

**Summary: Executive Budget Recommendation
for Fiscal Years 2014-15 and 2015-16
DEPARTMENT OF TRANSPORTATION**



Analyst: William E. Hamilton

	FY 2013-14 Year-to-Date as of 2/5/14	FY 2014-15 Executive	Difference: FY 2014-15 Vs. FY 2013-14		FY 2015-16 Executive	Difference: FY 2015-16 Vs. FY 2014-15	
			Amount	%		Amount	%
IDG/IDT	\$3,625,100	\$3,786,900	\$161,800	4.5	\$3,786,900	\$0	0.0
Federal	1,198,885,500	1,205,885,500	7,000,000	0.6	1,205,885,500	0	0.0
Local	50,177,100	50,177,100	0	0.0	50,177,100	0	0.0
Private	100,000	100,000	0	0.0	100,000	0	0.0
Restricted	2,225,029,000	2,155,001,200	(70,027,800)	(3.1)	2,155,001,200	0	0.0
GF/GP	121,300,000	254,047,900	132,747,900	109.4	0	(254,047,900)	(100.0)
Gross	\$3,599,116,700	\$3,668,998,600	\$69,881,900	1.9	\$3,414,950,700	(\$254,047,900)	(6.9)
FTEs	2,918.3	2,918.3	0.0	0.0	2,918.3	0.0	0.0

Notes: (1) FY 2013-14 year-to-date figures include mid-year budget adjustments through February 5, 2014. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2015-16 figures are projected budget amounts only and would not be legally binding appropriations.

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. Most of the state-restricted revenue in this budget is constitutionally restricted – from motor fuel taxes and vehicle registration taxes – and is first credited to the Michigan Transportation Fund (MTF) and then distributed in accordance with 1951 PA 51 (Act 51) to other state transportation funds and programs, including the State Trunkline Fund (STF) and the Comprehensive Transportation Fund (CTF), and to local road agencies. Revenue related to taxes on aviation fuel and aircraft registrations is credited to the State Aeronautics Fund (SAF) for aeronautics programs.

Major Budget Changes From FY 2013-14 YTD Appropriations		FY 2013-14 YTD (as of 2/5/14)	Executive Changes	
			FY 2013-14 to FY 2014-15	FY 2014-15 to FY 2015-16
1. Debt Service	Gross	\$242,321,100	(\$2,800)	\$0
Reflects anticipated debt service schedules.	Federal	45,912,200	(185,800)	0
	Restricted	196,408,900	183,000	0
2. Support Services by Other State Departments	Gross	\$46,525,700	\$407,100	\$0
Interdepartmental grants (IDGs) authorize the reimbursement of other state departments from restricted transportation funds for services provided to those transportation funds. Governor's budget includes \$20.0 million MTF for Department of State vehicle registration tax collection program – no change from current year, and \$2.7 million MTF for Department of Treasury motor fuel tax collection program, an increase of \$200,000 for costs of International Fuel Tax Agreement data system.	Restricted	46,525,700	407,100	0
Budget also reflects economic and cost allocation adjustments, \$227,700 and (\$20,600), respectively.				
3. Executive Direction	FTEs	35.3	0.0	0.0
Includes <i>Unclassified salaries, Asset Management Council, and Office of Commission Audits.</i> Reflects economic adjustments.	Gross	\$5,631,600	\$76,200	0
	Restricted	5,631,600	76,200	0

