

**FY 2014-15: DEPARTMENT OF TRANSPORTATION**  
**Summary: House Subcommittee Chair's Recommendation**  
**House Bill 5308 (H-1) Draft 1**



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IDG/IDT	FY 2013-14 YTD as of 2/5/14	FY 2014-15 Executive	FY 2014-15 House	FY 2014-15 Senate	FY 2014-15 Enacted	Difference: House From FY 2013-14 YTD	
						Amount	%
	\$3,625,100	\$3,786,900	\$3,786,900			\$161,800	4.5
<b>Federal</b>	1,198,885,500	1,205,885,500	1,205,885,500			7,000,000	0.6
<b>Local</b>	50,177,100	50,177,100	50,177,100			0	0.0
<b>Private</b>	100,000	100,000	100,000			0	0.0
<b>Restricted</b>	2,225,029,000	2,155,001,200	2,155,001,200			(70,027,800)	(3.1)
<b>GF/GP</b>	121,300,000	254,047,900	254,047,900			132,747,900	109.4
<b>Gross</b>	<b>\$3,599,116,700</b>	<b>\$3,668,998,600</b>	<b>\$3,668,998,600</b>			<b>\$69,881,900</b>	<b>1.9</b>
<b>FTEs</b>	2,918.3	2,918.3	2,918.3			0.0	0.0

Notes: (1) FY 2013-14 year-to-date figures include mid-year budget adjustments through February 5, 2014; they do not include supplemental appropriations made in Senate Bill 608, (2014 PA 34), effective March 18, 2014, which provided \$227,028,900 Gross (\$215,300,000 GF/GP) in additional spending authority. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time."

**Overview**

The Transportation budget supports state and local highway programs, public transportation programs, aeronautics programs, and administration of the Michigan Department of Transportation (MDOT). Approximately 60% of the revenue in this budget comes 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) and the Comprehensive Transportation Fund (CTF), and to local road agencies. Revenue related to taxes on aviation fuel and aircraft registrations is credited to the State Aeronautics Fund (SAF) for aeronautics programs.

<b>Major Budget Changes From FY 2013-14 YTD Appropriations</b>	<b>FY 2013-14 Year-to-Date (as of 2/5/14)</b>	<b>FY 2014-15 House Change</b>
<b>1. Debt Service</b> Reflects anticipated debt service schedules.	<b>Gross</b> \$242,321,100 Federal 45,912,200 Restricted 196,408,900	<b>(\$2,800)</b> (185,800) 183,000
<b>2. Support Services by Other State Departments</b> Interdepartmental grants (IDGs) authorize the reimbursement of other state departments from restricted transportation funds for services provided to those transportation funds. Includes \$20.0 million MTF for Department of State vehicle registration tax collection program – no change from current year, and \$2.7 million MTF for Department of Treasury motor fuel tax collection program, an increase of \$200,000 for costs of International Fuel Tax Agreement data system. Budget also reflects economic and cost allocation adjustments, \$227,700 and (\$20,600), respectively.	<b>Gross</b> \$46,525,700 Restricted 46,525,700	<b>\$407,100</b> 407,100
<b>3. Executive Direction</b> Includes <i>Unclassified salaries, Asset Management Council, and Office of Commission Audits</i> . Reflects economic adjustments.	FTEs 35.3 <b>Gross</b> \$5,631,600 Restricted 5,631,600	0.0 <b>\$76,200</b> 76,200
<b>4. Business Support</b> Includes <i>Business support services, Economic development and enhancement, Property management, and Worker's compensation</i> . Reflects economic adjustments, \$350,100; position transfers, (\$2.7 million), cost allocation adjustments net to zero.	FTEs 76.5 <b>Gross</b> \$18,419,000 Restricted 18,419,000	(23.5) <b>(\$2,516,600)</b> (2,516,600)

