

LINE ITEM AND BOILERPLATE SUMMARY

TRANSPORTATION

Fiscal Year 2020-21
Public Act 166 of 2020
House Bill 5396 as Enacted



William E. Hamilton, Senior Fiscal Analyst

November 2020

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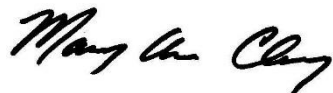
November 2020

TO: Members of the Michigan House of Representatives

The House Fiscal Agency has prepared a **Line Item Summary** for each of the FY 2020-21 appropriation acts. Each **Summary** contains line-by-line appropriation and revenue source detail, and a brief explanation of each boilerplate section in the appropriation bill.

In this report, line item vetoes are presented in the following manner: appropriation amounts shown in ~~strikeout~~ are those that appear in the enrolled bill; amounts shown directly below ~~strikeout~~ amounts reflect the effect of the veto.

Line Item Summaries are available on the HFA website (www.house.mi.gov/hfa), or from Kathryn Bateson, Administrative Assistant (373-8080 or kbateson@house.mi.gov).



Mary Ann Cleary, Director

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GLOSSARY

STATE BUDGET TERMS

Line Item

Specific funding amount in an appropriation bill which establishes spending authorization for a particular program or function.

Boilerplate

Specific language sections in an appropriation bill which direct, limit, or restrict line-item expenditures, express legislative intent, and/or require reports.

Lapse

Appropriated amounts that are unspent or unobligated at the end of a fiscal year; appropriations are automatically terminated at the end of a fiscal year unless otherwise provided by law.

Work Project

Account authorized through statutory process which allows appropriated spending authorization from one fiscal year to be utilized for expenditures in a succeeding fiscal year or years for a specific project or purpose.

APPROPRIATIONS AND FUND SOURCES

Appropriations

Authority to expend funds for a particular purpose. An appropriation is not a mandate to spend.

Gross: Total of all applicable appropriations in an appropriation bill.

Adjusted Gross: Net amount of gross appropriations after subtracting interdepartmental grants (IDGs) and intradepartmental transfers (IDTs).

Interdepartmental Grant (IDG) Revenue

Funds received by one state department from another state department—usually for service(s) provided.

Intradepartmental Transfer (IDT) Revenue

Funds transferred from one appropriation unit to another within the same departmental budget.

Federal Revenue

Federal grant or match revenue; generally dedicated to specific programs or purposes.

Local Revenue

Revenue received from local units of government for state services.

Private Revenue

Revenue from non-government entities: rents, royalties or interest payments, payments from hospitals or individuals, or gifts and bequests.

State Restricted Revenue

State revenue restricted by the State Constitution, state statute, or outside restriction that is available only for specified purposes; includes most fee revenue; at year-end, unused restricted revenue generally remains in the restricted fund.

General Fund/General Purpose (GF/GP) Revenue

Unrestricted general fund revenue available to fund basic state programs and other purposes determined by the Legislature; unused GF/GP revenue lapses to the General Fund at the end of a fiscal year.

MAJOR STATE FUNDS

General Fund

The state's primary operating fund; receives state revenue not dedicated to another state fund.

School Aid Fund (SAF)

A restricted fund that serves as the primary state funding source for K-12 schools and Intermediate School Districts. Constitutionally, SAF revenue may also be used for postsecondary education.

Budget Stabilization Fund

The Countercyclical Economic and Budget Stabilization Fund (also known as the "rainy day fund"); the Management and Budget Act provides guidelines for making deposits into and withdrawals from the fund.

REVENUE SOURCES FOR TRANSPORTATION APPROPRIATIONS

FEDERAL REVENUE

Federal surface transportation programs are established and defined in federal law. Provisions are codified in 23 U.S. Code (Highways) and 49 U.S. Code (Transportation). New programs are established, and existing programs are reauthorized through multi-year authorizing acts. The current authorization act, signed into law by President Obama on December 4, 2015, is titled Fixing America's Surface Transportation (FAST). The FAST Act authorized federal surface transportation programs, i.e. highway, transit, and rail passenger programs, for a 5-year period ending September 30, 2020. [In September 2020, Congress passed the Continuing Appropriations and Other Extensions Act, 2021 (PL 116-159) which included provisions extending authority for federal surface transportation programs, and federal Highway Trust Fund spending authority through September 30, 2021. The act was signed into law and became effective October 1, 2020.]

The FAST Act makes federal funds available to state departments of transportation through three U.S. Department of Transportation (DOT) agencies: Federal Highway Administration (FHWA), Federal Transit Administration (FTA), and Federal Railroad Administration (FRA). Federal revenue appropriated in the state transportation budget is based on estimates of available federal funding developed by the Michigan Department of Transportation (MDOT).

In addition to federal aid for surface transportation programs, the federal government also provides support for aeronautics programs through Airport Improvement Program (AIP) grants. The AIP, which provides grants to airports for airport safety, capacity, security and environmental projects, is established under 49 U.S. Code, Subtitle VII (Aviation Programs) and is administered by the Federal Aviation Administration (FAA). The current authorizing statute, the Federal Aviation Administration Reauthorization Act of 2018 (HR 302) was signed into law on October 5, 2018 as Public Law No: 115-254. The act extended authorization for federal aviation programs, including the AIP, for five years, through September 30, 2023.

Estimated federal AIP grant revenue is appropriated in the Capital Outlay appropriations unit of the state transportation budget.

These federal fund sources are shown in the appropriation act under the umbrella description "Federal aid – transportation programs."

STATE RESTRICTED REVENUE

Article IX, Section 9 of the 1963 Michigan Constitution dedicates motor fuel taxes and motor vehicle registration taxes for transportation purposes. Public Act 51 of 1951 (Act 51) establishes the state's major surface transportation programs and allocates restricted transportation revenue to those programs through various state restricted funds.

MICHIGAN TRANSPORTATION FUND (MTF): Main collection/distribution fund for state restricted transportation revenue generated from motor fuel taxes and motor vehicle registration taxes. The MTF also receives money from an earmark of Income Tax Act revenue, Act 51 establishes the MTF and provides for the formula distribution of MTF revenue among various programs/funds: to State Trunkline Fund (STF) for construction and maintenance of the state trunkline system and administration of the MDOT, to 83 county road commissions for county road systems, to **531** incorporated cities and villages for city/village streets, and to the Comprehensive Transportation Fund (CTF) for public transportation programs.

Act 51 also allocates MTF revenue to various targeted or categorical programs (e.g., rail grade crossing account, rail grade surface program, Local Bridge Fund, Local Agency Wetland Mitigation Bank Fund, Movable Bridge Fund, Transportation Economic Development Fund) and directs the Legislature to appropriate funds for necessary expenses incurred in administration and enforcement of the Motor Fuel Tax Act, Motor Carrier Act, and vehicle registration sections of the Michigan Vehicle Code. The MTF does not carry a balance into the next fiscal year; all MTF revenue is distributed each year through the Act 51 formula.

STATE TRUNKLINE FUND (STF): Established and governed by Act 51, the STF provides funding for maintenance and construction of the state trunkline highway system, and administration of the MDOT. Revenue is derived primarily from transfers from the MTF in accordance with the provisions of Act 51.

COMPREHENSIVE TRANSPORTATION FUND (CTF): Established and governed by Act 51, the CTF is dedicated for public transportation purposes. The fund has two main sources of revenue: a 10% share of net MTF revenue (after various statutory deductions) and a share of motor vehicle-related sales tax revenue as provided in the General Sales Tax Act.

STATE RESTRICTED REVENUE (CONT.)

STATE AERONAUTICS FUND (SAF): Dedicated to aviation development, safety regulation, and air service promotion under the State Aeronautics Code (1945 PA 327). The SAF receives revenue from aviation fuel and aircraft registration taxes established in the State Aeronautics Codes, revenue from an earmark of Airport Parking Tax revenue under the Airport Parking Tax Act (1987 PA 248), and revenue from charges for use of MDOT-owned aircraft, primarily by other state departments. In addition, beginning October 1, 2016 and each calendar quarter thereafter, the SAF will be credited with an amount equal to the collection of sales tax imposed at a rate of 2% attributable to retail sales of aviation fuel. This earmark was established through an amendment to the General Sales Tax Act (1933 PA 167), part of an aviation funding package (Public Acts 258 through 262 of 2015).

BLUE WATER BRIDGE FUND (BWBF): Subsidiary of the STF created in FY 1993-94 to account for debt service, capital projects, maintenance, and operating costs of the Blue Water Bridge. Revenue is derived from bridge tolls and from the lease of plaza right-of-way by a duty-free store.

ECONOMIC DEVELOPMENT FUND (EDF): Established by 1987 PA 231 to assist in funding highway, road, and street projects which support economic growth. Fund revenue is derived from Act 51 earmarks of MTF revenue, revenue from a 1987 increase in operator and chauffeur license fees, and interest on the fund balance. Also referenced as Transportation Economic Development Fund (TEDF).

LOCAL BRIDGE FUND (LBF): Established by 2004 PA 384, an amendment to Act 51, to provide financial assistance to local highway authorities for the preservation, improvement, or reconstruction of existing bridges, or the construction of bridges to replace existing bridges, in whole or part. Fund revenue comes from two Act 51 earmarks of MTF revenue: an earmark of 1/2 cent of the motor fuel tax on gasoline tax (approximately \$22.9 million in FY 2017-18), and a separate fixed amount of \$5.0 million.

MICHIGAN DEPARTMENT OF TRANSPORTATION

The mission of the Michigan Department of Transportation (MDOT) is: "Providing the highest quality integrated transportation services for economic benefit and improved quality of life."

Article V, Section 28 of the 1963 Michigan Constitution establishes the State Transportation Commission to "establish policy for the State Transportation Department transportation programs and facilities, and such other public works of the state, as provided by law." Article V, Section 28 also provides for the appointment of the Director of the State Transportation Department as the principal executive officer of the Department with responsibility for executing the policy of the State Transportation Commission. The powers and duties of the Department, the State Transportation Commission, and the Department Director are further defined in statute, 1964 PA 286.

Public Act 51 of 1951 (Act 51) establishes and defines the major surface transportation programs and revenue sources identified in this appropriation summary. The State Aeronautics Code (1945 PA 327) governs aeronautics programs funded through these appropriations.

Full-time equated unclassified positions	6.0	Full-time equated (FTE) positions not in the state classified service.
Full-time equated classified positions	2,818.3	Full-time equated (FTE) positions in the state classified service. <i>Note: based on 2,088 hours for 1.0 FTE position.</i>
GROSS APPROPRIATION	\$5,107,470,600	Total of all applicable line item appropriations.
Total interdepartmental grant/intradepartmental transfer revenue	4,063,100	Revenue received from other departments or transferred within the department.
ADJUSTED GROSS APPROPRIATIONS	\$5,103,407,500	Gross appropriation less (or minus) interdepartmental grant (IDG) and intradepartmental transfer (IDT) revenue.
Federal aid – transportation programs	1,424,196,100	Revenue received from federal departments and agencies.
Local revenues	80,782,000	Revenue received from local units of government.
Private revenues	900,000	Revenue received from private individuals and entities.
Total other state restricted revenues	3,597,529,400	State revenue dedicated to a specific fund (other than the General Fund) or restricted for a specific purpose.
STATE GENERAL FUND/ GENERAL PURPOSE	\$0	Unrestricted state revenue from taxes and other sources.

