



Senate Fiscal Agency
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BILL ANALYSIS



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| FY 2013-14 Year-to-Date Gross Appropriation | \$3,826,145,600 |
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Changes from FY 2013-14 Year-to-Date:

Items Included by the Senate and House

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| 1. Intercity Passenger and Freight. Net of adjustments due to 1) a lower number of vehicles eligible for replacement; 2) increased estimates in Federal rail and rail freight fund revenues; and 3) a decrease in terminal development. | 10,439,000 |
| 2. Transportation Economic Development Fund. The Governor, Senate, and House redirected the entire TEDF through the TEDF statutory distribution formula. | 9,457,600 |
| 3. Oversight of Local Agency Federal Aid Program. MDOT has reallocated staff or used consultant services to conform to requirements regarding local agency Federal aid. | 3,469,000 |
| 4. Bus Transit Division. Adjustments to CTF funding to align appropriations with projected expenses of transit agencies, and eliminate discretionary State operating assistance. | (4,624,000) |
| 5. Public Transportation Development. Adjustments to reflect current service baseline costs. This is the net result of a decrease of \$89,900 in specialized services, a decrease of \$612,000 in van pooling, and an increase of \$417,100 for service initiatives. | (284,800) |
| 6. One-time Appropriations for Rail Infrastructure and Airport Safety. \$10.0 million in GF/GP was appropriated to transit capital and rail infrastructure to match Federal transit and rail aid, and \$2,047,900 in GF/GP was appropriated to match Federal aeronautics aid. | 12,047,900 |
| 7. Elimination of FY 2013-14 One-time Appropriations. Appropriations for the priority roads investment program, trunkline and bridge construction, Beaver Island transportation authority, special winter road maintenance, and rail operations. (\$348,328,900 in GF/GP). | (463,328,900) |
| 8. Economic Adjustments. Includes a negative \$1,688,300 Gross and \$0 GF/GP for OPEB and \$7,630,300 Gross and \$0 GF/GP for other economic adjustments. | 5,942,000 |
| 9. Other Changes. A new IT system, changes in debt service, various revenue adjustments, and an increase in IDGs based on other agency program decisions. | 27,735,200 |

Conference Agreement on Items of Difference

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| 10. One-time Appropriation of GF/GP for Federal Match. The Governor and Senate included \$127.0 million in GF/GP to match Federal highway aid. The Governor included an additional \$115.0 million GF/GP for state trunkline and bridge construction, which the Senate redirected to priority transportation projects. The House included this appropriation within a separate line item. The Conference concurred with the Senate. | 127,000,000 |
| 11. One-time Appropriation of GF/GP for State Trunkline and Locals. The Senate included \$117.0 million in GF/GP for priority transportation projects, including the RTA and State and local roads and bridges. The House included \$379.0 million in GF/GP for State and local roads and bridges. The Conference included \$144.5 million in GF/GP for State and local roads and bridges. | 144,500,000 |
| 12. One-time Appropriations for High-Speed Rail Crossing Pilot Program and Rail Tunnel Crossing Project. The Senate included \$11.5 million in GF/GP for a pilot program for high-speed rail crossings (at \$1.5 million) and a rail tunnel between Detroit and Windsor that can accommodate double-stacked freight cars (at \$10.0 million). The Conference included the rail crossing as a line item, but not the freight tunnel. | 1,500,000 |
| 13. One-time Appropriations for the Regional Transit Authority. The Senate included \$2.0 million to fund the RTA. The Conference included \$1.1 million in funding. | 1,100,000 |

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| Total Changes | (\$125,047,000) |
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| FY 2014-15 Conference Report Ongoing/One-Time Gross Appropriation | \$3,701,098,600 |
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Amount Over/(Under) GF/GP Target: \$0

