

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

Senate Bill No. 963, entitled

A bill to make appropriations for the department of transportation for the fiscal year ending September 30, 2013; and to provide for the expenditure of the appropriations.

Recommends:

First: That the House recede from the Substitute of the House as passed by the House.

Second: That the Senate and House agree to the Substitute of the Senate as passed by the Senate, amended to read as follows:

(attached)

Third: That the Senate and House agree to the title of the bill to read as follows:

A bill to make appropriations for the department of transportation for the fiscal year ending September 30, 2013; and to provide for the expenditure of the appropriations.

John Pappageorge

David Agema

Roger Kahn

Ken Goike

Glenn Anderson

Brandon Dillon

Conferees for the Senate

Conferees for the House

**SUBSTITUTE FOR
SENATE BILL NO. 963**

A bill to make appropriations for the department of transportation for the fiscal year ending September 30, 2013; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for the state transportation department and certain state purposes designated in this act for the fiscal year ending September 30, 2013, from the funds indicated in this part. The following is a summary of the appropriations in this part:

STATE TRANSPORTATION DEPARTMENT

APPROPRIATION SUMMARY

1	Full-time equated unclassified positions.....	6.0	
2	Full-time equated classified positions.....	2,912.3	
3	GROSS APPROPRIATION.....		\$ 3,466,187,500
4	Total interdepartmental grants and intradepartmental		
5	transfers		3,531,900
6	ADJUSTED GROSS APPROPRIATION.....		\$ 3,462,655,600
7	Federal revenues:		
8	DOT, federal transit administration.....		62,095,000
9	DOT-FHWA, highway research, planning, and construction		1,074,452,000
10	DOT-FRA, local rail service assistance.....		100,000
11	DOT-FRA, rail passenger/HSGT.....		3,000,000
12	DOT, federal aviation administration.....		82,183,100
13	Total federal revenues.....		1,221,830,100
14	Special revenue funds:		
15	Local revenues.....		52,080,200
16	Private revenues.....		100,000
17	Total local and private revenues.....		52,180,200
18	Blue Water Bridge fund.....		19,262,400
19	Comprehensive transportation fund.....		265,247,300
20	Economic development fund.....		41,590,000
21	IRS debt service rebate.....		7,523,500
22	Intercity bus equipment fund.....		140,000
23	Local bridge fund.....		30,025,400
24	Michigan transportation fund.....		979,076,200
25	Rail freight fund.....		2,000,000
26	State aeronautics fund.....		27,833,400
27	State trunkline fund.....		789,701,100

1	One-time state restricted revenues	3,246,000
2	Total other state restricted revenues	2,165,645,300
3	State general fund/general purpose	\$ 23,000,000
4	State general fund/general purpose schedule:	
5	Ongoing state general fund/general	
6	purpose	0
7	One-time state general fund/general	
8	purpose	23,000,000
9	Sec. 102. DEBT SERVICE	
10	State trunkline	\$ 199,473,700
11	Economic development	9,115,900
12	Local bridge fund	3,261,700
13	Blue Water Bridge fund	5,950,200
14	Airport safety and protection plan	3,892,600
15	Comprehensive transportation	<u>18,580,400</u>
16	GROSS APPROPRIATION	\$ 240,274,500
17	Appropriated from:	
18	Federal revenues:	
19	DOT-FHWA, highway research, planning, and construction	45,866,700
20	Special revenue funds:	
21	Blue Water Bridge fund	5,950,200
22	Comprehensive transportation fund	18,580,400
23	Economic development fund	9,115,900
24	Local bridge fund	3,261,700
25	IRS debt service rebate	7,523,500
26	State aeronautics fund	3,892,600
27	State trunkline fund	146,083,500

1	State general fund/general purpose	\$	0
2	Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY		
3	SUPPORT SERVICES		
4	MTF grant to department of environmental quality	\$	1,231,400
5	MTF grant to department of state for collection of		
6	revenue and fees		20,000,000
7	MTF grant to department of treasury		2,500,000
8	MTF grant to legislative auditor general		240,700
9	STF grant to department of attorney general		2,387,000
10	STF grant to civil service commission		5,697,000
11	STF grant to department of technology, management, and		
12	budget		1,420,600
13	STF grant to department of state police		11,217,900
14	STF grant to department of treasury		124,300
15	STF grant to legislative auditor general		558,900
16	SAF grant to department of attorney general		174,400
17	SAF grant to civil service commission		150,000
18	SAF grant to department of technology, management, and		
19	budget		38,900
20	SAF grant to department of treasury		73,700
21	SAF grant to legislative auditor general		23,000
22	CTF grant to department of attorney general		200,900
23	CTF grant to civil service commission		200,000
24	CTF grant to department of technology, management, and		
25	budget		44,100
26	CTF grant to department of treasury		5,500
27	CTF grant to legislative auditor general		<u>29,600</u>

1	GROSS APPROPRIATION.....	\$	46,317,900
2	Appropriated from:		
3	Special revenue funds:		
4	Comprehensive transportation fund.....		480,100
5	Michigan transportation fund.....		23,972,100
6	State aeronautics fund.....		460,000
7	State trunkline fund.....		21,405,700
8	State general fund/general purpose.....	\$	0
9	Sec. 104. EXECUTIVE DIRECTION		
10	Full-time equated unclassified positions..... 6.0		
11	Full-time equated classified positions..... 29.3		
12	Unclassified salaries.....	\$	700,000
13	Asset management council.....		1,626,400
14	Commission audit--29.3 FTE positions.....		<u>3,209,300</u>
15	GROSS APPROPRIATION.....	\$	5,535,700
16	Appropriated from:		
17	Special revenue funds:		
18	Michigan transportation fund.....		1,626,400
19	State trunkline fund.....		3,909,300
20	State general fund/general purpose.....	\$	0
21	Sec. 105. BUSINESS SUPPORT		
22	Full-time equated classified positions..... 77.5		
23	Business support services--67.5 FTE positions.....	\$	9,089,900
24	Economic development and enhancement programs--10.0		
25	FTE positions		1,524,600
26	Property management.....		8,070,900
27	Worker's compensation.....		<u>1,922,300</u>

1	GROSS APPROPRIATION.....	\$	20,607,700
2	Appropriated from:		
3	Special revenue funds:		
4	Comprehensive transportation fund.....		1,175,400
5	Economic development fund.....		378,700
6	Michigan transportation fund.....		343,600
7	State aeronautics fund.....		629,600
8	State trunkline fund.....		18,080,400
9	State general fund/general purpose.....	\$	0
10	Sec. 106. INFORMATION TECHNOLOGY		
11	Information technology services and projects.....	\$	<u>30,128,000</u>
12	GROSS APPROPRIATION.....	\$	30,128,000
13	Appropriated from:		
14	Federal revenues:		
15	DOT-FHWA, highway research, planning, and construction		520,500
16	Special revenue funds:		
17	Blue Water Bridge fund.....		51,400
18	Comprehensive transportation fund.....		208,600
19	Economic development fund.....		37,200
20	Michigan transportation fund.....		275,500
21	State aeronautics fund.....		162,800
22	State trunkline fund.....		28,872,000
23	State general fund/general purpose.....	\$	0
24	Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES		
25	Full-time equated classified positions.....		185.0
26	Finance, contracts, and support services.....	\$	<u>20,137,500</u>
27	GROSS APPROPRIATION.....	\$	20,137,500

