

SENATE BILL No. 1140

EXECUTIVE BUDGET BILL

February 28, 2008, Introduced by Senators ANDERSON and SWITALSKI and referred to the Committee on Appropriations.

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2009; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this bill,
the amounts listed in this part are appropriated for the state

transportation department and certain state purposes designated in this bill for the fiscal year ending September 30, 2009, from the funds indicated in this part. The following is a summary of the appropriations in this part:

STATE TRANSPORTATION DEPARTMENT

APPROPRIATION SUMMARY:

Full-time equated unclassified positions..... 6.0

Full-time equated classified positions..... 3,008.3

GROSS APPROPRIATION..... \$ 3,424,465,500

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 0

ADJUSTED GROSS APPROPRIATION..... \$ 3,424,465,500

Federal revenues:

Total federal revenues..... 1,316,771,200

Special revenue funds:

Total local revenues..... 40,950,000

Total private revenues..... 0

Total other state restricted revenues..... 2,066,744,300

State general fund/general purpose..... \$ 0

Sec. 102. DEBT SERVICE

State trunkline..... \$ 139,253,700

Economic development..... 14,450,000

Local bridge fund..... 3,000,000

Blue Water Bridge..... 1,977,400

Airport safety and protection plan..... 3,430,900

Comprehensive transportation..... 29,891,600

1	GROSS APPROPRIATION.....	\$	192,003,600
2	Appropriated from:		
3	Federal revenues:		
4	DOT-FHWA, highway research, planning, and construction		22,783,300
5	Special revenue funds:		
6	Blue Water Bridge fund.....		1,977,400
7	Comprehensive transportation fund.....		29,891,600
8	Economic development fund.....		14,450,000
9	Local bridge fund.....		3,000,000
10	State aeronautics fund.....		3,430,900
11	State trunkline fund.....		116,470,400
12	State general fund/general purpose.....	\$	0
13	Sec. 103. COLLECTION, ENFORCEMENT AND OTHER AGENCY		
14	SUPPORT SERVICES		
15	Michigan transportation fund (MTF)		
16	MTF grant to department of environmental quality.....	\$	1,247,900
17	MTF grant to department of state for collection of		
18	revenue and fees		20,000,000
19	MTF grant to department of treasury.....		7,250,800
20	MTF grant to legislative auditor general.....		204,300
21	State trunkline fund (STF)		
22	STF grant to department of attorney general.....		2,821,100
23	STF grant to civil service commission.....		5,044,000
24	STF grant to department of history, arts and		
25	libraries		110,900
26	STF grant to department of management and budget.....		1,445,300
27	STF grant to department of state police.....		9,593,400

1	STF grant to department of treasury	180,200
2	STF grant to legislative auditor general	474,600
3	State aeronautics fund (SAF)	
4	SAF grant to department of attorney general	157,700
5	SAF grant to civil service commission	56,000
6	SAF grant to department of history, arts and	
7	libraries	2,500
8	SAF grant to department of management and budget	32,300
9	SAF grant to department of treasury	72,400
10	SAF grant to legislative auditor general	19,600
11	Comprehensive transportation fund (CTF)	
12	CTF grant to attorney general	159,800
13	CTF grant to civil service commission	95,000
14	CTF grant to department of history, arts and	
15	libraries	3,900
16	CTF grant to department of management and budget	51,300
17	CTF grant to department of treasury	1,600
18	CTF grant to legislative auditor general	<u>25,200</u>
19	GROSS APPROPRIATION	\$ 49,049,800
20	Appropriated from:	
21	Special revenue funds:	
22	Comprehensive transportation fund	336,800
23	Michigan transportation fund	28,703,000
24	State aeronautics fund	340,500
25	State trunkline fund	19,669,500
26	State general fund/general purpose	\$ 0
27	Sec. 104. EXECUTIVE DIRECTION	

1	Full-time equated unclassified positions.....	6.0	
2	Full-time equated classified positions.....	31.3	
3	Unclassified salaries.....		\$ 602,800
4	Asset management council.....		1,626,400
5	Commission audit--31.3 FTE positions.....		<u>3,513,100</u>
6	GROSS APPROPRIATION.....		\$ 5,742,300
7	Appropriated from:		
8	Special revenue funds:		
9	Michigan transportation fund.....		1,626,400
10	State trunkline fund.....		4,115,900
11	State general fund/general purpose.....		\$ 0
12	Sec. 105. BUSINESS SUPPORT		
13	Full-time equated classified positions.....	57.0	
14	Business support services--48.0 FTE positions.....		\$ 5,973,700
15	Economic development and enhancement programs--9.0		
16	FTE positions		1,155,300
17	Property management.....		7,972,400
18	Worker's compensation.....		<u>2,064,000</u>
19	GROSS APPROPRIATION.....		\$ 17,165,400
20	Appropriated from:		
21	Special revenue funds:		
22	Comprehensive transportation fund.....		1,097,000
23	Economic development fund.....		495,700
24	Michigan transportation fund.....		179,600
25	State aeronautics fund.....		596,800
26	State trunkline fund.....		14,796,300
27	State general fund/general purpose.....		\$ 0

