



Senate Fiscal Agency  
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FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2016-17 YEAR-TO-DATE	FY 2017-18 CONFERENCE	CHANGES FROM FY 2016-17 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	2,912.3	2,820.3	(92.0)	(3.2)
<b>GROSS .....</b>	<b>4,115,753,600</b>	<b>4,347,443,000</b>	<b>231,689,400</b>	<b>5.6</b>
Less:				
Interdepartmental Grants Received .....	4,013,400	4,039,300	25,900	0.6
<b>ADJUSTED GROSS.....</b>	<b>4,111,740,200</b>	<b>4,343,403,700</b>	<b>231,663,500</b>	<b>5.6</b>
Less:				
Federal Funds.....	1,314,744,000	1,340,301,200	25,557,200	1.9
Local and Private .....	50,518,500	50,632,000	113,500	0.2
<b>TOTAL STATE SPENDING.....</b>	<b>2,746,477,700</b>	<b>2,952,470,500</b>	<b>205,992,800</b>	<b>7.5</b>
Less:				
Other State Restricted Funds.....	2,736,727,700	2,952,470,500	215,742,800	7.9
<b>GENERAL FUND/GENERAL PURPOSE.....</b>	<b>9,750,000</b>	<b>0</b>	<b>(9,750,000)</b>	<b>(100.0)</b>
<b>PAYMENTS TO LOCALS .....</b>	<b>1,587,185,200</b>	<b>1,718,368,100</b>	<b>131,182,900</b>	<b>8.3</b>

<b>FY 2016-17 Year-to-Date Gross Appropriation .....</b>	<b>\$4,115,753,600</b>
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#### Changes from FY 2016-17 Year-to-Date:

##### Items Included by the Senate and House

- Metro Detroit Drainage & Flooding Mitigation.** An increase to Highway Maintenance for drainage in Oakland/Macomb/Wayne Counties. House & Senate concurred. 8,500,000
- Local Federal Aid Road and Bridge.** Gov included an increase of Federal funds for local construction due to increased Federal revenue. House and Senate concurred. 5,889,300
- Transit Capital.** Gov's rec. included an additional \$5,496,400 from CTF revenue for Transit Capital. House and Senate concurred. 5,496,400
- Salt Storage Buildings and Containment Contract.** Gov's rec. included this investment from the State Trunkline Fund to renovate existing salt storage facilities. House and Senate concurred. 2,500,000
- Nonurban Operating/Capital.** Gov's rec. included \$2.0 million in additional Federal funds. House and Senate concurred. 2,000,000
- Intercity Services.** Gov's rec. included an additional \$1,810,000 from CTF revenue projections. House and Senate concurred. 1,810,000
- FY 2016-17 One-Time & Supplementals.** Gov's rec. included removal of funding for current year One-Time (\$8,500,000) and Supplemental (\$1,250,000) projects. (9,750,000)
- Debt Service Adjustments.** Gov's rec. included a reduction in Debt Service Adjustments. House and Senate concurred. (8,985,900)
- Movable Bridge.** The Movable Bridge Fund created in FY 2015-16, but not appropriated funds until FY 2016-17. PA 340 of 2016, a supplemental, appropriated two fiscal years of funding for the Movable Bridge Fund; \$5.0 million for each fiscal year, totaling \$10,000,000. For FY 2017-18, Gov recommended a total for the Fund of \$5,110,000, a \$110,000 increase over base funding, but \$4,890,000 less that the \$10.0 million appropriated in FY 2016-17. House and Senate concurred. (4,890,000)

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| 10. <b>Detroit Metro Wayne County Airport.</b> Gov's rec. adjusted Detroit Airport funding to reflect lower-than-projected revenue from aviation fuel taxes. House and Senate concurred.                                                                                                                                                                                                                                                                                                                                                                                                                                                     | (2,275,000) |
| 11. <b>Terminal Development.</b> Gov's rec. moved the funding for this item into Intercity Services and Rail Ops and Infrastructure. House and Senate concurred.                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | (300,000)   |
| 12. <b>Other Adjustments.</b> Baseline increase for Local Bridge Program \$814,300, Service Initiatives \$500,000, and Transportation Asset Management Council \$250,000. \$ 2,270,900 Gross and \$0 GF/GP for all remaining economic, lump sum, and baseline adjustments: includes the adjustments for Dept. Admin \$192,000, IT \$101,400, Transportation Planning \$79,100, Design & Engineering \$1,088,200, Highway Maintenance \$612,600, Blue Water Bridge Ops \$38,300, Aviation Services (\$52,700), Office of Rail \$55,700, Public Transportation Services \$48,600, and Grant adjustments \$107,700. House and Senate concurred. | 3,835,200   |

