SUBSTITUTE FOR

HOUSE BILL NO. 5615

A bill to make appropriations for the state transportation department for the fiscal year ending September 30, 2027; 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 state transportation department for the fiscal year ending September 30, 2027, from the following funds:

DEPARTMENT OF TRANSPORTATION	
APPROPRIATION SUMMARY	
Full-time equated unclassified positions	6.0
Full-time equated classified positions	2,853.3

Full-time employees		2,668.0
Limited-term employees		58.8
Noncareer/per diem employees		81.0
Part-time employees		1.0
Permanent-intermittent employees		52.0
Seasonal employees		31.0
GROSS APPROPRIATION	**$**	**8,594,461,900**
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		4,424,000
ADJUSTED GROSS APPROPRIATION	**$**	**8,590,037,900**
Federal revenues:		
Total federal revenues		2,384,442,300
Special revenue funds:		
Total local revenues		87,448,500
Total private revenues		20,500,000
Total other state restricted revenues		5,997,647,100
State general fund/general purpose	**$**	**100,000,000**
Sec. 102. DEBT SERVICE		
Airport safety and protection plan	$	3,618,300
Blue Water Bridge fund		3,318,400
Economic development		234,300
Local bridge fund		77,300
State trunkline		333,554,100
GROSS APPROPRIATION	**$**	**340,802,400**
Appropriated from:		
Special revenue funds:		
Blue Water Bridge fund		3,318,400

Economic development fund		234,300
Local bridge fund		77,300
State aeronautics fund		3,618,300
State trunkline fund		333,554,100
State general fund/general purpose	**$**	**0**
Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY SUPPORT SERVICES		
CTF grant to civil service commission	$	225,300
CTF grant to department of attorney general		111,500
CTF grant to department of technology, management, and budget		40,300
CTF grant to department of treasury		54,900
CTF grant to legislative auditor general		48,500
MTF grant to department of environment, Great Lakes, and energy		2,202,200
MTF grant to department of treasury		3,761,300
MTF grant to legislative auditor general		393,900
SAF grant to civil service commission		140,000
SAF grant to department of attorney general		196,400
SAF grant to department of technology, management, and budget		28,600
SAF grant to department of treasury		72,200
SAF grant to legislative auditor general		38,100
STF grant to civil service commission		7,160,100
STF grant to department of attorney general		2,236,500
STF grant to department of state police		13,945,400
STF grant to department of technology, management, and budget		1,235,100

STF grant to department of treasury			167,000
STF grant to legislative auditor general			914,900
GROSS APPROPRIATION		**$**	**32,972,200**
Appropriated from:			
Special revenue funds:			
Comprehensive transportation fund			480,500
Michigan transportation fund			6,357,400
State aeronautics fund			475,300
State trunkline fund			25,659,000
State general fund/general purpose		**$**	**0**
Sec. 104. DEPARTMENTAL ADMINISTRATION AND SUPPORT			
Full-time equated unclassified positions	6.0		
Full-time equated classified positions	272.0		
Unclassified salaries--FTEs	6.0	$	492,800
Asset management council			2,299,900
Business support services--FTEs	71.0		10,241,700
Commission audit and support services--FTEs	23.0		3,659,500
Economic development and enhancement programs--FTEs	9.0		1,455,400
Finance, contracts, and support services--FTEs	169.0		24,551,000
Property management			8,616,000
Worker's compensation			1,546,300
Departmentwide economic adjustments			6,470,800
GROSS APPROPRIATION		**$**	**59,333,400**
Appropriated from:			
Interdepartmental grant revenues:			
IDG for accounting service center user charges			4,424,000

Federal aid – transportation programs			163,200
Special revenue funds:			
Blue Water Bridge fund			105,600
Comprehensive transportation fund			2,014,500
Economic development fund			415,200
Michigan transportation fund			5,645,100
State aeronautics fund			857,700
State trunkline fund			45,708,100
State general fund/general purpose		**$**	**0**
Sec. 105. INFORMATION TECHNOLOGY			
Information technology services and projects		$	21,150,000
GROSS APPROPRIATION		**$**	**21,150,000**
Appropriated from:			
Federal revenues:			
Federal aid – transportation programs			520,500
Special revenue funds:			
Blue Water Bridge fund			58,500
Comprehensive transportation fund			238,200
Economic development fund			39,400
Michigan transportation fund			311,200
State aeronautics fund			185,700
State trunkline fund			19,796,500
State general fund/general purpose		**$**	**0**
Sec. 106. TRANSPORTATION PLANNING			
Full-time equated classified positions	130.8		
Planning services--FTEs	130.8	$	31,992,900
Grants to regional planning councils			488,800
GROSS APPROPRIATION		**$**	**32,481,700**