1	Sec. 106. INFORMATION TECHNOLOGY		
2	Information technology services and projects	\$	<u>28,496,200</u>
3	GROSS APPROPRIATION.....	\$	28,496,200
4	Appropriated from:		
5	Federal revenues:		
6	DOT-FHWA, highway research, planning, and construction		500,300
7	Special revenue funds:		
8	Blue Water Bridge fund.....		46,800
9	Comprehensive transportation fund.....		183,500
10	Economic development fund.....		37,100
11	Michigan transportation fund.....		242,600
12	State aeronautics fund.....		143,200
13	State trunkline fund.....		27,342,700
14	State general fund/general purpose	\$	0
15	Sec. 107. FINANCE, CONTRACTS AND SUPPORT SERVICES		
16	Full-time equated classified positions.....		242.5
17	Financial and contractual services		
18	Financial operations--80.0 FTE positions	\$	7,934,500
19	Contract services--52.6 FTE positions		5,059,700
20	Departmental services--41.9 FTE positions		5,273,000
21	Performance excellence--13.0 FTE positions		1,522,800
22	Welcome center operations--55.0 FTE positions		<u>4,896,500</u>
23	GROSS APPROPRIATION.....	\$	24,686,500
24	Appropriated from:		
25	Special revenue funds:		
26	Michigan transportation fund.....		1,804,000
27	State trunkline fund.....		22,882,500

1	State general fund/general purpose	\$	0
2	Sec. 108. TRANSPORTATION PLANNING		
3	Full-time equated classified positions		177.0
4	Statewide planning services--125.0 FTE positions	\$	13,253,300
5	Data collection services--52.0 FTE positions		5,716,100
6	Specialized planning services and local studies		16,698,200
7	Grants to regional planning councils		<u>488,800</u>
8	GROSS APPROPRIATION	\$	36,156,400
9	Appropriated from:		
10	Federal revenues:		
11	DOT-FHWA, highway research, planning, and construction		22,000,000
12	Special revenue funds:		
13	Comprehensive transportation fund		960,300
14	Michigan transportation fund		6,304,500
15	State aeronautics fund		75,000
16	State trunkline fund		6,816,600
17	State general fund/general purpose	\$	0
18	Sec. 109. DESIGN AND ENGINEERING SERVICES		
19	Full-time equated classified positions		1,496.8
20	Engineering services--787.1 FTE positions	\$	58,736,800
21	Program services--698.7 FTE positions		39,193,800
22	Intelligent transportation systems operations--11.0		
23	FTE positions		<u>10,097,900</u>
24	GROSS APPROPRIATION	\$	108,028,500
25	Appropriated from:		
26	Federal revenues:		
27	DOT-FHWA, highway research, planning, and construction		18,912,600

1	Special revenue funds:		
2	Michigan transportation fund.....		5,636,100
3	State trunkline fund.....		83,479,800
4	State general fund/general purpose.....	\$	0
5	Sec. 110. HIGHWAY MAINTENANCE		
6	Full-time equated classified positions.....	832.7	
7	State trunkline operations--832.7 FTE positions.....	\$	134,867,900
8	Contract operations.....		<u>149,860,300</u>
9	GROSS APPROPRIATION.....	\$	284,728,200
10	Appropriated from:		
11	Special revenue funds:		
12	State trunkline fund.....		284,728,200
13	State general fund/general purpose.....	\$	0
14	Sec. 111. ROAD AND BRIDGE PROGRAMS		
15	State trunkline federal aid and road and bridge		
16	construction	\$	1,043,058,100
17	Local federal aid and road and bridge construction...		309,592,000
18	Grants to local programs.....		33,000,000
19	Rail grade crossing.....		3,000,000
20	Local bridge fund.....		28,336,800
21	County road commissions.....		598,102,100
22	Cities and villages.....		<u>333,468,700</u>
23	GROSS APPROPRIATION.....	\$	2,348,557,700
24	Appropriated from:		
25	Federal revenues:		
26	DOT-FHWA, highway research, planning, and construction		1,202,012,900
27	Special revenue funds:		