SECTION 102: DEBT SERVICE

*Public Act 51 of 1951 gives the State Transportation Commission authority to borrow money and issue bonds or notes for transportation purposes, the debt service on which shall not exceed 50% of the dedicated taxes received for transportation purposes in the prior fiscal year. As of **September 30, 2020**, outstanding bonded debt totaled **\$1.751 billion**.*

Airport safety and protection plan	\$3,432,000	Debt service related to CTF bonds issued for airport improvement and security projects.	
		Funding Source(s):	Restricted 3,432,000
		<i>Related Boilerplate Section(s): None</i>	
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Blue water bridge fund	6,810,900	Principal and interest payments for 1996 and 2011 bonds used to finance Blue Water Bridge projects.	
		Funding Source(s):	Restricted 6,810,900
		<i>Related Boilerplate Section(s): None</i>	
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Comprehensive transportation	10,903,900	Principal and interest payments on CTF bonds issued for public transportation purposes.	
		Funding Source(s):	Restricted 10,903,900
		<i>Related Boilerplate Section(s): None</i>	
<hr/>			
Economic development	11,485,800	Principal and interest payments on various TEDF bond programs, including bonds issued to fund Build Michigan III economic development projects (2001), and various refunding bonds.	
		Funding Source(s):	Restricted 11,485,800
		<i>Related Boilerplate Section(s): None</i>	
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Local bridge fund	2,330,700	Act 51 distribution from the MTF for debt service on 1992 bonds issued to finance local agency bridge projects.	
		Funding Source(s):	Restricted 2,330,700
		<i>Related Boilerplate Section(s): None</i>	
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State trunkline	180,133,000	Principal and interest payments on various debt issues, the proceeds of which were used for state trunkline preservation or capacity improvement projects, or for refunding prior debt issues. Federal funds used in this line item reflect debt service related to federal grant anticipation revenue vehicle (GARVEE) bonds.	
		Part of the debt service relates to \$800.0 million (face value) in STF bonds issued September 1, 2020, part of the Governor's Rebuilding Michigan Bond Program. Debt service on this bond issue represents \$29.6 million STF or the total \$125.0 million STF debt service appropriation.	
		Funding Source(s):	Federal 55,180,900 Restricted 124,952,100
		<i>Related Boilerplate Section(s): None</i>	
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GROSS APPROPRIATION	\$215,096,300	Total of all applicable line item appropriations.	

Federal aid – transportation programs	55,180,900	Federal funds pledged by MDOT for debt service on federal revenue anticipation (GARVEE) notes and bonds.
Blue Water Bridge fund	6,810,900	Subsidiary fund of STF used to account for debt service, capital projects, maintenance, and operating costs of Blue Water Bridge.
Comprehensive transportation fund (CTF)	10,903,900	State restricted fund dedicated for public transportation purposes.
Economic development fund (EDF)	11,485,800	Fund established by 1987 PA 231 to help fund highway, road, and street projects that support economic growth.
Local bridge fund	2,330,700	Established by 2004 PA 384, an amendment to Act 51.
State aeronautics fund (SAF)	3,432,000	State restricted fund dedicated for aviation development, regulation, and promotion.
State trunkline fund (STF)	124,952,100	State restricted fund dedicated for state trunkline programs.
STATE GENERAL FUND/ GENERAL PURPOSE	\$0	Unrestricted state revenue from taxes and other sources.

SECTION 103: COLLECTION, ENFORCEMENT, AND OTHER AGENCY SUPPORT SERVICES

This appropriation unit provides reimbursement to other state departments for services provided to state transportation funds and programs under terms of contracts with MDOT. Services provided by other state departments include collection of state restricted transportation revenue. Article IX, Section 9 of the 1963 Michigan Constitution dedicates motor fuel taxes and motor vehicle registration taxes for transportation purposes, after payment of necessary collection expenses. MTF grants to other state departments are governed by provisions of Act 51.

In addition to the line item appropriations shown below, Article 5, Section 807, of the General Government budget (2020 PA 166) authorizes the Department of Technology, Management and Budget (DTMB) to assess transportation funds a proportionate share of SIGMA accounting system costs.

CTF grant to civil service commission	\$250,000	Civil service administrative expenses for MDOT, based on constitutionally mandated charge of not less than 1% of related payroll.	Funding Source(s): Restricted 250,000
<i>Related Boilerplate Section(s): 306</i>			
CTF grant to department of attorney general	107,800	Legal services and litigation costs of the Attorney General in support of transportation programs.	Funding Source(s): Restricted 107,800
<i>Related Boilerplate Section(s): 306</i>			
CTF grant to department of technology, management, and budget	48,100	Accounting, budget, payroll, purchasing, and mail services from DTMB attributable to the CTF.	Funding Source(s): Restricted 48,100
<i>Related Boilerplate Section(s): 306</i>			
CTF grant to department of treasury	41,800	Investment activity costs attributable to CTF funds managed by the Department of Treasury.	Funding Source(s): Restricted 41,800
<i>Related Boilerplate Section(s): 306</i>			
CTF grant to legislative auditor general	42,600	Audit costs attributable to transportation programs and funds.	Funding Source(s): Restricted 42,600
<i>Related Boilerplate Section(s): 306</i>			
MTF grant to department of environment, Great Lakes, and energy	1,497,600	Supports EGLE, Land and Water Management Division environmental clearance activities for state and local road and bridge construction projects.	Funding Source(s): Restricted 1,497,600
<i>Related Boilerplate Section(s): 306</i>			
MTF grant to department of state for collection of revenue and fees	20,000,000	Costs attributable to collection of transportation revenue from vehicle title and registration taxes processed by the Department of State. Grant limited to \$20.0 million by Act 51, as amended by 2003 PA 151.	Funding Source(s): Restricted 20,000,000
<i>Related Boilerplate Section(s): 306</i>			

MTF grant to department of treasury	3,025,400	Costs attributable to collection of motor fuel taxes.	Funding Source(s):	Restricted	3,025,400
<i>Related Boilerplate Section(s): 306</i>					
MTF grant to legislative auditor general	345,000	Audit costs attributable to transportation programs and funds.	Funding Source(s):	Restricted	345,000
<i>Related Boilerplate Section(s): 306</i>					
SAF grant to civil service commission	150,000	Civil service administrative expenses for MDOT, based on constitutionally mandated charge of not less than 1% of related payroll.	Funding Source(s):	Restricted	150,000
<i>Related Boilerplate Section(s): 306</i>					
SAF grant to department of attorney general	188,200	Legal services and litigation costs of the Attorney General in support of transportation programs.	Funding Source(s):	Restricted	188,200
<i>Related Boilerplate Section(s): 306</i>					
SAF grant to department of technology, management, and budget	37,500	Accounting, budget, payroll, purchasing, and mail services from DTMB attributable to the SAF.	Funding Source(s):	Restricted	37,500
<i>Related Boilerplate Section(s): 306</i>					
SAF grant to department of treasury	81,600	Investment activity costs attributable to SAF funds managed by the Department of Treasury.	Funding Source(s):	Restricted	81,600
<i>Related Boilerplate Section(s): 306</i>					
SAF grant to legislative auditor general	33,300	Audit costs attributable to transportation programs and funds.	Funding Source(s):	Restricted	33,300
<i>Related Boilerplate Section(s): 306</i>					
STF grant to civil service commission	6,321,000	Civil service administrative expenses for MDOT, based on constitutionally mandated charge of not less than 1% of related payroll.	Funding Source(s):	Restricted	6,321,000
<i>Related Boilerplate Section(s): 306</i>					
STF grant to department of attorney general	2,135,900	Legal services and litigation costs of the Attorney General in support of transportation programs.	Funding Source(s):	Restricted	2,135,900
<i>Related Boilerplate Section(s): 306</i>					
STF grant to department of state police	12,170,700	Supports Michigan State Police, Commercial Vehicle [Motor Carrier] Enforcement, and the transportation portion of Criminal Justice Information Center.	Funding Source(s):	Restricted	12,170,700
<i>Related Boilerplate Section(s): 306</i>					

STF grant to department of technology, management, and budget	1,523,500	Accounting, budget, payroll, purchasing, and mail services from DTMB attributable to the STF.	Funding Source(s): Restricted 1,523,500
<i>Related Boilerplate Section(s): 306</i>			
STF grant to department of treasury	148,300	Investment activity costs attributable to STF funds managed by the Department of Treasury.	Funding Source(s): Restricted 148,300
<i>Related Boilerplate Section(s): 306</i>			
STF grant to legislative auditor general	801,500	Audit costs attributable to transportation programs and funds.	Funding Source(s): Restricted 801,500
<i>Related Boilerplate Section(s): 306</i>			
GROSS APPROPRIATION	\$48,949,800	Total of all applicable line item appropriations.	
Comprehensive transportation fund (CTF)	490,300	State restricted fund dedicated for public transportation purposes.	
Michigan transportation fund (MTF)	24,868,000	Primary collection/distribution fund for state transportation revenue from motor fuel taxes and vehicle registration taxes.	
State aeronautics fund (SAF)	490,600	State restricted fund dedicated for aviation development, regulation, and promotion.	
State trunkline fund (STF)	23,100,900	State restricted fund dedicated for state trunkline programs.	
STATE GENERAL FUND/ GENERAL PURPOSE	\$0	Unrestricted state revenue from taxes and other sources.	

SECTION 104: DEPARTMENTAL ADMINISTRATION AND SUPPORT

This appropriation unit authorizes six unclassified FTE positions within the department including the Department Director. The unit also provides funding for Transportation Asset Management Council, Business Support Services, Office of Commission Audits, Economic Development and Enhancement Programs, Financial Services, Property Management, and Workers Compensation.

Full-time equated unclassified positions	6.0	Full-time equated (FTE) positions not in the state classified service.
Full-time equated classified positions	251.3	Full-time equated (FTE) positions in the state classified service.
Unclassified salaries – 6.0 FTE positions	\$828,600	Provides spending authority for salaries of six unclassified FTE positions. Three positions were filled as of December 2020: Department Director; Director Office of Governmental Affairs and State Transportation Commission Adviser, and Deputy State Transportation Commission and Policy Adviser.
		Funding Source(s): Restricted 828,600
		<i>Related Boilerplate Section(s): None</i>
Asset management council	1,876,400	Provides data collection and related support for Asset Management Council established by 2002 PA 499. Staff support is provided from Transportation Planning appropriation unit.
		Funding Source(s): Restricted 1,876,400
		<i>Related Boilerplate Section(s): None</i>
Business support services – 41.0 FTE positions	6,797,900	Salaries, benefits, and other costs of Executive Office support staff, Office of Communications (including mapping and media services), Office of Governmental Affairs, and Chief Administrative Officer.
		Funding Source(s): Restricted 6,797,900
		<i>Related Boilerplate Section(s): None</i>
Commission audit and support services– 29.3 FTE positions	3,574,100	Office of Commission Audits (OCA) was established by Section 17a of Act 51 to conduct financial and performance audits. OCA also provides management advisory services to the department. The Commission Auditor is appointed by and serves at the pleasure of the State Transportation Commission.
		Funding Source(s): Restricted 3,574,100
		<i>Related Boilerplate Section(s): None</i>
Economic development and enhancement programs – 10.0 FTE positions	1,734,400	Salaries, benefits, and other operating costs of the Office of Economic Development which administers Transportation Economic Development Fund (TEDF) programs, State Infrastructure Bank, federal Transportation Alternative Program (TAP), and Safe Routes to School programs. Appropriations for TEDF, TAP, and Safe Routes to School grants are in other appropriation units.
		Funding Source(s): Restricted 1,734,400
		<i>Related Boilerplate Section(s): None</i>

Finance, contracts, and support services – 171.0 FTE positions	22,467,400	<p><u>Financial Operations Division</u> provides budgetary and accounting control for all MDOT financial operations, including preparation of financial reports/statements, project accounting, and accounts payable/receivable functions. Financial Outreach Services Unit calculates, monitors, and reports on MTF monies distributed to local units of government. Office Services Section within this division provides engineering and other document reproduction, facilities management, and mail room support.</p>
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Contract Services Division manages the overall service and construction contracting process, including bid lettings, contract awards, consultant and contractor payments, prequalification, and contract monitoring. CSD also manages the statewide purchasing activities for the department.