Appropriated from:				
Federal revenues:				
Federal aid – transportation programs				20,752,800
Special revenue funds:				
Comprehensive transportation fund				359,900
Michigan transportation fund				11,338,200
State aeronautics fund				30,800
State general fund/general purpose			**$**	**0**
Sec. 107. DESIGN AND ENGINEERING SERVICES				
Full-time equated classified positions	1,486.0			
Business services--FTEs	31.6	$		8,636,600
Program development and delivery--FTEs	902.9			99,585,000
System operations management--FTEs	551.5			105,073,000
GROSS APPROPRIATION			**$**	**213,294,600**
Appropriated from:				
Federal revenues:				
Federal aid – transportation programs				23,529,800
Special revenue funds:				
Comprehensive transportation fund				187,100
Michigan transportation fund				19,624,800
State trunkline fund				169,952,900
State general fund/general purpose			**$**	**0**
Sec. 108. HIGHWAY MAINTENANCE				
Full-time equated classified positions	804.9			
State trunkline operations--FTEs	804.9	$		481,176,400
GROSS APPROPRIATION			**$**	**481,176,400**
Appropriated from:				
Special revenue funds:				

State trunkline fund		481,176,400
State general fund/general purpose	**$**	**0**
Sec. 109. ROAD AND BRIDGE PROGRAM		
Cities and villages	$	1,112,369,700
Cities and villages - MTF redistribution		4,360,000
Cities and villages - GF/GP		28,000,000
County road commissions		2,012,101,400
County road commissions - MTF redistribution		7,820,000
County road commissions - GF/GP		52,000,000
Grants to local programs		33,000,000
Local agency wetland mitigation bank fund		2,000,000
Local bridge program		126,550,900
Local federal aid and road and bridge construction		428,999,800
Movable bridge		6,504,600
Rail grade crossing		3,000,000
Rail grade crossing - surface improvements		6,000,000
Rail grade separation grant program		40,000,000
State trunkline federal aid and road and bridge construction		2,136,373,900
GROSS APPROPRIATION	**$**	**5,999,080,300**
Appropriated from:		
Federal revenues:		
Federal aid - transportation programs		1,741,778,500
Special revenue funds:		
Local funds		30,003,500
Private funds		10,000,000
Blue Water Bridge fund		29,026,400

Local bridge fund				26,550,900
Michigan transportation fund				2,423,955,700
Neighborhood roads fund				903,200,000
State trunkline fund				734,565,300
State general fund/general purpose			**$**	**100,000,000**
Sec. 110. BLUE WATER BRIDGE				
Full-time equated classified positions	41.0			
Blue Water Bridge operations--FTEs	41.0		$	7,653,200
GROSS APPROPRIATION			**$**	**7,653,200**
Appropriated from:				
Special revenue funds:				
Blue Water Bridge fund				7,653,200
State general fund/general purpose			**$**	**0**
Sec. 111. TRANSPORTATION ECONOMIC DEVELOPMENT				
Forest roads			$	5,000,000
Rural county primary				10,620,800
Rural county urban system				2,500,000
Target industries/economic redevelopment				24,741,600
Urban county congestion				10,620,800
GROSS APPROPRIATION			**$**	**53,483,200**
Appropriated from:				
Special revenue funds:				
Economic development fund				53,483,200
State general fund/general purpose			**$**	**0**
Sec. 112. AERONAUTICS SERVICES				
Full-time equated classified positions	43.3			
Air service program			$	50,000
Air service - general aviation airports				5,294,700

Aviation services-FTEs	43.3			6,801,000
GROSS APPROPRIATION			**$**	**12,145,700**
Appropriated from:				
Special revenue funds:				
State aeronautics fund				12,145,700
State general fund/general purpose			**$**	**0**
Sec. 113. PUBLIC TRANSPORTATION SERVICES				
Full-time equated classified positions	36.9			
Passenger transportation services--FTEs	36.9	$		5,672,600
GROSS APPROPRIATION			**$**	**5,672,600**
Appropriated from:				
Federal revenues:				
Federal aid - transportation programs				2,000,000
Special revenue funds:				
Comprehensive transportation fund				3,672,600
State general fund/general purpose			**$**	**0**
Sec. 114. LOCAL BUS TRANSIT				
Local bus operating		$		290,000,000
Nonurban operating/capital				41,935,500
GROSS APPROPRIATION			**$**	**331,935,500**
Appropriated from:				
Federal revenues:				
Federal aid - transportation programs				39,935,500
Special revenue funds:				
Local funds				2,000,000
Comprehensive transportation fund				290,000,000
State general fund/general purpose			**$**	**0**
Sec. 115. INTERCITY PASSENGER AND FREIGHT				

