

Summary: Conference Report
Senate Bill 281
TRANSPORTATION
FY 2005-06

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*Difference: Conference
from FY 2004-05 YTD*

| | FY 2004-05 YTD (as of 9/15/05) | Executive (as revised) | House (Art. 17 HB 4831) | Senate SB 281 | Conference | Amount | % |
|-------------------|---|-----------------------------------|--|--------------------------|------------------------|----------------------|------------|
| IDG/IDT | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | 0 |
| Federal | 1,132,701,200 | 1,207,642,100 | 1,207,642,100 | 1,207,642,100 | 1,207,642,100 | 74,940,900 | 6.6 |
| Local | 5,800,000 | 6,100,000 | 6,100,000 | 6,100,000 | 6,100,000 | 300,000 | 5.2 |
| Private | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Restricted | 2,135,687,900 | 2,198,932,200 | 2,202,566,900 | 2,193,155,200 | 2,197,717,900 | 62,030,000 | 2.9 |
| GF/GP | 0 | 0 | 0 | 0 | 0 | 0 | 0.0 |
| Gross | \$3,274,189,100 | \$3,412,674,500 | \$3,416,309,000 | \$3,406,897,300 | \$3,411,460,000 | \$137,270,900 | 4.2 |
| FTEs | 3,037.3 | 3,036.3 | 3,036.3 | 3,036.3 | 3,028.3 | (9.0) | (0) |

Overview

The \$3.4 billion state transportation budget supports state and local highway programs, public transportation programs, aeronautics programs, and administration of the Michigan Department of Transportation. Approximately 2/3 of the budget (\$2.2 billion) comes from constitutionally-restricted state revenue sources – primarily from motor fuel taxes and vehicle registration taxes which are credited to the Michigan Transportation Fund (MTF) for distribution to other state transportation funds and programs, and to local road agencies, in accordance with Public Act 51 of 1951. Almost 1/3 of budget (\$1.2 billion) comes from federal revenue. There is no state GF/GP revenue in this budget.

The Conference Report for the FY 2005-06 appropriates \$3.411 billion – \$136.3 million more than the current year. The increase in relation to the current year budget reflects anticipated increases in state and federal revenue.

Major Budget Issues Summarized

Debt Service – Conference Report adopts the Executive recommendation of \$240.7 million, an increase of \$72.9 million from current year, reflecting anticipated debt service schedules. Neither the Conference Report nor the Executive budget proposal include debt service on the Executive's proposed \$400 million *Jobs Today* bond initiative.

Interdepartmental Grants – Conference Report adopts the Executive recommendation with the exception of the MTF grant to the Department of Treasury which is appropriated at \$8.2 million, \$216,900 less than the Executive proposal. Conference Report appropriates \$44.6 million for IDGs, \$1.2 million more than current year.

Office of Economic Development/Enhancement – Conference Report adopts Senate bill and appropriates \$985,900, \$118,400 more than current year, \$181,800 less than the Executive recommendation.

Information Technology – Conference Report adopts House proposal of \$25.0 million, \$1.8 million less than current year, and \$2.5 million less than the Executive proposal.

Design and Engineering Services – Conference Report adopts Senate bill and unrolls Intelligent transportation systems operations.

Highway Maintenance – Conference Report adopts Senate bill and appropriates \$260.1 million: \$123.0 million for State trunkline operations and \$137.1 million for Contract operations. The total appropriation is \$6.3 million more than current year, \$1.0 million less than the Executive recommendation. The Conference Report appropriates \$217,900 more for Contract operations than the Executive recommendation, with a like reduction in State trunkline operations.

Road and Bridge – Conference Report appropriates \$996.6 million for state trunkline road and bridge construction and reconstruction programs, a decrease of \$11.0 million, \$4 million more than the Executive recommendation. The Conference Report also includes \$259 million (federal) for local federal aid road and bridge construction, \$31.1 million for the Local bridge fund, \$645 million (MTF) to county road commissions, and \$359.6 million (MTF) to cities and villages – appropriations based on estimated revenue and provisions of Public Act 51 of 1951.