<b>Major Budget Changes From FY 2013-14 YTD Appropriations</b>		<b>FY 2013-14 Year-to-Date (as of 2/5/14)</b>	<b>FY 2014-15 House Change</b>
<b>5. Information Technology</b>	<b>Gross</b>	<b>\$31,119,700</b>	<b>\$353,800</b>
Reflects economic adjustments for information technology services provided by DTMB.	Federal	520,500	0
	Restricted	30,599,200	353,800
<b>6. Finance, Contracts, and Support Services</b>	FTEs	186.0	(1.0)
Reflects economic adjustments, \$410,400; position transfer, (\$80,000); accounting service center cost allocation, \$84,500; internal cost allocations net to zero.	<b>Gross</b>	<b>\$20,896,100</b>	<b>\$414,900</b>
	IDG	3,625,100	161,800
	Restricted	17,271,000	253,100
<b>7. Transportation Planning</b>	FTEs	141.0	0.0
Recognizes economic adjustments of \$477,200. Shift of \$1.5 million from STF to MTF reflects reallocation of staff for Local agency program activity.	<b>Gross</b>	<b>\$38,283,400</b>	<b>\$477,200</b>
	Federal	20,000,000	0
	Restricted	18,283,400	477,200
<b>8. Design and Engineering Services</b>	FTEs	1,500.8	85.5
Recognizes economic adjustments, \$2.9 million; position transfers, \$9.2 million; and increase in baseline MTF support for Local agency program, \$3.5 million. Recommends roll-up of <i>Intelligent transportation systems</i> line into <i>Engineering services</i> .	<b>Gross</b>	<b>\$144,461,200</b>	<b>\$15,627,400</b>
	Federal	23,529,800	0
	Restricted	120,931,400	15,627,400
<b>9. State Trunkline Maintenance</b>	FTEs	808.7	(61.0)
Recognizes economic adjustments, \$1.0 million; reduction associated with position transfers (\$6.2 million); and increase in baseline STF funding, \$40.0 million.	<b>Gross</b>	<b>\$275,689,500</b>	<b>\$34,751,800</b>
	Restricted	275,689,500	34,751,800
<b>Note:</b> Current year supplemental appropriation, Senate Bill 608, enacted as 2014 PA 34, provided \$100.0 million GF/GP for Special winter maintenance, of which, the department would receive \$39.1 million. This figure is not included in the above YTD total.			
<b>10. State Trunkline Road and Bridge Construction</b>	<b>Gross</b>	<b>\$868,193,500</b>	<b>(\$43,547,300)</b>
Recommends \$824.6 million for line item that supports MDOT's capital road and bridge construction/preservation program. Change from current year represents net changes in estimated available revenue as follows:	Federal	742,092,000	185,800
	Local	30,000,000	0
	Restricted	96,101,500	(43,733,100)
Increase in federal funds of \$185,800 attributable to reduction in debt service attributable to federal funds.			
Net reduction in state restricted revenue due to: reduction in Blue Water Bridge Fund appropriation, (\$8.5 million); increase in STF share of estimated MTF revenue, \$14.6 million; increase in estimated miscellaneous STF revenue, \$5.9 million; restoration of driver's license fee revenue to the Transportation Economic Development Fund, (\$13.0 million); increase in available STF due to reduction in STF debt service, \$1.6 million; economic increases in STF funded administrative units, (\$5.0 million); STF shift to State trunkline maintenance, (\$40.0 million); net of other miscellaneous STF revenue and program adjustments, \$620,400.			
Budget does not assume any increases in transportation revenue from changes to tax rates or tax bases, or changes to current statutory distribution programs.			
Budget includes a separate one-time GF/GP appropriation for state trunkline road and bridge construction. (See <b>Item #39b</b> , below)			
<b>11. Local Federal Aid Road and Bridge Construction</b>	<b>Gross</b>	<b>\$240,443,000</b>	<b>\$0</b>
No change in line used as placeholder for estimated federal aid revenue earmarked for local federal aid programs.	Federal	240,443,000	0
	Restricted	0	0
<b>12. Local Program Fund</b>	<b>Gross</b>	<b>\$33,000,000</b>	<b>\$0</b>
No change in this Act 51 earmark, of which 64% is distributed to county road commissions, 36% to cities/villages.	Restricted	33,000,000	0

