

State Transportation Commission

January 30, 2009

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Michigan Department of Transportation



Today's Discussion

- American Recovery and Reinvestment Act of 2009
- MDOT Reforms/Efficiencies
- Winter Operations

American Recovery and Reinvestment Act of 2009

President Obama's Plan

- American Recovery & Reinvestment Plan
- Current goal for enactment by February 16
 - Main focus → Job Creation
 - Investments selected based on highest rate of return for economy
 - Monitored closely, requiring government transparency
 - Accountable and evaluated



House & Senate Proposals

- American Recovery and Reinvestment Act of 2009
- Aggressive timetable for implementation
- Generally distributes funds utilizing existing statutory formulas
- No match requirements
- No specific earmarks
- Ensures transparency and accountability

Program	House Bill	Senate Bill
Competitive surface transportation grants	--	\$5.5 B
Aviation Facilities & Equipment	--	\$200 M
Airport improvement grants	\$3 B	\$1.1 B
Highways & Bridges	\$30 B	\$27 B
Intercity passenger rail	\$300 M	\$250 M
Amtrak capital grants	\$800 M	\$850 M
High-speed rail corridors	--	\$2 B
Transit formula grants	\$6 B	\$8.4 B
Transit rail modernization	\$2 B	--
Transit new starts	\$1 B	--
Assistance to small shipyards	--	\$100 M
Office of Inspector General	\$20 M	\$7.7 M
Total, USDOT	\$43.1 B	\$45.4 B

Use-it-or-lose-it Requirement

House	Senate
50% obligated within 90 days, per amendment	50% obligated within 180 days
Sub-allocated funding → 50% obligated within 90 days; balance to states obligated within 30 days	Remaining 50% → 20% to states, 80% to locals; obligated within 1 year
Funds not obligated are redistributed to other states	Funds not obligated are transferred into discretionary competitive grant program

Priority Projects

- House Bill
 - Priority should be given to projects that:
 - Can award contracts within 120 days
 - Are included in approved State or Metropolitan Transportation Improvement Program (S/TIP)
 - Are projected for completion within 3 year time frame
 - Are located in economically distressed areas
- Senate Bill
 - Priority on projects that can be completed in 2 years, except for discretionary program

Contingencies...

- Existing Federal requirements will not be waived
 - Environmental requirements
 - Consultations required with
 - MPO's
 - Rural Task Force
 - Tribal Government
 - Contracting & bidding requirements, including the Brooks Act
 - Permitting requirements
 - DBE requirements

Governor's Statewide Efforts

- Established interdepartmental teams to coordinate priorities & monitoring
- Developing preliminary inventory of Michigan's needs
 - Infrastructure
 - Schools
 - Information technology & broadband
 - Buildings
 - Greening
- Sharing information with stakeholders
- Developing strategies to train workers
- Identifying partnership opportunities

MDOT's Efforts

- Monitoring House/Senate proposals
 - Policy & potential legislation
 - Modeling various scenarios for Michigan impacts
 - Participating with AASHTO on conference calls and providing required information
- Barrier Busters Team
 - Key MDOT staff
 - Identifying and addressing barriers so projects can flow more readily
 - Opportunity to identify quantum leaps in efficiencies
 - Identifying job training opportunities

Opportunities

- Save or create thousands of jobs in Michigan
- Economic benefit from increased investment in transportation
- Incredible progress on projects that might not be funded for years
- Demonstrates our ability to effectively invest taxpayers funds
- Turns economic stimulus package into an argument for future transportation investment

MDOT Reforms/Efficiencies

MDOT Reforms/Efficiencies

- Reforms/Efficiencies Already Implemented by MDOT

<u>Reforms/Efficiencies</u>	<u>Annual Savings</u>
- Staff Reductions	\$21.30 M
- Continuously Operating Reference Stations	\$ 1.20 M
- LED Traffic Signals	\$ 1.10 M
- Transportation Asset Mapping Systems	\$ 0.57 M
- Electronic Bidding Project	\$ 0.40 M
- PAVEMAPP and Road Quality Forecasting System	\$ 0.36 M
- Michigan Bridge Inspection System	\$ 0.12 M
- Michigan Bridge Reporting System	\$ 0.08 M
- Trunkline Photolog Images	\$ 0.15 M
- Five Year Transportation Program	\$ 0.03 M
- Weigh-In-Motion Wireless Sensors	\$ 1.00 M
- Online Transport Permit Process	0.2 M hours

MDOT Reforms/Efficiencies

- Requested by STC to review TF2 Report to identify additional efficiencies not requiring new Legislation
- Completing review of possible reforms and assessing impacts and benefits
- Several areas have been identified for possible additional efficiencies

