

TRANSPORTATION
Summary: FY 2008-09 Appropriations
House Committee Substitute
HB 5808 (H-1)

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	FY 2007-08 YTD	FY 2008-09 Executive	FY 2008-09 House	FY 2008-09 Senate	FY 2008-09 Enacted	Difference: House Sub. From FY 2007-08 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0		\$0	\$0	0.0
Federal	1,200,740,600	1,316,771,200	1,316,771,200			116,030,600	9.7
Local	42,850,000	40,950,000	40,950,000			(1,900,000)	(4.4)
Private	0	0	0			0	0.0
Restricted	2,116,605,000	2,066,744,300	2,066,784,300			(49,820,700)	(2.4)
GF/GP	0	0	0			0	0.0
Gross	\$3,360,195,600	\$3,424,465,500	\$3,424,505,500			\$64,309,900	1.9
FTEs	3,035.3	3,014.3	3,014.3			(21.0)	(0.0)

Note: FY 2007-08 figures reflect supplementals and Executive Order (EO) actions through February 7, 2008.

Overview

The transportation budget supports state and local highway programs, public transportation programs, aeronautics programs, and administration of the Michigan Department of Transportation (MDOT). Approximately two-thirds of the budget is from constitutionally-restricted state revenue sources—primarily motor fuel taxes and vehicle registrations—which is credited to the Michigan Transportation Fund (MTF) for distribution to other state transportation funds and programs, and to local road agencies, in accordance with 1951 PA 51. Approximately one-third of the budget is federal revenue. There is no state GF/GP revenue in this budget.

The Executive budget is a continuation budget; the Executive proposes no new programs or revenue. Line item changes primarily reflect economic adjustments and/or adjustment of estimated restricted or federal revenue.

The House substitute concurs with the Executive with regard to line item appropriations with the exception of the TEDF Forest Roads line; the House substitute includes \$40,000 for trunk turnoffs (see boilerplate Section 608).

Major Budget Changes From FY 2007-08 YTD Appropriations		FY 2007-08 YTD	House Change From YTD
1. Debt Service	Gross	\$223,612,500	(\$31,608,600)
Reflects anticipated debt service schedules. The reduction in the federal fund source reflects the fact that the final payment of \$32.1 million on short-term federal grant anticipation (GARVEE) notes was made in 2008.	Federal	55,080,000	(32,296,700)
	Restricted	168,532,200	688,100
2. Grants to Other State Departments	Gross	\$47,239,800	\$1,810,000
Includes MTF IDGs to Departments of State (\$20.0 million) and Treasury (\$7.2 million – \$653,800 less than FY 2007-08) for cost of collecting MTF revenue. STF grant to Civil Service Commission would increase by \$2.3 million, to reflect transfer of all human service functions out of the department. There is a related reduction in STF funding for human service line items in the Business Support appropriations unit.	Restricted	47,239,800	1,810,000
3. Executive Direction – Unclassified Salaries	FTEs	6.0	0.0
Executive proposed \$70,600 (STF) increase to baseline to fund unclassified FTE position is currently authorized but unfunded and unfilled.	Gross	\$531,800	\$70,600
	Restricted	531,800	70,600

