



Senate Fiscal Agency
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Senate Bill 777 (S-1 as passed by the Senate)
 Committee: Appropriations

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

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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 and Senate 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 Appropriation for State Trunkline and Bridge Construction. 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 (See #7). | 127,000,000 |
| 7. One-time Appropriation for Priority Transportation Projects. The Senate included \$117.0 million in GF/GP for priority transportation projects. \$115.0 million generally would be distributed among MDOT (for the state trunkline fund) and local governments according to PA 51, and \$2.0 million would be distributed to the Regional Transit Authority for non-operational expenses. | 117,000,000 |
| 8. 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 |
| 9. 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). | 11,500,000 |
| 10. 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) |
| 11. 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 |
| 12. Other Changes. A new IT system, changes in debt service, adjustments to balance revenue estimates, adjustments to intercity passenger and rail, and public transportation development, shift Federal funds from debt service to roads and bridges, adjustments for position transfers, and an increase in IDGs based on other agency program decisions. | 27,735,200 |
| 13. Comparison to Governor's Recommendation. The Senate is \$13,500,000 Gross and \$13,500,000 GF/GP over the Governor. | |

Total Changes	(143,647,000)
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FY 2014-15 Senate-Passed Gross Appropriation	\$3,682,498,600
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Changes from FY 2013-14 Year-to-Date:

1. **Disciplinary Action.** The Governor deleted and the Senate 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 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 retained a prohibition against funds being used in a way that would have a disproportionate economic impact on small businesses. (Sec. 263)
4. **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. (Sec. 305)
5. **Contractor-Related Requirements.** The Governor deleted and the Senate 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).
6. **Department-owned Aircraft Restrictions.** The Governor deleted and the Senate amended a requirement regarding transporting legislators or staff only when an aircraft is scheduled on related official State business. (Sec. 383)
7. **Detroit River International Crossing.** The Governor 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 (Sec. 385).
8. **High-speed Rail Pilot Project.** The Governor deleted and the Senate amended a requirement 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)
9. **Report Requirements.** The Senate retained the sections described below, but removed requirements for MDOT to provide the reports to the State Budget Office. 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). The Senate included requirements that MDOT provide a report regarding rollover test standards for transit buses, and study the feasibility of a pedestrian crossing in Petoskey.
10. **Warranty Development.** The Governor deleted and the Senate retained a requirement for MDOT to develop performance and road construction warranties. (Sec. 601)
11. **Consolidation Workgroup.** The Senate included a requirement for MDOT to conduct a workgroup aimed at consolidating certain transportation services under one department. (Sec. 312)
12. **New One-time Appropriations.** The Senate included provisions regarding the distribution of \$117.0 million to MDOT, municipalities, and the RTA (Sec. 1001), and specifications for the rail tunnel crossing project (Sec. 1002).
13. **Elimination of One-time Appropriations.** The Governor and the Senate deleted provisions regarding the one-time FY 2013-14 appropriation of \$121,300,000 in GF/GP to match Federal highway funds. (Sec. 1001)
14. **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. 19-271).

Date Completed: 5-6-14

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