MDOT Reforms/Efficiencies

- Areas Under Review for Possible Implementation
 - Expanding the Asset Management Program
 - Creating Corridor Authorities
 - Expanding the usage of Value Engineering
 - Implementing Bi-Directional Lanes and Ramp Metering
 - Supporting increase local transportation agency role as mobility managers

MDOT Reforms/Efficiencies

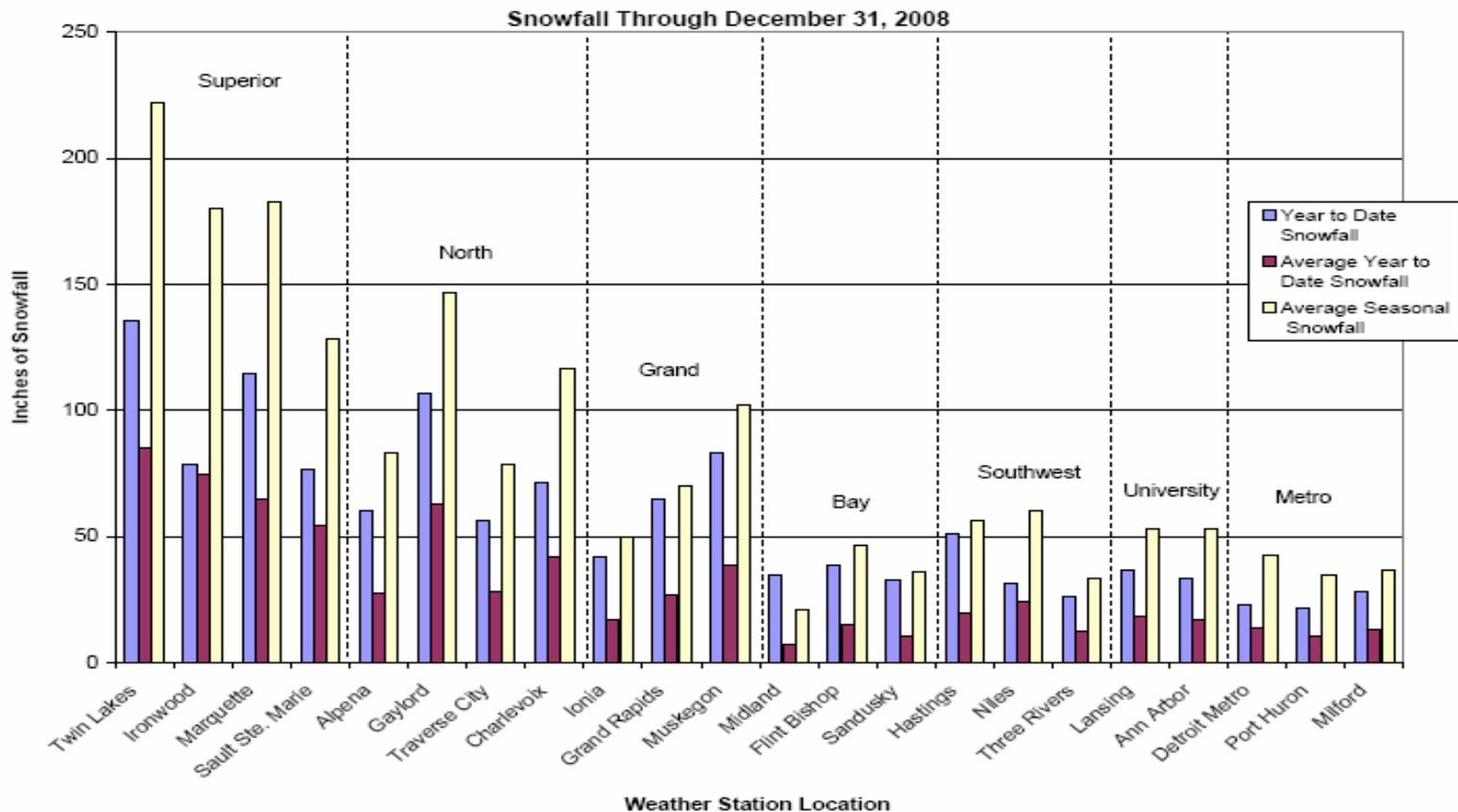
Next Steps:

- Complete Review of Possible Additional Reforms/Efficiencies

Winter Operations



Snowfall Chart



Winter Maintenance Expenditures

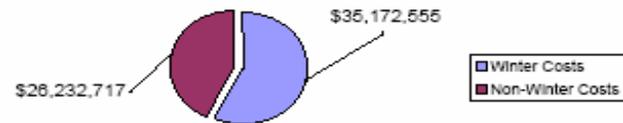
- Heavy snowfall statewide has produced first quarter winter maintenance expenditures 60% higher than first quarter costs last year.
- Our historical winter budget = \$85 million.
- 2008 = \$103 million
 - \$18 million shortfall.
- This winter could cost \$117 million.
 - Based on first quarter expenditures of \$37 million and assuming winter costs are similar to 2008 for January through May.
- A potential shortfall of \$32 million.

