

FY 2019-20: DEPARTMENT OF TRANSPORTATION
Summary: Conference Report
Senate Bill 149 (S-2) CR-1



Analyst: William E. Hamilton

IDG/IDT	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Conference	Difference: Conference From FY 2018-19 YTD	
						Amount	%
	\$4,092,500	\$3,974,300	\$3,974,300	\$3,974,300	\$3,974,300	(\$118,200)	(2.9)
Federal	1,318,271,700	1,341,650,100	1,341,650,100	1,341,650,100	1,352,350,100	34,078,400	2.6
Local	50,532,000	51,032,000	50,532,000	51,032,000	51,032,000	500,000	1.0
Private	900,000	900,000	900,000	900,000	900,000	0	0.0
Restricted	3,283,293,700	4,380,735,600	4,011,681,900	3,601,210,800	3,578,323,800	295,030,100	9.0
GF/GP	356,790,900	0	0	132,000,000	400,000,000	43,209,100	12.1
Gross	\$5,013,880,800	\$5,778,292,000	\$5,408,738,300	\$5,130,767,200	\$5,386,580,200	\$372,699,400	7.4
FTEs	2,824.3	2,824.3	2,824.3	2,824.3	2,824.3	0.0	0.0

Notes: (1) FY 2018-19 year-to-date figures include mid-year budget adjustments through March 5, 2019. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) House figures represent House Bill 4246 as passed by the House June 13, 2019. (4) Senate figures represent Senate Bill 149 as passed by the Senate May 15, 2019.

Overview

The state transportation budget supports state and local highway programs, public transportation programs, aeronautics programs, and administration of the Michigan Department of Transportation (MDOT). Historically, two-thirds of the revenue in this budget has come from state restricted revenue, with approximately one-third from federal sources. Most of the state-restricted revenue in this budget is constitutionally restricted – from motor fuel taxes and vehicle registration taxes – and is first credited to the Michigan Transportation Fund (MTF) and then distributed in accordance with 1951 PA 51 (Act 51) to other state transportation funds and programs, including the State Trunkline Fund (STF), the Comprehensive Transportation Fund (CTF), and local road agencies (county road commissions and cities/villages). Revenue from aviation fuel and registration taxes, as well as a portion of Airport Parking Tax revenue, is credited to the State Aeronautics Fund for aeronautics programs.

Major Budget Changes From FY 2018-19 YTD Appropriations

**FY 2018-19
Year-to-Date
(as of 3/5/19)**

**FY 2019-20
Conference
Change**

1. Transportation Revenue Assumptions

**Gross
GF/GP**

**NA
NA**

*[See Item #s 2,
3 and 4, below]*

Executive budget reflects additional revenue from a proposed transportation revenue package, as well as changes to Act 51 to provide for the distribution of the additional revenue. Specifically, the governor's proposal would increase gross tax revenue by an estimated \$1.3 billion in FY 2019-20. Of this increase, \$325.0 million would be distributed to the STF and to local road agencies according to the current Act 51 distribution formula; \$917.5 million would be credited to a new Fixing Michigan Roads Fund for specific defined transportation programs. The governor's proposed transportation budget does not include any earmarking of state Income Tax revenue.

House does not recognize additional revenue from the governor's proposed transportation revenue package or proposed Fixing Michigan Roads Fund programs. House assumes the ongoing earmark of \$325.0 million from Income Tax revenue as provided in the November 2015 Road Funding Package – but not the additional \$143.0 million in Income Tax revenue earmarked in 2018 PA 588. This \$325.0 million is included in the MTF distribution to the STF and to local road agencies as described below. House budget also assumes an additional \$542.5 million in restricted funds from a House fuel tax proposal (a new dedicated transportation fuel tax that would offset 4% of sales tax). This new revenue is also reflected in road agency program line items described below.

Senate does not recognize additional revenue from the governor's proposed transportation revenue package or proposed Fixing Michigan Roads Fund programs. Senate budget assumes that \$468.0 million in Income Tax revenue, earmarked in 2018 PA 588, would be distributed to the STF and to local road agencies as described below.

Conference does not recognize additional revenue from the governor's proposed transportation revenue package or proposed Fixing Michigan Roads Fund programs. Conference assumes that \$468.0 million in Income Tax revenue, earmarked in 2018 PA 588, would be distributed to the STF and to local road agencies as described below. Conference also includes \$400.0 million of GF/GP revenue for road and bridge programs and projects, subject to distribution per new boilerplate Section 280.

