

Focus Federal Resources on Core Programs

What's Best for Michigan

Limit or eliminate funding for discretionary programs. Take steps to ensure that the type of projects or work funded through discretionary programs are eligible for funding under existing core programs.

Why

Michigan would benefit from an increase in the share of highway funding distributed through existing core formula programs.

If discretionary funds were distributed by existing formulas for the period covering FY 2005-07, Michigan would have received an additional \$278 million. Some examples of discretionary funds include:

- Interstate Maintenance Discretionary Program
- Bridge Discretionary Program
- Transportation, Community, and System Preservation Program
- Truck Parking Facilities Program
- Ferry Boat and Ferry Terminal Facilities Program

Increasing funds for discretionary programs causes corresponding decreases in formula programs, which reduces Michigan's overall percentage of funds received.

During the first three years of SAFETEA-LU, Michigan received an average of less than 1.8% of funds distributed through discretionary programs. This is far less than the 3.1% of funds Michigan received from formula-based programs, which are included in the equity calculation that guarantees all states at least a 92% rate of return.

To maximize use of funds during the next surface transportation authorization period, targeted dollars should be directed to projects that are already planned or programmed. When a project is funded outside of existing plans, the transportation agency must shift funds from an approved and fully vetted project to the project receiving the discretionary award.