

FIRST CONFERENCE REPORT

The Committee of Conference on the matters of difference between the two Houses concerning

House Bill No. 5889, entitled

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2011; 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.

Recommends:

First: That the Senate recede from the Substitute of the Senate as passed by the Senate.

Second: That the House and Senate agree to the Substitute of the House as passed by the House, amended to read as follows:

(attached)

Third: That the House and Senate agree to the title of the bill to read as follows:

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2011; 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.

Lee Gonzales

Bill Hardiman

Richard LeBlanc

Alan L. Cropsey

David Agema

Glenn Anderson

Conferees for the House

Conferees for the Senate

**SUBSTITUTE FOR
HOUSE BILL NO. 5889**

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2011; 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:

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PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this act, the

1 amounts listed in this part are appropriated for the state
 2 transportation department and certain state purposes designated in
 3 this act for the fiscal year ending September 30, 2011, from the
 4 funds indicated in this part. The following is a summary of the
 5 appropriations in this part:

6 **STATE TRANSPORTATION DEPARTMENT**

7 APPROPRIATION SUMMARY

8	Full-time equated unclassified positions.....	6.0	
9	Full-time equated classified positions.....	3,016.3	
10	GROSS APPROPRIATION.....		\$ 3,235,969,400
11	Total interdepartmental grants and intradepartmental		
12	transfers		878,300
13	ADJUSTED GROSS APPROPRIATION.....		\$ 3,235,091,100
14	Federal revenues:		
15	DOT, federal transit act.....		61,285,000
16	DOT-FHWA, highway research, planning, and construction		1,060,167,700
17	DOT-FRA, local rail service assistance.....		100,000
18	DOT-FRA, rail passenger/HSGT.....		3,000,000
19	DOT, federal aviation administration.....		102,927,900
20	Total federal revenues.....		1,227,480,600
21	Special revenue funds:		
22	Local revenues.....		56,496,000
23	Total local and private revenues.....		56,496,000
24	Blue Water Bridge fund.....		14,966,900
25	Comprehensive transportation fund.....		237,120,000
26	Economic development fund.....		42,145,100
27	IRS debt service rebate.....		7,523,400

1	Intercity bus equipment fund.....	2,000,000
2	Local bridge fund.....	30,061,300
3	Michigan transportation fund.....	943,331,000
4	Other state restricted revenues.....	2,975,400
5	Rail freight fund.....	2,000,000
6	State aeronautics fund.....	16,551,900
7	State trunkline fund.....	652,439,500
8	Total other state restricted revenues.....	1,951,114,500
9	State general fund/general purpose.....	\$ 0
10	Sec. 102. DEBT SERVICE	
11	State trunkline.....	\$ 198,853,000
12	Economic development.....	9,173,400
13	Local bridge fund.....	3,261,500
14	Blue Water Bridge fund.....	2,216,400
15	Airport safety and protection plan.....	3,456,000
16	Comprehensive transportation.....	<u>29,852,700</u>
17	GROSS APPROPRIATION.....	\$ 246,813,000
18	Appropriated from:	
19	Federal revenues:	
20	DOT-FHWA, highway research, planning, and construction	45,832,100
21	Special revenue funds:	
22	Blue Water Bridge fund.....	2,216,400
23	Comprehensive transportation fund.....	29,852,700
24	Economic development fund.....	9,173,400
25	Local bridge fund.....	3,261,500
26	IRS debt service rebate.....	7,523,400
27	State aeronautics fund.....	3,456,000

1	State trunkline fund.....	145,497,500
2	State general fund/general purpose.....	\$ 0
3	Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY	
4	SUPPORT SERVICES	
5	MTF grant to department of natural resources and	
6	environment	\$ 1,132,600
7	MTF grant to department of state for collection of	
8	revenue and fees	20,000,000
9	MTF grant to department of treasury.....	8,383,600
10	MTF grant to legislative auditor general.....	204,300
11	STF grant to department of attorney general.....	2,867,300
12	STF grant to civil service commission.....	5,697,000
13	STF grant to department of technology, management, and	
14	budget	1,218,600
15	STF grant to department of state police.....	10,203,200
16	STF grant to department of treasury.....	142,200
17	STF grant to legislative auditor general.....	474,600
18	SAF grant to department of attorney general.....	169,500
19	SAF grant to civil service commission.....	150,000
20	SAF grant to department of technology, management, and	
21	budget	32,800
22	SAF grant to department of treasury.....	76,100
23	SAF grant to legislative auditor general.....	19,600
24	CTF grant to department of attorney general.....	171,700
25	CTF grant to civil service commission.....	200,000
26	CTF grant to department of technology, management, and	
27	budget	37,400