Major Budget Changes From FY 2018-19 YTD Appropriations

2. State Trunkline Road and Bridge Construction

Executive budget for the state trunkline capital construction program would total almost \$1.3 billion, a net increase of \$5.9 million (exclusive of economic increases). Increases in state restricted revenue would be offset, in part, by an anticipated reduction in available federal revenue. Note that this funding item is separate from the additional spending under the governor's proposed Fixing Michigan Roads Plan.

	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Conference Change
Gross	\$1,266,763,500	\$62,841,100
Federal	808,607,700	(21,913,200)
Local	30,003,500	0
Restricted	428,152,300	84,754,300
GF/GP	\$0	\$0

House includes over \$1.5 billion for the capital State trunkline construction/preservation program, an increase of \$264.6 million. Of this increase, \$212.1 million is the State share of \$542.5 million in new revenue from the House fuel tax proposal, and \$45.6 million reflects the redirection of reductions made in other department line items. These increases are offset, in part, by a \$21.9 million decrease in available federal funds. STF revenue also includes the State share of \$325.0 million in Income Tax revenue.

Senate includes over \$1.3 billion for the capital State trunkline construction/preservation program, an increase of \$62.8 million. Increases in state restricted STF revenue would be offset, in part, by \$21.9 million decrease in available federal funds. STF revenue includes the State share of \$468.0 million in Income Tax revenue.

Conference concurs with Senate and assumes STF revenue includes the State share of \$468.0 million in Income Tax revenue.

3. MTF to Local Road Agencies

Executive reflects an \$85.3 million increase in the estimated MTF distribution to local road agencies (county road commissions, and cities and villages). This increase reflects increases in estimated baseline revenue from motor fuel and vehicle registration taxes, as well as the local road agency share of \$325.0 million in new revenue from the proposed increases in motor fuel taxes; these increases would be offset in part by the elimination of the Income Tax earmark for road programs. Note that this MTF distribution is separate from the additional spending under the governor's proposed Fixing Michigan Roads Plan.

Gross	\$1,562,857,800	\$172,389,900
Restricted	1,562,857,800	172,389,900
GF/GP	\$0	\$0

House includes \$2.0 billion MTF for distribution to local road agencies, an increase of \$438.2 million. Of this increase, \$330.4 million reflects the local share of \$542.5 million in new revenue from the House fuel tax proposal, and \$22.5 million reflects funding redirected from other department line items. The MTF revenue distribution also includes the local road agency share of \$325.0 million in Income Tax revenue.

Senate includes over \$1.7 billion MTF for distribution to local road agencies, an increase of \$172.4 million. The MTF revenue distribution includes the local road agency share of \$468.0 million in Income Tax revenue.

Conference concurs with Senate and assumes MTF revenue includes the local road agency share of \$468.0 million in Income Tax revenue.

