

FIRST CONFERENCE REPORT

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

Senate Bill No. 777, entitled

A bill to make appropriations for the state transportation department for the fiscal year ending September 30, 2015; 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 state transportation department for the fiscal year ending September 30, 2015; and to provide for the expenditure of the appropriations.

John Pappageorge

Rob VerHeulen

Roger Kahn

Paul Muxlow

Glenn Anderson

Andrew Kandrevas

Conferees for the Senate

Conferees for the House

SUBSTITUTE FOR
SENATE BILL NO. 777

A bill to make appropriations for the state transportation department for the fiscal year ending September 30, 2015; 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, 2015, from the
5 following funds:

6 STATE TRANSPORTATION DEPARTMENT

7 APPROPRIATION SUMMARY

8 Full-time equated unclassified positions..... 6.0

9 Full-time equated classified positions..... 2,912.3

10 GROSS APPROPRIATION..... \$ 3,701,098,600

1	Total interdepartmental grants and intradepartmental	
2	transfers	3,786,900
3	ADJUSTED GROSS APPROPRIATION.....	\$ 3,697,311,700
4	Federal revenues:	
5	Federal aid - transportation programs	1,205,885,500
6	Total federal revenues	1,205,885,500
7	Special revenue funds:	
8	Local revenues	50,177,100
9	Private revenues	100,000
10	Total local and private revenues	50,277,100
11	Blue Water Bridge fund	37,759,800
12	Comprehensive transportation fund	280,104,200
13	Economic development fund	53,597,000
14	IRS debt service rebate	6,981,700
15	Intercity bus equipment fund	140,000
16	Local bridge fund	28,884,100
17	Michigan transportation fund	1,017,972,100
18	Rail freight fund	6,000,000
19	State aeronautics fund	15,006,600
20	State trunkline fund	708,555,700
21	Total other state restricted revenues	2,155,001,200
22	State general fund/general purpose	\$ 286,147,900
23	State general fund/general purpose schedule:	
24	Ongoing state general fund/general	
25	purpose	0
26	One-time state general fund/general	
27	purpose	286,147,900

1 **Sec. 102. DEBT SERVICE**

2	State trunkline.....	\$	198,076,600
3	Economic development.....		11,665,300
4	Local bridge fund.....		2,406,700
5	Blue Water Bridge fund.....		6,962,000
6	Airport safety and protection plan.....		4,992,200
7	Comprehensive transportation.....		<u>18,215,500</u>
8	GROSS APPROPRIATION.....	\$	242,318,300
9	Appropriated from:		
10	Federal revenues:		
11	Federal aid - transportation programs.....		45,726,400
12	Special revenue funds:		
13	Blue Water Bridge fund.....		6,962,000
14	Comprehensive transportation fund.....		18,215,500
15	Economic development fund.....		11,665,300
16	Local bridge fund.....		2,406,700
17	IRS debt service rebate.....		6,981,700
18	State aeronautics fund.....		4,992,200
19	State trunkline fund.....		145,368,500
20	State general fund/general purpose.....	\$	0

21 **Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY**

22 **SUPPORT SERVICES**

23	MTF grant to department of environmental quality.....	\$	1,312,800
24	MTF grant to department of state for collection of		
25	revenue and fees		20,000,000
26	MTF grant to department of treasury.....		2,700,000
27	MTF grant to legislative auditor general.....		303,500

1	STF grant to department of attorney general	2,387,000
2	STF grant to civil service commission	5,697,000
3	STF grant to department of technology, management, and	
4	budget	1,296,300
5	STF grant to department of state police	11,433,400
6	STF grant to department of treasury	129,900
7	STF grant to legislative auditor general	704,900
8	SAF grant to department of attorney general	174,400
9	SAF grant to civil service commission	150,000
10	SAF grant to department of technology, management, and	
11	budget	38,600
12	SAF grant to department of treasury	74,300
13	SAF grant to legislative auditor general	29,100
14	CTF grant to department of attorney general	200,900
15	CTF grant to civil service commission	200,000
16	CTF grant to department of technology, management, and	
17	budget	47,000
18	CTF grant to department of treasury	16,400
19	CTF grant to legislative auditor general	<u>37,300</u>
20	GROSS APPROPRIATION	\$ 46,932,800
21	Appropriated from:	
22	Special revenue funds:	
23	Comprehensive transportation fund	501,600
24	Michigan transportation fund	24,316,300
25	State aeronautics fund	466,400
26	State trunkline fund	21,648,500
27	State general fund/general purpose	\$ 0

1	Sec. 104. EXECUTIVE DIRECTION		
2	Full-time equated unclassified positions.....	6.0	
3	Full-time equated classified positions.....	29.3	
4	Unclassified salaries.....	\$	724,700
5	Asset management council.....		1,626,400
6	Commission audit--29.3 FTE positions.....		<u>3,356,700</u>
7	GROSS APPROPRIATION.....	\$	5,707,800
8	Appropriated from:		
9	Special revenue funds:		
10	Michigan transportation fund.....		1,626,400
11	State trunkline fund.....		4,081,400
12	State general fund/general purpose.....	\$	0
13	Sec. 105. BUSINESS SUPPORT		
14	Full-time equated classified positions.....	53.0	
15	Business support services--44.0 FTE positions.....	\$	6,662,100
16	Economic development and enhancement programs--9.0 FTE		
17	positions		1,452,600
18	Property management.....		8,066,500
19	Worker's compensation.....		<u>2,237,800</u>
20	GROSS APPROPRIATION.....	\$	18,419,000
21	Appropriated from:		
22	Special revenue funds:		
23	Comprehensive transportation fund.....		1,550,700
24	Economic development fund.....		378,700
25	Michigan transportation fund.....		779,600
26	State aeronautics fund.....		634,600
27	State trunkline fund.....		15,075,400

