SUBSTITUTE FOR SENATE BILL NO. 178

A bill to make appropriations for the state transportation department for the fiscal year ending September 30, 2024; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1	PART 1
2	LINE-ITEM APPROPRIATIONS
3	Sec. 101. There is appropriated for the state transportation
4	department for the fiscal year ending September 30, 2024, from the
5	following funds:
6	DEPARTMENT OF TRANSPORTATION
7	APPROPRIATION SUMMARY
8	Full-time equated unclassified positions 6.0
9	Full-time equated classified positions 3,153.3

GROSS APPROPRIATION	\$ 6,830,949,900
Total interdepartmental grants and	
intradepartmental transfers	4,353,000
ADJUSTED GROSS APPROPRIATION	\$ 6,826,596,900
Federal revenues:	
Total federal revenues	2,090,121,400
Special revenue funds:	
Total local revenues	85,773,500
Total private revenues	16,800,000
Total other state restricted revenues	4,082,402,000
State general fund/general purpose	\$ 551,500,000
Sec. 102. DEBT SERVICE	
Airport safety and protection plan	\$ 3,616,900
Blue Water Bridge fund	3,963,000
Economic development	1,688,400
Local bridge fund	556,800
State trunkline	333,915,000
GROSS APPROPRIATION	\$ 343,740,100
Appropriated from:	
Blue Water Bridge fund	3,963,000
Economic development fund	1,688,400
Local bridge fund	556,800
State aeronautics fund	3,616,900
State trunkline fund	333,915,000
State general fund/general purpose	\$ 0
Sec. 103. INTERDEPARTMENTAL GRANTS	
CTF grant to civil service commission	\$ 250,000
CTF grant to department of attorney general	109,500

<pre>2 management, and budget 3 CTF grant to department of treasury</pre>	35,600 54,900
4 CTF grant to legislative auditor general	44,900
5 MTF grant to department of environment, Great	
6 Lakes, and energy	2,180,800
7 MTF grant to department of state for collection	
8 of revenue and fees	20,000,000
9 MTF grant to department of treasury	3,528,000
MTF grant to legislative auditor general	364,200
SAF grant to civil service commission	150,000
SAF grant to department of attorney general	191,200
SAF grant to department of technology,	
14 management, and budget	28,100
SAF grant to department of treasury	81,600
SAF grant to legislative auditor general	35,200
STF grant to civil service commission	6,321,000
STF grant to department of attorney general	2,170,600
STF grant to department of state police	12,422,400
STF grant to department of technology,	
21 management, and budget	1,255,600
STF grant to department of treasury	167,000
STF grant to legislative auditor general	846,000
24 GROSS APPROPRIATION \$	50,236,600
Appropriated from:	
Comprehensive transportation fund	494,900
Michigan transportation fund	26,073,000
State aeronautics fund	486,100

State general fund/general purpose		\$ (
Sec. 104. DEPARTMENTAL ADMINISTRATION AND		
SUPPORT		
Full-time equated unclassified positions	6.0	
Full-time equated classified positions	278.3	
Unclassified salariesFTEs	6.0	\$ 918,40
Asset management council		1,876,40
Business support servicesFTEs	47.0	8,059,90
Commission auditFTEs	29.3	4,805,40
Economic development and enhancement programs		
FTEs	11.0	1,845,10
Finance, contracts, and support servicesFTEs	191.0	27,123,20
Property management		8,499,50
Worker's compensation		1,734,50
GROSS APPROPRIATION		\$ 54,862,40
Appropriated from:		
IDG for accounting service center user charges		4,353,00
Comprehensive transportation fund		1,811,00
Economic development fund		408,80
Michigan transportation fund		4,432,20
State aeronautics fund		708,40
State trunkline fund		43,149,00
State general fund/general purpose		\$
Sec. 105. INFORMATION TECHNOLOGY		
Information technology services and projects		\$ 41,634,60
GROSS APPROPRIATION		\$ 41,634,60

Federal aid - transportation programs		520,500
Blue Water Bridge fund		57,600
Comprehensive transportation fund		234,400
Economic development fund		38,800
Michigan transportation fund		306,300
State aeronautics fund		182,800
State trunkline fund		40,294,200
State general fund/general purpose		\$ 0
Sec. 106. TRANSPORTATION PLANNING		
Full-time equated classified positions	144.0	
Planning servicesFTEs	144.0	\$ 42,804,200
Grants to regional planning councils		488,800
GROSS APPROPRIATION		\$ 43,293,000
Appropriated from:		
Federal aid - transportation programs		24,000,000
Comprehensive transportation fund		634,200
Michigan transportation fund		10,445,600
State aeronautics fund		16,000
State trunkline fund		8,197,200
State general fund/general purpose		\$ 0
Sec. 107. DESIGN AND ENGINEERING SERVICES		
Full-time equated classified positions	1,652.3	
Business servicesFTEs	170.4	\$ 25,796,300
Program development and deliveryFTEs	1,132.3	153,477,100
System operations managementFTEs	349.6	73,586,000
GROSS APPROPRIATION		\$ 252,859,400
Appropriated from:		
Federal aid - transportation programs		13,529,800