1	Appropriated from:		
2	Interdepartmental grant revenues:		
3	IDG for accounting service center user charges		3,517,100
4	Special revenue funds:		
5	Michigan transportation fund.....		1,770,800
6	State trunkline fund.....		14,849,600
7	State general fund/general purpose.....	\$	0
8	Sec. 108. TRANSPORTATION PLANNING		
9	Full-time equated classified positions.....	141.0	
10	Transportation planning--141.0 FTE positions	\$	38,262,000
11	Grants to regional planning councils.....		<u>488,800</u>
12	GROSS APPROPRIATION.....	\$	38,750,800
13	Appropriated from:		
14	Federal revenues:		
15	DOT-FHWA, highway research, planning, and construction		22,000,000
16	Special revenue funds:		
17	Comprehensive transportation fund.....		610,500
18	Michigan transportation fund.....		6,096,700
19	State aeronautics fund.....		15,000
20	State trunkline fund.....		10,028,600
21	State general fund/general purpose.....	\$	0
22	Sec. 109. DESIGN AND ENGINEERING SERVICES		
23	Full-time equated classified positions.....	1,498.8	
24	Engineering services--701.1 FTE positions	\$	66,957,000
25	Program services--735.7 FTE positions		56,755,800
26	Intelligent transportation systems operations--12.0		
27	FTE positions		10,674,000

1	Welcome center operations--50.0 FTE positions	<u>4,285,000</u>
2	GROSS APPROPRIATION.....	\$ 138,671,800
3	Appropriated from:	
4	Federal revenues:	
5	DOT-FHWA, highway research, planning, and construction	23,529,800
6	Special revenue funds:	
7	Michigan transportation fund.....	7,843,400
8	State trunkline fund.....	107,298,600
9	State general fund/general purpose.....	\$ 0
10	Sec. 110. HIGHWAY MAINTENANCE	
11	Full-time equated classified positions..... 808.7	
12	State trunkline operations--808.7 FTE positions	<u>\$ 273,395,700</u>
13	GROSS APPROPRIATION.....	\$ 273,395,700
14	Appropriated from:	
15	Special revenue funds:	
16	State trunkline fund.....	273,395,700
17	State general fund/general purpose.....	\$ 0
18	Sec. 111. ROAD AND BRIDGE PROGRAMS	
19	State trunkline federal aid and road and bridge	
20	construction	\$ 941,053,200
21	Local federal aid and road and bridge construction ...	240,443,000
22	Grants to local programs.....	33,000,000
23	Rail grade crossing.....	3,000,000
24	Local bridge program.....	26,763,700
25	County road commissions.....	576,860,100
26	Cities and villages.....	<u>321,625,300</u>
27	GROSS APPROPRIATION.....	\$ 2,142,745,300

1	Appropriated from:		
2	Federal revenues:		
3	DOT-FHWA, highway research, planning, and construction		982,535,000
4	Special revenue funds:		
5	Local funds.....		30,000,000
6	Blue Water Bridge fund.....		7,107,300
7	Local bridge fund.....		26,763,700
8	Michigan transportation fund.....		934,485,400
9	State trunkline fund.....		161,853,900
10	State general fund/general purpose.....		0
11	Sec. 112. BLUE WATER BRIDGE		
12	Full-time equated classified positions.....	41.0	
13	Blue Water Bridge operations--41.0 FTE positions.....		\$ <u>6,153,500</u>
14	GROSS APPROPRIATION.....		\$ 6,153,500
15	Appropriated from:		
16	Special revenue funds:		
17	Blue Water Bridge fund.....		6,153,500
18	State general fund/general purpose.....		\$ 0
19	Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT		
20	Forest roads.....		\$ 5,000,000
21	Rural county urban system.....		2,500,000
22	Target industries/economic redevelopment.....		8,029,000
23	Urban county congestion.....		8,264,600
24	Rural county primary.....		<u>8,264,600</u>
25	GROSS APPROPRIATION.....		\$ 32,058,200
26	Appropriated from:		
27	Special revenue funds:		

1	Economic development fund.....		32,058,200
2	State general fund/general purpose.....	\$	0
3	Sec. 114. AERONAUTICS SERVICES		
4	Full-time equated classified positions.....		54.0
5	Aeronautics services.....	\$	7,568,500
6	Air service program.....		<u>700,000</u>
7	GROSS APPROPRIATION.....	\$	8,268,500
8	Appropriated from:		
9	Special revenue funds:		
10	State aeronautics fund.....		8,268,500
11	State general fund/general purpose.....	\$	0
12	Sec. 115. PUBLIC TRANSPORTATION SERVICES		
13	Full-time equated classified positions.....		40.5
14	Passenger transportation services--40.5 FTE positions	\$	<u>6,126,200</u>
15	GROSS APPROPRIATION.....	\$	6,126,200
16	Appropriated from:		
17	Federal revenues:		
18	DOT, federal transit administration.....		972,100
19	Special revenue funds:		
20	Comprehensive transportation fund.....		4,974,700
21	Michigan transportation fund.....		179,400
22	State general fund/general purpose.....	\$	0
23	Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING		
24	Local bus operating.....	\$	166,624,000
25	Nonurban operating/capital.....		<u>22,787,900</u>
26	GROSS APPROPRIATION.....	\$	189,411,900
27	Appropriated from:		

1	Federal revenues:		
2	DOT, federal transit administration.....		21,987,900
3	Special revenue funds:		
4	Comprehensive transportation fund.....		166,624,000
5	Local funds.....		800,000
6	State general fund/general purpose.....	\$	0
7	Sec. 117. INTERCITY PASSENGER AND FREIGHT		
8	Full-time equated classified positions.....	36.5	
9	Office of rail--36.5 FTE positions.....	\$	5,768,900
10	Freight property management.....		1,000,000
11	Detroit/Wayne County port authority.....		468,200
12	Intercity services.....		7,690,000
13	Rail passenger service/rail operations and		
14	infrastructure		24,592,000
15	Marine passenger service.....		400,000
16	Terminal development.....		<u>461,000</u>
17	GROSS APPROPRIATION.....	\$	40,380,100
18	Appropriated from:		
19	Federal revenues:		
20	DOT, federal transit administration.....		4,500,000
21	DOT-FRA, local rail service assistance.....		100,000
22	DOT-FRA, rail passenger/PRIIA.....		3,000,000
23	Special revenue funds:		
24	Local funds.....		150,000
25	Private funds.....		100,000
26	Comprehensive transportation fund.....		26,984,900
27	Intercity bus equipment fund.....		140,000

