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			CHANGES FROM FY 2015-16 YEAR-TO-DATE	
FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 CONFERENCE	AMOUNT	PERCENT
FTE Positions	2,912.3	2,912.3	0.0	0.0
GROSS	3,898,451,400	4,114,503,600	216,052,200	5.5
Less:				
Interdepartmental Grants Received	3,928,500	4,013,400	84,900	2.2
ADJUSTED GROSS	3,894,522,900	4,110,490,200	215,967,300	5.5
Less:				
Federal Funds	1,259,488,000	1,314,744,000	55,256,000	4.4
Local and Private	50,643,500	50,518,500	(125,000)	(0.2)
TOTAL STATE SPENDING	2,584,391,400	2,745,227,700	160,836,300	6.2
Less:				
Other State Restricted Funds	2,184,391,400	2,736,727,700	552,336,300	25.3
GENERAL FUND/GENERAL PURPOSE	400,000,000	8,500,000	(391,500,000)	(97.9)
PAYMENTS TO LOCALS	1,438,206,000	1,590,461,200	152,255,200	10.6

FY 2015-16 Year-to-Date Gross Appropriation	\$3,898,451,400
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# Changes from FY 2015-16 Year-to-Date:

**NOTE:** This appropriation bill assumes 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.

#### Items Included by the Senate and House

repayment and capital improvements at Detroit Metro.

<ol> <li>Blue Water Bridge Fund Increase. Revenue adjustments to the Blue Water Bridge Fund for a customs plaza project (\$18.4 million Gross, \$0 GF/GP).</li> </ol>	18,417,700
<ol> <li>Economic Adjustments. Includes \$1,615,900 Gross and \$0 GF/GP for OPEB and \$5,381,500 Gross and \$0 GF/GP for other economic adjustments.</li> </ol>	6,979,000
3. <b>Other Changes.</b> Reductions: Removal of five-year early-out deferred sick leave payments (\$1,441,100 Gross, \$0 GF/GP); debt service payments (\$935,500 Gross, \$0 GF/GP); and Blue Water Bridge operations of (\$1,400 Gross, \$0 GF/GP). Increases: Information technology services and projects (\$660,300 Gross, \$0 GF/GP), and IDG adjustments (\$813,800 Gross, \$0 GF/GP).	(903,900)
4. Aeronautics Program Increases. Additional revenue was 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 were directed toward debt	8,775,000

<ol> <li>Rail Grade Crossing Surface Improvements. 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.</li> </ol>	3,000,000
<ol> <li>Removal of One-Time Federal Match for Transit and Rail. The FY 2015-16 budget included \$25.0 million GF/GP for this program.</li> </ol>	(25,000,000)
Conference Agreement on Items of Difference	
8. State Trunkline Fund for Road and Bridge Construction Decrease. The net decrease for State trunkline construction funded from STF. This includes increased Federal revenue (FAST Act) (\$15.4 million Gross, \$0 GF/GP), STF adjustments and new revenue under the road funding package (\$149.1 million Gross, \$0 GF/GP), and shifting GF/GP one-time and ongoing funding to MTF (\$214.8 million GF/GP to State restricted). Unlike the Governor and House, the Senate did not include revenue associated with the Roads Innovation Fund (Lockbox). The Governor and the Senate, but not the House, used \$10.4 million of one-time GF/GP funding. Conference replaced the \$10.4 million of GF/GP with restricted revenue.	(4,751,450)
9. Local Road Agencies and Local Bridge Program Increases. The net gain to appropriations for county road commissions, cities and villages, and the local bridge program resulted from MTF adjustments and revenue under the road funding package, shifting GF/GP one-time and ongoing funding to MTF (\$69.6 million), and increased Federal revenue (FAST Act) (\$32.1 million). The Senate did not include revenue associated with the Roads Innovation Fund (Lockbox).	157,139,150
10. <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 (\$2.6 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). The Senate did not include revenue associated with the Roads Innovation Fund (Lockbox).	56,195,400
11. <b>Transportation Economic Development Fund Decreases.</b> TEDF revenue that was directed in FY 2015-16 to airport safety and Federal match (\$4.0 million gross, \$0 GF/GP) was restored, and there was an increase in TEDF revenue estimates. However, Conference redirected \$10.4 million to road and bridge construction and reduced the appropriation another \$8.8 million in anticipation of a transfer to the general fund.	(14,323,000)
12. <b>FY 2016-17 One-Time Gross Appropriations.</b> Conference included \$8.5 million of GF/GP for special grants.	8,500,000
Total Changes	\$216,052,200
FY 2016-17 Conference Report Ongoing/One-Time Gross Appropriation	\$4,114,503,600

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

## Items Included by the Senate and House

Amount Over/(Under) GF/GP Target: \$0

- Report Requirements. Conference retained and the Governor deleted reporting requirements regarding the following: Performance metrics for program increases or new programs over \$0.5 million (Sec. 216); Notice regarding Federal regulation changes that would require statutory amendment (Sec. 217); Status of the State Infrastructure Bank (Sec. 313(3)); Contract incentives (Sec. 612); Amtrak rail passenger data and expenses (Sec. 711). Conference and the Governor deleted the following requirements: Local fund administration and distribution costs (Sec. 233); Prequalification of contractors (Sec. 308); Status of new rail tunnel between Detroit and Windsor. (Sec. 1006)
- 2. **Disciplinary Action.** Conference retained and the Governor deleted a prohibition against taking disciplinary action against an employee for communications with legislators or legislative staff. (Sec. 215)