Conference Agreement on Items of Difference

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| 13. <b>County Road Commissions.</b> Gov's rec. included an increased distribution to county road commissions due to the road funding package of 2015. Senate concurred. House raised the amount distributed to counties by an additional \$7,883,900 with FTE cuts across several program areas, mostly from Design and Engineering Services. Conference agreed to Gov's rec.                                                                                                                  | 88,941,600  |
| 14. <b>State Trunkline Road and Bridge Construction.</b> Gov's rec. included increase to STF due to road funding package. Senate concurred. House raised the increase to STF by an additional \$19,320,000 from FTE cuts to several program areas. Conference agreed to increase STF by \$9,135,000 from 87 FTE cuts from Business Support (2), Finance (15), Trans Planning (3), and Design (67).                                                                                             | 78,053,900  |
| 15. <b>Cities and Villages.</b> Gov's budget included an increase to Cities and Villages due to the road funding package. Senate concurred. House increased the distribution by \$4,116,000 with FTE cuts across several program areas. Conference agreed to Gov's rec.                                                                                                                                                                                                                        | 49,589,000  |
| 16. <b>Transportation Economic Development.</b> The total appropriation for FY 2017-18 was \$42,119,100. Senate concurred. House reduced the Targeted Industries (Category A) by \$10,000,000 in order to increase the appropriation to counties and cities/villages. Conference agreed to Gov's rec.                                                                                                                                                                                          | 17,671,600  |
| 17. <b>Rail Freight Economic Development.</b> House reduced the appropriation to Rail Ops and Infrastructure to fund this new line item with \$8,500,000. Conference funded the new line with cuts to Rail Ops and Detroit/Wayne County Port Authority.                                                                                                                                                                                                                                        | 8,768,200   |
| 18. <b>Local Bus Operating.</b> Senate reduced the increase to Rail Operations and Infrastructure to add an additional \$1,000,000 for Local Bus Operating. House added \$3,500,000 to Local Bus Operating from Rail. Conference agreed increase funding with cuts to rail operations.                                                                                                                                                                                                         | 2,000,000   |
| 19. <b>Gogebic County Repair Project.</b> Senate included a placeholder for a project to repair roads in Gogebic County. Senate lowered the increase to Information Technology by \$100 to source the placeholder. Conference agreed to cut wetland mitigation fund for Gogebic Co.                                                                                                                                                                                                            | 1,999,900   |
| 20. <b>Information Technology Improvements.</b> Gov's rec. has \$1,000,000 for IT modernization projects from the State Trunkline Fund. House concurred. Senate deducted \$100 from IT for a placeholder for the Gogebic County Repair Project. Conference agreed to Gov's rec.                                                                                                                                                                                                                | 1,000,000   |
| 21. <b>Design and Engineering Services.</b> Gov's rec. included economic, lump sum, and baseline increases. Senate concurred. House cut 149 FTEs and reduced the appropriation from the previous year by \$14,661,800. Conference reduced FTEs by 67 to fund STF construction.                                                                                                                                                                                                                 | (7,035,000) |
| 22. <b>Local Agency Wetland Mitigation.</b> The fund was created in FY 2015-16, but not appropriated funds until FY 2016-17. PA 340 of 2016 appropriated two fiscal years funding for Wetland Mitigation Fund; \$2.0 million for each year, totaling \$4,000,000. For FY 2017-18, Gov recommended \$2,000,000, half the amount in FY 2016-17. Senate concurred. House reduced the appropriation to \$100 placeholder. Conference reduced to \$100 placeholder to fund Gogebic Co road repairs. | (3,999,900) |
| 23. <b>Airport Improvement Program.</b> Gov recommended a decrease due to low aviation fuel tax revenue. Senate concurred. House lowered the reduction by \$735,000, redirecting funding from Aero Services by reducing 7 FTEs. Conference cut 5 FTEs from Aero for this line.                                                                                                                                                                                                                 | (3,356,000) |
| 24. <b>Rail Operations and Infrastructure.</b> Gov recommended an increase of \$7,596,700. Senate reduced this increase by \$1,000,000 to provide additional funding for Local Bus Operating. House reduced the appropriation from the previous year by \$3,935,200 to provide additional funding to Local Bus Operating and to fund a new line item: Rail Freight Economic Development. Conference reduced the line to provide added funds to Local Bus and Rail Freight.                     | (2,903,300) |