<b>Major Budget Changes From FY 2013-14 YTD Appropriations</b>		<b>FY 2013-14 Year-to-Date (as of 2/5/14)</b>	<b>FY 2014-15 House Change</b>
<b>13. Rail Grade Crossing</b>		<b>Gross</b>	<b>\$3,000,000</b>
Provides funding for rail safety program. No change in this Act 51 earmark.		Restricted	\$0
			0
<b>14. Local Bridge Program</b>		<b>Gross</b>	<b>\$21,381,600</b>
Restores \$5.0 million Act 51 earmark to this program. [This is a technical adjustment.]		Restricted	\$5,095,800
			5,095,800
<b>15. MTF to Local Road Agencies</b>		<b>Gross</b>	<b>\$908,098,400</b>
MTF distribution to county road commissions, \$597,608,200, and cities/villages, \$333,193,300, reflects estimated MTF revenue and Act 51 statutory distribution.		Restricted	\$22,703,100
			22,703,100
<b>Note:</b> Current year supplemental appropriation, Senate Bill 608, enacted as 2014 PA 34, provided \$100.0 million GF/GP for Special winter maintenance, of which, local road agencies would receive \$60.9 million. This figure is not included in the above YTD total.			
<b>16. Blue Water Bridge</b>		FTEs	41.0
Reflects economic adjustments; line supported with Blue Water Bridge toll revenue.		<b>Gross</b>	<b>\$6,352,200</b>
		Restricted	\$62,400
			62,400
<b>17. Transportation Economic Development Fund (TEDF)</b>		<b>Gross</b>	<b>\$32,058,200</b>
Increase reflects restoration of \$12.0 million in driver's license fee revenue which had previously been redirected to the STF; offset in part by \$1.7 million increase in TEDF debt service, and \$880,000 reduction in estimated fund balance interest earnings.		Restricted	\$9,457,600
			9,457,600
<b>18. Aeronautics Services</b>		FTEs	54.0
Support for Office of Aeronautics reflects economic adjustments, \$99,100; and adjustment to estimated SAF revenue (\$23,200). Air service grant program, funded at \$289,300, reflects reduction (\$11,500) to estimated available SAF revenue.		<b>Gross</b>	<b>\$7,655,900</b>
		Restricted	\$64,400
			64,400
<b>19. Public Transportation Services</b>		FTEs	36.0
Provides administrative support for public transportation passenger programs. Reflects economic adjustments, \$75,600; eliminates MTF funding (\$38,900).		<b>Gross</b>	<b>\$5,662,800</b>
		Federal	\$36,700
		Restricted	0
			36,700
<b>20. Bus Transit - Local Bus Operating Assistance</b>		<b>Gross</b>	<b>\$166,624,000</b>
Increases CTF state operating assistance to local public transit agencies; current year funding unchanged since FY 2006-07.		Restricted	\$776,000
			776,000
<b>21. Bus Transit - Non-Urban Operating/Capital</b>		<b>Gross</b>	<b>\$25,187,900</b>
Recognizes federal non-urban transit grants; reflects MAP-21 funding levels.		Federal	\$0
		Local	0
			0
<b>22. Discretionary State Operating</b>		<b>Gross</b>	<b>\$5,400,000</b>
Does not retain \$5.4 million Discretionary state operating line item, first established in FY 2012-13 budget.		Restricted	(\$5,400,000)
			(5,400,000)
<b>23. Office of Rail</b>		FTEs	39.0
Provides administrative support for rail passenger, freight service, and rail safety programs. Reflects economic adjustments.		<b>Gross</b>	<b>\$6,293,700</b>
		Restricted	\$74,500
			74,500
<b>24. Freight Property Management</b>		<b>Gross</b>	<b>\$1,000,000</b>
Line supports maintenance of state-owned rail facilities. No change from current year program.		Restricted	\$0
			0
<b>25. Detroit-Wayne County Port Authority</b>		<b>Gross</b>	<b>\$468,200</b>
Provides operating support to the DWCPA. No change from current year.		Restricted	\$0
			0
<b>26. Intercity Services</b>		<b>Gross</b>	<b>\$5,940,000</b>
Line item supports intercity bus service through operating and capital assistance. Reduced CTF reflects anticipated program activity.		Federal	(\$250,000)
		Local	0
		Restricted	0
			(250,000)

