

House Appropriations Subcommittee on Transportation

Representative Matt Maddock, Chair

Director Paul C. Ajegba, P. E.
March 14, 2019





THE ROAD TO OPPORTUNITY

2020 Budget

Total State Budget

\$10.7 billion

General Fund

\$10.9 billion

Restricted Fund

\$14.0 billion

School Aid Fund

\$23.1 billion

Federal Funds

\$ 1.5 billion

Other Funds

\$60.2 billion

Total Budget

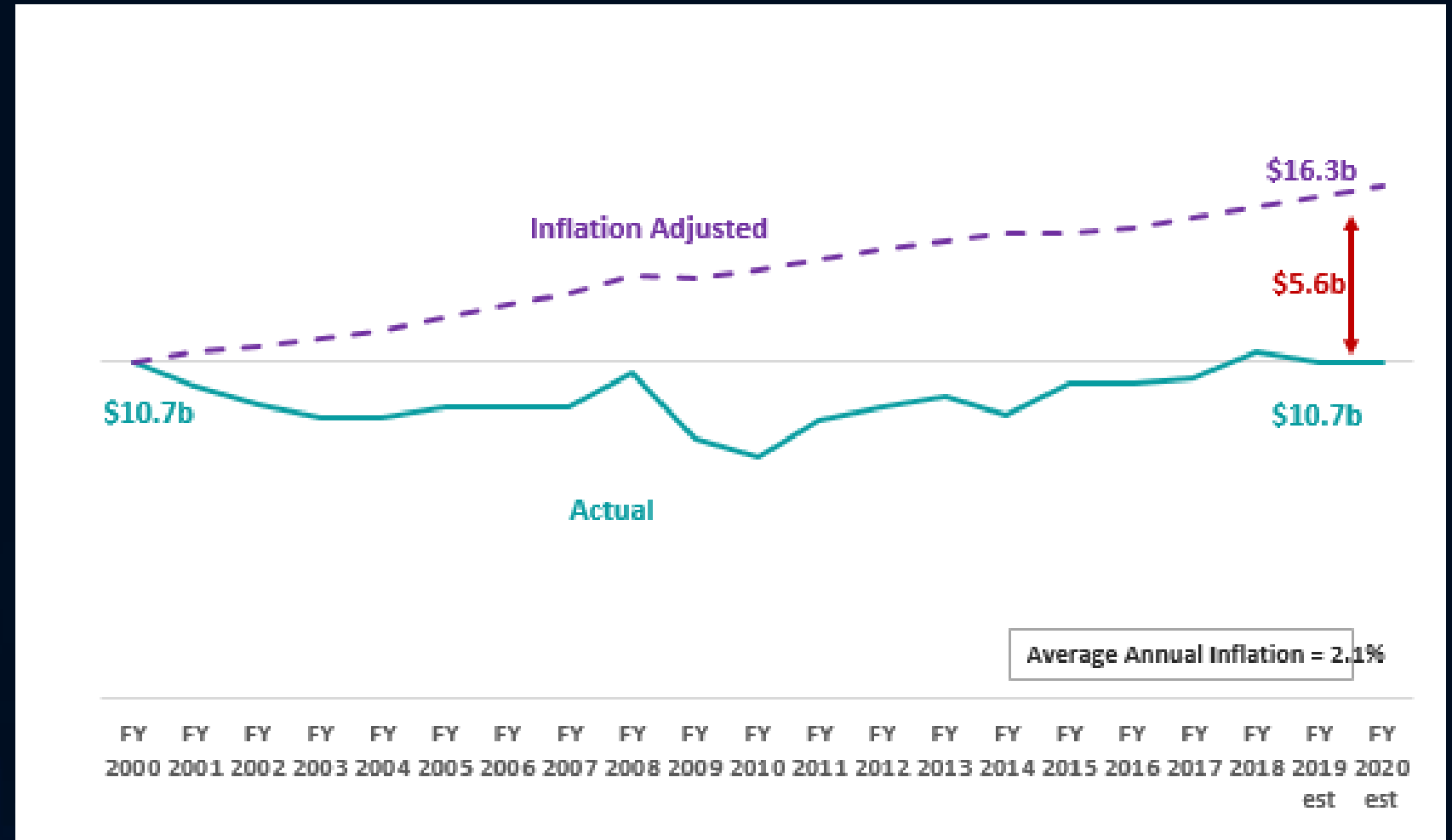
Michigan General Fund Over the Past 20 Years

