SUBSTITUTE FOR

SENATE BILL NO. 132

A bill to make appropriations for the department of transportation for the fiscal year ending September 30, 2016; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for the department of transportation for the fiscal year ending September 30, 2016, from the following funds:

STATE TRANSPORTATION DEPARTMENT

APPROPRIATION SUMMARY

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

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

GROSS APPROPRIATION..... $ 3,896,201,400

Total interdepartmental grants and intradepartmental transfers		3,928,500
ADJUSTED GROSS APPROPRIATION	$	3,892,272,900
Federal revenues:		
Federal aid - transportation programs		1,257,488,000
Total federal revenues		1,257,488,000
Special revenue funds:		
Local revenues		50,293,500
Private revenues		100,000
Total local and private revenues		50,393,500
Blue Water Bridge fund		23,943,300
Comprehensive transportation fund		272,383,600
Economic development fund		50,859,000
IRS debt service rebate		6,974,200
Intercity bus equipment fund		140,000
Local bridge fund		29,235,400
Michigan transportation fund		1,046,130,000
Rail freight fund		6,000,000
State aeronautics fund		16,878,600
State trunkline fund		731,847,300
Total other state restricted revenues		2,184,391,400
State general fund/general purpose	$	400,000,000

State general fund/general purpose schedule:

Ongoing state general fund/general purpose $142,000,000

One-time state general fund/general purpose $258,000,000

1 **Sec. 102. DEBT SERVICE**

2 State trunkline	$	194,617,900
3 Economic development		11,672,600
4 Local bridge fund		2,406,800
5 Blue Water Bridge fund		6,963,600
6 Airport safety and protection plan		4,997,700
7 Comprehensive transportation		18,202,200
8 GROSS APPROPRIATION	$	238,860,800
9 Appropriated from:		
10 Federal revenues:		
11 Federal aid - transportation programs		45,766,900
12 Special revenue funds:		
13 Blue Water Bridge fund		6,963,600
14 Comprehensive transportation fund		18,202,200
15 Economic development fund		11,672,600
16 Local bridge fund		2,406,800
17 IRS debt service rebate		6,974,200
18 State aeronautics fund		4,997,700
19 State trunkline fund		141,876,800
20 State general fund/general purpose	$	0

21 **Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY**
22 **SUPPORT SERVICES**

23 MTF grant to department of environmental quality	$	1,310,500
24 MTF grant to department of state for collection of		
25 revenue and fees		20,000,000
26 MTF grant to department of treasury		2,700,000
27 MTF grant to legislative auditor general		309,600

1	STF grant to department of attorney general	2,377,300
2	STF grant to civil service commission	5,447,000
3	STF grant to department of technology, management, and	
4	budget	1,136,300
5	STF grant to department of state police	11,413,900
6	STF grant to department of treasury	149,200
7	STF grant to legislative auditor general	719,100
8	SAF grant to department of attorney general	173,800
9	SAF grant to civil service commission	150,000
10	SAF grant to department of technology, management, and	
11	budget	31,200
12	SAF grant to department of treasury	75,300
13	SAF grant to legislative auditor general	29,700
14	CTF grant to department of attorney general	200,100
15	CTF grant to civil service commission	200,000
16	CTF grant to department of technology, management, and	
17	budget	36,800
18	CTF grant to department of treasury	8,900
19	CTF grant to legislative auditor general	38,200
20	GROSS APPROPRIATION	$ 46,506,900
21	Appropriated from:	
22	Special revenue funds:	
23	Comprehensive transportation fund	484,000
24	Michigan transportation fund	24,320,100
25	State aeronautics fund	460,000
26	State trunkline fund	21,242,800
27	State general fund/general purpose	$ 0