1	CTF grant to department of treasury.....	6,500
2	CTF grant to legislative auditor general.....	<u>25,200</u>
3	GROSS APPROPRIATION.....	\$ 51,212,200
4	Appropriated from:	
5	Special revenue funds:	
6	Comprehensive transportation fund.....	440,800
7	Michigan transportation fund.....	29,720,500
8	State aeronautics fund.....	448,000
9	State trunkline fund.....	20,602,900
10	State general fund/general purpose.....	
11	Sec. 104. EXECUTIVE DIRECTION	
12	Full-time equated unclassified positions..... 6.0	
13	Full-time equated classified positions..... 31.3	
14	Unclassified salaries.....	\$ 602,800
15	Asset management council.....	1,626,400
16	Commission audit--31.3 FTE positions.....	<u>3,433,000</u>
17	GROSS APPROPRIATION.....	\$ 5,662,200
18	Appropriated from:	
19	Special revenue funds:	
20	Michigan transportation fund.....	1,626,400
21	State trunkline fund.....	4,035,800
22	State general fund/general purpose.....	\$ 0
23	Sec. 105. BUSINESS SUPPORT	
24	Full-time equated classified positions..... 58.0	
25	Business support services--49.0 FTE positions.....	\$ 6,059,100
26	Economic development and enhancement programs--9.0 FTE	
27	positions	1,194,100

1	Property management.....	7,754,600
2	Worker's compensation.....	<u>1,784,600</u>
3	GROSS APPROPRIATION.....	\$ 16,792,400
4	Appropriated from:	
5	Special revenue funds:	
6	Comprehensive transportation fund.....	1,304,700
7	Economic development fund.....	468,900
8	Michigan transportation fund.....	201,700
9	State aeronautics fund.....	625,000
10	State trunkline fund.....	14,192,100
11	State general fund/general purpose.....	\$ 0
12	Sec. 106. INFORMATION TECHNOLOGY	
13	Information technology services and projects.....	\$ <u>27,831,000</u>
14	GROSS APPROPRIATION.....	\$ 27,831,000
15	Appropriated from:	
16	Federal revenues:	
17	DOT-FHWA, highway research, planning, and construction	520,500
18	Special revenue funds:	
19	Blue Water Bridge fund.....	48,300
20	Comprehensive transportation fund.....	192,400
21	Economic development fund.....	37,200
22	Michigan transportation fund.....	254,200
23	State aeronautics fund.....	150,200
24	State trunkline fund.....	26,628,200
25	State general fund/general purpose.....	\$ 0
26	Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES	
27	Full-time equated classified positions.....	250.5

1	Financial operations--87.0 FTE positions	\$	8,825,900
2	Contract services--53.6 FTE positions		5,155,900
3	Department services--41.9 FTE positions		5,207,600
4	Performance excellence--13.0 FTE positions		1,501,000
5	Welcome center operations--55.0 FTE positions		<u>3,931,100</u>
6	GROSS APPROPRIATION.....	\$	24,621,500
7	Appropriated from:		
8	Interdepartmental grant revenues:		
9	IDG for accounting service center user charges		878,300
10	Special revenue funds:		
11	Michigan transportation fund.....		1,792,700
12	State trunkline fund.....		21,950,500
13	State general fund/general purpose		
14	Sec. 108. TRANSPORTATION PLANNING		
15	Full-time equated classified positions..... 176.0		
16	Statewide planning services--124.0 FTE positions	\$	14,467,400
17	Data collection services--52.0 FTE positions		6,414,200
18	Specialized planning services and local studies		16,504,800
19	Grants to regional planning councils		<u>488,800</u>
20	GROSS APPROPRIATION.....	\$	37,875,200
21	Appropriated from:		
22	Federal revenues:		
23	DOT-FHWA, highway research, planning, and construction		22,000,000
24	Special revenue funds:		
25	Comprehensive transportation fund.....		960,300
26	Michigan transportation fund.....		6,304,500
27	State aeronautics fund.....		15,000