General Fund – General Purpose Revenue Remains Under \$11 Billion

(Graph in billions of dollars)



Michigan's General Fund would be more than \$5 billion higher if it had merely kept up with inflation since 2000



FY 2020

Governor's Recommended Budget



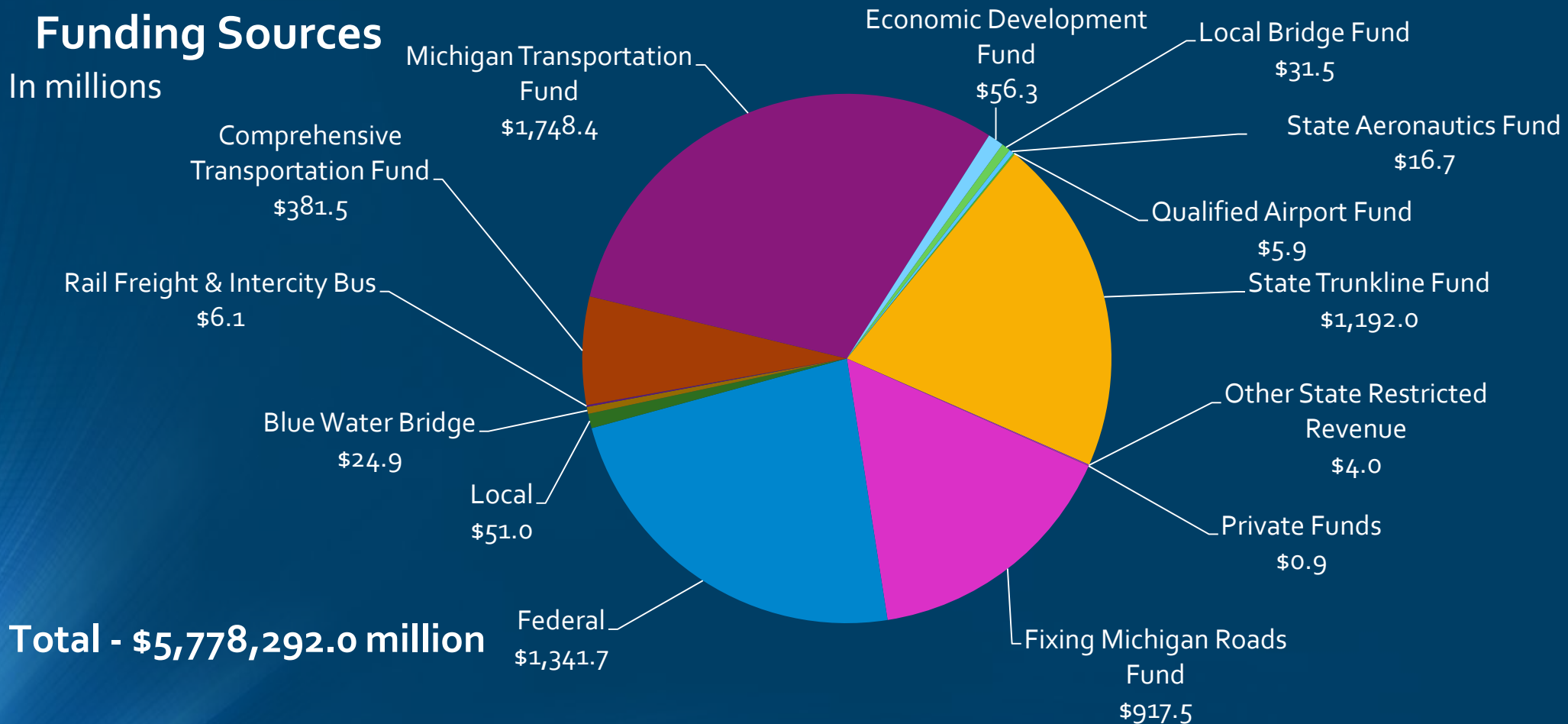
New Revenue Package – Fixing Michigan Roads Fund (\$1.3 billion)