1 **Sec. 104. EXECUTIVE DIRECTION**

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

3 Full-time equated classified positions..... 29.3

4 Unclassified salaries..... $ 735,600

5 Asset management council..... 1,626,400

6 Commission audit--29.3 FTE positions..... 3,347,900

7 GROSS APPROPRIATION..... $ 5,709,900

8 Appropriated from:

9 Special revenue funds:

10 Michigan transportation fund..... 1,626,400

11 State trunkline fund..... 4,083,500

12 State general fund/general purpose..... $ 0

13 **Sec. 105. BUSINESS SUPPORT**

14 Full-time equated classified positions..... 53.0

15 Business support services--44.0 FTE positions..... $ 6,625,800

16 Economic development and enhancement programs--9.0 FTE

17 positions 1,449,200

18 Property management..... 7,740,500

19 Worker's compensation..... 1,805,200

20 GROSS APPROPRIATION..... $ 17,620,700

21 Appropriated from:

22 Special revenue funds:

23 Comprehensive transportation fund..... 1,742,700

24 Economic development fund..... 378,700

25 Michigan transportation fund..... 777,100

26 State aeronautics fund..... 661,900

27 State trunkline fund..... 14,060,300

1 State general fund/general purpose ..... $ 0

2 **Sec. 106. INFORMATION TECHNOLOGY**

3 Information technology services and projects ..... $ 31,429,600

4 GROSS APPROPRIATION ..... $ 31,429,600

5 Appropriated from:

6 Federal revenues:

7 Federal aid - transportation programs 520,500

8 Special revenue funds:

9 Blue Water Bridge fund 53,600

10 Comprehensive transportation fund 217,800

11 Economic development fund 37,200

12 Michigan transportation fund 287,600

13 State aeronautics fund 170,000

14 State trunkline fund 30,142,900

15 State general fund/general purpose ..... $ 0

16 **Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES**

17 Full-time equated classified positions..... 185.0

18 Finance, contracts, and support services--185.0 FTE

19 positions ..... $ 21,416,800

20 GROSS APPROPRIATION ..... $ 21,416,800

21 Appropriated from:

22 Interdepartmental grant revenues:

23 IDG for accounting service center user charges 3,928,500

24 Special revenue funds:

25 Michigan transportation fund 1,545,500

26 State trunkline fund 15,942,800

27 State general fund/general purpose ..... $ 0

1 **Sec. 108. TRANSPORTATION PLANNING**

2 Full-time equated classified positions..... 141.0

3 Transportation planning--141.0 FTE positions..... $ 38,213,700

4 Grants to regional planning councils..... 488,800

5 GROSS APPROPRIATION..... $ 38,702,500

6 Appropriated from:

7 Federal revenues:

8 Federal aid - transportation programs..... 20,000,000

9 Special revenue funds:

10 Comprehensive transportation fund..... 610,500

11 Michigan transportation fund..... 8,619,300

12 State aeronautics fund..... 15,000

13 State trunkline fund..... 9,457,700

14 State general fund/general purpose..... $ 0

15 **Sec. 109. DESIGN AND ENGINEERING SERVICES**

16 Full-time equated classified positions..... 1,590.3

17 Systems operations management--460.6 FTE positions... $ 78,572,900

18 Development and delivery--1,079.7 FTE positions..... 76,247,700

19 Welcome center operations--50.0 FTE positions..... 4,457,200

20 GROSS APPROPRIATION..... $ 159,277,800

21 Appropriated from:

22 Federal revenues:

23 Federal aid - transportation programs..... 23,529,800

24 Special revenue funds:

25 Michigan transportation fund..... 11,913,200

26 State trunkline fund..... 123,834,800

27 State general fund/general purpose..... $ 0

1 **Sec. 110. HIGHWAY MAINTENANCE**

2 Full-time equated classified positions..... 743.7

3 State trunkline operations--743.7 FTE positions ..... $ 310,692,000

4 GROSS APPROPRIATION..... $ 310,692,000

5 Appropriated from:

6 Special revenue funds:

7 State trunkline fund..... 310,692,000

8 State general fund/general purpose ..... $ 0

9 **Sec. 111. ROAD AND BRIDGE PROGRAMS**

10 State trunkline federal aid and road and bridge

11 construction ..... $ 839,663,400

12 Local federal aid and road and bridge construction ... 240,443,000

13 Grants to local programs..... 33,000,000

14 Rail grade crossing..... 3,000,000

15 Local bridge program..... 26,828,600

16 County road commissions..... 615,734,000

17 Cities and villages..... 343,299,300

18 GROSS APPROPRIATION..... $ 2,101,968,300

19 Appropriated from:

20 Federal revenues:

21 Federal aid - transportation programs 982,720,800

22 Special revenue funds:

23 Local funds..... 30,000,000

