



Senate Fiscal Agency  
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 BILL ANALYSIS

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Senate Bill 799 (as introduced)  
Committee: Appropriations

[Vehicle for Governor's Recommendation line items is Senate Bill 823](#)

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 GOV.'S REC.	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	2,912.3	2,912.3	0.0	0.0
<b>GROSS .....</b>	<b>3,896,201,400</b>	<b>4,125,203,600</b>	<b>229,002,200</b>	<b>5.9</b>
Less:				
Interdepartmental Grants Received .....	3,928,500	4,013,400	84,900	2.2
<b>ADJUSTED GROSS.....</b>	<b>3,892,272,900</b>	<b>4,121,190,200</b>	<b>228,917,300</b>	<b>5.9</b>
Less:				
Federal Funds.....	1,257,488,000	1,314,744,000	57,256,000	4.6
Local and Private .....	50,393,500	50,518,500	125,000	0.2
<b>TOTAL STATE SPENDING.....</b>	<b>2,584,391,400</b>	<b>2,755,927,700</b>	<b>171,536,300</b>	<b>6.6</b>
Less:				
Other State Restricted Funds.....	2,184,391,400	2,745,527,700	561,136,300	25.7
<b>GENERAL FUND/GENERAL PURPOSE.....</b>	<b>400,000,000</b>	<b>10,400,000</b>	<b>(389,600,000)</b>	<b>(97.4)</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>1,438,206,000</b>	<b>1,583,461,200</b>	<b>145,255,200</b>	<b>10.1</b>

<b>FY 2015-16 Year-to-Date Gross Appropriation .....</b>	<b>\$3,896,201,400</b>
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**Changes from FY 2015-16 Year-to-Date:**

**NOTE:** The Governor's recommendation assumes that the Roads Innovation Fund, also known as the "Lockbox", will be opened via concurrent resolution. The Roads Innovation Fund was established under the road funding package enacted in 2015. Opening the Lockbox would result in \$100.0 million in funding to be divided among CTF (\$10.0 million), MDOT (\$35.2 million), and local road agencies (\$54.8 million) in FY 2016-17. As long as it is in operation, the Lockbox will receive the first \$100.0 million in fuel tax revenue collected each fiscal year.

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|--|-------------|
| <ol style="list-style-type: none"> <li><b>1. State Trunkline Road and Bridge Construction Increase.</b> The net increase for State trunkline construction from increased Federal revenue (FAST Act) (\$15.4 million Gross, \$0 GF/GP), MTF adjustments and new revenue under the road funding package (\$184.3 million Gross, \$0 GF/GP), revenue adjustments to the Blue Water Bridge Fund (\$18.4 million Gross, \$0 GF/GP), one-time GF/GP funding (\$10.4 million GF/GP), and shifting GF/GP one-time and ongoing funding to MTF (\$214.8 million GF/GP to State restricted).</li> </ol> | 13,666,250  |
| <ol style="list-style-type: none"> <li><b>2. Local Road Agencies and Local Bridge Program Increases.</b> The net gain to appropriations for county road commissions, cities and villages, and the local bridge program resulting from MTF adjustments and revenue under the road funding package and shifting GF/GP one-time and ongoing funding to MTF (\$124.4 million), and increased Federal revenue (FAST Act) (\$32.1 million).</li> </ol>   | 157,139,150 |

3. <b>Public Transit Funding Increases.</b> New public transit funding under the road plan resulted in an increase for most programs, most notably local bus operating (\$12.6 million), rail operations and infrastructure (\$15.8 million Gross, \$0 GF/GP), and transit capital (\$19.0 million Gross, \$0 GF/GP). Federal revenue increases resulted in an increase to transit capital (\$10.0 million Gross, \$0 GF/GP).	58,445,400
4. <b>Aeronautics Program Increases.</b> Additional revenue due to adjustments and recent changes to the aviation fuel sales tax, including a shift of GF/GP ongoing funding (\$1,521,100 GF/GP to SAF). The air service program was also reinstated at \$250,000 Gross, \$0 GF/GP (this program was deleted in FY 2015-16).	2,024,300
5. <b>Detroit Metropolitan Wayne County Airport Debt Repayment/Capital Improvements.</b> Funds from the recently established Qualified Airport Fund, directed toward debt repayment and capital improvements at Detroit Metro.	8,775,000
6. <b>Transportation Economic Development Fund Increases.</b> Restoration of TEDF revenue that was directed in FY 2015-16 to airport safety (\$2.0 million gross, \$0 GF/GP) and an increase in TEDF revenue estimates.	4,877,000
7. <b>Rail Grade Crossing Surface Improvements.</b> The road funding package included allowance of appropriations up to \$3.0 million Gross, \$0 GF/GP to subsidize 60% of maintenance costs of selected privately owned rail grade crossings.	3,000,000
8. <b>Removal of One-time Federal Match for TIGER Grant for M-1 Rail.</b> The FY 2015-16 budget included \$25.0 million GF/GP for this program.	(25,000,000)
9. <b>Economic Adjustments.</b> Includes \$1,615,900 Gross and \$0 GF/GP for OPEB and \$5,381,500 Gross and \$0 GF/GP for other economic adjustments.	6,979,000
10. <b>Other Changes.</b> Information technology services and projects (\$660,000 Gross, \$0 GF/GP), removal of five-year early-out deferred sick leave payments (\$1,441,100 Gross, \$0 GF/GP), debt service payment reductions of (\$935,500) Gross, \$0 GF/GP; IDG adjustments (\$813,800 Gross, \$0 GF/GP) and Blue Water Bridge operations of (\$1,400) Gross, \$0 GF/GP.	(903,900)
Total Changes .....	\$229,002,200
<b>FY 2016-17 Governor's Recommendation .....</b>	<b>\$4,125,203,600</b>