1	State general fund/general purpose	\$	0
2	Sec. 106. INFORMATION TECHNOLOGY		
3	Information technology services and projects	\$	<u>31,473,500</u>
4	GROSS APPROPRIATION	\$	31,473,500
5	Appropriated from:		
6	Federal revenues:		
7	Federal aid - transportation programs		520,500
8	Special revenue funds:		
9	Blue Water Bridge fund		53,700
10	Comprehensive transportation fund		218,100
11	Economic development fund		37,200
12	Michigan transportation fund		288,000
13	State aeronautics fund		170,200
14	State trunkline fund		30,185,800
15	State general fund/general purpose	\$	0
16	Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES		
17	Full-time equated classified positions		185.0
18	Finance, contracts, and support services	\$	<u>21,311,000</u>
19	GROSS APPROPRIATION	\$	21,311,000
20	Appropriated from:		
21	Interdepartmental grant revenues:		
22	IDG for accounting service center user charges		3,786,900
23	Special revenue funds:		
24	Michigan transportation fund		1,553,400
25	State trunkline fund		15,970,700
26	State general fund/general purpose	\$	0
27	Sec. 108. TRANSPORTATION PLANNING		

1	Full-time equated classified positions.....	141.0	
2	Transportation planning--141.0 FTE positions		\$ 38,271,800
3	Grants to regional planning councils		<u>488,800</u>
4	GROSS APPROPRIATION.....		\$ 38,760,600
5	Appropriated from:		
6	Federal revenues:		
7	Federal aid - transportation programs		20,000,000
8	Special revenue funds:		
9	Comprehensive transportation fund.....		610,500
10	Michigan transportation fund.....		8,649,200
11	State aeronautics fund.....		15,000
12	State trunkline fund.....		9,485,900
13	State general fund/general purpose		\$ 0
14	Sec. 109. DESIGN AND ENGINEERING SERVICES		
15	Full-time equated classified positions.....	1,586.3	
16	Engineering services--427.6 FTE positions		\$ 50,761,600
17	Program services--1,108.7 FTE positions		104,867,000
18	Welcome center operations--50.0 FTE positions		<u>4,460,000</u>
19	GROSS APPROPRIATION.....		\$ 160,088,600
20	Appropriated from:		
21	Federal revenues:		
22	Federal aid - transportation programs		23,529,800
23	Special revenue funds:		
24	Michigan transportation fund.....		11,946,200
25	State trunkline fund.....		124,612,600
26	State general fund/general purpose		\$ 0
27	Sec. 110. HIGHWAY MAINTENANCE		

1	Full-time equated classified positions.....	747.7	
2	State trunkline operations--747.7 FTE positions		\$ <u>310,440,500</u>
3	GROSS APPROPRIATION.....		\$ 310,440,500
4	Appropriated from:		
5	Special revenue funds:		
6	State trunkline fund.....		310,440,500
7	State general fund/general purpose		\$ 0
8	Sec. 111. ROAD AND BRIDGE PROGRAMS		
9	State trunkline federal aid and road and bridge		
10	construction		\$ 824,646,200
11	Local federal aid and road and bridge construction ...		240,443,000
12	Grants to local programs.....		33,000,000
13	Rail grade crossing.....		3,000,000
14	Local bridge program.....		26,477,400
15	County road commissions.....		597,608,200
16	Cities and villages.....		<u>333,193,300</u>
17	GROSS APPROPRIATION.....		\$ 2,058,368,100
18	Appropriated from:		
19	Federal revenues:		
20	Federal aid - transportation programs		982,720,800
21	Special revenue funds:		
22	Local funds.....		30,000,000
23	Blue Water Bridge fund.....		24,391,900
24	Local bridge fund.....		26,477,400
25	Michigan transportation fund.....		966,801,500
26	State trunkline fund.....		27,976,500
27	State general fund/general purpose		0

1	Sec. 112. BLUE WATER BRIDGE		
2	Full-time equated classified positions.....	41.0	
3	Blue Water Bridge operations--41.0 FTE positions	\$	<u>6,352,200</u>
4	GROSS APPROPRIATION.....	\$	6,352,200
5	Appropriated from:		
6	Special revenue funds:		
7	Blue Water Bridge fund.....		6,352,200
8	State general fund/general purpose	\$	0
9	Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT		
10	Forest roads.....	\$	5,000,000
11	Rural county urban system.....		2,500,000
12	Target industries/economic redevelopment		18,757,800
13	Urban county congestion.....		7,629,000
14	Rural county primary.....		<u>7,629,000</u>
15	GROSS APPROPRIATION.....	\$	41,515,800
16	Appropriated from:		
17	Special revenue funds:		
18	Economic development fund.....		41,515,800
19	State general fund/general purpose	\$	0
20	Sec. 114. AERONAUTICS SERVICES		
21	Full-time equated classified positions.....	54.0	
22	Aviation services--54.0 FTE positions	\$	7,430,600
23	Air service program.....		<u>289,700</u>
24	GROSS APPROPRIATION.....	\$	7,720,300
25	Appropriated from:		
26	Special revenue funds:		
27	State aeronautics fund.....		7,720,300

