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Senate Bill 1164 (S-1 as passed by the Senate)  
Committee: Appropriations

**FY 2009-10 Year-to-Date Gross Appropriation ..... \$3,268,472,300**

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

- 1. **Debt Service.** Gov./Senate reduced funding for scheduled debt service payments. (4,824,300)
- 2. **Grants to Other Departments.** Gov./Senate adjusted funding for grants to other departments, including accounting for Dept. of Info Technology/Dept. of Management & Budget merger, elimination of Dept. of History, Arts, & Libraries, & MDOT becoming an accounting service center for Dept. of Agriculture. 2,360,700
- 3. **State Restricted Revenue.** Gov./Senate reduced road & bridge programs to reflect anticipated revenue: State Trunkline Roads (\$46,598,600), County Road Commissions (\$17,584,700), Cities/Villages (\$9,804,200), Local Bridges (\$105,200), Other (\$4,444,300). (78,537,000)
- 4. **Transportation Economic Development Fund.** Gov./Senate recommended \$1.0m to fulfill a statutory requirement to contribute matching funds that would allow a nonprofit street railway to receive Federal funding. Matching funds for the nonprofit street railway would require additional legislation but would come from existing funding. 0
- 5. **Capital Outlay & Related.** Gov./Senate increased payments for special maintenance & salt/sand storage facility replacement. \$11.5m new funding was provided for replacement facilities associated with Blue Water Bridge expansion. Increases were offset by reductions in miscellaneous airport improvement projects. 13,052,500
- 6. **Federal Debt Service Savings.** Gov./Senate redirected a portion of Federal revenue no longer needed to fund debt service to road & bridge programs. 12,331,400
- 7. **Lost Federal Funding.** Gov. lowered Federal aid due to insufficient funding match from State funds: \$575.0m reduction offset by \$100.0m in additional match made possible by \$20.0m in STF reductions from other programs (including \$12,786,300 from highway maintenance) that moved to road & bridge programs. (475,000,000)
- 8. **Other Revenue-based Adjustments.** Gov./Senate adjusted expenditures to reflect anticipated revenue to various funds, including \$2,932,500 in increases to reflect statutory floors established in Public Act 51, \$2,222,900 in Federal funding increases for various programs, & \$10,834,800 in Federal/local reductions (including ARRA exhaustion). (5,679,400)
- 9. **Economic Adjustments.** Gov./Senate added standard economic increases, none of which were funded through the General Fund. 16,816,400
- 10. **Maximize Federal Matching Revenue.** Senate provides various reductions to shift \$84.0m into road & bridge program to utilize available Federal revenue. Changes include: \$15.9m from TEDF balance, \$12.0m in current TEDF revenue, \$10.9m in other STF reductions, an additional \$40.3m reduction in highway maintenance, & \$4.8m in reductions of various items funded with CTF revenue. 502,877,500
- 11. **3% Budget Reduction.** Senate reduced line items with FTEs by 3% of compensation. (7,701,100)
- 12. **Other Changes.** Gov./Senate recommended other adjustments including: restored funding for Give 'Em a Brake safety campaign & intercity bus marketing -\$600,000 (See boilerplate section); Amtrak funding increases - \$467,000; & technical reallocations of costs & savings - (\$1,090,300). Senate also split the maintenance item to allocate both the Senate's & the Governor's reductions between the State & contract operations. (23,300)
- 13. **Comparison to the Governor's Recommendation.** Senate is \$483,216,400 above the Gov. Neither the Gov./Senate has GF/GP revenue in the budget.

Total Changes ..... (\$24,326,600)

**FY 2010-11 Senate-Passed Gross Appropriation ..... \$3,244,145,700**

**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- & 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 (Sec. 394), performance & construction warranties (Sec. 601), manufactured pipes for drainage (Sec. 602), the Ann Arbor & NW Michigan Railroad (Sec. 741), & 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). The Senate restored the reporting requirements.
2. **Administration Operations.** The Governor deleted language regarding guidelines for records retention, disciplining employees for communicating with the legislature, rules with a disproportionate impact on small business, posting department expenditure information on the web, & imposing a hiring freeze. The Senate restored the language. (Secs. 205, 211, 261, 263, & 266)
3. **Travel Restrictions.** The Governor deleted language allowing exceptions to the guidelines on out-of-State travel as well as reporting of any exceptions. Also deleted were sections regarding travel for professional development. The Senate restored the language. (Secs. 260, 265)
4. **Public Passenger Transportation Properties.** Governor & Senate added language to allow revenue to pay costs to improve property, rather than just maintain property, as under current law. (Sec. 305)
5. **Restored Vetoes.** Gov. restored funding for "Give 'Em a Brake" Program & marketing of intercity bus services but deleted boilerplate sections regarding the programs. Senate restored language for "Give 'Em a Brake" Program. (Secs. 324, 729)
6. **Detroit River International Crossing (DRIC).** The Governor deleted language regarding the crossing. 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 & relocation, preliminary financial & funding arrangements); required a quarterly report; & 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, & specified intent. The Senate replaced the existing language with reporting requirements regarding any activities & prohibiting any expenditures unless enabling legislation for DRIC is enacted. (Sec. 384)
7. **Legislative Intent.** The Governor deleted a number of sections specifying legislative intent, especially regarding construction or road operations (Secs. 395, 399, 607, 610, 612, 615, 654, 655, 656, 658, 661, 737, 743, & 744). The Senate restored the Sections 395, 612, 615, 654, 656, 658, 661, & added Sections 662, 663 & 664.
8. **Rest Area Maintenance Signs.** The Governor deleted language requiring posting of signs identifying responsible parties. The Senate restored the language. (Sec. 319)
9. **Transportation Economic Development Fund.** The Senate added a placeholder to provide matching funds for various types of transit-oriented development projects. (Sec. 398)
10. **Changes in Operations.** The Governor deleted language regarding the prompt payment of contractors & 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), & protocols for public transit agencies (Sec. 734). The Senate restored the language.
11. **NEW -- IRS Debt Service Refinancing.** The Governor restricted certain funds from the CTF refunding bonds issued in 2009 to reflect IRS requirements. (Sec. 745)
12. **Matching Funds.** The Governor deleted language regarding the use of certain appropriated funds used as matching funds for FTA bus acquisition (Sec. 721) & reverse commute grants (Sec. 722). The Senate restored Section 721.

Date Completed: 5-20-10

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