1	State trunkline fund.....	8,595,400
2	State general fund/general purpose.....	\$ 0
3	Sec. 109. DESIGN AND ENGINEERING SERVICES	
4	Full-time equated classified positions.....	1,492.8
5	Engineering services--800.1 FTE positions.....	\$ 66,021,300
6	Program services--680.7 FTE positions.....	40,074,000
7	Intelligent transportation systems operations--12.0	
8	FTE positions	<u>10,562,700</u>
9	GROSS APPROPRIATION.....	\$ 116,658,000
10	Appropriated from:	
11	Federal revenues:	
12	DOT-FHWA, highway research, planning, and construction	23,529,800
13	Special revenue funds:	
14	Michigan transportation fund.....	6,355,300
15	State trunkline fund.....	86,772,900
16	State general fund/general purpose.....	\$ 0
17	Sec. 110. HIGHWAY MAINTENANCE	
18	Full-time equated classified positions.....	836.7
19	State trunkline operations--836.7 FTE positions.....	\$ <u>274,663,900</u>
20	GROSS APPROPRIATION.....	\$ 274,663,900
21	Appropriated from:	
22	Special revenue funds:	
23	State trunkline fund.....	274,663,900
24	State general fund/general purpose.....	\$ 0
25	Sec. 111. ROAD AND BRIDGE PROGRAMS	
26	State trunkline federal aid and road and bridge	
27	construction	\$ 796,226,200

1	Local federal aid and road and bridge construction...	248,751,000
2	Grants to local programs.....	33,000,000
3	Rail grade crossing.....	3,000,000
4	Local bridge program.....	26,799,800
5	County road commissions.....	551,352,700
6	Cities and villages.....	<u>307,403,800</u>
7	GROSS APPROPRIATION.....	\$ 1,966,533,500
8	Appropriated from:	
9	Federal revenues:	
10	DOT-FHWA, highway research, planning, and construction	961,770,500
11	Special revenue funds:	
12	Local funds.....	30,000,000
13	Blue Water Bridge fund.....	7,107,300
14	Local bridge fund.....	26,799,800
15	Michigan transportation fund.....	894,756,500
16	State trunkline fund.....	46,099,400
17	State general fund/general purpose.....	\$ 0
18	Sec. 112. BLUE WATER BRIDGE	
19	Full-time equated classified positions.....	41.0
20	Blue Water Bridge operations--41.0 FTE positions.....	\$ <u>5,594,900</u>
21	GROSS APPROPRIATION.....	\$ 5,594,900
22	Appropriated from:	
23	Special revenue funds:	
24	Blue Water Bridge fund.....	5,594,900
25	State general fund/general purpose.....	\$ 0
26	Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT	
27	Forest roads.....	\$ 5,040,000

1	Rural county urban system.....	2,500,000
2	Target industries/economic redevelopment	7,212,700
3	Urban county congestion.....	8,356,400
4	Rural county primary.....	8,356,400
5	Nonprofit street railway.....	<u>1,000,000</u>
6	GROSS APPROPRIATION.....	\$ 32,465,500
7	Appropriated from:	
8	Special revenue funds:	
9	Economic development fund.....	32,465,500
10	State general fund/general purpose.....	\$ 0
11	Sec. 114. AERONAUTICS AND FREIGHT SERVICES	
12	Full-time equated classified positions..... 84.0	
13	Airport improvement services--30.0 FTE positions	\$ 3,102,000
14	Aviation services--26.0 FTE positions	4,418,600
15	Freight and safety services--28.0 FTE positions	3,709,200
16	Air service program.....	<u>464,600</u>
17	GROSS APPROPRIATION.....	\$ 11,694,400
18	Appropriated from:	
19	Special revenue funds:	
20	Comprehensive transportation fund.....	1,604,800
21	Michigan transportation fund.....	2,104,400
22	State aeronautics fund.....	7,985,200
23	State general fund/general purpose.....	\$ 0
24	Sec. 115. PUBLIC TRANSPORTATION SERVICES	
25	Full-time equated classified positions..... 46.0	
26	Passenger transportation services--46.0 FTE positions	\$ <u>5,827,600</u>
27	GROSS APPROPRIATION.....	\$ 5,827,600