- Income Tax Redirection Replacement Revenues (To MTF) - \$325 million
- Electric/Hybrid Registration Fees (To MTF) - \$1 million
- Recreation Improvement Fund - \$21.2 million
- State Owned Roads - \$645.6 million
- Local Road Agencies - \$244.4 million
- Multi-modal Innovation Projects – \$27.5 million

FY 2020 Executive Budget

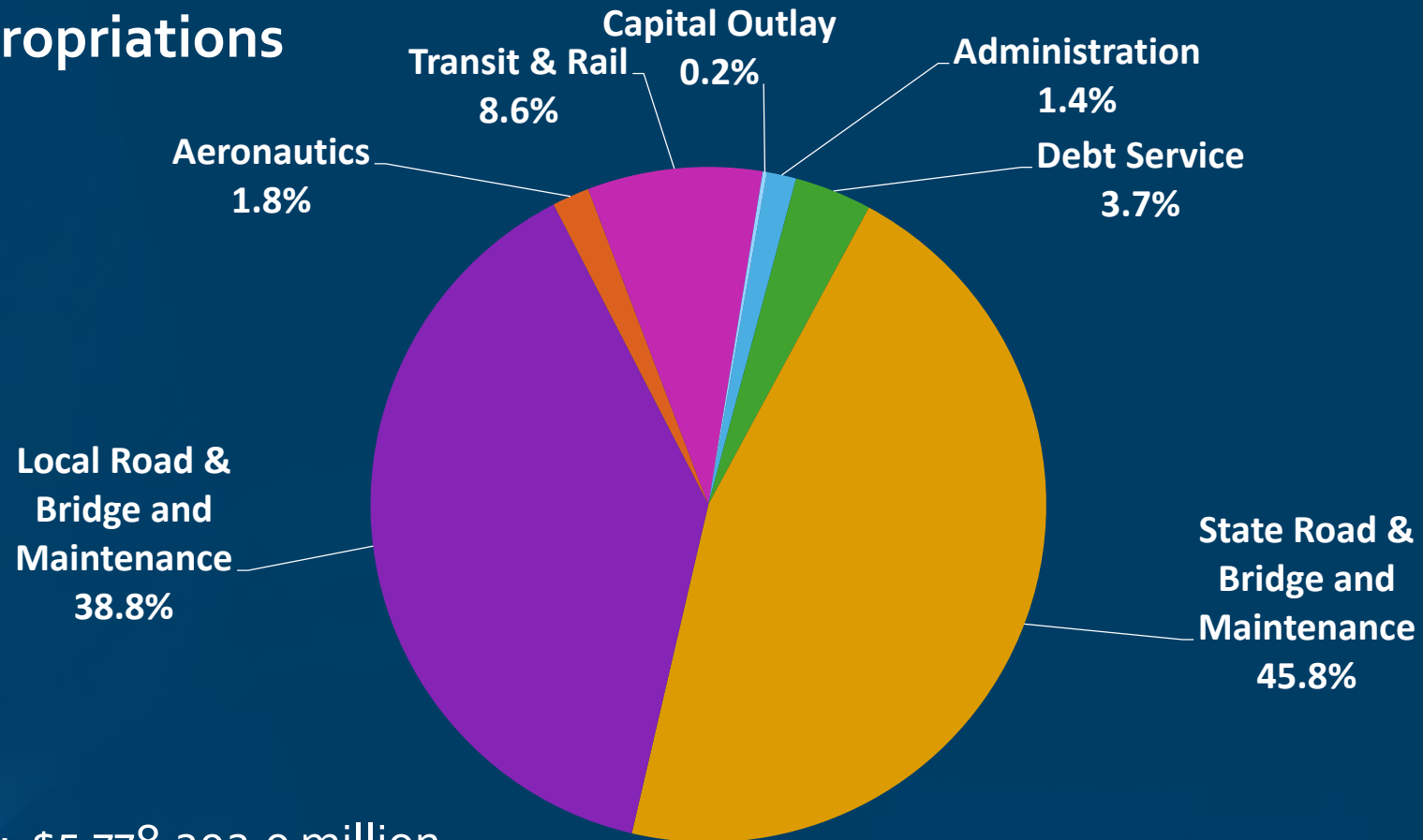
Funding Sources

In millions



FY 2020 Executive Budget

Appropriations



Total: \$5,778,292.0 million

FY 2020 Governor's Recommended Budget

Aeronautics Highlights

- According to the most recent Treasury estimates, Aviation revenues from Sales/Use Taxes and Aviation Fuel are projecting relatively modest growth in Fiscal Year 2020.
- Aviation Services program is essentially a continuation budget and includes increases for employee economics - \$117,600.
- The Air Service Program is funded at 2017 levels.
- The Airport Safety, Protection, and Improvement Program increased by \$664,100.
- The Detroit Metro Wayne County Airport increased by \$325,000
 - -projected increase in Sales tax collections shared with Detroit Metro Airport