Accounting Service Division provides accounting services for the department as well as for the Michigan Department of Agriculture and Rural Development (MDARD), the Michigan Department of Environment, Great Lakes, and Energy (EGLE), and the Michigan Department of Natural Resources (MDNR). Responsibilities include accounts receivable, accounts payable, and cashiering and credit card receipting functions. The division is also responsible for general ledger accounting and preparation of financial statements.

These functions are housed within the Bureau of Finance and Administration.

Funding Source(s):	IDG	4,063,100
	Restricted	18,404,300

Related Boilerplate Section(s): 204, 205, 206, 207, 209, 211,212, 213, 216, 219, 220, 221, 304, 309, 310, 313, 328, 353, 357,377, 378, 381, 382, 383, 385, 386, 387, 389, 390,396,604,612,613

Property management	7,011,400	<p>DTMB property management charges for occupancy of state-owned buildings (Transportation Building, part of North Ottawa Building, Secondary Complex buildings for Testing and Research, and Central Warehouse) and rent for privately owned land or buildings at locations across the state.</p>
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Funding Source(s):	Restricted	7,011,400
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Related Boilerplate Section(s): 305

Worker's compensation	1,608,000	<p>Estimated worker's compensation obligations.</p>
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Funding Source(s):	Restricted	1,608,000
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Related Boilerplate Section(s): None

GROSS APPROPRIATION \$45,898,200 Total of all applicable line item appropriations.

IDG for accounting service center user charges	4,063,100	<p>Funds received from MDARD, EGLE, and MDNR for costs associated with Accounting Service Center functions.</p>
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Comprehensive transportation fund	1,541,700	<p>State restricted fund dedicated for public transportation purposes.</p>
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Economic development fund	405,300	<p>Fund established by 1987 PA 231 to assist in funding highway, road, and street projects that support economic growth.</p>
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Michigan transportation fund (MTF)	4,394,500	<p>Primary collection/distribution fund for state transportation revenue from motor fuel taxes and vehicle registration taxes. Used to support Bureau of Finance and Administration contract letting and project accounting for local units of government and administration of Act 51-required MTF distribution to local units of government.</p>
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State aeronautics fund	775,900	State restricted fund dedicated to aviation development, regulation, and promotion.
State trunkline fund (STF)	34,717,700	State restricted fund dedicated for state trunkline programs.
STATE GENERAL FUND/ GENERAL PURPOSE	\$0	Unrestricted state revenue from taxes and other sources.

SECTION 105: INFORMATION TECHNOLOGY

This appropriation unit gives MDOT authority to reimburse the DTMB for ongoing information technology (IT) services and projects.

In addition to the line item appropriations shown below, Article 5, Section 807, of the General Government budget (2020 PA 166) authorizes the DTMB to assess transportation funds a proportionate share of SIGMA accounting system costs.

In addition to line item appropriations for IT support services shown below, funding for major software development projects is funded from work project designations of STF funds lapsed from prior years' departmental operating line items. The focus of these IT work projects is the modernization of outdated software platforms.

Information technology services and projects	\$39,623,000	Provides spending authority for MDOT to reimburse DTMB for IT services, projects, and IT inventory.
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Funding Source(s):	Federal	520,500
	Restricted	39,102,500

Related Boilerplate Section(s): None

GROSS APPROPRIATION	\$39,623,000	Total of all applicable line item appropriations.
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Federal aid – transportation programs	520,500	Federal funds available for information technology applications.
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Blue Water Bridge fund	57,100	Subsidiary fund of STF used for debt service, capital projects, maintenance, and operating costs of the Blue Water Bridge.
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Comprehensive transportation fund (CTF)	232,300	State restricted fund dedicated for public transportation purposes.
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Economic development fund	38,400	Fund established by 1987 PA 231 to assist in funding highway, road, and street projects that support economic growth.
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Michigan transportation fund (MTF)	303,600	Primary collection/distribution fund for state transportation revenue from motor fuel taxes and vehicle registration taxes.
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State aeronautics fund (SAF)	181,200	State restricted fund dedicated to aviation development, regulation, and promotion.
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State trunkline fund (STF)	38,289,900	State restricted fund dedicated for state trunkline programs.
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STATE GENERAL FUND/ GENERAL PURPOSE	\$0	Unrestricted state revenue from taxes and other sources.
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SECTION 106: TRANSPORTATION PLANNING

The Bureau of Transportation Planning develops and implements a comprehensive transportation planning process so that transportation investments are consistent with financial, social, and economic policies of the State Transportation Commission.

Major responsibilities include: ensuring compliance with state and federal program requirements in order to maintain state and federal funding eligibility; strategic planning and policy development for all transportation modes; program development and management; travel demand modeling; economic analyses; and providing support to the Michigan Transportation Asset Management Council (TAMC).

Full-time equated classified positions	136.0	Full-time equated (FTE) positions in the state classified service.
Planning services – 136.0 FTE positions	\$41,766,500	<p>Supports Bureau of Transportation Planning activities carried out through three divisions: Asset Management and Policy Division, Statewide Transportation Planning Division, and Data Inventory and Integration Division.</p> <p><u>Asset Management and Policy Division</u> provides assistance to the State Transportation Commission and department management in developing transportation policy. The division also provides staff support for TAMC; provides guidance to the TAMC regarding state and federal legislation that impact transportation asset management; coordinates the development of the federally required Transportation Asset Management Plan and State Freight Plan; coordinates responses to state and federal policy decisions that may impact the department; and provides education, training and planning for non-motorized transportation.</p> <p><u>Statewide Transportation Planning Division</u> – Responsibilities include preparation of State Long Range Transportation Plan and State Transportation Improvement Program (STIP) in accordance with federal planning requirements, and preparation of the annual rolling Five-Year Transportation Program.</p> <ul style="list-style-type: none"> • Administers development of the state trunkline capital outlay program; develops revenue estimates. • Administers statewide and metropolitan planning process. • Provides travel demand analysis; supports comprehensive passenger and freight transportation planning. <p><u>Data Inventory and Integration Division</u> responsibilities include administration of data management activities associated with the collection, retention, distribution, analysis, and reporting of MDOT's infrastructure to support decision making for MDOT, federal and local partner agencies, other state agencies, and the public.</p> <p>Information generated by the Division is used to obtain and distribute funds and to assist in decision making as inputs into Program Development, Design of Projects, and Asset Management functions. Data is also provided for the Governor's Dashboard, the Director's Dashboard, ArcGIS Open data portal, interactive maps, and public-facing information sites.</p> <p><i>[continued on next page]</i></p>

Planning services – 136.0
 FTE positions
 (continued)

Functions include: Annual certification of 616 local agency Act 51 public road mileages and maps; annual reporting of overall system condition and use, through submittal of FHWA Highway Performance Monitoring System on all federal-aid roads; oversight of Planning and Asset data on three corporate repositories; administration of two corporate systems (Traffic Data Management System, Pavement Management Process Plan); administration of MDOT's enterprise Geographic Information Systems and ArcGIS Online, maintenance of linear referencing of all roads; coordination of planning and engineering staff and equipment for field operations; system monitoring; pavement surface condition assessment; roadway digital video imaging services; detailed traffic/travel information collection; annual collection of the Road Asset Inventory; PASER Q/C for TAMC; and administration of jurisdictional transfers, annexations, and National Functional Classification review.

Funding Source(s): Federal 24,000,000
 Restricted 17,766,500

Related Boilerplate Section(s): 217, 307, 384, 385, 394, 402

Grants to regional planning councils 488,800 Grants to regional planning agencies for data collection and analysis, public involvement, and coordination between agencies.

Funding Source(s): Restricted 488,800

Related Boilerplate Section(s): None

GROSS APPROPRIATION	\$42,255,300	Total of all applicable line item appropriations.
Federal aid – transportation programs	24,000,000	Federal funds designated for statewide planning activities; derived from 2% set aside of certain federal-aid programs.
Comprehensive transportation fund (CTF)	622,600	Restricted funds that support public transportation components of statewide transportation planning.
Michigan transportation fund (MTF)	9,859,900	Primary collection/distribution fund for revenue from motor fuel and vehicle registration taxes. Used in this appropriations unit to support statewide planning activities.
State aeronautics fund (SAF)	15,800	Restricted funds that support aviation components of statewide transportation planning.
State trunkline fund (STF)	7,757,000	State restricted fund dedicated for state trunkline programs.
STATE GENERAL FUND/ GENERAL PURPOSE	\$0	Unrestricted state revenue from taxes and other sources.

SECTION 107: DESIGN AND ENGINEERING SERVICES

This appropriation unit supports administration of state trunkline program development, delivery, and system operations, including development and delivery of the annual state trunkline capital construction program. The appropriation for capital road and bridge construction projects is made in a separate appropriation unit.

Also supports operation of Welcome Centers.

Full-time equated classified positions	1,508.3	Full-time equated (FTE) positions in the state classified service.
Program development and delivery – 1,031.3 FTE positions	\$102,492,900	<p>Supports administration (salary, benefits, and other operating costs) of state trunkline program development, delivery, and system operations. This line supports functions related to the development and delivery of the annual state trunkline capital construction program.</p> <p>Highway Operations are under the direction of the department’s Chief Operations Office. Functions are broadly organized under three bureaus: Bureau of Development; Bureau of Field Services; and Bureau of Bridges and Structures.</p> <p>There are three administrative offices within Highway Operations: Office of Business Development; Office of Operations Administrative Services, and Office of Organizational Development.</p> <p>Highway Operations activities are carried out from Lansing Central Office, at seven MDOT Regions, and at Transportation Service Centers (TSCs) within regions.</p> <p>Program functions and activities within Highway Operations include:</p> <p>Program Development and Delivery</p> <p>Planning – assists in development of the State Long Range Transportation Plan (SLRTP), the Transportation Improvement Program (TIP), and State Transportation Improvement Program (STIP).</p> <p>Project Environmental – manages environmental clearance process for proposed projects to ensure compliance with state and federal requirements; identifies ways to mitigate project impacts; manages environmental consultant contracts; conducts hydrological analysis related to trunkline crossings of waterways and drainage; coordinates with EGLE for environmental permitting related to construction projects.</p> <p>Surveys – provides statewide survey coordination; administers consultant survey contracts; provides photogrammetry and mapping services.</p> <p>Utility Coordination and Clearance – coordinates use of MDOT right of way by utilities, including relocation of utility facilities when necessary; coordinates relocation and design of municipal utilities such as water mains, sewers, and lighting.</p> <p>Real Estate Services – manages MDOT property (right-of-way); functions include including appraisal, acquisition, and sale of excess property in accordance with state and federal regulations.</p> <p><i>[continued on next page]</i></p>

Program development and
delivery – 1,031.3 FTE
positions
(continued)

Design – responsible for preparation of project documents (plans, specifications, estimates) used as the basis for bid letting and project construction. Provides assurance that project plans and proposals are prepared and delivered in accordance with FHWA, AASHTO, and MDOT standards and contracting practices. Maintains the department's Design Standard Plans and Guidelines, and Design Package Evaluation (DPE) systems. Design engineering work is performed by both department staff and contract consulting engineering firms under the supervision of MDOT engineering staff.