Full-time equated classified positions	37.4		
Detroit/Wayne County Port Authority		$	700,000
Freight property management			1,300,000
Intercity services			10,189,700
Marine passenger service			22,559,100
Office of rail--FTEs	37.4		5,370,500
Rail operations and infrastructure			219,388,500
GROSS APPROPRIATION		**$**	**259,507,800**
Appropriated from:			
Federal revenues:			
Federal aid - transportation programs			124,362,700
Special revenue funds:			
Local funds			760,000
Private funds			4,500,000
Comprehensive transportation fund			121,329,000
Intercity bus equipment fund			45,400
Michigan transportation fund			1,674,800
Rail freight fund			6,000,000
State trunkline fund			835,900
State general fund/general purpose		**$**	**0**
Sec. 116. PUBLIC TRANSPORTATION DEVELOPMENT			
Full-time equated classified positions	1.0		
Infrastructure projects authority fund		$	65,000,000
Maritime and port facility assistance grant program--FTE	1.0		5,294,700
Municipal credit program			2,000,000
Service initiatives			6,300,000
Specialized services			30,342,700

Transit capital			247,793,500
Van pooling			195,000
GROSS APPROPRIATION	**$**		**356,925,900**
Appropriated from:			
Federal revenues:			
Federal aid – transportation programs			161,399,300
Special revenue funds:			
Local funds			37,185,000
Private funds			4,000,000
Comprehensive transportation fund			84,046,900
Infrastructure projects authority fund			65,000,000
Maritime and port facility assistance fund			5,294,700
State general fund/general purpose	**$**		**0**
Sec. 117. CAPITAL OUTLAY			
(1) BUILDINGS AND FACILITIES			
Salt storage buildings and containment control	$		3,000,000
Special maintenance, remodeling, and additions			5,000,500
GROSS APPROPRIATION	**$**		**8,000,500**
Appropriated from:			
Special revenue funds:			
State trunkline fund			8,000,500
State general fund/general purpose	**$**		**0**
(2) AIRPORT IMPROVEMENT PROGRAMS			
Airport safety, protection, and improvement program	$		189,045,000
Detroit Metropolitan Wayne County Airport			13,020,000
IIJA airport infrastructure grants			115,000,000
GROSS APPROPRIATION	**$**		**317,065,000**

Appropriated from:		
Federal revenues:		
Federal aid – transportation programs		270,000,000
Special revenue funds:		
Local funds		17,500,000
Private funds		2,000,000
Qualified airport fund		13,020,000
State aeronautics fund		14,545,000
State general fund/general purpose	**$**	**0**
Sec. 118. ONE-TIME APPROPRIATIONS		
Rail freight/rail economic development	$	23,000,000
Grants to commercial service airports		16,781,500
Maritime and port facility assistance grant program		22,000,000
GROSS APPROPRIATION	**$**	**61,781,500**
Appropriated from:		
Special revenue funds:		
Comprehensive transportation fund		61,781,500
State general fund/general purpose	**$**	**0**

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

FOR FISCAL YEAR 2026-2027

GENERAL SECTIONS

Sec. 201. In accordance with section 30 of article IX of the state constitution of 1963, for the fiscal year ending September 30, 2027, total state spending under part 1 from state sources is $6,097,647,100.00 and state spending under part 1 from state sources to be paid to local units of government is

$3,966,767,600.00. The following itemized statement identifies appropriations from which spending to local units of government will occur:

STATE TRANSPORTATION DEPARTMENT	
Grants to regional planning councils	$ 488,800
Cities and villages	1,112,369,700
Cities and villages – MTF redistribution	4,360,000
Cities and villages – GF/GP	28,000,000
County road commissions	2,012,101,400
County road commissions – MTF redistribution	7,820,000
County road commissions – GF/GP	52,000,000
Grants to local programs	33,000,000
Local agency wetland mitigation	2,000,000
Local bridge program	126,550,900
Local grade separation program	40,000,000
Movable bridge	6,504,600
Rail grade crossing	1,500,000
Rail grade surface crossing improvements	6,000,000
Forest roads	5,000,000
Rural county primary	10,620,800
Rural county urban system	2,500,000
Target industries/economic redevelopment	24,741,600
Urban county congestion	10,620,800
Air service program	50,000
Local bus operating	290,000,000
Detroit/Wayne County Port Authority	700,000
Marine passenger service	4,000,000
Municipal credit program	2,000,000

Service initiatives	1,000,000
Specialized services	13,000,000
Transit capital	67,851,900
Airport safety, protection, and improvement program	14,545,000
Detroit Metropolitan Wayne County Airport	13,020,000
Grants to commercial service airports	16,781,500
Total payments to local units of government	**$ 3,966,767,600**

Sec. 202. The appropriations 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) "CTF" means comprehensive transportation fund.

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

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

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

(e) "IDG" means interdepartmental grant.

(f) "IIJA" means the infrastructure investment and jobs act, 2021, Public Law 117-58.

(g) "MTF" means Michigan transportation fund.

(h) "SAF" means state aeronautics fund.

(i) "Standard report recipients" means the senate and house appropriations committees, the senate and house appropriations subcommittees on transportation, the senate and house fiscal agencies, the senate and house policy offices, and the state budget office.

(j) "STF" means state trunkline fund.

