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FULL-TIME EQUATED (FTE) CLASSIFIED FY 2014-15 FY 2015-16 POSITIONS/FUNDING SOURCE YEAR-TO-DATE CONFERENCE		CHANGES FROM FY 2014-15 YEAR-TO-DATE		
			AMOUNT	PERCENT
FTE Positions	2,912.3	2,912.3	0.0	0.0
GROSS	3,725,062,600	3,896,201,400	171,138,800	4.6
Less:				
Interdepartmental Grants Received	3,786,900	3,928,500	141,600	3.7
ADJUSTED GROSS	3,721,275,700	3,892,272,900	170,997,200	4.6
Less:				
Federal Funds	1,223,599,500	1,257,488,000	33,888,500	2.8
Local and Private	58,043,100	50,393,500	(7,649,600)	(13.2)
TOTAL STATE SPENDING	2,439,633,100	2,584,391,400	144,758,300	5.9
Less:				
Other State Restricted Funds	2,154,985,200	2,184,391,400	29,406,200	1.4
GENERAL FUND/GENERAL PURPOSE	284,647,900	400,000,000	115,352,100	40.5
PAYMENTS TO LOCALS	1,316,686,400	1,438,206,000	121,519,600	9.2

FY 2014-15 Year-to-Date Gross Appropriation	\$3,725,062,600
Changes from FY 2014-15 Year-to-Date:	
Items Included by the Senate and House	
1. <b>Ongoing GF/GP Federal Match Increase.</b> An increase in Federal match appropriations by \$473,200 for a total of \$139.5 million Gross and ongoing GF/GP. \$113.0 million Gross and GF/GP is for State trunkline roads and bridges, \$25.0 million Gross and GF/GP is for transit and rail, and \$1,521,100 Gross and GF/GP is for aeronautics. In FY 2014-15, the budget included the following one-time Federal match items: \$127.0 million GF/GP for State trunkline roads and bridges, \$10.0 million GF/GP for transit and rail, and \$2.0 million for aeronautics. These funds were designated as one-time in FY 2014-15.	473,200
2. <b>Federal Transit</b> , <b>Rail and Air Grants.</b> Grant increases from the Federal Transit Administration and the Federal Railroad Administration included a \$50 million increase in Federal aid to rail operations and infrastructure, an \$840,000 increase in Federal aid to nonurban buses, and a \$300,000 increase in Federal aid to the transit capital program. The Conference also accounted for the one-time \$25.5 million Federal TIGER grant for the M-1 rail line under a supplemental appropriation in FY 2014-15.	25,596,000
3. Restoration of Vetoed Funds for Regional Planning Councils. In FY 2014-15, the Governor vetoed a pedestrian crossing study, which affected the grants to regional planning councils program. The Senate, House, and Governor included additional funding for this program in FY 2015-16 to restore those funds.	80,000

