

# **Michigan State Transportation Commission**

**February 25, 2010**

**Director Kirk T. Steudle, P.E.  
Michigan Department of Transportation**

# Today's Topics

- American Recovery and Reinvestment Act Update
- Federal Reauthorization Status
- Budget Status

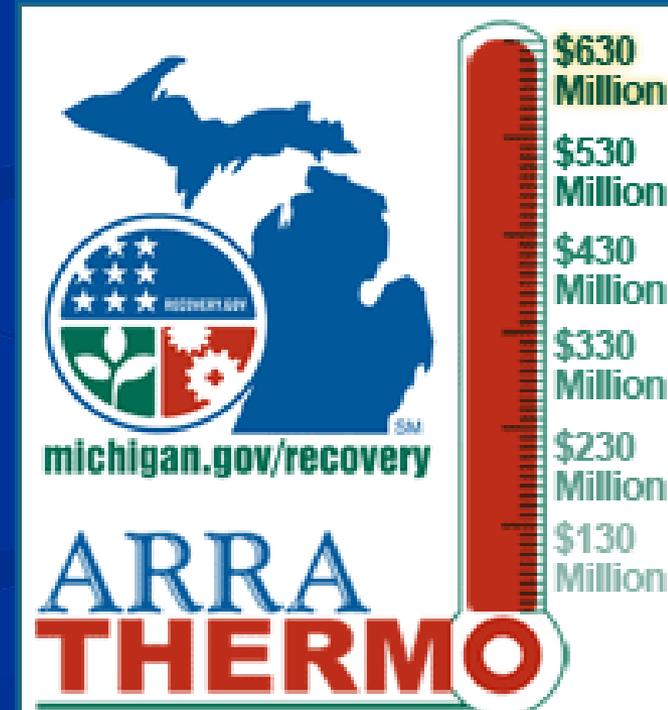


# American Recovery and Reinvestment Act (ARRA)



# ARRA Status

- Funding allocated so far
  - ◆ \$1.05 Billion
- Projects let to date:
  - ◆ 392 Highway projects under contract
  - ◆ Engineers Estimates – \$783.8 Million
  - ◆ Low Bid - \$679.2 Million



# ARRA Obligation Status



MDOT has obligated all Highway Infrastructure ARRA Funds

# ARRA Status

## Passenger Transportation and Aero Programs

- Transit Funding (Appropriated to MDOT)
  - ◆ \$28.9 million appropriated
    - Buses, facilities, hybrid technology, energy audits
- Passenger Ferry Discretionary Funding (FHWA)
  - ◆ \$8.3 million appropriated
    - Ferry dock and terminal improvements
- Federal Aviation Funding
  - ◆ \$30.4 million appropriated



# High Speed Rail

- Received \$40 million to aid three Michigan-based High Speed Rail projects:
  - ◆ Construction of a new platform and station for Amtrak services in Dearborn (\$28.2 M)
  - ◆ Construction of a new platform and station for Amtrak in Troy (\$8.5 M)
  - ◆ Renovation of the existing Battle Creek intermodal Amtrak station (\$3.6 M)