Sec. 204. If the state administrative board, acting under section 3 of 1921 PA 2, MCL 17.3, transfers funds from an amount

appropriated under part 1, the legislature may, by a concurrent resolution adopted by a majority of the members elected to and serving in each house, intertransfer funds within part 1 for the particular department, board, commission, officer, or institution.

Sec. 205. (1) The department shall use the internet to fulfill the reporting requirements of this part and shall make each report readily accessible to the public and conspicuously post each required report in a single archivable location on the department's website not later than the due date required for each report.

(2) In addition to placing all reports required in the current fiscal year on the department's website, the department shall maintain on its website all reports placed on the website from previous fiscal years posted by fiscal year in the same single archivable location.

(3) The department shall transmit all required reports for the current fiscal year to the standard report recipients and any other required recipients by email. The email shall include a copy of the report and a link to access the report online.

Sec. 206. The department shall receive and retain copies of all reports funded from appropriations in part 1. The department shall follow federal and state law and guidelines for short-term and long-term retention of records. The department shall electronically retain copies of reports unless otherwise required by federal and state guidelines.

Sec. 207. (1) 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 for the department:

(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.

(2) The department shall cooperate with the department of technology, management, and budget to update the searchable website on a quarterly basis.

Sec. 208. Not later than December 15, the state budget office shall prepare and submit a report that provides estimates of the total general fund/general purpose appropriation lapses at the close of the previous fiscal year. The report must summarize the projected year-end general fund/general purpose appropriation lapses by major departmental program or program areas.

Sec. 209. Not later than 14 days after the release of the executive budget recommendation, the department shall cooperate with the state budget office to provide an annual report on estimated state restricted fund balances, state restricted fund projected revenues, and state restricted fund expenditures for the previous 2 fiscal years.

Sec. 210. Not later than November 15, the department shall report on private and other third-party funds received by the department in the previous fiscal year. The report must include the amount of funding received, the specific source of funding received, the purpose for which funding was expended, and the amount of any remaining funds.

Sec. 211. Consistent with section 217 of the management and budget act, 1984 PA 431, MCL 18.1217, the department shall prepare a report on out-of-state travel expenses by not later than January

1. The report must list all travel outside this state by classified and unclassified employees in the previous fiscal year that was funded in whole or in part with funds appropriated in the department's budget. The report must include all of the following information:

(a) The dates of each travel occurrence.

(b) The total transportation and related costs of each travel occurrence and the proportions funded with state general fund/general purpose revenues, state restricted revenues, federal revenues, local revenues, and private revenues, including specific sources of state restricted, federal, local, and private revenues.

(c) The destination of each travel occurrence.

(d) The specific purpose and description of each travel occurrence, including the specific name of the event or meeting.

Sec. 212. On a quarterly basis, the department shall report on all of the following:

(a) The number of full-time equated positions in pay status by civil service classification.

(b) A comparison by line item of the number of full-time equated positions authorized from funds appropriated in part 1 to the actual number of full-time equated positions employed by the department at the end of the reporting period.

(c) The number of active employees in each of the following statuses:

(*i*) Full-time salary.

(*ii*) Full-time hourly.

(*iii*) Part-time.

(*iv*) Permanent-intermittent.

(*v*) Limited-term.

(*vi*) Seasonal.

(*vii*) Worker's compensation.

(*viii*) Noncareer/per diem.

(*ix*) Job share.

(*x*) Special personal services/contractual.

(d) The number of overtime hours worked by employees, by classifications.

Sec. 213. Not later than April 1, the department shall report on each specific policy change made to implement a public act affecting the department that took effect during the previous calendar year. The report must include reference to the public act that necessitates the policy change. The department shall submit the report to the standard report recipients, to the senate and house standing committees responsible for addressing issues affected by the public acts, and to the joint committee on administrative rules.

Sec. 214. (1) Not later than April 1, the department shall maintain, on a publicly accessible website, a department scorecard that identifies, tracks, and updates on a quarterly basis key metrics that are used to monitor and improve the department's performance.

(2) The department shall notify the standard report recipients when the quarterly updates to the department scorecard are available on a publicly accessible website.

Sec. 215. (1) Unless specifically authorized elsewhere in this part or part 1, funds appropriated in part 1 must not be used to pay for a state obligation that exceeds $200,000.00 for a court-approved judgment, settlement, award, or claim without prior legislative approval.

(2) If a state obligation for a court-approved judgment, settlement, award, or claim results in a change from current statute, the department shall notify the legislature.

(3) This section does not apply to compensation and other relief to individuals wrongfully imprisoned as required under the wrongful imprisonment compensation act, 2016 PA 343, MCL 691.1751 to 691.1757.

Sec. 216. (1) In addition to the funds appropriated in part 1, there is appropriated an amount not to exceed $40,000,000.00 for federal contingency authorization. Amounts appropriated are not available for expenditure until they have been transferred to another line item in part 1 under 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 $5,000,000.00 for state restricted contingency authorization. Amounts appropriated are not available for expenditure until they have been transferred to another line item in part 1 under 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 authorization. Amounts appropriated are not available for expenditure until they have been transferred to another line item in part 1 under 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 authorization. Amounts appropriated are not available for expenditure until they have been transferred to another line

item in part 1 under section 393(2) of the management and budget act, 1984 PA 431, MCL 18.1393.