Major Budget Changes From FY 2018-19 YTD Appropriations		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Conference Change	
4. General Fund for Road and Bridge Projects and Programs		Gross	\$300,000,000	\$100,000,000
The current-year budget includes \$300.0 million GF/GP for distribution to the STF and local road agencies in accordance with Act 51 formula. <u>Executive</u> and <u>House</u> proposed FY 2019-20 budgets do not include the direct appropriation of GF/GP for road programs. <u>Senate</u> includes \$132.0 million for distribution to local road agencies only. <u>Conference</u> includes \$400.0 million GF/GP for road projects and programs, to be distributed in accordance with boilerplate Section 280. Conference includes this funding in a new appropriation unit/line item: Fixing Michigan Roads/General Fund fixing roads and bridges.		GF/GP	\$300,000,000	\$100,000,000
5. Debt Service		Gross	\$219,437,100	(\$5,539,600)
<u>Executive</u> includes \$213.9 million for debt service, a reduction of \$5.5 million from current year, reflecting debt service schedules. [Total outstanding transportation-related debt at September 30, 2018, was \$1.3 billion.] <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.		Federal	35,863,400	45,291,600
		Restricted	183,573,700	(50,831,200)
		GF/GP	\$0	\$0
6. Support Services by Other State Departments		Gross	\$48,394,600	(\$317,600)
<u>Executive</u> includes \$48.1 million for Interdepartmental Grants (IDGs) that authorize the reimbursement of other state departments from restricted transportation funds for services provided to those transportation funds. Specific IDGs include \$20.0 million MTF for Department of State vehicle registration tax collection program, \$2.8 million MTF for Department of Treasury motor fuel tax collection program, and \$11.9 million STF for Michigan State Police Commercial Vehicle Enforcement program and Criminal Justice Information Center. The budget reduces IDG funding to the Department of Attorney General by \$495,200. The net change across all IDG line items reflects economic increases and cost allocation adjustments. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.		Restricted	48,394,600	(317,600)
		GF/GP	\$0	\$0
7. Information Technology		Gross	\$35,739,400	\$3,000,000
<u>Executive</u> increases baseline support by \$3.0 million STF to reflect increased information technology costs, application modernization, and increased use of e-construction technology. <u>House</u> reduces gross appropriation by 25% as compared to the Executive; this reduction is \$6.5 million less than current year and \$9.8 million less than the Executive. <u>Senate</u> and Conference concur with the Executive.		Federal	520,500	0
		Restricted	35,218,900	3,000,000
		GF/GP	\$0	\$0
8. Road Construction Unionized Labor Study - NEW		Gross	\$0	\$50,000
<u>Conference</u> includes new line item and \$50,000 for a new road construction unionized labor study, defined in boilerplate Section 327.		Restricted	0	50,000
		GF/GP	\$0	\$0
9. State Trunkline Maintenance		FTE	793.7	0.0
<u>Executive</u> includes a net increase (exclusive of economics and interdepartmental shifts) of \$65.5 million STF for the following: \$51.2 million for deferred maintenance items; \$10.0 million for inspection and capital maintenance of MDOT structures other than bridges; \$7.4 million to offset increased maintenance material costs. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.		Gross	\$339,127,800	\$65,460,000
		Restricted	339,127,800	65,460,000
		GF/GP	\$0	\$0
10. Transportation Economic Development Fund (TEDF)		Gross	\$43,349,000	\$909,800
<u>Executive</u> increases TEDF grant program funding by \$909,800 reflecting an anticipated increase in available TEDF revenue. TEDF programs include \$17.1 million for Target Industries (Category A), an increase of \$454,800 as compared to the current year. The budget retains the \$3.0 million Community Service Infrastructure Fund, a new TEDF categorical program established under 2018 PA 473. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.		Restricted	43,349,000	909,800
		GF/GP	\$0	\$0

Major Budget Changes From FY 2018-19 YTD Appropriations		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Conference Change
11. Local Bus Transit			
Gross		\$220,777,900	\$0
<u>Executive</u> includes \$226.8 million Gross (\$196.8 million CTF) for operating assistance to 81 local public transit agencies, an increase of \$6.0 million CTF. <u>House</u> concurs with Executive. <u>Senate</u> retains current-year funding and provides \$6.0 million CTF increase to Transit Capital (below), rather than to operating. <u>Conference</u> concurs with Senate.	Federal	28,027,900	0
	Local	2,000,000	0
	Restricted	190,750,000	0
	GF/GP	\$0	\$0
12. Transit Capital			
Gross		\$66,612,600	(\$9,991,900)
<u>Executive</u> increases support by \$1.3 million CTF for program that provides matching funds for federal capital grants on behalf of local transit agencies. <u>House</u> reduces CTF support by \$10.0 million as compared to current year, \$11.3 million CTF less than Executive. House also unrolls the current statutory line into two separate lines for urban and nonurban transit systems. <u>Senate</u> provides \$7.7 million CTF increase, \$6.0 million more than Executive. <u>Conference</u> concurs with House unrolling of this line; the combined two lines are \$10.0 million CTF less than current year.	Federal	15,300,000	0
	Local	1,250,000	0
	Restricted	50,062,600	(\$9,991,900)
	GF/GP	\$0	\$0
13. Service Initiatives			
Gross		\$4,589,200	\$0
<u>Executive</u> increases support by \$6.0 million CTF for program that funds transit-related research, training and development, and demonstration projects. <u>House</u> reduces CTF support by \$688,400 as compared to current year, \$6.7 million less than Executive and shifts part of the CTF reduction to a new Incentive Challenge Fund. <u>Senate</u> retains current-year funding, \$6.0 million less than Executive. <u>Conference</u> concurs with Senate and maintains current-year funding.	Federal	1,650,000	0
	Local	325,000	0
	Restricted	2,614,200	0
	GF/GP	\$0	\$0
14. Specialized Services			
Gross		\$17,938,900	\$500,000
<u>Executive</u> increases support by \$1.5 million CTF for program that supports transit programs targeted at disabled and elderly populations. Executive also rolls up the \$3.9 million Transportation to Work line item into this line. <u>House</u> reduces CTF support by \$2.7 million as compared to current year, \$4.2 million less than Executive, and keeps the two line items unrolled. House also shifts part of the CTF reduction to a new Incentive Challenge Fund. <u>Senate</u> retains the roll-out of two current appropriation line items, Specialized Services, and Transportation to Work and provides a \$1.0 million CTF increase to Specialized Services. <u>Conference</u> keeps this line unrolled; provides \$500,000 CTF increase.	Federal	9,900,000	0
	Local	4,185,000	0
	Restricted	3,853,900	500,000
	GF/GP	\$0	\$0
15. Transportation to Work			
Gross		\$3,875,000	\$0
<u>Executive</u> rolls up the \$3.9 million Transportation to Work line item into Specialized Services, above. <u>House</u> does not recognize the roll-up and reduces CTF support by \$581,300 as compared to current year. <u>Senate</u> retains the roll-out of two current appropriation line items and provides a \$500,000 CTF increase to Transportation to Work. <u>Conference</u> keeps this line unrolled; maintains current-year funding.	Restricted	3,875,000	0
	GF/GP	\$0	\$0
16. Van Pooling			
Gross		\$195,000	\$0
<u>Executive</u> retains current-year funding for van pool program. <u>House</u> eliminates funding. <u>Senate</u> concurs with Executive and retains current-year funding level. <u>Conference</u> concurs with Senate.	Restricted	195,000	0
	GF/GP	\$0	\$0
17. Incentive Challenge Fund			
Gross		NA	\$100
<u>House</u> establishes a new grant program, \$14.0 million CTF for transit service providers that provide 5-year plans meeting specific criteria. <u>Conference</u> includes as a \$100 placeholder.	Restricted	NA	100
	GF/GP	NA	\$0

