted by changes in facilities currently serving, or manufacturing for ICE vehicles. Michigan has several plants and communities that face real threats as the industry transitions more fully to AV and EV. This project will provide analysis and transition strategy resources to communities affected by the closure of ICE employers because of EVs. The project has an anticipated launch during FY23 and will last for the duration of the MFI project as new communities' needs are identified. \$5,000,000 has been allocated.

Activity 4: Grow Michigan's high-tech mobility talent base - This activity will work with statewide industry and education partners a pilot to engage, track, guide, and retain students in statewide high school FIRST Robotics, Square One Network, and VEX programs to develop and retain the state's own high-tech talent pipeline. An RFP was released in September 2022 and proposals received are currently in review. The project will begin in January 2022. \$2,000,000 in MFI funds have been allocated..

Activity 5: Address mobility and safety challenges in communities across the state by leveraging new technologies The Michigan Mobility Funding Platform (MMFP) provides match dollars to industry and community partners that deploy new technology solutions in the State of Michigan. Currently, for every grant dollar the MMFP provides, the industry match is over one-thousand dollars. \$2,500,000 funds in MFI funds will be used to scale the program to address more complex transportation issues around the state. The funds will also be used to help more companies get connected to Michigan test sites to validate tech before public deployment. While MMFP is a year-round program of the OFME, the funding platform will begin hosting "challenges" or themed grant rounds focused on specific mobility issues across the State of Michigan. By Q1 FY2023, a competitive grant round will be launched seeking industry stakeholders with capabilities to solve sustainable, equitable, and safer transportation needs.

Activity 6: Make travel easier and more seamless across a range of regional transit options. Ease of payment is a barrier for many transit riders across Michigan. To alleviate this issue, \$2,000,000 in MFI funds will be allocated to pilot new electronic or card-based payment tools for public and private shared transportation services. These tools will provide users with access to rides, passes, best fares, and/or personalized credits to alleviate burdens associated with requiring different payment mechanisms across transportation platforms. A press release announcing an RFP for this activity was issued on July 28th, 2022, with information sessions for prospective vendors held in August 2022. Applicants have until the October 24th deadline to submit their proposal. An award notification is anticipated to be made in January 2023.

Activity 7: Deploy new mobility technologies in rural communities - In April 2022, the U.S. National Park Service (NPS) announced a first-of-its-kind partnership with the State of Michigan to identify mobility challenges (EV capability, congestion, and visitor accessibility) within Michigan's national park assets, and the surrounding rural communities. Once challenges are identified, new mobility technologies will be launched to alleviate them. If successful and sustainable in Michigan, the technologies will then be scaled by NPS to other parks across the country. To activate this partnership, and work to alleviate the highest priority transportation issues in Michigan's rural communities, \$500,000 in MFI funds will be deployed in Q2 FY2023 to cover the costs of deployments across five

National Park units in Michigan. The funding allocated for this challenge will leverage/access Federal Highway Administration funding as well to scale select projects.

Activity 8: Position Michigan as ground zero for companies seeking to build the future of clean freight and ground delivery - Trucking and logistics are the backbone of the modern economy and as e-commerce evolves, optimizing the mobility of goods is going to become even more focal. Michigan can leverage its clear advantage in automotive-based technologies to drive this transportation mode forward. Especially as more local automakers invest in delivery vehicles and software platforms. For these reasons, the State of Michigan, DTE Energy, Daimler and multiple OEMs have formed a partnership to build out the 'Truck Stop of the Future'. This will be a space that will function as a real-world prototype to enable companies to future-proof their businesses in Michigan by testing new EV charging technologies, digital services, and business models related to moving goods via long-haul, middle-mile, or last-mile routes. \$2,000,000 in MFI funds will be allocated in Q1 FY2023 to support this project, to match and seed industry partner investment.

Activity 9: Launch CAV and EV industry-building and intelligence-sharing events and coalitions that deepen local and cross-border collaboration. To increase economic growth and regional competitiveness in ways that catalyze EV and battery innovation, supply chain stability, CAV leadership, and deeper cross-border partnerships, \$2,500,000 will be allocated by MFI in FY2023 on a series of events and initiatives that build deeper collaboration between local and global stakeholders. And follow through on recommendations made by the Michigan Council of Future Mobility and Electrification's 2021 and 2022 annual reports. This includes launching topic-based alliances and working groups that commit an equal amount to seed projects around testing, research exchange between universities, and pilots between corporates and startups that lead to commercial partnerships.

Activity 10: Build the Michigan mobility startup and venture capital community to drive more deal flow and company creation. \$500,000 in MFI will be allocated in Q2 2023 to develop strategic programming that is designed to attract mobility startups, deal flow, and venture capital investors to Michigan. While also retaining local startup founders and influencers who are considering other tech clusters like Austin, Boston, and Silicon Valley.

Program Budget

Pillar	Activity	Cost	Funds Allocated
Successfully transition and grow our mobility industry and workforce (\$15 million)	Activity 1: Expand training options focused on next-generation mobility jobs	\$4,000,000	\$4,000,000
	Activity 2: Create new training options focused on EV charging infrastructure jobs	\$4,000,000	\$4,000,000
	Activity 3: Provide support services to communities affected by plant closures due to EVs	\$5,000,000	\$5,000,000
	Activity 4: Grow Michigan’s high-tech mobility talent base	\$2,000,000	\$2,000,000
	Pillar 1 Total:	\$15,000,000	15,000,000
Provide safer, greener, and more accessible transportation infrastructure (\$7 million).	Activity 5: Address mobility and safety challenges in communities across the state by leveraging new technologies	\$2,500,000	\$2,500,000
	Activity 6: Make travel easier and more seamless across a range of regional transit options	\$2,000,000	\$2,000,000
	Activity 7: Deploy new mobility technologies in rural communities	\$500,000	\$500,000
	Activity 8: Position Michigan as ground zero for companies seeking to build the future of clean freight and ground delivery	\$2,000,000	\$2,000,000
	Pillar 2 Total:	\$7,000,000	\$5,000,000
Lead the world in mobility policies and innovations (\$3 million)	Activity 9: Launch CAV and EV industry-building and intelligence-sharing events and coalitions that deepen local and cross-border collaboration.	\$2,500,000	\$2,500,000
	Activity 10: Build the Michigan mobility startup and venture capital community to drive more deal flow and company creation.	\$500,000	\$500,000
	Pillar 3 Total:	\$3,000,000	\$2,000,000
	Project Total	\$25,000,000	
	Allocated Total		\$25,000,000