Sec. 217. Total authorized appropriations from all sources under part 1 for legacy costs for the fiscal year ending September 30, 2027 are estimated at $34,726,300.00. From this amount, total appropriations for pension-related legacy costs for the department are estimated at $34,726,300.00. Total appropriations for retiree health care legacy costs for the department are estimated at $0.00.

Sec. 218. To the extent possible, the department shall not expend appropriations under part 1 until all existing authorized work project funds available for the same purposes are exhausted.

Sec. 219. The department shall submit reports that summarize all work project accounts not later than December 31, March 30, June 30, and September 30. The reports must include all of the following:

(a) A list of all work project accounts.

(b) The status of all work project accounts, including amounts expended, amounts encumbered, and available balances for each account.

(c) The amount of funds that lapsed from any previously designated work project accounts, the name and description of the work project account, and the funds that received the lapsed amounts.

Sec. 220. To the extent permissible under section 261 of the management and budget act, 1984 PA 431, MCL 18.1261, all of the following apply to the expenditure of funds appropriated in part 1:

(a) The funds must 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.

(b) Preference must be given to goods or services, or both, manufactured or provided by Michigan businesses, if they are competitively priced and of comparable quality.

(c) Preference must be given to goods or services, or both, that are manufactured or provided by Michigan businesses owned and operated by veterans, if they are competitively priced and of comparable quality.

Sec. 221. The department shall not take disciplinary action against an employee of the department because the employee communicates with a member of the legislature or legislative staff unless the communication is prohibited by law and the department is exercising its authority as provided by law.

Sec. 222. (1) The department shall maximize the efficiency of the state workforce and utilization and occupancy of office space, leased or owned, for each division within the department. Employees with job responsibilities that require employees to serve in their capacities outside of an office shall be monitored each pay period to ensure all work hours reported on timesheets are actually worked.

(2) The department shall comply with requirements set forth by the office of the state employer on in-person work and utilization and occupancy rates of state buildings to ensure at least 80% of employees are in person and building occupancy and utilization rates are at least 80% or higher.

(3) The department shall submit reports not later than January 15 and April 15 on all of the following:

(a) Remote work policy by division.

(b) Building occupancy by address.

(c) Whether the building is state-owned or leased.

(d) Aggregate badge scanning information by employee.

(4) As used in this section, "occupancy" means the actual number of employees physically present in a workplace.

Sec. 223. (1) The department shall require as a condition of each contract or subcontract 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.

(2) 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 submit a report not later than March 1 that describes the processes it has developed and implemented under this section.

(3) The department shall not contract with any foreign entities that are known or suspected to be enemies of the United States or known foreign adversaries. Foreign adversaries include all of the following:

(a) The People's Republic of China.

(b) The Russian Federation.

(c) The Islamic Republic of Iran.

(d) The Democratic People's Republic of Korea.

(e) The Republic of Cuba.

(f) The Venezuelan regime of Nicolás Maduro.

(g) The Syrian Arab Republic.

(h) An agency or other entity under significant control of a country described in subdivisions (a) to (g).

(4) As used in this section, "E-Verify" means an internet-

based system operated by the Department of Homeland Security, United States Citizenship and Immigration Services in partnership with the Social Security Administration.

Sec. 224. (1) Within 30 days of enactment of this act, the state budget office shall post a list of legislatively directed spending items funded in part 1 as defined in sections 364 and 364a of the management and budget act, 1984 PA 431, MCL 18.1364 and 18.1364a. The list must include all information and documents pertaining to the funded items as publicly disclosed in accordance with sections 364 and 364a of the management and budget act, 1984 PA 431, MCL 18.1364 and 18.1364a.

(2) In accordance with section 364(4) of the management and budget act, 1984 PA 431, MCL 18.1364, the department or agency administering the grant shall submit a report not later than November 1. The department or agency shall update the report and shall submit updated reports not later than March 15 and September 15 of the current fiscal year. The department or agency shall include in the report the most comprehensive information the department or agency has available at the time of posting for grants awarded, including, but not limited to, project milestones, percent completed, funding expended, and funding encumbered.

(3) Before executing a grant agreement, all grant recipients must provide a spending plan that specifies the scope of service, the program goals, the measurement for meeting program goals, and how all grant funds will be used, and must indicate if any grant funds will be provided to a third party or subrecipient.

(4) Each department or agency responsible for awarding or disbursing grant funds must annually audit the entity's use of the grant funds for each fiscal year in which the grant is active. Each

entity must submit information requested by the department or agency to confirm compliance.

(5) Each department or agency shall work with the office of the auditor general to conduct an audit of the grant according to generally accepted accounting practices and audit standards. The office of the auditor general must be given access to all internal and external records. All contracts or agreements between a department or agency and a grant recipient or between a grant recipient and a third party must include a clause granting the office of the auditor general access to all internal and external records.