Transportation Economic Development – Conference Report adopts the House bill with regard to the Forest Road program and includes an additional \$40,000 for truck safety turn-outs. The Report adopts the Senate bill with regard to the Target Industries program (Category "A"), and appropriates \$17.9 million -- \$1.0 million less than the Executive recommendation.

Public Transportation and Freight Services – Conference report appropriates \$6.8 million, \$396,000 less than current year, and \$895,000 less than the Executive recommendation. The Conference Report includes 66.0 FTE positions, a reduction of 8.0 from current year.

Other Public Transportation Programs – The Conference Report adopts the revised Executive recommendation for programs funded from the Comprehensive Transportation Fund (CTF), with the following exceptions: Public Transportation and Freight Services (as noted above); Terminal development, \$1.6 million (same as current year); and Van pooling, \$195,000 (same as current year).

The Conference Report adopts the Senate bill and unrolls all department operating lines into salaries and fringe benefits, travel, and other operating expenses. The Conference Report also unrolls unclassified positions.

Major Boilerplate Items – Conference Report Compared to FY 2004-05

Sec. 201. State Spending – MODIFIED

Standard section – updated to reflect Part 1.

Sec. 202. Management & Budget Act – RETAINED

Standard section – reference to PA 431 of 1984.

Sec. 203. Definitions – RETAINED

Sec. 204. Civil Service Billing – MODIFIED

Standard section – reference to article XI of the constitution. Minor language change.

Sec. 205. Hiring Freeze – MODIFIED

Standard section. Minor language changes.

Sec. 206. Contingency Funds – Not Included.

Sec. 207. Privatization – RETAINED

Provides for report on privatization activities.

Sec. 208. Internet Reports – MODIFIED

Provides for Internet to fulfill reporting requirements. Minor language changes.

Sec. 209. Foreign Goods & Services – MODIFIED

Directs the department to give priority to purchase of Michigan goods and services. Minor language changes.

Sec. 210. Deprived & Depressed Communities – MODIFIED

Requires that department director take reasonable steps to ensure that businesses in deprived/depressed communities compete for contracts. Minor language changes.

Sec. 211. Receive and Retain Reports – RETAINED

Standard section regarding report record retention.

Sec. 259. Information Technology – RETAINED

Provides for user fees for information technology projects.

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

Standard section – limitation on out-of-state travel. Updated to reflect fiscal year.

Sec. 261. Employee Discipline – NEW

Prohibits departments and agencies taking disciplinary action against an employee for communicating with legislator or legislative staff.

Sec. 301. Permit Fees/ Bridge Tolls – RETAINED

Regarding establishment of permit fees and bridge tolls.

Sec. 303. Legislative Report – RETAINED

Provides for report on spending by district.

Sec. 304. Confidentiality of Bid Documents – RETAINED

Provides for confidentiality of bid documents.

Sec. 305. Lease of Space in Public Passenger Properties – RETAINED

Modified to require use of rental income to maintain property.

Sec. 306. Audit of Transportation Funds – MODIFIED

Updates reporting periods for biennial audit.

Sec. 307. Rolling 5-Year Plan – MODIFIED

Does not include provision for legislative approval of plan before it is implemented.

Sec. 308. Contract Compliance Required – RETAINED

Requires the department and local road agencies to pursue compliance with contract specifications.

Sec. 309. Reduce Administrative Costs – RETAINED

Directs department to reduce administrative costs

Sec. 310. State Transportation Commission Agenda – RETAINED

Requires the department to provide copies of agenda/minutes.

Sec. 311. Local Advance Construct Projects – RETAINED

Prohibits the department from paying for local share of advance construct.

Sec. 312. State Trunkline Fund Carry-forward – RETAINED

Provides for carry-forward of STF fund balance for use in state trunkline federal-aid road and bridge projects.

Sec. 313. State Infrastructure Bank – – RETAINED

Provides guidance for SIB program.

Sec. 314. Internal Audit Report – MODIFIED

Changes report date to February 1, 2006.

Sec. 319. Signs at Rest Areas – RETAINED

Requires signs identifying agency or contractor responsible for cleaning.