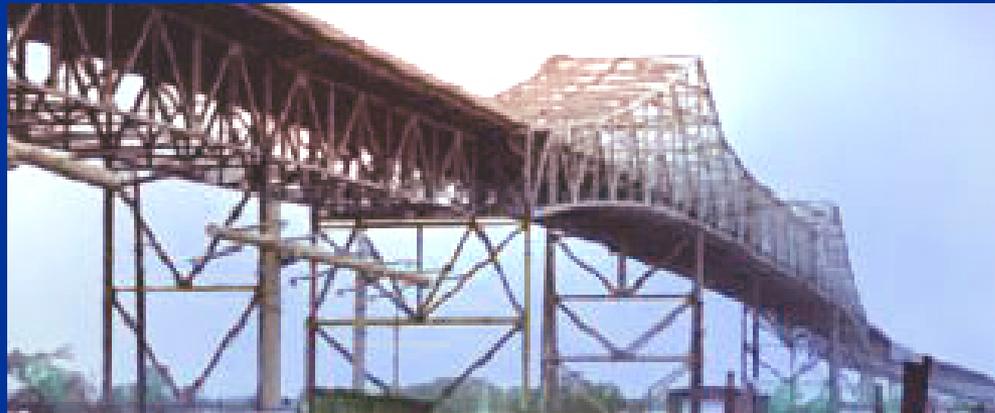
# TIGER Grants

- Michigan submitted 10 projects totaling \$400 million
- Awards announced February 17, 2010
- Michigan received 2 grants totaling \$55 million
  - ◆ I-94 Black River Bridge replacement (\$30 M)
  - ◆ M-1 Light Rail (\$25 M)





# Federal Reauthorization Update



# Authorization Debate Remains in First Gear

- SAFETEA-LU expired September 30, 2009
  - ◆ Extended three times – set to expire 2/28
- A partial reauthorization bill moved thru House Subcommittee last year
- Senate may begin working on putting a bill together this spring
- Administration supports extension thru 3/11

# Congressional Focus Remains on Jobs

- House passed Jobs for Main Street bill in December
  - ◆ \$37.3 billion for transportation
  - ◆ Includes extension of SAFETEA-LU thru 9/30
- Senate working on Hiring Incentives to Restore Employment (HIRE) Act
  - ◆ No additional transportation funding
  - ◆ Includes extension of SAFETEA-LU thru 12/31



