

FY 2014-15: DEPARTMENT OF TRANSPORTATION
Summary: House Bill 5308 (H-1) Draft 2
As Reported by House Subcommittee



Analyst: William E. Hamilton

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

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

Overview

The Transportation budget supports state and local highway programs, public transportation programs, aeronautics programs, and administration of the Michigan Department of Transportation (MDOT). Approximately 60% of the revenue in this budget comes from state restricted revenue, with approximately one-third from federal sources. Most of the state-restricted revenue in this budget is constitutionally restricted – from motor fuel taxes and vehicle registration taxes – and is first credited to the Michigan Transportation Fund (MTF) and then distributed in accordance with 1951 PA 51 (Act 51) to other state transportation funds and programs, including the State Trunkline Fund (STF) and the Comprehensive Transportation Fund (CTF), and to local road agencies. Revenue related to taxes on aviation fuel and aircraft registrations is credited to the State Aeronautics Fund (SAF) for aeronautics programs.

House Bill 5308 (H-1) Draft 2 agrees with the Governor's proposed FY 2014-15 transportation budget both in gross appropriations and in proposed General Fund/General Purpose (GF/GP) funding. The bill differs from the Governor's proposal with regard to one-time GF/GP appropriations – described in Items 20a and 20b, below.

| | | FY 2013-14 Year-to-Date (as of 2/5/14) | FY 2014-15 House Change |
|---|--------------|--|-------------------------------|
| Major Budget Changes From FY 2013-14 YTD Appropriations | | | |
| 1. Debt Service | Gross | \$242,321,100 | (\$2,800) |
| House bill concurs with Governor, reflects anticipated debt service schedules. | Federal | 45,912,200 | (185,800) |
| | Restricted | 196,408,900 | 183,000 |
| 2. Support Services by Other State Departments | Gross | \$46,525,700 | \$407,100 |
| Interdepartmental grants (IDGs) authorize the reimbursement of other state departments from restricted transportation funds for services provided to those transportation funds, including for Department of State vehicle registration tax collection program and Department of Treasury motor fuel tax collection program. House bill concurs with Governor, reflects \$200,000 increase for Treasury IDG for International Fuel Tax Agreement data system. Also reflects economic and cost allocation adjustments, \$227,700 and (\$20,600), respectively. | Restricted | 46,525,700 | 407,100 |
| 3. Executive Direction | FTEs | 35.3 | 0.0 |
| Includes Unclassified salaries, Asset Management Council, and Office of Commission Audits. House bill concurs with Governor, reflects economic adjustments. | Gross | \$5,631,600 | \$76,200 |
| | Restricted | 5,631,600 | 76,200 |