25. <b>Department Administration and Support.</b> Gov's rec. included economic and lump sum adjustments. Senate concurred. Not including unclassified positions, House cut 22 FTEs to free up \$2,310,000 of STF for additional trunkline road and bridge funding. Conference agreed to cut 15 FTEs from Finance line and 2 FTEs from Business Support line.	(1,785,000)
26. <b>Aviation Services.</b> Gov recommended decrease in funding and reduction of 1 FTE. Senate concurred. House cut 7 FTEs & reduced funding by \$735,000. Conference cut 5 FTEs.	(525,000)
27. <b>Transportation Planning.</b> Gov's rec. included a small increase in economics. Senate concurred. House cut 10 FTEs and reduced the appropriation from the current fiscal year by \$970,900. Conference agreed to cut 3 FTEs.	(315,000)
28. <b>Detroit/Wayne County Port Authority.</b> House reduced to \$100 placeholder. Conference reduced the line to \$200,000 from \$468,200.	(268,200)
29. <b>Unclassified Salaries.</b> Gov's rec. included a baseline increase for unclassified positions. Senate concurred. House two unclassified positions, reducing the appropriation by \$187,400 from the current year. Conference agreed to Gov's rec.	22,600
Total Changes .....	\$231,689,400
<b>FY 2017-18 Conference Report Ongoing/One-Time Gross Appropriation .....</b>	<b>\$4,347,443,000</b>
<b>Amount Over/(Under) GF/GP Target: \$0</b>	

**Boilerplate Changes from FY 2016-17 Year-to-Date:**Items Included by the Senate and House

1. **State Infrastructure Bank Program.** Gov deleted a subsection that required an annual report on the program to Legislature and the State Budget Office. Senate and House retained the subsection. (Sec. 313)
2. **Aircraft Travel Reporting.** Gov removed a subsection requiring a reciprocal agreement, and the related annual report, between Dept. and the Michigan State Police on police use of fixed-wing aircraft. House and Senate concurred. (Sec. 383)
3. **Roads Innovation Fund Report.** Gov removed a section requiring a Dept. report if the Roads Innovation Funds were not released by October 1, 2016. The funds were released and the report is not required. House & Senate concurred. (Sec. 505)
4. **Flooding Mitigation.** Gov included a new section to support highway drainage maintenance activities on limited access State trunklines in Wayne, Oakland, and Macomb counties. House and Senate concurred. (Sec. 605)
5. **Woodhaven Project.** Gov removed a section that encouraged Dept. to provide assistance to the city of Woodhaven for a rail and street separation project. House and Senate concurred. (Sec. 705)
6. **One-Time Special Grants.** Gov removed this section. House and Senate concurred. (Sec. 1001)
7. **Restored Provisions.** Senate & House restored the following sections removed by Gov: prohibition against employee/Legislature communication (Sec. 215); requirement to notify Legislature of Federal law changes (Sec. 217); remanufactured parts (Sec. 270); restrictions on leased Dept. property (Sec. 305); prompt payment of contractors & review of payment process (Sec. 353); review of local Federal aid projects (Sec. 357); cost restrictions on groundbreaking ceremonies (Sec. 375); restrictions on billboard studies (Sec. 376); use of E-Verify system requirement (Sec. 381); final cost-sharing bill to local agencies requirement (Sec. 382); prioritization of funding for existing road networks (Sec. 394); contract incentives & disincentives reporting (Sec. 612); rail line abandonment notification (Sec. 703).

Conference Agreement on Items of Difference

8. **Hydration Catalyst and Sealant Pilot Program.** A new Senate section to require Dept. to conduct & report on a program to cycle test concrete pavement on trunkline treated with a cement hydration catalyst & sealant. Conference did not include this section. (Sec. 302)
9. **Rest Area Signage.** Gov removed a section requiring Dept. to post signs at each rest area identifying the agency or contractor responsible for maintenance. House concurred with Gov. Senate restored the section. Conference removed it. (Sec. 319)
10. **Toll Credits and Limited Access Highway Repairs.** Senate included a new section to require Dept. to use toll credits to secure Federal funds to assist cities in receivership cover the cost of limited access highway repairs assessed prior to December 31, 2016. Conference removed this section. (Sec. 386)