<b><u>Major Budget Changes From FY 2013-14 YTD Appropriations</u></b>		<b><u>FY 2013-14 Year-to-Date (as of 2/5/14)</u></b>	<b><u>FY 2014-15 House Change</u></b>
<b>27. Rail Operations and Infrastructure/Wolverine</b>	<b>Gross</b>	<b>\$43,925,000</b>	<b>\$13,097,400</b>
Line item supports rail freight economic development programs, as well as rail passenger service, including capital and operating assistance for the <i>Wolverine</i> (Detroit-Chicago) high speed rail corridor. Recognizes \$7.0 million in additional federal funds, as well as \$2.1 million increase in baseline CTF support, and \$4.0 million anticipated increase in Rail Freight Fund support. [The budget rolls up \$19.3 million <i>Wolverine</i> line item into <i>Rail operations and infrastructure</i> line.]	Federal	3,100,000	7,000,000
	Local	100,000	0
	Private	100,000	0
	Restricted	40,625,000	6,097,400
Budget includes a separate one-time appropriation of \$10.0 million GF/GP for transit capital and rail infrastructure. (See <b>Item #40</b> , below).			
<b>Note:</b> Current year supplemental appropriation, Senate Bill 608, enacted as 2014 PA 34, provided \$11.7 million in additional spending authority to recognize a TIGER grant for high-speed rail corridor. This figure is not included in the above YTD total.			
<b>28. Marine Passenger Service</b>	<b>Gross</b>	<b>\$400,000</b>	<b>\$0</b>
No change proposed from current year funding.	Restricted	400,000	0
<b>Note:</b> Current year supplemental appropriation, Senate Bill 608, enacted as 2014 PA 34, provided \$300,000 GF/GP in additional spending authority for the Beaver Island Transportation Authority. This figure is not included in the above YTD total.			
<b>29. Terminal Development</b>	<b>Gross</b>	<b>\$461,000</b>	<b>(\$311,000)</b>
Recommends \$150,000 CTF to reflect anticipated program activity.	Restricted	461,000	(\$311,000)
<b>30. Specialized Services</b>	<b>Gross</b>	<b>\$18,028,800</b>	<b>(\$89,900)</b>
Supports transit programs for elderly and disabled citizens. Reduces CTF support.	Federal	9,900,000	0
	Local	4,185,000	0
	Restricted	3,943,800	(89,900)
<b>31. Municipal Credit Program</b>	<b>Gross</b>	<b>\$2,000,000</b>	<b>\$0</b>
Governor recommends no change in current Act 51 earmark for transit services in Southeast Michigan.	Restricted	2,000,000	0
<b>32. Bus Capital/Transit Capital</b>	<b>Gross</b>	<b>\$32,145,300</b>	<b>\$0</b>
Reflects anticipated federal pass-through grants to transit grants to local transit agencies and related state and federal matching funds. No change from current year.	Federal	5,000,000	0
	Local	1,250,000	0
	Restricted	25,895,300	0
Budget includes a separate one-time appropriation of \$10.0 million GF/GP for transit capital and rail infrastructure. (See <b>Item #40</b> , below.)			
<b>33. Van Pooling</b>	<b>Gross</b>	<b>\$807,000</b>	<b>(\$612,000)</b>
Provides CTF funds for matching federal transit grants. Reduces CTF to reflect anticipated program activity.	Restricted	807,000	(612,800)
<b>34. Service Initiatives</b>	<b>Gross</b>	<b>\$1,682,900</b>	<b>\$2,514,400</b>
Governor proposes \$2.5 million increase in baseline CTF support.	Federal	1,150,000	0
	Local	200,000	0
	Restricted	332,900	2,514,100
<b>35. Transportation to Work</b>	<b>Gross</b>	<b>\$9,700,000</b>	<b>(2,618,400)</b>
Reflects anticipated federal MAP-21 funding and related local matching funds. No change from current year.	Federal	2,700,000	(2,700,000)
	Local	2,300,000	(2,300,000)
	CTF	4,700,000	2,381,600