1	Rail freight fund.....		2,000,000
2	Michigan transportation fund.....		2,482,900
3	State trunkline fund.....		922,300
4	State general fund/general purpose.....	\$	0
5	Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT		
6	Specialized services.....	\$	8,913,800
7	Municipal credit program.....		2,000,000
8	Transit capital.....		66,942,900
9	Van pooling.....		807,000
10	Service initiatives.....		1,865,000
11	Transportation to work.....		<u>9,700,000</u>
12	GROSS APPROPRIATION.....	\$	90,228,700
13	Appropriated from:		
14	Federal revenues:		
15	DOT, federal transit administration.....		34,635,000
16	Special revenue funds:		
17	Local funds.....		9,985,000
18	Comprehensive transportation fund.....		45,608,700
19	State general fund/general purpose.....	\$	0
20	Sec. 119. CAPITAL OUTLAY		
21	(1) BUILDINGS AND FACILITIES		
22	Special maintenance, remodeling, and additions.....	\$	3,001,500
23	GROSS APPROPRIATION.....		3,001,500
24	Appropriated from:		
25	State trunkline fund.....		3,001,500
26	State general fund/general purpose.....	\$	0
27	(2) AIRPORT IMPROVEMENT PROGRAMS		

1	Airport safety, protection, and improvement program..	\$	107,733,200
2	GROSS APPROPRIATION.....		107,733,200
3	Appropriated from:		
4	Federal revenues:		
5	DOT, federal aviation administration.....		82,183,100
6	Special revenue funds:		
7	Local funds.....		11,145,200
8	State aeronautics fund.....		14,404,900
9	State general fund/general purpose.....	\$	0
10	Sec. 120. ONE-TIME BASIS ONLY		
11	State employee lump-sum payments.....	\$	3,260,800
12	Federal aid match for transit capital.....		12,000,000
13	Federal aid match for rail operations and		
14	infrastructure		<u>11,000,000</u>
15	GROSS APPROPRIATION.....	\$	26,260,800
16	Appropriated from:		
17	One-time interdepartmental grant revenues.....		14,800
18	One-time state restricted revenues.....		3,246,000
19	State general fund/general purpose.....	\$	23,000,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2012-2013

23 Sec. 201. Pursuant to section 30 of article IX of the state
 24 constitution of 1963, total state spending from state resources

1 under part 1 for fiscal year 2012-2013 is \$2,188,645,300.00 and
 2 state spending from state resources to be paid to local units of
 3 government for fiscal year 2012-2013 is \$1,233,655,900.00. The
 4 itemized statement below identifies appropriations from which
 5 spending to local units of government will occur:

6 DEPARTMENT OF TRANSPORTATION

7	Grants to regional planning councils.....	\$	488,800
8	Grants to local programs.....		33,000,000
9	Rail grade crossing.....		3,000,000
10	Local bridge program.....		26,763,700
11	Grants to county road commissions.....		576,860,100
12	Grants to cities and villages.....		321,625,300
13	Economic development fund.....		32,058,200
14	Air service program.....		700,000
15	Local bus operating.....		166,624,000
16	Detroit/Wayne County port authority.....		468,200
17	Marine passenger service.....		400,000
18	Terminal development.....		461,000
19	Specialized services.....		3,943,800
20	Municipal credit program.....		2,000,000
21	Transit capital.....		33,642,900
22	Service initiatives.....		515,000
23	Transportation to work.....		4,700,000
24	Airport safety, protection, and improvement		
25	program.....		14,404,900
26	One-time transit capital.....		<u>12,000,000</u>
27	Total payments to local units of government.....	\$	1,233,655,900

1 Sec. 202. The appropriations authorized under this act are
2 subject to the management and budget act, 1984 PA 431, MCL 18.1101
3 to 18.1594.

4 Sec. 203. As used in this act:

5 (a) "AASHTO" means the American association of state highway
6 and transportation officials.

7 (b) "ASTM" means the American society for testing and
8 materials.

9 (c) "CTF" means comprehensive transportation fund.

10 (d) "Department" means the department of transportation.

11 (e) "DOT" means the United States department of
12 transportation.

13 (f) "DOT-FHWA" means DOT, federal highway administration.

14 (g) "DOT-FRA" means DOT, federal railroad administration.

15 (h) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad
16 administration, high-speed ground transportation.

17 (i) "EDF" means economic development fund.

18 (j) "FTE" means full-time equated.

19 (k) "IRS" means the internal revenue service.

20 (l) "MTF" means Michigan transportation fund.

21 (m) "RIF" means recreation improvement fund.

22 (n) "SAF" means state aeronautics fund.

23 (o) "STF" means state trunkline fund.

24 Sec. 206. (1) In addition to the funds appropriated in part 1,
25 there is appropriated an amount not to exceed \$200,000,000.00 for
26 federal contingency funds. These funds are not available for
27 expenditure until they have been transferred to another line item

1 in this act pursuant to section 393(2) of the management and budget
2 act, 1984 PA 431, MCL 18.1393.

3 (2) In addition to the funds appropriated in part 1, there is
4 appropriated an amount not to exceed \$40,000,000.00 for state
5 restricted contingency funds. These funds are not available for
6 expenditure until they have been transferred to another line item
7 in this act pursuant to section 393(2) of the management and budget
8 act, 1984 PA 431, MCL 18.1393.

9 (3) In addition to the funds appropriated in part 1, there is
10 appropriated an amount not to exceed \$1,000,000.00 for local
11 contingency funds. These funds are not available for expenditure
12 until they have been transferred to another line item in this act
13 pursuant to section 393(2) of the management and budget act, 1984
14 PA 431, MCL 18.1393.

15 (4) In addition to the funds appropriated in part 1, there is
16 appropriated an amount not to exceed \$1,000,000.00 for private
17 contingency funds. These funds are not available for expenditure
18 until they have been transferred to another line item in this act
19 pursuant to section 393(2) of the management and budget act, 1984
20 PA 431, MCL 18.1393.

21 Sec. 207. (1) The department shall maintain a searchable
22 website accessible by the public at no cost that includes, but is
23 not limited to, all of the following:

24 (a) Fiscal year-to-date expenditures by category.

25 (b) Fiscal year-to-date expenditures by appropriation unit.

26 (c) Fiscal year-to-date payments to a selected vendor,
27 including the vendor name, payment date, payment amount, and

1 payment description.

2 (d) The number of active department employees by job
3 classification.

4 (e) Job specifications and wage rates.

5 (2) The department may develop and operate its own website to
6 provide this information or may reference the state's central
7 transparency website as the source for this information.