1	Local funds.....	30,000,000
2	Blue Water Bridge fund.....	7,107,300
3	Local bridge fund.....	28,336,800
4	Michigan transportation fund.....	967,570,800
5	State trunkline fund.....	113,529,900
6	State general fund/general purpose.....	\$ 0
7	Sec. 112. BLUE WATER BRIDGE	
8	Full-time equated classified positions.....	41.0
9	Blue Water Bridge operations--41.0 FTE positions.....	\$ <u>5,328,500</u>
10	GROSS APPROPRIATION.....	\$ 5,328,500
11	Appropriated from:	
12	Special revenue funds:	
13	Blue Water Bridge fund.....	5,328,500
14	State general fund/general purpose.....	\$ 0
15	Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT FUND	
16	Forest roads.....	\$ 5,000,000
17	Rural county urban system.....	2,500,000
18	Target industries/economic redevelopment.....	19,146,000
19	Urban county congestion.....	7,823,100
20	Rural county primary.....	<u>7,823,100</u>
21	GROSS APPROPRIATION.....	\$ 42,292,200
22	Appropriated from:	
23	Special revenue funds:	
24	Economic development fund.....	42,292,200
25	State general fund/general purpose.....	\$ 0
26	Sec. 114. AERONAUTICS AND FREIGHT SERVICES	
27	Full-time equated classified positions.....	84.0

1	Airport improvement services--30.0 FTE positions	\$	2,865,900
2	Aviation services--26.0 FTE positions		4,275,000
3	Freight and safety services--28.0 FTE positions		3,499,400
4	Air service program.....		<u>700,000</u>
5	GROSS APPROPRIATION.....	\$	11,340,300
6	Appropriated from:		
7	Special revenue funds:		
8	Comprehensive transportation fund.....		1,514,000
9	Michigan transportation fund.....		1,985,400
10	State aeronautics fund.....		7,840,900
11	State general fund/general purpose.....	\$	0
12	Sec. 115. PUBLIC TRANSPORTATION SERVICES		
13	Full-time equated classified positions..... 46.0		
14	Passenger transportation services--46.0 FTE positions	\$	<u>5,339,400</u>
15	GROSS APPROPRIATION.....	\$	5,339,400
16	Appropriated from:		
17	Federal revenues:		
18	DOT, federal transit act.....		762,100
19	Special revenue funds:		
20	Comprehensive transportation fund.....		4,379,300
21	Michigan transportation fund.....		198,000
22	State general fund/general purpose.....	\$	0
23	Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING		
24	Local bus operating.....	\$	166,624,000
25	Nonurban operating/capital.....		<u>19,300,000</u>
26	GROSS APPROPRIATION.....	\$	185,924,000
27	Appropriated from:		

1	Federal revenues:		
2	DOT, federal transit act.....		18,500,000
3	Special revenue funds:		
4	Local funds.....		800,000
5	Comprehensive transportation fund.....		166,624,000
6	State general fund/general purpose.....	\$	0
7	Sec. 117. INTERCITY PASSENGER AND FREIGHT		
8	Freight property management.....	\$	1,000,000
9	Detroit/Wayne County port authority.....		500,000
10	Intercity services.....		7,425,000
11	Rail passenger service.....		7,900,000
12	Freight preservation and development.....		5,092,900
13	Rail infrastructure loan program.....		300,000
14	Marine passenger services.....		400,000
15	Terminal development.....		<u>550,000</u>
16	GROSS APPROPRIATION.....	\$	23,167,900
17	Appropriated from:		
18	Federal revenues:		
19	DOT, federal transit act.....		4,500,000
20	DOT-FRA, local rail service assistance.....		100,000
21	DOT-FRA, rail passenger/HSGT.....		1,000,000
22	Special revenue funds:		
23	Local funds.....		50,000
24	Comprehensive transportation fund.....		14,517,900
25	Intercity bus equipment fund.....		1,000,000
26	Rail freight fund.....		2,000,000
27	State general fund/general purpose.....	\$	0

Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT

Specialized services.....	\$	9,500,100
Municipal credit program.....		2,000,000
Bus capital.....		34,403,000
Van pooling.....		195,000
Service initiatives.....		1,116,500
Transportation to work.....		<u>9,244,000</u>
GROSS APPROPRIATION.....	\$	56,458,600
Appropriated from:		
Federal revenues:		
DOT, federal transit act.....		25,700,000
Special revenue funds:		
Local funds.....		10,100,000
Comprehensive transportation fund.....		20,658,600
State general fund/general purpose.....	\$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2008-2009 is \$2,066,744,300.00 and state spending from state resources to be paid to local units of government for fiscal year 2008-2009 is \$1,221,559,700.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

1 DEPARTMENT OF TRANSPORTATION

2	Grants to local programs.....	\$	33,000,000
3	Economic development fund.....		40,292,200
4	Grants to cities and villages.....		333,468,700
5	Grants to county road commissions.....		598,102,100
6	Local bridge fund.....		28,336,800
7	Grants to regional planning councils.....		488,800
8	Local bus operating.....		166,624,000
9	Bus capital.....		9,403,000
10	Marine passenger service.....		400,000
11	Detroit/Wayne County port authority.....		500,000
12	Municipal credit program.....		2,000,000
13	Specialized services.....		4,100,100
14	Transportation to work.....		4,844,000
15	Total payments to local units of government.....	\$	1,221,559,700

16 Sec. 202. The appropriations authorized under this bill are

17 subject to the management and budget act, 1984 PA 431, MCL 18.1101

18 to 18.1594.

