



SENATE BILL No. 304

EXECUTIVE BUDGET

February 16, 1995, Introduced by Senators GAST and DE GROW and referred to the Committee on Appropriations.

A bill to make appropriations for the department of transportation and certain transportation purposes for the fiscal year ending September 30, 1996; to provide for the imposition of fees; to provide for reports; to create certain funds; to prescribe certain powers and duties of certain state departments and officials; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 101. There is appropriated for the department of transportation
- 2 and certain state purposes designated in this act for the fiscal year
- 3 ending September 30, 1996, from the following funds:
- 4 DEPARTMENT OF TRANSPORTATION

1	APPROPRIATIONS SUMMARY:	
2	Unclassified positions	6.0
3	Permanent career FTE employees	3,610.0
4	GROSS APPROPRIATION	\$ 1,780,341,600
5	Interdepartmental grant revenues:	
6	Total interdepartmental grants and	
7	intradepartmental transfers	0
8	ADJUSTED GROSS APPROPRIATION	\$ 1,780,341,600
9	Federal revenues:	
10	Total federal revenues	391,292,800
11	Special revenue funds:	
12	Total local revenues	5,000,000
13	Total private revenues	0
14	Total other state restricted revenues	1,384,048,800
15	State general fund/general purpose	\$ 0
16	ADMINISTRATION	
17	EXECUTIVE DIRECTION	
18	Members of the state transportation	
19	commission (per diem payments)	\$ 60,000
20	Unclassified salaries	446,300
21	Commission audit	<u>2,940,600</u>
22	GROSS APPROPRIATION	\$ 3,446,900
23	Appropriated from:	
24	Special revenue funds:	
25	State trunkline fund	3,446,900
26	State general fund/general purpose	\$ 0
27	ADMINISTRATION SERVICES	
28	Administration and data center	\$ 23,700,700

1	Building occupancy charges-property		
2	management		4,229,000
3	Economic development		497,800
4	Human resources		2,906,200
5	Rent		1,940,000
6	Workers' compensation		<u>2,381,100</u>
7	GROSS APPROPRIATION	\$	35,654,800
8	Appropriated from:		
9	Special revenue funds:		
10	Aeronautics fund		577,300
11	Comprehensive transportation fund		1,579,700
12	Michigan transportation fund		401,000
13	State trunkline fund		32,966,800
14	State general fund/special purpose		130,000
15	State general fund/general purpose	\$	0
16	BUREAU OF FINANCE AND ADMINISTRATION		
17	Administration	\$	<u>19,765,300</u>
18	GROSS APPROPRIATION	\$	19,765,300
19	Appropriated from:		
20	Special revenue funds:		
21	Michigan transportation fund		469,400
22	State trunkline fund		19,295,900
23	State general fund/general purpose	\$	0
24	BUREAU OF TRANSPORTATION PLANNING		
25	Administration	\$	15,985,200
26	GROSS APPROPRIATION	\$	15,985,200
27	Appropriated from:		
28	Federal revenues:		

1	DOT-FHA, Highway planning and construction		6,000,000
2	Special revenue funds:		
3	Aeronautics fund		226,700
4	Comprehensive transportation fund		1,618,500
5	Michigan transportation fund		4,299,600
6	State trunkline fund		3,840,400
7	State general fund/general purpose	\$	0
8	BUREAU OF HIGHWAYS		
9	Engineering	\$	36,290,000
10	Maintenance		10,052,500
11	Program services		38,338,100
12	Testing services		<u>(11,000,000)</u>
13	GROSS APPROPRIATION	\$	73,680,600
14	Appropriated from:		
15	Federal revenues:		
16	DOT-FHA Highway planning, and construction		2,000,000
17	DOT-NHTSA, State and community highway safety		146,800
18	Special revenue funds:		
19	Michigan transportation fund		2,058,600
20	State trunkline fund		69,475,200
21	State general fund/general purpose	\$	0
22	BUREAU OF AERONAUTICS		
23	Administration	\$	<u>6,271,300</u>
24	GROSS APPROPRIATION	\$	6,271,300
25	Appropriated from:		
26	Special revenue funds:		
27	State aeronautics fund		6,271,300
28	State general fund/general purpose	\$	0