Executive Changes

Major Budget Changes From FY 2013-14 YTD Appropriations		FY 2013-14 YTD (as of 2/5/14)	FY 2013-14 to FY 2014-15	FY 2014-15 to FY 2015-16
4. Business Support	FTEs	76.5	(23.5)	0.0
Includes <i>Business support services, Economic development and enhancement, Property management, and Worker's compensation</i> . Reflects economic adjustments, \$350,100; position transfers, (\$2.7 million), cost allocation adjustments net to zero.	Gross	\$18,419,000	(\$2,516,600)	\$0
	Restricted	18,419,000	(2,516,600)	0
5. Information Technology	Gross	\$31,119,700	\$353,800	\$0
Reflects economic adjustments for information technology services provided by DTMB.	Federal	520,500	0	0
	Restricted	30,599,200	353,800	
6. Finance, Contracts, and Support Services	FTEs	186.0	(1.0)	0.0
Reflects economic adjustments, \$410,400; position transfer, (\$80,000); accounting service center cost allocation, \$84,500; internal cost allocations net to zero.	Gross	\$20,896,100	\$414,900	\$0
	IDG	3,625,100	161,800	0
	Restricted	17,271,000	253,100	0
7. Transportation Planning	FTEs	141.0	0.0	0.0
Recognizes economic adjustments of \$477,200. Shift of \$1.5 million from STF to MTF reflects reallocation of staff for Local agency program activity.	Gross	\$38,283,400	\$477,100	\$0
	Federal	20,000,000	477,100	0
	Restricted	18,283,400		
8. Design and Engineering Services	FTEs	1,500.8	85.5	0.0
Recognizes economic adjustments, \$2.9 million; position transfers, \$9.2 million; and increase in baseline MTF support for Local agency program, \$3.5 million. Recommends roll-up of <i>Intelligent transportation systems</i> line into <i>Engineering services</i> .	Gross	\$144,461,200	\$15,627,400	\$0
	Federal	23,529,800	0	0
	Restricted	120,931,400	15,627,400	0
9. State Trunkline Maintenance	FTEs	808.7	(61.0)	0.0
Recognizes economic adjustments, \$1.0 million; reduction associated with position transfers (\$6.2 million); and increase in baseline STF funding, \$40.0 million.	Gross	\$275,689,500	\$34,751,800	\$0
	Restricted	275,689,500	34,751,800	0
10. State Trunkline Road and Bridge Construction	Gross	\$868,193,500	(\$43,547,300)	\$0
Governor recommends \$824.6 million for line item that supports MDOT's capital road and bridge construction/preservation program. Change from current year represents net changes in estimated available revenue as follows:	Federal	742,092,000	185,800	0
	Local	30,000,000	0	0
	Restricted	96,101,500	(43,733,100)	0

Increase in federal funds of \$185,800 attributable to reduction in debt service attributable to federal funds.

Net reduction in state restricted revenue reflects: reduction in Blue Water Bridge Fund appropriation, (\$8.5 million); increase in STF share of estimated MTF revenue, \$14.6 million; increase in estimated miscellaneous STF revenue, \$5.9 million; restoration of driver's license fee revenue to the Transportation Economic Development Fund, (\$13.0 million); increase in available STF due to reduction in STF debt service, \$1.6 million; economic increases in STF funded administrative units, (\$5.0 million); STF shift to State trunkline maintenance, (\$40.0 million); net of other miscellaneous STF revenue and program adjustments, \$620,400.

Governor's budget does not assume any increases in transportation revenue from changes to tax rates or tax bases, or changes to current statutory distribution programs.

Budget includes a separate one-time appropriation of \$242.0 million GF/GP for state trunkline road and bridge construction. (See **Item #39b**, below)