19 Sec. 203. As used in this bill:

20 (a) "CTF" means comprehensive transportation fund.

21 (b) "Department" means the department of transportation.

22 (c) "DOT" means the United States department of

23 transportation.

24 (d) "DOT-FHWA" means DOT, federal highway administration.

25 (e) "DOT-FRA" means DOT, federal railroad administration.

26 (f) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad

27 administration, high-speed ground transportation.

1 (g) "EDF" means economic development fund.

2 (h) "FTE" means full-time equated.

3 (i) "MTF" means Michigan transportation fund.

4 (j) "RIF" means recreation improvement fund.

5 (k) "SAF" means state aeronautics fund.

6 (l) "STF" means state trunkline fund.

7 Sec. 204. The civil service commission shall bill the
8 departments and agencies at the end of the first fiscal quarter for
9 the 1% charge authorized by section 5 of article XI of the state
10 constitution of 1963. Payments shall be made for the total amount
11 of the billing by the end of the second fiscal quarter.

12 Sec. 205. (1) A hiring freeze is imposed on the state
13 classified civil service. State departments and agencies are
14 prohibited from hiring any new full-time state classified civil
15 service employees and prohibited from filling any vacant state
16 classified civil service positions. This hiring freeze does not
17 apply to internal transfers of classified employees from 1 position
18 to another within a department.

19 (2) The state budget director may grant exceptions to this
20 hiring freeze when the state budget director believes that the
21 hiring freeze will result in rendering a state department or agency
22 unable to deliver basic services, cause loss of revenue to the
23 state, result in the inability of the state to receive federal
24 funds, or necessitate additional expenditures that exceed any
25 savings from maintaining a vacancy. The state budget director shall
26 report quarterly to the chairpersons of the senate and house of
27 representatives standing committees on appropriations the number of

1 exceptions to the hiring freeze approved during the previous
2 quarter and the reasons to justify the exception.

3 Sec. 206. (1) In addition to the funds appropriated in part 1,
4 there is appropriated an amount not to exceed \$200,000,000.00 for
5 federal contingency funds. These funds are not available for
6 expenditure until they have been transferred to another line item
7 in this bill pursuant to section 393(2) of the management and
8 budget act, 1984 PA 431, MCL 18.1393.

9 (2) In addition to the funds appropriated in part 1, there is
10 appropriated an amount not to exceed \$40,000,000.00 for state
11 restricted contingency funds. These funds are not available for
12 expenditure until they have been transferred to another line item
13 in this bill pursuant to section 393(2) of the management and
14 budget act, 1984 PA 431, MCL 18.1393.

15 (3) In addition to the funds appropriated in part 1, there is
16 appropriated an amount not to exceed \$1,000,000.00 for local
17 contingency funds. These funds are not available for expenditure
18 until they have been transferred to another line item in this bill
19 pursuant to section 393(2) of the management and budget act, 1984
20 PA 431, MCL 18.1393.

21 (4) In addition to the funds appropriated in part 1, there is
22 appropriated an amount not to exceed \$1,000,000.00 for private
23 contingency funds. These funds are not available for expenditure
24 until they have been transferred to another line item in this bill
25 pursuant to section 393(2) of the management and budget act, 1984
26 PA 431, MCL 18.1393.

27 Sec. 208. The department shall use the Internet to fulfill the

1 reporting requirements of this bill. This requirement may include
2 transmission of reports via electronic mail to the recipients
3 identified for each reporting requirement or it may include
4 placement of reports on an Internet or Intranet site.

5 Sec. 209. Funds appropriated in part 1 shall not be used for
6 the purchase of foreign goods or services, or both, if
7 competitively priced and of comparable quality American goods or
8 services, or both, are available. Preference shall be given to
9 goods or services, or both, manufactured or provided by Michigan
10 businesses, if they are competitively priced and of comparable
11 quality. In addition, preference shall be given to goods or
12 services, or both, that are manufactured or provided by Michigan
13 businesses owned and operated by veterans, if they are
14 competitively priced and of comparable quality.