1	State general fund/general purpose	\$	0
2	Sec. 115. PUBLIC TRANSPORTATION SERVICES		
3	Full-time equated classified positions.....	36.0	
4	Passenger transportation services--36.0 FTE positions	\$	<u>5,699,500</u>
5	GROSS APPROPRIATION.....	\$	5,699,500
6	Appropriated from:		
7	Federal revenues:		
8	Federal aid - transportation programs		972,100
9	Special revenue funds:		
10	Comprehensive transportation fund.....		4,727,400
11	State general fund/general purpose	\$	0
12	Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING		
13	Local bus operating.....	\$	167,400,000
14	Nonurban operating/capital.....		<u>25,187,900</u>
15	GROSS APPROPRIATION.....	\$	192,587,900
16	Appropriated from:		
17	Federal revenues:		
18	Federal aid - transportation programs		23,187,900
19	Special revenue funds:		
20	Comprehensive transportation fund.....		167,400,000
21	Local funds.....		2,000,000
22	State general fund/general purpose	\$	0
23	Sec. 117. INTERCITY PASSENGER		
24	Full-time equated classified positions.....	39.0	
25	Office of rail--39.0 FTE positions	\$	6,368,200
26	Freight property management		1,000,000
27	Detroit/Wayne County port authority.....		468,200

1	Intercity services.....	5,690,000
2	Rail operations and infrastructure.....	57,022,400
3	Marine passenger service.....	400,000
4	Terminal development.....	<u>150,000</u>
5	GROSS APPROPRIATION.....	\$ 71,098,800
6	Appropriated from:	
7	Federal revenues:	
8	Federal aid - transportation programs.....	14,600,000
9	Special revenue funds:	
10	Local funds.....	150,000
11	Private funds.....	100,000
12	Comprehensive transportation fund.....	47,388,900
13	Intercity bus equipment fund.....	140,000
14	Rail freight fund.....	6,000,000
15	Michigan transportation fund.....	2,011,500
16	State trunkline fund.....	708,400
17	State general fund/general purpose.....	\$ 0
18	Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT	
19	Specialized services.....	\$ 17,938,900
20	Municipal credit program.....	2,000,000
21	Transit capital.....	32,145,300
22	Van pooling.....	195,000
23	Service initiatives.....	4,197,300
24	Transportation to work.....	<u>4,700,000</u>
25	GROSS APPROPRIATION.....	\$ 61,176,500
26	Appropriated from:	
27	Federal revenues:	

1	Federal aid - transportation programs	16,050,000
2	Special revenue funds:	
3	Local funds.....	5,635,000
4	Comprehensive transportation fund.....	39,491,500
5	State general fund/general purpose	\$ 0
6	Sec. 119. CAPITAL OUTLAY	
7	(1) BUILDINGS AND FACILITIES	
8	Special maintenance, remodeling, and additions	\$ <u>3,001,500</u>
9	GROSS APPROPRIATION.....	\$ 3,001,500
10	Appropriated from:	
11	Special revenue funds:	
12	State trunkline fund.....	3,001,500
13	State general fund/general purpose	\$ 0
14	(2) AIRPORT IMPROVEMENT PROGRAMS	
15	Airport safety, protection, and improvement program ..	\$ <u>91,978,000</u>
16	GROSS APPROPRIATION.....	\$ 91,978,000
17	Appropriated from:	
18	Federal revenues:	
19	Federal aid - transportation programs	78,578,000
20	Special revenue funds:	
21	Local funds.....	12,392,100
22	State aeronautics fund.....	1,007,900
23	State general fund/general purpose	\$ 0
24	Sec. 120. ONE-TIME BASIS ONLY	
25	State trunkline federal aid and road and bridge	
26	construction	\$ 127,000,000
27	State and local road and bridge programs	144,500,000

1	Transit capital and rail infrastructure	10,000,000
2	High-speed rail crossing pilot program	1,500,000
3	Regional transit authority	1,100,000
4	Airport safety, protection, and improvement program ..	<u>2,047,900</u>
5	GROSS APPROPRIATION	\$ 286,147,900
6	Appropriated from:	
7	State general fund/general purpose	\$ 286,147,900

8 PART 2

9 PROVISIONS CONCERNING APPROPRIATIONS

10 FOR FISCAL YEAR 2014-2015

11 GENERAL SECTIONS

12 Sec. 201. Pursuant to section 30 of article IX of the state
 13 constitution of 1963, total state spending from state resources
 14 under part 1 for fiscal year 2014-2015 is \$2,441,149,100.00 and
 15 state spending from state resources to be paid to local units of
 16 government for fiscal year 2014-2015 is \$1,316,686,400.00. The
 17 itemized statement below identifies appropriations from which
 18 spending to local units of government will occur:

19 DEPARTMENT OF TRANSPORTATION

20	Grants to regional planning councils	\$ 488,800
21	Grants to local programs	33,000,000
22	Rail grade crossing	3,000,000
23	Local bridge program	26,477,400
24	Grants to county road commissions	597,608,200
25	Grants to cities and villages	333,193,300

1	Economic development fund.....	22,758,000
2	Air service program.....	289,700
3	Local bus operating.....	167,400,000
4	Detroit/Wayne County port authority.....	468,200
5	Marine passenger service.....	400,000
6	Terminal development.....	150,000
7	Specialized services.....	3,853,900
8	Municipal credit program.....	2,000,000
9	Transit capital.....	25,895,300
10	Service initiatives.....	2,847,300
11	Transportation to work.....	4,700,000
12	Airport safety, protection, and improvement	
13	program.....	1,007,900
14	One-time state and local road and bridge programs	88,000,500
15	One-time regional transit authority.....	1,100,000
16	One-time airport safety, protection, and improvement	
17	program.....	<u>2,047,900</u>
18	Total payments to local units of government	\$ 1,316,686,400

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

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

23 (a) "Amtrak" means the national railroad passenger
24 corporation.

25 (b) "CTF" means comprehensive transportation fund.

26 (c) "Department" means the state transportation department.

27 (d) "DOT" means the United States department of

1 transportation.

2 (e) "DOT-FHWA" means DOT, federal highway administration.

3 (f) "FTE" means full-time equated.