8 Sec. 208. Unless otherwise specified, the department shall use
9 the Internet to fulfill the reporting requirements of this act.
10 This requirement may include transmission of reports via electronic
11 mail to the recipients identified for each reporting requirement or
12 it may include placement of reports on an Internet or Intranet
13 site.

14 Sec. 209. Funds appropriated in part 1 shall not be used for
15 the purchase of foreign goods or services, or both, if
16 competitively priced and of comparable quality American goods or
17 services, or both, are available. Preference shall be given to
18 goods or services, or both, manufactured or provided by Michigan
19 businesses, if they are competitively priced and of comparable
20 quality. In addition, preference shall be given to goods or
21 services, or both, that are manufactured or provided by Michigan
22 businesses owned and operated by veterans, if they are
23 competitively priced and of comparable quality.

24 Sec. 211. Amounts appropriated in part 1 for information
25 technology may be designated as work projects and carried forward
26 to support technology projects under the direction of the
27 department of technology, management, and budget. Funds designated

1 in this manner are not available for expenditure until approved as
2 work projects under section 451a of the management and budget act,
3 1984 PA 431, MCL 18.1451a.

4 Sec. 212. The department and agencies receiving appropriations
5 in part 1 shall receive and retain copies of all reports funded
6 from appropriations in part 1. Federal and state guidelines for
7 short-term and long-term retention of records shall be followed.
8 The department may electronically retain copies of reports unless
9 otherwise required by federal and state guidelines.

10 Sec. 214. From the funds appropriated in part 1 for
11 information technology, departments and agencies shall pay user
12 fees to the department of technology, management, and budget for
13 technology-related services and projects. The user fees shall be
14 subject to provisions of an interagency agreement between the
15 department and agencies and the department of technology,
16 management, and budget.

17 Sec. 215. A department shall not take disciplinary action
18 against an employee for communicating with a member of the
19 legislature or his or her staff.

20 Sec. 219. It is the intent of the legislature that all
21 principal executive departments and agencies cooperate with the
22 development and implementation of the department of technology,
23 management, and budget statewide office space consolidation plan.

24 Sec. 228. Not later than November 15, the department shall
25 prepare and transmit a report that provides for estimates of the
26 total general fund/general purpose appropriation lapses at the
27 close of the fiscal year. This report shall summarize the projected

1 year-end general fund/general purpose appropriation lapses by major
2 departmental program or program areas. The report shall be
3 transmitted to the office of the state budget, the chairpersons of
4 the senate and house of representatives standing committees on
5 appropriations, and the senate and house fiscal agencies.

6 Sec. 229. Within 14 days after the release of the executive
7 budget recommendation, the department shall provide the state
8 budget director, the senate and house appropriations chairs, the
9 senate and house appropriations subcommittees on transportation,
10 respectively, and the senate and house fiscal agencies with an
11 annual report on estimated state restricted fund balances, state
12 restricted fund projected revenues, and state restricted fund
13 expenditures for the fiscal years ending September 30, 2012 and
14 September 30, 2013.

15 Sec. 230. By October 31, 2012, the department shall identify
16 10 principal measurable outcomes to be affected by expenditure of
17 the funds appropriated in part 1 and submit a report to the house
18 and senate appropriations committees, the house and senate fiscal
19 agencies, and the state budget director that ranks the outcomes by
20 level of importance and contains current data on those outcomes.
21 Beginning on April 1, 2013, the department shall provide biannual
22 updates to the house and senate appropriations committees on
23 changes in those measurable outcomes and departmental efforts to
24 improve the outcomes.

25 Sec. 260. (1) Due to the current budgetary problems in this
26 state, out-of-state travel shall be limited to situations in which
27 1 or more of the following conditions apply:

1 (a) The travel is required by legal mandate or court order or
2 for law enforcement purposes.

3 (b) The travel is necessary to protect the health or safety of
4 Michigan citizens or visitors or to assist other states in similar
5 circumstances.

6 (c) The travel is necessary to produce budgetary savings or to
7 increase state revenues, including protecting existing federal
8 funds or securing additional federal funds.

9 (d) The travel is necessary to comply with federal
10 requirements.

11 (e) The travel is necessary to secure specialized training for
12 staff that is not available within this state.

13 (f) The travel is financed entirely by federal or nonstate
14 funds.

15 (2) If out-of-state travel is necessary but does not meet 1 or
16 more of the conditions in subsection (1), the state budget director
17 may grant an exception to allow the travel. Any exceptions granted
18 by the state budget director shall be reported on a monthly basis
19 to the house and senate appropriations committees.

20 (3) Not later than January 1 of each year, each department
21 shall prepare a travel report listing all travel by classified and
22 unclassified employees outside this state in the immediately
23 preceding fiscal year that was funded in whole or in part with
24 funds appropriated in the department's budget. The report shall be
25 submitted to the chairs and members of the house and senate
26 appropriations committees, the fiscal agencies, and the state
27 budget director. The report shall include the following

1 information:

2 (a) The name of each person receiving reimbursement for travel
3 outside this state or whose travel costs were paid by this state.

4 (b) The destination of each travel occurrence.

5 (c) The dates of each travel occurrence.

6 (d) A brief statement of the reason for each travel
7 occurrence.

8 (e) The transportation and related costs of each travel
9 occurrence, including the proportion funded with state general
10 fund/general purpose revenues, the proportion funded with state
11 restricted revenues, the proportion funded with federal revenues,
12 and the proportion funded with other revenues.

13 (f) A total of all out-of-state travel funded for the
14 immediately preceding fiscal year.

15 Sec. 262. Funds appropriated in part 1 shall not be used by a
16 principal executive department, state agency, or authority to hire
17 a person to provide legal services that are the responsibility of
18 the attorney general. This prohibition does not apply to legal
19 services for bonding activities and for those activities that the
20 attorney general authorizes.

21 Sec. 263. (1) The department shall report no later than April
22 1, 2013 on each specific policy change made to implement a public
23 act affecting the department that took effect during the prior
24 calendar year to the house and senate appropriations subcommittees
25 on the budget for the department, the joint committee on
26 administrative rules, and the senate and house fiscal agencies.

27 (2) Funds appropriated in part 1 shall not be used by the

1 department to adopt a rule that will apply to a small business and
2 that will have a disproportionate economic impact on small
3 businesses because of the size of those businesses if the
4 department fails to reduce the disproportionate economic impact of
5 the rule on small businesses as provided under section 40 of the
6 administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

7 (3) As used in this section:

8 (a) "Rule" means that term as defined under section 7 of the
9 administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

10 (b) "Small business" means that term as defined under section
11 7a of the administrative procedures act of 1969, 1969 PA 306, MCL
12 24.207a.