1	BUREAU OF URBAN & PUBLIC TRANSPORTATION		
2	Administration	\$	<u>9,303,100</u>
3	GROSS APPROPRIATION	\$	9,303,100
4	Appropriated from:		
5	Special revenue funds:		
6	Comprehensive transportation fund		8,098,900
7	Michigan transportation fund		1,204,200
8	State general fund/general purpose	\$	0
9	OPERATIONS		
10	Highway Maintenance		
11	Contract operations		114,487,900
12	Equipment rental		(18,000,000)
13	Sign and signal		(1,500,000)
14	State operations		<u>87,573,400</u>
15	GROSS APPROPRIATION	\$	182,561,300
16	Appropriated from:		
17	Special revenue funds:		
18	State trunkline fund		182,561,300
19	State general fund/general purpose	\$	0
20	URBAN AND PUBLIC TRANSPORTATION		
21	Intercity passenger and freight		
22	Freight preservation and development	\$	7,200,000
23	Freight property management		2,600,000
24	Intercity bus equipment		50,000
25	Intercity passenger and freight		3,833,900
26	Intercity bus service development		1,950,000
27	Marine passenger services		1,000,000
28	Rail passenger service		1,750,000

1	Terminal development	650,000
2	Public transportation development	
3	Bus acquisition	24,900,000
4	Bus property management	225,000
5	Public transportation development	20,417,600
6	Service development and new technology	1,460,000
7	Technical studies	<u>835,000</u>
8	GROSS APPROPRIATION	\$ 66,871,500
9	Appropriated from:	
10	Federal revenues:	
11	DOT-Federal transit act	24,600,000
12	DOT-FRA, local rail freight assistance	2,000,000
13	Special revenue funds:	
14	Intercity bus equipment	50,000
15	Comprehensive transportation fund	39,221,500
16	Rail preservation	1,000,000
17	State general fund/general purpose	\$ 0
18	VEHICLE INSPECTION AND MAINTENANCE	
19	Vehicle inspection and maintenance	\$ <u>2,500,000</u>
20	GROSS APPROPRIATION	\$ 2,500,000
21	Appropriated from:	
22	Special revenue funds:	
23	Vehicle inspection and maintenance	
24	fees	2,500,000
25	State general fund/general purpose	\$ 0
26	AERONAUTICS	
27	Air services program	\$ <u>1,000,000</u>
28	GROSS APPROPRIATION	\$ 1,000,000

1	Appropriated from:		
2	Special revenue funds:		
3	State aeronautics fund		1,000,000
4	State general fund/general purpose	\$	0
5	CAPITAL PROGRAMS		
6	Debt Service		
7	Critical bridge	\$	3,000,000
8	Comprehensive transportation		23,138,800
9	State trunkline		<u>56,684,100</u>
10	GROSS APPROPRIATION	\$	82,822,900
11	Appropriated from:		
12	Special revenue funds:		
13	Comprehensive transportation fund		23,138,800
14	Michigan transportation fund		11,202,500
15	State trunkline fund		48,481,600
16	State general fund/general purpose	\$	0
17	Highway Programs		
18	Critical bridge program	\$	5,250,000
19	Federal aid and road and bridge construction . . .		426,862,200
20	Rail grade crossing		<u>3,000,000</u>
21	GROSS APPROPRIATION	\$	435,112,200
22	Appropriated from:		
23	Federal revenues:		
24	DOT-FHA Highway planning, and construction		350,000,000
25	Special revenue funds:		
26	Local funds		5,000,000
27	Michigan transportation fund		8,000,000
28	State trunkline fund		72,112,200

1	State general fund/general purpose	\$	0
2	GRANTS		
3	Local Road and Street Programs		
4	Cities and villages	\$	232,898,800
5	County road commissions		417,722,000
6	Forest roads		5,000,000
7	Local programs		33,000,000
8	Rural county urban system		2,500,000
9	Rural county primary		10,444,300
10	Target industries/state takeovers		12,686,100
11	Urban county congestion		<u>10,444,300</u>
12	GROSS APPROPRIATION	\$	724,695,500
13	Appropriated from:		
14	Special revenue funds:		
15	Michigan transportation fund		711,825,500
16	State general fund/special purpose		12,870,000
17	State general fund/general purpose	\$	0
18	PUBLIC TRANSPORTATION PROGRAMS		
19	Bus transit		
20	Local bus operating	\$	107,000,400
21	Non urban		6,546,000
22	Detroit/wayne county port authority		301,900
23	Public transportation development		
24	Effective service bonus		1,000,000
25	Local share bonus		1,000,000
26	Municipal credit program		1,000,000
27	Ride sharing		262,500
28	Specialized services		2,896,400