# FY 2011 Budget Status



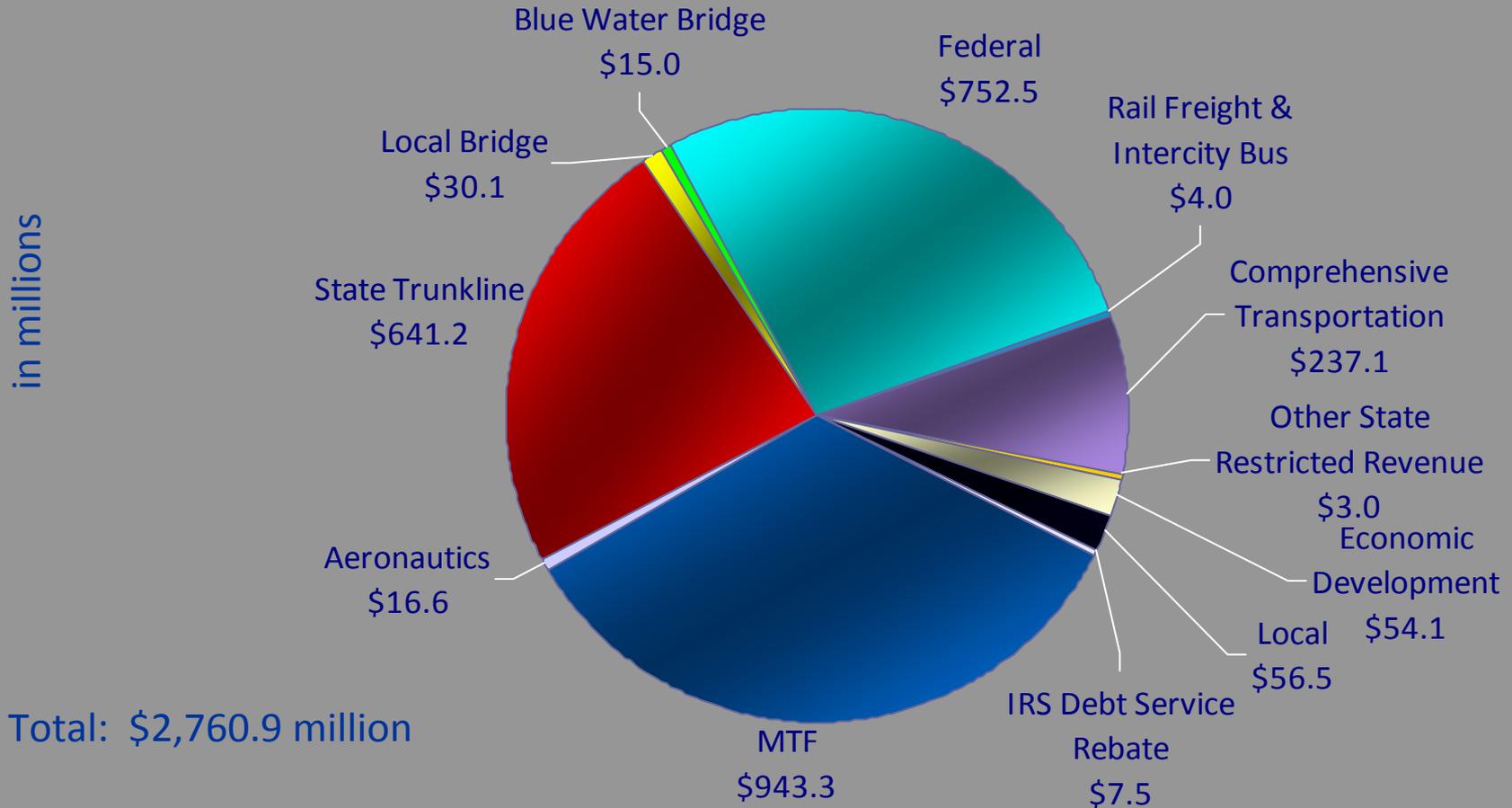
# FY 2011 Budget

- Governor's Recommendation is \$2,760,929,300
- Decrease of 15.2% or \$496.8 million compared to MDOT's FY 2010 budget
- Decrease attributable to insufficient state revenues