13 Sec. 270. In order to reduce costs and maintain quality, it is
14 the intent of the legislature that, excluding the fleet of motor
15 vehicles for the department of state police, the department will
16 prioritize the utilization of remanufactured parts as the primary
17 means of maintenance and repair for the state of Michigan's fleet
18 of motor vehicles.

19 **DEPARTMENTAL SECTIONS**

20 Sec. 301. (1) The department may establish a fee schedule and
21 collect fees sufficient to cover the costs to issue the permits
22 that the department is authorized by law to issue upon request,
23 unless otherwise stipulated by law. All permit fees are
24 nonrefundable application fees and shall be credited to the
25 appropriate fund to recover the direct and indirect costs of
26 receiving, reviewing, and processing the requests.

1 (2) A bridge authority shall hold 3 public hearings on an
2 increase in any toll charged by the authority at least 30 days
3 before the toll change will become effective. Two of the hearings
4 shall be held within 5 miles of the bridge over which the bridge
5 authority has jurisdiction. One hearing shall be held in Lansing.
6 Public hearings held under this section shall be conducted in
7 accordance with the open meetings act, 1976 PA 267, MCL 15.261 to
8 15.275, and shall be conducted so as to provide a reasonable
9 opportunity for public comment, including both spoken and written
10 comments.

11 Sec. 303. On request, the department shall provide to a
12 legislator, in writing, a report on the amount of money to be
13 received by each city and village and the county road commission of
14 each county, that is included in whole or in part within the
15 legislator's legislative district.

16 Sec. 304. If, as a requirement of bidding on a highway
17 project, the department requires a contractor to submit financial
18 or proprietary documentation as to how the bid was calculated, that
19 bid documentation shall be kept confidential and shall not be
20 disclosed other than to a department representative without the
21 contractor's written consent. The department may disclose the bid
22 documentation if necessary to address or defend a claim by a
23 contractor.

24 Sec. 305. The department shall permit space on public
25 passenger transportation properties to be occupied by public or
26 private tenants on a competitive market rate basis. The department
27 shall require that revenue from the tenants be placed in an account

1 to be used to pay the costs to maintain and improve the property.

2 Sec. 306. (1) The amounts appropriated in section 103 to
3 support tax and fee collection, law enforcement, and other program
4 services provided to the department and to transportation funds by
5 other state departments shall be expended from transportation funds
6 pursuant to annual contracts between the department and those other
7 state departments. The contracts shall be executed prior to the
8 expenditure or obligation of those funds. The contracts shall
9 provide, but are not limited to, the following data applicable to
10 each state department:

11 (a) Estimated costs to be recovered from transportation funds.

12 (b) Description of services provided to the department and/or
13 transportation funds and financed with transportation funds.

14 (c) Detailed cost allocation methods appropriate to the type
15 of services being provided and the activities financed with
16 transportation funds.

17 (2) Not later than 2 months after publication of the state of
18 Michigan comprehensive annual financial report, each state
19 department receiving funding pursuant to an interdepartment
20 contract with the department shall submit a written report to the
21 department, the state budget director, and the house and senate
22 fiscal agencies stating by spending authorization account the
23 amount of estimated funds contracted with the department, the
24 amount of funds expended, the amount of funds returned to the
25 transportation funds, and any unreimbursed transportation-related
26 costs incurred but not billed to transportation funds. A copy of
27 the report shall be submitted to the auditor general, and the

1 report shall be subject to audit by the auditor general as provided
2 in subsection (3).

3 (3) Biennially, in each even-numbered fiscal year, the auditor
4 general shall conduct an audit of charges to transportation funds
5 by state departments for the 2 preceding fiscal years. The audit
6 shall include both charges governed by interdepartmental contracts
7 as well as miscellaneous charges from other state departments not
8 governed by contracts. The auditor general shall prepare a detailed
9 report, with recommendations and conclusions, including a summary
10 of charges and related services to transportation funds by
11 department, the appropriateness of those charges, the cost
12 allocation methodologies used in determining the level of funding,
13 and any unreimbursed transportation-related costs, if any. The
14 report shall be provided to the senate and house of representatives
15 committees on appropriations, the senate and house fiscal agencies,
16 and the state budget director 9 months after publication of the
17 state of Michigan comprehensive annual financial report.

18 Sec. 307. Before March 1 of each year, the department will
19 provide to the legislature, the state budget office, and the house
20 and senate fiscal agencies its rolling 5-year plan listing by
21 county or by county road commission all highway construction
22 projects for the fiscal year and all expected projects for the
23 ensuing fiscal years.

24 Sec. 308. (1) The department and local road agencies that
25 receive appropriations under this act shall pursue compliance with
26 contract specifications for construction and maintenance of state
27 highways and local roads and streets. Work shall not be accepted

1 and paid for until it complies with contract requirements.
2 Contractors with unsatisfactory performance ratings shall be
3 restricted from future bidding through the prequalification process
4 established by the department or a local road agency. The
5 department, county road commissions, and cities and villages shall
6 report to the house of representatives and senate appropriations
7 subcommittees on transportation, the senate and house fiscal
8 agencies, and the state budget director on their respective
9 activities under this section.

10 (2) A contractor's prequalification rating shall not be
11 reduced or restricted until all administrative appeals have been
12 completed. The department can take immediate action regarding a
13 contractor's prequalification rating for public safety reasons or
14 to prevent fraud and malfeasance of public funds.

15 Sec. 310. The department shall provide in a timely manner
16 copies of the agenda and approved minutes of monthly transportation
17 commission meetings to the members of the house and senate
18 appropriations subcommittees on transportation, the house and
19 senate fiscal agencies, and the state budget director.

20 Sec. 313. (1) From funds appropriated in part 1, the
21 department may increase a state infrastructure bank program and
22 grant or loan funds in accordance with regulations of the state
23 infrastructure bank program of the United States department of
24 transportation. The state infrastructure bank is to be administered
25 by the department for the purpose of providing a revolving, self-
26 sustaining resource for financing transportation infrastructure
27 projects.

1 (2) In addition to funds provided in subsection (1), money
2 received by the state as federal grants, repayment of state
3 infrastructure bank loans, or other reimbursement or revenue
4 received by the state as a result of projects funded by the program
5 and interest earned on that money shall be deposited in the
6 revolving state infrastructure bank fund and shall be available for
7 transportation infrastructure projects. At the close of the fiscal
8 year, any unencumbered funds remaining in the state infrastructure
9 bank fund shall remain in the fund and be carried forward into the
10 succeeding fiscal year.

11 Sec. 319. The department shall post signs at each rest area to
12 identify the agency or contractor responsible for maintenance of
13 the rest area. The signs shall include a department telephone
14 number and shall indicate that unsafe or unclean conditions at the
15 rest area may be reported to that telephone number.