4 (g) "IRS" means the internal revenue service.

5 (h) "MTF" means Michigan transportation fund.

6 (i) "SAF" means state aeronautics fund.

7 (j) "STF" means state trunkline fund.

8 Sec. 204. (1) For each new program or program expansion for
9 which funds in excess of \$500,000.00 are appropriated in part 1,
10 the department shall identify specific benchmarks intended to
11 measure the performance or return on taxpayer investment of the
12 program and its associated expenditures. Not later than November 1,
13 2014, the department shall report the proposed benchmarks to the
14 house and senate appropriations subcommittees for that department,
15 the house and senate fiscal agencies, and the state budget
16 director. The department shall provide an update on its progress in
17 achieving those benchmarks at an appropriations subcommittee
18 meeting called for the purpose of discussing benchmarks and their
19 status.

20 (2) It is the intent of the legislature that, beginning with
21 the budget for the fiscal year ending September 30, 2016, any
22 proposal for a new program or an expansion of an existing program
23 in excess of \$500,000.00 initiated by the executive branch or the
24 legislature shall include, as part of the original proposal or
25 budget request, a list of benchmarks intended to measure the
26 performance or return on taxpayer investment of the program or
27 spending increase.

1 Sec. 206. (1) In addition to the funds appropriated in part 1,
2 there is appropriated an amount not to exceed \$200,000,000.00 for
3 federal contingency funds. These funds are not available for
4 expenditure until they have been transferred to another line item
5 in part 1 pursuant to section 393(2) of the management and budget
6 act, 1984 PA 431, MCL 18.1393.

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

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

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

25 Sec. 207. The department shall cooperate with the department
26 of technology, management, and budget to maintain a searchable
27 website accessible by the public at no cost that includes, but is

1 not limited to, all of the following:

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

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

4 (c) Fiscal year-to-date payments to a selected vendor,
5 including the vendor name, payment date, payment amount, and
6 payment description.

7 (d) The number of active department employees by job
8 classification.

9 (e) Job specifications and wage rates.

10 Sec. 208. The departments and agencies receiving
11 appropriations in part 1 shall use the Internet to fulfill the
12 reporting requirements of this part. This requirement may include
13 transmission of reports via electronic mail to the recipients
14 identified for each reporting requirement, or it may include
15 placement of reports on an Internet or Intranet site.

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

26 Sec. 210. The director shall take all reasonable steps to
27 ensure businesses in deprived and depressed communities compete for

1 and perform contracts to provide services or supplies, or both.

2 Each director shall strongly encourage firms with which the
3 department contracts to subcontract with certified businesses in
4 depressed and deprived communities for services, supplies, or both.

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

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

14 Sec. 228. Not later than November 30, the state budget office
15 shall prepare and transmit a report that provides for estimates of
16 the total general fund/general purpose appropriation lapses at the
17 close of the prior fiscal year. This report shall summarize the
18 projected year-end general fund/general purpose appropriation
19 lapses by major departmental program or program areas. The report
20 shall be transmitted to the office of the state budget, the
21 chairpersons of the senate and house of representatives standing
22 committees on appropriations, and the senate and house fiscal
23 agencies.

24 Sec. 229. Within 14 days after the release of the executive
25 budget recommendation, the department shall cooperate with the
26 state budget office to provide the state budget director, the
27 senate and house appropriations chairs, the senate and house

1 appropriations subcommittees on transportation, respectively, and
2 the senate and house fiscal agencies with an annual report on
3 estimated state restricted fund balances, state restricted fund
4 projected revenues, and state restricted fund expenditures for the
5 fiscal years ending September 30, 2014 and September 30, 2015.

6 Sec. 233. Not later than April 1, the department shall prepare
7 and transmit a report that provides detail regarding the
8 department's expenditures for administration and planning
9 associated with local units of government. The report shall list
10 the portion of all the expenditures from part 1 that are allocated
11 for administration and planning that are associated with the
12 disbursement of all local funds. The report shall be transmitted to
13 the office of the state budget, the senate and house appropriations
14 chairs, the senate and house appropriations subcommittees on
15 transportation, respectively, and the senate and house fiscal
16 agencies.

17 Sec. 235. The department shall maintain, on a publicly
18 accessible website, a department scorecard that identifies, tracks,
19 and regularly updates key metrics that are used to monitor and
20 improve the agency's performance.

21 Sec. 260. The departments and agencies receiving
22 appropriations in part 1 shall prepare a report on out-of-state
23 travel expenses not later than January 1 of each year. The travel
24 report shall be a listing of all travel by classified and
25 unclassified employees outside this state in the immediately
26 preceding fiscal year that was funded in whole or in part with
27 funds appropriated in the department's budget. The report shall be

1 submitted to the senate and house appropriations committees, the
2 house and senate fiscal agencies, and the state budget director.

3 The report shall include the following information:

4 (a) The dates of each travel occurrence.

5 (b) The transportation and related costs of each travel
6 occurrence, including the proportion funded with state general
7 fund/general purpose revenues, the proportion funded with state
8 restricted revenues, the proportion funded with federal revenues,
9 and the proportion funded with other revenues.

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

16 Sec. 263. (1) The department shall report no later than April
17 1, 2015 on each specific policy change made to implement a public
18 act affecting the department that took effect during the prior
19 calendar year to the house and senate appropriations subcommittees
20 on the budget for the department, the joint committee on
21 administrative rules, and the senate and house fiscal agencies.

22 (2) Funds appropriated in part 1 shall not be used by the
23 department to adopt a rule that will apply to a small business and
24 that will have a disproportionate economic impact on small
25 businesses because of the size of those businesses if the
26 department fails to reduce the disproportionate economic impact of
27 the rule on small businesses as provided under section 40 of the

1 administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

2 (3) As used in this section:

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

5 (b) "Small business" means that term as defined under section
6 7a of the administrative procedures act of 1969, 1969 PA 306, MCL
7 24.207a.

