

**FY 2012-13: DEPARTMENT OF TRANSPORTATION
Summary: House Subcommittee Recommendation
House Bill 5373 (H-1) Draft 1**



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	FY 2011-12 YTD as of 2/9/12	FY 2012-13 Executive	FY 2012-13 House	FY 2012-13 Senate	FY 2012-13 Enacted	Difference: House From FY 2011-12 YTD	
						Amount	%
IDG/IDT	19,917,800	3,531,900	3,531,900			(16,385,900)	(83.3%)
Federal	1,241,195,200	1,221,830,100	1,221,830,100			(19,365,100)	(1.6%)
Local	53,968,500	52,080,200	52,080,200			(1,888,300)	(3.5)
Private	0	100,000	100,000			100,000	N/A
Restricted	2,029,355,700	2,055,548,100	2,165,548,100			136,192,400	6.7%
GF/GP	500,000	119,000,000	23,000,000			22,500,000	4500%
Gross	\$3,344,937,200	\$3,452,090,300	\$3,466,090,300			\$121,153,100	3.6%
FTEs	3,049.6	2,918.3	2,918.3			(131.3)	(4.3%)

Notes: (1) FY 2011-12 year-to-date (YTD) figures include mid-year budget adjustments through February 9, 2012, as well as adjustments for Other Post Employment Benefit prefunding under Senate Bill 683.

(2) Appropriation figures for all years include all proposed appropriation amounts, including both standard line items and appropriations 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 two-thirds of the revenue in this budget comes from state restricted revenue, with approximately one-third from federal sources. Almost all the state-restricted revenue in this budget is constitutionally-restricted – from motor fuel taxes and vehicle registration taxes. This revenue 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.

Brief Summary – House Subcommittee Chair's Recommendation

Executive had proposed appropriating \$119.0 million GF/GP through one-time boilerplate appropriations: \$96.0 million to match federal-aid highway funds, \$12.0 million to match federal transit capital grants, and \$11.0 million to match federal rail infrastructure grants.

House Bill 5373 (H-1) Draft 1 does not include the Governor's proposed \$96.0 million in one-time GF/GP to match federal aid highway funds. Instead the bill includes additional \$100.0 million in STF revenue in the *State trunkline federal aid and road and bridge construction* line item in anticipation of passage Senate Bill 351; Senate Bill 351 would redirect part of the sales tax on gasoline from the state General Fund to the STF. (See Boilerplate Sec. 661.)

House Bill 5373 (H-1) Draft 1 includes \$23.0 million in one-time GF/GP appropriations – \$12.0 million for transit capital and \$11.0 million for rail infrastructure as Part 1 line item appropriations. With regard to transit capital, the bill includes boilerplate language giving preference to bus rehabilitation projects and to agencies which achieve 20% farebox recovery. (See Boilerplate Sec. 1001.)

House Bill 5373 (H-1) Draft 1 includes additional \$10.0 million State Aeronautics Fund (SAF) revenue for the *Airport safety, protection, and improvement* line item in anticipation of passage of House Bill 4025; House Bill 4025 would redirect part of the sales tax on aviation fuel from the state General Fund. (See Boilerplate Sec. 905.)

House Bill 5373 (H-1) Draft 1 includes the following new boilerplate sections:

- Sec. 381. Requires department to use the E-Verify system to ensure that contractors/ subcontractors employee are in the United State legally.
- Sec. 395. Makes *Unclassified salaries* appropriation contingent on completion of the Gateway project.
- Sec. 802. Require the department to sell one of its two King Air airplanes.

Budget Changes From FY 2011-12 YTD Appropriations

1. Debt Service

House concurs with Executive and appropriates \$240.3 million for debt service reflecting anticipated debt service schedules.

	FY 2011-12 YTD (as of 2/9/12)	FY 2011-12 to FY 2012-13
Gross	\$287,473,400	(\$47,198,900)
Federal	53,434,300	(7,567,600)
Restricted	234,039,100	(39,631,300)

Decrease from current year *appropriation* is primarily due to the fact that the current year budget had included \$40.0 million for the repayment of short-term notes which were to be issued for federal aid match in FY 2010-11. Short-term notes were not issued and the additional debt service spending authority in FY 2011-12 will lapse. Instead of short-term notes, in December 2011 the department issued \$91.0 million in long-term bonds, of which \$40.0 million is designated to match federal-aid for the capital STF road and bridge program, and \$51.0 million is designated for the Blue Water Bridge Plaza project. Repayment of long-term bonds will be made over a 20-year period.