24 Blue Water Bridge fund..... 10,580,400

25 Local bridge fund..... 26,828,600

26 Michigan transportation fund..... 995,033,300

27 State trunkline fund..... 56,805,200

1 State general fund/general purpose..... $ 0

2 **Sec. 112. BLUE WATER BRIDGE**

3 Full-time equated classified positions..... 41.0

4 Blue Water Bridge operations--41.0 FTE positions..... $ 6,345,700

5 GROSS APPROPRIATION..... $ 6,345,700

6 Appropriated from:

7 Special revenue funds:

8 Blue Water Bridge fund..... 6,345,700

9 State general fund/general purpose..... $ 0

10 **Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT**

11 Forest roads..... $ 5,000,000

12 Rural county urban system..... 2,500,000

13 Target industries/economic redevelopment..... 15,385,300

14 Urban county congestion..... 7,942,600

15 Rural county primary..... 7,942,600

16 GROSS APPROPRIATION..... $ 38,770,500

17 Appropriated from:

18 Special revenue funds:

19 Economic development fund..... 38,770,500

20 State general fund/general purpose..... $ 0

21 **Sec. 114. AERONAUTICS SERVICES**

22 Full-time equated classified positions..... 54.0

23 Aviation services--54.0 FTE positions..... $ 7,039,300

24 GROSS APPROPRIATION..... $ 7,039,300

25 Appropriated from:

26 Special revenue funds:

27 State aeronautics fund..... 7,039,300

1 State general fund/general purpose ..... $ 0

2 **Sec. 115. PUBLIC TRANSPORTATION SERVICES**

3 Full-time equated classified positions..... 36.0

4 Passenger transportation services--36.0 FTE positions $ 5,689,500

5 GROSS APPROPRIATION ..... $ 5,689,500

6 Appropriated from:

7 Federal revenues:

8 Federal aid - transportation programs 972,100

9 Special revenue funds:

10 Comprehensive transportation fund 4,717,400

11 State general fund/general purpose ..... $ 0

12 **Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING**

13 Local bus operating ..... $ 167,400,000

14 Nonurban operating/capital 26,027,900

15 GROSS APPROPRIATION ..... $ 193,427,900

16 Appropriated from:

17 Federal revenues:

18 Federal aid - transportation programs 24,027,900

19 Special revenue funds:

20 Comprehensive transportation fund 167,400,000

21 Local funds 2,000,000

22 State general fund/general purpose ..... $ 0

23 **Sec. 117. INTERCITY PASSENGER**

24 Full-time equated classified positions..... 39.0

25 Office of rail--39.0 FTE positions ..... $ 6,355,400

26 Freight property management 1,000,000

27 Detroit/Wayne County Port Authority 468,200

1	Intercity services	5,690,000
2	Rail operations and infrastructure	103,090,400
3	Marine passenger service	400,000
4	Terminal development	150,000
5	GROSS APPROPRIATION	$ 117,154,000
6	Appropriated from:	
7	Federal revenues:	
8	Federal aid - transportation programs	64,600,000
9	Special revenue funds:	
10	Local funds	150,000
11	Private funds	100,000
12	Comprehensive transportation fund	43,449,500
13	Intercity bus equipment fund	140,000
14	Rail freight fund	6,000,000
15	Michigan transportation fund	2,007,500
16	State trunkline fund	707,000
17	State general fund/general purpose	$ 0
18	**Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT**	
19	Specialized services	$ 17,938,900
20	Municipal credit program	2,000,000
21	Transit capital	31,160,800
22	Van pooling	195,000
23	Service initiatives	2,349,800
24	Transportation to work	3,900,000
25	GROSS APPROPRIATION	$ 57,544,500
26	Appropriated from:	
27	Federal revenues:	

1	Federal aid – transportation programs	16,350,000
2	Special revenue funds:	
3	Local funds	5,635,000
4	Comprehensive transportation fund	35,559,500
5	State general fund/general purpose	$ 0
6	**Sec. 119. CAPITAL OUTLAY**	
7	**(1) BUILDINGS AND FACILITIES**	
8	Special maintenance, remodeling, and additions	$ 3,001,500
9	GROSS APPROPRIATION	$ 3,001,500
10	Appropriated from:	
11	State trunkline fund	3,001,500
12	State general fund/general purpose	$ 0
13	**(2) AIRPORT IMPROVEMENT PROGRAMS**	
14	Airport safety, protection, and improvement program ..	$ 95,043,200
15	GROSS APPROPRIATION	$ 95,043,200
16	Appropriated from:	
17	Federal revenues:	
18	Federal aid – transportation programs	79,000,000
19	Special revenue funds:	
20	Local funds	12,508,500
21	State aeronautics fund	3,534,700
22	State general fund/general purpose	$ 0
23	**Sec. 120. ONGOING STATE GENERAL FUND APPROPRIATIONS**	
24	State trunkline federal aid and road and bridge	
25	construction	$ 113,000,000
26	State and local road and bridge programs	2,478,900
27	Transit capital and rail infrastructure	25,000,000