Comprehensive transportation fund		187,10
Michigan transportation fund		17,110,70
State trunkline fund		222,031,80
State general fund/general purpose		\$ (
Sec. 108. HIGHWAY MAINTENANCE		
Full-time equated classified positions	905.7	
State trunkline operationsFTEs	905.7	\$ 465,846,70
GROSS APPROPRIATION		\$ 465,846,70
Appropriated from:		
State trunkline fund		465,846,70
State general fund/general purpose		\$
Sec. 109. ROAD AND BRIDGE PROGRAMS		
Cities and villages		\$ 698,031,20
County road commissioners		1,251,973,10
Grants to local programs		33,000,00
Local agency wetland mitigation bank fund		2,000,00
Local bridge program		27,398,50
Local federal aid and road and bridge		
construction		384,987,80
Movable bridge fund		6,016,60
Rail grade crossing		3,000,00
Rail grade crossing - surface improvements		3,000,00
State trunkline federal aid and road and bridge		
construction		1,449,639,00
GROSS APPROPRIATION		\$ 3,859,046,20
Appropriated from:		
Federal aid - transportation programs		1,580,218,70

Private funds		10,000,000
Blue Water Bridge fund		20,714,400
Local bridge fund		27,398,500
Michigan transportation fund		1,997,020,900
State trunkline fund		193,690,200
State general fund/general purpose		\$ 0
Sec. 110. BLUE WATER BRIDGE		
Full-time equated classified positions	44.0	
Blue Water Bridge operationsFTEs	44.0	\$ 7,142,400
GROSS APPROPRIATION		\$ 7,142,400
Appropriated from:		
Blue Water Bridge fund		7,142,400
State general fund/general purpose		\$ С
Sec. 111. TRANSPORTATION ECONOMIC DEVELOPMENT		
Forest roads		\$ 5,000,000
Rural county primary		11,092,300
Rural county urban system		2,500,000
Targeted industries/economic development		25,684,400
Urban county congestion		11,092,300
GROSS APPROPRIATION		\$ 55,369,000
Appropriated from:		
Economic development fund		55,369,000
State general fund/general purpose		\$ C
Sec. 112. AERONAUTICS SERVICES		
Full-time equated classified positions	48.0	
Air service program		\$ 50,000
Aviation servicesFTEs	48.0	7,481,800
GROSS APPROPRIATION		\$ 7,531,800

Appropriated from:		
State aeronautics fund		7,531,800
State general fund/general purpose	\$	0
Sec. 113. PUBLIC TRANSPORTATION SERVICES		
Full-time equated classified positions	40.0	
Passenger transportation servicesFTEs	40.0 \$	6,371,600
GROSS APPROPRIATION	\$	6,371,600
Appropriated from:		
Federal aid - transportation programs		1,200,000
Comprehensive transportation fund		5,171,600
State general fund/general purpose	\$	(
Sec. 114. LOCAL BUS TRANSIT		
Local bus operating	\$	216,750,000
Nonurban operation/capital		39,845,600
GROSS APPROPRIATION	\$	256,595,600
Appropriated from:		
Federal aid - transportation programs		37,845,60
Local funds		2,000,000
Comprehensive transportation fund		216,750,000
State general fund/general purpose	\$	(
Sec. 115. INTERCITY PASSENGER		
Full-time equated classified positions	41.0	
Detroit/Wayne County Port Authority	\$	500,000
Freight property management		1,300,000
Intercity services		9,514,200
Marine passenger service		5,152,000
Office of railFTEs	41.0	7,152,000
Office of fair-fies	11.0	,,

GROSS APPROPRIATION	\$	161,368,80
Appropriated from:		
Federal aid - FRA		30,000,00
Federal aid - FTA		8,710,80
Local funds		760,00
Private funds		2,800,00
Comprehensive transportation fund		110,122,80
Intercity bus equipment fund		45,40
Michigan transportation fund		2,145,60
Rail freight fund		6,000,00
State trunkline fund		784,20
State general fund/general purpose	\$	
State general fund/general purpose ec. 116. PUBLIC TRANSPORTATION DEVELOPMENT	\$	
	\$ \$	
ec. 116. PUBLIC TRANSPORTATION DEVELOPMENT		2,000,00
ec. 116. PUBLIC TRANSPORTATION DEVELOPMENT Municipal credit program		2,000,00 18,681,60 30,312,40
ec. 116. PUBLIC TRANSPORTATION DEVELOPMENT Municipal credit program Service initiatives		2,000,00 18,681,60
ec. 116. PUBLIC TRANSPORTATION DEVELOPMENT Municipal credit program Service initiatives Specialized services		18,681,60 30,312,40 222,717,50
ec. 116. PUBLIC TRANSPORTATION DEVELOPMENT Municipal credit program Service initiatives Specialized services Transit capital		18,681,60
ec. 116. PUBLIC TRANSPORTATION DEVELOPMENT Municipal credit program Service initiatives Specialized services Transit capital Van pooling	\$	18,681,60 30,312,40 222,717,50 400,00
ec. 116. PUBLIC TRANSPORTATION DEVELOPMENT Municipal credit program Service initiatives Specialized services Transit capital Van pooling GROSS APPROPRIATION	\$	18,681,60 30,312,40 222,717,50 400,00 274,111,50
ec. 116. PUBLIC TRANSPORTATION DEVELOPMENT Municipal credit program Service initiatives Specialized services Transit capital Van pooling GROSS APPROPRIATION Appropriated from:	\$	18,681,60 30,312,40 222,717,50 400,00 274,111,50
ec. 116. PUBLIC TRANSPORTATION DEVELOPMENT Municipal credit program Service initiatives Specialized services Transit capital Van pooling GROSS APPROPRIATION Appropriated from: Federal aid - transportation programs	\$	18,681,60 30,312,40 222,717,50 400,00 274,111,50 144,096,00 35,510,00
ec. 116. PUBLIC TRANSPORTATION DEVELOPMENT Municipal credit program Service initiatives Specialized services Transit capital Van pooling GROSS APPROPRIATION Appropriated from: Federal aid - transportation programs Local funds	\$	18,681,60 30,312,40 222,717,50 400,00 274,111,50 144,096,00 35,510,00 2,000,00
Municipal credit program Service initiatives Specialized services Transit capital Van pooling GROSS APPROPRIATION Appropriated from: Federal aid - transportation programs Local funds Private funds	\$	18,681,60 30,312,40 222,717,50 400,00