Major Budget Changes From FY 2007-08 YTD Appropriations		FY 2007-08 YTD	House Change From YTD
4. Business Support	FTEs	78.0	(21.0)
The proposed budget reflects the transfer of human service functions from the department to the Civil Service Commission. As noted above, funding needed to reimburse Civil Service would be reflected in IDG. This appropriation unit also reflects a \$1.3 million reduction in property management costs as a result of completion of work on the Van Wagoner Transportation building.	Gross	\$21,028,600	(\$3,863,200)
	Restricted	21,028,600	(3,863,200)
5. State Trunkline Maintenance	FTEs	828.7	4.0
Reflects state trunkline lane miles added by new construction and jurisdictional transfers, and increased costs of equipment, material, and fuel. Also reflects increase in programmed roadside cleanup cycles.	Gross	\$278,607,700	\$6,120,500
	Restricted	278,607,700	6,120,500
6. State Trunkline Road and Bridge Construction	Gross	\$951,515,600	\$91,542,500
Appropriates \$1.043 billion for capital construction/reconstruction program. Decrease in available state restricted revenue offset increase in estimated federal aid revenue.	Federal	774,371,800	118,049,100
	Local	30,000,000	0
	Restricted	147,143,800	(26,506,600)
7. Local Federal Aid Road and Bridge Construction	Gross	\$268,570,000	\$41,022,000
Appropriates \$309.6 million in federal funds based on estimated federal revenue and Act 51 directive that 25% of most federal aid program funds be made available to local road agencies.	Federal	268,570,000	41,022,000
8. MTF Distribution to Local Road Agencies	Gross	\$970,967,800	(\$39,397,000)
Appropriates \$931.6 million MTF (\$598.1 million to county road commissions, \$333.5 million to cities/villages) based on MTF revenue estimates and Act 51 formula; final distribution will be based on actual MTF revenue, which may be more or less than appropriations.	Restricted	970,967,800	(39,397,000)
9. Transportation Economic Development (TEDF) Fund	Gross	\$29,174,300	\$13,157,900
Provides \$42.3 million for statutory distribution per 1987 PA 231; increase in FY 2008-09 reflects the end of the current year agreement to redirect \$13.0 million drivers' license fee revenue from TEDF to General Fund. The	Restricted	29,174,300	13,157,900
10. Bus Transit – Local Bus Operating Assistance	Gross	\$166,624,000	\$0
Includes \$166.6 million from Comprehensive Transportation Fund (CTF) for state operating assistance to local public transit agencies, unchanged from prior FY 2007-08 and FY 2006-07.	Restricted	166,624,000	0
11. Rail Passenger Service	Gross	\$7,900,000	\$0
Provides operating assistance for Port Huron/Chicago and Grand Rapids/Chicago rail service with restricted funds; federal revenue provides capital assistance.	Federal	1,000,000	0
	Restricted	6,900,000	0
12. Bus Capital	Gross	\$46,163,600	(\$11,760,600)
Provides matching funds for Federal Transit Administration (FTA) grants to local transit agencies; line reflects reduction in anticipated Federal Transit Administration grants distributed through this budget and related CTF matching revenue. (More FTA grants are now distributed directly to transit agencies and are not shown in state budget.)	Federal	30,000,000	(10,000,000)
	Local	5,000,000	0
	Restricted	11,163,600	(1,760,600)
13. Employee Economics	Gross	N/A	\$1,461,100
Provides \$1.8 million increase for salaries/wages, \$2.0 million reduction related to health insurance, and \$1.7 increase for retirement contributions, and \$1.7 million for building occupancy charges. Projected workers compensation would decrease \$82,000.	Federal	N/A	2,800
	Restricted		1,458,300

Major Boilerplate Changes From FY 2007-08

Sec. 201. Total State Spending and Payments to Local Units of Government – Updated

Identifies total state spending in Part 1 and state payments to local units of government.

Sec. 202. Management and Budget Act – Retained

References the Management and Budget Act.

Sec. 203. Abbreviations – Retained

Defines abbreviations used in Act

Sec. 204. Civil Service 1% Billing – Modified

Changes reference to Civil Service *Commission*; provides for billing to Department.

Sec. 205. Hiring Freeze – Retained

Establishes a hiring freeze on state classified civil service.

Sec. 206. Contingency Appropriations – Retained

Provides for contingency appropriations in accordance with Section 393(2) of the Management and Budget Act, \$200.0 million federal; \$40.0 million state restricted, \$1.0 million in local, and \$1.0 million private funds.

Sec. 207. Privatization – Modified

Provides for reports on privatization activities and defines privatize and privatization.

Not included in Executive budget; retained in House sub with additional language.

Sec. 208. Internet Reports – Retained

Provides for use of Internet to fulfill reporting requirements.

Sec. 209. Foreign Goods and Services – Retained

Prohibits use of foreign goods and services if comparatively priced and comparable quality American goods and services are available. Directs Department to give priority to Michigan goods and services, and to businesses owned by Michigan veterans.

Sec. 210. Deprived and Depressed Communities – Retained

Requires director to take reasonable steps to ensure that businesses in deprived and depressed communities compete for contracts to provide services or supplies or both.

Sec. 211. Receive and Retain Reports – Retained

Provides guidelines regarding record retention.

Not included in Executive budget; retained in House sub.

Sec. 258. Department of Information Technology Work Projects – Retained

Provides carryforward funds to support technology projects.

Sec. 259. Department of Information Technology User Fees – Retained

Provides for user fees to be paid to Department of Information Technology.

Sec. 260. Out-of-State Travel – Retained

Establishes limitation on out-of-state travel and creates travel reporting requirement.

Sec. 261. Employee Discipline – Retained

Prohibits departments and agencies from taking disciplinary action against an employee for communicating with legislator or legislative staff.

Not included in Executive budget; retained in House sub.

Sec. 262. Hire of Outside Legal Counsel – Retained

Prohibits department from hiring a person to provide legal services that are the responsibility of the Attorney General; exempts bond counsel.

