

FY 2019-20: DEPARTMENT OF TRANSPORTATION
Summary: As Passed by the Senate
Senate Bill 149 (S-2)



Analyst: William E. Hamilton

	FY 2018-19 YTD as of 3/5/19	FY 2019-20 Executive	FY 2019-20 House	FY 2019-20 Senate	FY 2019-20 Enacted	<i>Difference: Senate From FY 2018-19 YTD</i>	
						<i>Amount</i>	<i>%</i>
IDG/IDT	\$4,092,500	\$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		23,378,400	1.8
Local	50,532,000	51,032,000	50,532,000	51,032,000		500,000	1.0
Private	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		317,917,100	9.7
GF/GP	356,790,900	0	0	132,000,000		(224,790,900)	(63.0)
Gross	\$5,013,880,800	\$5,778,292,000	\$5,408,738,300	\$5,130,767,200		\$116,886,400	2.3
FTEs	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.

<u>Major Budget Changes From FY 2018-19 YTD Appropriations</u>	FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Senate Change
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1. Transportation Revenue Assumptions

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.

Gross
GF/GP **NA** [See Item #s 2,
NA and 3, below]

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 Public Act 588 of 2018. This \$325.0 million is included the MTF distribution to the STF and to local road agencies as described below. House budget also assumes an additional \$542.5 [continued on next page]

<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 Senate Change</u>
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1. Transportation Revenue Assumptions (continued)

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 Public Act 588 of 2018, would be distributed to the STF and to local road agencies as described below.

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.

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 \$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.

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.

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 for 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.

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

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

<u>Major Budget Changes From FY 2018-19 YTD Appropriations</u>		FY 2018-19 Year-to-Date (as of 3/5/19)	FY 2019-20 Senate Change
4. Debt Service <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> and <u>Senate</u> concur with the <u>Executive</u> .	Gross Federal Restricted GF/GP	\$219,437,100 35,863,400 183,573,700 \$0	(\$5,539,600) 45,291,600 (50,831,200) \$0
5. Support Services by Other State Departments <u>Executive</u> and 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 Attorney General by \$495,200. The net change across all IDG line items reflects economic increases and cost allocation adjustments. <u>House</u> and <u>Senate</u> concur with the <u>Executive</u> .	Gross Restricted GF/GP	\$48,394,600 48,394,600 \$0	(\$317,600) (317,600) \$0
6. Information Technology <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 <u>Executive</u> . <u>Senate</u> concurs with the <u>Executive</u> .	Gross Federal Restricted GF/GP	\$35,739,400 520,500 35,218,900 \$0	\$3,000,000 0 3,000,000 \$0
7. State Trunkline Maintenance <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> and <u>Senate</u> concur with the <u>Executive</u> .	FTE Gross Restricted GF/GP	793.7 \$339,127,800 339,127,800 \$0	0.0 \$65,460,000 65,460,000 \$0
8. Transportation Economic Development Fund (TEDF) <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> and <u>Senate</u> concur with the <u>Executive</u> .	Gross Restricted GF/GP	\$43,349,000 43,349,000 \$0	\$909,800 909,800 \$0
9. Aeronautics Services <u>Executive</u> budget retains current year baseline funding for Aeronautics Services programs. <u>House</u> reduces State Aeronautics Fund support by \$901,700 as compared to the current year. <u>House</u> also retains the current year roll-out of two Aeronautics line items: Aviation Services, and Airfleet Operations and Maintenance. <u>Senate</u> concurs with <u>Executive</u> in total, but retains the roll-out of two current appropriation line items. <u>House</u> and <u>Senate</u> also concur with <u>Executive</u> and retain funding for the Air Service grant program at \$250,000 (State Aeronautics Fund).	FTE Gross Restricted GF/GP	46.0 \$7,641,100 7,641,100 \$0	0.0 \$0 0 \$0