<b>Major Budget Changes From FY 2013-14 YTD Appropriations</b>		<b>FY 2013-14 Year-to-Date (as of 2/5/14)</b>	<b>FY 2014-15 House Change</b>
<b>36. Special Maintenance, Remodeling, Facilities</b>	<b>Gross</b>	<b>\$3,001,500</b>	<b>\$0</b>
No change from current year for line funding capital projects related to department-owned buildings.	Restricted	3,001,500	0
<b>37. Airport Improvement Program</b>	<b>Gross</b>	<b>\$93,104,300</b>	<b>(\$1,126,300)</b>
Reflects anticipated federal funding, related local matching funds, and available state restricted SAF revenue for the federal Airport Improvement Program.	Federal	78,578,000	0
	Local	12,392,100	0
	Restricted	2,134,200	(1,126,300)
Budget includes a separate one-time appropriation of \$2.0 million GF/GP for airport capital program. (See <b>Item #41</b> , below)			
<b>38. Priority Roads Investment Program</b>	<b>Gross</b>	<b>\$115,000,000</b>	<b>(\$115,000,000)</b>
Eliminates one-time line item funded through the Roads and Risks Reserve Fund.	Restricted	115,000,000	(115,000,000)
<b>One-Time General Fund for Road and Bridge Programs</b>			
Governor had recommended \$242.0 million GF/GP for the state trunkline construction program. The House split this GF/GP appropriation into two separate line items, as described below:			
<b>39a. Federal Aid Match for State Trunkline Road and Bridge Construction /State Trunkline Road and Bridge Construction</b>	<b>Gross</b>	<b>\$121,300,000</b>	<b>\$5,700,000</b>
House includes \$127.0 million one-time GF/GP funding to match available federal aid for state trunkline program – a \$5.7 million increase as compared to similar current-year line item. (See related boilerplate <b>Sec. 1001</b> .)	GF/GP	121,300,000	5,700,000
<b>39b. State and Local Road and Bridge Programs - NEW</b>	<b>Gross</b>	<b>\$0</b>	<b>\$115,000,000</b>
House includes \$115.0 million to be distributed according to Act 51 distribution formula: 39.1% STF; 39.1% county road commissions; 21.8% cities and villages, per related boilerplate Section 1002.	GF/GP	0	115,000,000
<b>40. Transit Capital and Rail Infrastructure - NEW</b>	<b>Gross</b>	<b>\$0</b>	<b>\$10,000,000</b>
Provides one-time GF/GP support to match federal transit and rail infrastructure grants. ( <b>Governor's recommendation</b> )	GF/GP	0	10,000,000
<b>41. Airport Safety, Safety, and Improvement Program - NEW</b>	<b>Gross</b>	<b>\$0</b>	<b>\$2,047,900</b>
Provides one-time GF/GP support to match federal Airport Improvement Program grants. ( <b>Governor's recommendation</b> )	GF/GP	0	2,047,900
<b>42. Economics</b>	<b>Gross</b>	<b>N/A</b>	<b>\$5,942,400</b>
Reflects increased costs of \$5.9 million Gross (\$0 GF/GP) for negotiated salary and wage amounts (2.0% ongoing increase plus 0.5% lump sum payments), actuarially-required retirement rate increases, and other economic adjustments. These adjustments are reflected in many of the line item changes described above.	IDG	N/A	77,300
	Restricted	N/A	5,864,700

#### **Boilerplate Changes From FY 2013-14**

##### **Sec. 201. Total State Payments/Payments to Local Units – REVISED**

Identifies total state spending; payments of state funds to local units of government; updated to reflect Part 1 appropriations.

##### **Sec. 202. Management and Budget Act – RETAINED**

Appropriations are subject to the Management and Budget Act.

##### **Sec. 203. Abbreviations – RETAINED**

Defines abbreviations.

##### **Sec. 206. Contingency Appropriations – RETAINED**

Provides for contingent federal, state, local, and private appropriations per DMB Act.