Construction – provides construction engineering and inspection of construction project work; construction contract administration including management of contractor payments; development of standard specifications for highway construction; evaluation of innovative technologies; technical support to Disadvantaged Business Enterprise (DBE) firms. Construction engineering work is performed by both department staff and contract consulting engineering firms under the supervision of MDOT engineering staff.

Geotechnical – provides engineering, design, and analysis related to the physical properties affecting buildability and stability of structures, including subsurface investigation; foundation design and analysis; soils testing and classification; grading and drainage design and engineering; and soil and sedimentation control.

Materials Management – develops procedures and guidelines for materials sampling, testing, and control; develops and implements quality control/quality assurance (QC/QC) plans for testing and acceptance of construction materials; manages research projects; and recommends changes in the department's Standard Specifications for Construction.

Pavement Management – develops pavement design standards. Also performs pavement condition analysis, pavement investigations, Life Cycle Cost Analysis, pavement design for projects, and remaining service life reviews.

Project Maintenance of Traffic – provides traffic coordination between MDOT projects, and between MDOT projects and local projects; develops traffic management plans and maintaining traffic plans.

Bridge Program Management and Inspection – manages statewide bridge inspection program; maintains Bridge Management System; develops state trunkline bridge program strategies; and performs scoping for bridge projects.

Program Coordination – coordinates annual program call for projects, coordinates Region investments in Capital Preventive Maintenance (CPM), rehabilitation, reconstruction, and capacity improvements.

Bridge Design – develops contract documents for bridge projects; manages bridge consultant design contracts.

Funding Source(s): Restricted 102,492,900

Related Boilerplate Section(s): 208, 308, 328, 357, 375, 376, 382, 394, 398, 399, 601, 612, 660, 661

System operations management – 357.0 FTE positions	57,666,100	<p>System Operations and Maintenance Traffic Safety and Operations – responsible for signal operations, sign operations, pavement marking, work zone safety, incident management, traffic safety, and congestion mitigation. Coordinates payment of freeway lighting and traffic signal utility billings.</p> <p>Intelligent Transportation Systems (ITS) – operations include Southeast Michigan Transportation Operations Center (SEMTOC) in Detroit, West Michigan Transportation Operations Center (WMTOC) in Grand Rapids, and the Statewide Traffic Operations Center (STOC) in Lansing. Coordinates connected vehicle research.</p> <p><i>System Environmental</i> – identifies social, economic, and environmental impacts of projects for use in planning documents; implements wetland mitigation site corrective action program; coordinates with EGLE.</p> <p><i>Permits</i> – manages department use of department right of way and facilities through permitting functions including construction, billboard, and oversize/overweight vehicle permits.</p>
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Funding Source(s):	Federal	23,529,800
	Restricted	34,136,300

Related Boilerplate Section(s): 208, 308, 328, 357, 375, 376, 382, 394, 398, 399, 601, 612, 660, 661

Business services – 120.0 FTE positions	18,182,300	<p>Business Services in Support of Highway Operations <i>Research Administration</i> – coordinates the department’s research program, including various research initiatives in cooperation with national industry groups such as the American Association of State Highway and Transportation Officials (AASHTO), the Transportation Research Board (TRB), the National Cooperative Highway Research Program (NCHRP) and U.S. Department of Transportation’s University Transportation Centers (UTCs) program. Many research projects are supported with FHWA State Planning and Research grants. Research administration also provides research library services.</p> <p><i>Local Agency Programs</i> – administers federal-aid programs on behalf of local road agencies; ensures that local federal-aid projects have environmental clearance and are in compliance with federal-aid program requirements; provides oversight for the Local Bridge Program; administers Local Safety Program. Assists local road agencies in programming Transportation Economic Development projects.</p> <p><i>Performance Management/Performance Excellence</i> – provides system measurement tools and analysis; administers MDOT’s employee training programs.</p> <p><i>Office of Operations Administrative Services</i> – manages department-owned facilities (offices, garages, labs, salt storage, sign shops) as well as the department-owned vehicle fleet (passenger vehicles, trucks, equipment); provides budgetary oversight for Highway Operations.</p> <p><i>Office of Business Development</i> – administers the department’s Disadvantaged Business Enterprise (DBE) program and on-the-job training (OJT) programs.</p> <p><i>Safety and Security Administration</i> – provides emergency management coordination for disasters and emergency declarations. Coordinates with the Michigan State Police and other law enforcement agencies.</p> <p><i>[continued on next page]</i></p>
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Business services – 120.0
 FTE positions
 (continued)

Attorney General – Transportation Division provides legal counsel to MDOT for construction contract issues, right-of-way condemnation, and environmental law; represents MDOT in tort litigation and actions to obtain reimbursement from motorists for damages to highway features.

This line item also supports operation of 14 Welcome Centers.

Funding Source(s): Restricted 18,182,300

Related Boilerplate Section(s): 208, 308, 328, 357, 375, 376, 382, 394, 398, 399, 601, 612, 660, 661

GROSS APPROPRIATION \$178,341,300 Total of all applicable line item appropriations.

Federal aid – transportation programs	23,529,800	Federal funds support research, materials, technology, and QA/QC program and assurance testing. Federal funds also support ITS and Safe Routes to Schools programs.
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Comprehensive transportation fund (CTF)	187,100	Restricted funds that support public transportation programs.
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Michigan transportation fund (MTF)	15,656,100	Primary collection/distribution fund for transportation revenue from motor fuel and vehicle registration taxes. Used in this appropriations unit to support engineering oversight, technical assistance, and coordination related to state and federal funds provided to counties, cities, and villages.
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State aeronautics fund	160,300	Restricted funds that support aviation programs.
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State trunkline fund (STF)	138,808,000	State restricted fund dedicated for state trunkline programs.
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STATE GENERAL FUND/ GENERAL PURPOSE	\$0	Unrestricted state revenue from taxes and other sources.
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SECTION 108: HIGHWAY MAINTENANCE

This appropriation unit supports road and bridge maintenance activities on the state trunkline system.

The State trunkline operations line item, funded entirely from the state restricted STF, supports MDOT's program of routine maintenance for 9,683 miles of state trunkline highways and 4,485 state trunkline bridges.

Full-time equated classified positions	760.7	Full-time equated (FTE) positions in the state classified service.
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State trunkline operations – 760.7 FTE positions	\$415,521,900	Salary, benefits, and other operating costs of MDOT's state trunkline maintenance program; includes activities performed by MDOT maintenance personnel from Lansing Central Office and seven MDOT Regions. Department personnel also manage and coordinate work and reimbursements to those counties, municipalities, and private contractors who perform trunkline maintenance under contract with MDOT.
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In 20 counties, state trunkline maintenance is performed by MDOT personnel ("direct counties.") In 62 counties, state trunkline work is performed primarily by contract counties. Monroe county had been a contract county through September 30, 2019. MDOT has contracted with a private contractor to perform state trunkline maintenance work in Monroe County until the department can establish direct MDOT maintenance functions.

Functions include: winter maintenance, including deicer surface treatment, snow removal, and winter incident response; surface maintenance including joint and crack filling, remove and replace pavement, and pothole repair; structure maintenance, including bridge deck maintenance, superstructure and substructure maintenance, bridge drainage maintenance and repair, and emergency response to bridge hit incidents; sign and signal maintenance, including sign fabrication, maintenance, and repair and signal maintenance and repair; shoulder and roadside maintenance, including gravel and paved shoulders, road drainage inspection, maintenance, and repair, vegetation and brush control, litter pickup, and area and right-of-way mowing; guardrail maintenance and repair and trunkline system emergency response; fleet and facility operations, maintenance, and repair, including maintenance and repair of MDOT's 77 rest areas and Welcome Centers; and managing the Adopt-A-Highway program.

Funding Source(s): Restricted 415,521,900

Related Boilerplate Section(s): 270, 319, 396, 605, 610

GROSS APPROPRIATION	\$415,521,900	Total of all applicable line item appropriations.
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State trunkline fund (STF)	415,521,900	State restricted fund dedicated for state trunkline highway purposes.
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STATE GENERAL FUND/ GENERAL PURPOSE	\$0	Unrestricted state revenue from taxes and other sources.
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SECTION 109: ROAD AND BRIDGE PROGRAM

This appropriation unit includes spending authorization for the state trunkline capital construction/preservation program, the local federal-aid program, and certain targeted/categorical programs established in Act 51. The distribution of MTF revenue to local road agencies as provided in Act 51 is also appropriated from this unit.

Cities and villages	\$633,771,000	Act 51 allocation of 21.8% of net MTF revenue. Appropriation is based on estimated revenue. The actual distribution to cities and villages will be based on actual MTF revenue and Act 51 external formula. Distribution to specific cities and villages is governed by Act 51 internal formula (includes population, state trunkline mileage, major street mileage, and local street mileage factors).
		Funding Source(s): Restricted 633,771,000
		<i>Related Boilerplate Section(s): 394</i>
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County road commissions	1,136,717,600	Act 51 allocation of 39.1% of net MTF revenue. Appropriation is based on estimated revenue. The actual distribution to county road commissions will be based on actual MTF revenue and Act 51 external formula. Distribution to specific county road commissions is governed by the Act 51 internal formula (includes urban, primary, and local road miles, vehicle registration tax receipts, and population factors).
		Funding Source(s): Restricted 1,136,717,600
		<i>Related Boilerplate Section(s): 394</i>
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Grants to local programs	33,000,000	Act 51 allocation to Local Program Fund; distributed 64.2% to county road commissions and 35.8% to cities and villages.
		Funding Source(s): Restricted 33,000,000
		<i>Related Boilerplate Section(s): None</i>
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Local agency wetland mitigation bank fund	2,000,000	Recognizes Act 51 earmark for local wetland mitigation bank; established through Act 51 amendment, 2016 PA 246.
		Funding Source(s): Restricted 2,000,000
		<i>Related Boilerplate Section(s): None</i>
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Local bridge program	27,000,100	Local Bridge Program provides grants for the repair or replacement of local road agency bridges. The Local Bridge Program and related MTF funding earmark are established in Sec.10 of Act 51.
		Funding Source(s): Restricted 27,000,100
		<i>Related Boilerplate Section(s): 503</i>
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Local federal aid and road and bridge construction	290,587,800	Act 51 requires that an average of 25% of federal aid, excluding certain program categories, be allocated to local road agencies for eligible local road and bridge construction projects. This line is a placeholder representing the current year estimate of that allocation.
		Funding Source(s): Federal 290,587,800
		<i>Related Boilerplate Section(s): 357, 382, 402</i>