Changes from FY 2013-14 Year-to-Date:Items Included by the Senate and House

1. **Disciplinary Action.** The Governor deleted and the Senate and House retained a prohibition against MDOT from taking disciplinary action against an employee for communicating with the Legislature. (Sec. 215)
2. **Remanufactured Parts and Alternative Road Materials.** The Governor deleted and the Senate and House retained a requirement to prioritize the use of remanufactured parts in vehicle maintenance (Sec. 270), and a requirement that MDOT evaluate the use of materials which incorporate crumb rubber from scrap tires (Sec. 660).
3. **Small Businesses.** The Governor deleted and the Senate and House retained a prohibition against funds being used in a way that would have a disproportionate economic impact on small businesses. (Sec. 263)
4. **Contractor-Related Requirements.** The Governor deleted and the Senate and House retained the following requirements and prohibitions: 1) MDOT must post signs regarding rest area maintenance (Sec. 319); 2) MDOT must review its contractor payment process and ensure compliance (Sec. 353); 3) MDOT must complete 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) (Sec. 375); 5) MDOT must require use of the E-Verify system (Sec. 381); and 6) within two years of payment to a contractor, MDOT must submit a final cost-sharing bill (Sec. 382).
5. **High-speed Rail Pilot Project.** The Governor deleted and the Senate and House included provisions for a \$1.5 million pilot project to test devices at high-speed rail crossings, and a requirement that any bidding must be done under a competitive bidding process. (This project was vetoed in FY 2013-14.) (Sec. 736)
6. **Report Requirements.** The Senate and House retained the sections described below. The Governor deleted a requirement that MDOT must retain all reports in compliance with Federal and State guidelines. (Sec. 212). The Governor also deleted requirements that MDOT must provide a report regarding: expenditures associated with local governments (Sec. 233); money received by each local government within a legislator's district (Sec. 303); 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 amount of Federal aid for certain State and local programs (Sec. 401); contract incentives for State trunkline projects (Sec. 612); railroad line abandonment (Sec. 703); the balances of the CTF (Sec. 740); the status of airport improvement projects (Sec. 902); and production of copies of agendas and minutes for commission meetings (Sec. 310). The Governor deleted requirements to provide the State Budget Office with: GF/GP appropriation lapses (Sec. 228); and estimates regarding fund balances, revenues, and expenditures (Sec. 229).

Conference Agreement on Items of Difference

7. **Public Property Lease Restrictions.** The Governor and the Senate included a requirement that MDOT consider a party's permitted use of public transportation property to be consistent with the public transportation, and deleted a requirement regarding equal leasing rates for public transit agencies and intercity bus carriers. The Conference did not concur and omitted the change. (Sec. 305)
8. **Department-owned Aircraft Restrictions.** The Gov. deleted and the Senate and House amended a requirement regarding transporting legislators or staff only when an aircraft is scheduled on related official State business. The Conference concurred with the House. (Sec. 383)
9. **Detroit River International Crossing.** The Gov. deleted and the Senate amended a prohibition against certain activities relating to the DRIC until the Legislature enacts enabling legislation (Sec. 384), and a requirement that MDOT must report on planning activities related to the DRIC. The Conference retained the provisions from the prior year's budget. (Sec. 385)
10. **Petoskey Crossing and Bus Rollover Studies.** The Senate included requirements that MDOT provide a report regarding rollover test standards for transit buses (Section 741), and study the feasibility of a pedestrian crossing in Petoskey (Section 311). The Conference concurred with the Senate as to both items.
11. **Best Practices.** The House included a requirement to promote best practices for public transportation services, and to report on efforts by March 1, 2015. The Conference concurred with the House. (Sec. 393)
12. **Consolidation Workgroup.** The Senate included a requirement for a workgroup aimed at consolidating certain transportation services under one department. (Sec. 312) The Conference concurred with the Senate.
13. **New One-time Appropriations.** The Conference included provisions regarding Federal Match appropriations (Sec. 1001), state and local bridge funding (Sec. 1002), the high-speed rail crossing pilot program (Sec. 1004), the RTA (Sec. 1005), and a freight rail tunnel between Detroit and Windsor (Sec. 1006). The Department would have to report on the use of 1-time GF/GP funds for transit capital and rail infrastructure by December 1, 2015. (Sec. 1003).
14. **Elimination of One-time Appropriations.** The Governor, Senate, and House deleted provisions regarding the one-time FY 2013-14 appropriation of \$121,300,000 in GF/GP to match Federal highway funds. (Sec. 1001)
15. **Legacy Costs.** Total legacy costs are \$75,324,500; pension-related costs are estimated at \$42,130,400; and retiree health care legacy costs are estimated at \$33,194,100. (Sec. 271).

Date Completed: 6-5-14

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