1 Airport safety, protection, and improvement program .. 1,521,100

2 GROSS APPROPRIATION..... $ 142,000,000

3 Appropriated from:

4 State general fund/general purpose - ongoing..... $ 142,000,000

5 **Sec. 121. ONE-TIME BASIS ONLY**

6 State and local road and bridge programs..... $ 258,000,000

7 GROSS APPROPRIATION..... $ 258,000,000

8 Appropriated from:

9 State general fund/general purpose – one-time..... $ 258,000,000

10 PART 2

11 PROVISIONS CONCERNING APPROPRIATIONS

12 FOR FISCAL YEAR 2015-2016

13 **GENERAL SECTIONS**

14 Sec. 201. Pursuant to section 30 of article IX of the state

15 constitution of 1963, total state spending from state resources

16 under part 1 for fiscal year 2015-2016 is $2,584,391,400.00 and

17 state spending from state resources to be paid to local units of

18 government for fiscal year 2015-2016 is $1,438,206,000.00. The

19 itemized statement below identifies appropriations from which

20 spending to local units of government will occur:

21 DEPARTMENT OF TRANSPORTATION

22 Grants to regional planning councils..... $ 488,800

23 Grants to local programs..... 33,000,000

24 Rail grade crossing..... 3,000,000

25 Local bridge program..... 26,828,600

Grants to county road commissions	615,734,000
Grants to cities and villages	343,299,300
Economic development fund	23,385,200
Local bus operating	167,400,000
Detroit/Wayne County Port Authority	468,200
Marine passenger service	400,000
Terminal development	150,000
Specialized services	3,853,900
Municipal credit program	2,000,000
Transit capital	24,610,800
Service initiatives	999,800
Transportation to work	3,900,000
Airport safety, protection, and improvement program	5,055,800
Transit capital and rail infrastructure	25,000,000
State and local road and bridge programs	158,631,600
Total payments to local units of government	$ 1,438,206,000

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

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

(a) "Amtrak" means the National Railroad Passenger Corporation.

(b) "CTF" means comprehensive transportation fund.

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

(d) "Director" means the director of the department.

(e) "DOT" means the United States Department of

Transportation.

(f) "DOT-FHWA" means DOT, Federal Highway Administration.

(g) "FTE" means full-time equated.

(h) "IDG" means interdepartmental grant.

(i) "IRS" means the Internal Revenue Service.

(j) "MTF" means Michigan transportation fund.

(k) "SAF" means state aeronautics fund.

(*l*) "STF" means state trunkline fund.

Sec. 204. In addition to the metrics required under section 447 of the management and budget act, 1984 PA 431, MCL 18.1447, for each new program or program enhancement for which funds in excess of $500,000.00 are appropriated in part 1, the department shall provide not later than November 1, 2015 a list of program-specific metrics intended to measure its performance based on a return on taxpayer investment. The department shall deliver the program-specific metrics to members of the senate and house subcommittees that have subject matter jurisdiction for this budget, fiscal agencies, and the state budget director. The department shall provide an update on its progress in tracking program-specific metrics and the status of program success at an appropriations subcommittee meeting called for by the subcommittee chair.

Sec. 205. The department shall provide notice to the speaker of the house, the house minority leader, the senate majority leader, the senate minority leader, the house and senate standing committees on transportation, the appropriate house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on proposed federal rule changes related to

the department that would require amendments to the laws of this state. The notice shall be given within 30 business days of the proposed federal rule being posted to the federal register and shall include a description of the proposed federal rule, the publication date, the date when public comment closes, the document citation, and a description of the statutory changes needed when the rule is finalized.