1	Appropriated from:	
2	Federal revenues:	
3	DOT, federal transit act.....	862,100
4	Special revenue funds:	
5	Comprehensive transportation fund.....	4,750,700
6	Michigan transportation fund.....	214,800
7	State general fund/general purpose.....	\$ 0
8	Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING	
9	Local bus operating.....	\$ 166,624,000
10	Nonurban operating/capital.....	<u>22,787,900</u>
11	GROSS APPROPRIATION.....	\$ 189,411,900
12	Appropriated from:	
13	Federal revenues:	
14	DOT, federal transit act.....	21,987,900
15	Special revenue funds:	
16	Comprehensive transportation fund.....	166,624,000
17	Local funds.....	800,000
18	State general fund/general purpose.....	\$ 0
19	Sec. 117. INTERCITY PASSENGER AND FREIGHT	
20	Freight property management.....	\$ 1,000,000
21	Detroit/Wayne County port authority.....	468,200
22	Intercity services.....	7,250,000
23	Rail passenger service.....	11,667,000
24	Freight preservation and development.....	3,364,200
25	Marine passenger service.....	400,000
26	Terminal development.....	<u>150,000</u>
27	GROSS APPROPRIATION.....	\$ 24,299,400

1	Appropriated from:		
2	Federal revenues:		
3	DOT, federal transit act.....		4,500,000
4	DOT-FRA, local rail service assistance.....		100,000
5	DOT-FRA, rail passenger/HSGT.....		3,000,000
6	Special revenue funds:		
7	Local funds.....		50,000
8	Comprehensive transportation fund.....		12,649,400
9	Intercity bus equipment fund.....		2,000,000
10	Rail freight fund.....		2,000,000
11	State general fund/general purpose.....	\$	0
12	Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT		
13	Specialized services.....	\$	7,443,800
14	Municipal credit program.....		2,000,000
15	Bus capital.....		41,300,000
16	Van pooling.....		195,000
17	Service initiatives.....		1,400,000
18	Transit oriented development.....		100
19	Transportation to work.....		<u>9,536,400</u>
20	GROSS APPROPRIATION.....	\$	61,875,300
21	Appropriated from:		
22	Federal revenues:		
23	DOT, federal transit act.....		33,935,000
24	Special revenue funds:		
25	Local funds.....		9,200,000
26	Economic development fund.....		100
27	Comprehensive transportation fund.....		18,740,200

1	State general fund/general purpose	\$	0
2	Sec. 119. CAPITAL OUTLAY		
3	(1) BUILDINGS AND FACILITIES		
4	Port Huron replacement welcome center, inspection		
5	station, Blue Water Bridge administration and		
6	maintenance satellite facilities.....	\$	9,889,600
7	Special maintenance, remodeling, and additions		<u>3,001,500</u>
8	GROSS APPROPRIATION.....		12,891,100
9	Appropriated from:		
10	Federal revenues:		
11	DOT-FHWA, highway research, planning, and construction		6,514,800
12	Special revenue funds:		
13	Other state restricted revenues		2,975,400
14	State trunkline fund.....		3,400,900
15	State general fund/general purpose		0
16	(2) AIRPORT IMPROVEMENT PROGRAMS		
17	Airport safety, protection and improvement program ...	\$	<u>123,246,400</u>
18	GROSS APPROPRIATION.....		123,246,400
19	Appropriated from:		
20	Federal revenues:		
21	DOT, federal aviation administration.....		102,927,900
22	Special revenue funds:		
23	Local funds.....		16,446,000
24	State aeronautics fund.....		3,872,500
25	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 2010-2011 is \$1,951,114,500.00 and state spending from state resources to be paid to local units of government for fiscal year 2010-2011 is \$1,144,035,100.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF TRANSPORTATION

Grants to regional planning councils.....	\$	488,800
Grants to local programs.....		33,000,000
Rail grade crossing.....		3,000,000
Local bridge program.....		26,799,800
Grants to county road commissions.....		551,352,700
Grants to cities and villages.....		307,403,800
Economic development fund.....		31,465,500
Air service program.....		464,400
Local bus operating.....		166,624,000
Bus capital.....		8,000,000
Detroit/Wayne County port authority.....		468,200
Marine passenger service.....		400,000
Terminal development.....		150,000
Specialized services.....		3,958,800
Municipal credit program.....		2,000,000
Service initiatives.....		50,000

1	Transportation to work.....	4,536,400
2	Airport safety, protection, and improvement	
3	program.....	<u>3,872,500</u>
4	Total payments to local units of government.....	\$ 1,144,035,100

5 Sec. 202. The appropriations authorized under this act are
6 subject to the management and budget act, 1984 PA 431, MCL 18.1101
7 to 18.1594.

8 Sec. 203. As used in this act:

9 (a) "AASHTO" means the American association of state highway
10 and transportation officials.

11 (b) "ASTM" means the American society for testing and
12 materials.

13 (c) "CTF" means comprehensive transportation fund.

14 (d) "Department" means the department of transportation.

15 (e) "DOT" means the United States department of
16 transportation.