		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Conference Change
Major Budget Changes From FY 2018-19 YTD Appropriations			
18. Detroit/Wayne County Port Authority (DWCPA)			
Current-year funding includes \$50,000 GF/GP added as a one-time funding item in supplemental appropriation act, 2018 PA 618. <u>Executive</u> maintains current-year funding level using ongoing restricted CTF funding. <u>House</u> includes \$418,200 CTF, \$50,000 less than current-year gross and Executive. <u>Senate</u> concurs with Executive. <u>Conference</u> concurs with House.			
	Gross	\$468,200	(\$50,000)
	Restricted	418,200	0
	GF/GP	\$50,000	(\$50,000)
19. Intercity Services			
<u>Executive</u> includes \$2.5 million CTF increase for program that supports intercity bus service in Michigan. <u>House</u> concurs with Executive. <u>Senate</u> provides a \$500,000 CTF increase, \$2.0 million less than Executive. <u>Conference</u> concurs with Senate.			
	Gross	\$7,360,000	\$500,000
	Federal	4,500,000	0
	Local	160,000	0
	Private	800,000	0
	Restricted	1,900,000	500,000
	GF/GP	\$0	\$0
20. Marine Passenger Services			
<u>Executive</u> increases baseline support by \$5.0 million CTF, and recognizes \$500,000 in local matching funds, for program that supports capital grants for marine passenger (ferry) service in Michigan. <u>House</u> budget includes \$200,000 CTF, \$200,000 less than current year and \$5.2 million CTF less than Executive. <u>Senate</u> provides a \$600,000 CTF increase and recognizes \$500,000 in local matching funds. <u>Conference</u> concurs with Senate.			
	Gross	\$400,000	\$1,100,000
	Local	0	500,000
	Restricted	400,000	600,000
	GF/GP	\$0	\$0
21. Airport Safety, Protection, and Improvement Program			
<u>Executive</u> increases State Aeronautics Fund support by \$664,100 for line item that recognizes Michigan's share of the federal Airport Improvement Program, a program of capital grants to local airports. <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.			
	Gross	\$94,813,200	\$664,100
	Federal	79,000,000	0
	Local	12,508,500	0
	Restricted	3,304,700	664,100
	GF/GP	\$0	\$0
22. Detroit Metropolitan Wayne County Airport			
<u>Executive</u> increases Qualified Airport Fund support for Detroit Metro Airport by \$325,000 to reflect revenue estimates. The Qualified Airport Fund was established through an amendment to the State Aeronautics Code, part of a 2015 aviation funding package (2015 PAs 258 through 262). <u>House</u> , <u>Senate</u> , and <u>Conference</u> concur with Executive.			
	Gross	\$5,525,000	\$325,000
	Restricted	5,525,000	325,000
	GF/GP	\$0	\$0
23. Other One-Time Items – Special Projects			
Current-year budget includes \$56.7 million GF/GP for one-time special projects: \$52.0 million to help advance a federal Army Corps of Engineers project for the construction of a new lock at the Soo Locks; \$4.5 million related to the construction of a utility tunnel at the Straits of Mackinac; and \$250,000 for a rail passenger study. [A \$50,000 GF/GP one-time appropriation for the Detroit/Wayne County Port Authority is recognized in Item #18, above.] <u>Executive</u> and <u>House</u> budgets do not include one-time appropriations. <u>Senate</u> includes \$16.0 million CTF for a one-time Rail Freight economic development line item as well as \$1.0 million CTF for the demolition of the Carbide dock – part of the Soo Locks project.			
	Gross	\$56,740,900	(\$33,040,800)
	Federal	0	10,700,000
	Restricted	0	13,000,100
	GF/GP	\$56,740,900	(\$56,740,900)
<u>Conference</u> includes \$23.7 million for the following one-time projects: \$100 placeholder for a time Rail Freight economic development line item; \$1.0 million CTF for the demolition of the Carbide dock – part of the Soo Locks project; \$22.7 million for rail grade separation projects.			