1	Van pooling		<u>125,000</u>
2	GROSS APPROPRIATION	\$	120,132,200
3	Appropriated from:		
4	Federal revenues:		
5	DOT-FTA		6,546,000
6	Special revenue funds:		
7	Comprehensive transportation fund		113,586,200
8	State general fund/general purpose	\$	0
9	PLANNING PROGRAMS		
10	Public transportation planning		50,000
11	Regional planning councils	\$	<u>488,800</u>
12	GROSS APPROPRIATION	\$	538,800
13	Appropriated from:		
14	Special revenue funds:		
15	Comprehensive transportation fund		50,000
16	Michigan transportation fund		488,800
17	State general fund/general purpose	\$	0

18 **GENERAL SECTIONS**

19 Sec. 201. The expenditures and funding sources authorized under
20 this bill are subject to the management and budget act, Act No. 431 of
21 the Public Acts of 1984, being sections 18.1101 to 18.1594 of the
22 Michigan Compiled Laws.

23 Sec. 202. (1) The amounts appropriated from one fund to another
24 fund shall be authorized pursuant to annual appropriations within the
25 departments responsible for each fund's appropriations.

26 (2) Funds for which the state is acting as the custodian or agent
27 are not subject to annual appropriation.

28 Sec. 203. (1) The number of permanent career FTE employees shall

1 not exceed the number listed in section 101 of this bill unless an
2 exception has been granted by the director of the department of
3 management and budget. Exceptions shall only be given if failure to
4 fill the positions will result in rendering the department unable to
5 deliver basic services, cause a loss of revenue to the state, or
6 necessitate additional expenditures that exceed savings from
7 maintaining a vacancy. On the fifteenth of each month, the department
8 of management and budget shall report to the house and senate
9 appropriations committees and the governor any exceptions that have
10 been granted in the preceding month.

11 (2) Permanent career appointments shall be used as defined by the
12 civil service commission.

13 (3) The number of FTEs to be funded by each individual line item
14 amount shall be determined by the department within the overall limit
15 on permanent career FTEs for the department.

16 Sec. 204. (1) Any federal, local, private, or state restricted funds
17 received by a department in addition to the amount appropriated in
18 section 101, are appropriated.

19 (2) Funds appropriated in subsection (1) totalling less than
20 \$50,000 during the fiscal year from any one source may be expended for
21 the purposes for which the funds were made available. Receipt of these
22 funds shall be reported to the senate and house appropriations
23 committees and the house and senate fiscal agencies within thirty days
24 after the close of each fiscal quarter.

25 (3) Funds appropriated in subsection (1) totalling \$50,000 or more
26 during the fiscal year are not available for expenditure until they
27 have been transferred to another line item in this act through an
28 administrative transfer as defined in section 393(1) of Act No. 431 of
29 the Public Acts of 1984, as amended, being section 18.1393(1) of the

1 Michigan Compiled Laws.

2 Sec. 205. The department of civil service shall bill departments
3 and/or agencies at the end of the first fiscal quarter for the 1%
4 charges authorized by section 5 of Article XI of the State Constitution
5 of 1963. Payments shall be made for the total amount of the billing by
6 the end of the second fiscal quarter.

7 Sec. 206. From the funds appropriated in section 101 such payments
8 of wages and salaries as are made for classified state employees shall
9 be made in accordance with applicable laws, rules, and regulations of
10 the civil service commission. The funds identified in section 101 for
11 unclassified employees are based upon prior year levels adjusted
12 consistent with pay plan recommendations for non-exclusively
13 represented employees (NEREs) of the civil service commission, except
14 in the case of department directors and heads of type I agencies, where
15 the funds provided are in an amount equal the standards established by
16 the civil service commission as the maximum pay for state executive
17 service classification 20 and state executive service classification 18
18 employees, respectively. Although the funds identified in section 101
19 for unclassified employees are based upon the standards set forth
20 above, the exact salaries of individual unclassified employees shall be
21 set by the appointing authority, not to exceed the state executive
22 service classification 20 maximum payment in the case of a department
23 director, or the state executive service classification 18 maximum
24 payment in the case of a head of a type I agency. The salaries of
25 individual unclassified employees shall be a matter of public record.