FY 2020 Governor's Recommended Budget

Rail Highlights

- Detroit/Wayne County Port Authority increase – \$50,000
- Office of Rail increase for economics - \$93,000
- Rail Operations and Infrastructure increase - \$14.8 million
- Continue to support rail-related economic development across the state
- Preserve passenger rail operations (Amtrak) on three Michigan services
- Continue to invest in the build-out of Michigan's accelerated rail program
- Continue targeted investments to assure service to shippers on state-owned freight lines
- Continue to invest in crossing safety through upgrades to motorist warning devices & reconstruction of crossing surfaces



FY 2020 Governor's Recommended Budget

Transit Highlights

- Transit Capital Increase - \$1.3 million
- Local Bus Operating Increase - \$6 million
- Intercity Services Increase - \$2.5 million
- Marine Passenger Service Increase - \$5.5 million (includes \$500,000 Local)
- Service Initiatives Increase - \$6 million
- Specialized Services Increase - \$5.4 million (includes the roll up of Transportation to Work line item)
- Passenger Transportation Services economic increase - \$89,700
- Sustain transit service levels
- Keep transit infrastructure in state of good repair
- Respond to federal funding opportunities and local investment initiatives



FY 2020 Governor's Recommended Budget

Road and Bridge Program Highlights

- State and Local Road and Bridge Total Increase - \$1.1 billion
(\$207M - MTF & \$917.5M - FMR)
 - State R&B - \$697.1M (\$51.5M - MTF & \$645.6M – FMR)
 - Counties/Cities & Villages - \$362.4M (\$154.7M – MTF & \$207.7M – FMR)
 - Local Bridge Program - \$37.4M (\$677K – MTF & \$36.7M – FMR)
 - Moveable Bridge Program increase for inflation- \$114,900
 - Supports 11 State and 11 Local moveable bridges



FY 2020 Governor's Recommended Budget

State Trunkline Highlights

Significant Construction Projects for FY 2020

Region	County	Route	Work Description	Total In millions
Bay	Saginaw	I-75	Reconstruction	\$39.2M
Bay	Saginaw	I-75 N	Bridge Replacement	\$14.5M
Grand	Ottawa	I-196 E	Reconstruction	\$22.0M
Metro	Oakland	M-24	Mill & Resurface	\$26.7M
Metro	Wayne	I-275 S	Mill & Resurface	\$34.6M
Metro	Wayne	I-94	Modernization	\$39.1M
North	Roscommon	US-127 SB	Resurface	\$11.8M
Southwest	Kalamazoo	I-94 W	Road and Bridge Reconstruction	\$5.7M
University	Eaton	I-496	Concrete Reconstruction	\$30.0M
University	Eaton	I-69 N	Reconstruction	\$30.1M
Superior	Alger	M-28	Reconstruction	\$9.1M

FY 2020 Governor's Recommended Budget Maintenance – FY 2020

- Maintenance Increase - \$66.5 million
- This Investment will support:
 - Maintenance Material Increase - \$7.4 million
 - Ancillary Structures Inspections - \$10 million
 - Non-Winter Deferred Maintenance - \$51.2 million
 - Employee Economics - \$1.1 million



FY 2020 Governor's Recommended Budget

Other Budget Highlights

- Information Technology Increase (State) - \$3M
 - Increase funding will support further IT modernization and the deployment of emerging technologies
- Debt Service Decrease (State & Federal) - \$5.5M
- Other Technical Adjustments
 - State Trunkline Operations (Welcome Center Staff) Position Transfers (33 FTE) to Program Development, Delivery, and System Operations
 - Accounting Service Center Position Transfer to the Michigan Department of Agriculture and Rural Development