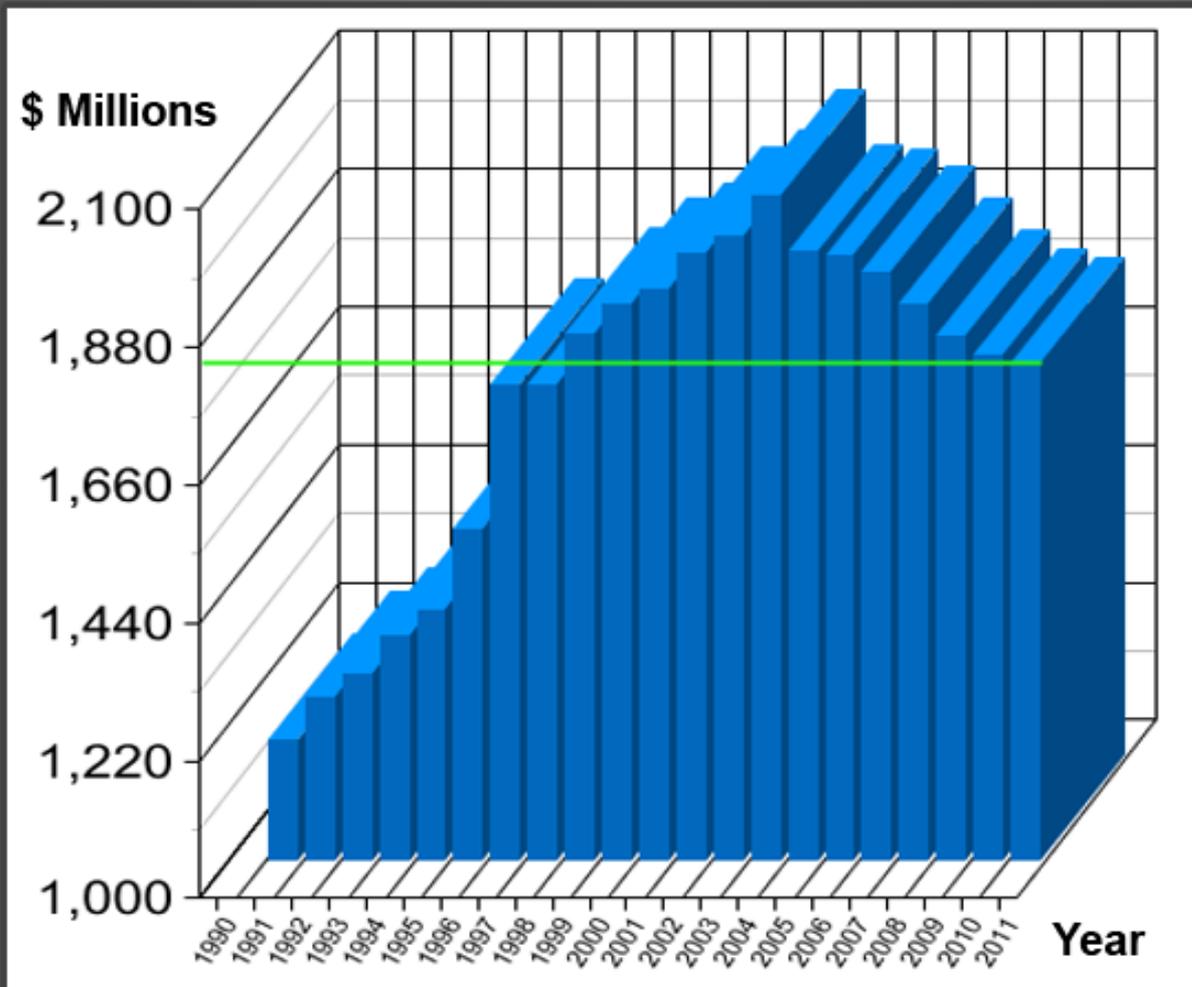
# FY 2011 Governor's Recommended Budget

## Funding Sources



# FY 2011 Budget

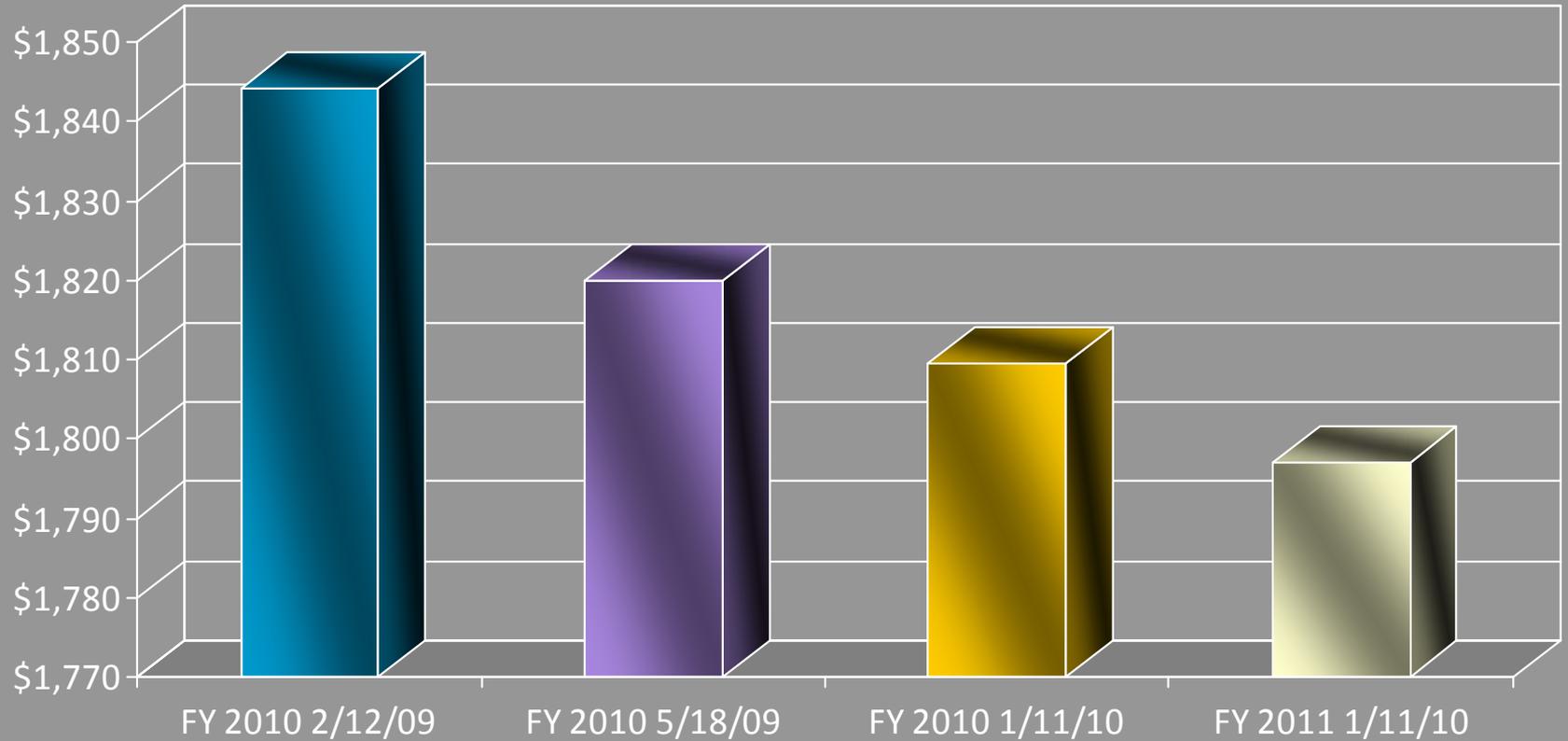
## MTF Revenue



# FY 2011 Budget

## MTF Revenue Estimates

In millions



# FY 2011 Budget Overall Comparison

- MTF appropriations reduced 2.6% or \$25.5 million
- STF state appropriations reduced 4.1% or \$27.2 million
- CTF state appropriations increased 2.9% or \$6.7 million
- Aeronautic state appropriations increased 11.3% or \$1.7 million
- Federal Highway appropriations reduced by \$475 million due to insufficient/declining state funds



# Stewardship

- MDOT Reducing Costs in FY 2010
  - ◆ \$20 million Reduction in Administration & Maintenance
  - ◆ Proactive Action
    - Based on Reduced FY 2010 Revenue Projections



# FY 2011 Budget Maintenance

- The proposed FY 2011 MDOT budget for state trunkline maintenance reflects a reduction of approximately \$8.3 million from the FY 2010 budget
- The proposed budget reduction is necessary to constrain budgets and expenditures due to declining state revenues



# FY 2011 Budget Maintenance

- Actual expenditures for winter maintenance have increased in recent years due to weather conditions and increased costs for maintenance materials, including salt
  - ◆ FY 2006 = \$70 million
  - ◆ FY 2007 = \$81 million