16 Sec. 353. The department shall review its contractor payment
17 process and ensure that all prime contractors are paid promptly.
18 The department shall ensure that prime contractors are in
19 compliance with special provision 109.10 regarding the prompt
20 payment of subcontractors.

21 Sec. 357. When presented with complete local federal aid
22 project submittals, the department shall complete all necessary
23 reviews and inspections required to let local federal aid projects
24 within 120 days of receipt. The department shall implement a system
25 for monitoring the local federal aid project review process.

26 Sec. 375. The department is prohibited from reimbursing
27 contractors or consultants for costs associated with groundbreaking

1 ceremonies, receptions, open houses, or press conferences related
2 to transportation projects funded, in whole or in part, by revenue
3 appropriated in part 1.

4 Sec. 381. The department shall require as a condition of each
5 contract or subcontract for construction, maintenance, or
6 engineering services that the prequalified contractor or
7 prequalified subcontractor agree to use the E-Verify system to
8 verify that all persons hired during the contract term by the
9 contractor or subcontractor are legally present and authorized to
10 work in the United States. The department may verify this
11 information directly or may require contractors and subcontractors
12 to verify the information and submit a certification to the
13 department. The department shall report to the house and senate
14 appropriations committees and the house and senate fiscal agencies
15 by March 1, 2013 describing the processes it has developed and
16 implemented under provisions of this section. As used in this
17 section, "E-Verify" means an Internet-based system operated by the
18 department of homeland security, U.S. citizenship and immigration
19 services in partnership with the social security administration.

20 Sec. 382. It is the intent of the legislature that every 5
21 years the department and the state budget office provide for an
22 independent study of the state government needs for a state
23 aircraft fleet, including a study of the costs associated with the
24 current fleet or other arrangements for air travel.

25 Sec. 383. (1) The department shall prepare an annual report on
26 all travel by executive branch employees, and others including
27 local public officials, university employees, and other public

1 employees on department-owned aircraft. The report shall include,
2 by department, the name of the traveler, the travel origination
3 location, the travel destination location, type of aircraft, and
4 the total estimated costs associated with the air travel.

5 (2) The report shall be submitted to the senate and house
6 appropriations subcommittees on transportation and the house and
7 senate fiscal agencies no later than July 1.

8 (3) From the funds appropriated in part 1, the department is
9 prohibited from transporting legislators or legislative staff on
10 state-owned aircraft without prior approval from the senate
11 majority leader or the speaker of the house of representatives and
12 only when the aircraft is already scheduled by state employees on
13 related official state business.

14 (4) The department shall maintain a system for recovering the
15 cost of operating department-owned aircraft through charges to
16 aircraft users.

17 Sec. 384. (1) The department shall not expend any state
18 transportation revenue for construction planning or construction of
19 the Detroit River International Crossing or a renamed successor. In
20 addition, except as provided in subsection (3), the department
21 shall not commit the state to any new contract related to the
22 construction planning or construction of the Detroit River
23 International Crossing or a renamed successor unless the
24 legislature has enacted specific enabling legislation to allow for
25 the construction of the Detroit River International Crossing or a
26 renamed successor, and the department has completed the Gateway
27 project.

1 (2) On or before March 31, 2013, the department shall report
2 to the state budget director, the house and senate appropriations
3 subcommittees on transportation, and the house and senate fiscal
4 agencies on department activities related to the Detroit River
5 International Crossing or a renamed successor.

6 (3) If the legislature enacts specific enabling legislation
7 for the construction of the Detroit River International Crossing or
8 a renamed successor, subsection (1) does not apply once the
9 enabling legislation goes into effect.

10 Sec. 385. (1) The department shall use all available toll
11 credits, as provided by private toll facilities in this state and
12 certified by the federal highway administration, to match available
13 federal aid highway funds.

14 (2) The department shall not use toll credits generated by a
15 private tolled bridge crossing to finance, design, plan, construct,
16 operate, or maintain any international bridge crossing within 5
17 miles of that privately tolled bridge.

18 Sec. 395. It is the intent of the legislature that the Gateway
19 project be completed, including, but not limited to, all access
20 ramps and other necessary roadwork, stoplights, and plaza work.

21 **FEDERAL**

22 Sec. 401. Within 30 days of receiving the applicable fiscal
23 year authorization from the federal government to commit
24 transportation funds, the department shall notify local agency
25 representatives, the senate and house of representatives
26 appropriations transportation subcommittees, the senate and house

1 fiscal agencies, and the state budget director regarding the amount
2 of federal aid for categorical allocations to state and local
3 agency programs not specifically allocated in either federal or
4 state law.

5 Sec. 402. A portion of the federal DOT-FHWA highway research,
6 planning, and construction funds made available to the state shall
7 be allocated to transportation programs administered by local
8 jurisdictions in accordance with section 10o of 1951 PA 51, MCL
9 247.660o. A local road agency, with respect to a project approved
10 for federal aid funding in a state transportation improvement
11 program, may enter into a voluntary buyout agreement with the
12 department or with another local road agency to exchange the
13 federal aid with state restricted transportation funds as agreed to
14 by the respective parties. The state restricted transportation
15 funds received in exchange for federal aid funds shall be used for
16 the same purpose as the federal aid funds were originally intended.

17 **MICHIGAN TRANSPORTATION FUND**

18 Sec. 501. The money received under the motor carrier act, 1933
19 PA 254, MCL 475.1 to 479.43, and not appropriated to the department
20 of licensing and regulatory affairs or the department of state
21 police is deposited in the Michigan transportation fund.

22 Sec. 503. (1) The funds appropriated in part 1 for the
23 economic development and local bridge programs shall not lapse at
24 the end of the fiscal year but shall carry forward each fiscal year
25 for the purposes for which appropriated in accordance with 1987 PA
26 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL

1 247.660.

2 (2) Interest earned in the department of transportation
3 economic development fund and local bridge fund shall remain in the
4 respective funds and shall be allocated to the respective programs
5 based on actual interest earned at the end of each fiscal year.

6 (3) In addition to the funds appropriated in part 1, the
7 department of transportation economic development fund and local
8 bridge fund may receive federal, local, or private funds or
9 restricted source funds such as interest earnings. These funds are
10 appropriated for projects that are consistent with the purposes of
11 the respective funds.

12 (4) None of the funds statutorily dedicated to the
13 transportation economic development fund and local bridge fund
14 shall be diverted to other projects.

15 Sec. 504. Funds from the Michigan transportation fund (MTF)
16 shall be distributed to the comprehensive transportation fund
17 (CTF), the economic development fund (EDF), the recreation
18 improvement fund (RIF), and the state trunkline fund (STF), in
19 accordance with this act and part 711 of the natural resources and
20 environmental protection act, 1994 PA 451, MCL 324.71101 to
21 324.71108, and may only be used as specified in this act, 1951 PA
22 51, MCL 247.651 to 247.675, and part 711 of the natural resources
23 and environmental protection act, 1994 PA 451, MCL 324.71101 to
24 324.71108.