15 Sec. 210. The director shall take all reasonable steps to
16 ensure businesses in deprived and depressed communities compete for
17 and perform contracts to provide services or supplies, or both. The
18 director shall strongly encourage firms with which the department
19 contracts to subcontract with certified businesses in deprived and
20 depressed communities for services, supplies, or both.

21 Sec. 258. Amounts appropriated in part 1 for information
22 technology may be designated as work projects and carried forward
23 to support technology projects under the direction of the
24 department of information technology. Funds designated in this
25 manner are not available for expenditure until approved as work
26 projects under section 451a of the management and budget act, 1984
27 PA 431, MCL 18.1451a.

1 Sec. 259. From the funds appropriated in part 1 for
2 information technology, the department shall pay user fees to the
3 department of information technology for technology-related
4 services and projects. Such user fees shall be subject to
5 provisions of an interagency agreement between the department and
6 the department of information technology.

7 Sec. 260. (1) Due to the current budgetary problems in this
8 state, out-of-state travel for fiscal year ending September 30,
9 2009 shall be limited to situations in which 1 or more of the
10 following conditions apply:

11 (a) The travel is required by legal mandate or court order or
12 for law enforcement purposes.

13 (b) The travel is necessary to protect the health or safety of
14 Michigan citizens or visitors or to assist other states in similar
15 circumstances.

16 (c) The travel is necessary to produce budgetary savings or to
17 increase state revenues, including protecting existing federal
18 funds or securing additional federal funds.

19 (d) The travel is necessary to comply with federal
20 requirements.

21 (e) The travel is necessary to secure specialized training for
22 staff that is not available within this state.

23 (f) The travel is financed entirely by federal or nonstate
24 funds.

25 (2) If out-of-state travel is necessary but does not meet 1 or
26 more of the conditions in subsection (1), the state budget director
27 may grant an exception to allow the travel. Any exceptions granted

1 by the state budget director shall be reported on a monthly basis
2 to the house and senate standing committees on appropriations.

3 (3) Not later than January 1 of each year, each department
4 shall prepare a travel report listing all travel by classified and
5 unclassified employees outside this state in the immediately
6 preceding fiscal year that was funded in whole or in part with
7 funds appropriated in the department's budget. The report shall be
8 submitted to the house and senate standing committees on
9 appropriations, the senate and house fiscal agencies, and the state
10 budget director. The report shall include the following
11 information:

12 (a) The name of each person receiving reimbursement for travel
13 outside this state or whose travel costs were paid by this state.

14 (b) The destination of each travel occurrence.

15 (c) The dates of each travel occurrence.

16 (d) A brief statement of the reason for each travel
17 occurrence.

18 (e) The transportation and related costs of each travel
19 occurrence, including the proportion funded with state general
20 fund/general purpose revenues, the proportion funded with state
21 restricted revenues, the proportion funded with federal revenues,
22 and the proportion funded with other revenues.

23 (f) A total of all out-of-state travel funded for the
24 immediately preceding fiscal year.

25 Sec. 262. Funds appropriated in part 1 shall not be used by a
26 principal executive department, state agency, or authority to hire
27 a person to provide legal services that are the responsibility of

1 the attorney general. This prohibition does not apply to legal
2 services for bonding activities and for those activities that the
3 attorney general authorizes.

4 **DEPARTMENTAL SECTIONS**

5 Sec. 301. (1) The department may establish a fee schedule and
6 collect fees sufficient to cover the costs to issue the permits
7 that the department is authorized by law to issue upon request,
8 unless otherwise stipulated by law. All permit fees are
9 nonrefundable application fees and shall be credited to the state
10 trunkline fund to recover the direct and indirect costs of
11 receiving, reviewing, and processing the requests.

12 (2) A bridge authority shall hold 3 public hearings on an
13 increase in any toll charged by the authority at least 30 days
14 before the toll change will become effective. Two of the hearings
15 shall be held within 5 miles of the bridge over which the bridge
16 authority has jurisdiction. One hearing shall be held in Lansing.
17 Public hearings held under this section shall be conducted in
18 accordance with the open meetings act, 1976 PA 267, MCL 15.261 to
19 15.275, and shall be conducted so as to provide a reasonable
20 opportunity for public comment, including both spoken and written
21 comments.

22 Sec. 304. If, as a requirement of bidding on a highway
23 project, the department requires a contractor to submit financial
24 or proprietary documentation as to how the bid was calculated, that
25 bid documentation shall be kept confidential and shall not be
26 disclosed other than to a department representative without the

1 contractor's written consent. The department may disclose the bid
2 documentation if necessary to address or defend a claim by a
3 contractor.

4 Sec. 305. The department may permit space on public passenger
5 transportation properties to be occupied by public or private
6 tenants on a competitive market rate basis. The department shall
7 require that revenue from the tenants be placed in an account to be
8 used to pay the costs to maintain and improve the property.