4. <b>Revenue Adjustments.</b> A revenue increase is expected for the Michigan Transportation Fund (MTF), resulting in the following program increases: \$57.7 million in local road funding, and \$1.3 million in the TEDF. Other revenue adjustments result in the following program decreases: (\$663,300) in aeronautics services, (\$3.9) million in rail operations and infrastructure, and (\$3.9) million in transit capital, service initiatives, and transportation to work. The airport safety, protection and improvement program was increased by \$1.0 million.	51,446,800		
5. Blue Water Bridge Fund Adjustment. This adjustment would realign the Fund with available toll revenue. In FY 2013-14 and FY 2014-15, appropriations to the Fund were increased to prepare for a customs plaza project. This would result in a total of \$10.6 million for the Fund in FY 2015-16.	(14,054,000)		
<ol> <li>IDG Adjustments. Technical adjustments to IDG grants to other departments totaled a negative \$414,800, and adjustments to IDGs from other departments totaled a negative \$11,100.</li> </ol>	(425,900)		
7. <b>Debt Service Adjustment.</b> Debt service obligations decreased. In FY 2014-15, \$242.3 million, \$0 GF/GP was appropriated to debt service. The Governor and Conference included \$238.9 million, \$0 GF/GP to debt service in FY 2015-16.	(3,457,500)		
8. <b>Economic Adjustments.</b> Included a negative \$3,073,700 Gross and \$0 GF/GP for OPEB and \$1,525,000 Gross and \$0 GF/GP for other economic adjustments.	(1,548,700)		
<ol> <li>Other Changes. Increased finance, contracts and support services by \$150,000 Gross, \$0 GF/GP, and deleted the one-time appropriation of \$1.1 million Gross, \$1.1 million GF/GP in startup funds for the Regional Transit Authority.</li> </ol>	(950,000)		
Conference Agreement on Items of Difference			
10. Ongoing GF/GP Funding for State and Local Roads and Bridges. The Conference increased one-time funding for this program by \$113.5 million Gross and GF/GP, and increased ongoing funding by \$2.5 million Gross and GF/GP, for a total appropriation of \$260.5 million Gross and GF/GP. See item 12 for the one-time portion of GF/GP funding included in this program. These funds would be distributed according to Public Act 51 of 1951 (39.1% to MDOT, 39.1% to county road commissions, and 21.8% to cities and villages). In FY 2014-15, the program received \$144.5 million Gross and one-time GF/GP. The Governor and Senate did not include funding for this program, and the House included \$20.0 million GF/GP.	2,478,900		
11. Transportation Economic Development Fund (TEDF) Redirect to State Trunkline Fund and Aeronautics Fund. The Conference included a Senate redirection of \$2.0 million in TEDF license fee revenue to the State Trunkline Fund in order to meet Federal match requirements, and \$2.0 million to the airport safety, protection and improvement program. The license fee revenue was previously redirected to the State trunkline from FY 2010-11 to FY 2013-14, and was restored to the TEDF in FY 2014-15 to meet increased program demand. The House and Governor directed \$12.0 million to the State Trunkline Fund.	(4,000,000)		
12. Additional Increase for Airport Safety, Protection and Improvement Program. See item 11.	2,000,000		
13. <b>Highway Maintenance Funding.</b> The Conference did not include a \$10.0 million increase for State trunkline maintenance, which the Governor and House had included.	0		
14. FY 2015-16 One-Time Gross Appropriations. The Conference included a net increase of \$113.5 million Gross and GF/GP in one-time funding for the state and local road and bridge program (see item 10). The Conference appropriated a total of \$142.0 million Gross and GF/GP in one-time funding for transportation for FY 2015-16.	113,500,000		
Total Changes	\$171,138,800		
FY 2015-16 Conference Report Ongoing/One-Time Gross Appropriation	\$3,896,201,400		
Amount Over/(Under) GF/GP Target: \$0			

## **Boilerplate Changes from FY 2014-15 Year-to-Date:**

## Items Included by the Senate and House

- 1. **Disciplinary Action.** The Senate and House retained a prohibition against MDOT from taking disciplinary action against an employee for communicating with the Legislature. (Sec. 215)
- Remanufactured Parts and Alternative Road Materials. The Senate and House retained a requirement for MDOT
  to prioritize the use of remanufactured parts as the primary means of vehicle maintenance (Sec. 270), and a
  requirement that MDOT evaluate the use of materials which incorporate crumb rubber from scrap tires (Sec 660).
- 3. Contractor-Related Requirements. The Senate and House retained the following requirements and prohibitions: 1) MDOT must post signs regarding the contractor responsible for rest area maintenance (Sec. 319); 2) MDOT must review its contractor payment process and ensure prompt payment and prime contractor compliance (Sec. 353); 3) MDOT must complete any required inspections for local Federal aid projects within 120 days of submission (Sec. 357); 4) MDOT may not reimburse contractors for certain costs (e.g., groundbreaking ceremonies) from appropriated funds (Sec. 375); 5) as a condition of each contract for construction, maintenance, or engineering services, MDOT must require the contractor to use the E-Verify system (Sec. 381); 6) in administering a local government contract, within two years of final payment to a contractor, MDOT must submit the final cost-sharing bill to the local government (Sec. 382).
- 4. **Department-Owned Aircraft Reports.** In FY 2014-15, the language was amended and included more specific reporting requirements. The Senate and House retained the language from FY 2014-15 but omitted "purpose of travel" in the requirements. (Sec. 383)
- 5. **Dead Animal Removal.** The Senate and House retained a provision that MDOT must consider the removal of large animal remains from highway shoulders a priority. (Sec. 610)
- 6. **Report Requirements.** The Senate and House deleted requirements that MDOT must provide a rail feasibility study between Holland and Detroit (Sec. 712). The Senate and House retained the following report requirements: a rolling five-year plan of all construction projects (Sec. 307), and associated criteria for the plan (Sec. 603); MDOT's activities related to the prequalification of construction contractors (Sec. 308); the status of the State infrastructure bank (Sec. 313(3)); the status of airport improvement projects (Sec. 902); a railroad company's abandonment of a railroad line (Sec. 703); and timely production of copies of agendas and approved minutes for monthly commission meetings (Sec. 310).
- 7. **Pedestrian Crossing Study (vetoed in FY 2014-15).** The Senate and House deleted a requirement for MDOT to study the feasibility of a pedestrian crossing over Bear River in Petoskey along US Highway 131, which was initially included and vetoed in FY 2014-15. (Sec. 311)
- 8. **Service Consolidation Workgroup.** The Senate and House deleted a requirement for MDOT to conduct a workgroup aimed at consolidating transportation services for low-income, elderly, and disabled individuals. (Sec. 312)
- 9. **Best Practices.** The Senate and House retained a requirement for MDOT to promote best practices in public transportation services, and to report on efforts taken to implement best practices. (Sec. 393)
- 10. **Existing Roads as Priority.** The Senate and House retained a requirement for MDOT and local road agencies to make preservation of existing roads a funding priority. (Sec. 394)
- 11. **Elimination of One-Time Appropriations.** The Senate and House deleted provisions regarding a high-speed rail crossing pilot program (Sec. 1004, vetoed in FY 2014-15), and one-time startup funding for the Regional Transit Authority (Sec. 1005).