<u>Major Budget Changes From FY 2018-19 YTD Appropriations</u>	<u>FY 2018-19 Year-to-Date (as of 3/5/19)</u>	<u>FY 2019-20 Conference Change</u>
---	--	--

24. Economic Adjustments	Gross	NA	\$6,057,600
The column to the right represents Executive budget calculation of increased costs for negotiated salary and wage increases (2.0% ongoing, 2.0% lump sum), actuarially required retirement contributions, worker's compensation, building occupancy charges, and other economic adjustments, totaling of \$6.1 million Gross (\$0 GF/GP). <u>House</u> and <u>Senate</u> concur with <u>Executive</u> . <u>Conference</u> did not fund economic increases for Aeronautics Services (\$117,600 State Aeronautics Fund); or Passenger Transportation Services (\$89,700 CTF).	IDG	NA	50,500
	Federal	NA	837,500
	Restricted	NA	5,169,600
	GF/GP	NA	\$0

Major Boilerplate Changes From FY 2018-19

Sec. 210. Contingency Fund Transfers – REVISED

Executive retains section that provides for contingency fund transfers in accordance with the Management and Budget Act. House concurs with Executive. Senate deletes. Conference revises to federal, \$40.0 million; state restricted, \$5.0 million; local and private each \$1.0 million.

Sec. 215. Communication With the Legislature – REVISED

Executive deletes section that prohibits a department from taking disciplinary action against an employee for communicating with a legislator or his/her staff. House includes new subsection to also prohibit a department from requiring state employees to report communications with a legislator or legislative staff. Senate retains current-year language. Conference concurs with House.

Sec. 217. Report on Proposed Federal Rule Changes – RETAINED

Executive deletes section that requires the department to notify the legislature within 30 days of proposed federal rule changes that would impact state law. House retains and reduces notification period to 15 days. Senate retains current-year language. Conference concurs with Senate.

Sec. 270. Remanufactured Parts – RETAINED

Executive deletes section that requires use of remanufactured parts for repair and maintenance of state motor vehicle fleet. House, Senate, and Conference retain.

Sec. 280. Distribution of \$400.0 million GF/GP – NEW

Conference includes a new section that provides for the distribution of \$400.0 million in General Fund revenue appropriated in the Part 1 appropriation unit, Fixing Michigan Roads.

Sec. 301. Permit Fees/Bridge Tolls – RETAINED

Executive retains current section that provides for permit and FOIA processing fees and also provides a process for raising bridge tolls. House modifies to provide for additional public participation in bridge toll hearing process through electronic means. Senate retains current-year language. Conference concurs with Senate.

Sec. 305. Lease of Space in Public Transportation Property – RETAINED

Executive deletes section that authorizes rental of department-owned public transportation properties at competitive market rates and requires that revenue from tenants be placed in an account to maintain/improve property. House modifies to require the department to research options for moving three highest rent operations to an area within an enterprise zone. Senate retains current-year language. Conference concurs with Senate, moves language dealing with department-rented space to new Section 311.