9 Sec. 306. (1) The amounts appropriated in section 103 to
10 support tax and fee collection, law enforcement, and other program
11 services provided to the department and to transportation funds by
12 other state departments shall be expended from transportation funds
13 pursuant to annual contracts between the department and those other
14 state departments. The contracts shall be executed prior to the
15 expenditure or obligation of those funds. The contracts shall
16 provide, but are not limited to, the following data applicable to
17 each state department.

18 (a) Estimated costs to be recovered from transportation funds.

19 (b) Description of services provided to the department and/or
20 transportation funds and financed with transportation funds.

21 (c) Detailed cost allocation methods appropriate to the type
22 of services being provided and the activities financed with
23 transportation funds.

24 (2) Not later than 2 months after publication of the state of
25 Michigan comprehensive annual financial report, each state
26 department receiving funding pursuant to an interdepartment
27 contract with the department shall submit a written report to the

1 department, the state budget director, and the house and senate
2 fiscal agencies stating by spending authorization account the
3 amount of estimated funds contracted with the department, the
4 amount of funds expended, the amount of funds returned to the
5 transportation funds, and any unreimbursed transportation-related
6 costs incurred but not billed to transportation funds. A copy of
7 the report shall be submitted to the auditor general, and the
8 report shall be subject to audit by the auditor general as provided
9 in subsection (3).

10 (3) Biennially, in each even-numbered fiscal year, the auditor
11 general shall conduct an audit of charges to transportation funds
12 by state departments for the 2 preceding fiscal years. The audit
13 shall include both charges governed by interdepartmental contracts
14 as well as miscellaneous charges from other state departments not
15 governed by contracts. The auditor general shall prepare a detailed
16 report, with recommendations and conclusions, including a summary
17 of charges and related services to transportation funds by
18 department, the appropriateness of those charges, the cost
19 allocation methodologies used in determining the level of funding,
20 and any unreimbursed transportation-related costs, if any. The
21 report shall be provided to the senate and house of representatives
22 committees on appropriations, the senate and house fiscal agencies,
23 and the state budget director 9 months after publication of the
24 state of Michigan comprehensive annual financial report.

25 Sec. 307. Before March 1 of each year, the department will
26 provide to the legislature, the state budget director, and the
27 house and senate fiscal agencies its rolling 5-year plan listing by

1 county or by county road commission all highway construction
2 projects for the fiscal year and all expected projects for the
3 ensuing fiscal years.

4 Sec. 308. The department and local road agencies that receive
5 appropriations under this bill shall pursue compliance with
6 contract specifications for construction and maintenance of state
7 highways and local roads and streets. Work shall not be accepted
8 and paid for until it complies with contract requirements.
9 Contractors with unsatisfactory performance ratings shall be
10 restricted from future bidding through the prequalification process
11 established by the department or a local road agency.

12 Sec. 309. The department shall continue its efforts to reduce
13 administrative costs and provide the maximum funding possible for
14 construction projects.

15 Sec. 310. The department shall provide in a timely manner
16 copies of the agenda and approved minutes of monthly transportation
17 commission meetings to the members of the house and senate
18 appropriations subcommittees on transportation, the house and
19 senate fiscal agencies, and the state budget director.

20 Sec. 312. At the close of the fiscal year, any unencumbered
21 and unexpended balance in the state trunkline fund shall remain in
22 the state trunkline fund and shall carry forward and is
23 appropriated for federal aid road and bridge programs for projects
24 contained in the annual state transportation program.

25 Sec. 313. (1) From funds appropriated in part 1, the
26 department may increase a state infrastructure bank program and
27 grant or loan funds in accordance with regulations of the state

1 infrastructure bank program of the United States department of
2 transportation. The state infrastructure bank is to be administered
3 by the department for the purpose of providing a revolving, self-
4 sustaining resource for financing transportation infrastructure
5 projects.

6 (2) In addition to funds provided in subsection (1), money
7 received by the state as federal grants, repayment of state
8 infrastructure bank loans, or other reimbursement or revenue
9 received by the state as a result of projects funded by the program
10 and interest earned on that money shall be deposited in the
11 revolving state infrastructure bank fund and shall be available for
12 transportation infrastructure projects. At the close of the fiscal
13 year, any unencumbered funds remaining in the state infrastructure
14 bank fund shall remain in the fund and be carried forward into the
15 succeeding fiscal year.

16 Sec. 319. The department shall post signs at each rest area to
17 identify the agency or contractor responsible for maintenance of
18 the rest area. The signs shall include a department telephone
19 number and shall indicate that unsafe or unclean conditions at the
20 rest area may be reported to that telephone number.