Major Budget Changes From FY 2013-14 YTD Appropriations		FY 2013-14 YTD (as of 2/5/14)	Executive Changes	
			FY 2013-14 to FY 2014-15	FY 2014-15 to FY 2015-16
11. Local Federal Aid Road and Bridge Construction	Gross	\$240,443,000	\$0	\$0
Governor proposes no change in line used as placeholder for estimated federal aid revenue earmarked for local federal aid programs.	Federal	240,443,000	0	0
	Restricted	0	0	0
12. Local Program Fund	Gross	\$33,000,000	\$0	\$0
Governor proposes no change in this Act 51 earmark, of which 64% is distributed to county road commissions, 36% to cities/villages.	Restricted	33,000,000	0	0
13. Rail Grade Crossing	Gross	\$3,000,000	\$0	\$0
Provides funding for rail safety program. Governor proposes no change in this Act 51 earmark.	Restricted	3,000,000	0	0
14. Local Bridge Program	Gross	\$21,381,600	\$5,095,800	\$0
Restores \$5.0 million Act 51 earmark to this program. [This is a technical adjustment; even though not included in current year-to-date appropriations, the Local Bridge program will receive the \$5.0 million statutory distribution of MTF revenue in current year.]	Restricted	21,381,600	5,095,800	0
15. MTF to Local Road Agencies	Gross	\$908,098,400	\$22,703,100	\$0
FY 2014-15 MTF distribution to county road commissions, \$597,608,200, and cities/villages, \$333,193,300, reflects estimated MTF revenue and Act 51 statutory distribution.	Restricted	908,098,400	22,703,100	0
16. Blue Water Bridge	FTEs	41.0	0.0	0.0
Reflects economic adjustments; line supported with Blue Water Bridge toll revenue.	Gross	\$6,352,200	\$62,400	\$0
	Restricted	6,352,200	62,400	0
17. Transportation Economic Development Fund (TEDF)	Gross	\$32,058,200	\$9,457,600	\$0
Increase reflects restoration of \$12.0 million in driver's license fee revenue which had previously been redirected to the STF; offset in part by \$1.7 million increase in TEDF debt service, and \$880,000 reduction in estimated fund balance interest earnings.	Restricted	32,058,200	9,457,600	0
18. Aeronautics Services	FTEs	54.0	0.0	0.0
Support for Office of Aeronautics reflects economic adjustments, \$99,100; and adjustment to estimated SAF revenue (\$23,200). Air service grant program, funded at \$289,300, reflects reduction (\$11,500) to estimated available SAF revenue.	Gross	\$7,655,900	\$64,400	\$0
	Restricted	7,655,900	64,400	0
19. Public Transportation Services	FTEs	36.0	0.0	0.0
Provides administrative support for public transportation passenger programs. Reflects economic adjustments, \$75,600; eliminates MTF funding (\$38,900).	Gross	\$5,662,800	\$36,700	\$0
	Federal	972,100	0	0
	Restricted	4,690,700	36,700	0
20. Bus Transit - Local Bus Operating Assistance	Gross	\$166,624,000	\$776,000	\$0
Increases CTF state operating assistance to local public transit agencies; current year funding unchanged since FY 2006-07.	Restricted	166,624,000	776,000	0
21. Bus Transit - Non-Urban Operating/Capital	Gross	\$25,187,900	\$0	\$0
Recognizes federal non-urban transit grants; reflects MAP-21 funding levels.	Federal	23,187,900	0	0
	Local	2,000,000	0	0
22. Discretionary State Operating	Gross	\$5,400,000	(\$5,400,000)	\$0
Does not retain \$5.4 million Discretionary state operating line item, first established in FY 2012-13 budget.	Restricted	5,400,000	(5,400,000)	0
23. Office of Rail	FTEs	39.0	0.0	0.0
Provides administrative support for rail passenger, freight service, and rail safety programs. Reflects economic adjustments.	Gross	\$6,293,700	\$74,500	0
	Restricted	6,293,700	74,500	0