| Major Budget Changes From FY 2013-14 YTD Appropriations | | FY 2013-14 Year-to-Date (as of 2/5/14) | FY 2014-15 House Change |
|---|--------------|---|--|
| 4. Business Support | FTEs | 76.5 | (23.5) |
| Includes <i>Business support services, Economic development and enhancement, Property management, and Worker's compensation.</i> House bill concurs with Governor, reflects economic adjustments, \$350,100; position transfers, (\$2.7 million), cost allocation adjustments net to zero. | Gross | \$18,419,000 | (\$2,516,600) |
| | Restricted | 18,419,000 | (2,516,600) |
| 5. Information Technology | Gross | \$31,119,700 | \$353,800 |
| House bill concurs with Governor, reflects economic adjustments for information technology services provided by DTMB. | Federal | 520,500 | 0 |
| | Restricted | 30,599,200 | 353,800 |
| 6. Finance, Contracts, and Support Services | FTEs | 186.0 | (1.0) |
| House bill concurs with Governor, reflects economic adjustments, \$410,400; position transfer, (\$80,000); accounting service center cost allocation, \$84,500; internal cost allocations net to zero. | Gross | \$20,896,100 | \$414,900 |
| | IDG | 3,625,100 | 161,800 |
| | Restricted | 17,271,000 | 253,100 |
| 7. Transportation Planning | FTEs | 141.0 | 0.0 |
| House bill concurs with Governor, recognizes economic adjustments of \$477,200. Shift of \$1.5 million from STF to MTF reflects reallocation of staff for Local agency program activity. | Gross | \$38,283,400 | \$477,200 |
| | Federal | 20,000,000 | 0 |
| | Restricted | 18,283,400 | 477,200 |
| 8. Design and Engineering Services | FTEs | 1,500.8 | 85.5 |
| House bill concurs with Governor, recognizes economic adjustments, \$2.9 million; position transfers, \$9.2 million; and increase in baseline MTF support for Local agency program, \$3.5 million. Roll-ups of <i>Intelligent transportation systems</i> line into <i>Engineering services</i> . | Gross | \$144,461,200 | \$15,627,400 |
| | Federal | 23,529,800 | 0 |
| | Restricted | 120,931,400 | 15,627,400 |
| 9. State Trunkline Maintenance | FTEs | 808.7 | (61.0) |
| House bill concurs with Governor, recognizes economic adjustments, \$1.0 million; reduction associated with position transfers (\$6.2 million); and increase in baseline STF funding, \$40.0 million. | Gross | \$275,689,500 | \$34,751,800 |
| | Restricted | 275,689,500 | 34,751,800 |
| Note: FY 2013-14 supplemental appropriation, Senate Bill 608, enacted as 2014 PA 34, provided \$100.0 million GF/GP for <i>Special winter road maintenance</i> , of which, the department would receive \$39.1 million. This figure is not included in the above YTD total. | | | |
| 10. State Trunkline Road and Bridge Construction | Gross | \$868,193,500 | (\$43,547,300) |
| House bill concurs with Governor, recommends \$824.6 million for MDOT's capital road and bridge construction/preservation program. Change from current year represents net changes in estimated available revenue as follows: | Federal | 742,092,000 | 185,800 |
| | Local | 30,000,000 | 0 |
| | Restricted | 96,101,500 | (43,733,100) |
| Increase in federal funds of \$185,800 attributable to reduction in debt service attributable to federal funds. Net reduction in state restricted revenue due to reduction in Blue Water Bridge Fund appropriation, (\$8.5 million); increase in STF share of estimated MTF revenue, \$14.6 million; increase in estimated miscellaneous STF revenue, \$5.9 million; restoration of driver's license fee revenue to the Transportation Economic Development Fund, (\$13.0 million); increase in available STF due to reduction in STF debt service, \$1.6 million; economic increases in STF funded administrative units, (\$5.0 million); STF shift to State trunkline maintenance, (\$40.0 million); net of other miscellaneous STF revenue and program adjustments, \$620,400. | | | |
| Budget does not assume any increases in transportation revenue from changes to tax rates or tax bases, or changes to current statutory distribution programs. Budget also includes separate one-time GF/GP appropriations for state trunkline road and bridge construction - See Items 39a and 39b , below. | | | |
| 11. Local Federal Aid Road and Bridge Construction | Gross | \$240,443,000 | \$0 |
| No change in line used as placeholder for estimated federal aid revenue earmarked for local federal aid programs. | Federal | 240,443,000 | 0 |