Sec. 324. Construction Traffic Zone Enforcement – RETAINED

Earmarks \$500,000 for “Give ‘em a break campaign.”

Sec. 334. MBE/WBE Program – MODIFIED

Requires department to continue MBE/WBE program; updates report date to March 31, 2006.

Sec. 353. Prompt Payment – RETAINED

Directs the department to review contractor payment process and ensure that contractors are paid promptly.

Sec. 357. 120 Day Target for Local Project Review – RETAINED

Directs the department to review local agency projects within 120 days when presented with complete local federal aid project submittal.

Sec. 361. Bureau of Multi-modal Transportation Services – RETAINED

Requires the department to report on any change in bureau services or functions as approved by the state transportation commission.

Sec. 363. Log Truck Safety Study – MODIFIED

Earmarks funds to complete study by Michigan Technological University.

Sec. 365. US-131 Project Study – RETAINED

Indicates that no funds may be expended on Practical Alternative 5, or Practical Alternative 5 modified as identified in the US-131 Improvement Study in St. Joseph County. Indicates legislative intent that the department construct a full limited access freeway along the US-131 planning corridor.

Sec. 370. Transit Agency Charter Service – MODIFIED

Directs the department to develop a compliant process to violations of 49 CFR Part 604 regarding use of public transit vehicles for charter service.

Sec. 374. MDOT Employee Newsletters – MODIFIED

Modifies to require electronic distribution.

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

Prohibits the department from reimbursing contractors or consultants for groundbreaking ceremonies, receptions, open houses, or press conferences related to transportation projects funded from the budget.

Sec. 376. Deferred Project Report – MODIFIED

Requires report on status of 17 projects deferred in 2003 and subsequently restored to 5-year plan. Updates report due date.

Sec. 378. Food and Beverage Prohibition – Not Included

Sec. 379. Prohibition on Planning for Transit Agencies – RETAINED

Prohibits department from using CTF funds for operational planning for transit agencies

Sec. 380. Prohibition on Cross-funding for Bureau of Multi-modal Transportation Services – MODIFIED

Restricts funding for Multi-modal employees to Section 114 and 115 (Aeronautics and Public Transportation and Freight Services). New subsection permits charging federally funded projects.

Sec. 381. Prohibition on TV Program – RETAINED

Prohibits department from using funds to produce TV program (e.g. MDOT Today) other than for safety or construction advisories.

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

Requires report on use of state airplanes; excludes Governor, Attorney General, and Secretary of State. Prohibits certain uses.

Sec. 384. Intelligent Transportation Service Report – New

Requires report on intelligent transportation service centers by December 1, 2005.

Sec. 385. Emerald Ash Borer Report – New

Requires report on EAB infestation on state trunklines and department remediation efforts by February 1, 2006.

Sec. 387. Plans for I-96/M-59 Interchange – New

Requires report on plans by April 1, 2006.

Sec. 401. Federal Aid – Distribution Report – MODIFIED

Requires department to report on proposed distribution of federal funds between department and local road agencies. Modified to provide a 30-day window for legislative approval/disapproval.

Sec. 402. State/Local Federal Aid – Not Included

Sec. 501. Motor Carrier Act – RETAINED

Reference to Motor Carrier Act, PA 254 of 1933.

Sec. 502. Treasury Audits of Local Road Agencies – RETAINED

Provides for Treasury audits of local road agencies.

Sec. 503. TEDF/Critical Bridge Fund Carry-Forward – MODIFIED

Technical change to MCL reference.

Sec. 504. Use of MTF Report (other state agencies) – RETAINED

Requires report on use of MTF funds by state agencies.

Sec. 601. Construction Warranties – RETAINED

Requires department to work with road construction and engineering consultant industry on development of warranties. Requires report by September 30th.

Sec. 602. Manufactured Pipe Standards – RETAINED

Provides standards for manufactured pipe.

Sec. 603. Congestion as Criteria for 5-Year Plan – MODIFIED

Updates date reference.

Sec. 607. Unsafe Pedestrian Crossings – RETAINED

Directs that funds be used to remediate unsafe pedestrian crossings.