Sec. 263. Impact of New Legislation and Administrative Rules – **Not included**

Requires a report, by April 1, 2008, on specific policy changes adopted to implement new public acts. Prohibits the Department from adopting administrative rules that have a disproportionate impact on small business.

Sec. 264. Continuous Improvements – Modified

Requires department director to implement "continuous improvement efficiency mechanisms." Requires reports on March 31, 2008 and September 30, 2008.

Not included in Executive budget; modified version retained in House sub.

Major Boilerplate Changes From FY 2007-08

Sec. 301. Permit Fees/Bridge Tolls – Retained

Provides for permit and FOIA processing fees; provides process for raising bridge tolls.

Sec. 303. Legislative Report – Retained

Provides for report (on request) of funds received by city, village, and county road commission by legislative district.
Not included in Executive budget; retained in House sub.

Sec. 304. Confidentiality of Bid Documents – Retained

Provides for confidentiality of highway project bid documents.

Sec. 305. Lease of Space in Public Transportation Property – Retained

Requires lease of space in public transportation facilities at market rates; requires that revenue be used for property maintenance.

Sec. 306. Use of Transportation Funds by Other State Agencies/Biennial Audit of Transportation Funds (PARTIAL VETO in 2008) – Retained

Sets guidelines for use of transportation funds (grants) by other state agencies; requires report. Provides for biennial audit of use of transportation funds by other state departments, due 9 months after state CAFR is issued. Governor vetoed subsection 3 which required the State Treasurer to identify actual cost of work performed by Michigan Department of Treasury for state-restricted transportation funds.
The House sub retains all four subsections.

Sec. 307. Rolling Five-Year Plan – Retained

Requires Department to provide a rolling five-year highway construction plan by March 1 of each year.

Sec. 308. Contract Compliance – Retained

Requires that Department and local road agencies pursue compliance with contract specifications for construction and maintenance; provides for sanctions for unsatisfactory contractors; requires a report.

Sec. 309. Administrative Costs – Retained

Requires Department to reduce administrative costs.

Sec. 310. State Transportation Commission Minutes/Agenda – Retained

Requires Department to provide copies of minutes and agenda to Legislature.

Sec. 312. State Trunkline Fund Carryforward – Retained

Allows carryforward authority for STF; appropriates for state trunkline federal aid and road and bridge program.

Sec. 313. State Infrastructure Bank – Retained

Provides guidelines for State Infrastructure Bank program.

Sec. 314. Report on Internal Auditor – Retained

Provides for report on activities of internal auditor; report due February 1st of each year.
Not included in Executive budget; retained in House sub.

Sec. 319. Rest Area Maintenance – Retained

Requires signs/telephone numbers for reporting unclean and unsafe conditions at rest areas.

Sec. 324. Construction Zone Traffic Law Enforcement – Retained

Earmarks \$500,000 from STF for construction zone traffic law enforcement and the "Give 'em a brake campaign."
The Executive had modified to "up to \$500,000; the House sub retains current year language.

Sec. 334. Women- and Minority-Owned Businesses Program – Retained

Requires Department to continue MBE/WBE program; September 30th reporting requirement.

Sec. 353. Prompt Payment – Retained

Directs Department to review contractor payment process to ensure that contractors and subs are paid promptly.
Not included in Executive budget; retained in House sub.

Sec. 357. Local Federal Aid Project Review – Retained

Directs Department to complete project reviews within 120 days; requires system for monitoring review process.
Not included in Executive budget; retained in House sub.

Major Boilerplate Changes From FY 2007-08

Sec. 361. Bureau of Multi-Modal Transportation Services – Retained

Requires Department to report on any change in bureau services or functions as approved by the State Transportation Commission.

Not included in Executive budget; retained in House sub.

Sec. 370. Transit Agency Charter Service – Retained

Directs Department to maintain a compliant process for violations of 49 CFR, Part 604 regarding use of public transit vehicles for charter service.

Not included in Executive budget; retained in House sub.

Sec. 374. MDOT Employee Newsletters – Retained

Requires Department to distribute employee newsletters electronically.

Not included in Executive budget; retained in House sub.

Sec. 375. MDOT Open Houses and Groundbreaking Ceremonies – Retained

Prohibits Department from reimbursing contractors or consultants for groundbreaking ceremonies, receptions, open houses, or press conferences related to transportation projects funded from appropriations made in Act.

Sec. 376. Deferred Project Report – Retained

Requires report by March 1 of each year on status of 17 projects deferred in 2003, then restored to five-year plan.

Not included in Executive budget; retained in House sub.

Sec. 383. Report on Use of State Airfleet – Not included

Requires quarterly report on use of department-owned aircraft; restricts transport of local government employees, employees of institutions of higher education, and legislative employees; waives restrictions for law enforcement and homeland security.