21 Sec. 324. From the funds appropriated in part 1, up to
22 \$500,000.00 from the state trunkline fund shall be used for
23 enhanced construction zone traffic law enforcement and the "give
24 'em a brake" campaign. The funding shall be used to reimburse law
25 enforcement agencies for costs associated with construction zone
26 traffic enforcement. The funding shall be provided based on
27 approved memoranda of understanding between the department and

1 participating law enforcement agencies.

2 Sec. 334. The department shall continue its program to
3 increase the use of women- and minority-owned businesses in state
4 and local road construction projects. This program shall comprise,
5 at a minimum, outreach and education efforts to inform women- and
6 minority-owned firms of department competitive bidding processes
7 and requirements, and an assessment of the availability of surety
8 for women- and minority-owned businesses.

9 Sec. 375. The department is prohibited from reimbursing
10 contractors or consultants for costs associated with groundbreaking
11 ceremonies, receptions, open houses, or press conferences related
12 to transportation projects funded, in whole or in part, by revenue
13 appropriated in part 1.

14 **FEDERAL**

15 Sec. 401. Within 30 days of receiving the applicable fiscal
16 year authorization from the federal government to commit
17 transportation funds, the department shall notify local agency
18 representatives, the senate and house of representatives
19 appropriation transportation subcommittees, the senate and house
20 fiscal agencies, and the state budget director regarding the amount
21 of federal aid for categorical allocations to state and local
22 agency programs not specifically allocated in either federal or
23 state law.

24 Sec. 402. A portion of the federal DOT-FHWA highway research,
25 planning, and construction funds made available to the state shall
26 be allocated to transportation programs administered by local

1 jurisdictions in accordance with section 10o of 1951 PA 51, MCL
2 247.660o. A local road agency, with respect to a project approved
3 for federal aid funding in a state transportation improvement
4 program, may enter into a voluntary buyout agreement with the
5 department or with another local road agency to exchange the
6 federal aid with state restricted transportation funds as agreed to
7 by the respective parties. The state-restricted transportation
8 funds received in exchange for federal aid funds shall be used for
9 the same purpose as the federal aid funds were originally intended.

10 **MICHIGAN TRANSPORTATION FUND**

11 Sec. 501. The money received under the motor carrier act, 1933
12 PA 254, MCL 475.1 to 479.43, and not appropriated to the department
13 of labor and economic growth or the department of state police is
14 deposited in the Michigan transportation fund.

15 Sec. 502. The department of treasury shall perform audits and
16 make investigations of the disposition of all state funds received
17 by county road commissions or county boards of commissioners, as
18 applicable, and cities and villages for transportation purposes to
19 determine compliance with the terms and conditions of 1951 PA 51,
20 MCL 247.651 to 247.675. County road commissions or county boards of
21 commissioners, as applicable, and cities and villages shall make
22 available to the department of treasury the pertinent records for
23 the audit.

24 Sec. 503. (1) The funds appropriated in part 1 for the
25 economic development and local bridge programs shall not lapse at
26 the end of the fiscal year but shall carry forward each fiscal year

1 for the purposes for which appropriated in accordance with 1987 PA
2 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL
3 247.660.

4 (2) Interest earned in the department of transportation
5 economic development fund and local bridge fund shall remain in the
6 respective funds and shall be allocated to the respective programs
7 based on actual interest earned at the end of each fiscal year.

8 (3) The department of transportation economic development fund
9 and local bridge fund may receive and expend federal, local, or
10 private funds or restricted source funds such as interest earnings
11 for projects that are consistent with the programmatic mission of
12 the respective funds in addition to funds appropriated in part 1.

13 (4) None of the funds statutorily dedicated to the
14 transportation economic development fund and local bridge fund
15 shall be diverted to other projects.

16 Sec. 504. Funds from the Michigan transportation fund (MTF)
17 shall be distributed to the comprehensive transportation fund
18 (CTF), the economic development fund (EDF), the recreation
19 improvement fund (RIF), and the state trunkline fund (STF), in
20 accordance with this bill and part 711 of the natural resources and
21 environmental protection act, 1994 PA 451, MCL 324.71101 to
22 324.71108, and may only be used as specified in this act, 1951 PA
23 51, MCL 247.651 to 247.675, and part 711 of the natural resources
24 and environmental protection act, 1994 PA 451, MCL 324.71101 to
25 324.71108.

26 **STATE TRUNKLINE FUND**

1 Sec. 601. The department shall work with the road construction
2 industry and engineering consulting community to develop
3 performance and road construction warranties for construction
4 contracts. The development of warranties shall include warranties
5 on materials, workmanship, performance criteria, and design/build
6 projects.