Salt storage buildings and containment control	\$ 3,000,000
Special maintenance, remodeling, and additions	5,000,500
GROSS APPROPRIATION	\$ 8,000,500
Appropriated from:	
State trunkline fund	8,000,500
State general fund/general purpose	\$ 0
(2) AIRPORT IMPROVEMENT PROGRAMS	
Airport safety, protection, and improvement	
program	\$ 180,069,700
Detroit Metropolitan Wayne County Airport	6,370,000
IIJA airport infrastructure grants	95,000,000
GROSS APPROPRIATION	\$ 281,439,700
Appropriated from:	
Federal aid - transportation programs	250,000,000
Local funds	17,500,000
Private funds	2,000,000
Total private revenues	2,000,000
Qualified airport fund	6,370,000
State aeronautics fund	5,569,700
State general fund/general purpose	\$ C
Sec. 118. ONE-TIME APPROPRIATIONS	
Intermodal capital investment grants	\$ 100,000,000
Michigan bridge bundling initiative	150,000,000
MI contracting opportunity	3,000,000
Critical infrastructure projects	104,000,000
High-speed rail/regional transit	100,000,000
Local road funding	150,000,000
Trail network	4,500,000

1	Critical rail separation	50,000,000
2	GROSS APPROPRIATION	\$ 661,500,000
3	Appropriated from:	
4	Comprehensive transportation fund	60,000,000
5	State trunkline fund	50,000,000
6	State general fund/general purpose	\$ 551,500,000

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8 PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2023-2024

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources under part 1 for fiscal year 2023-2024 is \$6,533,902,000.00 and state spending from state sources to be paid to local units of government for fiscal year 2023-2024 is \$2,901,291,500.00. The itemized statement below identifies appropriations from which spending to local units of government will occur:

19	STATE TRANSPORTATION DEPARTMENT		
	STATE TRANSFORTATION DEFARITEMENT		
20	Grants to regional planning councils	\$	488,800
21	Cities and villages		698,031,200
22	County road commissions	1	,251,973,100
23	Grants to local programs		33,000,000
24	Local bridge program		27,398,500
25	Local agency wetland mitigation		2,000,000
26	Movable bridge		3,008,300
27	Rail grade crossing		1,500,000
28	Rail grade surface crossing improvements		3,000,000

1	Forest road	5,000,000
2	Rural county primary	11,092,300
3	Rural county urban systems	2,500,000
4	Target industries/economic redevelopment	15,924,300
5	Urban county congestion	11,092,300
6	Air service program	50,000
7	Local bus operating	216,750,000
8	Detroit/Wayne County Port Authority	500,000
9	Marine passenger service	2,000,000
10	Municipal credit program	2,000,000
11	Service initiatives	9,029,400
12	Specialized services	13,000,000
13	Transit capital	68,076,100
14	Airport safety, protection, and improvement	
15	program	5,569,700
16	Detroit Metropolitan Wayne County Airport	6,370,000
17	Intermodal capital investment grants	40,937,500
18	Michigan bridge bundling initiative	112,500,000
19	High-speed rail/regional transit	100,000,000
20		100,000,000
21	Critical infrastructure projects	104,000,000
22	Trail network	4,500,000
23	Local road funding	150,000,000
24	Total payments to local units of government	\$ 2,901,291,500

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

Sec. 203. As used in this part and part 1:

(a) "CTF" means comprehensive transportation fund.

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- 1 (b) "Department" means the state transportation department.
- 2 (c) "Director" means the director of the department.
- 3 (d) "DOT" means the United States Department of
- 4 Transportation.
- 5 (e) "DOT-FHWA" means DOT, Federal Highway Administration.
- 6 (f) "FTE" means full-time equated.
- 7 (g) "IDG" means interdepartmental grant.
- 8 (h) "IIJA" means the infrastructure investment and jobs act,
- 9 2021, Public Law 117-58.
- 10 (i) "MTF" means Michigan transportation fund.
- 11 (j) "SAF" means state aeronautics fund.
- 12 (k) "STF" means state trunkline fund.
- Sec. 204. The department shall use the internet to fulfill the
- 14 reporting requirements of this article. This requirement shall
- 15 include transmission of reports via email to the recipients
- 16 identified for each reporting requirement, or it shall include
- 17 placement of reports on an internet site.
- 18 Sec. 205. To the extent permissible under section 261 of the
- 19 management and budget act, 1984 PA 431, MCL 18.1261:
- 20 (a) Funds appropriated in part 1 must not be used for the
- 21 purchase of foreign goods or services, or both, if competitively
- 22 priced and of comparable quality American goods or services, or
- 23 both, are available.
- 24 (b) Preference must be given to goods or services, or both,
- 25 manufactured or provided by Michigan businesses, if they are
- 26 competitively priced and of comparable quality.
- (c) Preference must be given to goods or services, or both,
- 28 that are manufactured or provided by Michigan businesses owned and
- 29 operated by veterans, if they are competitively priced and of

1 comparable quality.