11. **Toll Credits to Match Federal Aid Highway Funds.** House included a new section to require Dept. to use toll credits to maximize Federal aid matching opportunities. Conference agreed to include this section. (Sec. 386)
12. **Best Practices.** Gov removed a section that required Dept. to employ & report best practices for transportation services. Senate kept section, but removed reporting requirement. House restored section. Conference agreed with senate. (Sec. 393)
13. **Additional Maintenance Funds.** Gov retained a section that allowed Dept. to expend \$10.0 million of STF Road & Bridge funds on highway maintenance. Senate amended section, diverting some of this money for a grant program for small communities. House concurred with Gov. Conference agreed with Governor's rec. (Sec. 395)
14. **Contract Assurance.** Gov deleted a section that required Dept. to obtain capability assurances from contractor in soliciting proposals for non-construction contracts. House concurred. Senate retained the section. Conference retained. (Sec. 396)
15. **Work Project Balances.** Senate included a new section requiring Dept. to report to the appropriation subcommittees and fiscal agencies on all work project balances and Federal earmarks not expended for the previous fiscal year. The first report is due on February 1, 2018. Conference agreed. (Sec. 397)
16. **Toward Zero Deaths.** Senate included a new section to require Dept. to continue the Toward Zero Deaths (TZD) campaign. The section requires Dept. to prioritize additional median cable guardrails where appropriate. Conference agreed. (Sec. 398)
17. **Bus Replacement for 5310 Indirect Recipients.** Senate included a new section to require Department to use 5310 Federal funds, as available, to fund bus replacement for 5310 indirect recipients. Conference agreed. (Sec. 403)
18. **Warranty Program.** Gov removed section requiring Dept. develop warranty program with construction consultants for capital road & bridge construction. House retained subsection (5), which requires Dept. maintain documentation of warranted projects and update existing policies. Senate restored the entire section. Conference agreed with House. (Sec. 601)
19. **I-94 in Jackson County.** New Senate section requiring Dept. to expend \$5.0 million of STF funds on design & engineering of a project in Jackson Co. Conference agreed to \$2.0 to \$3.0 million for the project. (Sec. 606)
20. **Animal Removal.** Gov deleted a section that required Dept. and counties under contract to prioritize the removal of dead animal remains whenever practicable. House concurred. Senate restored the section. Conference restored the section. (Sec. 610)
21. **Capital Federal Aid Project Reporting.** House included a new section requiring Dept. to report by February 1, annually, on all capital Federal aid participating construction projects completed in the preceding fiscal year. Conference agreed. (Sec. 613)
22. **Alternative Road Surface Materials.** Gov removed a section that encouraged Dept. to examine the use of alternative or recycled materials for road construction. Removal of this section included removal of the annual reporting requirement on the use of such materials. Senate concurred. House restored the section. Conference restored the section. (Sec. 660)
23. **Winter Maintenance Truck Refurbishment.** A new Senate section that requires Dept. to investigate & report the costs and/or benefits of refurbishing winter maintenance trucks as opposed to sale/retirement of trucks. Conference agreed. (Sec. 670)
24. **Rail Operations and Infrastructure Reporting.** Gov modified a section with new language and reporting deadlines. House concurred. Senate concurred, and added language to require reporting for FY 2016-17. Conference agreed with additional Senate language. (Sec. 704)
25. **Rail Passenger Reporting.** The Governor retained a section requiring the Department to report on Amtrak passenger service. The Senate concurred. The House added a reporting requirement to include fare revenue. Conference agreed. (Sec. 711)
26. **Rail Freight Economic Development.** New House section for Dept. to spend rail freight econ dev funds on preservation & enhancement of state-owned rail property or for rail freight econ dev projects. Conference removed. (Sec. 712)
27. **Freight Economic Development.** Senate included a new section that requires Dept. to expend at least \$2.5 million of funds from Rail Operations and Infrastructure on Freight Economic Development. Conference agreed. (Sec. 750)
28. **Department Ownership and Operation of Airports.** Gov removed an intent section for Dept. to find private entities assume ownership/responsibility of Dept. airports. Senate concurred. House restored section. Conference restored. (Sec. 802)
29. **Aging Aircraft.** Gov removed a section that required Dept. to issue an RFP for competitive bids to manage and sell Dept.'s aging aircraft fleet. Senate retained the section and updated the due date for the RFP to November 1, 2017. House replaced the language of the section, directing Dept. to sell two aircraft. Conference updated reporting date, mandated the RFP be forwarded to subcommittee chairs 30 days prior to release, and required dept. to sell 1 aircraft. (Sec. 803)

Date Completed: 6-8-17

Fiscal Analyst: Michael Siracuse

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.