## Conference Agreement on Items of Difference

- 12. **Billboards and Motorist Behavior.** The Conference included a restriction against MDOT spending funds to examine the relationship between billboards and motorist behavior. This restriction was included by the Senate. (Sec. 376)
- 13. **Notice of Proposed Federal Regulations.** The Conference included language that would require MDOT to notify the legislature regarding proposed Federal Rule changes, and notice of required statutory changes after the rule was finalized. The notice would have to be given within 30 days of the proposed rule being posted to the Federal Register. This requirement was included by the Senate. (Sec. 204)
- 14. **Effects of Policy Changes; Small Businesses.** The Conference concurred with the Senate and Governor and deleted a requirement for MDOT to report on policy changes made to implement public acts, and a prohibition against funds being used in a way that would have a disproportionate economic impact on small businesses. (Sec. 263)
- 15. Report Requirements. The Conference concurred with the Senate and Governor and deleted a requirement that MDOT must retain all reports in compliance with Federal and State guidelines (Sec. 212). The Conference concurred with the Senate and the Governor and deleted requirements that MDOT must provide a report or information regarding the following: money to be received by each local government within a legislator's district (Sec. 303); the amount of Federal aid for allocations to certain State and local programs (Sec. 401); the encumbered and unencumbered balances of the CTF (Sec. 740). The Conference concurred with the Senate and Governor and deleted requirements to provide the State Budget Office with: GF/GP appropriation lapses by program area (Sec. 228); and estimates regarding State fund balances, revenues, and expenditures (Sec. 229). The Conference retained report requirements regarding contract incentives for State trunkline projects (Sec. 612) and expenditures for administration and planning associated with local governments (Sec. 233), and included a requirement for a report on the status of a rail tunnel crossing from Detroit to Windsor (Sec 1006). The Conference concurred with the Senate, House, and Governor and deleted rollover test standards for transit buses (Sec. 741); and concurred with the Governor and deleted a report on the status of airport improvement projects (Sec. 902). The Conference concurred with the House and included a reporting requirement regarding transit capital and rail infrastructure (Sec. 1003).
- 16. **Warranty Development and Reporting.** The Conference modified a requirement for MDOT to work with the road construction industry and engineering consulting community to develop performance and road construction warranties, and included new reporting requirements regarding warranty performance and activity. The Governor deleted this provision and the Senate and House had similar modifications. (Sec. 601)
- 17. **Benchmarks and Performance Measurement.** The Conference concurred with the Senate and modified a requirement for the Department to measure performance relating to expenditures for programs over \$0.5 million, and report on proposed benchmarks. (Sec. 204)
- 18. **Highway Maintenance Outcomes & Measures.** The Governor and House included a requirement regarding increased highway maintenance funding. The Conference did not include the corresponding increase or the requirement. (Sec. 605 as to House and Governor)
- 19. **One-Time and Ongoing Appropriations.** The Conference modified provisions regarding GF/GP funding for State trunkline Federal match (Sec. 1001); and the State and local road and bridge program (Sec. 1002).
- 20. **Bicycle Roadway Safety.** The Conference concurred with the Governor and House and did not include a Senate boilerplate appropriation of \$14,000 for bicycle safety education and training related to roadways and bicycle lanes (Sec. 1007 as to Senate).
- 21. **Encourage Airport Privatization/Local Ownership.** The Conference concurred with the House and retained language encouraging MDOT to find private or public entities to assume ownership and operating responsibility of airports. (Sec. 802)
- 22. **Dort Highway Expansion.** The Conference did not include a \$100 GF/GP Senate appropriation to expand Dort Highway in Grand Blanc (Sec. 1009 as to Senate).
- 23. **Priority Roads Investment Program Report.** The Conference did not include a House requirement that MDOT report on projects funded through the priority roads investment program (\$115.0 FY 2013-14 and FY 2014-15) (Sec. 315 as to House).
- 24. **Lease Rail Car Status Report.** The Conference included a House requirement for MDOT to report on the status of commuter rail projects and rail car leases by November 1 (Sec. 713).

Date Completed: 5-28-15 Fiscal Analyst: Glenn Steffens