<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 Senate Change</u>
10. Local Bus Transit <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 <u>Executive</u> . <u>Senate</u> retains current year funding and provides \$6.0 million CTF increase to Transit Capital (below), rather than to operating.	Gross Federal Local Restricted GF/GP	\$220,777,900 28,027,900 2,000,000 190,750,000 \$0	\$0 0 0 0 \$0
11. Transit Capital <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 <u>Executive</u> . <u>House</u> 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 <u>Executive</u> .	Gross Federal Local Restricted GF/GP	\$66,612,600 15,300,000 1,250,000 50,062,600 \$0	\$7,688,000 0 0 7,688,000 \$0
12. Service Initiatives <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 <u>Executive</u> 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 <u>Executive</u> .	Gross Federal Local Restricted GF/GP	\$4,589,200 1,650,000 325,000 2,614,200 \$0	\$0 0 0 0 \$0
13. Specialized Services <u>Executive</u> increases support by \$1.5 million CTF for program that supports transit programs targeted at disabled and elderly populations. <u>Executive</u> also rolls up of 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 <u>Executive</u> , and keeps the two line items unrolled. <u>House</u> 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.	Gross Federal Local Restricted GF/GP	\$17,938,900 9,900,000 4,185,000 3,853,900 \$0	\$1,000,000 0 0 1,000,000 \$0
14. Transportation to Work <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.	Gross Restricted GF/GP	\$3,875,000 3,875,000 \$0	\$500,000 500,000 \$0
15. Van Pooling <u>Executive</u> retains current year funding for van pool program. <u>House</u> eliminates funding. <u>Senate</u> concurs with <u>Executive</u> and retains current year funding level.	Gross Restricted GF/GP	\$195,000 195,000 \$0	\$0 0 \$0
16. 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 <u>Executive</u> . <u>Senate</u> concurs with <u>Executive</u> .	Gross Restricted GF/GP	\$468,200 418,200 \$50,000	\$0 50,000 (\$50,000)

<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 Senate Change</u>
17. Rail Operations and Infrastructure <small>Executive provides \$14.8 million CTF increase for program that provides capital and operating support for rail passenger service in Michigan as well as rail freight and rail economic development programs. House unrolls the current Rail Operations and Infrastructure line item into two separate line items: \$18.0 million (all CTF) for Rail Passenger, and \$62.8 million for Rail Freight/Rail Economic Development. House total for rail programs is identical to current year, but \$14.8 million CTF less than the Executive. Senate retains the current single line item and provides a \$4.8 million CTF baseline increase. Senate also includes \$16.0 million CTF for a separate one-time Rail Freight economic development line item.</small>	Gross Federal Local Private Restricted GF/GP	\$80,758,000 10,000,000 100,000 100,000 70,558,000 \$0	\$4,808,700 0 0 0 4,808,700 \$0
18. Intercity Services <small>Executive includes \$2.5 million CTF increase for program that supports intercity bus service in Michigan. House concurs with Executive. Senate provides a \$500,000 CTF increase, \$2.0 million less than Executive.</small>	Gross Federal Local Private Restricted GF/GP	\$7,360,000 4,500,000 160,000 800,000 1,900,000 \$0	\$500,000 0 0 0 500,000 \$0
19. Marine Passenger Services <small>Executive 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. House budget includes \$200,000 CTF, \$200,000 less than current year and \$5.2 million CTF less than Executive. Senate provides a \$600,000 CTF increase and recognizes \$500,000 in local matching funds.</small>	Gross Local Restricted GF/GP	\$400,000 0 400,000 \$0	\$1,100,000 500,000 600,000 \$0
20. Airport Safety, Protection, and Improvement Program <small>Executive 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. House and Senate concur with Executive.</small>	Gross Federal Local Restricted GF/GP	\$94,813,200 79,000,000 12,508,500 3,304,700 \$0	\$664,100 0 0 664,100 \$0
21. Detroit Metropolitan Wayne County Airport <small>Executive 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 (Public Acts 258 through 262 of 2015). House and Senate concur with Executive.</small>	Gross Restricted GF/GP	\$5,525,000 5,525,000 \$0	\$325,000 325,000 \$0
22. One-Time GF/GP – Road Programs <small>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 as follows: State trunkline road and bridge program, \$117.3 million; county road commissions, \$117.3 million; cities/villages, \$65.4 million. Executive and House proposed FY 2019-20 budgets do not include the direct appropriation of GF/GP for road programs. Senate includes \$132.0 million for distribution to local road agencies only: county road commissions, \$84.7 million; cities/villages, \$47.3 million.</small>	Gross GF/GP	\$300,000,000 \$300,000,000	(\$168,000,000) (\$168,000,000)