Sec. 308. Real Estate Property Report – NEW

House includes new reporting requirement on all real estate owned or held by the department. Senate does not include. Conference concurs with House.

Sec. 309. Employee Accountability Systems Report – NEW

House includes new reporting requirement for employee accountability systems. Senate does not include. Conference concurs with House.

Sec. 319. Rest Area Maintenance – RETAINED

Executive deletes section that requires signs/telephone numbers for reporting unclean and unsafe conditions at rest areas. House, Senate, and Conference retain.

Major Boilerplate Changes From FY 2018-19

Sec. 320. Payment Detail Reporting – NEW

House includes new section that requires all payments to local road agencies and transit agencies be accompanied by statements including specific payable and receivable information. Senate does not include. Conference concurs with House.

Sec. 321. Blue Water Bridge Sale RFP – NOT INCLUDED

House includes new section that requires the department to develop, by March 1, 2020, a solicitation for proposals for the sale of the state's interest in the Blue Water Bridge. Senate does not include. Conference concurs with Senate.

Sec. 322. Welcome Center Sale RFP – NOT INCLUDED

House includes new section that requires the department to develop a solicitation for proposals for the sale of eight Welcome Centers. Senate does not include. Conference concurs with Senate.

Sec. 323. Department-Owned Rail Property Sale RFP – NEW

House includes new section that requires the department to develop a solicitation for proposals for the sale of a state-owned rail line between Grayling and Gaylord. Senate does not include. Conference concurs with House; includes stipulation that line be maintained as operational rail line.

Sec. 324. State-Owned Airport Sale RFP – NEW

House includes new section that requires the department to develop a solicitation for proposals for the sale of two state-owned airports. [The department owns four airports.] Senate does not include. Conference concurs with House.

Sec. 325. Withholding MTF Funds for Non-Compliance – NOT INCLUDED

House includes new section that requires the department to withhold MTF payments to county road commissions and to cities/villages not in compliance with asset management provisions of Section 9a of Act 51. Senate does not include. Conference concurs with Senate and does not include.

Sec. 326. Restricted Fund Escrow for Debt Service – NOT INCLUDED

House includes new section that requires the department to escrow restricted fund lapses for debt service. Senate does not include. Conference concurs with Senate and does not include.

Sec. 327. Procurement Requirements – NEW

House includes new section that establishes new procurement requirements. Senate does not include. Conference modifies House language to define a new road construction unionized labor study line item.

Sec. 328. FOIA Reporting – NEW

House includes new section that establishes new reporting requirement with respect to Freedom of Information Act requests. Senate does not include. Conference concurs with House.

Sec. 353. Prompt Payment – RETAINED

Executive deletes section that directs department to review contractor payment process; references Special Provision 109.10. House and Senate retain. Conference retains.

Sec. 357. Local Federal Aid Project Review – RETAINED

Executive deletes section that directs MDOT to complete project reviews within 120 days; requires system for monitoring review process. House and Senate retain. Conference retains.

Sec. 375. MDOT Open Houses and Groundbreaking Ceremonies – RETAINED

Executive deletes section that prohibits MDOT from reimbursing contractors or consultants for groundbreaking ceremonies, receptions, open houses, or press conferences related to transportation projects funded from appropriations. House and Senate retain. Conference retains.

Sec. 376. Prohibition on Studies of Highway Signs and Motorist Behavior – RETAINED

Executive deletes section that prohibits the department from studying the association between highway signs and motorist behavior. House and Senate retain. Conference retains.

Sec. 379. Tolling Study – NOT INCLUDED

House includes new section that requires the department to perform a study on the feasibility of tolling in Michigan. Senate does not include. Conference concurs with Senate and does not include.

Sec. 381. E-Verify for Legal Status of Contractor/Subcontractor New Employees – RETAINED

Executive deletes section that requires the department to use the E-Verify system to verify legal status of contractor and subcontractor new hires. Provides reporting requirement. House and Senate retain. Conference retains.

Major Boilerplate Changes From FY 2018-19

Sec. 382. Finalize Local Agency Cost Sharing Agreements – RETAINED

Executive deletes section that requires the department to submit final bill to the local agency within two years of final payment to construction contractor. House and Senate retain. Conference retains.

Secs. 384. Detroit River Crossing (Gordie Howe Bridge) – RETAINED

House and Senate concur with Executive and retain current language. Conference retains.