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

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

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

(4) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $1,000,000.00 for private

contingency funds. These funds are not available for expenditure until they have been transferred to another line item in part 1 pursuant to section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 207. The department shall cooperate with the department of technology, management, and budget to maintain a searchable website accessible by the public at no cost that includes, but is not limited to, all of the following:

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

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

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

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

(e) Job specifications and wage rates.

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

Sec. 209. Funds appropriated in part 1 shall not be used for the purchase of foreign goods or services, or both, if competitively priced and of comparable quality American goods or services, or both, are available. Preference shall be given to goods or services, or both, manufactured or provided by Michigan

1 businesses, if they are competitively priced and of comparable
2 quality. In addition, preference shall be given to goods or
3 services, or both, that are manufactured or provided by Michigan
4 businesses owned and operated by veterans, if they are
5 competitively priced and of comparable quality.
6 Sec. 210. The director shall take all reasonable steps to
7 ensure businesses in deprived and depressed communities compete for
8 and perform contracts to provide services or supplies, or both.
9 Each director shall strongly encourage firms with which the
10 department contracts to subcontract with certified businesses in
11 depressed and deprived communities for services, supplies, or both.
12 Sec. 215. A department shall not take disciplinary action
13 against an employee for communicating with a member of the
14 legislature or his or her staff.
15 Sec. 228. Not later than November 30, the state budget office
16 shall prepare and transmit a report that provides for estimates of
17 the total general fund/general purpose appropriation lapses at the
18 close of the prior fiscal year. This report shall summarize the
19 projected year-end general fund/general purpose appropriation
20 lapses by major departmental program or program areas. The report
21 shall be transmitted to the chairpersons of the senate and house of
22 representatives standing committees on appropriations and the
23 senate and house fiscal agencies.
24 Sec. 229. Within 14 days after the release of the executive
25 budget recommendation, the department shall cooperate with the
26 state budget office to provide the senate and house appropriations
27 chairs, the senate and house appropriations subcommittees on

transportation, respectively, and the senate and house fiscal agencies with an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the fiscal years ending September 30, 2015 and September 30, 2016.

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

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

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

submitted to the senate and house appropriations committees, the house and senate fiscal agencies, and the state budget director. The report shall include the following information:

(a) The dates of each travel occurrence.

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

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

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

Sec. 271. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2016 are $68,873,400.00. From this amount, total agency appropriations for pension-related legacy costs are estimated at $39,092,200.00. Total agency appropriations for retiree health care legacy costs are estimated at $29,781,200.00.

DEPARTMENTAL SECTIONS

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

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

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

Sec. 305. (1) The department may permit space on public

passenger transportation properties to be occupied by public or private tenants on a competitive market rate basis. The department shall require that revenue from the tenants be placed in an account to be used to pay the costs to maintain and improve the property.

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

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

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

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

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

(2) Not later than 2 months after publication of the state of Michigan comprehensive annual financial report, each state department receiving funding pursuant to an interdepartment contract with the department shall submit a written report to the department, the state budget director, and the house and senate

fiscal agencies stating by spending authorization account the amount of estimated funds contracted with the department, the amount of funds expended, the amount of funds returned to the transportation funds, and any unreimbursed transportation-related costs incurred but not billed to transportation funds. A copy of the report shall be submitted to the auditor general, and the report shall be subject to audit by the auditor general as provided in subsection (3).

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

Sec. 307. Before March 1 of each year, the department will provide to the legislature, the state budget office, and the house and senate fiscal agencies its rolling 5-year plan listing by county or by county road commission all highway construction

projects for the fiscal year and all expected projects for the ensuing fiscal years.

Sec. 308. (1) As prescribed in subsection (2), the department shall submit reports to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on department activities related to the prequalification of construction contractors under 1933 PA 170, MCL 123.501 to 123.508, and related administrative rules. The report shall be submitted on or before March 1, 2016.

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

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

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

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

(d) A description of all department actions related to unsatisfactory contractor performance ratings and restrictions on contractor prequalification during the fiscal year ending September 30, 2015.

Sec. 310. The department shall provide in a timely manner copies of the agenda and approved minutes of monthly transportation commission meetings to the members of the house and senate

appropriations subcommittees on transportation, the house and senate fiscal agencies, and the state budget director.

