

MEMORANDUM

**DATE:** March 25, 2014  
**TO:** House Appropriations Subcommittee on Transportation  
**FROM:** William E. Hamilton  
**RE:** **House Subcommittee Chair's Recommendation  
 FY 2014-15 Transportation Budget  
 House Bill 5308, (H-1), Draft 1**

**Part-1 Appropriations**

House Bill 5308 (H-1) Draft 1 agrees with the Governor's proposed FY 2014-15 transportation budget both in gross appropriations and in proposed General Fund/General Purpose (GF/GP) funding. The bill differs from the Governor's proposal with regard to one-time GF/GP appropriations.

The Governor had proposed \$242.0 million GF/GP for the state trunkline road and bridge construction program. This GF/GP funding was shown in a separate *One-time appropriations* unit, rather than in the on-going *Road and bridge programs* appropriations unit. Of the total \$242.0 million, State Budget Office (SBO) documents identified \$127.0 million as the amount needed to match all available federal funds in the state trunkline capital construction program. In the Governor's proposed budget, the additional \$115.0 million GF/GP would have been available to the department for any state trunkline capital project.

House Bill 5308 (H-1) Draft 1 would recognize the \$242.0 million GF/GP in two separate line items – a \$127.0 million *State trunkline road and bridge construction* line for the estimated amount needed to match available federal funds. The remaining \$115.0 million would be appropriated in a new *State and local road and bridge programs* line item to be distributed according the provisions of Public Act 51 – 39.1% to the State trunkline fund, 39.1% to county road commissions, and 21.8% to cities and villages. Under this distribution, county road commissions would receive an additional \$45.0 million, and cities and villages would receive an additional \$25.0 million, than under the Governor's proposed budget. The state trunkline capital program would receive \$45.0 million of the \$115.0 million GF/GP distribution - \$70.0 million *less than* under the Governor's proposal.

Boilerplate sections 1001 and 1002 describe this proposed distribution.

**Boilerplate Provisions**

House Bill 5308 (H-1) Draft 1 would restore almost all current year boilerplate. The bill would add or revise the following sections:

*Sec. 308. – Contractor Prequalification Process/Report*

Provides for a report on the department's prequalification process and unsatisfactory contractor performance rating. Report due date changed to March 1, 2015.

*Sec. 383 – State Aircraft Report*

Revised to provide detail of usage by airplane; report due date changed to February 1, from July 1. New subsection adds intent language that the department work with Michigan State Police on reciprocal agreement.

*Sec. 393 – Best Practices for Public Transportation*

Directs the department to promote best practices in public transportation, including transit vehicle rehabilitation to reduce life-cycle cost; adds a new reporting requirement by March 1, 2015 and references similar requirement made in FY 2011-12. including bus rehabilitation; adds a new reporting requirement by March 1, 2015 and references similar requirement made in FY 2011-12.

*Sec. 660 – Alternative Materials*

Encourages the department to examine the use of alternative road surface materials, including use of crumb rubber from tires; provides new reporting requirement, due March 1, 2015.

*Sec. 712 – Rail Passenger Feasibility Study*

Directs the department to study feasibility of rail passenger service between Holland and Detroit, by way of Grand Rapids and Lansing; provides report due date of May 1, 2015.

*Sec. 736 – Rail Grade Crossing Pilot Project*

Includes boilerplate earmark of \$1.5 million (CTF) for a pilot project on high-speed rail corridor, vetoed in current year budget.

*Sec. 802 – Department-owned Airports*

States legislative intent that department find private or local owner/operator of department-owned airports.

*Sec. 1001 – Matching Federal-Aid Highway Funds*

Indicates that the \$127.0 million GF/GP one-time basis only appropriation is appropriated to the state trunkline road and bridge construction program and is intended to ensure that the state is able to match all available federal-aid highway funds.

*Sec. 1002 – State and Local Road and Bridge Programs*

Directs that the one-time \$115.0 million GF/GP appropriation be distributed to the STF, county road commissions, and cities/villages in accordance with Act 51 formula – 39.1%, 39.1%, 21.8%

*Sec. 1003 – Bus Capital/Rail Infrastructure*

*Requires a report on use of \$10.0 million GF/GP appropriation for transit capital and rail infrastructure.*