7 Sec. 602. If the department uses manufactured pipe for road
8 construction drainage, the department shall require that pipe used
9 under certain load-bearing conditions beneath the roadway meets the
10 standards established by the American society for testing and
11 materials (ASTM) or American association of state highway and
12 transportation officials (AASHTO). The department may also use the
13 mandrel test for manufactured pipe 60 days after installation.

14 COMPREHENSIVE TRANSPORTATION FUND

15 Sec. 701. Money that is received by the state as a lease
16 payment for state-owned intercity bus equipment is not money to be
17 deposited in the comprehensive transportation fund under section
18 10b of 1951 PA 51, MCL 247.660b, but is money that is deposited in
19 an intercity bus equipment fund for appropriation for the purchase
20 and repair of intercity bus equipment. Proceeds received by the
21 state from the sale of intercity bus equipment are deposited in an
22 intercity bus equipment fund for appropriation for the purchase and
23 repair of intercity bus equipment. Security deposits from the lease
24 of state-owned intercity bus equipment not returned to the lessee
25 of the equipment under terms of the lease agreement are deposited
26 in an intercity bus equipment fund for appropriation for the repair

1 of intercity bus equipment. At the close of the fiscal year, any
2 funds remaining in the intercity bus equipment fund shall remain in
3 the fund and be carried forward into the succeeding fiscal year.

4 Sec. 702. Money that is received by the state as repayment for
5 loans made for rail or water freight capital projects, and as a
6 result of the sale of property or equipment used or projected to be
7 used for rail or water freight projects shall be deposited in the
8 fund created by section 17 of the state transportation preservation
9 act of 1976, 1976 PA 295, MCL 474.67. At the close of the fiscal
10 year, any funds remaining in the rail freight fund shall remain in
11 the fund and be carried forward into the succeeding fiscal year.

12 Sec. 705. Funds appropriated in part 1 for the rail
13 infrastructure loan program shall be credited to the rail
14 infrastructure loan fund established in section 15a of the state
15 transportation preservation act of 1976, 1976 PA 295, MCL 474.65a.

16 Sec. 706. The Detroit/Wayne County port authority shall issue
17 a complete operations assessment and a financial disclosure
18 statement. The operations assessment shall include operational
19 goals for the next 5 years and recommendations to improve land
20 acquisition and development efficiency. The report shall be
21 completed and submitted to the house of representatives and senate
22 appropriations subcommittees on transportation, the state budget
23 director, and the house and senate fiscal agencies by February 15
24 of each fiscal year for the prior fiscal year.

25 Sec. 708. If funds appropriated in part 1 are used to provide
26 state-owned or state-leased buses to private intercity bus
27 carriers, the department shall charge not less than \$1,000.00 per

1 bus per year for their use.

2 Sec. 711. (1) From the funds appropriated in part 1 from the
3 comprehensive transportation fund for rail passenger service, the
4 department shall negotiate with a rail carrier to provide rail
5 service between Grand Rapids and Chicago and between Port Huron and
6 Chicago on a 7-day basis, consistent with the other provisions of
7 this section.

8 (2) The rail carrier shall, as a condition to receiving a
9 state operating subsidy, maintain a system to monitor, collect, and
10 resolve customer complaints and shall make the information
11 available to the department, the house and senate appropriations
12 subcommittees on transportation, and the house and senate fiscal
13 agencies.

14 Sec. 714. The department, in cooperation with local transit
15 agencies, shall work to ensure that demand-response services are
16 provided throughout Michigan. The department shall continue to work
17 with local units of government to address the unmet transit needs
18 in Michigan.

19 Sec. 721. For federal transit administration bus acquisition
20 capital grants matched with CTF funds appropriated in part 1,
21 transit agencies shall have 4 years from the federal approval date
22 to carry out their projects. Contract line items unobligated 4
23 years after the federal approval date may be matched with CTF funds
24 only up to 15% in the fifth and subsequent years. "Unobligated"
25 means any line item in the contract that is not committed to a
26 third party or purchase order. A waiver shall be granted by the
27 department for an additional year with documented justification

1 from the transit agency accompanied by a resolution from the board
2 or authority seeking a waiver. If a transit agency does not carry
3 out a line item activity in a specific authorization and the
4 transit agency requests funds in a new authorization for that same
5 activity, the line item shall be matched at up to 15%. This section
6 applies only to bus acquisition capital grants. Lapsed funds under
7 this section shall remain in the CTF.

8 **AERONAUTICS FUND**

9 Sec. 801. At the close of the fiscal year, any unobligated and
10 unexpended balance in the state aeronautics fund created in the
11 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1
12 to 259.208, shall lapse to the state aeronautics fund and be
13 appropriated by the legislature in the immediately succeeding
14 fiscal year.