25 **STATE TRUNKLINE FUND**

26 Sec. 601. The department shall work with the road construction

1 industry and engineering consulting community to develop
2 performance and road construction warranties for construction
3 contracts. The development of warranties shall include warranties
4 on materials, workmanship, performance criteria, and design/build
5 projects. The department will report by September 30 of each
6 calendar year to the house of representatives and senate
7 appropriations subcommittees on transportation, the state budget
8 director, and the house and senate fiscal agencies on the status of
9 efforts to develop performance and road construction warranties.

10 Sec. 603. The department shall use traffic congestion as 1 of
11 the criteria in determining the priorities for designating which
12 roads shall be remediated in its 5-year road plan, which must be
13 submitted on or before March 1 of each year. Criteria for
14 evaluating traffic congestion shall include, but not be limited to,
15 coordination with local, county, and regional planning, improvement
16 in traffic operations, improvement in physical roadway conditions,
17 accident reduction, and coordination with area public
18 transportation planning.

19 Sec. 604. At the close of the fiscal year, any unencumbered
20 and unexpended balance in the state trunkline fund shall remain in
21 the state trunkline fund and shall carry forward and is
22 appropriated for federal aid road and bridge programs for projects
23 contained in the annual state transportation program.

24 Sec. 610. The department shall have as a priority the removal
25 of dead deer and other large animal remains from the traveled
26 portion and shoulder of state highways. The department, and
27 counties that perform state highway maintenance under contract,

1 shall remove animal remains, wherever practicable and when funds
2 are available, away from the traveled portion and shoulder of state
3 highways.

4 Sec. 612. The department shall establish guidelines governing
5 incentives and disincentives provided under contracts for state
6 trunkline projects. The guidelines shall include specific financial
7 information concerning incentives and disincentives. On or before
8 January 1 of each year, the department shall prepare a report for
9 the immediately preceding fiscal year regarding contract incentives
10 and disincentives. This report shall include a list, by project, of
11 the contractors that received contract incentives and/or
12 disincentives, the amount of the incentives and/or disincentives,
13 and the number of days that each project was completed either ahead
14 or past the contracted completion date. This report shall be
15 provided to the senate and house appropriations subcommittees on
16 transportation, the senate and house standing committees on
17 transportation, and the senate and house fiscal agencies.

18 Sec. 660. (1) The legislature encourages the department to
19 examine the use of alternative road surface materials, including
20 recycled materials, and to develop criteria and specifications for
21 their use in both department-managed and contracted projects.

22 (2) The department shall evaluate the use of a bituminous mix
23 which incorporates crumb rubber from scrap tires.

24 Sec. 661. Of the appropriation from the state trunkline fund
25 in part 1 for state trunkline federal aid and road and bridge
26 construction, \$100,000,000.00 represents estimated revenue from
27 passage of Senate Bill No. 351 of the 2011-2012 legislative session

1 and is intended to ensure that the state is able to match all
2 available federal-aid highway funds.

3 **COMPREHENSIVE TRANSPORTATION FUND**

4 Sec. 701. The department shall establish an intercity bus
5 equipment and facility fund as a subsidiary fund within the
6 comprehensive transportation fund created under section 10b of 1951
7 PA 51, MCL 247.660b. Proceeds received by the state from the sale
8 of state-owned intercity bus equipment shall be credited to the
9 intercity bus equipment facility fund for the purchase and repair
10 of intercity bus equipment, as appropriated. Security deposits not
11 returned to a lessee of state-owned intercity bus equipment under
12 terms of the lease agreement shall be credited to the intercity bus
13 equipment fund for the repair of intercity bus equipment, as
14 appropriated. Money received by the department from lease payments
15 for state-owned intercity bus equipment, and facility maintenance
16 charges under terms of leases of state-owned intercity facilities,
17 shall be credited to the intercity bus equipment facility fund for
18 the purchase and repair of intercity bus equipment or for the
19 maintenance and rehabilitation of state-owned intercity facilities,
20 as appropriated. At the close of the fiscal year, any funds
21 remaining in the intercity bus equipment facility fund shall remain
22 in the fund and be carried forward into the succeeding fiscal year.

23 Sec. 702. Money that is received by the state as repayment for
24 loans made for rail or water freight capital projects, and as a
25 result of the sale of property or equipment used or projected to be
26 used for rail or water freight projects shall be deposited in the

1 fund created by section 17 of the state transportation preservation
2 act of 1976, 1976 PA 295, MCL 474.67. At the close of the fiscal
3 year, any funds remaining in the rail freight fund shall remain in
4 the fund and be carried forward into the succeeding fiscal year.

5 Sec. 703. After receiving notification from a railroad company
6 pursuant to section 8 of the state transportation preservation act
7 of 1976, 1976 PA 295, MCL 474.58, the department shall immediately
8 notify the house of representatives and senate appropriations
9 subcommittees on transportation and the state budget office that
10 the railroad company has filed with the appropriate governmental
11 agencies for abandonment of a line.

12 Sec. 706. The Detroit/Wayne County port authority shall issue
13 a complete operations assessment and a financial disclosure
14 statement. The operations assessment shall include operational
15 goals for the next 5 years and recommendations to improve land
16 acquisition and development efficiency. The report shall be
17 completed and submitted to the house of representatives and senate
18 appropriations subcommittees on transportation, the state budget
19 director, and the house and senate fiscal agencies by February 15
20 of each fiscal year for the prior fiscal year.

21 Sec. 711. (1) From the funds appropriated in part 1 from the
22 comprehensive transportation fund for rail passenger service, the
23 department shall negotiate with a rail carrier to provide rail
24 service between Grand Rapids and Chicago and between Port Huron and
25 Chicago, consistent with the other provisions of this section.

26 (2) The rail carrier shall, as a condition to receiving a
27 state operating subsidy, maintain a system to monitor, collect, and

1 resolve customer complaints and shall make the information
2 available to the department, the house and senate appropriations
3 subcommittees on transportation, and the house and senate fiscal
4 agencies.

5 (3) Future state support for the service between Grand Rapids
6 and Chicago and Port Huron and Chicago is dependent on the
7 department's ability to provide a plan and a contract for services
8 that increase ridership and revenue, reduce operating costs, and
9 improve on-time performance.

10 (4) No state subsidy shall be provided from the funds
11 appropriated in part 1 if the chosen rail carrier is Amtrak and
12 Amtrak discontinued service or any portion of the service between
13 Port Huron and Chicago or Grand Rapids and Chicago during the
14 preceding fiscal year, unless the discontinuance of service was for
15 track maintenance or was caused by acts of God.

16 (5) For rail passenger service supported in any part through
17 capital or operating assistance from funds appropriated in this
18 act, the department shall work with the rail carrier to identify
19 ways in which reasonable transport of bicycles by passengers can be
20 accommodated.

