



michigan municipal league

MEMO

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to	Members of the House Appropriations Committee	from	David Quinton Worthams, Legislative Associate
cc		date	3/18/09
		subject	HB 4582 (Gonzales)

The Michigan Municipal League supports HB 4582(Gonzales) and urges you to report the bill today with recommendation to the full House of Representatives.

As you are aware, the American Recovery and Reinvestment Act of 2009 (ARRA) is providing the State of Michigan and local road agencies with \$873 million in federal transportation funds for highways, roads, bridges, and transit projects. Under the Act, 50% of these funds *must be obligated (or let for bid)* within 120 days of the effective date of the ARRA. The clock is ticking and the 120 day deadline ends on June 28th. To ensure funding can be used this construction season and to ensure that we meet the 120 day deadline, the Michigan Legislature must swiftly enact a supplemental appropriations bill. **HB 4582 is that bill and must be given to the Governor by April 2nd in order to meet the first letting date of the season.**

Should we miss the 120 day deadline, Washington will pull back the ARRA funding from Michigan and give it to other states. We are just beginning to experience the worse pot-hole season that we have ever seen. Losing the ARRA funds will be a huge missed opportunity to begin to restore integrity Michigan's transportation system.

According to the Act, transportation project that receive funding must be shovel ready and most of these projects were pulled from existing MDOT 5-year plans. 70% of the funds will be allocated by MDOT. The remaining funds will be spent by the urbanized areas of the state (as determined by the Metropolitan Planning Organizations – like SEMCOG, Grand Valley Metro Council, etc).

MDOT has worked with members of both houses of the Legislature to ensure that their list of projects matches population distribution throughout the state. Everyone is getting their fair share of the ARRA transportation funds. These projects include road resurfacing, rehabilitation and widening, bridge rehabilitation, and transportation enhancement projects. But more importantly, ***these projects will create or sustain 25,000 jobs.***

Tax payers can be assured that every penny being spent is being scrutinized. Governor Granholm must certify that every project funded is a good use of tax payer dollars and the progress of each project will be updated on both the federal recovery website (www.recovery.org) and the state's recovery website (www.michigan.gov/recovery)

We urge you to report the bill today with your favorable recommendation and ***without amendments.*** We must make sure that we can use this money before the 120 day deadline expires.