##### **Sec. 207. Transparency – RETAINED**

Directs department to maintain on a searchable website expenditures made during the fiscal year; number of employees and job classification.

## **Boilerplate Changes From FY 2013-14**

### **Sec. 208. *Internet Reporting* – RETAINED**

Requires department to use the Internet to fulfill reporting requirements.

### **Sec. 209. *Purchase of Foreign Goods* – RETAINED**

Prohibits the purchase of foreign-made goods if comparable American/Michigan goods are available. Gives preference to Michigan businesses owned or operated by veterans.

### **Sec. 210. *Deprived/Depressed Communities* – RETAINED**

Requires department director to take all reasonable steps to ensure that business in deprived/depressed communities compete for and perform contracts for services/supplies.

### **Sec. 212. *Receive/Retain Reports* – RETAINED**

Requires department to retain reports funded from appropriations in part 1.

### **Sec. 215. *Communication with the Legislature* – RETAINED**

Prohibits the department from taking disciplinary action against an employee for communicating with a legislator or his/her staff.

### **Sec. 228. *General Fund Lapse Report* – RETAINED**

Requires State Budget Office to report on estimated GF/GP lapses by November 30.

### **Sec. 229. *Restricted Fund Report* – RETAINED**

Report on restricted fund balances; updated to reflect applicable fiscal years.

### **Sec. 233. *Report on Department Administration/Planning for Local Units of Government* – RETAINED**

Does not include current-year reporting requirement.

### **Sec. 235. *Performance Measurable “Scorecard”* – RETAINED**

Report on key metrics used to monitor and improve agency performance.

### **Sec. 260 *Out-of-State Travel Report* – RETAINED**

Deletes criteria for out-of-state travel; modifies reporting requirement.

### **Sec. 262. *Hire of Outside Legal Counsel* – RETAINED**

Prohibits the department from hiring a person to provide legal services that are the responsibility of the Attorney General but exempts legal services for bonding or other activities authorized by the Attorney General.

### **Sec. 263. *Impact of New Legislation and Administrative Rules* – RETAINED**

Report on specific policy changes adopted to implement new public acts; prohibited department from adopting administrative rules that have a disproportionate impact on small business.

### **Sec. 270. *Remanufactured Parts* – RETAINED**

Requires use of remanufactured parts for repair and maintenance of state motor vehicle fleet.

### **Sec. 271. *Estimate of Legacy Costs* – NOT INCLUDED**

House bill does not include language from Executive budget recommendation describing estimated agency pension and retiree health care (legacy) costs.

### **Sec. 301. *Permit Fees/Bridge Tolls* – RETAINED**

Provides for permit and FOIA processing fees; provides process for raising bridge tolls.

### **Sec. 303. *Legislative Report* – RETAINED**

Report of funds received by city, village, and county road commission by legislative district.

### **Sec. 304. *Confidentiality of Bid Documents* – RETAINED**

Provides for confidentiality of highway project bid documents.

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

Authorizes rental of department-owned public transportation properties at competitive market rates; requires that revenue from tenants be placed in an account for to maintain/improve property; requires the department to charge public transit and intercity carriers equal per-square-foot lease rates.

### **Sec. 306. *Use of Transportation Funds by Other State Agencies/Biennial Audit* – RETAINED**

Sets guidelines for use of transportation funds (Interdepartmental grants) by other state agencies; provides reporting requirements and biennial audit.

### **Sec. 307. *Rolling Five-Year Plan* – RETAINED**

Requires Five-Year Plan report to legislature by March 1st.

### **Sec. 308. *Contractor Prequalification Process/Report* – REVISED**

Provides for a report on the department's prequalification process and unsatisfactory contractor performance rating. Report due date changed to March 1, 2015.

## **Boilerplate Changes From FY 2013-14**

### **Sec. 310. State Transportation Commission Minutes/Agenda – RETAINED**

Requires department provide copies of minutes and agenda to House and Senate Appropriations Subcommittees on Transportation, House and Senate Fiscal Agencies, and State Budget Director.

### **Sec. 311. Father Marquette National Memorial Museum – DELETED**

Directs the department to work with the MEDC to update a 1992 study, including identification of funding alternatives.