2. Support Services by Other State Departments

Interdepartmental grants (IDGs) authorize the reimbursement of other state departments from restricted transportation funds for services provided to those transportation funds.

Gross	\$51,748,900	(\$5,431,000)
Restricted	51,748,900	(5,431,000)

House concurs with Executive and appropriates \$46.3 million, including \$20.0 million MTF to the Department of State for costs of registration tax collection program, and \$2.5 million MTF to the Department of Treasury for costs related to the collection of motor fuel taxes.

Represents a \$6.7 million decrease in baseline appropriation, including \$6.2 million decrease in MTF IDG to Department of Treasury (from \$8.4 million to \$2.5 million) to reflect cost allocation study, and \$575,000 decrease in STF IDG to the Attorney General (from \$2.8 million to \$2.4 million). Baseline decreases were partially offset by economic adjustments.

3. Executive Direction

Includes *Unclassified salaries, Asset Management Council, and Office of Commission Audits*. Reflects economic adjustments. House concurs with Executive and adjusts FTE positions to current employee levels. See *Boilerplate Sec. 395*.

FTEs	37.3	(2.0)
Gross	\$5,319,700	\$118,800
IDG	118,700	(118,700)
Restricted	5,319,700	237,500

4. Business Support

Includes *Business support, Economic development and enhancement, Property management, and Worker's compensation*. House concurs with Executive economic increases, and position transfers due to department reorganization. Increase anticipated in FY 2013-14 for "*Active and retiree insurance and pension adjustment*."

FTEs	58.0	19.0
Gross	\$17,559,900	\$3,047,800
IDG	448,600	(448,600)
Restricted	17,111,300	3,496,400

5. Finance, Contracts, and Support Services

House concurs with Executive to reflect position transfers due to department reorganization – a net reduction of \$3.3 million and 28.5 FTE positions in this unit. Also reflects transfer of Welcome Center operations to Design and Engineering Services, a reduction of \$4.3 million and 50.0 FTE positions in the unit. Also recognizes economic adjustments. Budget rolls up *Financial Operations* and *Contract Services* into single line and adjusts FTE positions to current employee levels.

FTEs	277.5	(92.5)
Gross	\$27,373,400	(\$7,235,900)
IDG	4,611,500	(1,094,400)
Restricted	22,761,900	(6,141,500)

6. Transportation Planning

House concurs with Executive to reflect position transfers due to department reorganization, a net reduction of \$2.7 million and 31.0 FTE positions in this unit. Also recognizes economic adjustments. Budget rolls up *Statewide Planning Services, Data Collection Services, and Specialized Planning Services and Local Studies* into single *Planning Services* line and adjusts FTE positions to current employee levels.

FTEs	176.0	(35.0)
Gross	\$39,868,800	(\$1,118,000)
IDG	1,453,800	(1,453,800)
Federal	22,000,000	0
Restricted	16,415,000	335,800

Budget Changes From FY 2011-12 YTD Appropriations

7. Design and Engineering Services

House concurs with Executive to reflect position transfers due to department reorganization, a net increase of \$3.1 million and 37.0 FTE positions in this unit. Also reflects transfer of Welcome Center operations to this appropriations unit (from *Finance, contracts, and support services*), an increase of \$4.3 million and 50.0 FTE positions, and adjustment for economics and FTE positions to current employee levels.

	FY 2011-12 YTD (as of 2/9/12)	FY 2011-12 to FY 2012-13
FTEs	1,491.8	(7.0)
Gross	\$124,905,700	\$13,766,100
IDG	8,220,500	(8,220,500)
Federal	23,529,800	0
Restricted	93,155,400	21,986,600

FY 2012-13 Supplemental: House Bill 4289 includes \$200,000 supplemental appropriation for Welcome Center operations.

8. State Trunkline Maintenance

House concurs with Executive to reflect economic adjustments. Also reflects position transfers due to department reorganization, a net decrease of increase of \$486,900 and 4.0 FTE positions, and adjusts FTE positions to current employee levels. Retains \$5.0 million current year baseline reduction which had been described in budget development as one-time.