Movable bridge	5,444,100	Recognizes earmark for state and local movable bridges established through Act 51 amendment, Public Act 246 of 2016.
		Funding Source(s): Restricted 5,444,100
		<i>Related Boilerplate Section(s): None</i>
Rail grade crossing	3,000,000	Act 51 allocation for rail grade crossing program; funds grade crossing safety enhancements, including crossing surface improvements on the state trunklines.
		Funding Source(s): Restricted 3,000,000
		<i>Related Boilerplate Section(s): None</i>
Rail grade crossing – surface improvements	3,000,000	Act 51 allocation for rail grade crossing surface improvement projects on the local road system; established in 2015 PA 175, an amendatory act that was part of the November 2015 Road Funding Package, effective January 1, 2017.
		Funding Source(s): Restricted 3,000,000
		<i>Related Boilerplate Section(s): None</i>
State trunkline federal aid and road and bridge construction	1,327,133,800	State trunkline capital road and bridge construction program.
		Funding Source(s): Federal 822,327,100 Local 30,003,500 Restricted 474,803,200
		<i>Related Boilerplate Section(s): 307, 353, 384, 394, 395, 601, 612, 660</i>
GROSS APPROPRIATION	\$3,461,654,400	Total of all applicable line item appropriations.
Federal aid – transportation programs	1,112,914,900	Federal-aid surface transportation funds provided for both state and local road agency capital construction programs from federal-aid programs established in 23 U.S. Code (Highways) as reauthorized and amended by the Fast Act .
Local funds	30,003,500	City or village cost participation for opening, widening, or improving state trunkline highways as required by Act 51.
Blue water bridge fund	7,179,100	Subsidiary fund of STF used primarily to account for debt service, maintenance, and operating costs of Blue Water Bridge. In the State Trunkline Federal Aid and Road and Bridge Construction line item this fund source supports capital construction projects, including work related to the Blue Water Bridge Plaza project.
Local bridge fund	27,000,100	Fund established by 2004 PA 384, which amended Act 51, is dedicated for the Local Bridge Program. Fund revenue is derived from two Act 51 MTF earmarks: a half-cent from the motor fuel tax on gasoline; and a separate \$5.0 million earmark.
Michigan transportation fund (MTF)	1,816,932,700	Primary collection/distribution fund for state transportation revenue from motor fuel and vehicle registration taxes; allocated by Act 51 to Local Program Fund, rail grade crossing account, Local Bridge Fund, county road commissions, and cities and villages.
State trunkline fund (STF)	467,624,100	State restricted fund dedicated for state trunkline highway purposes.
STATE GENERAL FUND/ GENERAL PURPOSE	\$0	Unrestricted state revenue from taxes and other sources.

SECTION 110: BLUE WATER BRIDGE

This appropriations unit, first recognized in the FY 1997-98 transportation budget, is used to account for operating and maintenance costs of the Michigan-owned half of the twin-span Blue Water Bridge. Capital construction/rehabilitation costs of the bridge and the Blue Water Bridge Plaza project are funded from the State Trunkline Federal Aid and Road and Bridge Construction line item in the Road and Bridge Programs appropriations unit.

Full-time equated classified positions	41.0	Full-time equated (FTE) positions in the state classified service.
Blue Water Bridge operations – 41.0 FTE positions	\$6,743,700	Operating and maintenance costs for the <i>Michigan-owned half of the twin-span Blue Water Bridge</i> , which crosses the St. Clair River between Port Huron, Michigan and Sarnia, Ontario, Canada. [Administratively, Blue Water Bridge operations and maintenance functions are under the department's Bureau of Bridges and Structures.]
		Funding Source(s): Restricted 6,743,700
		<i>Related Boilerplate Section(s): None</i>
GROSS APPROPRIATION	\$6,743,700	Total of all applicable line item appropriations.
Blue water bridge fund (BWBF)	6,743,700	Subsidiary fund of STF used to account for debt service, capital projects, maintenance, and operating costs of Blue Water Bridge.
STATE GENERAL FUND/ GENERAL PURPOSE	\$0	Unrestricted state revenue from taxes and other sources.

SECTION 111: TRANSPORTATION ECONOMIC DEVELOPMENT

This fund was created by 1987 PA 231 (MCL 247.901) to assist funding highway, road, and street improvements in direct support of economic growth. Resources support six categories of improvements (A, B, C, D, E, F) related to either a specific type of economic activity or a specific type of transportation condition.

Community service infrastructure fund	\$3,000,000	Public Act 473 of 2018 amended 1987 PA 231 to establish and define a new \$3.0 million TEDF program for cities and villages with populations of 10,000 or less. This program has been designated as Category B.
		Funding Source(s): Restricted 3,000,000
		<i>Related Boilerplate Section(s): 503</i>
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Forest roads	5,000,000	Category E (Forest Roads) receives \$5.0 million statutory earmark to facilitate safe/efficient transport of forest raw materials. Grant recipients are limited to county road commissions in counties that include a national lake shore, a national park, or in which 34% or more of the land area is commercial forest.
		Funding Source(s): Restricted 5,000,000
		<i>Related Boilerplate Section(s): 503</i>
<hr/>		
Rural county primary	7,698,600	Category D (Rural County Primary Roads) receives 25% of net TEDF balance after deducting administrative costs, debt service, and category E and F amounts.
		Funds are available to county, city, or village road agencies in counties with populations of 400,000 or less to enhance local primary road and major street systems that link communities to the state trunkline system; funds are allocated to regional task forces based on proportion of rural primary road mileage included in each region. Rural task forces identify specific projects for funds in each region and submit project list to MDOT.
		Note: Section 10(3) of Act 51 allocates 16.5% of the state's Equity Bonus federal-aid funds to Category D. These federal funds are appropriated in boilerplate Section 503(3). However, Equity Bonus was a federal aid category eliminated under the FAST Act. The department allocates additional federal-aid to counties to offset the loss of these Equity Bonus funds, although not necessarily for Category D programs.
		Funding Source(s): Restricted 7,698,600
		<i>Related Boilerplate Section(s): 503</i>
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Rural county urban system	2,500,000	Category F (Cities in Rural Counties) receives \$2.5 million statutory earmark for urban areas (cities and villages with populations greater than 5,000) in rural counties (with populations of 400,000 or less). Projects must be for improvements to federal-aid eligible roads and streets. Funds are available through competitive grant to eligible county, city, or village road agencies.
		Funding Source(s): Restricted 2,500,000
		<i>Related Boilerplate Section(s): 503</i>

Target industries/economic redevelopment	2,897,300	<p>Category A (Target Industries) receives a \$3.5 million earmark of MTF revenue in Act 51, plus 50% of net TEDF balance after deducting administrative costs, debt service, and category E and F amounts.</p> <p>For FY 2020-21 the appropriation for Target Industries is less than the \$3.5 million MTF earmark as a result of budget implementation bills, that redirected \$13.0 million in driver's license fee revenue in both FYs 2019-20 and 2020-21, from the TEDF, Target Industries, to the state General Fund. This fund shift was effected through an amendment to the Michigan Vehicle Code (Senate Bill 1070, enacted as 2020 PA 203), and an amendment to 1987 PA 231 (Senate Bill 1071, enacted as 2020 PA 204).</p> <p>Category A is dedicated to capital road improvements related to economic development projects which create/retain permanent jobs in seven industries: agriculture and food processing, tourism, forestry, high technology research, mining, manufacturing, and office centers of not less than 50,000 square feet. Grants are competitively evaluated and may be awarded to any Act 51 eligible road agency (MDOT, county road commissions, cities, or villages).</p> <p>Program is administered jointly by MDOT's Office of Economic Development and the Michigan Economic Development Corporation (MEDC).</p> <p style="text-align: right;">Funding Source(s): Restricted 2,897,300</p> <p><i>Related Boilerplate Section(s): 503</i></p>
Urban county congestion	7,698,300	<p>Category C (Urban County Congestion Relief) receives 25% of net TEDF balance after deducting administrative costs, debt service, and category E and F amounts.</p> <p>Funds are available to counties with populations greater than 400,000 (Wayne, Oakland, Macomb, Genesee, and Kent), allocated among qualified counties by population-based formula, and may be used for road or transit projects related to urban congestion relief or advanced traffic management systems; applications are reviewed by urban task forces.</p> <p>Section 10(3) of Act 51 allocates 15% of the state's Equity Bonus federal-aid funds to Category C. These federal funds are appropriated in boilerplate Section 503(3). However, Equity Bonus was eliminated as a federal-aid program category under the FAST Act. The department allocates additional federal-aid to counties to offset the loss of these Equity Bonus funds, although not necessarily for Category C programs.</p> <p style="text-align: right;">Funding Source(s): Restricted 7,698,600</p> <p><i>Related Boilerplate Section(s): 503</i></p>
GROSS APPROPRIATION	\$28,794,500	Total of all applicable line item appropriations.
Economic development fund	28,794,500	Established by 1987 PA 231 to help fund highway, road, and street projects that support economic growth; revenue is derived primarily from Act 51 earmarks of MTF revenue and through a statutory earmark of driver's license fee revenue.
STATE GENERAL FUND/ GENERAL PURPOSE	\$0	Unrestricted state revenue from taxes and other sources.

SECTION 112: AERONAUTICS SERVICES

The State Aeronautics Code (Public Act 327 of 1945) gives the Michigan Aeronautics Commission general authority over aeronautics in the state. The Office of Aeronautics provides overall administration and direction for state aviation programs. Program activities include promoting development of commercial passenger and freight services; supporting construction and improvement of airport facilities; and providing aeronautical services, educational efforts, and regulatory activities to ensure safe and efficient aviation within the state. Aeronautics' Airport Improvement Program is funded in the Capital Outlay section of this act.

Full-time equated classified positions	46.0	Full-time equated (FTE) positions in the state classified service.
Air fleet operations and maintenance – 8.0 FTE positions	\$1,774,500	<p>Provides aircraft, pilots, and maintenance services to support airport inspection, safety and education programs, and airport development programs, as well as provision of air transport services to state agencies and personnel.</p> <p><i>Post enrollment note:</i> On October 29, 2020, the State Budget Office requested a transfer of \$774,500 from this line to Aviation Services. The supporting letter indicated that the transfer was intended to help mitigate the impacts of an anticipated shortfall in State Aeronautics Fund revenue. The department also indicates that the revised funding allocation between the two-line items more accurately reflects funding levels necessary to support applicable program areas.</p> <p style="text-align: right;">Funding Source(s): Restricted 1,774,500</p> <p style="text-align: right;"><i>Related Boilerplate Section(s): 383, 801, 802, 804, 805</i></p>
Air service program	50,000	<p>Provides grant assistance to the state's 18 commercial air service airports with a focus on smaller commercial service airports. Air service program funds are expended on projects that are not eligible for federal Airport Improvement Program funding. Program has four grant categories: Air Carrier Recruitment and Retention, Capital Improvement and Equipment, Airport Awareness, and Aircraft Rescue and Fire Fighting Training.</p> <p style="text-align: right;">Funding Source(s): Restricted 50,000</p> <p style="text-align: right;"><i>Related Boilerplate Section(s): 801</i></p>

Aviation services – 38.0 FTE positions	4,925,500	<p>The Office of Aeronautics is divided into three sections: Planning & Development; Programming; and Transport & Safety.</p> <p>Provides administrative services, fiscal coordination, and legislative liaison for aeronautics programs; administers all-weather airport access program; supports the Michigan Aeronautics Commission.</p> <p>Administers and provides project management for programming, planning, design, and construction of federal aid and state-funded capital airport improvement projects. Airport Improvement Program projects are funded in the Capital Outlay section of this act.</p> <p><i>Post enrollment note:</i> On October 29, 2020, the State Budget Office requested a transfer of \$774,500 from Air Fleet Operations and Maintenance to this line. The supporting letter indicated that the transfer was intended to help mitigate the impacts of an anticipated shortfall in State Aeronautics Fund revenue. The department also indicates that the revised funding allocation between the two-line items more accurately reflects funding levels necessary to support applicable program areas.</p>
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Funding Source(s): Restricted 4,925,500

Related Boilerplate Section(s): 324, 801, 802, 806

GROSS APPROPRIATION	\$6,750,000	Total of all applicable line item appropriations.
State aeronautics fund (SAF)	6,750,000	Restricted fund for aviation development, regulation, and promotion; revenue from aviation fuel taxes and licensing/registration fees.
STATE GENERAL FUND/ GENERAL PURPOSE	\$0	Unrestricted state revenue from taxes and other sources.