Sec. 206. To the extent permissible under the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594, the director shall take all reasonable steps to ensure geographically disadvantaged business enterprises compete for and perform contracts to provide services or supplies, or both. The director shall strongly encourage firms with which the department contracts to subcontract with certified businesses in depressed and deprived communities for services, supplies, or both.

Sec. 207. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the departments and agencies receiving appropriations in part 1 shall prepare a report on out-of-state travel expenses not later than January 1 of each year. The travel report shall be a listing of all travel by classified and unclassified employees outside this state in the immediately preceding fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report shall be submitted to the senate and house appropriations committees, the house and senate fiscal agencies, and the state budget director. The report shall include the following information:

- (a) The dates of each travel occurrence.
- (b) The transportation and related costs of each travel occurrence, including the proportion funded with state general fund/general purpose revenues, the proportion funded with state restricted revenues, the proportion funded with federal revenues, and the proportion funded with other revenues.

Sec. 208. Funds appropriated in part 1 shall not be used by a principal executive department, state agency, or authority to hire a person to provide legal services that are the responsibility of

the attorney general. This prohibition does not apply to legal services for bonding activities and for those outside services that the attorney general authorizes.

Sec. 209. Not later than December 31, the state budget office shall prepare and transmit a report that provides for estimates of the total general fund/general purpose appropriation lapses at the close of the prior fiscal year. This report shall summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas. The report shall be transmitted to the chairpersons of the senate and house appropriations committees and the senate and house fiscal agencies.

Sec. 210. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed \$200,000,000.00 for federal contingency authorization. These funds are not available for expenditure until they have been transferred to another line item in this article pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

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

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

Sec. 211. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

- (a) Fiscal year-to-date expenditures by category.
- (b) Fiscal year-to-date expenditures by appropriation unit.
- (c) Fiscal year-to-date payments to a selected vendor,
 including the vendor name, payment date, payment amount, and
 payment description.
- - (e) Job specifications and wage rates.
 - Sec. 212. Within 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide information sufficient to provide the senate and house appropriations chairs, the chairpersons of the senate and house appropriations subcommittees on transportation, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2023 and September 30, 2024.
 - Sec. 213. The department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks,

and regularly updates key metrics that are used to monitor and improve the department's performance.

Sec. 215. A department shall not take disciplinary action against an employee of the department or departmental agency in the state classified civil service because the employee communicates with a member of the senate or house of representatives or a member's staff, unless the communication is prohibited by law and the department or agency taking disciplinary action is exercising its authority as provided by law.

Sec. 216. (1) On a quarterly basis, the department shall report to the senate and house appropriations committees, the senate and house appropriations subcommittees on transportation, and the senate and house fiscal agencies the following information:

- (a) The number of FTEs in pay status by type of staff and civil service classification.
- (b) A comparison by line item of the number of FTEs authorized from funds appropriated in part 1 to the actual number of FTEs employed by the department at the end of the reporting period.
- (2) By March 1 of the current fiscal year, the department shall report to the senate and house appropriations committees, the senate and house appropriations subcommittees on transportation, and the senate and house fiscal agencies the following information:
- (a) Number of employees that were engaged in remote work in24
- (b) Number of employees authorized to work remotely and theactual number of those working remotely in the current reportingperiod.
 - (c) Estimated net cost savings achieved by remote work.
- 29 (d) Reduced use of office space associated with remote work.

Sec. 217. Appropriations in part 1 shall, to the extent possible by the department, not be expended until all existing work project authorization available for the same purposes is exhausted.

Sec. 219. The departments and agencies receiving appropriations in part 1 shall receive and retain copies of all reports funded from appropriations in part 1. Federal and state guidelines for short-term and long-term retention of records shall be followed. The department may electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 220. The department shall report no later than April 1 on each specific policy change made to implement a public act affecting the department that took effect during the prior calendar year to the senate and house appropriations committees, the senate and house subcommittees on transportation, the joint committee on administrative rules, and the senate and house fiscal agencies.

Sec. 221. (1) From the funds appropriated in part 1, the department shall do all of the following:

- (a) Report to the house and senate appropriations committees, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office any amount of severance pay for a department director, deputy director, or other high-ranking department official not later than 14 days after a severance agreement with the director or official is signed. The name of the director or official and the amount of severance pay must be included in the report required by this subdivision.
- (b) Maintain an internet site that posts any severance pay in excess of 6 weeks of wages, regardless of the position held by the former department employee receiving severance pay.
 - (c) By February 1, report to the house and senate

- appropriations subcommittees on transportation, the house and senate fiscal agencies, the house and senate policy offices, and the state budget office on the total amount of severance pay remitted to former department employees during the fiscal year ending September 30, 2023 and the total number of former department employees that were remitted severance pay during the fiscal year ending September 30, 2023.
 - (2) As used in this section, "severance pay" means compensation that is both payable or paid upon the termination of employment and in addition to either wages or benefits earned during the course of employment or generally applicable retirement benefits.
 - Sec. 224. It is the intent of the legislature that departments maximize the efficiency of the state workforce and, where possible, prioritize in-person work. Each executive branch department, agency, board, or commission that receives funding under part 1 must post its in-person, remote, or hybrid work policy on its website.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

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

Sec. 302. Not later than February 1, 2024, the department shall report to the house and senate appropriations subcommittees

on transportation, the house and senate fiscal agencies, and the state budget office on STF debt service. The report must include all of the following:

- (a) An accounting of the prior fiscal year's STF debt service payments, including a calculation of STF debt service payments as a percentage of STF revenue secured by constitutionally restricted revenue.
- (b) A projection of STF debt service obligations for the fiscal year ending September 30, 2024, including a calculation of STF debt service obligations as a percentage of estimated STF revenue secured by constitutionally restricted revenue.
- (c) A description of all bond sales planned for the fiscalyear ending September 30, 2024.