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

14 Sec. 271. Total authorized appropriations from all sources
15 under part 1 for legacy costs for the fiscal year ending September
16 30, 2015 are \$75,324,500.00. From this amount, total agency
17 appropriations for pension-related legacy costs are estimated at
18 \$42,130,400.00. Total agency appropriations for retiree health care
19 legacy costs are estimated at \$33,194,100.00.

20 DEPARTMENTAL SECTIONS

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

1 receiving, reviewing, and processing the requests.

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

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

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

25 Sec. 305. (1) The department may permit space on public
26 passenger transportation properties to be occupied by public or
27 private tenants on a competitive market rate basis. The department

1 shall require that revenue from the tenants be placed in an account
2 to be used to pay the costs to maintain and improve the property.

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

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

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

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

18 (c) Detailed cost allocation methods appropriate to the type
19 of services being provided and the activities financed with
20 transportation funds.

21 (2) Not later than 2 months after publication of the state of
22 Michigan comprehensive annual financial report, each state
23 department receiving funding pursuant to an interdepartment
24 contract with the department shall submit a written report to the
25 department, the state budget director, and the house and senate
26 fiscal agencies stating by spending authorization account the
27 amount of estimated funds contracted with the department, the

1 amount of funds expended, the amount of funds returned to the
2 transportation funds, and any unreimbursed transportation-related
3 costs incurred but not billed to transportation funds. A copy of
4 the report shall be submitted to the auditor general, and the
5 report shall be subject to audit by the auditor general as provided
6 in subsection (3).

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

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

1 Sec. 308. (1) As prescribed in subsection (2), the department
2 shall submit reports to the state budget director, the house and
3 senate appropriations subcommittees on transportation, and the
4 house and senate fiscal agencies on department activities related
5 to the prequalification of construction contractors under 1933 PA
6 170, MCL 123.501 to 123.508, and related administrative rules. The
7 report shall be submitted on or before March 1, 2015.

8 (2) The report shall include all of the following:

9 (a) A description of the department's processes and procedures
10 for evaluating construction contractor performance on capital
11 construction projects administered by the department including
12 state trunkline projects, rail infrastructure projects, local
13 agency federal-aid highway projects, and airport improvement
14 projects.

15 (b) Criteria that would cause the department to rate
16 contractor performance as unsatisfactory.

17 (c) The impact, if any, on a contractor's prequalification if
18 given an unsatisfactory performance rating by the department.

19 (d) A description of all department actions related to
20 unsatisfactory contractor performance ratings and restrictions on
21 contractor prequalification during the fiscal year ending September
22 30, 2014.

23 Sec. 310. The department shall provide in a timely manner
24 copies of the agenda and approved minutes of monthly transportation
25 commission meetings to the members of the house and senate
26 appropriations subcommittees on transportation, the house and
27 senate fiscal agencies, and the state budget director.

1 Sec. 311. From the funds appropriated in part 1, the
2 department shall conduct a study of the feasibility of constructing
3 a pedestrian-only crossing over Bear River in Petoskey that would
4 run parallel to the existing US Highway 31 crossing over Bear
5 River.

6 Sec. 312. (1) The department shall conduct a workgroup in
7 conjunction with the department of community health, the department
8 of human services, the department of corrections, the strategic
9 fund in the department of treasury, and 1 member from both the
10 senate and the house of representatives to determine how the state
11 can maximize its services and funding for transportation for low-
12 income, elderly, and disabled individuals through consolidating all
13 of the current transportation services for these populations under
14 1 department.

15 (2) The department shall submit to the senate and house
16 appropriations subcommittees on the department budget, the senate
17 and house fiscal agencies, the senate and house policy offices, and
18 the state budget office by March 1 of the current fiscal year a
19 report on the findings of the workgroup on the items described in
20 subsection (1).

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

1 projects.

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

12 (3) The department shall submit a report to the state budget
13 director, the house and senate appropriations subcommittees on
14 transportation, and the house and senate fiscal agencies on the
15 status of the state infrastructure bank. The report shall be
16 submitted on or before December 1, 2014. The report shall include
17 all of the following:

18 (a) The balance in the state infrastructure bank at September
19 30, 2014, including a breakdown of the balance by cash and cash
20 equivalents, outstanding loans, and balance available for loan to
21 local agencies.

22 (b) A breakdown of the state infrastructure loan balance by
23 amounts designated as originating from federal sources and the
24 amounts originating from nonfederal sources.

25 (c) A list of outstanding loans by agency, original loan
26 amount, project description, loan term, and amount outstanding.

27 Sec. 319. The department shall post signs at each rest area to

1 identify the agency or contractor responsible for maintenance of
2 the rest area. The signs shall include a department telephone
3 number and shall indicate that unsafe or unclean conditions at the
4 rest area may be reported to that telephone number.

5 Sec. 353. The department shall review its contractor payment
6 process and ensure that all prime contractors are paid promptly.
7 The department shall ensure that prime contractors are in
8 compliance with special provision 109.10 regarding the prompt
9 payment of subcontractors.

10 Sec. 357. When presented with complete local federal aid
11 project submittals, the department shall complete all necessary
12 reviews and inspections required to let local federal aid projects
13 within 120 days of receipt. The department shall implement a system
14 for monitoring the local federal aid project review process.

15 Sec. 375. The department is prohibited from reimbursing
16 contractors or consultants for costs associated with groundbreaking
17 ceremonies, receptions, open houses, or press conferences related
18 to transportation projects funded, in whole or in part, by revenue
19 appropriated in part 1.