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

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

(3) The department shall submit a report to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on the status of the state infrastructure bank. The report shall be submitted on or before December 1, 2015. The report shall include all of the following:

(a) The balance in the state infrastructure bank at September

30, 2015, including a breakdown of the balance by cash and cash equivalents, outstanding loans, and balance available for loan to local agencies.

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

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

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

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

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

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

appropriated in part 1.

Sec. 376. The department shall not spend funds appropriated in part 1 for the purpose of examining the potential association between commercial signs, outdoor advertising signs, billboards, digital billboards, or commercial electronic variable message signs and motor vehicle activity or motor vehicle driver behavior.

Sec. 381. The department shall require as a condition of each contract or subcontract for construction, maintenance, or engineering services that the prequalified contractor or prequalified subcontractor agree to use the E-Verify system to verify that all persons hired during the contract term by the contractor or subcontractor are legally present and authorized to work in the United States. The department may verify this information directly or may require contractors and subcontractors to verify the information and submit a certification to the department. The department shall report to the house and senate appropriations committees and the house and senate fiscal agencies by March 1 of each year describing the processes it has developed and implemented under provisions of this section. As used in this section, "E-Verify" means an Internet-based system operated by the Department of Homeland Security, U.S. Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 382. In administering a contract with a county road commission, city, or village that allocates costs of construction or reconstruction of highways, roads, and streets as provided in section 18d of 1951 PA 51, MCL 247.668d, the department shall submit the final cost-sharing bill to the county road commission,

city, or village not later than 2 years after the date of the final contract payment to the construction contractor.

Sec. 383. (1) The department shall prepare a report on use of department-owned aircraft during the fiscal year ending September 30, 2015. With respect to each department-owned aircraft, the report shall include all of the following:

(a) Total hours of usage.

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

(2) The report shall be submitted to the senate and house appropriations subcommittees on transportation and the house and senate fiscal agencies no later than February 1, 2016.

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

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

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

conducting operations.

Sec. 384. (1) Except as otherwise provided in subsection (2), the department shall not obligate the state to expend any state transportation revenue for construction planning or construction of the Detroit River International Crossing or a renamed successor. In addition, except as provided in subsection (2), the department shall not commit the state to any new contract related to the construction planning or construction of the Detroit River International Crossing or a renamed successor that would obligate the state to expend any state transportation revenue. 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 revenue.

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

Sec. 385. (1) The department shall submit reports to the state budget director, the speaker of the house, the house minority leader, the senate majority leader, the senate minority leader, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on department activities related to all nonconstruction or construction planning activities related to the Detroit River International Crossing or a renamed successor. The initial report shall be submitted on or before December 1, 2015 and shall cover the fiscal year ending September

1 30, 2015.
2 (2) The initial report shall include, at a minimum, all of the
3 following:
4 (a) Department costs incurred in the fiscal year ending
5 September 30, 2015, including employee salaries, wages, benefits,
6 travel, and contractual services, and what activities those costs
7 were related to.
8 (b) Costs of other executive branch agencies incurred in the
9 fiscal year ending September 30, 2015, including employee salaries,
10 wages, benefits, travel, and contractual services, and what
11 activities those costs were related to.
12 (c) A breakdown of the source of funds used for the activities
13 described in subdivisions (a) and (b).
14 (d) A breakdown of reimbursements made by Canada under section
15 384(1) to the state for expenditures for staff resources used in
16 connection with project activities.
17 (e) A narrative description of the status of the Detroit River
18 International Crossing or a renamed successor, including efforts
19 undertaken to implement provisions of the crossing agreement
20 executed June 15, 2012 by representatives of the Canadian
21 government and this state.
22 (3) After submission of the initial report, a subsequent
23 report shall be submitted on March 1, 2016, June 1, 2016, and
24 September 1, 2016 and shall include the same information described
25 in subsection (2) for the applicable previous fiscal quarter.
26 Sec. 393. (1) The department shall promote best practices for
27 public transportation services in this state, including, but not

limited to, the following:

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

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

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

(d) Promotion of intelligent transportation services for buses that incorporate computer and navigation technology to make transit systems more efficient, including stoplight coordinating, vehicle tracking, data tracking, and computerized scheduling.

(2) The department shall report on efforts taken to implement this section as well as section 393 of article XVII of 2011 PA 63. The department shall complete and submit the report to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on or before March 1, 2016.