26 Sec. 207. As used in this act:

- 27 (a) "DOT" means the United States department of transportation.
28 (b) "DOT-FHA" means the DOT federal highway administration.
29 (c) "DOT-FRA" means the DOT federal railroad administration.

1 (d) "DOT-FTA" means the DOT federal transit administration.

2 (e) "DOT-NHTSA" means the DOT-national highway traffic safety
3 administration.

4 (f) "IDG" means interdepartmental grant.

5 DEPARTMENTAL SECTIONS

6 Sec. 301. The department may establish a fee schedule and collect
7 fees sufficient to cover the costs of the issuance of the permits which
8 the department is authorized by law to issue upon request, and for
9 which fees are not otherwise stipulated by law.

10 Sec. 302. The department shall prepare an official transportation
11 map which shall be distributed without charge. Each legislator shall
12 receive a quantity of maps as determined by the legislative council.

13 Sec. 303. On request, the state treasurer shall provide to a
14 legislator, in writing, a report on the amount of money to be received
15 by each city and village and the county road commission of each county,
16 which city, village, or county is included in whole or in part within
17 the legislator's legislative district.

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

25 Sec. 305. The department may permit space on public passenger
26 transportation properties to be occupied by public or private tenants
27 on a competitive market rate basis. The department may require that
28 revenue from the tenants be placed in an account to be used for the
29 costs of maintaining and improving the property.

1 Sec. 306. (1) The projected apportionment for this state for the
 2 fiscal year ending September 30, 1996, from the intermodal surface
 3 transportation efficiency act of 1991, is \$485,556,500.00. The
 4 \$485,556,500.00 is projected to be broken down into the following
 5 categories (programs) of highway assistance:

6	Interstate construction	\$	14,494,200
7	Interstate resurfacing, restoration, rehabilitation,		
8	and reconstruction		88,096,300
9	National highway system		92,149,000
10	Surface transportation		95,178,100
11	Bridge		69,080,600
12	Congestion mitigation and air quality		28,154,900
13	Donor state bonus		32,508,500
14	Minimum allocation		51,727,900
15	Metropolitan planning		4,830,400
16	Highway research, planning, and construction . . .		7,901,100
17	Federal forest		1,435,500
18	Total apportionment	\$	485,556,500

19 Sec. 307. The money received under the motor carrier act, Act No.
 20 254 of the Public Acts of 1933, being sections 475.1 to 479.20 of the
 21 Michigan Compiled Laws, and not appropriated to the department of
 22 commerce or the department of state police, is deposited in the
 23 Michigan transportation fund.

24 Sec. 308. The state treasurer shall perform audits and make
 25 investigations of the disposition of all state funds received by county
 26 road commissions and cities and villages for transportation purposes to
 27 determine compliance with the terms and conditions of Act No. 51 of the
 28 Public Acts of 1951, being sections 247.651 to 247.675 of the Michigan
 29 Compiled Laws. The county road commissions shall make available to the

1 state treasurer the pertinent records for the audit.

2 Sec. 309. If a county road commission has entered into a contract
3 with the department to eliminate or cut roadside weeds and if the weeds
4 were eliminated or cut by a city or township after the city or township
5 has requested the county to perform its contractual obligation, then
6 the department shall reimburse the city or township and shall deduct
7 that amount from the fund appropriated to the county involved. This
8 action shall require prior approval of the state. The department shall
9 consult with the department of agriculture prior to use of plant growth
10 retardant on freeway or highway rights-of-way.

11 Sec. 310. (1) The appropriations in section 101 for the economic
12 development programs shall not lapse at the end of the fiscal year but
13 shall carry forward each fiscal year for the purposes for which
14 appropriated in accordance with Act No. 231 of the Public Acts of 1987,
15 being sections 247.901 to 247.914 of the Michigan Compiled Laws.

16 (2) Interest earned in the economic development fund shall remain
17 in the fund and shall be allocated to the respective programs based on
18 actual interest earned at the end of each fiscal year.

19 Sec. 311. Of the amount appropriated in section 101 from the
20 Michigan transportation fund to the department of state, \$186,600.00
21 represents the additional cost of issuing specialized license plates
22 for veterans and national guard members, as included in Act Nos. 16,
23 17, 18, and 19 of the Public Acts of 1989. The department of state
24 shall prepare an annual report on the number of and the additional
25 costs associated with the veteran and national guard members license
26 plates to the department of transportation, the chairs of the house and
27 senate appropriations subcommittees on transportation, and the house
28 and senate fiscal agencies.