Sec. 384. Detroit River International Crossing (DRIC) – Not included

Section restricts department activities with regard to study of a new crossing of the Detroit River between Detroit, Michigan, and Windsor, Ontario. Section permits the department to complete study phase of project without obligating the state to construct; prohibits the department from expending funds for activities beyond study phase; permits hardship or opportunity property acquisition with notice to legislature; requires legislative hearings on DRIC study; requires report on source and use of all funds in furtherance of the DRIC study.

Sec. 391. Deputy Director for Public Transportation – NEW

Indicates legislative intent that department establish position for public transportation.

Sec. 393. Best Practices for Public Transportation – NEW

Directs department to support best practices.

Sec. 394. Property Easement in Garfield Township – NEW

Directs department to allow private non-profit an access easement across department-owned right of way.

Sec. 401. Federal Aid Distribution Report – Modified

Requires Department to report to the Legislature on proposed distribution of federal funds; provides a 30-day window for legislative approval/disapproval. Governor indicates provision requiring legislative approval (in current law) violates separation of powers doctrine of the Michigan Constitution and is thus unenforceable.

The House sub adopts Executive proposed language.

Sec. 402. Sale of Local Federal Aid – Retained

Authorizes local road agencies to sell federal aid to Department or to other local road agencies.

Sec. 501. Motor Carrier Act – Retained

Describes distribution of revenue received under the act (1933 PA 254).

Sec. 502. Treasury Audits of Local Road Agencies – Retained

Provides for audits of local road agencies by Department of Treasury.

Sec. 503. TEDF/Local Bridge Fund Carryforward – Retained

Provides carryforward authority for TEDF and Local Bridge funds; prevents diversion for other purposes; authorizes use of federal, local, or private funds for program.

Major Boilerplate Changes From FY 2007-08

Sec. 504. MTF Distribution – Retained

Requires use of MTF in accordance with Act 51 requirements.

Sec. 601. Road Construction Warranties – Retained

Encourages use of road construction warranties; provides for report by September 30th of each year.

Sec. 602. Manufactured Pipe – Retained

Provides standards for use and testing of manufactured pipe.

Sec. 603. Traffic Congestion – Retained

Directs Department to consider traffic congestion be used as criteria in project selection; provides specific criteria for evaluating traffic congestion.

Not included in Executive budget; retained in House sub.

Sec. 607. I-75 Interchange Flint Township – NEW

Indicates legislative intent that Department construct new interchange.

Sec. 608. Truck Inspection Stations – Retained

Earmarks \$40,000 from the TEDF (Forest Roads) for two truck inspection stations.

Not included in Executive budget; retained in House sub.

Sec. 610. Dead Deer – Retained

Describes legislative intent regarding clean-up of dead deer and other large animal remains.

Not included in Executive budget; retained in House sub.

Sec. 611. Pavement Marking – Not included

Directs Department to use high quality pavement marking materials on state trunkline projects.

Sec. 612. Incentive/Disincentive Contracts – Retained

Requires Department to establish guidelines for use of incentive/disincentive contracts; establishes a reporting requirement; report due January 1, of each year.

Not included in Executive budget; retained in House sub.

Sec. 615. Interchange M-48 and I-75 in Chippewa County – Retained

Indicates legislative intent that Department construct full interchange.

Not included in Executive budget; retained in House sub.

Sec. 616. Traffic Light US-31 Bay Harbor (Emmet County) – Not included

Indicates legislative intent that Department reimburse the city of Petoskey for traffic signal.

Sec. 617. I-75 Service Drive in Hazel Park – NEW

Indicates legislative intent that Department reconstruct service drive.

Sec. 639. Signage for Drivers to Comply with Michigan Vehicle Code – Not included

Directs Department to plan and schedule placing of signs to direct drivers to drive on right side of roadway per Michigan Vehicle Code; report due November 1, 2008.

Sec. 640. Signage for Drivers to Comply with Michigan Vehicle Code – Not included

Directs Department to plan and schedule placing of signs to direct drivers to yield to emergency vehicles per Michigan Vehicle Code; report due November 1, 2008.

Sec. 654. Long-term Viability of Mackinac Bridge – Retained

Indicates legislative intent that the Mackinac Bridge Authority protect long-term viability of the Mackinac Bridge.

Not included in Executive budget; retained in House sub.

Sec. 655. Eaton Rapids Sidewalk Program – Not included

Indicates legislative intent that Department spend not less than \$32,000 for sidewalk improvement project.