| Major Budget Changes From FY 2013-14 YTD Appropriations | | FY 2013-14 Year-to-Date (as of 2/5/14) | FY 2014-15 House Change |
|---|--------------|---|--|
| 12. Local Program Fund | Gross | \$33,000,000 | \$0 |
| No change in this Act 51 earmark, of which 64% is distributed to county road commissions, 36% to cities/villages. | Restricted | 33,000,000 | 0 |
| 13. Rail Grade Crossing | Gross | \$3,000,000 | \$0 |
| Provides funding for rail safety program. No change in this Act 51 earmark. | Restricted | 3,000,000 | 0 |
| 14. Local Bridge Program | Gross | \$21,381,600 | \$5,095,800 |
| Restores \$5.0 million Act 51 earmark to this program. [This is a technical adjustment.] | Restricted | 21,381,600 | 5,095,800 |
| 15. MTF to Local Road Agencies | Gross | \$908,098,400 | \$22,703,100 |
| MTF distribution to county road commissions, \$597,608,200, and cities/villages, \$333,193,300, reflects estimated MTF revenue and Act 51 statutory distribution. | Restricted | 908,098,400 | 22,703,100 |
| Budget also includes separate a one-time GF/GP appropriation for local road agencies - See Items 39a and 39b , below. | | | |
| Note: FY 2013-14 supplemental appropriation, Senate Bill 608, enacted as 2014 PA 34, provided \$100.0 million GF/GP for <i>Special winter road maintenance</i> , of which local road agencies would receive \$60.9 million. This figure is not included in the above YTD total. | | | |
| 16. Blue Water Bridge | FTEs | 41.0 | 0.0 |
| House bill concurs with Governor, reflects economic adjustments; line supported with Blue Water Bridge toll revenue. | Gross | \$6,352,200 | \$62,400 |
| | Restricted | 6,352,200 | 62,400 |
| 17. Transportation Economic Development Fund (TEDF) | Gross | \$32,058,200 | \$9,457,600 |
| House bill concurs with Governor, reflects restoration of \$12.0 million in driver's license fee revenue which had previously been redirected to the STF; offset in part by \$1.7 million increase in TEDF debt service, and \$880,000 reduction in estimated fund balance interest earnings. | Restricted | 32,058,200 | 9,457,600 |
| 18. Aeronautics Services | FTEs | 54.0 | 0.0 |
| Support for Office of Aeronautics reflects economic adjustments, \$99,100; and adjustment to estimated SAF revenue (\$23,200). <i>Air service</i> grant program, funded at \$289,300, reflects reduction (\$11,500) to estimated available SAF revenue. House bill concurs with Governor. | Gross | \$7,655,900 | \$64,400 |
| | Restricted | 7,655,900 | 64,400 |
| 19. Public Transportation Services | FTEs | 36.0 | 0.0 |
| Provides administrative support for public transportation passenger programs. House bill concurs with Governor, reflects economic adjustments, \$75,600; eliminates MTF funding (\$38,900). | Gross | \$5,662,800 | \$36,700 |
| | Federal | 972,100 | 0 |
| | Restricted | 4,690,700 | 36,700 |
| 20. Bus Transit - Local Bus Operating Assistance | Gross | \$166,624,000 | \$776,000 |
| House bill concurs with Governor, increases CTF state operating assistance to local public transit agencies. | Restricted | 166,624,000 | 776,000 |
| 21. Bus Transit - Non-Urban Operating/Capital | Gross | \$25,187,900 | \$0 |
| Recognizes federal non-urban transit grants; reflects MAP-21 funding levels. | Federal | 23,187,900 | 0 |
| | Local | 2,000,000 | 0 |
| 22. Discretionary State Operating | Gross | \$5,400,000 | (\$5,400,000) |
| House bill concurs with Governor, does not retain \$5.4 million <i>Discretionary state operating</i> line item, first established in FY 2012-13 budget. | Restricted | 5,400,000 | (5,400,000) |
| 23. Office of Rail | FTEs | 39.0 | 0.0 |
| Provides administrative support for rail passenger, freight service, and rail safety programs. House bill concurs with Governor, reflects economic adjustments. | Gross | \$6,293,700 | \$74,500 |
| | Restricted | 6,293,700 | 74,500 |
| 24. Freight Property Management | Gross | \$1,000,000 | \$0 |
| Line supports maintenance of state-owned rail facilities. No change from current year program. | Restricted | 1,000,000 | 0 |

| Major Budget Changes From FY 2013-14 YTD Appropriations | | FY 2013-14 Year-to-Date (as of 2/5/14) | FY 2014-15 House Change |
|--|--|---|--|
| 25. Detroit-Wayne County Port Authority | | Gross | \$468,200 |
| Provides operating support to the DWCPA. No change from current year. | | Restricted | 468,200 |
| 26. Intercity Services | | Gross | \$5,940,000 |
| Line item supports intercity bus service through operating and capital assistance. House bill concurs with Governor, reduces CTF funding to reflect anticipated program activity. | | Federal | 4,500,000 |
| | | Local | 50,000 |
| | | Restricted | 1,390,000 |
| 27. Rail Operations and Infrastructure/Wolverine | | Gross | \$43,925,000 |
| Line item supports rail freight economic development programs, as well as rail passenger service, including capital and operating assistance for Amtrak <i>Wolverine</i> (Pontiac-Detroit-Chicago) service and related high speed rail corridor. House bill concurs with Governor, recognizes \$7.0 million in additional federal funds, \$2.1 million increase in baseline CTF support, and \$4.0 million anticipated increase in Rail Freight Fund support. Rolls up \$19.3 million <i>Wolverine</i> line item into <i>Rail operations and infrastructure</i> line.] | | Federal | 3,100,000 |
| | | Local | 100,000 |
| | | Private | 100,000 |
| | | Restricted | 40,625,000 |
| Budget includes a separate one-time \$10.0 million GF/GP appropriation for transit capital and rail infrastructure - See Item 40 , below. | | | |
| Note: FY 2013-14 supplemental appropriation, Senate Bill 608, enacted as 2014 PA 34, provided \$11.7 million in additional spending authority to recognize a TIGER grant for high-speed rail corridor. This figure is not included in the above YTD total. | | | |
| 28. Marine Passenger Service | | Gross | \$400,000 |
| No change proposed from current year funding. | | Restricted | 400,000 |
| Note: FY 2013-14 supplemental appropriation, Senate Bill 608, enacted as 2014 PA 34, provided \$300,000 GF/GP in additional spending authority for the Beaver Island Transportation Authority. This figure is not included in the above YTD total. | | | |
| 29. Terminal Development | | Gross | \$461,000 |
| House bill concurs with Governor, recommends \$150,000 CTF to reflect anticipated program activity. | | Restricted | 461,000 |
| 30. Specialized Services | | Gross | \$18,028,800 |
| Supports transit programs for elderly and disabled citizens. House bill concurs with Governor, reduces CTF funding to reflect anticipated program activity. | | Federal | 9,900,000 |
| | | Local | 4,185,000 |
| | | Restricted | 3,943,800 |
| 31. Municipal Credit Program | | Gross | \$2,000,000 |
| No change in current Act 51 earmark for transit services in Southeast Michigan. | | Restricted | 2,000,000 |
| 32. Bus Capital/Transit Capital | | Gross | \$32,145,300 |
| Reflects anticipated federal pass-through grants to transit grants to local transit agencies and related state and federal matching funds. No change from current year. | | Federal | 5,000,000 |
| | | Local | 1,250,000 |
| | | Restricted | 25,895,300 |
| Budget includes a separate one-time appropriation of \$10.0 million GF/GP for transit capital and rail infrastructure - See Item 40 , below. | | | |
| 33. Van Pooling | | Gross | \$807,000 |
| Provides CTF funds for matching federal transit grants. Reduces CTF to reflect anticipated program activity. | | Restricted | 807,000 |
| 34. Service Initiatives | | Gross | \$1,682,900 |
| Governor proposes \$2.5 million increase in baseline CTF support. | | Federal | 1,150,000 |
| | | Local | 200,000 |
| | | Restricted | 332,900 |
| 35. Transportation to Work | | Gross | \$4,700,000 |
| Reflects anticipated federal MAP-21 funding and related local matching funds. No change from current year. | | CTF | 4,700,000 |