FTEs	837.7	(29.0)
Gross	\$270,560,500	\$2,835,200
IDG	3,542,800	(3,542,800)
Restricted	267,017,700	6,378,000

9. State Trunkline Road and Bridge Construction

Executive had proposed \$96.0 million GF/GP boilerplate appropriation to match federal aid highway funds. House Bill 5373 (H-1) Draft 1 did not include the \$96.0 million boilerplate appropriation but instead included \$100.0 million additional STF revenue in anticipation of passage Senate Bill 351; Senate Bill 351 would redirect part of the sales tax on gasoline from the state General Fund to the STF. Increase related to Senate Bill 351 is partially offset by anticipated \$1.3 million reduction in baseline STF revenue.

Gross	\$842,310,000	\$98,743,200
Federal	742,092,000	0
Local	30,000,000	0
Restricted	70,218,000	98,743,200
GF/GP	0	0

10. Two Swing Bridges

Current year budget includes a \$500,000 GF/GP boilerplate appropriation, designated as "one-time," for "maintenance of 2 swing bridges"; not included in FY 2012-13 budget.

Gross	\$500,000	(\$500,000)
GF/GP	500,000	(500,000)

12. Local Federal Aid Road and Bridge Construction

Placeholder reflects estimated federal aid and the Act 51 directive that an average of 25% of most federal aid program funds be made available to local road agencies. No change from current year budget.

Gross	\$240,443,000	\$0
Federal	240,443,000	0

13. Rail Grade Crossing

Reflects Act 51 earmark; provides funding for rail safety program.

Gross	\$3,000,000	\$0
Restricted	3,000,000	0

14. Local Bridge Program

Act 51 earmark reflects anticipated gasoline tax revenue.

Gross	\$27,252,500	(\$488,800)
Restricted	27,252,500	(488,800)

15. MTF to Local Road Agencies/Local Program Fund

Recognizes MTF distribution to county road commissions (\$576,860,100), and cities/villages, (\$321,625,300) based on February 2012 revenue estimates and Act 51 formula; actual distribution will be based on actual MTF revenue, which will differ from estimates.

Gross	\$888,732,600	\$9,752,800
Restricted	888,732,600	9,752,800

16. Local Program Fund

Act 51 MTF earmark to local road agencies is fixed at \$33.0 million; 64.2% distributed to county road commissions, 35.8% to cities and villages.

Gross	\$33,000,000	\$0
Restricted	33,000,000	0

17. Blue Water Bridge

House concurs with Executive to include economic increases; line supported with Blue Water Bridge toll revenue.