Sec. 385. Gordie Howe Bridge Report – REVISED

Executive updates fiscal year and reporting dates references. House modifies current reporting requirement to provide for monthly reports. Senate concurs with Executive. Conference concurs with House.

Sec. 386. Toll Credits – REVISED

Executive deletes section that provides for a report on the department's use of toll credits as a method in financing federal-aid highway projects. House includes new subsection to established priority order in use of toll credits. Senate retains current-year language. Conference concurs with House.

Sec. 387. Traffic Studies – RETAINED

Executive deletes section that requires the department to post traffic study on the department website. House and Senate retain. Conference retains.

Sec. 389. Long-Term Obligations – RETAINED

Executive deletes section that requires the department to notify legislature within 30 days of entering into long-term agreements that obligate future payments. House and Senate retain. Conference retains.

Sec. 390. Report on Restricted Funds and Accounts – RETAINED

Executive deletes section that requires the department to report on statutory authority for, revenue source and distribution, and ending balances of restricted funds and accounts. House and Senate retain. Conference retains.

Sec. 391. Prohibition on Motor Fuel Quality Testing – RETAINED

Executive deletes section that prohibits the department from performing, or assisting any other state agency in performing, motor fuel quality testing. House and Senate retain. Conference retains.

Sec. 393. Best Practices for Public Transportation – RETAINED

Executive deletes section that directs the department to promote best practices in public transportation, including transit vehicle rehabilitation to reduce life-cycle cost. House and Senate retain. Conference retains.

Sec. 394. Priority of Preservation – RETAINED

Executive deletes section that directs the department and local road agencies to make preservation of the existing infrastructure a funding priority. House and Senate retain. Conference retains.

Sec. 396. Assurance that Contractors Have Ability to Perform Work – RETAINED

Executive deletes section that directs requires department to obtain assurance that contractors, other than construction contractors, have ability to complete work. House and Senate retain. Conference retains.

Sec. 403. Priority of Federal Transit Grants – RETAINED

Executive deletes section that establishes priority for federal Section 5310 transit grants. House and Senate retain. Conference retains.

Sec. 19-550. Fixing Michigan Roads Fund – NOT INCLUDED

Executive recommends language to provide for the use of funds from the proposed Fixing Michigan Roads Fund. House and Senate do not include. Conference does not include.

Sec. 605. Flood Mitigation – RETAINED

Executive deletes section that establishes performance measures and reporting requirement related to additional maintenance funding provided for flood mitigation. House and Senate retain. Conference retains.

Sec. 606. Project on I-94/Between M-60 and Sargent Road in Jackson County – DELETED

Executive deletes legislative intent language with respect to project. House concurs with Executive. Senate retains. Conference concurs with House and does not include.

Sec. 610. Dead Deer – RETAINED

Executive deletes section that indicates legislative intent regarding priority of cleanup of dead deer and other large animal remains. House and Senate retain. Conference retains.

Major Boilerplate Changes From FY 2018-19

Sec. 612. Incentive/Disincentive – RETAINED

Executive deletes section that requires department to establish guidelines for use of incentive/disincentive contracts; establishes a reporting requirement; report due January 1st of each year. House and Senate retain. Conference retains.

Sec. 613. Report on Engineering Costs – REVISED

Executive deletes section that requires report on engineering costs, including breakout of department and consultant costs, engineering as a percentage of construction costs. House retains with additional reporting requirements. Senate retains current-year language. Conference concurs with House.

Sec. 660. Use of Alternative Materials – RETAINED

Executive deletes section that encourages the department to examine the use of alternative road surface materials; use of crumb rubber from tires. House and Senate retain. Conference retains.

Sec. 661. Alternative Design and Material Study Group – NEW

Conference includes new section directing the department to establish a new stakeholder group to review submission of innovative construction material and design specifications.

Sec. 670. Rehabilitation of Winter Maintenance Trucks – DELETED

Executive deletes section that directs the department to investigate costs of refurbishing winter maintenance trucks. House concurs with Executive. Senate retains. Conference concurs with House and deletes.

Sec. 703. Rail Abandonment Notice – RETAINED

Executive deletes section that requires notification when railroad companies file for abandonment of lines. House and Senate retain. Conference retains.

Sec. 704. Rail Operations and Infrastructure Report – RETAINED

Executive deletes section that requires report on anticipated expenditures from the rail operations and infrastructure line item. House and Senate retain. Conference retains.