Major Budget Changes From FY 2013-14 YTD Appropriations		FY 2013-14 YTD (as of 2/5/14)	Executive Changes	
			FY 2013-14 to FY 2014-15	FY 2014-15 to FY 2015-16
24. Freight Property Management	Gross	\$1,000,000	\$0	\$0
Line supports maintenance of state-owned rail facilities. No change from current year program.	Restricted	1,000,000	0	0
25. Detroit-Wayne County Port Authority	Gross	\$468,200	\$0	\$0
Provides operating support to the DWCPA. No change from current year.	Restricted	468,200	0	0
26. Intercity Services	Gross	\$5,940,000	(\$250,000)	\$0
Line item supports intercity bus service through operating and capital assistance. Reduced CTF reflects anticipated program activity.	Federal	4,500,000	0	0
	Local	50,000	0	0
	Restricted	1,390,000	(250,000)	0
27. Rail Operations and Infrastructure	Gross	\$24,592,000	\$32,430,400	\$0
Line item supports rail freight economic development programs, as well as rail passenger service, including capital and operating assistance for the <i>Wolverine</i> (Detroit-Chicago) high speed rail corridor. Recognizes \$7.0 million in additional federal funds, as well as \$2.1 million increase in baseline CTF support, and \$4.0 million anticipated increase in Rail Freight Fund support.	Federal	3,100,000	7,000,000	0
	Local	100,000	0	0
	Private	100,000	0	0
	Restricted	21,292,000	25,430,400	0
Rolls up \$19.3 million <i>Wolverine</i> line item into <i>Rail operations and infrastructure</i> line.				
Budget includes a separate one-time appropriation of \$10.0 million GF/GP for transit capital and rail infrastructure. (See Item #40 , below).				
28. Marine Passenger Service	Gross	\$400,000	\$0	\$0
No change proposed from current year funding.	Restricted	400,000	0	0
29. Terminal Development	Gross	\$461,000	(\$311,000)	\$0
Recommends \$150,000 CTF to reflect anticipated program activity.	Restricted	461,000	(\$311,000)	0
30. Specialized Services	Gross	\$18,028,800	(\$89,900)	\$0
Supports transit programs for elderly and disabled citizens. Reduces CTF support.	Federal	9,900,000	0	0
	Local	4,185,000	0	0
	Restricted	3,943,800	(89,900)	0
31. Municipal Credit Program	Gross	\$2,000,000	\$0	\$0
Governor recommends no change in current Act 51 earmark for transit services in Southeast Michigan.	Restricted	2,000,000	0	0
32. Bus Capital/Transit Capital	Gross	\$32,145,300	\$0	\$0
Reflects anticipated federal pass-through grants to transit grants to local transit agencies and related state and federal matching funds. No change from current year.	Federal	5,000,000	0	0
	Local	1,250,000	0	0
	Restricted	25,895,300	0	0
Budget includes a separate one-time appropriation of \$10.0 million GF/GP for transit capital and rail infrastructure. (See Item #40 , below.)				
33. Van Pooling	Gross	\$807,000	(\$612,000)	\$0
Provides CTF funds for matching federal transit grants. Reduces CTF to reflect anticipated program activity.	Restricted	807,000	(612,800)	0
34. Service Initiatives	Gross	\$1,682,900	\$2,514,400	\$0
Governor proposes \$2.5 million increase in baseline CTF support.	Federal	1,150,000	0	0
	Local	200,000	0	0
	Restricted	332,900	2,514,100	0

