



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill is H.B. 4526

FY 2010-11 Senate-Passed Gross Appropriation	\$3,312,770,700
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Changes from FY 2010-11 Year-to-Date:

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| 1. Debt Service. The Governor, Senate, and House increased funding by \$40.7 million for scheduled debt service payments. | 0 |
| 2. Interdepartmental Grants (IDGs). The Governor, Senate, and House adjusted funding by \$1.4 million for grants to other departments to adjust for variations in revenue. | 0 |
| 3. State Restricted Revenue. The Governor and Senate increased expenditures for road and bridge programs to align them with anticipated revenue. The increases were: State Trunkline Roads - \$96,083,800; County Road Commissions - \$19,245,700; Cities and Villages - \$10,730,400; and Local Bridge Program - \$452,700. | 0 |
| 4. State Trunkline Reduction. The Senate and House removed the \$50.0 million in anticipated revenue assumed by the Governor to have come from reimbursements from Canada associated with the New International Trade Crossing. | 0 |
| 5. Road and Bridge Funding Increases. The House shifted \$20.0 million in CTF funding from the Local Bus Operating and Bus Capital line items...\$10.0 million each to the Road and Bridge and the County Road Commissions line items. | 0 |
| 6. Capital Outlay and Related. The Governor, Senate, and House reduced payments for Airport Safety, Protection, and Improvement programs by \$13.5 million. Funding of \$9.9 million was removed that was to be used for facilities associated with the Blue Water Bridge expansion. | 0 |
| 7. Federal Match Funding. The Governor, Senate, and House reduced State Trunkline Funding by \$20.2 million in several line items to increase the amount available for Federal match requirements. | 0 |
| 8. Other Revenue-based Adjustments. The Governor, Senate, and House reduced expenditures from various funds to reflect anticipated revenue, including \$2.0 million in decreases in several line items due to lower than anticipated State Aeronautics Fund revenues and a decrease of \$1.2 million in restricted funds for intercity bus services. | 0 |
| 9. Comprehensive Transportation Fund (CTF) Reduction. The Senate reduced the Bus Capital line item by \$15.0 million. If anticipated statutory changes are made, the reduction will allow these funds to flow to the General Fund. The House did not include this change, and instead shifted a total of \$20.0 million to Road and Bridge projects as listed in Item #5 above. | 15,000,000 |
| 10. Economic Adjustments. The Governor, Senate, and House included \$14.2 million Gross and no GF/GP increase for economics. | 0 |
| 11. Other Changes. The Governor, Senate, and House recommended miscellaneous adjustments in several line items to reflect changes in restricted and federal revenue estimates. The largest items included the transfer of \$2.6 million and 27.0 FTEs from DNR/DEQ for accounting services, a reduction of \$2.9 million in the State Trunkline Fund to increase amount available for Federal match, and the removal of \$1.0 million for one-time funding for the Light Rail project in Detroit. | 0 |

Total Changes.....	\$15,000,000
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FY 2011-12 House-Passed Gross Appropriation	\$3,327,770,700
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Changes from FY 2011-12 Senate-Passed:

1. **Deletions.** In keeping with the condensed structure of the Governor's budget, the following current-year language sections and/or subsections were not included by the **Governor**: 204, 205, 207, 208, 209, 210, 211, 259, 260, 261, 262, 263, 266, 301(2), 303, 305, 306(2) (3) and (4), 307, 308, 309, 310, 314, 319, 321, 322, 334, 353, 357, 374, 375, 376, 383, 384, 385, 393, 394, 395, 398, 399, 401, 502, 601, 602, 603, 604, 607, 608, 610, 612, 615, 654, 656, 658, 659, 660, 661, 662, 664, 665, 703, 708, 709, 711, 714, 731, 734, 740, 741, 743, 745, and 902. The majority of these sections required the Department to provide either reports or notifications to the Legislature. For example, Section 207 required analysis of potential privatization efforts and appropriate notification of any privatization efforts. Section 307 required an annual report of the Department's rolling 5-year plan listing all county road commission highway projects. Section 610 stated Legislative intent that the Department place a priority on the removal of dead deer and other large animal remains from State highways. Sections of boilerplate that have been retained in the Governor's budget are re-numbered accordingly. **Sections eliminated by the Senate** include: (204, 205, 210, 376, 394, 395, 398, 399, 607, 608, 616, 660, 661, 662, 665, 709, 743, and 745). **Sections eliminated by the House** include: (207, 263, 303, 305, 306(2), 307, 309, 310, 314, 319, 321, 322, 357, 374, 376, 383, 393, 395, 401, 502, 601, 602, 603, 604, 607, 610, 612, 615, 654, 656, 658, 659, 661, 664, 665, 703, 708, 709, 711, 714, 731, 734, 740, 741, 743, and 745).
2. **Definitions.** The **Governor** deleted a number of definitions that are no longer used in the bill. The **Senate** retained this Section. The **House** retained the section, but eliminated "AASHTO" and "ASTM" from the definitions. (Sec. 203).
3. **IT Work Projects.** The **House** added new language stating that unspent IT funds may be carried forward and designated as work projects. (House Sec. 211)
4. **GF/GP Lapse Report.** The **House** added new language requiring a report by September 30, 2011, providing an estimate of GF/GP appropriation lapses. (House Sec. 228)
5. **Transparency.** The **Senate** retains current language. The **House** removed the reporting requirement and the \$10,000 expenditure limit and added language stating that financial information that violates federal or state law, rule, or regulation shall not be included. (Senate Sec. 266, House Sec. 207)
6. **Remanufactured Parts.** The **Senate** added language requiring the Department to use remanufactured parts when possible for maintenance and repair of State owned vehicles excluding State Police vehicles. **House** does not include this language. (Senate Sec. 270)
7. **Public Hearing for Bridge Authorities.** The **Senate** retained the requirement for public hearings. The **House** removed the hearing requirement. (Sec. 301)
8. **Contract Compliance.** The **House** added new language stating that a contractor's prequalification rating shall not be reduced or restricted until all administrative appeals have been completed. (Sec. 308)
9. **Women- and Minority-Owned Businesses.** The **House** re-wrote the section and replaced "women- and minority-owned businesses" with "disadvantaged business program" and limited contracts with such programs to 5% and a maximum of 5 years under that classification. (Sec. 334)
10. **Proposal Solicitation Report.** The **House** added new language requiring a report by March 1, 2012, on the Department's solicitation and evaluation of proposals for services related to the audit of vendor and contract payments and the recovery of overpayments and duplicate payments. (House Sec. 354)
11. **Sale of Airplanes.** The **House** added new language requiring the Department to sell, by the end of FY 2012, one of two Beechcraft King Air Twin Turbo Prop airplanes and the proceeds from the sale to be credited to the SAF. (House Sec 382)
12. **Recycled materials.** The **Senate** deleted this section. The **House** added a new subsection 2 that requires the Department to evaluate the use of a bituminous mix that incorporates crumb rubber from scrap tires. (House Sec. 660)

Date Completed: 5-9-11

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