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SFA



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Senate Bill 265 (S-1 as reported)

Senate: Appropriations

FY 2002-03 Year-to-Date Gross Appropriation	\$3,093,591,400
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Changes from FY 2002-03 Year-to-Date:

1. **Diesel Fuel / LPG Tax Increase.** The Governor included revenue from an anticipated 4-cent per gallon increase in the diesel fuel tax and the liquified petroleum gas tax. The Senate does not include this revenue. 0

2. **Transportation Grants to Other Departments.** The Governor reduced grants to other departments for transportation-related services provided to MDOT. The MTF grant to the Department of State is increased \$252,300 to \$94,752,300, while the MTF grant to the Department of Treasury is reduced by \$1,664,000 to \$8,561,000. The Senate reduced the Department of State MTF grant by \$20,827,000 and the Department of Treasury MTF grant by \$1,861,000 from the levels recommended by Governor. This funding is distributed through the standard PA 51 formula to the CTF and State and local road agencies. (25,027,500)

3. **MTF Revenue Distribution to Road Agencies.** The Governor included additional revenue through the MTF formula to State and local road agencies in the following amounts: State Trunkline Fund \$25,848,700, County Road Commissions \$25,848,700, Cities and Villages \$14,411,700. In addition to these increases, the Senate includes funding to road agencies resulting from the MTF grant reductions (\$20,419,200) and STF administrative savings (\$2,782,600), and the unclassified salaries reduction (\$37,200). 89,348,100

4. **Federal Road and Bridge Funding.** Total Federal road and bridge funding is estimated at \$909,555,100 in FY 2003-04, a continuation of current-year estimates. A net reduction of \$2,931,000 is applied to bring appropriation levels in line with the most recent Federal budget. Federal bridge funds are allocated using the historical schedule of 85% MDOT and 15% local. The Governor included \$3,000,000 to cover debt service on Federal grant anticipation notes issued in 2002 to accelerate the Build Michigan program. The Senate concurs. (2,931,000)

5. **Comprehensive Transportation Fund.** The Senate reduces and/or eliminates various line items funded from the CTF and transfers \$16 million to GF/GP at year-end to partially offset the MTF grant reduction to the Department of State. (15,784,000)

6. **STF Administrative Reductions.** The Senate recognizes various STF administrative reductions and redirects this funding to the State Road and Bridge Program. (2,782,600)

7. **Transportation Economic Development Fund.** The Governor transferred \$13 million from the TEDF to a proposed Traffic Enforcement and Safety Fund to be used by the Department of State Police. The Senate rejects this transfer. 0

8. **Unclassified Salaries.** Commission/boards funding is eliminated. The Senate reduces funding for salaries by \$37,200 and sets the Director's salary at \$124,000. (47,200)

9. **Economic Adjustments.** Workers' comp and property management adjustments only. The recommendation does not fund \$13,321,900 in employee-related economics. (145,800)

10. **Other Adjustments.** The Governor makes other adjustments to account for available State restricted and Federal revenue, internal transfers, early retirement, debt service payments. The Senate concurs. 19,775,000

11. **Comparison to Governor's Recommendation.** The Senate's proposal is \$43,992,800 Gross less than the Governor.

Total Changes	\$62,405,000
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FY 2003-04 Senate Appropriations Committee Recommendation	\$3,155,996,400
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Changes from FY 2002-03 Year-to-Date:

1. **Standard Sections.** The recommendation contains the following standard sections: state spending (201), Management and Budget Act (202), definitions (203), civil service billing (204), hiring freeze (205), privatization (207), Internet reporting (208), buy American (209), deprived communities (210), report retention (211), information technology user fees (259), and information technology work projects (260).
2. **Deleted Sections.** The Senate deletes the following current-year sections: contingency funds (206), commission per diem authorization and rate (317), Disadvantaged Business Enterprise Program (318), rest area maintenance (319), bridge inspector report (322), critical bridge report (328), Federal alternative fuels grant (334), summer youth program coordination with FIA (335), noise abatement policy and report (349), disadvantaged business program criteria and report (350), local Federal project review (357), unsafe pedestrian crossings funding (607), forest road inspection stations (608), high speed rail development report (704), Detroit to Lansing rail project (723), and DARTA start-up costs report (725).
3. **Construction Zone Enforcement.** The Governor's budget removed the language requiring up to \$700,000 to be used for enhanced construction zone enforcement. The Senate restores this language, reduces the amount to \$500,000 and allows the funding to be used for the "Give 'em a Brake" campaign (Sec. 324).
4. **Director's Salary.** The Senate includes new language that would reduce the Director's salary for each day that a report required in the budget is late (Sec. 358).
5. **Personal Services Contracts.** The Senate includes new language that prohibits the use of personal services contracts in the Bureau of Multi-Modal Transportation Services and the Bureau of Planning (Sec. 359).
6. **Public Transit Planning.** The Senate includes new language that prohibits the Bureau of Planning from using appropriations to fund public transit planning activities (Sec. 360).
7. **Multi-Modal Transportation Services.** The Senate includes new language that requires the Bureau to prepare an annual management plan, to conduct its functions under formal policies, and to prohibit funding positions not authorized under part 1 (Sec. 361).
8. **Pavement Marking.** The Senate includes new language regarding pavement marking materials (Sec. 611).
9. **Contract Incentives/Disincentives.** The Senate includes new language governing contract incentives and disincentives for State road and bridge projects and requires a report (Sec. 612).
10. **M-25 Bridge.** The Senate includes new language regarding this project (Sec. 613).
11. **I-75 Study.** The Senate includes new language regarding an exit at I-75 and M-30 (Sec. 614).
12. **AMTRAK.** The Senate increases the subsidy cap paid to AMTRAK from \$5.7 million to \$7.1 million and includes language that would eliminate funding if AMTRAK discontinues service in Michigan in the previous year (Sec. 711).
13. **CTF Transfer to General Fund.** The Senate includes new language that would transfer \$16 million from the CTF to the General Fund (Sec. 726).
14. **RTCC Funding Cap.** The Senate includes new language that would cap the Regional Transportation Coordinating Council bus operating grant at the statutory minimum allowed under PA 51 (Sec. 727).
15. **DARTA Funding.** The Senate includes new language that prohibits start-up funding for DARTA (Sec. 729).

Date Completed: 5/1/03

Fiscal Analyst: C. Thiel