Major Budget Changes From FY 2013-14 YTD Appropriations		Executive Changes		
		FY 2013-14 YTD (as of 2/5/14)	FY 2013-14 to FY 2014-15	FY 2014-15 to FY 2015-16
35. Transportation to Work	Gross	\$9,700,000	(2,618,400)	\$0
Reflects anticipated federal MAP-21 funding and related local matching funds. No change from current year.	Federal	2,700,000	(2,700,000)	0
	Local	2,300,000	(2,300,000)	0
	CTF	4,700,000	2,381,600	0
36. Special Maintenance, Remodeling, Facilities	Gross	\$3,001,500	\$0	\$0
No change from current year for line funding capital projects related to department-owned buildings.	Restricted	3,001,500	0	0
37. Airport Improvement Program	Gross	\$93,104,300	(\$1,126,300)	\$0
Reflects anticipated federal funding, related local matching funds, and available state restricted SAF revenue for the federal Airport Improvement Program.	Federal	78,578,000	0	0
	Local	12,392,100	0	0
	Restricted	2,134,200	(1,126,300)	0
Budget includes a separate one-time appropriation of \$2.0 million GF/GP for airport capital program. (See Item #41 , below)				
38. Priority Roads Investment Program	Gross	\$115,000,000	(\$115,000,000)	\$0
Eliminates one-time line item funded through the Roads and Risks Reserve Fund.	Restricted	115,000,000	(115,000,000)	0
39a. Federal Aid Match for State Trunkline Road and Bridge Construction	Gross	\$121,000,000	(\$121,000,000)	\$0
Eliminates one-time GF/GP item; see related line item below.	GF/GP	121,000,000	(121,000,000)	0
39b. State Trunkline Road and Bridge Construction	Gross	\$0	\$242,000,000	(\$242,000,000)
Of the recommended GF/GP funding, \$127.0 million represents estimated federal-aid match requirement; \$115.0 million reflects increase in State trunkline road and bridge capital program for certain critical needs. Eliminates one-time GF/GP funding in FY 2015-16.	GF/GP	0	242,000,000	(242,000,000)
40. Transit Capital and Rail Infrastructure	Gross	\$0	\$10,000,000	(\$10,000,000)
Provides one-time GF/GP support to match federal transit and rail infrastructure grants. Eliminates one-time GF/GP funding in FY 2015-16.	GF/GP	0	10,000,000	(10,000,000)
41. Airport Safety, Safety, and Improvement Program	Gross	\$0	\$2,047,900	(\$2,047,900)
Provides one-time GF/GP support to match federal Airport Improvement Program grants. Eliminates one-time GF/GP funding in FY 2015-16.	GF/GP	0	2,047,900	(2,047,900)
42. Economics	Gross	N/A	\$5,942,400	\$0
Reflects increased costs of \$5.9 million Gross (\$0 GF/GP) for negotiated salary and wage amounts (2.0% ongoing increase plus 0.5% lump sum payments), actuarially-required retirement rate increases, and other economic adjustments. These adjustments are reflected in many of the line item changes described above.	IDG	N/A	77,300	0
	Restricted	N/A	5,864,700	0

Boilerplate Changes From FY 2013-14

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

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

Sec. 202. Management and Budget Act – RETAINED

Appropriations are subject to the Management and Budget Act.

Sec. 203. Abbreviations – RETAINED

Defines abbreviations.

Sec. 206. Contingency Appropriations – RETAINED

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

Sec. 207. Transparency – RETAINED

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

Sec. 208. Internet Reporting – RETAINED

Requires department to use the Internet to fulfill reporting requirements.

Sec. 209. Purchase of Foreign Goods – RETAINED

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

Sec. 210. Deprived/Depressed Communities – RETAINED

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

Sec. 212. Receive/Retain Reports – DELETED

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

Sec. 215. Communication with the Legislature – DELETED

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

Sec. 228. General Fund Lapse Report – RETAINED

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

Sec. 229. Restricted Fund Report – REVISED

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

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

Does not include current-year reporting requirement.

Sec. 235. Performance Measurable “Scorecard” – RETAINED

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

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

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

Sec. 262. Hire of Outside Legal Counsel – RETAINED

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

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

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

Sec. 270. Remanufactured Parts – DELETED

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

Sec. 271. Estimate of Legacy Costs – NEW

Describes estimated agency pension and retiree health care (legacy) costs.

Sec. 301. Permit Fees/Bridge Tolls – RETAINED

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

Sec. 303. Legislative Report – DELETED

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 – REVISED

Authorizes rental of department-owned public transportation properties at competitive market rates; requires that revenue from tenants be placed in an account for to maintain/improve property. Governor deletes subsection 2 which requires the department to charge public transit and intercity carriers equal per-square-foot lease rates.

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

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

Sec. 307. Rolling Five-Year Plan – DELETED

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

Sec. 308. Contract Compliance – DELETED

Current year language requires department and local road agencies to pursue compliance with contract specifications for construction and maintenance and provides for sanctions for unsatisfactory contractors; also provides for a reporting requirement on the department's prequalification process and unsatisfactory contractor performance rating. Not included in Governor's budget proposal.