SECTION 113: PUBLIC TRANSPORTATION SERVICES

This appropriation unit provides administrative support for state public transportation programs. Grant programs are funded from other appropriations units.

Full-time equated classified positions	36.0	Full-time equated (FTE) positions in the state classified service.
Passenger transportation services – 36.0 FTE positions	\$6,067,900	Administers local public transit, marine passenger, and intercity service programs. Implements Motor Bus Transportation Act safety regulations.
		Funding Source(s):
		Federal
		Restricted
		972,100
		5,095,800
		<i>Related Boilerplate Section(s): 305, 393, 701, 719</i>
GROSS APPROPRIATION	\$6,067,900	Total of all applicable line item appropriations.
Federal aid – transportation programs	972,100	Federal transit funding from Title 49 USC as amended by the Fast Act.
Comprehensive transportation fund (CTF)	5,095,800	State restricted fund dedicated for public transportation purposes.
STATE GENERAL FUND/ GENERAL PURPOSE	\$0	Unrestricted state revenue from taxes and other sources.

SECTION 114: LOCAL BUS TRANSIT

This appropriation unit provides operating and capital assistance to local bus transit systems within the state.

Local bus operating	\$193,750,000	Statutory operating assistance to local transit systems for a portion of eligible operating expenses. Act 51 provides reimbursement of up to 50% of eligible operating expense to transit systems in urbanized areas (population greater than 100,000) and up to 60% of eligible operating expense to transit systems in areas with populations of less than 100,000.
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Funding Source(s): Restricted 193,750,000

Related Boilerplate Section(s): 393

Nonurban operating/capital	30,027,900	Federal transit grant funding available to local transit systems in non-urbanized areas of state (under 50,000 in population). Funds can be used for operating or capital assistance; Michigan has used primarily for operating assistance.
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Funding Source(s): Federal 28,027,900
 Local 2,000,000

Related Boilerplate Section(s): 393

GROSS APPROPRIATION \$223,777,900 Total of all applicable line item appropriations.

Federal aid – transportation programs	28,027,900	Federal transit grants for operating and capital assistance to nonurban transit systems authorized by 49 USC 5311 as amended by the Fast Act.
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Local funds	2,000,000	Local funding match for certain federal grants.
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Comprehensive transportation fund (CTF)	193,750,000	State restricted fund for public transportation purposes.
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**STATE GENERAL FUND/
GENERAL PURPOSE \$0 Unrestricted state revenue from taxes and other sources.**

SECTION 115: INTERCITY PASSENGER AND FREIGHT

This appropriation unit provides funds for intercity bus service, rail passenger service, rail freight development, port development, and marine passenger programs. The Office of Rail within this appropriations unit also provides administrative support for state public transportation programs.

Full-time equated classified positions	39.0	Full-time equated (FTE) positions in the state classified service.
Detroit/Wayne County Port Authority	\$400,000	Operating assistance to Detroit/Wayne County Port Authority; a local unit of government established under Public Act 639 of 1978.
		Funding Source(s): Restricted 400,000
		<i>Related Boilerplate Section(s): 706</i>
Freight property management	1,000,000	MDOT currently owns rail property, including approximately 530 miles of track, acquired in the 1970s and 1980s when private railroads abandoned a number of rail lines in Michigan. Four short line railroads operate on the state-owned track under contract with the department. This line item is used to pay additional trackage rights on certain non-state-owned segments in order to provide for the continuity of service on the state-owned lines. In addition, costs of certain property management activities, including weed and brush removal, culvert repair and replacement, and drainage assessments, are charged to the line.
		[MDOT also owns an additional 135 miles of track, between Dearborn and Kalamazoo, acquired from the Norfolk Southern railroad in December 2012, primarily for rail passenger service. Maintenance and rehabilitation costs of that segment are charged to the Rail Operations and Infrastructure line item.]
		Funding Source(s): Restricted 1,000,000
		<i>Related Boilerplate Section(s): None</i>
Intercity services	7,260,000	MDOT contracts with intercity carriers to provide intercity bus service to small urban and rural communities without other intercity public transportation services.
		Supports the intercity bus equipment program under which MDOT grants federal and state matching funds to intercity carriers for procurement of buses. Use of the buses is restricted to scheduled regular route services that originate in or are destined to points in Michigan, and which would otherwise be under-served by public transportation. Other projects that promote intermodal coordination may be considered.
		Funding Source(s): Federal 4,500,000 Local 160,000 Private 800,000 Restricted 1,800,000
		<i>Related Boilerplate Section(s): 701</i>

Marine passenger service	928,000	Capital assistance for marine passenger systems. Eligible systems currently include the Eastern Upper Peninsula Transportation Authority (St. Mary's River ferry service), and the Beaver Island Transportation Authority (ferry service between Beaver Island and Charlevoix).
		Funding Source(s): Local 500,000 Restricted 428,000
		<i>Related Boilerplate Section(s): 753</i>
Office of rail – 39.0 FTE positions	6,779,700	Administers rail passenger, rail freight, rail economic development, port, and local grade crossing programs, including project management functions. Provides fiscal coordination and contract administration for Office of Rail and Office of Passenger Transportation.
		Funding Source(s): Restricted 6,779,700
		<i>Related Boilerplate Section(s): 702, 703, 704, 707, 752</i>
Rail operations and infrastructure	98,738,000	Provides operating and capital support for rail passenger service on three lines in Michigan operated by Amtrak: The <i>Blue Water</i> (Port Huron to Chicago), the <i>Pere Marquette</i> (Grand Rapids to Chicago), and the <i>Wolverine</i> (Pontiac-Detroit-Chicago).
		Supports maintenance and capital investments on the state-owned Kalamazoo-Dearborn corridor.
		Supports capital improvements on state-owned rail facilities; also supports a rail-freight economic development program.
		Funding Source(s): Federal 20,000,000 Local 100,000 Private 100,000 Restricted 78,538,000
		<i>Related Boilerplate Section(s): 702, 704, 707</i>
GROSS APPROPRIATION	\$115,105,700	Total of all applicable line item appropriations.
Federal aid – transportation programs	24,500,000	Federal aid for intercity services provided through 49 USC 5311 as amended by the Fast Act; federal aid from Federal Railroad Administration supports capital costs of facilities, infrastructure, and equipment necessary to provide or improve high speed and intercity passenger rail service.
Local funds	760,000	Local funding match for certain federal grants.
Private funds	900,000	Revenue from private/non-governmental entities.
Comprehensive transportation fund (CTF)	79,449,500	State restricted fund dedicated for public transportation purposes. Act 51 appropriates not less than 10% of appropriated CTF balance, after payment of debt service and administration, for intercity passenger and freight development.
Intercity bus equipment and facility fund	600,000	Revenue is generated primarily from facility maintenance charges under terms of the leases of state-owned intercity facilities; the fund is used as a fund source in the Intercity Services line item.
		<i>Related Boilerplate Section(s): 701</i>
Michigan transportation fund (MTF)	2,124,300	Primary collection/distribution fund for transportation revenue from motor fuel and vehicle registration taxes, used in this appropriation unit to support statewide Railroad Safety, and Local Grade Crossing program within the Office of Rail line item.

Rail freight fund	6,000,000	Sources of revenue include trackage rights, real estate activities (property sales/leases/permits), and contractual reimbursements and repayments. Used as a fund source for rail programs. <i>Related Boilerplate Section(s): 702</i>
State trunkline fund (STF)	771,900	State restricted fund dedicated for state trunkline highway purposes, appropriated in the Office of Rail line item.
STATE GENERAL FUND/ GENERAL PURPOSE	\$0	Unrestricted state revenue from taxes and other sources.

SECTION 116: PUBLIC TRANSPORTATION DEVELOPMENT

This appropriation unit provides funds to enhance the effectiveness and availability of public transportation by supporting vehicle acquisitions, efficient local service delivery, and development of innovative public transportation programs and technologies.

Municipal credit program	\$2,000,000	<p>Section 10/ of Act 51 established the Municipal Credit Program. As amended by 2012 PA 391. Section 10/ directs that \$2.0 million be returned from the distribution of local bus operating assistance made under Section 10e(4)(a) of Act 51 by each eligible authority organized or continued under the Regional Transit Authority Act (2012 PA 387) as a credit to those cities, villages, and townships within the authority. The section directs that the “return of money in terms of a credit” be based on population.</p> <p>In addition to the \$2.0 million distribution under Section 10/, Section 10e(4)(c)(iv) of Act 51 directs that not less than \$2.0 million in CTF revenue be appropriated for the program each year. The Municipal Credit Program line item reflects this additional \$2.0 million Act 51 earmark.</p>	<p style="text-align: right;">Funding Source(s): Restricted 2,000,000</p>
<i>Related Boilerplate Section(s): None</i>			
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Service initiatives	8,475,100	<p>Provides funds for transit-related research, training, development, demonstration, planning, coordination, and technical projects.</p>	<p style="text-align: right;">Funding Source(s): Federal 1,650,000 Local 325,000 Restricted 6,500,100</p>
<i>Related Boilerplate Section(s): 393</i>			
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Specialized services	18,438,900	<p>Act 51 requires a minimum appropriation of \$3,600,100 (CTF) for this line in support of transit service targeted for the elderly and persons with disabilities. Federal spending authority represents a grant program, Enhanced Mobility for Seniors and Persons with Disabilities, authorized under 49 USC 5310. Local funds represent local matching funds for the federal program.</p>	<p style="text-align: right;">Funding Source(s): Federal 9,900,000 Local 4,185,000 Restricted 4,353,900</p>
<i>Related Boilerplate Section(s): None</i>			
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Transit capital – Urban	56,220,700	<p>Provides funds for capital equipment needs of urban local transit systems, specialized service providers, and commuter rail systems through a match of federal funds, or, for some projects, 100% state funds. Act 51 requires the CTF to provide 66.67% of non-federal match for federal capital grants, and a minimum of \$8.0 million CTF for transit capital [total urban and nonurban].</p>	<p style="text-align: right;">Funding Source(s): Federal 2,000,000 Local 20,000,000 Restricted 34,220,700</p>
<i>Related Boilerplate Section(s): 393</i>			

Transit capital – Non-urban	52,850,000	Provides funds for capital equipment needs of non-urban local transit systems, specialized service providers, and commuter rail systems through a match of federal funds, or, for some projects, 100% state funds. Act 51 requires the CTF to provide 66.67% of non-federal match for federal capital grants, and a minimum of \$8.0 million CTF for transit capital [total urban and nonurban].
		Funding Source(s):
		Federal 35,000,000
		Local 11,000,000
		Restricted 6,850,000
		<i>Related Boilerplate Section(s): 393</i>
Transportation to work	3,875,000	Supports transportation services which help remove transportation as a barrier to employment primarily for low-income individuals. State funds primarily used to match federal program funds appropriated in other line items – primarily Nonurban Operating/Capital.
		Funding Source(s):
		Restricted 3,875,000
		<i>Related Boilerplate Section(s): None</i>
Van pooling	150,000	Funds continuation of MichiVan vanpool services to qualified commuting groups in the state; used for vehicles and marketing.
		Funding Source(s):
		Restricted 150,000
		<i>Related Boilerplate Section(s): None</i>
GROSS APPROPRIATION	\$142,009,700	Total of all applicable line item appropriations.
Federal aid – transportation programs	48,550,000	Federal transit grants authorized by 49 USC as amended by the Fast Act.
Local funds	35,510,000	Local funding match for certain federal grants.
Comprehensive transportation fund (CTF)	57,949,700	State restricted funds dedicated for public transportation purposes.
STATE GENERAL FUND/ GENERAL PURPOSE	\$0	Unrestricted state revenue from taxes and other sources.