### **Sec. 313. State Infrastructure Bank – RETAINED**

Allows department to increase and make loans from the State Infrastructure Bank; reporting requirement.

### **Sec. 319. Rest Area Maintenance – DELETED**

Requires signs/telephone numbers for reporting unclean and unsafe conditions at rest areas.

### **Sec. 353. Prompt Payment – RETAINED**

Directs department to review contractor payment process; references Special Provision 109.10.

### **Sec. 357. Local Federal Aid Project Review – RETAINED**

Directs MDOT complete project reviews within 120 days; requires system for monitoring review process.

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

Prohibits MDOT from reimbursing contractors or consultants for groundbreaking ceremonies, receptions, open houses, or press conferences related to transportation projects funded from appropriations.

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

Requires the department to use the E-Verify system to verify legal status of contractor and subcontractor new hires. Provides reporting requirement.

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

Requires the department to submit final bill to the local agency within two years of final payment to construction contractor. In his signing letter dated June 13, 2013, the Governor indicates that this boilerplate section "is considered enforceable to the extent that it does not alter or amend Act 51 of 1951 requiring local cost sharing."

### **Sec. 383. Report on Use of State Airfleet – REVISED**

Requires report on use of MDOT-owned aircraft; recovery of department costs. **House** changes date references and makes the report specific to each of the department's airplanes; adds intent language that the department work with Michigan State Police on reciprocal agreement.

### **Secs. 384 and 385. Detroit River International Crossing (DRIC) – RETAINED**

**Sec. 384** restricts the department's ability to obligate the state to expend state transportation revenue on the project, referenced by the Executive as the *New International Trade Crossing* (NITC). The current year budget states that "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." **Sec. 385** provides reporting requirements.

### **Section 393 – Best Practices for Public Transportation - NEW**

Directs the department to promote best practices in public transportation, including transit vehicle rehabilitation to reduce life-cycle cost; adds a new reporting requirement by March 1, 2015 and references similar requirement made in FY 2011-12.

### **Sec. 401. Federal Aid Distribution Report – RETAINED**

Requires department to notify local agencies, Legislature, and state budget director on proposed distribution of federal funds between state and local units.

### **Sec. 402. Sale of Local Federal Aid – RETAINED**

Authorizes local road agencies to sell federal aid to department or to other local road agencies.

### **Sec. 501. Motor Carrier Act – RETAINED**

Describes distribution of revenue received under the Motor Carrier Act (1933 PA 254).

### **Sec. 503. TEDF/Local Bridge Fund Carryforward – RETAINED**

Provides carryforward authority for TEDF and Local Bridge funds; prevents diversion for other purposes; authorizes use of federal, local, or private funds for program.

### **Sec. 504. MTF Distribution – RETAINED**

Requires use of MTF revenue in accordance with Act 51 requirements.

### **Sec. 601. Road Construction Warranties – RETAINED**

Encourages use of road construction warranties; reporting requirement.

### **Sec. 603. Traffic Congestion – RETAINED**

Directs department to consider traffic congestion be used as criteria in project selection.

## **Boilerplate Changes From FY 2013-14**

### **Sec. 604. State Trunkline Fund Carryforward – RETAINED**

Allows carryforward authority for STF; appropriates for state trunkline federal aid and road and bridge program.

### **Sec. 610. Dead Deer – RETAINED**

Legislative intent language regarding cleanup of dead deer and other large animal remains.

### **Sec. 612. Incentive/Disincentive – RETAINED**

Requires department to establish guidelines for use of incentive/disincentive contracts; establishes a reporting requirement; report due January 1st of each year.

### **Sec. 660. Use of Alternative Materials – REVISED**

Encourages the department to examine the use of alternative road surface materials; provides new reporting requirement.

### **Sec. 701. Intercity Bus Equipment and Facility Fund – RETAINED**

Provides for separate accounting and carryforward authority for this fund.

### **Sec. 702. Rail Preservation Fund – RETAINED**

Provides for accounting and carryforward authority; reference to State Transportation Preservation Act of 1976.