**Boilerplate Changes from FY 2015-16 Year-to-Date:**

1. **Deleted Report Requirements.** The Governor deleted reporting requirements regarding the following: Performance metrics for program increases or new programs over \$0.5 million (Sec. 204); Notice regarding Federal regulation changes that would require statutory amendment (Sec. 205); Local fund administration and distribution costs (Sec. 233); Biennial audit charge report (Sec. 306(3)); prequalification of contractors (Sec. 308); Status of the State Infrastructure Bank (Sec. 313(3)); Contract incentives (Sec. 612); Road surface materials including crumb rubber from scrap tires (Sec. 660); Notification of abandonment of private rail (Sec. 703); Amtrak rail passenger data and expenses (Sec. 711); Status of commuter rail demonstration projects including leased rail cars (Sec. 713); Status of new rail tunnel between Detroit and Windsor (Sec. 1006).
2. **Disciplinary Action.** The Governor deleted a prohibition against taking disciplinary action against an employee for communications with legislators or legislative staff. (Sec. 215)
3. **Remanufactured Parts Preference.** The Governor deleted a provision stating legislative intent to prioritize remanufactured parts for maintenance and repair of State vehicles (excludes State police). (Sec. 270)
4. **Rest Area Signs.** The Governor deleted a requirement for MDOT to post signs identifying the agency or contractor responsible for the rest area. (Sec. 319)
5. **Contractor Payment Process.** The Governor deleted a requirement for the department to review contractor payment processes. (Sec. 353)
6. **Inspection Deadline for Local Federal Aid Projects.** The Governor deleted a requirement for the department to complete all reviews and inspections of local Federal aid projects within 120 day of receipt. (Sec. 357)
7. **Ban on Contractor Reimbursements for Groundbreaking Ceremonies.** The Governor deleted a prohibition against reimbursing contractors or consultants for costs related to groundbreaking ceremonies. (Sec. 375)

8. **Ban on Outdoor Advertising Studies.** The Governor deleted a prohibition against MDOT spending funds on examining the potential association between outdoor advertising and motorist behavior. (Sec. 376)
9. **E-Verify Requirements for Contractors.** The Governor deleted requirements for the Department to require contractors to use the E-Verify system to ensure employees are legally present in the United States. (Sec. 381)
10. **Cost-sharing Bills for Local Agencies.** The Governor deleted a requirement for MDOT to provide a cost-sharing bill to a local road agency within two years of the final contract payment to the contractor. (Sec. 382)
11. **Aircraft Agreement for MDOT and MSP (Legislative Intent).** The Governor deleted language stating that it is the intent of the Legislature for MDOT to establish an agreement with the State police on fitting certain aircraft with equipment for law enforcement operations. (Sec. 383(5))
12. **Best Practices Promotion and Reporting.** The Governor deleted a provision requiring MDOT to promote best practices for public transportation services and report on efforts. (Sec. 393)
13. **Priority for Preservation of Existing Roads.** The Governor deleted language stating that MDOT and local road agencies must make preservation of existing roads a priority. (Sec. 394)
14. **MDOT Trunkline: Option to Transfer Construction Funds to Maintenance.** The Governor added a provision that would allow MDOT to use up to \$10.0 million of trunkline construction funds for trunkline maintenance. (Sec. 395)
15. **Roads Innovation Fund Report.** The Governor included a requirement for MDOT to report on the fiscal impact to State trunkline and local road agency distributions if the Roads Innovation Fund, known as the "Lockbox", remains closed on October 1, 2016. The Fund can only be opened through concurrent resolution of the Legislature, and receives the first \$100.0 million in fuel tax revenues in each fiscal year until the concurrent resolution. (Sec. 505)
16. **Road Warranty Program Considerations and Report.** The Governor deleted provisions requiring MDOT to develop a warranty program and employ specific considerations, and to report on warranty programs and activities. (Sec. 601)
17. **Traffic Congestion as Criteria in 5-Year Plan.** The Governor deleted a provision requiring MDOT to use traffic congestion as one of the criteria in its 5-year plan. (Sec. 603)
18. **Dead Animal Removal as a Priority.** The Governor deleted a provision stating that MDOT must have as a priority the removal of dead deer and other large animals from the traveled portion of State highways. (Sec. 610)
19. **Preference for Private Airport Ownership.** The Governor deleted a provision encouraging MDOT to find private entities to own or lease public-owned airports. (Sec. 802)
20. **Elimination of One-time and Ongoing General Fund/General Purpose appropriations.** The Governor deleted provisions regarding one-time and ongoing GF/GP funding for State trunkline Federal match (Sec. 1001), distribution of additional road agency funding (Sec. 1002), and reports on use of one-time funds for public transit (Sec. 1003).

Date Completed: 2-17-16

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