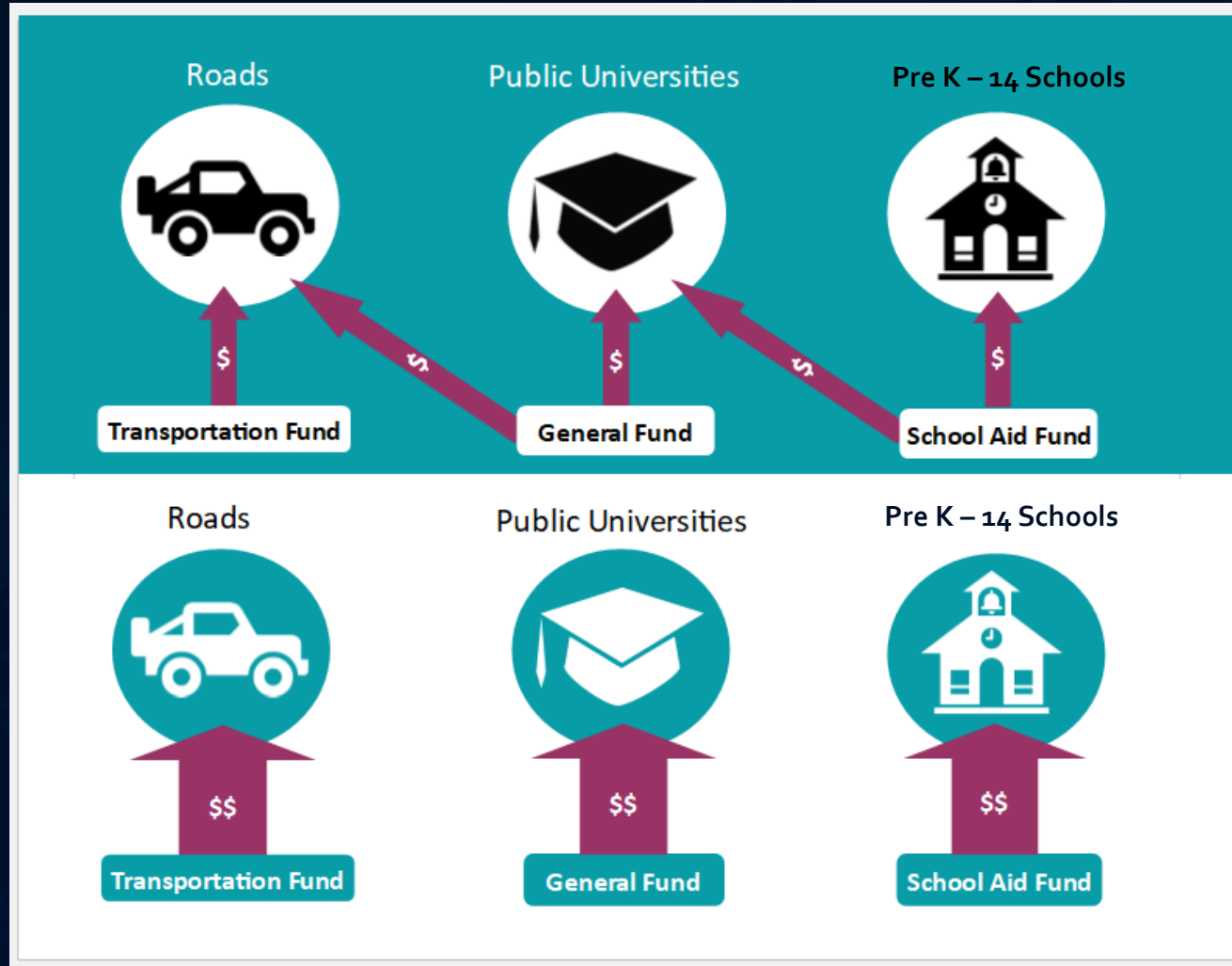


FY 2020 Governor's Recommended Budget

- Includes \$1.3 billion new revenues for transportation infrastructure investments
- Includes significant investments in state trunkline maintenance
- Includes no General Funds
- Matches all Federal Aid
- Innovative within resources available



Current Shell Game



Future Fiscal Responsibility

LONG-TERM BALANCE

- Returns funding to intended purposes:
 - Roads are funded by constitutionally dedicated restricted funds.
 - Public universities funded 100% by General Fund.
 - \$500m School Aid Fund returned to K-12 schools for needed investments.

QUESTIONS?