### **Sec. 703. Rail Abandonment Notice – RETAINED**

Requires notification of Legislature when railroad companies file for abandonment of lines.

### **Sec. 706. Detroit/Wayne County Port Authority – RETAINED**

Requires report due by February 15 of each year.

### **Sec. 711. Rail Passenger Service (Amtrak) – RETAINED**

Provides for reporting requirement. No change from current year other than date reference.

### **Sec. 712. Rail Passenger Feasibility Study – NEW**

Directs the department to study feasibility of rail passenger service between Holland and Detroit, by way of Grand Rapids and Lansing; provides report due date of May 1, 2015.

### **Sec. 735. Street Railway Appropriation – RETAINED**

Provides for \$0 appropriation to a street railway pursuant to section 10e(22) of 1951 PA 51.

### **Sec. 736. Rail Grade Crossing Pilot Project – RETAINED**

House includes boilerplate earmark of \$1.5 million (CTF) for a pilot project on high-speed rail corridor, vetoed in current year budget.

### **Sec. 740. Review of CTF Fund Balances – RETAINED**

Requires report on unencumbered CTF balance by March 1 of each year.

### **Sec. 801. State Aeronautics Fund – RETAINED**

Requires that unexpended funds in the State Aeronautics Fund lapse back to the fund.

### **Sec. 802. Department-Owned Airports – NEW**

States legislative intent that department find private or local owner/operator of department-owned airports.

### **Sec. 901. Aeronautics Capital Program – RETAINED**

Permits department to contract for Airport Improvement Program projects on behalf of local airport owners; provides for local match requirements; requires local agencies to obtain authorization before submitting projects to federal agencies.

### **Sec. 902. Aeronautics Capital Program Status Report – RETAINED**

Reporting requirement.

### **Sec. 903. Capital Outlay Carry Forward – RETAINED**

Provides for carry forward authority in accordance with the Management and Budget Act.

### **Sec. 1001. Matching Federal-Aid Highway Funds – REVISED**

House bill indicates that the \$127.0 million GF/GP one-time basis only appropriation is appropriated to the state trunkline road and bridge construction program and is intended to ensure that the state is able to match all available federal-aid highway funds.

### **Sec. 1002. State and Local Road and Bridge Programs – NEW**

House bill directs that the one-time \$115.0 million GF/GP appropriation be distributed to the STF, county road commissions, and cities/villages in accordance with Act 51 formula – 39.1%, 39.1%, 21.8%

### **Sec. 1003. Bus Capital/Rail Infrastructure – NEW**

House bill requires a report on use of \$10.0 million GF/GP appropriation for transit capital and rail infrastructure.

**Supplemental FY 2013-14 Appropriations – 2014 PA 34**

Senate Bill 608, enacted as 2014 PA 34, provided an additional \$227.0 million, (\$215.3 million GF/GP), in current year spending authority.

<b>1. Rail Operations and Infrastructure</b>	<b>Gross</b>	<b>\$11,728,900</b>
Recognizes federal Transportation Investment Generating Economic Recovery (TIGER) grant, and associated state restricted CTF matching funds, for capital improvements on state-owned Dearborn-Kalamazoo Amtrak route aimed at increasing speeds up to 110 MPH.	Federal	9,383,100
	Restricted	2,345,800
	GF/GP	\$0
<b>2. Beaver Island Transportation Authority - NEW</b>	<b>Gross</b>	<b>\$300,000</b>
Beaver Island Transportation Authority line item is associated with repair of Beaver Island ferry, the Emerald Isle, in July, 2013.	GF/GP	300,000
<b>3. Special Winter Road Maintenance - NEW</b>	<b>Gross</b>	<b>\$100,000,000</b>
Provides GF/GP funding to be distributed to STF, county road commissions, and cities/villages in accordance with Act 51 formula – 39.1%, 39.1%, 21.8%.	GF/GP	\$100,000,000
<b>4. Priority Roads Investment Program</b>	<b>Gross</b>	<b>\$115,000,000</b>
Provides \$115.0 million for priority roads projects.	GF/GP	\$115,000,000