(6) Grant recipients and their immediate family members are prohibited from being employed by the executive branch or legislative branch of this state. In addition, grant recipients are prohibited from serving on any state board that has direct or indirect responsibility for approving or auditing grant funds awarded or disbursed by any department or agency.

(7) Full and complete audits of grant funds issued by the department or an agency of this state, without redaction unless required by law, must be posted to the department's or agency's website in a conspicuous place for public review.

(8) On a quarterly basis, the department or agency shall submit a report on legislatively sponsored grant funds that includes, but is not limited to, all of the following:

(a) The name of each grant recipient and the status of each grant.

(b) The amount distributed to each grant recipient.

(c) Any changes to scope or costs of program.

(9) The report under subsection (8) must include the following

statements made by the department or agency:

(a) A statement that confirms the department or agency reviewed and affirmed compliance by each grant recipient with program scope and expenditure of grant funding.

(b) A statement that confirms the department or agency reviewed applicable program reports and requests for reimbursement.

Sec. 225. (1) From the funds appropriated in part 1, the department shall do the following:

(a) Report on any amounts of severance pay for a department director, deputy director, or other high-ranking department official not later than 14 days after a severance agreement with the director, deputy director, or official is signed. The name of the director, deputy director, or official and the amount of severance pay must be included in the report required by this subdivision.

(b) Not later than February 1, report on the total amount of severance pay remitted to former department employees during the previous fiscal year and the total number of former department employees that were remitted severance pay during the previous fiscal year.

(2) As used in this section, "severance pay" means compensation to which both of the following apply:

(a) The compensation is payable or paid upon the termination of employment.

(b) The compensation is paid in addition to wages or benefits earned during the course of employment or generally applicable retirement benefits.

Sec. 226. Funds appropriated in part 1 from state or federal sources are prohibited from being used to provide services, grants,

or programming to an individual who is not a citizen of the United States unless the individual is a qualified alien as that term is defined in 8 USC 1641. This section does not prohibit the department, political subdivision, state university, or other state agency from expending funds for the purpose of detaining individuals who are not citizens of the United States, including any costs associated with housing such individuals in county jails or state correctional facilities.

Sec. 227. State funds must not be used for diversity, equity, and inclusion, or diversity, equity, and inclusion initiatives or programs, as outlined in federal Executive Order No. 14151, 90 Fed. Reg. 8339 (January 29, 2025) "Ending Radical and Wasteful Government DEI Programs and Preferencing", federal Executive Order No. 14168, 90 Fed. Reg. 8615 (January 30, 2025) "Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government", or federal Executive Order No. 14173, 90 Fed. Reg. 8633 (January 31, 2025) "Ending Illegal Discrimination and Restoring Merit-Based Opportunity".

Sec. 228. The department shall use the same precontract risk assessment program utilized by the department of technology, management, and budget to evaluate financial compliance, security risks, and insurance requirements prior to contract execution.

DEPARTMENTAL ADMINISTRATION AND SUPPORT

Sec. 301. 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 on request, unless otherwise stipulated by law. All permit fees are nonrefundable application fees and must be credited to the

appropriate fund to recover the direct and indirect costs of receiving, reviewing, and processing the requests.

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, the department shall keep that bid documentation confidential and shall not disclose that bid documentation 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. 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 must be expended from transportation funds pursuant to annual contracts between the department and those other state departments. The contracts must be executed before the expenditure or obligation of those funds. The contracts must 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 annual comprehensive 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, the senate and house fiscal agencies, and the auditor general 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.

Sec. 307. Before March 1, the department shall provide to the standard report recipients 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. 309. (1) Notwithstanding any other law, a state contract for a pavement marking project or for the purchase of materials for a pavement marking project must include in the contract a requirement that, in any yellow water-based paint product procured, all yellow pigments permanently incorporated in the material must be manufactured in the United States according to the rules of origin under the United States-Mexico-Canada agreement, Public Law 116-113.

(2) It is the intent of the legislature to use cement manufactured in the United States according to the rules of origin under the United States-Mexico-Canada agreement, Public Law 116-113.

Sec. 310. The department shall post in a timely manner copies of the agenda, approved minutes, and audio recording of state transportation commission meetings.

Sec. 311. (1) The department shall prepare a report on all of the following:

(a) CRRSAA – highway infrastructure – local bridge bundling initiative established in section 113(2) of article 14 of 2021 PA 87.

(b) Local bridge bundling initiative established in section 118 of article 15 of 2023 PA 119.

(2) The report must identify the status of bridge projects selected, funds expended under the program, and funds remaining.

(3) The report shall be submitted to the standard report recipients on or before March 30, 2027.

Sec. 312. By March 31, the department shall report to the senate and house appropriations subcommittees on transportation, the senate and house fiscal agencies, and the state budget office on the utilization of department properties, including, but not limited to, salt storage facilities, garages, and regional offices.