**SECTION 117(1): CAPITAL OUTLAY
BUILDINGS AND FACILITIES**

This appropriation unit provides funds for state building and facility projects.

[Note: In prior Transportation budget acts, the Capital Outlay appropriations unit was broken out into two subsections: Buildings and Facilities, and Airport Improvement Programs. While the enacted FY 2020-21 budget act did not breakout the two capital outlay subsections, this Line Item Summary shows the two subsections in the same manner as previous budget acts.]

Salt storage buildings and containment control	\$2,500,000	Provides funding for salt storage buildings and containment systems at counties that perform state trunkline maintenance work for MDOT under contract.
		Funding Source(s): Restricted 2,500,000
		<i>Related Boilerplate Section(s): 903</i>
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Special maintenance, remodeling, and additions	3,001,500	For various department-owned transportation facilities.
		Funding Source(s): Restricted 3,001,500
		<i>Related Boilerplate Section(s): 903</i>
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GROSS APPROPRIATION	\$5,501,500	Total of all applicable line item appropriations.
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State trunkline fund (STF)	5,501,500	State restricted fund dedicated for state trunkline highway purposes.
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STATE GENERAL FUND/ GENERAL PURPOSE	\$0	Unrestricted state revenue from taxes and other sources.
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**SECTION 117(2): CAPITAL OUTLAY
AIRPORT IMPROVEMENT PROGRAMS**

This appropriation unit authorizes the expenditure of federal Airport Improvement Program funds.

[Note: In prior Transportation budget acts, the Capital Outlay appropriations unit was broken out into two subsections: Buildings and Facilities, and Airport Improvement Programs. While the enacted FY 2020-21 budget act did not breakout the two capital outlay subsections, this Line Item Summary shows the two subsections in the same manner as previous budget acts.]

Airport safety, protection and improvement program	\$121,076,500	Supports the federal Airport Improvement Program grants to eligible airports in the state.
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Funding Source(s):	Federal	106,000,000
	Local	12,508,500
	Restricted	2,568,000

Related Boilerplate Section(s): 801, 901, 903

Detroit Metropolitan Wayne County Airport	4,303,000	Earmark for Detroit Metropolitan Wayne County Airport established through 2015 amendment to the State Aeronautics Code.
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Funding Source(s):	Restricted	4,303,000
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Related Boilerplate Section(s): None

GROSS APPROPRIATION	\$125,379,500	Total of all applicable line item appropriations.
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Federal aid – transportation programs	106,000,000	Federal aid from the Airport Improvement Program.
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Local funds	12,508,500	Estimated local match for airport improvement programs.
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Qualified airport fund	4,303,000	Earmark for Detroit Metropolitan Wayne County Airport and related fund source, the Qualified Airport Fund, were established through amendment to the State Aeronautics Code in a 2015 aviation funding package (Public Acts 258 through 262 of 2015).
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State aeronautics fund (SAF)	2,568,000	Restricted fund established in the State Aeronautics Code dedicated for aviation development, regulation, and promotion. SAF revenue derived from aviation fuel taxes and licensing/registration fees, as well as an earmark of Airport Parking Tax revenue. Provides part of the non-federal match for Airport Improvement Program grants.
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STATE GENERAL FUND/ GENERAL PURPOSE	\$0	Unrestricted state revenue from taxes and other sources.
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BOILERPLATE SECTION INFORMATION

A specific listing of boilerplate sections deemed unenforceable was not provided. Rather, the governor's signing letter generally stated that sections violating the following provisions of the Michigan Constitution are unenforceable:

- Article 3, Section 2: Separation of Powers of Government
- Article 4, Section 22 and Article 4, Section 33: An attempt to authorize legislation other than by bill
- Article 4, Section 24: No law shall embrace more than one object, which shall be expressed in its title
- Article 4, Section 25: Amendment by reference
- Article 4, Section 53: Duties of the Auditor General
- Article 5, Section 28: Duties of the State Transportation Commission

Where a specific section was provided as an example in the signing letter, it is noted in the boilerplate section description below. This document will be updated upon the receipt of a more comprehensive list of unenforceable boilerplate sections.

GENERAL SECTIONS

Sec. 201. State Spending from State Resources and Payments to Local Units of Government

Identifies state spending from state resources and state resources to be paid to local units of government.

Sec. 202. Applicability of Management and Budget Act

References the Management and Budget Act (1984 PA 431).

Sec. 203. Definitions

Defines various terms and acronyms appearing in the article.

Sec. 204. Internet Reporting

Requires the department to use the internet to fulfill legislative reporting requirements.

Sec. 205. Buy American and Buy Michigan

Prohibits the purchase of foreign goods or services if competitively priced and comparable quality American goods and services are available; requires that preference be given to Michigan businesses and to Michigan businesses owned and operated by veterans if such goods and services are competitively priced and of comparable quality.

Sec. 206. Deprived and Depressed Communities

Directs department director to take reasonable steps to ensure that businesses in deprived and depressed communities compete for and perform contracts to provide services or supplies, or both; directs the department director to encourage department contractors to subcontract with certified businesses in deprived and depressed communities.

Sec. 207. Out-of-State Travel

Provides for annual out-of-state travel report due January 1 of each year.

Sec. 208. Hire of Outside Legal Counsel

Prohibits the department from hiring a person to provide legal services that are the responsibility of the Attorney General; exempts legal services for bonding activities and outside [legal] services authorized by the Attorney General.

Sec. 209. General Fund/General Purpose Lapse Report

Requires the State Budget Office to prepare and transmit a report by November 30 of estimated GF/GP lapses for major department programs or program areas for the prior fiscal year.

Sec. 210. Contingency Appropriations

Provides contingent spending authority of \$40.0 million federal funds, \$5.0 million state restricted funds, \$1.0 million local funds, and \$1.0 million, subject to legislative transfer process of Section 393(2) of the Management and Budget Act.

Sec. 211. Transparency Website

Directs the department, in cooperation with DTMB, to maintain a searchable website accessible by the public at no cost that includes various appropriation, expenditure, procurement, and staffing information.

Sec. 212. Restricted Fund Balance Report

Requires report on restricted fund revenues, expenditures, and estimated year-end balances; due within 14 days of the release of the Executive budget recommendation.

BOILERPLATE SECTION INFORMATION

Sec. 213. Key Metrics/Scorecard Website

Requires the department to maintain, on a publicly accessible website, a “scorecard” that identifies, tracks, and regularly updates key metrics used to monitor and improve the department’s performance.

Sec. 214. Annual Legacy Costs

Section identifies estimated department “legacy costs” for the fiscal year ending September 30, 2021 of \$73.9 million, of which pension related costs were \$35.5 million and retiree health care costs \$38.4 million.

Sec. 215. Communications with the Legislature

With certain specific exceptions, prohibits the department from taking disciplinary action against an employee for communicating with a member of the legislature or legislative staff.

(Governor’s signing letter states section is unenforceable.)

Sec. 216. Report on FTE Positions and Remote Work

Requires a quarterly report on staffing levels in relation to FTE authorization; employees authorized to work remotely; related cost savings.

Sec. 217. Work Project Limits

Requires that work project balances be exhausted before expenditure from part 1 appropriations.

(Governor’s signing letter states this section is unenforceable.)

Sec. 218. State Administrative Board Transfers

Provides for the legislature to intertransfer funds within this departmental budget if the State Administrative Board transfers funds from an appropriation within this departmental budget.

(Governor’s signing letter states this section is unenforceable.)

Sec. 219. Record Retention

Requires department to retain reports funded from [art 1 appropriations in accordance with state and federal record retention guidelines.

Sec. 220. Impact of New Legislation

Requires a report on specific policy changes made to implement new public acts enacted in prior calendar year.

Sec. 221. Report on Federal Rule Changes

Requires the department, to the extent possible, to provide notice to the legislature of proposed federal rule changes related to the department that could require amendments to state law.

Sec. 270. Remanufactured Parts

Indicates legislative intent with regard to use of remanufactured parts for repair and maintenance of state motor vehicle fleet.

DEPARTMENT ADMINISTRATION AND SUPPORT

Sec. 301. Permit Fees/Bridge Tolls

Subsection 1 authorizes the department to establish and collect fees sufficient to cover the costs of receiving, reviewing, and processing permits, and requires that permit revenue be credited to the appropriate fund. Subsection 2 prescribes a process by which a bridge authority may increase bridge tolls.

(Governor’s signing letter states subsection 2 section is unenforceable.)

Sec. 304. Confidentiality of Bid Documents

Provides for confidentiality of highway project bid documents.

Sec. 305. Lease of Space in Public Transportation Property

Subsection 1 authorizes the department to lease of space in public passenger transportation properties at competitive market rates; also requires that revenue from tenants be used for property maintenance and improvements. [MDOT owns four such properties: Benton Harbor, Southfield, Pontiac, Detroit.] Subsection 2 requires the department to charge public transit agencies and intercity bus carriers the same per square footage rental rates, at “fair market rates,” for leasing space in state-owned intermodal facilities.

(Governor’s signing letter states subsection 2 section is unenforceable.)

BOILERPLATE SECTION INFORMATION

Sec. 306. Use of Transportation Funds by Other State Agencies/Biennial Audit

Sets guidelines for use of transportation funds (interdepartmental grants) by other state agencies; requires report by each state department receiving funding from interdepartmental contract with the department to report on use of transportation funds no later than two months after the publication of the state Certified Annual Financial Report. Directs the Auditor General to use a “risk based” approach in developing an audit program for transportation funds. *The Governor’s signing letter states that language directing the Auditor General is unenforceable.*

Sec. 307. Rolling Five-Year Plan

Requires MDOT to provide a rolling five-year highway construction plan by March 1 of each year.

Sec. 308. Real Estate Property Report

Requires a report, due by January 15, 2021, on all real estate owned or held by the department.

Sec. 309. Employee Accountability Systems Report

Requires report on employee accountability systems, due no later than 90 days before the close of the fiscal year.

