



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5808 (H-1 as passed by the House)
Committee: Appropriations

FY 2007-08 Year-to-Date Gross Appropriation \$3,360,195,600

Changes from FY 2007-08 Year-to-Date:

- 1. **Debt Service.** The Governor decreased funding for scheduled debt service payments. (31,608,600)
The most significant change is a decrease of \$32.1 million due to the repayment in FY 2008 of Federal grant anticipation notes.
- 2. **Grants to Other Departments.** Governor adjusted funding grants to other departments. (534,000)
- 3. **Federal Aid Road Construction.** The Governor increased funding for Federal aid road construction. 159,071,100
- 4. **State Restricted Revenue.** The Governor reduced funding for road and bridge programs (65,739,300) to adjust expenditures with anticipated revenue. The reductions are: State Trunkline Roads - \$25,060,700; County Road Commissions - \$25,294,300; Cities and Villages - \$14,102,700; and Local Bridge Program - \$1,281,600.
- 5. **Public Transportation Development.** The Governor reduced expenditures to Bus Capital (\$10,000,000) and Transportation to Work (\$3,000,000) to reflect lower Federal and correlating local funding for these programs. (13,000,000)
- 6. **Comprehensive Transportation Fund.** The Governor reduced expenditures from the CTF to more closely align them with anticipated revenue. (2,485,600)
- 7. **Other Revenue-based Adjustments.** The Governor adjusted expenditures from various funds due to anticipated revenue. 12,000
- 8. **Maintenance.** The Governor added maintenance funding related to additional lane miles (205,500) and inflationary increases (\$4,064,700). 4,270,200
- 9. **Roadside Cleaning.** The Governor increased funding for the Youth Corps (\$250,000) and to fund additional cleaning cycles in the Metro Region (\$1,000,000). 1,250,000
- 10. **Forest Roads.** The Governor eliminated TEDF funding for truck inspection stations. The House restored the funding. 0
- 11. **Unclassified Position.** The Governor included funding for an unclassified position which has been vacant and unfunded for several years. 70,600
- 12. **Agency Realignment.** The Governor transferred a total of \$464,900 and 5.0 FTE positions between agency programs to align the budget with actual job functions. 0
- 13. **One-time TEDF Reduction Adjustments.** Adjustments made to account for one-time FY 2007-08 TEDF reductions. 13,000,000
- 14. **Economic Adjustments.** The Governor added standard economic increases. 166,700
- 15. **Other Changes.** The Governor recommended other adjustments including: an administrative reduction for IT (\$15,600); DIT economics increases (\$57,400); and reductions associated with the transfer of the HR functions (\$205,000). (163,200)
- 16. **Comparison to Governor's Recommendation.** The House is \$40,000 Gross and \$0 GF/GP over/under the Governor.

Total Changes \$64,309,900

FY 2008-09 House-Passed Gross Appropriation \$3,424,505,500

Changes from FY 2007-08 Year to Date:

1. **Legislative Reports.** The Governor removed a number of reports: privatization (Sec. 207); policy changes made to implement legislation (Sec. 263); amounts received by cities and counties in a legislative district (Sec. 303); compliance with contract specifications (Sec. 308); activities of internal auditor (Sec. 314); use of women and minority-owned businesses (Sec. 334); Multi-Modal Transportation Services Bureau activities (Sec. 361); status of deferred projects (Sec. 376); travel on department-owned aircraft (Sec. 383); development of performance and road construction warranties (Sec. 601); mandrel testing of manufactured pipe (Sec. 602); contract incentives/disincentives (Sec. 612); rail line abandonment (Sec. 703); demand-response service (Sec. 714); local transit agencies' operational lift status (Sec. 732); CTF balance (Sec. 740); and progress on improvements to Ann Arbor and NW Michigan railroad (Sec. 741). The House restored the requirements with the exception of Sections 263, 383, 732, and 741.
2. **Restrictions on Departmental Operations.** The Governor removed a number of restrictions on departmental operations: report retention (Sec. 211); disciplinary action against an employee who speaks to the Legislature (Sec. 261); adoption of a rule with disproportionate impact on small business (Sec. 263); continuous improvement efficiency mechanisms (Sec. 264); contractor payment (Sec. 353); local Federal aid project review (Sec. 357); complaint process for charter prohibition violations (Sec. 370); electronic employee newsletters (Sec. 374); legislative approval of the distribution of Federal funds (Sec. 401); use of traffic congestion as project criteria (Sec. 603); dead animal removal (Sec. 610); use of high-quality pavement markings (Sec. 611); contract incentives/disincentives (Sec. 612); signs directing motorists to drive on right-hand side of the road (Sec. 639); signs directing motorists to yield to emergency vehicles (Sec. 640); Mackinac Bridge Authority mission (Sec. 654); congestion mitigation corridor study of US 23 (Sec. 657); use of historical data from other states when MI data not available (Sec. 659); essential bus route corridors (Sec. 709); match funds for job access reverse commute grants (Sec. 722); sale of state-owned intercity bus equipment (Sec. 730); intermodal facility lease charges (Sec. 731); high quality public transit (Sec. 734); and coordination of intercity passenger transportation (Sec. 736). The House restored the language with the exception of Sections 611, 639, & 640 and added language stating legislative intent that a Deputy Director for Public Transportation be established (Sec. 391) and that best practices for public transportation be supported (Sec. 393).
3. **Detroit River Crossing.** The Governor and House removed language prohibiting expenditures for property acquisition, condemnation, Federal applications, engineering, or design work. The language allowed completion of the DRIC study, but expenditures based upon the recommendations of the study required Legislative approval (Sec. 384).
4. **Appropriation Earmarks.** The Governor removed language earmarking: \$40,000 TEDF for forest road turnouts (Sec. 608); \$32,000 for a Safe Routes to School project in Eaton Rapids (Sec. 655); and \$100,000 for intercity bus service development (Sec. 729). The House restored the language with the exception of Sec. 655.
5. **Specified Projects.** The Governor removed language regarding specific construction projects: interchange at M-48/I-75 in Chippewa County (Sec. 615); reimbursement for traffic light in Petoskey (Sec. 616); upgrade of M-49 (Sec. 656); interchange at I-196/Phoenix Road in South Haven (Sec. 658); and construction of a Birmingham/Troy intermodal facility (Sec. 737). The House restored the language in Sec. 615 and added an I-75 interchange in Flint (Sec. 607) and an I-75 service drive in Hazel Park (Sec. 617).
6. **Rail Passenger Service.** The Governor removed language which: sets a cap on the state subsidy; stipulates that future support be dependent upon increased ridership and route revenue; and stipulates that the subsidy will not be provided if Amtrak discontinues service on the Port Huron-Chicago or Grand Rapids-Chicago routes (Sec. 711). The House restored the language.

Date Completed: 3-28-08

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