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

Sec. 306. (1) The amounts appropriated in part 1 to support tax and fee collection, law enforcement, and other program services provided to the department and to transportation funds by other state departments shall be expended from transportation funds pursuant to annual contracts between the department and those other state departments. The contracts shall be executed prior to the expenditure or obligation of those funds. The contracts shall provide, but are not limited to, the following data applicable to

each state department:

- (a) Estimated costs to be recovered from transportation funds.
- (b) Description of services provided to the department and/or transportation funds and financed with transportation funds.
- (c) Detailed cost allocation methods appropriate to the type of services being provided and the activities financed with transportation funds.
- (2) Not later than 2 months after publication of the state of Michigan annual comprehensive financial report, each state department receiving funding pursuant to an interdepartment contract with the department shall submit a written report to the department, the state budget director, the house and senate fiscal agencies, and the auditor general stating by spending authorization account the amount of estimated funds contracted with the department, the amount of funds expended, the amount of funds returned to the transportation funds, and any unreimbursed transportation-related costs incurred but not billed to transportation funds.
- Sec. 307. Before March 1 of each year, the department will provide to the legislature, the state budget director, and the house and senate fiscal agencies its rolling 5-year plan listing by county or by county road commission all highway construction projects for the fiscal year and all expected projects for the ensuing fiscal years.
- Sec. 310. The department shall provide in a timely manner copies of the agenda, approved minutes, and audio recording of quarterly transportation commission meetings to the members of the house and senate appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget

director.

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

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

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

Sec. 383. (1) The department shall prepare a report on use of department-owned aircraft during the fiscal year ending September 30, 2023. With respect to each department-owned aircraft, the report shall include all of the following:

(a) Total hours of usage.

- (b) Description of specific flights including dates of travel, names of passengers including state agency, university, or local government affiliation, travel origin and destination, and total estimated costs associated with the air travel.
- (2) The report shall be submitted to the senate and house appropriations subcommittees on transportation, state budget director, and the house and senate fiscal agencies no later than February 1, 2024.
- (3) The department shall maintain a system for recovering the cost of operating department-owned aircraft through charges to aircraft users.
- 12 Sec. 384. (1) Except as otherwise provided in subsection (2), the department shall not obligate the state to expend any state 13 14 transportation revenue for construction planning or construction of 15 the Gordie Howe International Crossing or a renamed successor. In 16 addition, except as provided in subsection (2), the department shall not commit the state to any new contract related to the 17 construction planning or construction of the Gordie Howe 18 International Crossing or a renamed successor that would obligate 19 20 the state to expend any state transportation revenue. An 21 expenditure for staff resources used in connection with project activities, which expenditure is subject to full and prompt 22 23 reimbursement from Canada, shall not be considered an expenditure 24 of state transportation revenue.
 - (2) If the legislature enacts specific enabling legislation for the construction of the Gordie Howe International Crossing or a renamed successor, subsection (1) does not apply once the enabling legislation goes into effect.
- Sec. 385. (1) The department shall submit monthly reports to

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- 1 the state budget director, the speaker of the house of
- 2 representatives, the house of representatives minority leader, the
- 3 senate majority leader, the senate minority leader, the house and
- 4 senate appropriations subcommittees on transportation, and the
- 5 house and senate fiscal agencies on all of the following:
- 6 (a) All expenditures made by the state related to the Gordie7 Howe Bridge.
- 8 (b) All reimbursements made by Canada under section 384(1) of
 9 this part to the state for expenditures for staff resources used in
 10 connection with project activities.
 - (c) All eminent domain and condemnation powers used, the related real estate involved in any governmental taking, the price paid for those properties, and the beneficiary's name or associated corporation.
- (2) The initial report required under subsection (1) shall be
 submitted on or before December 1, 2023. The initial report shall
 cover the fiscal year ending September 30, 2023.
- Sec. 387. (1) Within 90 days of completion of any formal traffic study, formal traffic control study, or formal traffic mitigation study, the department shall post the results of the study on the department's website.
- 22 (2) As used in this section, the terms "traffic study",
 23 "traffic control study", and "traffic mitigation study" include,
 24 but are not limited to, investigations into the need for traffic
 25 lights, reviews of traffic speeds and related recommendations
 26 regarding speed limits, and ways to improve traffic flow during
 27 peak travel times.
- 28 Sec. 389. Within 30 days of entering into a long-term 29 agreement with a private contractor, a public agency, or a

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partnership between 1 or more private contractors or public 1 agencies, the department shall notify the state budget director, 2 the house and senate appropriations subcommittees on 3 4 transportation, and the house and senate fiscal agencies of the 5 agreement, including the subject of the agreement, the term of the 6 agreement, and financial obligations under the agreement. As used 7 in this section, "long-term agreement" means an agreement that 8 obligates the department for a period of 5 years or more and that actually or contingently obligates the department to make payments 9 10 over the contract period of \$5,000,000.00 or more.

