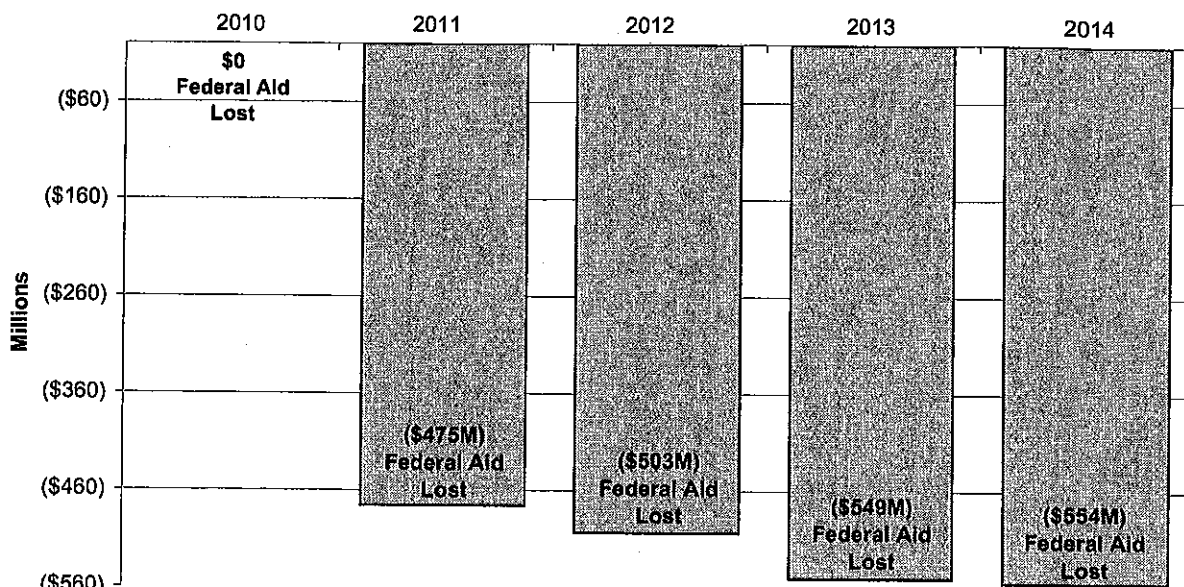


Department of Transportation

Despite declining state restricted revenues and an inability to match all available federal aid, the Department of Transportation (MDOT) continues to make investments in the State's network of roads and bridges, public transportation systems, freight development, and aviation programs to the extent existing revenues allow. *The Governor's proposed budget for fiscal year 2011 recommends total funding of \$2.7 billion, supported entirely with federal and state restricted revenues.*

Significant Federal Aid Losses Looming Due to Insufficient State Transportation Revenues



The potential loss of federal aid over the next four years is \$2.1 billion without additional state restricted revenues to provide the required match.

Highlights of Governor's Budget Recommendation for MDOT

- Governor Granholm remains supportive of the Transportation Funding Task Force and its recommendations for long-term financing alternatives. However, lack of legislative action on the Task Force proposals will significantly affect the transportation budget for fiscal year 2011.
- The department is reducing operational expenses by \$20 million in order to redirect those funds to road construction, thus earning \$100 million in federal funds that they would otherwise not be able to match. However, even with this action, Michigan will be unable to match \$475 million in available federal aid due to inadequate state transportation revenues.
- This budget recommendation supports \$1.9 billion for state and local road and bridge construction and maintenance projects; \$295 million for public transportation, rail freight, and marine programs; as well as \$1 million for the planned light railway project on Woodward Avenue in Detroit.

**Fiscal Year 2011 Governor's Recommendation
Department of Transportation
(\$ in Thousands)**

	FY10 Current Law	FY11 Recommendation
GF/GP	\$0.0	\$0.0
All Funds	\$3,259,638.0	\$2,760,929.3
	% Change - GF/GP	0.0%
	% Change - All Funds	-15.3%

Programs	GF/GP	All Funds
Local Road & Bridge Construction and Maintenance	\$0.0	\$1,218,523.0
State Road & Bridge Construction and Maintenance	\$0.0	\$739,893.9
Public Transportation & Freight Services	\$0.0	\$296,108.5
Debt Service Obligations	\$0.0	\$246,813.0
Building and Airport Capital Improvement Projects	\$0.0	\$138,766.2
Administrative Support Services	\$0.0	\$120,824.7
Total FY 2011 Recommendation	\$0.0	\$2,760,929.3