FTEs	41.0	0.0
Gross	\$5,710,000	\$244,700
Restricted	5,710,000	244,700

Budget Changes From FY 2011-12 YTD Appropriations

FY 2011-12 YTD	FY 2011-12 to
(as of 2/9/12)	FY 2012-13

18. Transportation Economic Development Fund (TEDF)	Gross	\$32,226,200	(\$168,000)
<u>House</u> concurs with <u>Executive</u> and continues into FY 2012-13 the shift of \$12 million in driver's license fee revenue from TEDF Category "A" to STF state trunkline road and bridge program to help provide matching funds for federal aid. Also reflects minor changes in net available TEDF revenue.	Restricted	32,226,200	(168,000)
19. Aeronautics and Freight Services/Aeronautics Services	FTEs	84.0	(30.0)
<u>House</u> concurs with <u>Executive</u> and includes \$952,700 additional SAF funding reflecting use of estimated FY 2011-12 SAF fund balance. Funding would decrease in FY 2013-14 to reflect revenue estimates.	Gross	\$11,557,100	(\$3,288,600)
	IDG	387,400	(387,400)
	Restricted	11,169,700	(2,901,200)
Rolls up <i>Airport Improvement</i> and <i>Aviation Services</i> lines into a single <i>Aeronautics Services</i> line, recognizes economic adjustments, and adjusts FTE positions to current employee levels. Budget also increases <i>Air service</i> grant program from \$100,000 to \$700,000.			
Increase in SAF funding is offset by decrease for department reorganization; \$4.0 million (CTF and MTF) and 28.0 FTE positions would be transferred from this appropriations unit to new <i>Office of Rail</i> – see Item #23 below.			
20. Public Transportation Services	FTEs	46.0	(5.5)
Line item provides support for administration of passenger public transportation programs. <u>House</u> concurs with <u>Executive</u> to reflect position transfers (decrease of \$421,500 and 3.5 FTE positions), economic adjustments, and FTE positions to current employee levels. Recognizes increase in federal funding for subrecipient oversight.	Gross	\$6,381,400	(\$255,200)
	IDG	288,000	(288,000)
	Federal	862,100	110,000
	Restricted	5,231,300	(77,200)
21. Bus Transit - Local Bus Operating Assistance	Gross	\$166,624,000	\$0
<u>House</u> concurs with <u>Executive</u> and includes \$166.6 million (CTF) for state operating assistance to local public transit agencies – unchanged since FY 2006-07.	Restricted	166,624,000	0
22. Bus Transit - Non-Urban Operating/Capital	Gross	\$22,787,900	\$0
<u>House</u> concurs with <u>Executive</u> and recognizes federal non-urban transit grants.	Federal	21,987,900	0
	Local	800,000	0
23. Office of Rail	FTEs	0.0	36.5
<u>House</u> concurs with <u>Executive</u> and recognizes new <i>Office of Rail</i> reflecting department reorganization; funding and FTE positions transferred from existing programs, including freight services and rail safety programs.	Gross	\$0	\$5,768,900
	Restricted	0	5,768,900
24. Freight Property Management	Gross	\$1,000,000	\$0
Line time used to maintain state-owned rail facilities. <u>House</u> concurs with <u>Executive</u> ; no change from current year.	Restricted	1,000,000	0
25. Detroit-Wayne County Port Authority	Gross	\$468,200	\$0
Line item provides operating assistance to the authority. <u>House</u> concurs with <u>Executive</u> ; no change from current year.	Restricted	468,200	0
26. Intercity Services	Gross	\$6,100,000	\$1,590,000
Line item supports intercity bus service through operating and capital assistance. <u>House</u> concurs with <u>Executive</u> and provides \$1.65 million additional CTF support; reduces Intercity Bus Equipment Fund authorization by \$60,000 to reflect actual revenue. Additional funding to provide for replacement of buses reaching end of service life.	Federal	4,500,000	0
	Local	50,000	0
	Restricted	1,550,000	1,590,000
27. Rail Passenger Service	Gross	\$11,667,000	(\$11,667,000)
AMTRAK provides rail passenger service between Port Huron/Chicago, Grand Rapids/Chicago, and on Detroit-Chicago corridor. Line item provides both operating and capital assistance. <u>House</u> concurs with <u>Executive</u> and rolls-up this line and <i>Freight Preservation and Development</i> into a single <i>Rail Operations and Infrastructure</i> line. (See Item #29 below.)	Federal	3,000,000	(3,000,000)
	Local	0	0
	Private	0	0
	Restricted	8,667,000	(8,667,000)

Budget Changes From FY 2011-12 YTD Appropriations

FY 2011-12 YTD	FY 2011-12 to
(as of 2/9/12)	FY 2012-13

28. Freight Preservation and Development

Line item supports capital improvements to state owned rail property as well as a rail economic development grant program. House concurs with Executive and rolls-up this line and *Rail Passenger Service* into a single *Rail Operations and Infrastructure* line. (See Item #29 below.)

Gross	\$5,100,000	(\$5,100,000)
Federal	100,000	(100,000)
Restricted	5,000,000	(5,000,000)

House Bill 4289 includes \$1.0 million CTF supplemental appropriation for Freight preservation and development.

29. Rail Operations and Infrastructure

House concurs with Executive to reflect roll-up of *Rail Passenger Service* and *Freight Preservation and Development*. Adds \$7.6 million CTF and \$200,000 local/private to baseline to match federal rail passenger and/or rail freight program funds.

Gross	\$0	\$24,592,000
Federal	0	3,100,000
Local	0	100,000
Private	0	100,000
Restricted	0	21,292,000
GF/GP	0	0

House Bill 5373 (H-1) Draft 1 also includes a separate one-time line item appropriation of \$11.0 million GF/GP to match federal rail passenger and/or rail freight program grants. (See Item #42 below.)

