



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-2768
Fax: (517) 373-1986
TDD: (517) 373-0543

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

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

Items Included by the House and Senate

- 1. **Debt Service.** The Governor decreased funding for scheduled debt service payments including a decrease of \$32.1 million due to the repayment in FY08 of Federal grant anticipation notes. (31,608,600)
- 2. **Grants to Other Departments.** Governor adjusted funding grants to other departments. (534,000)
- 3. **Federal Aid Road Construction.** Increased expenditures for Federal aid road construction. 159,071,100
- 4. **State Restricted Revenue.** The Governor reduced expenditures due to anticipated revenue. (65,739,300)
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 Bus Capital (\$10,000,000) and Transportation to Work (\$3,000,000) to reflect lower Federal/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 and Senate restored the funding. 0
- 11. **Unclassified Position.** The Governor included funding for a vacant unclassified position. 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 Adjustments.** Adjustments to account for one-time FY07-08 reductions. 13,000,000
- 14. **Economic Adjustments.** The Governor added standard economic increases. 166,700
- 15. **Other Changes.** The Governor adjusted: administrative reduction for IT (\$15,600); DIT economics increases (\$57,400); and reductions for the transfer of the HR functions (\$205,000). (163,200)

Conference Agreement on Items of Difference

- 16. **Capital Outlay.** The Governor revised the recommendation to include items previously in the Capital Outlay bill. These items include: Buildings and Facilities (\$9.1 million) and Airport Improvement Programs (\$167.5 million). The Conference concurred. 176,623,700
- 17. **TEDF Transfer.** The \$6 million of TEDF appropriations reduced in FY 2006-07 is transferred to the General Fund in FY 2008-09. Because the line items were previously reduced, no FY 2008-09 line item reductions are required. 0
- 18. **Federal Funding.** Federal funding was added in anticipation of grants. 11,200,000

Total Changes..... \$252,133,600

FY 2008-09 Conference Report Gross Appropriation \$3,612,329,200

Amount Over/(Under) GF/GP Target: NA

Changes from FY 2007-08 Year to Date:Items Included by the House and Senate

1. **Legislative Reports.** The Governor removed: 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); 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); local transit agencies' operational lift status (Sec. 732); and CTF balance (Sec. 740). Conference restored the requirements with the exception of Sec. 732
2. **Restrictions on Departmental Operations.** The Governor removed: report retention (Sec. 211); action against an employee who speaks to the Legislature (Sec. 261); continuous improvement efficiency mechanisms (Sec. 264); contractor payment (Sec. 353); local Federal aid project review (Sec. 357); 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 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 Conference restored all except Secs. 611, 639, 640, & 657.
3. **Appropriation Earmarks.** The Governor removed language earmarking: \$40,000 TEDF for forest road turnouts (Sec. 608); and \$100,000 for intercity bus service development (Sec. 729). The Conference restored both earmarks.
4. **Interchange in Chippewa County.** The Governor removed language regarding an interchange at M-48/I-75 in Chippewa County (Sec. 615). The Conference restored the language.
5. **Rail Passenger Service.** The Governor removed language stipulating: a cap on the state subsidy; future support be dependent upon increased ridership and route revenue; and the subsidy will end if service is discontinued on the Port Huron-Chicago or Grand Rapids-Chicago routes (Sec. 711). The Conference restored the language.

Conference Agreement on Items of Difference

6. **Legislative Reports.** The Governor removed: privatization (Sec. 207); policy changes made to implement legislation (Sec. 263); travel on department-owned aircraft (Sec. 383); demand-response service (Sec. 714); and progress on improvements to Ann Arbor and NW Michigan railroad (Sec. 741). The Conference restored all but Sec. 714.
7. **Charter Prohibition Violations.** The Governor removed language regarding a complaint process for charter prohibition violations (Sec. 370). The Conference concurred.
8. **Safe Routes to School – Eaton Rapids.** The Governor removed language earmarking \$32,000 for a Safe Routes to School project in Eaton Rapids (Sec. 655). The Conference restored the language.
9. **Specified Projects.** The Governor removed language regarding specific construction projects: 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 Conference restored all but Sec. 616.
10. **Detroit River International Crossing.** The Governor removed language regarding the DRIC project. The Conference added language outlining specific allowable preliminary activities for the project.
11. **New Sections.** The Conference added new language regarding: travel prohibition of more than 1 employee (Sec 265); best practices for public transportation (Sec 393); study of funding distribution formulae (Sec 394); jurisdiction of a section of C-56 in Charlevoix County (Sec 395); criteria for stations on the Detroit/Ann Arbor rail line (Sec 397); interchange of I-75/Corunna Road in Flint (Sec 607); and I-75 service drive in Hazel Park (Sec 617).
12. **Capital Outlay.** The Conference included language related to the capital outlay line items. (Secs. 901, 902, 903).

Date Completed: 9-24-08

Fiscal Analyst: Debra Hollon