29 (3) Any unspent funds based on these annual reports shall lapse to

1 the Michigan transportation fund and be distributed in accordance with
2 Act No. 51 of the Public Acts of 1951, being sections 247.651 to
3 247.675 of the Michigan Compiled Laws.

4 Sec. 312. (1) Of the amount appropriated in section 101 from the
5 Michigan transportation fund to the department of state, \$187,600.00
6 represents the additional cost of issuing generic license plates for
7 nonprofit fraternal or public service organizations, as included in
8 section 803m of the Michigan vehicle code, Act No. 300 of the Public
9 Acts of 1949, being section 257.803m of the Michigan Compiled Laws.

10 (2) The department of state shall prepare an annual report on the
11 number of, and the additional costs associated with, the generic
12 license plates to the state transportation department, the house and
13 senate appropriations subcommittees on transportation, and the house
14 and senate fiscal agencies.

15 (3) Any unspent funds based on these annual reports shall lapse to
16 the Michigan transportation fund to be distributed in accordance with
17 Act No. 51 of the Public Acts of 1951, being sections 247.651 to
18 247.675 of the Michigan Compiled Laws.

19 Sec. 313. Pursuant to section 11 of Act No. 286 of the Public Acts
20 of 1964, being section 247.811 of the Michigan Compiled Laws, the
21 amount appropriated in section 101 for the state transportation
22 commission may be expended for per diem payments at the rate of \$75.00
23 per day, not to exceed \$10,000.00 in the fiscal year for each member of
24 the state transportation commission.

25 Sec. 314. (1) From the appropriation in section 101 for urban
26 center maintenance, funds shall be expended to provide summer jobs for
27 youths throughout the state.

28 (2) Payments made through the summer jobs for youth program to
29 recipients of public assistance who are not head of a household are

1 considered to be county training program incentives.

2 (3) Following termination of income from this program and upon
3 application by the recipient, the department of social services shall
4 process the application according to procedures designed to reinstate
5 with a minimum of delay the cash grants of persons determined eligible.

6 Sec. 315. Repayment of loans made for intercity bus equipment and
7 proceeds received as a result of the sale of intercity bus equipment is
8 not to be deposited in the comprehensive transportation fund under
9 section 10b of Act No. 51 of the Public Acts of 1951, being section
10 247.660b of the Michigan Compiled Laws, but shall be deposited in the
11 intercity bus equipment account for appropriation for the purchase and
12 repair of intercity bus equipment. Security deposits from the lease of
13 state owned intercity bus equipment not returned to the leasee of such
14 equipment under terms of the lease agreement are deposited in the
15 intercity bus equipment account for appropriation for the repair of
16 intercity bus equipment.

17 Sec. 316. Repayment of loans made for rail or water freight capital
18 projects, and proceeds earned as a result of the sale of a property or
19 equipment used or projected to be used for rail or water freight
20 projects shall be deposited in the account created by section 17 of the
21 state transportation preservation act of 1976, Act No. 295 of the
22 Public Acts of 1976, being section 474.67 of the Michigan Compiled
23 Laws.

24 Sec. 317. (1) In addition to amounts appropriated by section 101,
25 there is appropriated from the motor vehicle emissions testing program
26 fund established by Act No. 232 of the Public Acts of 1993, being
27 sections 257.2001 to 257.2042 of the Michigan Compiled Laws, and from
28 the motor vehicle emissions inspection and maintenance program fund
29 established by Act No. 234 of the Public Acts of 1993, being sections

1 257.2051 to 257.2076 of the Michigan Compiled Laws, amounts sufficient
2 to pay for services and requirements that may exist regarding the
3 establishment and operation of mandatory motor vehicle emissions
4 testing, inspection, and maintenance programs.

5 (2) Funds appropriated pursuant to subsection (1) may only be used
6 to administer plans in conformance with requirements of the United
7 States environmental protection agency that result from their findings
8 concerning air quality attainment status for southeast Michigan and
9 west Michigan.

10 (3) Interdepartmental transfers are authorized to the department of
11 agriculture for gasoline inspection and testing and the department of
12 state for enforcement of the motor vehicle emissions testing program
13 through the vehicle registration process.

