

# Legislative Analysis



## LOCAL FEDERAL MATCH GRANT PROGRAM

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**Senate Bill 360 as passed by the Senate**  
**Sponsor: Sen. Judson Gilbert, II**  
**Committee: Transportation**

**Complete to 5-17-07**

## A SUMMARY OF SENATE BILL 360 AS PASSED BY THE SENATE 4-25-07

Senate Bill 360 would amend Sections 11e and 11f of Public Act 51 of 1951. Section 11e of Act 51 was amended in May 2006 to create a local federal match program within the State Trunkline Fund; Section 11f was added to Act 51 at the same time to establish selection criteria for a new local federal match grant program (*Local Jobs Today*).

### **With regard to Section 11e:**

Senate Bill 360 would amend Section 11e by changing the statement of legislative intent with regard to use of the funds in the local federal match program. Under current law, one of the intended uses for the fund is for "projects that are the subject of Public Law 109-59 or Public Law 105-78 and have been designated as high priority road and bridge projects that have received earmarks in the federal budget, so long as those projects are under construction or let for bid by the end of the fiscal year that begins October 1, 2006." The bill would change the date reference by striking "*by the end of the fiscal year that begins October 1, 2006.*" and inserting "*on or before April 4, 2008.*" This effectively extends the time period by six months.

The bill would also amend Subsection 3, which currently indicates that another intended use was to advance projects scheduled to start after the 2006-07 fiscal year into the 2005-06 or 2006-07 fiscal year. The bill would amend the subsection to include projects that can be advanced into the 2007-08 fiscal year.

Public Law 109-59 is the federal act reauthorizing the federal-aid highway program (SAFETEA-LU). Public Law 105-78 appears to be a FY 1997-98 federal appropriations act for the departments of Health, Human Services, and Education.

### **With regard to Section 11f:**

With regard to the project eligibility criteria, the bill would extend the time period criteria from September 30, 2007 to April 4, 2008. Under the bill, to be selected for funding, projects would have to be under construction or let for bid no later than April 4, 2008.

[House Bill 4556 as reported from Committee would amend the same section to extend the time period to December 31, 2007.]

The bill adds a new subsection D regarding eligibility criteria. The new language is similar to the language in 11e with the exception of the word "not." The bill indicates

that one of the eligibility criteria to be selected for funding is: "projects that are **not** the subject of Public Law 109-59 or Public Law 105-78 and have been designated as high priority road and bridge projects that have received earmarks in the federal budget..." The new subsection would also apparently limit the use of funds to projects "scheduled to be under construction or let for bid during the 2007-08 fiscal year which can be advanced to the 2006-07 fiscal year and let for bid not later than September 30, 2007.

## **BACKGROUND INFORMATION:**

Under the program, as first established in 2006, the Michigan Department of Transportation was to use up to \$80 million in State Trunkline Fund (STF) bond proceeds to provide the 20% non-federal match for road projects under the jurisdiction of local road agencies.

The program was put into effect through three pieces of legislation:

House Bill 6003 (2006 PA 141) and Senate Bill 1132 (2006 PA 139) amended Section 11e of Act 51 to create a local federal match program within the State Trunkline Fund to receive proceeds from bond sales, not to exceed \$80.0 million, to be used for federal high priority projects, or for the advancement of 2006 projects into 2005, or 2007 projects into 2006. Senate Bill 1192 (2006 PA 140) added new Section 11f to establish criteria for project selection. For additional information on the program, refer to the legislative analysis of the above-referenced bills.

## **FISCAL IMPACT:**

Not determined at this time.

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