- 3. **Contractor Payment Process.** Conference retained and the Governor deleted a requirement for the department to review contractor payment processes. (Sec. 353)
- 4. **Inspection Deadline for Local Federal Aid Projects.** Conference retained and the Governor deleted a requirement for the department to complete all reviews and inspections of local Federal aid projects within 120 days of receipt. (Sec. 357)
- 5. Ban on Contractor Reimbursements for Groundbreaking Ceremonies. Conference retained and the Governor deleted a prohibition against reimbursing contractors or consultants for costs related to groundbreaking ceremonies. (Sec. 375)
- 6. Ban on Outdoor Advertising Studies. Conference retained and the Governor deleted a prohibition against MDOT spending funds on examining the potential association between outdoor advertising and motorist behavior. (Sec. 376)
- 7. **E-Verify Requirements for Contractors.** Conference retained and 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)
- 8. Cost-Sharing Bills for Local Agencies. Conference retained and 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)
- 9. **Priority for Preservation of Existing Roads.** Conference retained and the Governor deleted language stating that MDOT and local road agencies must make preservation of existing roads a priority. (Sec. 394)
- MDOT Trunkline: Option to Transfer Construction Funds to Maintenance. Conference and 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)
- 11. **Roads Innovation Fund Report.** Conference and 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 is adopted. (Sec. 505)
- 12. **Preference for Private Airport Ownership.** Conference retained and the Governor deleted a provision encouraging MDOT to find private entities to own or lease publicly owned airports. (Sec. 802)
- 13. Elimination of One-Time and Ongoing General Fund/General Purpose Appropriations. Conference and 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)

## Conference Agreement on Items of Difference

- 14. **Report Requirements.** The Governor deleted, the Senate retained, and the House modified a biennial audit charge report (Sec. 306(3)). Conference retained the House modifications. The Governor and House deleted, and the Senate retained, requirements regarding the examination of road surface materials including crumb rubber from scrap tires (Sec. 660). Conference retained subsections (1) and (3). The Governor and House deleted, and the Senate retained, a requirement regarding notification of abandonment of private rail (Sec. 703). Conference retained the requirements. The Governor and Senate deleted, and the House retained, a report on the status of commuter rail demonstration projects including leased rail cars (Sec. 713). Conference retained the report.
- 15. **Remanufactured Parts Preference.** The Senate retained, and the Governor and House deleted, a provision stating legislative intent to prioritize remanufactured parts for maintenance and repair of State vehicles (excludes State police). Conference retained the provisions. (Sec. 270)
- 16. **Rest Area Signs.** The Senate retained, and the Governor and House deleted, a requirement for MDOT to post signs identifying the agency or contractor responsible for the rest area. Conference retained the requirement. (Sec. 319)
- 17. Aircraft Agreement for MDOT and MSP. The Senate amended, and the Governor and House 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. Conference kept the Senate Amendments. (Sec. 383(5))

- 18. **Best Practices Promotion and Reporting.** The Senate retained and the Governor deleted a provision requiring MDOT to promote best practices for public transportation services and report on efforts (Sec. 393). The House kept most provisions but deleted a reporting requirement (Sec. 393(2)). Conference retained the Senate language, including the report.
- 19. **Prequalification Process for Contractual Services.** The House added language requiring prequalification for contracted services. Conference amended the House language. (Sec. 396)
- 20. **Pavement Sealant Pilot Program.** The Senate added a requirement to conduct a pilot program testing a cement hydration catalyst and sealant, and to report the results to the Legislature. Conference did not retain the requirement. (Sec. 502)
- 21. **Road Warranty Program Considerations and Report.** The Senate retained, and the Governor and House deleted, provisions requiring MDOT to develop a warranty program and employ specific considerations, and to report on warranty programs and activities. Conference retained the Senate provisions. (Sec. 601)
- 22. **Traffic Congestion as Criteria in 5-Year Plan.** The Senate retained, and the Governor and House deleted, a provision requiring MDOT to use traffic congestion as one of the criteria in its 5-year plan. Conference did not include the provision. (Sec. 603)
- 23. Dead Animal Removal as a Priority. The Senate retained, and the Governor and House 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. Conference retained the provision. (Sec. 610)
- 24. Rail Operations and Infrastructure Program Report. The Senate included a provision requiring MDOT to provide detailed reports on expenditures and anticipated costs, categorized by program and project, under the rail operations and infrastructure line item. This item includes programs for Michigan rail line/bridge maintenance and upgrades, freight capital and economic development, and Amtrak operating costs. Conference retained the provision. (Sec. 704)
- 25. **Woodhaven Rail Bridge.** The Senate included a section stating that it is the intent of the Legislature that the department will provide assistance, whether administrative or otherwise, to the city of Woodhaven so the city may meet funding needs for a rail and street separation project. Conference retained the provision. (Sec. 705)
- 26. **Third Party Management of Aircraft.** The Senate included a requirement for MDOT to work with DTMB on releasing an RFP for third-party management of State-owned aircraft. Conference retained the requirement. (Sec. 803)
- 27. **One-Time Special Grants.** Conference included \$8.5 million of GF/GP special grants to three specific projects: 1) US-31 right-of-way acquisition in Berrien County, 2) completion of an all-season truck route between M-52 and US-223 in Lenawee County, and 3) access ramps at M-53 and 33 mile road in Macomb County. (Sec. 1001)

Date Completed: 5-27-16 Fiscal Analyst: David Zin