



Senate Fiscal Agency  
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# BILL ANALYSIS

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House Bill 5889 (as introduced)  
Committee: Appropriations

<b>FY 2009-10 Year-to-Date Gross Appropriation .....</b>	<b>\$3,259,638,000</b>
<b>Changes from FY 2009-10 Year-to-Date:</b>	
1. <b>Debt Service.</b> The Governor decreased funding for scheduled debt service payments.	(4,824,300)
2. <b>Grants to Other Departments.</b> The Governor adjusted funding for grants to other departments, included were adjustments to account for the elimination of the Department of History, Arts, and Libraries, the Department of Information Technology/Department of Management & Budget merger, and MDOT becoming an accounting service center for the Department of Agriculture.	2,360,700
3. <b>State Restricted Revenue.</b> The Governor decreased expenditures for road and bridge programs to align them with anticipated revenue. The reductions were: State Trunkline Roads - \$46,598,600; County Road Commissions - \$17,584,700; Cities and Villages - \$9,804,200; and Local Bridge Program - \$105,200.	(74,092,700)
4. <b>Transportation Economic Development Fund.</b> The Governor did not continue the \$12.0 million transfer to the General Fund (utilized in the last two fiscal years). The Governor also recommended \$1,000,000 to fulfill a statutory requirement to contribute matching funds that would allow a nonprofit street railway to receive federal funding. The matching funds would require additional legislation but would come from existing funding.	12,000,000
5. <b>Capital Outlay and Related.</b> The Governor increased payments for special maintenance and salt/sand storage facility replacement. New funding, for \$11.5 million, was provided for the replacement facilities associated with the Blue Water Bridge expansion. The increases were offset by reductions in miscellaneous airport improvement projects.	13,052,500
6. <b>Federal Debt Service Savings.</b> A portion of Federal revenue no longer needed to fund debt service was redirected to road and bridge programs.	12,331,400
7. <b>Unmatched Federal Funding.</b> Federal aid reductions due to insufficient funding match from State funds. The actual reduction was \$575.0 million, but was offset by \$100.0 million in additional match reflecting \$20.0 million in STF reductions from other programs (including \$12,786,300 from highway maintenance) moved to road and bridge programs.	(475,000,000)
8. <b>Amtrak Funding.</b> The FY 2009-10 budget as enacted included only partial-year funding for Amtrak services. The recommendation provided full year funding.	3,000,000
9. <b>Other Revenue-based Adjustments.</b> The Governor adjusted expenditures from various funds to reflect anticipated revenue, including \$3,059,500 in increases to reflect statutory floors established in Public Act 51, \$2,222,900 in Federal funding increases for various programs, and \$9,104,800 in Federal reductions and the exhaustion of ARRA funds.	(3,822,400)
10. <b>Economic Adjustments.</b> The Governor added standard economic increases, none of which were funded through the General Fund.	16,816,400
11. <b>Other Changes.</b> The Governor recommended other adjustments including: restored funding for the Give 'Em a Brake safety campaign and intercity bus marketing - \$600,000; elimination of an earmark related to truck inspection stations on forest roads - (\$40,000); and technical reallocations of costs and savings - (\$1,090,300).	(530,300)
<b>Total Changes.....</b>	<b>(\$498,708,700)</b>
<b>FY 2010-11 Governor's Recommendation.....</b>	<b>\$2,760,929,300</b>

**Changes from FY 2009-10 Year to Date:**

1. **Reporting Requirements.** The Governor deleted reporting requirements from a variety of sections, including issues associated with privatization efforts (Sec. 207), policy changes in implementing legislation (Sec. 263), continuous improvement efforts (Sec. 264), local road funding by legislative district (Sec. 303), compliance with contract specifications (Sec. 308), reports from internal audits (Sec. 314), regarding women- and minority-owned businesses (Sec. 334), FTE positions (Sec. 358), electronic newsletters (Sec. 374), select deferred projects (Sec. 376), use of State-owned aircraft (Sec. 383), funding distribution formulas (due 7/1/09, Sec. 394), performance and construction warranties (Sec. 601), manufactured pipes for drainage (Sec. 602), the Ann Arbor & NW Michigan Railroad (due 3/1/10, Sec. 741), and capital outlay projects at airports (Sec. 902). The Governor also deleted language requiring notification regarding railroad line abandonment (Sec. 703). The Governor imposed new reporting requirements on a nonprofit street railway (Sec. 398).
2. **Hiring Freeze.** The Governor deleted language imposing a hiring freeze (Sec. 205).
3. **Records Retention.** The Governor deleted language provides guidelines for records retention (Sec. 211).
4. **Travel Restrictions.** The Governor deleted language allowing exceptions to the guidelines on out-of-state travel. (Sec. 260), as well as reporting of any exceptions. Also deleted were sections regarding travel for professional development (Sec. 265).
5. **Discipline for Legislative Communication.** The Governor deleted language prohibiting the Department from disciplining employees for communicating with the legislature (Sec. 261).
6. **Small Business Rules.** The Governor deleted language prohibiting the development of rules that would have a disproportionate impact on small business (Sec. 263).
7. **Transparency.** The Governor deleted language requiring the Department to post information regarding expenditures on its web site (Sec. 266).
8. **Public Passenger Transportation Properties.** The Governor added language to allow revenue to pay costs to improve property, rather than just maintain property, as under current law (Sec. 305).
9. **Restored Vetoes.** The Governor restored funding for the "Give 'Em a Brake" Program and marketing of intercity bus services but deleted the boilerplate sections regarding the programs (Sec. 324 and 729).
10. **Detroit River International Crossing (DRIC).** The Governor deleted language regarding the crossing (Sec. 384). The language allowed completion of a study; certain preliminary activities to prepare a proposal for the Legislature (applications for permits, preliminary design work, preliminary utility planning and relocation, preliminary financial and funding arrangements); required a quarterly report; and allowed advanced property acquisitions during the study. No allowed action could bind the State to future action. The language also required proposals be submitted to the legislature by May 1, 2010, required a traffic study, limited expenditures to \$2.5 million, and specified intent.
11. **Legislative Intent.** The Governor deleted a number of sections specifying legislative intent, especially regarding construction or road operations (Sections 395, 399, 607, 610, 612, 615, 654, 655, 656, 658, 661, 737, 743, and 744).
12. **Rest Area Maintenance Signs.** The Governor deleted language requiring posting of signs identifying responsible parties (Sec. 319).
13. **Changes in Operations.** The Governor deleted language regarding the prompt payment of contractors and subcontractors (Sec. 353), the promotion of best practices (Sec. 393), requiring the use of traffic congestion as a criteria in the 5-year plan (Sec. 603), an earmark of \$40,000 for two additional truck inspection stations on forest roads (Sec. 608), use of historical data on pavement projects (Sec. 659), promotion of using recycled materials in projects (Sec. 660), designation of essential bus corridors (Sec. 709), rates charges on State-owned intermodal facilities (Sec. 731), and protocols for public transit agencies (Sec. 734).
14. **NEW -- IRS Debt Service Refinancing.** The Governor restricted certain funds from the CTF refunding bonds issued in 2009 to reflect IRS requirements (Sec. 745).
15. **Matching Funds.** The Governor deleted language regarding the use of certain appropriated funds used as matching funds for FTA bus acquisition (Sec. 721) and reverse commute grants (Sec. 722).

Date Completed: 2-19-10

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