Sec. 656. M-49 Upgrade “Green Highway” – Not included

Indicates legislative intent that the Department upgrade M-49 in Hillsdale County to a “designated” truck route.

Major Boilerplate Changes From FY 2007-08

Sec. 657. US-23 Corridor Study – **Not included**

Indicates legislative intent that the Department proceed with a US-23 congestion mitigation corridor study in Washtenaw and Livingston counties.

Sec. 658. Interchange at I-196 and Phoenix Road in South Haven – **Not included**

Indicates legislative intent that Department reconstruct interchange.

Sec. 659. Life Cycle Cost for Pavement Projects – Retained

Allows the use of historical/comparable data from states with similar climate, soil, and vehicular traffic.
Not included in Executive budget; retained in House sub.

Sec. 701. Intercity Bus Equipment Fund – Retained

Provides for separate accounting and carryforward authority for this fund.

Sec. 702. Rail Preservation Fund – Retained

Provides for separate accounting and carryforward authority for this fund; reference to State Transportation Preservation Act of 1976 (1976 PA 295).

Sec. 703. Rail Abandonment Notice – Retained

Requires Department to notify Legislature when railroad companies file for abandonment of lines.
Not included in Executive budget; retained in House sub.

Sec. 705. Rail Infrastructure Loan Program – Retained

References program guidelines in Public Act 295 of 1976.

Sec. 706. Detroit/Wayne County Port Authority – Retained

Requires report due by February 15 of each year.

Sec. 708. Intercity Bus Equipment Program – Retained

Requires annual lease of not less than \$1,000.

Sec. 709. Intercity Bus Essential Corridor – Retained

Identifies essential bus corridors; prohibits operating subsidy to any entity competing with another public or private carrier over the same route.

Not included in Executive budget; retained in House sub.

Sec. 711. Seven-Day Rail Passenger Service (AMTRAK) – Retained

Directs Department to negotiate with a rail carrier to provide seven-day Port Huron/Chicago and Grand Rapids/Chicago service; limits state subsidy to \$7.1 million; requires a monitoring system for complaints.

Not included in Executive budget; retained in House sub.

Sec. 714. Local Transit Demand-Response Services – Retains

Requires that Department, in cooperation with local transit agencies, work to ensure that demand-response services are provided throughout Michigan; requires report due March 1 of each year.

Sec. 721. Guidelines for CTF Matching Federal Transit Funds – Retains

Reduces CTF matching funds for projects not put under contract within specified term.

Sec. 722. Transportation to Work Match for Federal Funds – Retained

Requires CTF funds in Transportation to Work line be used to match federal job access/reverse commute grants.

Not included in Executive budget; retained in House sub.

Sec. 729. Intercity Bus Marketing – Retained

Earmarks \$100,000 from Intercity Services line item for marketing.

Not included in Executive budget; retained in House sub.

Sec. 730. Intercity Bus Equipment Sales – Retained

Directs Department to sell state-owned intercity bus equipment within six months of lease termination and to credit proceeds to Intercity Bus Equipment Loan Fund.

Not included in Executive budget; retained in House sub.

Major Boilerplate Changes From FY 2007-08

Sec. 731. Intercity Bus Space Rental – Retained

Directs Department to charge transit agencies and intercity bus carriers the same rent when leasing similar space in state-owned intermodal facilities.

Not included in Executive budget; retained in House sub.

Sec. 732. Handicap Bus Lifts Maintenance Reporting Requirement – Not included

Provides reporting requirement for maintenance of wheelchair lifts by transit agencies; provides sanctions for failure to repair by milestone dates. The Governor has indicated that subsections (5) and (6) attempt to amend Act 51 by reference and are therefore unenforceable.

Sec. 734. Transit Agency Service Performance Measures – Retained

Directs Department to work to ensure that transit agencies meet certain service performance measures.

Not included in Executive budget; retained in House sub.

Sec. 736. Intercity Bus/Rail Coordination – Retained

Directs Department to work with intercity bus and rail passenger carriers to coordinate services.

Not included in Executive budget; retained in House sub.

Sec. 737. Birmingham/Troy Passenger Facility – Not included

Indicates legislative intent that Department proceed with construction of a Birmingham/Troy intermodal passenger facility.

Sec. 740. Review of CTF Fund Balances – Retained

Requires report on unencumbered CTF balance by March 1 of each year.

Not included in Executive budget; retained in House sub.

Sec. 741. Ann Arbor and Northwest Michigan Railroad – Not included

Requires report on progress made to improve rail track to support passenger trains at 59 MPH.

Sec. 801. State Aeronautics Fund – Retained

Requires that unexpended funds in the State Aeronautics Fund lapse back to the fund.