Sec. 608. Truck Inspection Stations – MODIFIED

Retains current year language and \$40,000 earmark; modifies to strike fiscal year reference.

Sec. 610. Dead Deer Removal – RETAINED

Notes legislative intent with regard to clean up of dead deer and large animal remains.

Sec. 611. Pavement Marking – MODIFIED

Directs department to use high quality pavement marking, updates date reference.

Sec. 612. Incentive/Disincentive Contracts – MODIFIED

Requires guidelines for use of incentive/disincentive contracts. Updates reporting requirement.

Sec. 617. Interchange M-48 and I-75 (Chippewa County) Project – MODIFIED

Project earmark.

Sec. 621. Traffic Light at Bay Harbor (Emmet County) Project – RETAINED

Project earmark which had been vetoed by the Governor.

Sec. 622. Caledonia Township (M-37) Improvements – RETAINED

Project earmark which had been vetoed by the Governor.

Sec. 623. Tienken Road Barricade Removal – MODIFIED

Project earmark which had been vetoed by the Governor. Updates bill reference to HB 4564 of the 93rd legislature.

Sec. 624. M-25 Bridge Hume Township (Shram Drain) – RETAINED

Project earmark which had been vetoed by the Governor.

Sec. 625. Full Interchange Between Exits 212 and 21 on I-75 (Ogemaw County) – RETAINED

Earmark for study which had been vetoed by the Governor.

Sec. 626. Replacement of Lincoln Avenue Bridge in Cheboygan Bridge – Not Included

Sec. 628. Transfer of Mackinac Bridge Authority Treasury Functions – RETAINED

Prohibits use of funds to transfer treasury functions from the Mackinac Bridge Authority to State Treasurer.

Sec. 629. Street Closing in Port Huron – Not Included

Sec. 633. Traffic Signal on Spicerville Hwy in Eaton County – RETAINED

Project earmark which had been vetoed by the Governor.

Sec. 636. Full Interchange on I-69 at Graham Rd (Lapeer County) –NEW

Project earmark.

Sec. 637. Non-motorized Bridge in Traverse City –NEW

Project earmark.

Sec. 638. I-96/ Latson Rd (Livingston County – NEW

Project earmark.

Sec. 639. Signs for Drivers –NEW

Requires department to place signs to direct drivers to drive on right side of roadway per Michigan Vehicle Code.

Sec. 640. Signs for Drivers –NEW

Requires department to place signs to direct drivers to yield to emergency vehicles per Michigan Vehicle Code.

Sec. 641. Interchange US-127 and Mission Rd (Isabella County) – NEW

Project earmark.

Sec. 642. Traffic Signals in Plymouth and Brownstone Twp. in Wayne County – Not Included

Sec. 643. US -127 State Matching Funds –NEW

Requires state match for congressional high priority project funding.

Sec. 644. I-75 Oakland County Congestion Relief –NEW

Directs the department to provide congestion relief on I-75.

Sec. 645. Woodward/Lincoln in Birmingham –NEW

Directs the department to make intersection improvements.

Sec. 646. Square Lake Rd. Oakland County –NEW

Directs the department to complete median improvements.

Sec. 647. Mackinac Island Improvements –NEW

Appropriates \$500,000 for roads and trails under jurisdiction of Mackinac Island State Park Commission.

Sec. 648. Intersection Improvements US-2 in Delta County –NEW

Directs the department to construct project on US-2 at County Road 521.

Sec. 649. I-96 at Wixom Rd. –NEW

Directs the department to reconstruct interchange after completion of Beck Rd project.

Sec. 650. Intersection Improvements Ford Rd and Beck in Wayne County –NEW

Directs the department to construct intersection improvement.

Sec. 651. Capacity Improvements M-59 –NEW

Directs the department to construct new lanes from Crooks Rd. to Ryan.

Sec. 652. I-75 Interchange and Crossing in Gaylord –NEW

Directs the department to construct interchange and bridge crossing.

Sec. 653. Flint River Bridge Replacement Saginaw County –NEW

Directs the department to address flooding problems related to bridge on M-13 in Spaulding Township.