30. Marine Passenger Service

House concurs with Executive; no change from current year.

Gross	\$400,000	\$0
Restricted	400,000	0

31. Terminal Development

House concurs with Executive; no change from current year.

Gross	\$461,000	\$0
Restricted	461,000	0

32. Specialized Services

Line item supports transit programs for elderly and disabled citizens. House concurs with Executive; no change from current year.

Gross	\$8,913,800	\$0
Federal	2,485,000	0
Local	2,485,000	0
Restricted	3,958,800	0

33. Municipal Credit Program

Reflects Act 51 earmark level of not less than \$2.0 million. House concurs with Executive; no change from current year.

Gross	\$2,000,000	\$0
Restricted	2,000,000	0

34. Bus Capital/Transit Capital

House concurs with Executive and adds \$16.9 million CTF to current year baseline to match federal transit grants to local transit agencies.

Gross	\$50,048,400	\$16,984,500
Federal	28,300,000	0
Local	5,000,000	0
Restricted	16,748,400	16,894,500
GF/GP	0	0

House Bill 5373 (H-1) Draft 1 also includes a separate one-time line item appropriation of \$12.0 million GF/GP to match federal transit capital grants. (See Item #41 below.)

35. Van Pooling

House concurs with Executive and provides increased state CTF matching funds for federal transit grants.

Gross	\$195,000	\$612,000
Restricted	195,000	612,000

36. Service Initiatives

House concurs with Executive and provides increased state CTF matching funds for federal grants.

Gross	\$1,415,000	\$450,000
Federal	1,150,000	0
Local	200,000	0
Restricted	65,000	450,000

FY 2011-12 Supplemental: Executive had requested \$1.0 million supplemental increase to provide funding for two projects: \$750,000 CTF to match federal funds for study of transit options along Woodward corridor from Detroit to Birmingham and Pontiac; \$250,000 CTF to support the establishment of a Regional Transit Authority in Southeast Michigan. These may be included in House Bill 4289.

37. Transportation to Work

House concurs with Executive; no change from current year.

Gross	\$9,700,000	\$0
Federal	2,700,000	0
Local	2,300,000	0
CTF	4,700,000	0

<u>Budget Changes From FY 2011-12 YTD Appropriations</u>		FY 2011-12 YTD (as of 2/9/12)	FY 2011-12 to FY 2012-13
38. State/Local Capital Facilities Projects		Gross	\$3,001,500
<u>House</u> concurs with <u>Executive</u> ; no change from current year.		Restricted	3,001,500
			\$0
			0
39. Aeronautics Capital Projects		Gross	\$109,750,600
<i>Airport safety, protection, and improvement</i> reflects anticipated federal funding, and SAF/local matching funds, for the federal Airport Improvement Program.		Federal	94,090,600
		Local	13,133,500
		Restricted	2,526,500
			(\$2,017,400)
			(11,907,500)
			(1,988,300)
			11,878,400
<u>House Bill 5373 (H-1) Draft 1</u> is \$10.0 million more than <u>Executive</u> due to inclusion of additional \$10.0 million SAF revenue in anticipation of passage of House Bill 4025; House Bill 4025 would redirect part of the sales tax on aviation fuel from the state General Fund to the SAF.			
40. State Employee Lump-Sum Payment (One-Time)		Gross	\$0
Represents appropriation for negotiated one-time lump sum payments to state employees. <u>Executive</u> had made this a boilerplate appropriation; <u>House Bill 5373 (H-1) Draft 1</u> includes as a Part 1 line item.		IDG	0
		Restricted	0
			\$3,260,800
			14,800
			3,246,800
41. Federal Match – Transit Capital (One-Time)		Gross	\$0
<u>Executive</u> had recommended a boilerplate appropriation; <u>House Bill 5373 (H-1) Draft 1</u> includes as a Part 1 line item.		GF/GP	0
			\$12,000,000
			12,000,000
See Item #34 above and Boilerplate Sections 1001 and 1002.			
42. Federal Match – Rail Operations/Infrastructure (One-Time)		Gross	\$0
<u>Executive</u> had recommended one-time GF/GP boilerplate appropriation; <u>House Bill 5373 (H-1) Draft 1</u> includes as Part 1 line item.		GF/GP	0
			\$11,000,000
			11,000,000
See Item #29 above and Boilerplate Sections 1001 and 1002.			
43. Economics			
<u>House</u> concurs with <u>Executive</u> and includes economic increases of \$14.1 million reflecting negotiated salary and wage increases of \$2.8 million, \$25.6 million to fund Other Post Retirement Benefit (OPEB) obligations, \$2.0 million decrease in insurance costs, \$13.6 million decrease for actuarially-determined retirement contributions, and \$317,600 in other economic increases. These changes are reflected in the line item changes described above.			