  - ◆ FY 2008 = \$103 million
  - ◆ FY 2009 = \$102 million
  - ◆ FY 2010 = \$85 to \$89 million (projected based on actual costs through December and previous year trends)
- Salt costs on a per unit basis have increased by
  - ◆ 24% on average from FY 2008 to FY 2009
  - ◆ 22% on average from FY 2009 to FY 2010
  - ◆ 100% on average from FY 2005 to FY 2010



# Potential Reductions Depending on Winter

- Potential cutbacks to the following maintenance activities:
  - ◆ Mowing
  - ◆ Litter pick-up
  - ◆ Sweeping
  - ◆ Brush clearing, routine surface maintenance
  - ◆ Eliminate the Youth Corp Program and participate only in the federally funded Youth Development & Mentoring Program
  - ◆ Rest Area and Welcome Centers closure/reduced hours

# FY 2011 Budget Maintenance

- MDOT will continue to perform essential services to protect the health and safety of Michigan citizens, including:
  - Snow removal
  - Freeway lighting
  - Traffic signal energy and maintenance
  - Operation of moveable bridges
  - Critical surface repairs and patching of potholes



# In Conclusion

- Drastic reduction in MDOT's budget
- State revenue continues to decline
- Results in \$475 million being left in Washington in FY 2011
- Condition of Michigan road and bridges will quickly decline without some action





# Questions?