Sec. 395. From the funds appropriated in part 1 for state trunkline federal aid road and bridge construction, the department may expend up to \$10,000,000.00 on highway maintenance activities to support safety-related, high-priority, and other deferred routine maintenance needs on the state trunkline network.

Sec. 398. The department shall continue to work to eliminate fatalities and serious injuries on the state trunkline network and shall maintain the Toward Zero Deaths statewide safety campaign.

Sec. 399. In developing its state trunkline road and bridge construction program, the department shall prioritize spending on capital preventative maintenance. From the funds appropriated in part 1 for state trunkline road and bridge construction, not less than \$100,000,000.00 must be allocated for capital preventative maintenance treatments for pavement preservation.

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FEDERAL

Sec. 402. A portion of the federal DOT-FHWA highway research, planning, and construction funds made available to this state shall be allocated to transportation programs administered by local

- 1 jurisdictions in accordance with section 10o of 1951 PA 51, MCL
- 2 247.6600. A local road agency, with respect to a project approved
- 3 for federal aid funding in a state transportation improvement
- 4 program, may enter into a voluntary buyout agreement with the
- 5 department or with another local road agency to exchange the
- 6 federal aid with state restricted transportation funds as agreed to
- 7 by the respective parties. The state restricted transportation
- 8 funds received in exchange for federal aid funds shall be used for
- 9 the same purpose as the federal aid funds were originally intended.

MICHIGAN TRANSPORTATION FUND

- 12 Sec. 501. The money received under the motor carrier act, 1933
- 13 PA 254, MCL 475.1 to 479.42, and not appropriated to the department
- 14 of licensing and regulatory affairs or the department of state
- 15 police is deposited in the Michigan transportation fund.
- Sec. 503. (1) At the close of the fiscal year, funds
- 17 appropriated in part 1 for the transportation economic development
- 18 program shall lapse to the transportation economic development
- **19** fund.
- 20 (2) At the close of the fiscal year, funds appropriated in
- 21 part 1 for the local bridge program shall carry forward and are
- appropriated for the purposes defined in section 10(5) of 1951 PA
- 23 51, MCL 247.660.
- 24 (3) Interest earned in the department of transportation
- 25 economic development fund and local bridge fund shall remain in the
- 26 respective funds and shall be allocated to the respective programs
- 27 based on actual interest earned at the end of each fiscal year.
- 28 (4) In addition to the funds appropriated in part 1, the
- 29 department of transportation economic development fund and local

- bridge fund may receive federal, local, or private funds or
 restricted source funds such as interest earnings. These funds are
 appropriated for projects that are consistent with the purposes of
 the respective funds.
 - (5) None of the funds statutorily dedicated to the transportation economic development fund and local bridge fund shall be diverted to other projects.

8 Sec. 504. Funds from the Michigan transportation fund shall be 9 distributed to the comprehensive transportation fund, the economic 10 development fund, the recreation improvement fund, and the state 11 trunkline fund, in accordance with this part and part 1 and part 12 711 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.71101 to 324.71108, and may only be used as 13 14 specified in this part and part 1, 1951 PA 51, MCL 247.651 to 15 247.675, and part 711 of the natural resources and environmental 16 protection act, 1994 PA 451, MCL 324.71101 to 324.71108.

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STATE TRUNKLINE FUND

- Sec. 604. At the close of the fiscal year, any unencumbered and unexpended balance in the state trunkline fund shall remain in the state trunkline fund and shall carry forward and is appropriated for federal aid road and bridge programs for projects contained in the annual state transportation program.
- Sec. 612. The department shall establish guidelines governing incentives and disincentives provided under contracts for state trunkline projects. The guidelines shall include specific financial information concerning incentives and disincentives.
- Sec. 660. (1) The legislature encourages the department to
 examine the use of alternative road surface materials and develop

criteria and specifications for their use in both departmentmanaged and contracted projects.

(2) From funds appropriated in part 1, the department shall establish the Michigan state transportation innovation council to review innovative road materials and innovative road and bridge design and construction specifications. The Michigan state transportation innovation council shall include, but is not limited to, a representative of the DOT-FHWA, an appointee chosen by the speaker of the house of representatives, and an appointee chosen by the senate majority leader.

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TRANSIT AND RAIL RELATED FUNDS

Sec. 701. The department shall establish an intercity bus equipment and facility fund as a subsidiary fund within the comprehensive transportation fund created under section 10b of 1951 PA 51, MCL 247.660b. Proceeds received by this state from the sale of state-owned intercity bus equipment shall be credited to the intercity bus equipment and facility fund for the purchase and repair of intercity bus equipment, as appropriated. Security deposits not returned to a lessee of state-owned intercity bus equipment under terms of the lease agreement shall be credited to the intercity bus equipment and facility fund for the repair of intercity bus equipment, as appropriated. Money received by the department from lease payments for state-owned intercity bus equipment, and facility maintenance charges under terms of leases of state-owned intercity facilities, shall be credited to the intercity bus equipment and facility fund for the purchase and repair of intercity bus equipment or for the maintenance and rehabilitation of state-owned intercity facilities, as

appropriated. At the close of the fiscal year, any funds remaining in the intercity bus equipment and facility fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Sec. 702. Money that is received by this state as repayment for loans made for rail or water freight capital projects, and as a result of the sale of property or equipment used or projected to be used for rail or water freight projects shall be deposited in the rail freight fund created by section 17 of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.67. At the close of the fiscal year, any funds remaining in the rail freight fund shall remain in the fund and be carried forward into the succeeding fiscal year.