Boilerplate Changes From FY 2011-12

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

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. 204. Civil Service Charge – DELETED

Deletes language requiring Department of Civil Service to bill departments at the end of the first fiscal quarter for 1% charge authorized in the Constitution, and which required payment by the end of the second fiscal quarter.

Sec. 206. Contingency Appropriations – RETAINED

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

Sec. 207. Transparency – MODIFIED

Directs department to maintain on a searchable website expenditures made during the fiscal year; number of employees and job classification; deletes current subsection (2).

Boilerplate Changes From FY 2011-12

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 or Michigan goods are available. Gives preference to Michigan businesses owned or operated by veterans.

Sec. 212. Receive/Retain Reports – RETAINED

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

Sec. 211 and 214. Information Technology – RETAINED

Requires department to pay user fees to Department of Technology, Management, and Budget subject to provisions of interagency agreement. Allows IT projects to carry forward as work projects.

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. 216. Privatization Report – RETAINED

Provides for reporting requirement on privatization efforts.

Sec. 218. Out-of-State Travel – MODIFIED

Provides for out-of-state travel report. (Sec. 260 in current year).

Sec. 219. DTMB Office Space Plan – NEW

Directs state executive branch agencies to cooperate with DTMB office space consolidation plan.

Sec. 228. General Fund Lapse Report – RETAINED

Requires report on estimated GF/GP lapses by November 15.

Sec. 229. Restricted Fund Report – RETAINED

Deletes report on restricted fund balances.

Sec. 260. Out-of-State Travel – DELETED

See Sec. 218, above.

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 – DELETED

Required a report on specific policy changes adopted to implement new public acts, and 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. 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

Requires lease of space in public transportation facilities at market rates and that revenue be used for property maintenance/improvements.

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

Sets guidelines for use of transportation funds (Interdepartmental grants) by other state agencies; provides reporting requirements and biennial audit; does not include subsection (3) regarding Department of Treasury.

Sec. 307. Rolling Five-Year Plan – RETAINED

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

Sec. 308. Contract Compliance – RETAINED

Requires that MDOT and local road agencies pursue compliance with contract specifications for construction and maintenance; provides for sanctions for unsatisfactory contractors; prohibits department from reducing or restricting a contractor's prequalification until all administrative appeals had been exhausted.

Boilerplate Changes From FY 2011-12

Sec. 309. Administrative Costs – DELETED

Deletes language which required department to continue its efforts to reduce administrative costs.

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. 312. State Trunkline Fund Carryforward – RETAINED

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

Sec. 313. State Infrastructure Bank – RETAINED

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

Sec. 319. Rest Area Maintenance – RETAINED

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. 354. Solicit Proposals for Improper Payment Audit – DELETED

Deletes requirement that department to solicit proposals for an audit of improper payments.

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 – NEW

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

Sec. 382. State Airfleet Study – MODIFIED

Indicates legislative intent that department and State Budget Office to provide independent study of needs of state airfleet every five years.

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

Requires quarterly report on use of MDOT-owned aircraft; recovery of department costs.

Sec. 384. New International Trade Crossing (NITC) – MODIFIED

Restricts spending on Detroit-Windsor crossing project; includes reference to completion of Gateway project.

Sec. 385. Private Facility Toll Credits – RETAINED

Requires use of toll credits earned from private toll facilities to match available federal funds; restricts use.

Sec. 393. Best Practices for Public Transportation – MODIFIED

Includes increasing farebox recovery as a best practice.

Sec. 395. Gateway Project Completion – NEW

"The department shall not expend any funds appropriated in part 1 for unclassified salaries until the Gateway project is completed in accordance with the 2004 Gateway project implementation agreement as amended."