20 Sec. 381. The department shall require as a condition of each
21 contract or subcontract for construction, maintenance, or
22 engineering services that the prequalified contractor or
23 prequalified subcontractor agree to use the E-Verify system to
24 verify that all persons hired during the contract term by the
25 contractor or subcontractor are legally present and authorized to
26 work in the United States. The department may verify this
27 information directly or may require contractors and subcontractors

1 to verify the information and submit a certification to the
2 department. The department shall report to the house and senate
3 appropriations committees and the house and senate fiscal agencies
4 by March 1, 2015 describing the processes it has developed and
5 implemented under provisions of this section. As used in this
6 section, "E-Verify" means an Internet-based system operated by the
7 department of homeland security, U.S. citizenship and immigration
8 services in partnership with the social security administration.

9 Sec. 382. In administering a contract with a county road
10 commission, city, or village that allocates costs of construction
11 or reconstruction of highways, roads, and streets as provided in
12 section 18d of 1951 PA 51, MCL 247.668d, the department shall
13 submit the final cost-sharing bill to the county road commission,
14 city, or village not later than 2 years after the date of the final
15 contract payment to the construction contractor.

16 Sec. 383. (1) The department shall prepare a report on use of
17 department-owned aircraft during the fiscal year ending September
18 30, 2014. With respect to each department-owned aircraft, the
19 report shall include all of the following:

20 (a) Total hours of usage.

21 (b) Description of specific flights including dates of travel,
22 names of passengers including state agency, university, or local
23 government affiliation, travel origin and destination, purpose of
24 travel, and total estimated costs associated with the air travel.

25 (2) The report shall be submitted to the senate and house
26 appropriations subcommittees on transportation and the house and
27 senate fiscal agencies no later than February 1, 2015.

1 (3) The department shall maintain a system for recovering the
2 cost of operating department-owned aircraft through charges to
3 aircraft users.

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

10 (5) It is the intent of the legislature that the department
11 work with the Michigan state police to establish a reciprocal
12 agreement on employing fixed-wing aircraft with specifically
13 designed equipment for use by the Michigan state police when
14 conducting operations.

15 Sec. 384. (1) Except as otherwise provided in subsection (2),
16 the department shall not obligate the state to expend any state
17 transportation revenue for construction planning or construction of
18 the Detroit River International Crossing or a renamed successor. In
19 addition, except as provided in subsection (2), the department
20 shall not commit the state to any new contract related to the
21 construction planning or construction of the Detroit River
22 International Crossing or a renamed successor that would obligate
23 the state to expend any state transportation revenue. An
24 expenditure for staff resources used in connection with project
25 activities, which expenditure is subject to full and prompt
26 reimbursement from Canada, shall not be considered an expenditure
27 of state transportation revenue.

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

5 Sec. 385. (1) The department shall submit reports to the state
6 budget director, the speaker of the house, the house minority
7 leader, the senate majority leader, the senate minority leader, the
8 house and senate appropriations subcommittees on transportation,
9 and the house and senate fiscal agencies on department activities
10 related to all nonconstruction or construction planning activities
11 related to the Detroit River International Crossing or a renamed
12 successor. The initial report shall be submitted on or before
13 December 1, 2014 and shall cover the fiscal year ending September
14 30, 2014.

15 (2) The initial report shall include, at a minimum, all of the
16 following:

17 (a) Department costs incurred in the fiscal year ending
18 September 30, 2014, including employee salaries, wages, benefits,
19 travel, and contractual services, and what activities those costs
20 were related to.

21 (b) Costs of other executive branch agencies incurred in the
22 fiscal year ending September 30, 2014, including employee salaries,
23 wages, benefits, travel, and contractual services, and what
24 activities those costs were related to.

25 (c) A breakdown of the source of funds used for the activities
26 described in subdivisions (a) and (b).

27 (d) A breakdown of reimbursements made by Canada under section

1 384(1) to the state for expenditures for staff resources used in
2 connection with project activities.

3 (e) A narrative description of the status of the Detroit River
4 International Crossing or a renamed successor, including efforts
5 undertaken to implement provisions of the crossing agreement
6 executed June 15, 2012 by representatives of the Canadian
7 government and this state.

8 (3) After submission of the initial report, a subsequent
9 report shall be submitted on March 1, 2015, June 1, 2015, and
10 September 1, 2015 and shall include the same information described
11 in subsection (2) for the applicable previous fiscal quarter.

12 Sec. 393. (1) The department shall promote best practices for
13 public transportation services in this state, including, but not
14 limited to, the following:

15 (a) Transit vehicle rehabilitation to reduce life-cycle cost
16 of public transportation through midlife rehabilitation of transit
17 buses.

18 (b) Cooperation between entities using transit, including
19 school districts, cities, townships, and counties with a view to
20 promoting cost savings through joint purchasing of fuel and other
21 procurements.

22 (c) Coordination of transportation dollars among state
23 departments which provide transit-related services, including the
24 department of human services and the department of community
25 health. Priority should be given to use of public transportation
26 services where available.

27 (d) Promotion of intelligent transportation services for buses

1 that incorporate computer and navigation technology to make transit
2 systems more efficient, including stoplight coordinating, vehicle
3 tracking, data tracking, and computerized scheduling.

4 (2) The department shall report on efforts taken to implement
5 this section as well as section 393 of article XVII of 2011 PA 63.
6 The department shall complete and submit the report to the state
7 budget director, the house and senate appropriations subcommittees
8 on transportation, and the house and senate fiscal agencies on or
9 before March 1, 2015.

10 Sec. 394. The department and local road agencies shall make
11 the preservation of their existing road networks a funding
12 priority.