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

FEDERAL

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

MICHIGAN TRANSPORTATION FUND

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

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

(2) Interest earned in the department of transportation economic development fund and local bridge fund shall remain in the

respective funds and shall be allocated to the respective programs based on actual interest earned at the end of each fiscal year.

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

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

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

STATE TRUNKLINE FUND

Sec. 601. (1) The department shall work with the road construction industry and engineering consulting community to develop a warranty program for capital road and bridge construction, reconstruction, and rehabilitation projects. In developing the warranty program, the department shall consider all

of the following:

(a) Scope of warranties, including warranties on materials and workmanship, pavement or bridge performance criteria, and the application of warranties to design/build projects.

(b) Length of warranty.

(c) Costs and benefits associated with scope of warranty and various warranty provisions, including length of warranty.

(d) Any other relevant factors that might determine the use of warranties, scope of warranty, or length of warranty.

(e) Use of warranties on local agency projects administered by the department.

(f) Other measures used to identify premature failure of road pavement or bridge elements and the related cause of those failures.

(2) The department shall report on March 1 of each year to the house of representatives and senate appropriations subcommittees on transportation and the house and senate fiscal agencies on provisions of the department's warrant program described under subsection (1). The department shall timely inspect warrantied projects prior to the expiration of any associated warranty.

(3) The department shall report to the legislature all of the following with regard to road and bridge construction projects:

(a) An update on procedures involving the attorney general's office regarding nonresponsive contractors that had received notice but failed to fulfill the terms of a warranty.

(b) An update on any upgrades and improvements to the statewide warranty administrative database.

(c) The number of active road and bridge construction warranties.

(d) The number of road and bridge project warranties that required corrective action, and the date or dates of any corrective action.

(e) The number of warrantied projects that required corrective action but expired prior to the contractor receiving notice and the total cost of each of those projects.

(f) The number of instances where a contractor was notified of the need for corrective action more than 60 days after the associated warranty period.

(g) The number of unresolved corrective actions outstanding beyond 15 months, and the department's findings and any changes to existing policies and procedures as required in subsection (5).

(4) The report required under subsection (3) is due on March 1 of each calendar year, shall reflect the prior 12-month period, and shall be transmitted to the house of representatives and senate appropriations subcommittees on transportation, the state budget director, and the house and senate fiscal agencies.

(5) The department shall maintain documentation to support initial acceptance of warrantied projects, interim and final inspections, and notifications to contractors that the warranty period had expired. The department also shall review and evaluate consultant evaluation requirements or recommendations and update existing policies and procedures accordingly.

Sec. 603. The department shall use traffic congestion as 1 of the criteria in determining the priorities for designating which

roads shall be remediated in its 5-year road plan, which must be submitted on or before March 1 of each year. Criteria for evaluating traffic congestion shall include, but not be limited to, coordination with local, county, and regional planning, improvement in traffic operations, improvement in physical roadway conditions, accident reduction, and coordination with area public transportation planning.

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

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

Sec. 612. The department shall establish guidelines governing incentives and disincentives provided under contracts for state trunkline projects. The guidelines shall include specific financial information concerning incentives and disincentives. On or before January 1 of each year, the department shall prepare a report for the immediately preceding fiscal year regarding contract incentives and disincentives. This report shall include a list, by project, of the contractors that received contract incentives and/or

disincentives, the amount of the incentives and/or disincentives, the fund source of any incentives, and the number of days that each project was completed either ahead or past the contracted completion date. This report shall be provided to the senate and house appropriations subcommittees on transportation, the senate and house standing committees on transportation, and the senate and house fiscal agencies.

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

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

(3) The department shall report on efforts taken to implement this section. The report shall include descriptions of specific materials evaluated, evaluation methods, and results of specific field or laboratory tests. The department shall complete and submit the report to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on or before March 1 of each year.