Sec. 705. Limitation on Michigan Line Track Improvements – NOT INCLUDED

House includes new section that limits state improvements to state-owned rail line between Dearborn and Kalamazoo. Senate does not include. Conference concurs with Senate.

Sec. 711. Rail Passenger Service Report – RETAINED

Executive deletes section that requires report on rail passenger service provided by Amtrak under contract with the department. House and Senate retain. Conference retains.

Sec. 712. Rail Passenger Service RFP – NEW

House includes new section that requires the department to develop a solicitation for proposals for operation of daily round-trip rail passenger service between Grand Rapids and Chicago. This service, the *Pere Marquette*, is currently operated by Amtrak under contract with the department. Senate does not include. Conference concurs with House.

Sec. 714. Incentive Challenge Fund – NOT INCLUDED

House includes new section that provides for a reporting requirement tied to a new Incentive Challenge Fund grant program. Senate does not include. Conference concurs with Senate and does not include.

Sec. 717. Transit Reporting Requirement – NOT INCLUDED

House includes new section that establishes a reporting requirement related to public transportation usage. Senate does not include. Conference concurs with Senate (not included).

Sec. 719. Transit Elderly and Medical Transport Cost per Rider – NEW

House includes new intent section for transit provider reporting requirement. Senate does not include. Conference includes modified new House section.

Sec. 750. Rail Economic Development – DELETED

Executive deletes section that directs department to spend not less than \$2.5 million CTF from Rail Freight Economic Development line for rail freight economic development. House concurs with Executive. Senate retains. Conference concurs with House (not included).

Sec. 751. State Rail Segment Earmark – DELETED

Executive deletes \$2.0 million current-year earmark from Rail operations and infrastructure line item for upgrades to a segment of state-owned rail line between Walton Junction and Traverse City. House concurs with Executive. Senate retains. Conference concurs with House (not included).

Major Boilerplate Changes From FY 2018-19

Sec. 752. Notice of Rail Grant and Loan Programs – REVISED

Executive deletes requirement that the department notify representatives of rail industry of rail grant and loan programs. House concurs with Executive. Senate retains as an annual meeting requirement. Conference concurs with Senate.

Sec. 753. Marine Passenger Service – NEW

Senate includes new section that prescribes use of the Marine Passenger Services appropriation, to direct that 60% must be spent on eligible entities servicing multiple destinations, with remaining funds to be spent on eligible entities servicing a single destination. Conference concurs with Senate.

Sec. 754. Transit Capital – NOT INCLUDED

Senate includes new section that prescribes use of the Transit Capital appropriation, to direct that \$6.0 million of the total appropriation may only be spent by the department in increments of \$600,000 or less on any 1 individual transit agency project. Conference does not include.

Sec. 802. MDOT-Owned Airports – RETAINED

Executive deletes section that encourages the department to find private entities or local public agencies to assume ownership and operating responsibility for department-owned airports. House, Senate, and Conference retain.

Sec. 804. MDOT-Owned Airplanes – REVISED

Executive deletes section that prohibits the department from spending airfleet operations and maintenance appropriations if the department owns 5 or more aircraft; requires the department to notify when it owns 4 aircraft or fewer. House modifies to effectively limit the department to 2 planes. Senate concurs with the Executive and does not include. Conference modifies to specify the sale of a specific plane, and establishes new reporting requirement on staffing requirements associated with airplanes.

Sec. 806. State Aeronautics Code – NEW

House includes new section that requires the department to review website for consistency with state Aeronautics Code. Senate does not include. Conference concurs with House.

Sec. 1001. One-Time \$182.7 Million GF/GP for Local – RETAINED

Executive eliminates language that prescribes the distribution of one-time appropriation to local road agencies. House, which does not include direct GF/GP appropriations for local road agencies, concurs with Executive and deletes. Senate, which does include GF/GP funding for local road agencies, retains language governing the distribution of GF/GP funding to local road agencies. Conference retains this language although it appears to not apply to FY 2019-20 GF/GP appropriations. There is a separate section, Section 280, that governs the distribution of GP/GP appropriations in this budget.

Sec. 1002. Soo Locks/Carbide Dock Project Earmark – NEW

Senate includes language that indicates the one-time CTF appropriation Carbide Dock/Soo Locks be used for the demolition of the Carbide Dock – part of the Soo Locks project. Conference concurs with Senate.

Sec. 1003. Rail Grade Crossing Project Earmark – NEW

Conference includes new section that defines a \$22.7 million earmark of CTF and federal resources for a specific rail grade crossing project.