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BILL ANALYSIS



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Senate Bill 254 (S-1, Draft 1 as reported)  
Committee: Appropriations

**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 and Senate increased funding for scheduled debt service payments. 59,133,700
  - 2. **Grants to Other Departments.** The Governor and Senate adjusted funding for grants to other departments. This figure includes the elimination of the interdepartmental grants to the Departments of Environmental Quality and History, Arts, and Libraries. (234,600)
  - 3. **Federal Aid Road Construction.** The Governor and Senate decreased expenditures for Federal aid road construction to reflect anticipated revenue. (246,049,300)
  - 4. **State Restricted Revenue.** The Governor and Senate 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 and Senate 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 and Senate 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 and Senate increased Federal expenditures. 2,500,000
  - 8. **Forest Roads.** The Governor and Senate eliminated Transportation Economic Development Fund moneys for truck inspection stations. (40,000)
  - 9. **Intelligent Transportation Systems (ITS).** The Governor and Senate increased funding for increased costs and expansion of the Grand Region Ctr to 24-hour operations. 612,600
  - 10. **CTF Shift.** The Senate shifted \$25,400 in CTF funding from Business Support to Marine Passenger Services. 0
  - 11. **Other Revenue-based Adjustments.** The Governor and Senate adjusted expenditures from various funds to reflect anticipated revenue. 3,624,500
  - 12. **Economic Adjustments.** The Governor and Senate added standard economic increases, none of which were funded through the General Fund. 6,872,000
  - 13. **Other Changes.** The Governor and Senate 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
  - 14. **Comparison to Governor's Recommendation.** The Senate is \$0 Gross and \$0 GF/GP over/under the Governor.

**NOTE:** There are no Federal stimulus monies in this bill.

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

**FY 2009-10 Senate Subcommittee Recommendation ..... \$3,268,120,900**

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

1. **Legislative Reports.** The Governor removed: privatization (Sec 207); out-of-state travel (Sec 260); funding formulas (Sec 394); policy changes implementing legislation (Sec 263); amounts received 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 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). The Senate restored all of the language.
2. **Restrictions on Departmental Operations.** The Governor removed: 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). The Senate restored all of the sections except Secs. 393 and 705.
3. **Detroit River Crossing.** The Governor deleted all language concerning the DRIC study. Specifically, that language allowed completion of the study provided that the State was not bound to construction; allowed certain preliminary activities 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; allowed advanced property acquisitions during the study so long as they did not bind the State to future action. The Senate restored the language relating to allowing the listed preliminary activities and the quarterly reports and added language requiring preliminary activities to be completed and a proposal submitted by March 31, 2010. (Sec 384)
4. **Appropriation Earmarks.** The Governor removed earmarks: \$500,000 - "Give 'em a Brake" campaign (Sec 324); \$40,000 TEDF - forest road turnouts (Sec 608); \$32,000 - Safe Routes to School - Eaton Rapids (Sec 655); and \$100,000 - intercity bus service development (Sec 729). The Senate restored all of the sections except Sec. 608.
5. **Specified Projects.** The Governor removed language regarding specific 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). The Senate restored all except Secs. 397, 607, and 617.
6. **Rail Passenger Service - Amtrak.** The Governor removed: seven-day service requirement; cap on the subsidy; stipulation that future support depends upon increased ridership and route revenue; and stipulation that the subsidy will not be provided if service is discontinued on certain routes (Sec 711). The Senate restored the language.
7. **Permit Fees.** The Governor revised language to direct fees to "an appropriate fund" rather than the STF (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 appropriation is \$0 (Sec 742).
9. **Capital Outlay Allocations.** The Governor added language requiring statutory allocation of lump-sum appropriations and specifying that lump-sums are available for no more than three fiscal years (Sec 902).
10. **Alternative Surface Materials.** The Senate added language encouraging the use of alternative materials. (Sec 660)
11. **Hybrid Electric Vehicles (HEV).** The Senate added language encouraging an HEV option in Request for Proposals. (Sec. 743)
12. **Mobility Manager.** The Senate added language encouraging local agencies to hire a mobility manager. (Sec 744)

Date Completed: 3-24-09

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