21 (6) The department shall report to the house and senate
22 appropriations subcommittees on transportation and the house and
23 senate fiscal agencies, not later than July 1, 2013, on the status
24 of capital grants related to rail passenger service in Michigan.
25 The report shall identify, and describe the status of, capital
26 improvement projects related to higher train speeds, reduced travel
27 time, station renovations, and other service improvements. The

1 report shall also identify actual or anticipated costs of these
2 projects, funding sources, and anticipated costs and funding
3 sources required to maintain the improvements.

4 Sec. 731. The department shall charge public transit agencies
5 and intercity bus carriers equal rates per square foot for leasing
6 space in state-owned intermodal facilities.

7 Sec. 735. For the fiscal year ending September 30, 2013, the
8 appropriation to a street railway pursuant to section 10e(22) of
9 1951 PA 51, MCL 247.660e, is \$0.

10 Sec. 740. The department shall report by March 1 of each year
11 to the house of representatives and senate appropriations
12 subcommittees on transportation, the house and senate fiscal
13 agencies, and the state budget director the encumbered and
14 unencumbered balances of the comprehensive transportation fund.

15 Sec. 741. By December 1, 2012, the department shall submit a
16 report to the senate and house appropriations subcommittees on
17 transportation and the senate and house fiscal agencies on the
18 need, feasibility, and cost for increasing the safety standard of
19 transit buses procured by Michigan transit agencies by requiring a
20 federally approved rollover test standard.

21 **AERONAUTICS FUND**

22 Sec. 801. Except as otherwise provided in section 903 for
23 capital outlay, at the close of the fiscal year, any unobligated
24 and unexpended balance in the state aeronautics fund created in the
25 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1
26 to 259.208, shall lapse to the state aeronautics fund and be

1 appropriated by the legislature in the immediately succeeding
2 fiscal year.

3 **CAPITAL OUTLAY**

4 Sec. 901. (1) From federal-state-local project appropriations
5 contained in part 1 for the purpose of assisting political entities
6 and subdivisions of this state in the construction and improvement
7 of publicly used airports and landing fields within this state, the
8 state transportation department may permit the award of contracts
9 on behalf of units of local government for the authorized locations
10 not to exceed the indicated amounts, of which the state allocated
11 portion shall not exceed the amount appropriated in part 1.

12 (2) Political entities and subdivisions shall provide not less
13 than 2.5% of the cost of any project under this section, unless a
14 total nonfederal share greater than 5% is otherwise specified in
15 federal law. State money shall not be allocated until local money
16 is allocated. State money for any 1 project shall not exceed 1/3 of
17 the total appropriation in part 1 from state funds for airport
18 improvement programs.

19 (3) The Michigan aeronautics commission may take those steps
20 necessary to match federal money available for airport construction
21 and improvement within this state and to meet the matching
22 requirements of the federal government. Whether acting alone or
23 jointly with another political subdivision or public agency or with
24 this state, a political subdivision or public agency of this state
25 shall not submit to any agency of the federal government a project
26 application for airport planning or development unless it is

1 authorized in this act and the project application is approved by
2 the governing body of each political subdivision or public agency
3 making the application and by the Michigan aeronautics commission.

4 Sec. 902. Before the end of each fiscal year, the state
5 transportation department shall report to the house and senate
6 appropriations subcommittees on transportation and the house and
7 senate fiscal agencies on the status of airport improvement
8 projects funded in part 1 with the estimated dollars allocated for
9 each project. If there has to be a delay in reporting, the state
10 transportation department shall notify the house and senate
11 appropriations subcommittees on transportation in writing of the
12 date the report will be received.

13 Sec. 903. The appropriations in part 1 for capital outlay
14 shall be carried forward at the end of the fiscal year consistent
15 with the provisions of section 248 of the management and budget
16 act, 1984 PA 431, MCL 18.1248.

17 Sec. 904. (1) The director shall allocate lump-sum
18 appropriations made in this act consistent with statutory
19 provisions and the purposes for which funds were appropriated.
20 Lump-sum allocations shall address priority program or facility
21 needs and may include, but are not limited to, design,
22 construction, remodeling and addition, special maintenance, major
23 special maintenance, energy conservation, and demolition.

24 (2) The state budget director may authorize that funds
25 appropriated for lump-sum appropriations and designated as work
26 project appropriations shall be available for no more than 3 fiscal
27 years following the fiscal year in which the original appropriation

1 was made. Any remaining balance from allocations made in this
2 section shall lapse to the fund from which it was appropriated
3 pursuant to the lapsing of funds as provided in the management and
4 budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

5 Sec. 905. Of the appropriation from the state aeronautics fund
6 in part 1 for airport safety, protection, and improvement,
7 \$10,000,000.00 represents estimated revenue from passage of House
8 Bill No. 4025 of the 2011-2012 legislative session and is intended
9 to ensure that the state is able to match all available federal
10 airport improvement program grant funds.

11 **ONE-TIME BASIS ONLY**

12 Sec. 1001. In awarding grants to local public transit agencies
13 with service populations greater than 50,000, from the 1-time
14 general fund/general purpose appropriation in part 1, federal aid
15 match for transit capital, the department shall give priority to
16 the following:

17 (a) Projects for bus rehabilitation.

18 (b) Project applications from agencies which recover not less
19 than 20% of fixed route operating costs from farebox revenue.

20 Sec. 1002. (1) General fund/general purpose revenue
21 appropriated in part 1 for federal aid match for transit capital,
22 and federal aid match for rail operations and infrastructure, not
23 expended or encumbered by September 30, 2013, shall lapse to the
24 state general fund.

25 (2) By September 30, 2013, the department shall report to the
26 house and senate appropriations subcommittees on transportation,

1 and the house and senate fiscal agencies, on the use of funds
2 appropriated in part 1 for transit capital and rail operations and
3 infrastructure. The report shall include a summary of funds
4 expended, encumbered, and lapsed for both transit capital and rail
5 operations and infrastructure. With regard to transit capital
6 projects, the report shall include grantees, grant amounts, project
7 description, and project completion dates. With regard to rail
8 operations and infrastructure projects, the report shall include
9 grant amounts, project description, and project completion dates.

10 PART 2A

11 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS

12 FOR FISCAL YEAR 2013-2014

13 GENERAL SECTIONS

14 Sec. 1201. It is the intent of the legislature to provide
15 appropriations for the fiscal year ending on September 30, 2014 for
16 the line items listed in part 1. The fiscal year 2013-2014
17 appropriations are anticipated to be the same as those for fiscal
18 year 2012-2013, except that the line items will be adjusted for
19 changes in caseload and related costs, federal fund match rates,
20 economic factors, available revenue. These adjustments will be
21 determined after the January 2013 consensus revenue estimating
22 conference.