13 **FEDERAL**

14 Sec. 401. Within 30 days of receiving the applicable fiscal
15 year authorization from the federal government to commit
16 transportation funds, the department shall notify local agency
17 representatives, the senate and house of representatives
18 appropriations transportation subcommittees, the senate and house
19 fiscal agencies, and the state budget director regarding the amount
20 of federal aid for categorical allocations to state and local
21 agency programs not specifically allocated in either federal or
22 state law.

23 Sec. 402. A portion of the federal DOT-FHWA highway research,
24 planning, and construction funds made available to this state shall
25 be allocated to transportation programs administered by local
26 jurisdictions in accordance with section 10o of 1951 PA 51, MCL

1 247.660o. A local road agency, with respect to a project approved
2 for federal aid funding in a state transportation improvement
3 program, may enter into a voluntary buyout agreement with the
4 department or with another local road agency to exchange the
5 federal aid with state restricted transportation funds as agreed to
6 by the respective parties. The state restricted transportation
7 funds received in exchange for federal aid funds shall be used for
8 the same purpose as the federal aid funds were originally intended.

9 **MICHIGAN TRANSPORTATION FUND**

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

14 Sec. 503. (1) The funds appropriated in part 1 for the
15 economic development and local bridge programs shall not lapse at
16 the end of the fiscal year but shall carry forward each fiscal year
17 for the purposes for which appropriated in accordance with 1987 PA
18 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL
19 247.660.

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

24 (3) In addition to the funds appropriated in part 1, the
25 department of transportation economic development fund and local
26 bridge fund may receive federal, local, or private funds or

1 restricted source funds such as interest earnings. These funds are
2 appropriated for projects that are consistent with the purposes of
3 the respective funds.

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

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

16 **STATE TRUNKLINE FUND**

17 Sec. 601. The department shall work with the road construction
18 industry and engineering consulting community to develop
19 performance and road construction warranties for construction
20 contracts. The development of warranties shall include warranties
21 on materials, workmanship, performance criteria, and design/build
22 projects. The department will report by September 30 of each
23 calendar year to the house of representatives and senate
24 appropriations subcommittees on transportation, the state budget
25 director, and the house and senate fiscal agencies on the status of
26 efforts to develop performance and road construction warranties.

1 The department shall report to the legislature on policy options to
2 strengthen and expand the use of road construction warranties or
3 other measures to increase accountability related to the
4 performance of construction projects on both state and local roads.
5 The department shall complete and submit the report to the state
6 budget director, the house and senate appropriations subcommittees
7 on transportation, and the house and senate fiscal agencies on or
8 before November 1, 2014.

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

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

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

1 are available, away from the traveled portion and shoulder of state
2 highways.

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

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

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

23 (3) The department shall report on efforts taken to implement
24 this section. The report shall include descriptions of specific
25 materials evaluated, evaluation methods, and results of specific
26 field or laboratory tests. The department shall complete and submit
27 the report to the state budget director, the house and senate

1 appropriations subcommittees on transportation, and the house and
2 senate fiscal agencies on or before March 1, 2015.

3 **TRANSIT AND RAIL RELATED FUNDS**

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

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

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

22 Sec. 711. (1) As prescribed in subsection (2), the department
23 shall submit reports to the state budget director, the house and
24 senate appropriations subcommittees on transportation, and the
25 house and senate fiscal agencies on rail passenger service provided
26 by Amtrak under a contractual agreement with the department. The
27 report shall be submitted on or before May 1, 2015.

1 (2) The report shall include all of the following:

2 (a) Passenger counts for the preceding fiscal year for each of
3 the 3 Amtrak routes in Michigan.

4 (b) Revenue and operating expenses by Amtrak route.

5 (c) Total state operating payments to Amtrak in the preceding
6 fiscal year by Amtrak route.

7 (d) A discussion of major factors affecting route costs and
8 revenue and net state costs in the preceding fiscal year, and
9 factors affecting route costs and revenue and net state costs
10 anticipated in the current and future fiscal years.

11 Sec. 712. From the funds appropriated in part 1, the
12 department shall conduct a study of the feasibility of rail
13 passenger service on the rail corridor between Holland and Detroit,
14 via Grand Rapids and Lansing. The study shall include ridership
15 projections within the corridor, estimated rail passenger service
16 capital and operating costs, and revenue estimates. The department
17 shall complete and submit the report to the state budget director,
18 the house and senate appropriations subcommittees on
19 transportation, and the house and senate fiscal agencies on or
20 before May 1, 2015.

21 Sec. 735. For the fiscal year ending September 30, 2015, the
22 appropriation to a street railway pursuant to section 10e(22) of
23 1951 PA 51, MCL 247.660e, is \$0.

24 Sec. 740. The department shall report by March 1 of each year
25 to the house of representatives and senate appropriations
26 subcommittees on transportation, the house and senate fiscal
27 agencies, and the state budget director the encumbered and

1 unencumbered balances of the comprehensive transportation fund.

2 Sec. 741. By December 1, 2014, the department shall submit a
3 report to the senate and house appropriations subcommittees on
4 transportation and the senate and house fiscal agencies on the
5 need, feasibility, and cost of increasing the safety standard for
6 transit buses procured by Michigan transit agencies by requiring a
7 federally approved rollover test standard.

8 **AERONAUTICS FUND**

9 Sec. 801. Except as otherwise provided in section 903 for
10 capital outlay, at the close of the fiscal year, any unobligated
11 and unexpended balance in the state aeronautics fund created in the
12 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1
13 to 259.208, shall lapse to the state aeronautics fund and be
14 appropriated by the legislature in the immediately succeeding
15 fiscal year.

16 Sec. 802. The legislature encourages the department to find
17 private entities or local public agencies to assume ownership and
18 operating responsibility for airports currently owned by the
19 department.