| Major Budget Changes From FY 2013-14 YTD Appropriations | | FY 2013-14 Year-to-Date (as of 2/5/14) | FY 2014-15 House Change |
|---|--|---|--|
| 36. Special Maintenance, Remodeling, Facilities | | Gross | \$3,001,500 |
| No change from current year for line funding capital projects related to department-owned buildings. | | Restricted | 3,001,500 |
| 37. Airport Improvement Program | | Gross | \$93,104,300 |
| Reflects anticipated federal funding, related local matching funds, and available state restricted SAF revenue for the federal Airport Improvement Program. | | Federal | 78,578,000 |
| | | Local | 12,392,100 |
| | | Restricted | 2,134,200 |
| Budget includes a separate one-time appropriation of \$2.0 million GF/GP for airport capital program - See Item 41 , below. | | | |
| 38. Priority Roads Investment Program | | Gross | \$115,000,000 |
| Eliminates one-time line item funded through the Roads and Risks Reserve Fund. | | Restricted | 115,000,000 |
| One-Time General Fund for Road and Bridge Programs | | | |
| Governor had recommended \$242.0 million GF/GP for the state trunkline construction program. The House bill split this GF/GP appropriation into two separate line items, as described below: | | | |
| 39a. Federal Aid Match for State Trunkline Road and Bridge Construction /State Trunkline Road and Bridge Construction | | Gross | \$121,300,000 |
| House bill includes one-time \$127.0 million GF/GP to match available federal aid for state trunkline program – a \$5.7 million increase as compared to similar current-year line item. (See related boilerplate Sec. 1001 .) | | GF/GP | 121,300,000 |
| 39b. State and Local Road and Bridge Programs - NEW | | Gross | \$0 |
| House bill includes \$115.0 million to be distributed according to Act 51 distribution formula: 39.1% STF; 39.1% county road commissions; 21.8% cities and villages, per related boilerplate Section 1002 . | | GF/GP | 0 |
| Under the House distribution, county road commissions would receive an additional \$45.0 million, and cities and villages would receive an additional \$25.0 million, as compared to the Governor's proposed budget. The state trunkline capital program would receive \$45.0 million of the \$115.0 million GF/GP distribution - \$70.0 million less than under the Governor's proposal. | | | |
| 40. Transit Capital and Rail Infrastructure - NEW | | Gross | \$0 |
| House bill concurs with Governor, provides one-time GF/GP support to match federal transit and rail infrastructure grants. | | GF/GP | 0 |
| 41. Airport Safety, Safety, and Improvement Program - NEW | | Gross | \$0 |
| House bill concurs with Governor, provides one-time GF/GP support to match federal Airport Improvement Program grants. | | GF/GP | 0 |
| 42. Economics | | Gross | \$5,942,400 |
| Reflects increased costs of \$5.9 million Gross (\$0 GF/GP) for negotiated salary and wage amounts (2.0% ongoing increase plus 0.5% lump sum payments), actuarially-required retirement rate increases, and other economic adjustments. These adjustments are reflected in many of the line item changes described above. | | IDG | N/A |
| | | Restricted | 77,300 |
| | | | 5,864,700 |

Boilerplate Changes From FY 2013-14

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

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

Sec. 202. Management and Budget Act – RETAINED

Appropriations are subject to the Management and Budget Act.

