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Senate Bill 254 (as introduced)  
 Committee: Appropriations

[Vehicle for Governor's Recommendation line items is Senate Bill 312.](#)

**FY 2008-09 Year-to-Date Gross Appropriation ..... \$3,612,229,200**

**Changes from FY 2008-09 Year-to-Date:**

- 1. **Debt Service.** The Governor increased funding for scheduled debt service payments. 59,133,700
  - 2. **Grants to Other Departments.** The Governor adjusted funding for grants to other departments. This figure includes the elimination of the interdepartmental grants to the Department of Environmental Quality and the Department of History, Arts, and Libraries. (234,600)
  - 3. **Federal Aid Road Construction.** The Governor decreased expenditures for Federal aid road construction to reflect anticipated revenue. (246,049,300)
  - 4. **State Restricted Revenue.** The Governor decreased expenditures for road and bridge programs to align them with anticipated revenue. The reductions are: State Trunkline Roads - \$63,431,000; County Road Commissions - \$29,164,700; Cities and Villages - \$16,260,700; and Local Bridge Program - \$1,431,800. (110,288,200)
  - 5. **Capital Outlay.** The Governor reduced expenditures for the Airport Safety and Protection Plan and Buildings and Facilities to reflect anticipated revenue. (50,910,000)
  - 6. **Comprehensive Transportation Fund (CTF).** The Governor decreased expenditures from the CTF to more closely align them with anticipated revenue. (9,871,800)
- NOTE: The recommended appropriation level of some CTF line items will require follow-up legislation to change statutory minimum appropriations levels.
- 7. **Safe Routes to Schools.** The Governor increased expenditures for this program due to increased Federal revenue. 2,500,000
  - 8. **Forest Roads.** The Governor eliminated Transportation Economic Development Fund moneys for truck inspection stations. (40,000)
  - 9. **Intelligent Transportation Systems (ITS).** The Governor increased funding for ITS to cover increased costs and to expand the Grand Region Center to round-the-clock operations. 612,600
  - 10. **Other Revenue-based Adjustments.** The Governor adjusted expenditures from various funds to reflect anticipated revenue. 3,624,500
  - 11. **Economic Adjustments.** The Governor added standard economic increases, none of which were funded through the General Fund. 6,872,000
  - 12. **Other Changes.** The Governor recommended other adjustments including: Microsoft upgrade - \$509,300; Michigan Business One-Stop Portal - \$97,300; DIT economics increases - \$222,900; DIT administrative reduction - \$12,500; reductions for allocation adjustments - \$277,200; and increases for administrative adjustments - \$3,000. 542,800

Total Changes ..... (\$344,108,300)

**FY 2009-10 Governor's Recommendation ..... \$3,268,120,900**

**Changes from FY 2008-09 Year to Date:**

1. **Legislative Reports.** The Governor removed a number of reports: privatization (Sec 207); out-of-state travel (Sec 260); transit and road funding formulas (Sec 394); 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); CTF balance (Sec 740); progress on improvements to Ann Arbor and NW Michigan railroad (Sec 741); and status of airport improvement projects (Sec 902).
2. **Restrictions on Departmental Operations.** The Governor removed a number of restrictions on departmental operations: hiring freeze (Sec 205); report retention (Sec 211); IT work projects (Sec 258); 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); travel by more than one employee (Sec 265); rest area maintenance signs (Sec 319); contractor payment (Sec 353); local Federal aid project review (Sec 357); electronic employee newsletters (Sec 374); prohibitions on use of state aircraft (Sec 383); public transportation best practices (Sec 393); use of traffic congestion as project criteria (Sec 603); dead animal removal (Sec 610); contract incentives/disincentives (Sec 612); Mackinac Bridge Authority mission (Sec 654); use of historical data from other states when MI data not available (Sec 659); rail infrastructure loan program (Sec 705); essential bus route corridors (Sec 709); bus acquisition capital grants (Sec 721); 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).
3. **Detroit River Crossing.** The Governor deleted language concerning the DRIC study: allowed completion of the study provided that the State was not bound to construction; certain preliminary activities were allowed to prepare a proposal for the Legislature – applications for permits, preliminary design work, preliminary utility planning and relocation, preliminary financial and funding arrangements; required a quarterly report; advanced property acquisitions during the study were allowed so long as they did not bind the State to future action (Sec 384).
4. **Appropriation Earmarks.** The Governor removed language earmarking: \$500,000 for the "Give 'em a Brake" campaign (Sec 324); \$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).
5. **Specified Projects.** The Governor removed language regarding specific construction projects: state assumption of Co Rd C-56 in Charlevoix County (Sec 395); criteria for stations on Ann Arbor/Detroit rail line (Sec 397); ramp at I-75 at Corunna Rd in Flint (Sec 607); interchange at M-48/I-75 in Chippewa County (Sec 615); I-75 service drive in Hazel Park (Sec 617); 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).
6. **Rail Passenger Service.** The Governor removed language which: requires 7-day service; 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).
7. **Permit Fees.** Current year language directs permit fee revenue to the State Trunkline Fund. The Governor revised the language to direct the fees to "an appropriate fund" to recover costs (Sec 301).
8. **Street Railway Appropriation.** 2008 PA 487 directs the Governor to include an appropriation to a nonprofit street railway in the annual budget recommendation. This appropriation is to be the difference between the railway's operating expenses and revenue. For FY 2009-10, the Governor appropriates \$0 (Sec 742).
9. **Capital Outlay Allocations.** The Governor added language requiring the Department to allocate lump-sum appropriations in a manner consistent with statute. In addition, the language specifies that lump-sum appropriations are available for no more than three fiscal years (Sec 902).

Date Completed: 3-3-09

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