Winter Maintenance Expenditures

- Labor hours are up significantly over the three year averages.
 - Regular hours are 59% above average and
 - Overtime hours are 34% above.
- Fuel expenditures on par with the same period in 2008.
 - fuel usage has actually increased by 22%
 - offset by a 20% decrease in the cost per gallon.
- Salt use statewide is up by 32.5% over 2008
 - 300,000 tons year-to-date.
- Sand use is up by 156% over 2008
 - 67,000 tons year-to-date.

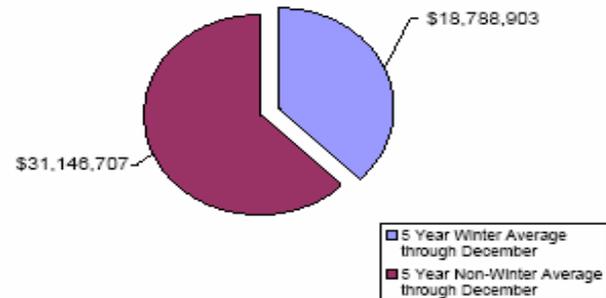
Winter and Non-Winter Expenditures

Current Winter and Non-Winter Expenditures, through December 31, 2008

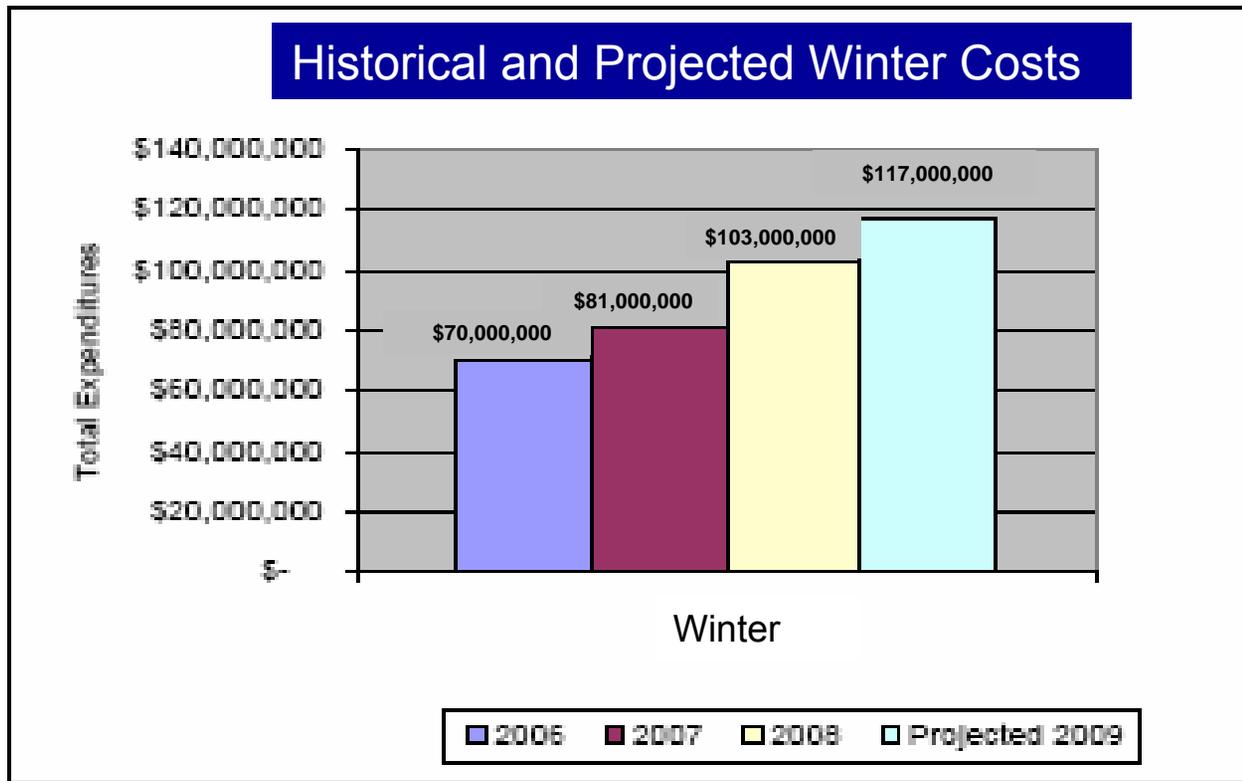


*Winter Costs through December are estimated at approximately \$37M due to some municipality and salt/sand costs not yet being reported.