14 Sec. 318. (1) The intercity passenger and freight, and public
15 transportation appropriations in section 101 shall be used for programs
16 and projects as determined by the department. The department shall
17 inform the house and senate appropriations committees of the manner in
18 which the funds in these accounts will be expended not less than 30
19 days before expenditure.

20 (2) If a situation arises that is considered to be an emergency by
21 the director of the department, the requirement of informing the house
22 and senate appropriations committees shall be waived. The director
23 shall inform the committees of this action within 5 days of the action.

24 (3) If the department intends to alter a program after negotiation,
25 the department shall follow the requirements of subsection (1).

26 Sec. 319. (1) The departments of mental health, public health,
27 social services, and transportation, and the office of services to the
28 aging within the department of management and budget shall develop a
29 system to identify and collect the following information annually for

1 each county:

2 (a) All operational and capital costs of services provided,
3 contracted for, or purchased, to transport clients or program
4 participants within the county, including all other funds received and
5 expended for those purposes by the state department.

6 (b) Population groups utilizing transportation services by a
7 percentage of the total.

8 (c) Services accessed through transportation provided by
9 percentages of the dollar total.

10 (d) All funding sources for transportation and amounts from each
11 source.

12 (e) If known, provide the existence of interagency or countywide
13 transportation planning or coordination, and the extent to which each
14 state department participates.

15 (2) On an annual basis a model form shall be obtained from the
16 department of management and budget for the purpose of providing the
17 information required in subsection (1).

18 (3) By December 31 of each year, the department shall report to the
19 house and senate appropriations subcommittees on transportation on the
20 development of the system required in subsection (1).

21 (4) The information collected for the fiscal year shall be
22 submitted by each department by December 31 of the following fiscal
23 year to the respective house and senate appropriations subcommittees
24 and the department of management and budget.

25 Sec. 320. At the close of the fiscal year ending September 30,
26 1996, any unobligated and unexpended balance in the state aeronautics
27 fund shall lapse to the state aeronautics fund and be appropriated by
28 the legislature in the succeeding fiscal year.

29 Sec. 321. (1) Funds from the Michigan transportation fund (MTF)

1 shall be distributed to the comprehensive transportation fund (CTF),
 2 the economic development fund (EDF), the recreational improvement fund
 3 (RIF), and the state trunkline fund (STF), in accordance with Public
 4 Act 51, of 1951, as amended, being section 247.660 of the Michigan
 5 Compiled Laws and Public Act 221, of 1987 being sections 318.531 to
 6 318.541 of the Michigan Compiled Laws, in amounts not to exceed
 7 \$128,285,100, \$36,775,000, \$12,973,200 and \$428,681,600 respectively,
 8 and may only be used as specified in Public Act 51, of 1951, as
 9 amended, and Public Act 221 of 1987.

10 (2) Appropriations of state restricted transportation funds have
 11 been made to the following departments/agencies in respective
 12 appropriation acts. The amounts appropriated to these
 13 departments/agencies are limited to the amounts listed below:

14	Department of attorney general	\$ 2,517,600.00
15	Department of civil service	4,193,700.00
16	Department of commerce (Washington office)	29,100.00
17	Department of management and budget	1,027,300.00
18	Department of natural resources	794,300.00
19	Department of state	75,753,500.00
20	Department of state police	6,580,200.00
21	Department of treasury	6,421,600.00
22	Legislative auditor general	517,700.00

23 (3) State restricted transportation funds identified in subsection
 24 (2) shall be expended pursuant to annual contracts between the
 25 department and the above departments/agencies. The contracts shall be
 26 executed prior to the transfer of these funds and shall include but not
 27 be limited to:

- 28 a) estimated costs to be recovered from transportation funds;
- 29 b) description of services financed with transportation funds;

1 c) cost allocation methods and accounts for those restricted
2 funds, as provided by the receiving department.

3 (4) At the close of each fiscal year and before April 1, each
4 department/agency shall submit a written report to the department of
5 management and budget stating by spending authorization account the
6 amount of estimated funds contracted with the department, the amount of
7 funds expended, and the amount of funds returned to the transportation
8 funds. Copies of the report shall be submitted to the department and
9 to the auditor general and the report shall be subject to audit by the
10 auditor general.