Sec. 310. State Transportation Commission Minutes/Agenda

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

Sec. 313. State Infrastructure Bank (SIB)

Provides guidelines for SIB program; provides carryforward authority; provides for a report, by December 1, 2020, on SIB loans, activity, and fund balance. Also requires legislative approval prior to increasing the SIB.

Sec. 319. Rest Area Maintenance

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

Sec. 328. FOIA Reporting

Establishes reporting requirements related to Freedom of Information Act (FOIA) requests. Report due no later than 90 days before the close of the fiscal year.

Sec. 353. Prompt Payment

Directs MDOT to review contractor payment process to ensure that contractors and subs are paid promptly. *(Governor’s signing letter states section is unenforceable.)*

Sec. 357. Local Federal Aid Project Review

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

Sec. 375. MDOT Open Houses and Groundbreaking Ceremonies

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

Sec. 376. Studies of Outdoor Advertising and Motorist Behavior

Prohibits MDOT from examining potential association of commercial signs, outdoor advertising, or billboards and motor vehicle activity or motorist behavior.

Sec. 377. Limitation on Contracting with Firm Employing Former Director

Prohibits the department from making expenditure for contractual services, under specific conditions, with a vendor if a former director has direct input into contract solicitation, negotiation, or receives compensation. Provides for legislative waiver of this restriction.

Sec. 378. Report on Routing of International Hazardous Materials

Establishes a reporting requirement related to the routing of hazardous materials.

Sec. 381. E-Verify for Legal Status of Contractor/Subcontractor New Employees

Requires the department to require, as a condition of each contract for construction, maintenance, or engineering services, the use of the E-Verify system to verify legal status of contractor and subcontractor new hires. Requires report by March 1 of each year.

Sec. 382. Deadline for Department Final Billing under Local Agency Cost Sharing Agreements

Requires the department to submit final bill to the local agency within two years of final payment to construction contractor.

BOILERPLATE SECTION INFORMATION

Sec. 383. Report on Use of State Airfleet

Requires annual report on use of MDOT-owned aircraft during the prior fiscal year, due February 1, 2021. The section also restricts use by legislative employees; and requires recovery of department costs.

Sec. 384. Gordie Howe International Crossing

Restricts expenditure of "state transportation revenue" for "construction planning or construction" related to the project. The section also indicates that "an expenditure for staff resources used in connection with project activities, which expenditure is subject to full and prompt reimbursement from Canada, shall not be considered an expenditure of state transportation resources." In May 2015, the project for the crossing of the Detroit River between Detroit and Windsor Ontario, Canada, was designated the *Gordie Howe International Bridge*.

Sec. 385. Gordie Howe Bridge – Reporting Requirement

Requires a monthly report on expenditures made by the state related to the "Gordie Howe Bridge," as well as reimbursements made by Canada. The section requires information in right-of-way acquisition. The initial report is due by December 1, 2020 and would cover the prior fiscal year.

Sec. 386. Toll Credits

Requires the department to submit a report by May 1 of each year on its toll credit program, including toll credits earned, toll credits used, year-end toll credit balance, and the department's strategies for using toll credits. Subsection 2 establishes a priority for use of toll credits. (*Governor's signing letter states subsection 2, which established a priority for use of toll credits, is unenforceable.*)

Sec. 387. Traffic Studies

Requires the department to post the results of formal traffic studies on the department website.

Sec. 389. Long-Term Obligations

Requires the department to notify legislature within 30 days of entering into long-term agreements that obligate future payments of over \$5.0 million for five or more years.

Sec. 390. Report on Restricted Funds and Accounts

Requires the department to report, within 14 days of the Executive budget recommendation, on prior year's revenues, expenditures, and ending balances of certain restricted funds and accounts, as unencumbered General Fund appropriations, and unexpended federal earmarks.

Sec. 391. Prohibition on Motor Fuel Quality Testing

Prohibits the department from performing or assisting any other state agency in performing motor fuel quality testing.

Sec. 393. Public Transportation Best Practices

Directs the department to promote best practices in public transportation, including transit vehicle rehabilitation to reduce life-cycle cost.

Sec. 394. Priority of Preservation

Directs the department and local road agencies to make preservation of the existing infrastructure a funding priority.

Sec. 395. Contingent Use of Capital Trunkline Funds for Maintenance

Authorizes the use of up to \$10.0 million from the capital road and bridge construction line for highway maintenance activities to support safety-related, high-priority, and other deferred routine maintenance needs on the state trunkline system.

Sec. 398. Towards Zero Deaths

Directs the department to continue to work to eliminate road fatalities and serious injuries; specifically directs the department to prioritize use of median cable guardrail.

Sec. 399. Capital Preventive Maintenance

Requires the department to spend not less than 10% of state trunkline road and bridge appropriation on capital preventive maintenance.

FEDERAL

Sec. 402. Buyout of Local Federal Aid

Authorizes local road agencies to enter into voluntary federal aid buyout agreements with MDOT or other local road agencies.

BOILERPLATE SECTION INFORMATION

MICHIGAN TRANSPORTATION FUND

Sec. 501. Motor Carrier Act

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

Sec. 503. TEDF/Local Bridge Fund Lapse and Carryforward

Directs that unexpended funds appropriated from the TEDF lapse to the TEDF. Also directs that unexpended funds appropriated to the Local Bridge Program lapse to the Local Bridge Fund. Provides carryforward spending authority for Local Bridge Fund lapses. The section also prohibits diversion from the TEDF or Local Bridge Fund for other purposes; authorizes use of federal, local, or private funds for the two programs.

Sec. 504. MTF Distribution

Requires use of MTF in accordance with Act 51 requirements.

Sec. 505. Communication Availability of Grants

Directs the department to regularly assess the need for, and to provide information about state and federal grants available to local units of government.

STATE TRUNKLINE FUND

Sec. 601. Road Construction Warranties

Requires the department to maintain documentation to support initial, interim, and final acceptance of warranty projects; directs the department to review and evaluate consultant evaluation requirements or recommendations and "update existing policies and procedures accordingly."

Sec. 604. State Trunkline Fund Carryforward

Directs that at the close of the fiscal year, the unexpended balance in the STF be carried forward; appropriates the STF balance for the state trunkline federal aid and road and bridge program.

Sec. 612. Incentive/Disincentive Contracts

Requires MDOT to establish guidelines for use of incentive/disincentive contracts; requires report by January 1 of each year.

Sec. 613. Report on Engineering Costs

Requires a report on department engineering costs related to federal aid capital projects, including a breakout of department and consultant costs, engineering as a percentage of construction costs, and design life. The report is due by February 1 of each year.

Sec. 660. Use of Alternative Materials

Encourages the department to examine the use of alternative road surface materials, including recycled materials and flexible concrete. Provides for a report due by March 1 of each year.

Sec. 661. Alternative Design and Material Study Group

Directs the department to establish a new stakeholder group to review submission of innovative construction material and design specifications; establishes reporting requirement with reports due by July 1, 2021 and September 20, 2021.

TRANSIT AND RAIL RELATED FUNDS

Sec. 701. Intercity Bus Equipment and Facility Fund

Provides for separate accounting and carryforward authority for this fund.

Sec. 702. Rail Freight Fund

Provides for separate accounting and carryforward authority for this fund; reference to State Transportation Preservation Act of 1976 (1976 PA 295).

Sec. 703. Rail Abandonment Notice

Requires that MDOT notify legislature when railroad companies file for abandonment of lines.

Sec. 704. Rail Operations and Infrastructure Report

Provides for a report on planned obligations for programs funded from the Rail Operations and Infrastructure line item; report due by February 1, 2021 with final report for FY 2020-21 due by November 1, 2021.

BOILERPLATE SECTION INFORMATION

Sec. 706. Detroit/Wayne County Port Authority

Requires operational assessment and financial disclosure report due by June 30 of each year.

Sec. 707. Rail Strategic Plan

Requires MDOT to provide a rolling five-year rail plan and summary of the department's obligations for programs funded from the Rail Operations and Infrastructure line item. The plan would be due by March 1 of each year.

Sec. 719. Transit Elderly and Medical Transport Cost per Rider

Indicates legislative intent that for transit providers in the 20 counties with a population greater than 100,000 determine cost per rider, and that those transit systems request proposals from ride sharing companies for 50% of the system's anticipated service.

Sec. 720. Farebox Recovery Intent Language

Indicates legislative intent that transit agencies strive to achieve at least 6% farebox recovery.

Sec. 735. Street Railway Appropriation

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

Sec. 752. Notice of Rail Grant and Loan Programs

Requires that the department, at least annually, notify representatives of rail industry of rail grant and loan programs.

Sec. 753. Marine Passenger Service

Prescribes use of the Marine Passenger Services appropriation; directs that 60% must be spent on eligible entities servicing multiple destinations, with remaining funds to be spent on eligible entities servicing a single destination.

AERONAUTICS FUND

Sec. 801. State Aeronautics Fund

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

CAPITAL OUTLAY

Sec. 901. Aeronautics Capital Program

Allows MDOT to contract for airport improvement projects on behalf of local airport owners; establishes local match requirement.

Sec. 903. Capital Outlay Carry Forward

Provides carryforward authority for capital outlay appropriations in accordance with Section 248 of the Management and Budget Act.



Mary Ann Cleary, Director
 Kevin Koorstra, Deputy Director
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AREAS OF RESPONSIBILITY

Agriculture and Rural Development.....	William E. Hamilton
Attorney General	Michael Clossen
Auditor General	Benjamin Gielczyk
Bill Analysis	Rick Yuille
	Edith Best; Jenny McInerney; Emily Smith; Sue Stutzky
Capital Outlay	Perry Zielak
Civil Rights.....	Michael Clossen
Community Colleges.....	Perry Zielak
Corrections	Robin R. Risko
Economic and Revenue Forecasting	Jim Stansell
Education (Department)	Samuel Christensen
Environment, Great Lakes, and Energy	Austin Scott
Executive Office	Benjamin Gielczyk
Fiscal Oversight, Audit, and Litigation	Mary Ann Cleary
Health and Human Services:	
Child Welfare, Child Support, Community Services	Viola Bay Wild
Medicaid, Physical and Behavioral Health	Kevin Koorstra
Public Assistance, Field Operations, Medicaid-backup	Kent Dell
Public Health and Aging.....	Susan Frey
Higher Education.....	Perry Zielak
Insurance and Financial Services	Marcus Coffin
Judiciary.....	Robin R. Risko
Labor and Economic Opportunity	Benjamin Gielczyk
Legislature	Benjamin Gielczyk
Licensing and Regulatory Affairs.....	Marcus Coffin
Local Finance	Benjamin Gielczyk
Lottery	Benjamin Gielczyk
Michigan Strategic Fund	Benjamin Gielczyk
Military and Veterans Affairs.....	Michael Clossen
Natural Resources.....	Austin Scott
Natural Resources Trust Fund.....	Austin Scott
Retirement.....	Benjamin Gielczyk
Revenue Forecasting	Jim Stansell
Revenue Sharing	Jim Stansell; Benjamin Gielczyk
School Aid.....	Samuel Christensen; Jacqueline Mullen
State (Department)	Michael Clossen
State Police	Marcus Coffin
Supplemental Coordinator	Robin R. Risko
Tax Analysis	Jim Stansell; Benjamin Gielczyk
Technology, Management, and Budget.....	Michael Clossen
Transfer Coordinator	Viola Bay Wild
Transportation	William E. Hamilton
Treasury	Benjamin Gielczyk
Unemployment Insurance	Marcus Coffin



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