Sec. 203. Abbreviations – RETAINED

Defines abbreviations.

Sec. 206. Contingency Appropriations – RETAINED

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

Sec. 207. Transparency – RETAINED

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

Sec. 208. Internet Reporting – RETAINED

Requires department to use the Internet to fulfill reporting requirements.

Sec. 209. Purchase of Foreign Goods – RETAINED

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

Sec. 210. Deprived/Depressed Communities – RETAINED

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

Sec. 212. Receive/Retain Reports – RETAINED

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

Sec. 215. Communication with the Legislature – RETAINED

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

Sec. 228. General Fund Lapse Report – RETAINED

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

Sec. 229. Restricted Fund Report – RETAINED

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

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

Does not include current-year reporting requirement.

Sec. 235. Performance Measurable “Scorecard” – RETAINED

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

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

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

Sec. 262. Hire of Outside Legal Counsel – RETAINED

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

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

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

Sec. 270. Remanufactured Parts – RETAINED

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

Sec. 271. Estimate of Legacy Costs – NOT INCLUDED

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

Sec. 301. Permit Fees/Bridge Tolls – RETAINED

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

Sec. 303. Legislative Report – RETAINED

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

Sec. 304. Confidentiality of Bid Documents – RETAINED

Provides for confidentiality of highway project bid documents.

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

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

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

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

Sec. 307. Rolling Five-Year Plan – RETAINED

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

Sec. 308. Contractor Prequalification Process/Report – REVISED

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

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

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

Sec. 311. Father Marquette National Memorial Museum – DELETED

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

Sec. 313. State Infrastructure Bank – RETAINED

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

Sec. 319. Rest Area Maintenance – DELETED

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

Sec. 353. Prompt Payment – RETAINED

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

Sec. 357. Local Federal Aid Project Review – RETAINED

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

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

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

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

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

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

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

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

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

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

Sec. 384 restricts the department's ability to obligate the state to expend state transportation revenue on the project, referenced by the Executive as the *New International Trade Crossing* (NITC). The current year budget states that "an expenditure for staff resources used in connection with project activities, which expenditure is subject to full and prompt reimbursement from Canada, shall not be considered an expenditure of state transportation resources." **Sec. 385** provides reporting requirements.

Section 393 – Best Practices for Public Transportation - NEW

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

Sec. 401. Federal Aid Distribution Report – RETAINED

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

Sec. 402. Sale of Local Federal Aid – RETAINED

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

Sec. 501. Motor Carrier Act – RETAINED

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

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

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

Sec. 504. MTF Distribution – RETAINED

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

Sec. 601. Road Construction Warranties – REVISED

Encourages use of road construction warranties; adds new reporting requirement.

Sec. 603. Traffic Congestion – RETAINED

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

Sec. 604. State Trunkline Fund Carryforward – RETAINED

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

Sec. 610. Dead Deer – RETAINED

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

Sec. 612. Incentive/Disincentive – RETAINED

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

Sec. 660. Use of Alternative Materials – REVISED

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

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

Provides for separate accounting and carryforward authority for this fund.

Sec. 702. Rail Preservation Fund – RETAINED

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

Sec. 703. Rail Abandonment Notice – RETAINED

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

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

Requires report due by February 15 of each year.

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

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

Sec. 712. Rail Passenger Feasibility Study – NEW

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

Sec. 735. Street Railway Appropriation – RETAINED

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

Sec. 736. Rail Grade Crossing Pilot Project – RETAINED

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

Sec. 740. Review of CTF Fund Balances – RETAINED

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

Sec. 801. State Aeronautics Fund – RETAINED

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

Sec. 802. Department-Owned Airports – NEW

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

Sec. 901. Aeronautics Capital Program – RETAINED

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

Sec. 902. Aeronautics Capital Program Status Report – RETAINED

Reporting requirement.

Sec. 903. Capital Outlay Carry Forward – RETAINED

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

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

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

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

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

Sec. 1003. Bus Capital/Rail Infrastructure – NEW

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