20 **CAPITAL OUTLAY**

21 Sec. 901. (1) From federal-state-local project appropriations
22 contained in part 1 for the purpose of assisting political entities
23 and subdivisions of this state in the construction and improvement
24 of publicly used airports and landing fields within this state, the
25 state transportation department may permit the award of contracts

1 on behalf of units of local government for the authorized locations
2 not to exceed the indicated amounts, of which the state allocated
3 portion shall not exceed the amount appropriated in part 1.

4 (2) Political entities and subdivisions shall provide not less
5 than 5% of the cost of any project under this section, unless a
6 total nonfederal share greater than 10% is otherwise specified in
7 federal law. State money shall not be allocated until local money
8 is allocated. State money for any 1 project shall not exceed 1/3 of
9 the total appropriation in part 1 from state funds for airport
10 improvement programs.

11 (3) The Michigan aeronautics commission may take those steps
12 necessary to match federal money available for airport construction
13 and improvement within this state and to meet the matching
14 requirements of the federal government. Whether acting alone or
15 jointly with another political subdivision or public agency or with
16 this state, a political subdivision or public agency of this state
17 shall not submit to any agency of the federal government a project
18 application for airport planning or development unless it is
19 authorized in this part and part 1 and the project application is
20 approved by the governing body of each political subdivision or
21 public agency making the application and by the Michigan
22 aeronautics commission.

23 Sec. 902. Before the end of each fiscal year, the state
24 transportation department shall report to the house and senate
25 appropriations subcommittees on transportation and the house and
26 senate fiscal agencies on the status of airport improvement
27 projects funded in part 1 with the estimated dollars allocated for

1 each project. If there has to be a delay in reporting, the state
2 transportation department shall notify the house and senate
3 appropriations subcommittees on transportation in writing of the
4 date the report will be received.

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

9 **ONE-TIME APPROPRIATIONS**

10 Sec. 1001. The 1-time appropriation in part 1 of
11 \$127,000,000.00 from the state general fund is appropriated to the
12 state trunkline federal aid and road and bridge construction
13 program and is intended to ensure that the state is able to match
14 all available federal-aid highway funds.

15 Sec. 1002. The appropriation in part 1 of \$144,500,000.00 from
16 the state general fund for state and local road and bridge programs
17 shall be distributed to the state trunk line fund, county road
18 commissions, and cities and villages, in the same percentages
19 described in section 10(1)(j) of 1951 PA 51, MCL 247.660. Funds
20 distributed to county road commissions under this section shall be
21 distributed among the county road commissions in accordance with
22 section 12 of 1951 PA 51, MCL 247.662. Funds distributed to cities
23 and villages under this section shall be distributed among cities
24 and villages in accordance with section 13 of 1951 PA 51, MCL
25 247.663.

26 Sec. 1003. By December 1, 2015, the department shall report to

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

11 Sec. 1004. The part 1 appropriation, high-speed rail crossing
12 pilot program, shall be allocated for a pilot project to test
13 traffic control devices at rail grade crossings on railroad tracks
14 that are federally designated as a high-speed rail corridor under
15 49 USC 26106. Any pilot project entered into under this section
16 shall be done using a competitive bidding process.

17 Sec. 1005. (1) The part 1 appropriation line item, regional
18 transit authority, shall be expended for the purpose of funding
19 staff and other administrative costs associated with the initial
20 organization and operation of the authority created under the
21 regional transit authority act, 2012 PA 387, MCL 124.541 to
22 124.558. These funds shall not be used for the ongoing operation of
23 transit services.

24 (2) It is the intent of the legislature that in developing a
25 public transit plan for the region, as required by section 7(3) of
26 the regional transit authority act, 2012 PA 387, MCL 124.547, the
27 authority develop a plan for the authority to exercise direct

1 control and authority over any existing transit services, whether
2 through acquisition of existing transit service providers or
3 alternate means.

4 (3) The authority shall include in its report to the
5 legislature, as required under section 6(8) of the regional transit
6 authority act, 2012 PA 387, MCL 124.546, a description of its
7 activities under subsection (2).

8 Sec. 1006. (1) From the funds appropriated in part 1, there is
9 appropriated to the department \$10,000,000.00 for the purposes of
10 facilitating the construction of a new rail tunnel crossing of the
11 Detroit River between the city of Detroit and Windsor, Ontario,
12 Canada, referenced in the balance of this section as "the project".

13 (2) The department shall not expend any funds from the
14 appropriation in subsection (1) until the following conditions are
15 met:

16 (a) The project has obtained all necessary environmental and
17 cross-border crossing permits from the governments of Canada and
18 the United States.

19 (b) The project is included in the long-range transportation
20 plan of the southeast Michigan council of governments.

21 (c) The department is satisfied that the project will
22 accommodate not fewer than 400,000 rail cars per year.

23 (d) The department is satisfied that the project will be
24 available for use by all rail companies.

25 (e) The department is satisfied that all approvals necessary
26 for the completion of the project have been secured.

27 (3) On November 10, 2014, the department shall provide a

1 status update to the house and senate transportation appropriations
2 subcommittees and the house and senate fiscal agencies.

3 PART 2A

4 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS

5 FOR FISCAL YEAR 2015-2016

6 Sec. 1201. It is the intent of the legislature to provide
7 appropriations for the fiscal year ending on September 30, 2016 for
8 the line items listed in part 1. The fiscal year 2015-2016
9 appropriations are anticipated to be the same as those for fiscal
10 year 2014-2015, except that the line items will be adjusted for
11 changes in caseload and related costs, federal fund match rates,
12 economic factors, and available revenue. These adjustments will be
13 determined after the January 2015 consensus revenue estimating
14 conference.