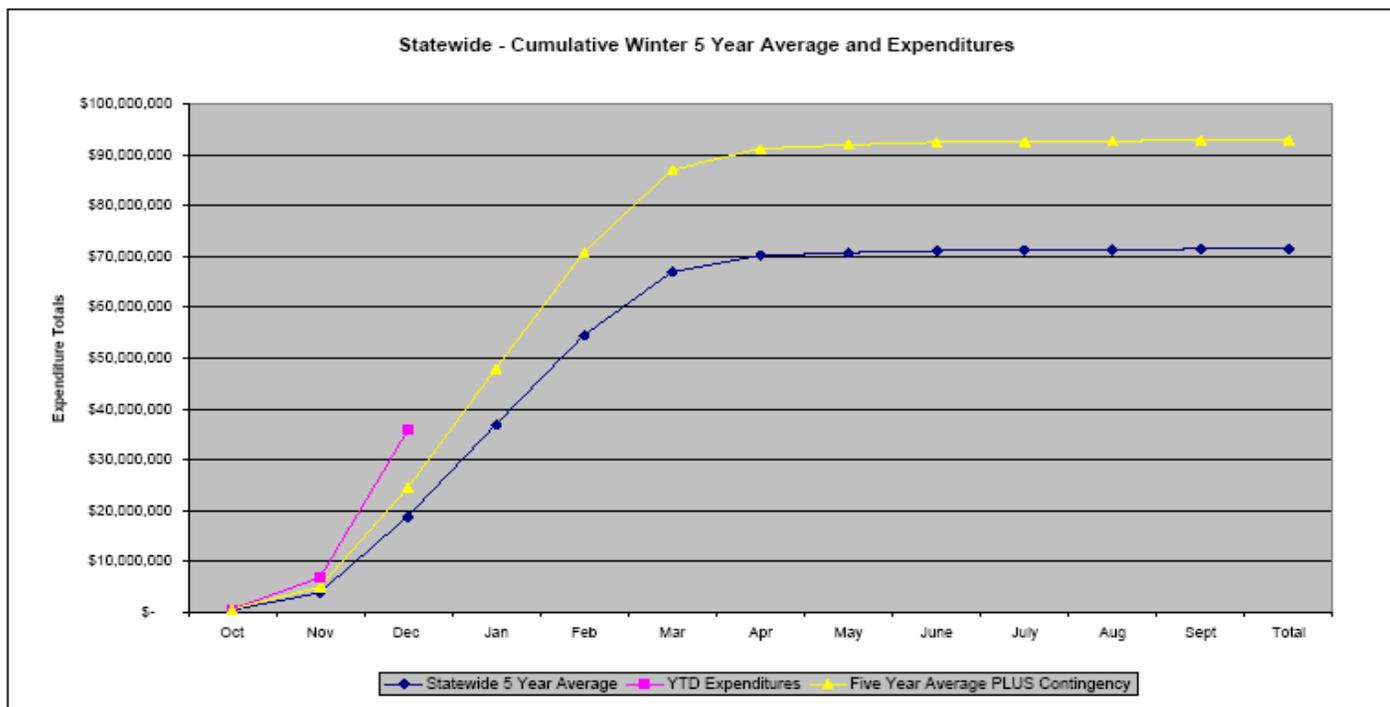
Five Year Winter and Non-Winter Averages through December 31 (FY 2004 through 2008 data)



Historical and Projected Winter Costs



Statewide Cumulative Winter Average & Expenditures



	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Total
Statewide 5 Year Average	\$ 425,899	\$ 3,808,014	\$ 18,788,903	\$ 36,880,248	\$ 54,413,443	\$ 66,927,257	\$ 70,172,833	\$ 70,749,374	\$ 71,144,395	\$ 71,225,084	\$ 71,293,210	\$ 71,509,305	\$ 71,509,305
YTD Expenditures	\$ 514,213	\$ 6,791,560	\$ 35,806,309										
Five Year Average PLUS Contingency	\$ 553,666	\$ 4,950,418	\$ 24,425,574	\$ 47,944,322	\$ 70,737,476	\$ 87,005,434	\$ 91,224,662	\$ 91,974,166	\$ 92,487,713	\$ 92,592,809	\$ 92,661,172	\$ 92,952,886	\$ 92,952,886

Questions?