Sec. 704. From the funds appropriated in part 1, the department shall prepare and transmit a report that includes the department's current rolling 5-year rail plan and detail regarding the department's obligations for programs funded under the appropriation in part 1 for rail operations and infrastructure. The report shall include a breakdown of the appropriation by program, year-to-date obligations under each program itemized by project, and an estimate of future obligations under each program itemized by project for the remainder of the fiscal year. The report shall be submitted to the senate and house appropriations subcommittees on transportation, the state budget director, and the senate and house fiscal agencies, on or before February 1, 2024.

AERONAUTICS FUND

Sec. 801. Except as otherwise provided in section 903 of this part for capital outlay, at the close of the fiscal year, any unobligated and unexpended balance in the state aeronautics fund

created in the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1 to 259.208, shall lapse to the state aeronautics fund and be appropriated by the legislature in the immediately succeeding fiscal year.

CAPITAL OUTLAY

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

- (2) Political entities and subdivisions shall provide not less than 5% of the cost of any project under this section, unless a total nonfederal share less than 10% is otherwise specified in federal law. State money shall not be allocated until local money is allocated. State money for any 1 project shall not exceed 1/3 of the total appropriation in part 1 from state funds for airport improvement programs.
- (3) The Michigan aeronautics commission may take those steps necessary to match federal money available for airport construction and improvement within this state and to meet the matching requirements of the federal government. Whether acting alone or jointly with another political subdivision or public agency or with this state, a political subdivision or public agency of this state shall not submit to any agency of the federal government a project application for airport planning or development unless it is

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

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

ONE-TIME ONLY APPROPRIATIONS

Sec. 1001. (1) Funds appropriated in part 1 for intermodal capital investment grants shall be expended by the department to support capital needs that improve rail, marine, intercity, and local transit infrastructure or equipment in this state and that are eligible for funding under sections 10d or 10s of 1951 PA 51, MCL 247.660d and 247.660s, or the fixed guideway capital investment grants program authorized in section 30005 of the infrastructure investment and jobs act, Public Law 117-58.

- (2) The department may require a local match for local projects funded by the intermodal investment capital grants program consistent with the provisions of 1951 PA 51, MCL 247.651 to 247.675. In addition, the department may leverage all available federal grant funding in support of projects selected for the program. All federal and local funds received are appropriated for the purposes of the program.
- (3) The department shall develop program guidelines and selection criteria in consultation with the Michigan infrastructure office.
- 29 (4) Individual grants must not be more than \$20,000,000.00.

Sec. 1002. (1) Funds appropriated in part 1 for the Michigan 1 2 bridge bundling initiative shall be expended by the department to support a statewide program for the rehabilitation or replacement 3 4 of state and locally owned bridges. The department shall coordinate the Michigan bridge bundling initiative and issue contracts 5 6 necessary for planning, design, and construction work related to bridges selected for the program. Bridges shall be selected for 7 8 inclusion in the program subject to available funding and according to all of the following criteria: 9

- (a) Locally owned bridges that have previously been considered for funding under the local bridge program created in section 10(4) of 1951 PA 51, MCL 247.660.
- (b) State-owned bridges rated as being in serious or critical condition according to U.S. National Bridge Inventory criteria.
- (c) A bridge bundling package is limited to 5 bridges maximum per package per MDOT region.
 - (2) The bridge bundling initiative is designated as a work project appropriation. Any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:
 - (a) The purpose of the project is to bundle bridges for more efficient construction.
 - (b) The project will be accomplished by utilizing state employees or contracts with service providers, or both.
- 27 (c) The total estimated cost of the project is 28 \$150,000,000.00.
- 29 (d) The tentative completion date is September 30, 2028.

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Sec. 1003. Funds appropriated in part 1 for MI contracting opportunity shall be expended by the department to support activities that enhance the development and availability of contractors or suppliers for the delivery of the department's programs that are socially or economically disadvantaged business concerns as defined under section 100002 of the infrastructure investment and jobs act, Public Law 117-58. These activities may include, but are not limited to, any of the following:

- (a) A revolving loan program to provide for bank fees and initial project-based loans for socially or economically disadvantaged businesses to participate in the delivery of the department's programs.
 - (b) Development of a small business mentor protégé program.
- (c) A program to expand the availability of affordable insurance options for eligible suppliers.
 - (d) Development of a small business trucking program.

Sec. 1004. Funds appropriated in part 1 for critical rail separation shall be expended by the department for a rail grade separation project in the city of Trenton on a state trunkline road near the intersection of Van Horn and M-85. Critical rail separation is designated as a work project appropriation. Any unencumbered or unallotted funds shall not lapse at the end of the fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The following is in compliance with section 451a of the management and budget act, 1984 PA 431, MCL 18.1451a:

- (a) The purpose of the project is for rail grade separation.
- (b) The project will be accomplished by utilizing stateemployees or contracts with service providers, or both.