		<u>FY 2018-19 Year-to-Date (as of 3/5/19)</u>	<u>FY 2019-20 Senate Change</u>
Major Budget Changes From FY 2018-19 YTD Appropriations			
23. Other One-Time Items – Special Projects	Gross	\$56,740,900	(\$39,740,900)
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 Straights of Mackinac, and \$250,000 for a rail passenger study. [A \$50,000 GF/GP one-time appropriation for the Detroit Wayne Count Port Authority is recognized in Item #16, above.] <u>Executive</u> and <u>House</u> FY 2019-20 transportation 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.	Restricted GF/GP	0 \$56,740,900	17,000,000 (\$56,740,900)
24. Economic Adjustments	Gross	NA	\$6,057,600
<u>Executive</u> budget reflects increased costs of \$6.1 million Gross (\$0 GF/GP) 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. <u>House</u> and <u>Senate</u> concur with <u>Executive</u> .	IDG Federal Restricted GF/GP	NA NA NA NA	50,500 837,500 5,169,600 \$0

Major Boilerplate Changes From FY 2018-19

Sec. 210. Contingency Fund Transfers – DELETED

Executive retains section that provides for contingency fund transfers in accordance with the Management and Budget Act. House concurs with Executive. Senate deletes.

Sec. 215. Communication With the Legislature – RETAINED

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.

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; reduces notification period to 15 days. Senate retains current year language.

Sec. 270. Remanufactured Parts – RETAINED

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

Sec. 301. Permit Fees/Bridge Tolls – RETAINED

Executive retains current section that provides for permit and FOIA processing fees; and which 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.

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 which requires that revenue from tenants be placed in an account for 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.

Sec. 319. Rest Area Maintenance – RETAINED

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

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.

Major Boilerplate Changes From FY 2018-19

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.

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.

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.

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.

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.

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

Current language restricts the department's ability to obligate the state to expend state transportation revenue on the project, with the qualification: "*An expenditure for staff resources used in connection with project activities, which expenditure is subject to full and prompt reimbursement from Canada, shall not be considered an expenditure of state transportation resources.*" House and Senate concur with Executive and retain current language.

Sec. 385. Gordie Howe Bridge Report – RETAINED

Executive updates fiscal year and reporting dates references. House modifies current reporting requirement. Senate concurs with Executive.

Sec. 386. Toll Credits – RETAINED

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.

Sec. 387. Traffic Studies – RETAINED

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

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.

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.

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.

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.

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.

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.

Major Boilerplate Changes From FY 2018-19

Sec. 403. Priority of Federal Transit Grants – RETAINED

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

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.

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.

Sec. 606. Project on I-94/Between M60 and Sargent Road in Jackson County – RETAINED

Executive deletes legislative intent language with respect to project. House concurs with Executive. Senate retains.

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.

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.

Sec. 613. Report on Engineering Costs – RETAINED

Executive deletes section that directs 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.

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.

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.

Sec. 703. Rail Abandonment Notice – RETAINED

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

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.

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.

Sec. 750. Rail Economic Development – RETAINED

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.

Sec. 751. State Rail Segment Earmark – RETAINED

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.

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

Executive deletes requirement that the department to notify representatives of rail industry of rail grant and loan programs. House concurs with Executive. Senate retains.

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.

Major Boilerplate Changes From FY 2018-19

Sec. 754. *Transit Capital – NEW*

Senate includes new section that prescribes use of the Transit Capital the appropriation, to direct that \$6.0 million of the total appropriation may only be spent by the department in increments of \$600,000.00 or less on any 1 individual transit agency project.

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 and Senate retain.

Sec. 804. *MDOT-Owned Airplanes – DELETED*

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 four aircraft or fewer. House modifies to effectively limit the department to 2 planes. Senate concurs with the Executive and does not include.

Sec. 1001. *One-Time GF/GP for Local Road Agencies – RETAINED*

The current year budget includes \$300.0 million GF/GP for distribution to the STF and local road agencies. Of this, \$182.7 million would be distributed to local road agencies: \$117.3 million to county road commissions and \$65.4 million to cities/villages. Boilerplate Section 1001 defines how this \$182.7 million would be distributed among local road agencies in accordance with Act 51. Executive budget does not include the appropriation of GF/GP for distribution to local road agencies and does not retain related boilerplate. House does not include the direct appropriation of GF/GP for local road agencies and does not retain related boilerplate. Senate does include GF/GP funding for local road agencies and retains language governing the distribution of GF/GP funding to local road agencies.

Sec. 1002. *Soo Locks Project Earmark – NEW*

Senate includes new section 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.