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 department shall administer the state infrastructure bank 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 this state as federal grants, repayment of state infrastructure bank loans, or other reimbursement or revenue received by this state as a result of projects funded by the program and interest earned on that money must be deposited in the revolving state infrastructure bank fund and must be available for transportation infrastructure projects. At the close of the fiscal

year, any unencumbered funds remaining in the state infrastructure bank fund remain in the fund and carry forward into the succeeding fiscal year.

(3) The department shall prepare a report on the status of the state infrastructure bank and submit the report to the standard report recipients on or before December 31, 2026. The report must include all of the following:

(a) The balance in the state infrastructure bank on September 30, 2026, 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 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. 314. (1) The MI contracting opportunity loan fund is created within the state treasury.

(2) Funds deposited into the MI contracting opportunity loan fund originally created in section 1003 of article 15 of 2024 PA 121 or money received by the state as repayment of loans or interest earned on loan funds is appropriated and shall be available for future loans.

(3) At the close of the fiscal year, any unencumbered funds remaining in the fund shall be carried forward into the succeeding fiscal year.

Sec. 315. The department shall use any additional funds in the moveable bridge fund to cover other costs for any required local federal bridge load analysis, inspection, or other local federal

mandate.

Sec. 383. (1) The department shall prepare a report on the use of department-owned aircraft during the fiscal year ending September 30, 2026. With respect to each department-owned aircraft, the report must 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 department shall submit the report as required under section 205 no later than February 1, 2027.

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

Sec. 384. (1) Except as otherwise provided in subsection (2), the department shall not obligate this state to expend any state transportation revenue for construction planning or construction of the Gordie Howe International Crossing or a renamed successor. In addition, except as provided in subsection (2), the department shall not commit this state to any new contract related to the construction planning or construction of the Gordie Howe International Crossing or a renamed successor that would obligate this state to expend any state transportation revenue. An expenditure for staff resources used in connection with project activities that is subject to full and prompt reimbursement from Canada is not considered an expenditure of state transportation revenue.

(2) If the legislature enacts specific enabling legislation

for the construction of the Gordie Howe 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 monthly reports to the standard report recipients, the speaker of the house of representatives, the house of representatives minority leader, the senate majority leader, and the senate minority leader on all of the following:

(a) All expenditures made by this state related to the Gordie Howe Bridge.

(b) All reimbursements made by Canada under section 384(1) of this part to this state for expenditures for staff resources used in connection with project activities.

(c) All eminent domain and condemnation powers used, the related real estate involved in any governmental taking, the price paid for those properties, and the beneficiary's name or associated corporation.

(2) The department shall submit the initial report required under subsection (1) on or before December 1. The initial report must cover the prior fiscal year.

Sec. 388. From the funds appropriated in part 1, the department shall not expend any state funds or other resources in support of federal United States Department of Transportation grant 693JJ22440000Y430MI24A0815.

Sec. 389. (1) Within 30 days after entering into a long-term agreement with a private contractor, a public agency, or a partnership between 1 or more private contractors or public agencies, the department shall notify the state budget director, the senate and house appropriations subcommittees on

transportation, and the senate and house fiscal agencies of the agreement, including the subject of the agreement, the term of the agreement, and financial obligations under the agreement.

(2) As used in this section, "long-term agreement" means an agreement that obligates the department for a period of 5 years or more and that actually or contingently obligates the department to make payments over the contract period of $10,000,000.00 or more.

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

Sec. 395. From the funds appropriated in part 1 for state trunkline federal aid road and bridge construction, the department may expend up to $10,000,000.00 on highway maintenance activities to support safety-related, high-priority, and other deferred routine maintenance needs on the state trunkline network.

Sec. 398. The department shall continue to work to eliminate fatalities and serious injuries on the state trunkline network and shall maintain the Toward Zero Deaths statewide safety campaign.

Sec. 399. In developing its state trunkline road and bridge construction program, the department shall prioritize spending on capital preventative maintenance.

MICHIGAN TRANSPORTATION FUND

Sec. 501. The money received under the motor carrier act, 1933 PA 254, MCL 475.1 to 479.42, 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) At the close of the fiscal year, funds appropriated in part 1 for the transportation economic development

program shall lapse to the transportation economic development fund.

(2) At the close of the fiscal year, funds appropriated in part 1 for the local bridge program shall carry forward and are appropriated for the purposes defined in section 10(5) of 1951 PA 51, MCL 247.660.

(3) Interest earned in the 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.

(4) In addition to the funds appropriated in part 1, the 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.

(5) 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 must 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.

Sec. 505. At the close of the fiscal year, any unencumbered

and unexpended balance in the movable bridge fund remains in the movable bridge fund and carries forward and is appropriated for the purposes described in section 11g(3)(b) of 1951 PA 51, MCL 247.661g.