Sec. 654. Mackinac Bridge Authority Functions – New

Reporting requirements regarding Mackinac Bridge Authority.

Sec. 701. Intercity Bus Equipment Fund – MODIFIED

Provides for separate accounting and carry-forward authority. Deletes language which transferred \$200,000 from the 9/30/2005 fund balance to the CTF.

Sec. 702. Rail Preservation Fund – RETAINED

Provides for separate accounting and carry-forward authority.

Sec. 703. Rail Abandonment Notice – RETAINED

Requires the department to notify the department of rail abandonments.

Sec. 704. High Speed Rail Report – Not included

Sec. 705. Rail Infrastructure Loan Program – RETAINED

References PA 295 of 1976.

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

Provides for report on DWCPA.

Sec. 707. Local Bus Operating – MODIFIED

Provides guidelines for local bus operating appropriation. Adds subsection (2) holding grants to the Detroit Transportation Corporation at FY 1996-97 levels; references prior appropriations bills regarding the Detroit People Mover. Adds subsection (3) requiring a resolution by the RTCC before distribution of grants to the Detroit Transportation Corporation prohibits encumbrance, redistributes amounts not expended.

Sec. 708. Intercity Bus Equipment Program – RETAINED

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

Sec. 709. Intercity Bus Essential Corridor – RETAINED

Identifies essential bus corridors.

Sec. 710. Transit Agency and Intercity Bus Routes – New

Prohibits transit agencies from duplicating intercity service under regional service programs. Requires that intercity bus providers be given an opportunity to bid on regional service.

Sec. 711. Rail Passenger (AMTRAK) – MODIFIED

Provides for state subsidy for rail passenger service; limited to \$6.1 million. Indicates legislative intent that an additional \$1.0 million CTF be made available if AMTRAK relocates maintenance facilities to Michigan.

Sec. 714. State-wide Demand/Response Service – MODIFIED

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

Sec. 715. Unreserved CTF Fund Balance – Not Included

Sec. 719. Rail Grade Separation Advances – RETAINED

Authorizes department to advance funds from rail grade crossing account to local road agencies for construction of grade crossings.

Sec. 721. Guidelines for CTF Matching Federal Transit Funds – RETAINED

Reduces CTF funds for projects not put under contract within specified time period.

Sec. 722. Work First Initiative (Transportation to Work) – RETAINED

Requires that CTF funds be used to match federal Job Access/Reverse Commute program grants.

Sec. 728. Lake State Rail Company – RETAINED

Earmarks \$250,000 from the Freight preservation and development line for rail project.

Sec. 729. Intercity Bus Marketing – RETAINED

Earmarks \$100,000 from the Intercity bus service development line for marketing.

Sec. 730. Intercity Bus Equipment Sales– RETAINED

Directs the department to sell state-owned intercity bus equipment within 6 months of lease termination and to credit proceeds to intercity bus equipment loan fund.

Sec. 731. Intercity Bus Space Rental – MODIFIED

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

Sec. 732. Handicap Bus Lifts Maintenance Reporting Requirement – MODIFIED

Provides reporting requirement for maintenance of wheelchair lifts by transit agencies; provides sanctions for failure to repair by milestone dates.

Sec. 734. Transit Agency Service Performance Measures – MODIFIED

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

Sec. 736. Intercity Bus / Rail Coordination - New

Directs the department to work with intercity bus and rail passenger carriers to coordinate services.

Sec. 737. Birmingham/Troy Intermodal– NEW

Indicates legislative intent that the department construct new intermodal passenger facility.

Sec. 738. Rail Track Project– NEW

Directs the department to resurface and rehabilitate certain state-owned track between Owosso and Chesaning.

Sec. 739. Transit Agency Bus Sized– NEW

Directs transit agencies not to assign buses longer than 40 feet to fixed route service if not warranted by ridership.

Sec. 801. State Aeronautics Fund Lapse – RETAINED

Provides for separate accounting and carry-forward authority. Enacted bill makes technical changes to section.

Sec. 805. Aeronautics Debt Service – RETAINED

Designates SAF funds for debt service on CTF bonds issued for ASAP program.