Sec. 398. Street Railway Appropriation – RETAINED

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

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 in accordance with Act 51 requirements.

Boilerplate Changes From FY 2011-12

Sec. 601. Road Construction Warranties – RETAINED

Encourages use of road construction warranties; reporting requirement.

Sec. 602. Manufactured Pipe – DELETED

Provided standards for use and testing of manufactured pipe.

Sec. 603. Traffic Congestion – DELETED

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

Sec. 610. Dead Deer – DELETED

Legislative intent language regarding clean-up 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 – RETAINED

Encourages the department to examine the use of alternative road surface materials; use of crumb rubber from tires.

Sec. 661. Matching Federal-Aid Highway Funds – NEW

"Of the appropriation from the state trunkline fund in part 1 of \$100,000,000.00 from the state general fund for state trunkline federal aid and road and bridge construction, \$100,000,000.00 represents estimated revenue from passage of Senate Bill 351 of the 2011-2012 legislative session and is intended to ensure that the state is able to match all available federal-aid highway funds."

Sec. 664. Use of Additional MTF Revenue – DELETED

Provided that revenue in excess of revenue estimates be used to reinstate delayed projects.

Sec. 701. Intercity Bus Equipment 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 (1976 PA 295).

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. 708. Intercity Bus Equipment Program – DELETED

Requires annual lease of not less than \$1,000.

Sec. 711. Seven-Day Rail Passenger Service (AMTRAK) – RETAINED

Directs department to negotiate with a rail carrier to provide seven-day Port Huron/Chicago and Grand Rapids/Chicago service; provides certain directives; report on capital projects.

Sec. 714. Local Transit Demand-Response Services – DELETED

Requires department, in cooperation with local transit agencies, work to ensure that demand-response services are provided throughout Michigan.

Sec. 731. Intercity Bus Space Rental – RETAINED

Requires department to charge transit agencies and intercity bus carriers the same rent when leasing similar space in state-owned intermodal facilities.

Sec. 734. Transit Agency Service Performance Measures – DELETED

Directed department work to ensure that transit agencies meet certain service performance measures.

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. State Airplane Sale – NEW

"Within the fiscal year ending September 30, 2013, the department shall sell one of two Beechcraft King Air Twin Engine Turbo Prop airplanes. Proceeds from the sale shall be credited to the State aeronautics fund."

Sec. 901. Aeronautics Capital Program – RETAINED

Permits department to contract for airport improvement projects on behalf of local airport owners; local match requirements, requires local agencies to obtain authorization before submitting projects to federal agencies.

Boilerplate Changes From FY 2011-12

Sec. 902. Aeronautics Capital Program Status Report – MODIFIED

Reporting requirement0; HFA and SFA added as report recipients.

Sec. 903. Capital Outlay Carry Forward – RETAINED

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

Sec. 904. Capital Outlay Authorization/Lapse – RETAINED

Language on allocation of lump-sum appropriations.

Sec. 905. Airport Improvement Program Matching Funds – NEW

"Of the appropriation from the state aeronautics fund in part 1 of \$10,000,000.00 from the state general fund for airport safety, protection, and improvement \$10,000,000.00 represents estimated revenue from passage of House Bill 4025 of the 2011-2012 legislative session and is intended to ensure that the state is able to match all available federal airport improvement program grant funds."

Sec. 1001. One-Time GF/GP Swing Bridge Maintenance – DELETED

Current year included \$500,000 GF/GP appropriation for maintenance of two swing bridges.

Sec. 1001. One-Time Transit Capital – NEW

"In awarding grants to local public transit agencies with service populations greater than 50,000, from the one-time general fund/general purpose appropriation in part 1, federal aid match for transit capital, the department shall give priority to the following: (1) projects for bus rehabilitation (2) project applications from agencies which recover not less than 20% of fixed route operating costs from farebox revenue."

Sec. 1002. One-Time Transit/Rail General Fund Lapse – NEW

Directs that unexpended GF/GP funds lapse to the General Fund; establishes reporting requirement.

Sec. 1201. Intent to provide FY 2012-13 Appropriations – MODIFIED

Current year included language regarding FY 2012-13 planning budget; modified to reflect FY 2013-14.