- 1 (c) The total estimated cost of the project is \$50,000,000.00.
- 2 (d) The tentative completion date is September 30, 2028.
- 3 Sec. 1005. Funds appropriated in part 1 for high-speed
- 4 rail/regional transit shall be deposited in a new fund to support
- 5 transformational rail and transit projects. The department may
- 6 issue grants to local governments with matching requirements and
- 7 take those steps necessary to match federal money available for
- 8 these projects. High-speed rail/regional transit is designated as a
- 9 work project appropriation. Any unencumbered or unallotted funds
- 10 shall not lapse at the end of the fiscal year and shall be
- 11 available for expenditures for projects under this section until
- 12 the projects have been completed. The following is in compliance
- with section 451a of the management and budget act, 1984 PA 431,
- **14** MCL 18.1451a:
- 15 (a) The purpose of the project is for supporting
- 16 transformational rail and regional transit.
- 17 (b) The project will be accomplished by utilizing state
- 18 employees or contracts with service providers, or both.
- 19 (c) The total estimated cost of the project is
- 20 \$100,000,000.00.
- 21 (d) The tentative completion date is September 30, 2028.
- Sec. 1006. (1) Funds appropriated in part 1 for local road
- 23 funding shall be expended for road projects and are to be divided
- 24 accordingly:
- 25 (a) Sixty percent goes to the county road commissions as that
- 26 term is defined in section 10c of 1951 PA 51, MCL 247.660c, in
- 27 counties with a population of more than 350,000 according to the
- 28 latest federal decennial census, proportionate to population. Ten
- 29 percent of the total amount is to go to township roads in the

1 counties described in this subdivision.

proportionate to population.

- 2 (b) Forty percent goes to local municipal governments within
 3 the counties described in subdivision (a). As used in this
 4 subdivision, "local municipal government" means a city or village,
 5 as categorized by the latest federal decennial census,
- 7 Sec. 1007. (1) Funds appropriated in part 1 for critical 8 infrastructure projects shall be expended for infrastructure projects and are designated as a work project appropriation. Any 9 10 unencumbered or unallotted funds shall not lapse at the end of the 11 fiscal year and shall be available for expenditures for projects under this section until the projects have been completed. The 12 following is in compliance with section 451a of the management and 13 14 budget act, 1984 PA 431, MCL 18.1451a:
- (a) The purpose of the project is to fund infrastructure incritical need.
- 17 (b) The project will be accomplished by utilizing state
 18 employees or contracts with service providers, or both.
- 19 (c) The total estimated cost of the project is
 20 \$100,000,000.00.
 - (d) The tentative completion date is September 30, 2028.
- 22 (2) The funds described in subsection (1) must be divided 23 accordingly:
- 24 (a) \$9,400,000.00 to an airport in a county with a population 25 between 79,000 and 80,000 according to the latest federal decennial 26 census, partially in a city with a population above 30,000 27 according to the latest federal decennial census, to be used for 28 roadway improvements.
- 29 (b) \$5,000,000.00 to create a Great Lakes maritime office

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- (c) \$1,000,000.00 to the County Road Association to update the new cloud-based management system.
- (d) \$15,000,000.00 to the department to be used for the highest-priority rail grade separation projects throughout this state.
- (e) \$4,900,000.00 to a township for road construction in a county with a population between 800,000 and 900,000 according to the latest federal decennial census, in a township with a population between 90,000 and 95,000 according to the latest federal decennial census, to be used as a local match for a county road.
- (f) \$2,000,000.00 for department aeronautics for capital
 development assistance to general aviation airports for projects
 including obstruction removal.
- - (h) \$1,000,000.00 to a county with a population of more than 1,700,000 according to the latest federal decennial census, to be used for an avenue improvement program.
 - (i) \$400,000.00 to a county with a population between 800,000 and 900,000 according to the latest federal decennial census, to be used for traffic signal and road improvement.
 - (j) \$3,000,000.00 to a regional public transportation provider serving not fewer than 3 counties with a combined population of over 2,000,000 according to the most recent federal decennial census for bus shelters in the following 3 cities:
- 28 (i) A city with a population greater than 600,000 according to the most recent federal decennial census.

- (ii) A city with a population between 139,000 and 140,000 according to the most recent federal decennial census.
- (iii) A city with a population between 8,551 and 8,553 according to the most recent federal decennial census.
- (k) \$12,000,000.00 to a county with a population of more than 1,700,000 according to the latest federal decennial census for infrastructure improvements for economic development.
- (l) \$14,000,000.00 to a county with a population between 79,000 and 80,000 according to the latest federal decennial census, for road reconstruction and improvements to local roads at state highway intersections to reduce congestion and improve capacity.
- (m) \$100.00 to a city with a population between 13,330 and 13,340 according to the latest federal decennial census to be used for dock and port rehabilitation.
- (n) \$5,500,000.00 to a city in a county with a population between 1,200,000 and 1,300,000 according to the latest federal decennial census with a city population between 76,500 and 77,000 according to the latest federal decennial census, to be used for a project with concrete reconstruction with road and drive reconfiguration, a new curb, a road diet, a nonmotorized pathway, and a storm sewer.
- (o) \$100.00 for the department to design and build a sound wall in the city of Troy.
- (p) \$5,000,000.00 to the department for Michigan's air service development program.
- (q) \$10,000,000.00 to a county with a population between 100,000 and 105,000 according to the latest federal decennial census, to be used for a road reconstruction project.
- (r) \$100.00 to the department for a drone feasibility project.

(s) \$100.00 for bridge repair in a city with a population between 61,600 and 62,000 according to the latest federal decennial census.

Sec. 1010. Funds appropriated in part 1 for Trail network shall be used to fund the expansion of a multi-county non-motorized trail network that utilizes a former railroad corridor. Funds shall be used to provide connections and improvements to the portion of the trail network located in a county with a population between 68,000 and 69,000 according to the latest federal decennial census.