STATE TRUNKLINE FUND

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

Sec. 651. Funds from the neighborhood roads fund must be distributed and are appropriated to the local grade separation fund, comprehensive transportation fund, infrastructure projects authority fund, and the state trunkline fund, in accordance with this part and part 1, and section 13c of 1951 PA 51, MCL 247.663c.

Sec. 652. At the close of the fiscal year, any unencumbered and unexpended balance in the neighborhood roads fund not previously allocated under sections (a) through (e) of section 13c(5) of 1951 PA 51, MCL 247.663c, remains in the neighborhood roads fund and carries forward and is appropriated to local road agencies and the state trunkline fund according to section 13c(5) of 1951 PA 51, MCL 247.663c.

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 must be credited to the intercity bus equipment and 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 must be credited to the intercity bus equipment and facility 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, must be credited to the intercity bus equipment and 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 and facility fund remain in the fund and are 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 must 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 remain in the fund and are carried forward into the succeeding fiscal year.

Sec. 704. From the funds appropriated in part 1, the department shall prepare and transmit a report that provides detail regarding the department's obligations for programs funded under the appropriation in part 1 for rail operations and infrastructure.

The report shall include a breakdown of the appropriation by program, year-to-date obligations under each program itemized by project, and an estimate of future obligations under each program itemized by project for the remainder of the fiscal year. The report shall also include a listing of all active rail related federal grants. The initial report shall be submitted to the standard report recipients on or before March 1. The department also shall update and resubmit a final report on or before September 30.

Sec. 705. 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 senate and house 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 June 30 of each fiscal year for the prior fiscal year.

Sec. 707. (1) Before March 1, 2027, the department shall provide to the legislature, the state budget office, and the senate and house fiscal agencies its rail strategic plan. The strategic plan must include, but is not limited to, a rolling 5-year rail

plan and a summary of the department's obligations for programs funded under the appropriation in part 1 for rail operations and infrastructure.

(2) The rolling 5-year rail plan must include, but is not limited to, all of the following:

(a) A listing by county of all rail infrastructure projects on rail lines within this state utilizing state funds, and the estimated cost of each project.

(b) The actual or projected state expenditures for operation of passenger rail service.

(c) The actual or projected state expenditures for maintenance of passenger service rail lines.

(3) The period of the rolling 5-year rail plan must include the fiscal year ending September 30, 2027 and the immediately following 4 fiscal years.

(4) The summary of the department's obligations for programs funded under the appropriation in part 1 for rail operations and infrastructure must include a breakdown of the appropriation by program, year-to-year obligations under each program itemized by project, and an estimate of future obligations under each program itemized by project for the remainder of the fiscal year.

(5) From the funds appropriated in part 1 for rail operation and infrastructure, not less than $20,000,000.00 must be allocated for the support of rail-related economic development projects and rail freight system preservation projects.

Sec. 719. The department must allow access to department-owned park and ride facilities by public transit agency-owned vehicles for the purposes of passenger boarding and disembarking from public transportation vehicles.

Sec. 721. The part 1 appropriation for maritime and port facility program must be used for grants as provided under section 7 of the maritime and port facility assistance grant program act, 2022 PA 159, MCL 120.157. Priority must be given to projects meeting the allowable uses of section 5(1)(c), (d), and (e) of the maritime and port facility assistance grant program act, 2022 PA 159, MCL 120.155.

Sec. 722. In addition to the appropriations in part 1, for the fiscal year ending September 30, 2027, there is appropriated the following:

(a) From the comprehensive transportation fund created in section 10b of 1951 PA 51, MCL 247.660b, $7,735,200.00 for credit to the state aeronautics fund created in the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1 to 259.208.

(b) From the comprehensive transportation fund created in section 10b of 1951 PA 51, MCL 247.660b, $6,585,000.00 for credit to the qualified airport fund created in section 34 of the aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.34.

Sec. 724. The part 1 appropriation for air service program – general aviation airports must be used for capital improvement grants and air service improvements at general aviation airports in this state.

Sec. 735. For the fiscal year ending September 30, 2027, the appropriation to a street railway pursuant to section 10e(22) of 1951 PA 51, MCL 247.660e, is $0.00.

AERONAUTICS FUND

Sec. 801. Except as otherwise provided in section 903 of this part 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, lapses to the state aeronautics fund and may be appropriated by the legislature in the immediately succeeding fiscal year.

Sec. 802. From the funds appropriated in part 1 for aviation services, the department shall retain and maintain air service between Marquette and Lansing with priority service as follows:

(a) Emergencies.

(b) Routine travel for elected state officials.

(c) Other uses.

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 must 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 less than 10% is otherwise specified in federal law. State money must not be allocated until local money is allocated. State money for any 1 project must 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 are 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 APPROPRIATIONS

Sec. 1001. The part 1 appropriation for rail freight economic development must be used for grants in support of rail freight and rail freight economic development programs in this state.

Sec. 1002. The part 1 appropriation for grants to commercial service airports must be used for grants for capital improvements at commercial service airports in this state with fewer than 5,000,000 enplanements each year.