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

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

Sec. 311. Father Marquette National Memorial Museum – DELETED

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

Sec. 313. State Infrastructure Bank – REVISED

Allows department to increase and make loans from the State Infrastructure Bank. Governor does not include reporting requirement.

Sec. 319. Rest Area Maintenance – DELETED

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

Sec. 353. Prompt Payment – DELETED

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

Sec. 357. Local Federal Aid Project Review – DELETED

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

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

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 – DELETED

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

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

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

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

Requires quarterly report on use of MDOT-owned aircraft; recovery of department costs. No change from current year other than date reference and minor wording change.

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

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

Sec. 401. Federal Aid Distribution Report – DELETED

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

Sec. 402. Sale of Local Federal Aid – RETAINED

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

Sec. 501. Motor Carrier Act – RETAINED

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

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

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

Sec. 504. MTF Distribution – RETAINED

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

Sec. 601. Road Construction Warranties – DELETED

Encourages use of road construction warranties; reporting requirement.

Sec. 603. Traffic Congestion – DELETED

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

Sec. 604. State Trunkline Fund Carryforward – RETAINED

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

Sec. 610. Dead Deer – DELETED

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

Sec. 612. Incentive/Disincentive – DELETED

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 – DELETED

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

Sec. 604. State Trunkline Fund Carryforward – RETAINED

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

Sec. 660. Use of Alternative Materials – RETAINED

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

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

Provides for separate accounting and carryforward authority for this fund.

Sec. 702. Rail Preservation Fund – RETAINED

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

Sec. 703. Rail Abandonment Notice – DELETED

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

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

Requires report due by February 15 of each year.

Sec. 711. Rail Passenger Service (AMTRAK) – REVISED

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

Sec. 735. Street Railway Appropriation – REVISED

Provides for \$0 appropriation to a street railway pursuant to section 10e(22) of 1951 PA 51. No change from current year other than date reference.

Sec. 736. Rail Grade Crossing Pilot Project – VETOED

The Governor's budget does not include the boilerplate earmark of \$1.5 million (CTF) for a pilot project on high-speed rail corridor, vetoed in current year budget.

Sec. 740. Review of CTF Fund Balances – DELETED

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. 901. Aeronautics Capital Program – RETAINED

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

Sec. 902. Aeronautics Capital Program Status Report – DELETED

Reporting requirement.

Sec. 903. Capital Outlay Carry Forward – RETAINED

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

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

Indicates that the \$121.3 million GF/GP one-time basis only appropriation is appropriated to the state trunkline road and bridge construction program and is intended to ensure that the state is able to match all available federal-aid highway funds.

Sec. 1201. Anticipated FY 2014-15 Appropriations – DELETED

States legislative intent to provide appropriations for FY 2014-15, adjusting FY 2013-14 based on economic and other factors.

Sec. 1202. Identify Normal and Legacy Retirement costs for 2014-15 Appropriations – DELETED

States legislative intent that the department identify retirement costs for FY 2014-15.

Supplemental Recommendations for FY 2013-14 Appropriations

**FY 2013-14
Recommendation**

Governor recommends \$14,028,900 (Gross), \$2,300,000 (GF/GP) in additional current year appropriations.

1. Rail Operations and Infrastructure

Recognizes federal Transportation Investment Generating Economic Recovery (TIGER) grant, and associated state restricted Comprehensive Transportation Fund matching funds, for capital improvements on state-owned Dearborn-Kalamazoo Amtrak route aimed at increasing speeds up to 110 MPH.

Gross	\$11,728,900
Federal	9,383,100
Restricted	2,345,800
GF/GP	\$0

2. Beaver Island Transportation Authority

Intended to reimburse Beaver Island Transportation Authority for costs associated with repair of ferry to Beaver Island, the Emerald Isle, in July, 2013.

Gross	\$300,000
GF/GP	\$300,000

3. Regional Transit Authority

Requests \$2.0 million to support operations of the Regional Transit Authority established under Public Act 387 of 2012.

Gross	\$2,000,000
GF/GP	\$2,000,000