TRANSIT AND RAIL RELATED FUNDS

Sec. 701. The department shall establish an intercity bus equipment and facility fund as a subsidiary fund within the comprehensive transportation fund created under section 10b of 1951 PA 51, MCL 247.660b. Proceeds received by this state from the sale of state-owned intercity bus equipment shall be credited to the

intercity bus equipment facility fund for the purchase and repair of intercity bus equipment, as appropriated. Security deposits not returned to a lessee of state-owned intercity bus equipment under terms of the lease agreement shall be credited to the intercity bus equipment fund for the repair of intercity bus equipment, as appropriated. Money received by the department from lease payments for state-owned intercity bus equipment, and facility maintenance charges under terms of leases of state-owned intercity facilities, shall be credited to the intercity bus equipment facility fund for the purchase and repair of intercity bus equipment or for the maintenance and rehabilitation of state-owned intercity facilities, as appropriated. At the close of the fiscal year, any funds remaining in the intercity bus equipment facility fund shall remain in the fund and be carried forward into the succeeding fiscal year.

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

Sec. 703. After receiving notification from a railroad company pursuant to section 8 of the state transportation preservation act of 1976, 1976 PA 295, MCL 474.58, the department shall immediately notify the house of representatives and senate appropriations

subcommittees on transportation and the state budget office that the railroad company has filed with the appropriate governmental agencies for abandonment of a line.

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

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

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

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

(b) Revenue and operating expenses by Amtrak route.

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

(d) A discussion of major factors affecting route costs and revenue and net state costs in the preceding fiscal year, and factors affecting route costs and revenue and net state costs

anticipated in the current and future fiscal years.

Sec. 713. On or before November 1, 2015, the department shall report to the state budget director, the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies on the status of commuter rail demonstration projects in the state, including the disposition of rail cars leased by the department for commuter rail service.

Sec. 735. For the fiscal year ending September 30, 2016, the appropriation to a street railway pursuant to section 10e(22) of 1951 PA 51, MCL 247.660e, is $0.

AERONAUTICS FUND

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

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

CAPITAL OUTLAY

Sec. 901. (1) From federal-state-local project appropriations contained in part 1 for the purpose of assisting political entities

and subdivisions of this state in the construction and improvement of publicly used airports and landing fields within this state, the state transportation department may permit the award of contracts on behalf of units of local government for the authorized locations not to exceed the indicated amounts, of which the state allocated portion shall not exceed the amount appropriated in part 1.

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

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

Sec. 903. The appropriations in part 1 for capital outlay shall be carried forward at the end of the fiscal year consistent

with the provisions of section 248 of the management and budget act, 1984 PA 431, MCL 18.1248.

ONE-TIME AND ONGOING GENERAL FUND APPROPRIATIONS

Sec. 1001. The state general fund/general purpose appropriation in part 1 for state trunkline federal aid and road and bridge construction shall be used to ensure that the state match all available federal-aid highway funds.

Sec. 1002. The general fund/general purpose appropriation in part 1 for state and local road and bridge programs shall be distributed to the state trunk line fund, county road commissions, and cities and villages in the same percentages described in section 10(1)(j) of 1951 PA 51, MCL 247.660. Funds distributed to county road commissions under this section shall be distributed among the county road commissions in accordance with section 12 of 1951 PA 51, MCL 247.662. Funds distributed to cities and villages under this section shall be distributed among cities and villages in accordance with section 13 of 1951 PA 51, MCL 247.663.

Sec. 1003. By December 1, 2016, the department shall report to the house and senate appropriations subcommittees on transportation, and the house and senate fiscal agencies, on the use of general fund/general purpose funds appropriated in part 1 for transit capital and rail infrastructure. The report shall include a summary of funds expended, encumbered, and lapsed for both transit capital and rail infrastructure. With regard to transit capital projects, the report shall include grantees, grant amounts, project description, and project completion dates. With

regard to rail infrastructure projects, the report shall include grant amounts, project description, and project completion dates.

Sec. 1006. The department shall prepare a report regarding progress on the construction of a new rail tunnel crossing of the Detroit River between the city of Detroit and Windsor, Ontario, Canada, referenced in the balance of this section as "the project". On November 10, 2015, the department shall provide the report to the house and senate transportation appropriations subcommittees and the house and senate fiscal agencies. The report shall include the following:

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

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

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

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

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

PART 2A

PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS FOR FISCAL YEAR 2016-2017

GENERAL SECTIONS

Sec. 1201. It is the intent of the legislature to provide appropriations for the fiscal year ending on September 30, 2017 for the line items listed in part 1. The fiscal year 2016-2017 appropriations are anticipated to be the same as those for fiscal year 2015-2016, except that the line items will be adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. These adjustments will be determined after the January 2016 consensus revenue estimating conference.