17 (f) "DOT-FHWA" means DOT, federal highway administration.

18 (g) "DOT-FRA" means DOT, federal railroad administration.

19 (h) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad
20 administration, high-speed ground transportation.

21 (i) "EDF" means economic development fund.

22 (j) "FTE" means full-time equated.

23 (k) "IRS" means the internal revenue service.

24 (l) "MTF" means Michigan transportation fund.

25 (m) "RIF" means recreation improvement fund.

26 (n) "SAF" means state aeronautics fund.

27 (o) "STF" means state trunkline fund.

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

6 Sec. 205. (1) A hiring freeze is imposed on the state
7 classified civil service. State departments and agencies are
8 prohibited from hiring any new full-time state classified civil
9 service employees and prohibited from filling any vacant state
10 classified civil service positions. This hiring freeze does not
11 apply to internal transfers of classified employees from 1 position
12 to another within a department.

13 (2) The state budget director may grant exceptions to this
14 hiring freeze when the state budget director believes that the
15 hiring freeze will result in rendering a state department or agency
16 unable to deliver basic services, causes loss of revenue to the
17 state, would result in the inability of the state to receive
18 federal funds, or would necessitate additional expenditures that
19 exceed any savings from maintaining a vacancy. The state budget
20 director shall report quarterly to the chairpersons of the senate
21 and house of representatives standing committees on appropriations
22 the number of exceptions to the hiring freeze approved during the
23 previous quarter and the reasons to justify the exception.

24 Sec. 206. (1) In addition to the funds appropriated in part 1,
25 there is appropriated an amount not to exceed \$200,000,000.00 for
26 federal contingency funds. These funds are not available for
27 expenditure until they have been transferred to another line item

1 in this act pursuant to section 393(2) of the management and budget
2 act, 1984 PA 431, MCL 18.1393.

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

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

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

21 Sec. 207. When beginning any effort to privatize, the
22 department shall submit a complete project plan to the house of
23 representatives and senate appropriations subcommittees on
24 transportation, the state budget office, and the house and senate
25 fiscal agencies. The plan shall include the rationale for
26 privatization, including a cost-benefit analysis if appropriate.
27 The evaluation shall be completed and submitted to the appropriate

1 senate and house of representatives appropriations subcommittees
2 and the senate and house fiscal agencies. As used in this section,
3 "privatize" or "privatization" means the transfer of state highway
4 maintenance or activities currently performed by department forces,
5 or by boards of county road commissioners, county boards of
6 commissioners, or local units of government under contract with the
7 department, to private contractors.

8 Sec. 208. Unless otherwise specified, the department shall use
9 the Internet to fulfill the reporting requirements of this act.
10 This requirement may include transmission of reports via electronic
11 mail to the recipients identified for each reporting requirement or
12 it may include placement of reports on an Internet or Intranet
13 site.

14 Sec. 209. Funds appropriated in part 1 shall not be used for
15 the purchase of foreign goods or services, or both, if
16 competitively priced and of comparable quality American goods or
17 services, or both, are available. Preference shall be given to
18 goods or services, or both, manufactured or provided by Michigan
19 businesses, if they are competitively priced and of comparable
20 quality. In addition, preference shall be given to goods or
21 services, or both, that are manufactured or provided by Michigan
22 businesses owned and operated by veterans, if they are
23 competitively priced and of comparable quality.

24 Sec. 210. The director of each department receiving
25 appropriations in part 1 shall take all reasonable steps to ensure
26 businesses in deprived and depressed communities compete for and
27 perform contracts to provide services or supplies, or both. The

1 director shall encourage firms with which the department contracts
2 to subcontract with certified businesses in deprived and depressed
3 communities for services, supplies, or both.

4 Sec. 211. The departments and state agencies receiving
5 appropriations under this act shall receive and retain copies of
6 all reports funded from appropriations in part 1. These departments
7 and state agencies shall follow federal and state guidelines for
8 short-term and long-term retention of these reports and records.

9 Sec. 259. From the funds appropriated in part 1 for
10 information technology, the department shall pay user fees to the
11 department of technology, management, and budget for technology-
12 related services and projects. The user fees shall be subject to
13 provisions of an interagency agreement between the department and
14 the department of technology, management, and budget.

15 Sec. 260. (1) Due to the current budgetary problems in this
16 state, out-of-state travel shall be limited to situations in which
17 1 or more of the following conditions apply:

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

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

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

26 (d) The travel is necessary to comply with federal
27 requirements.

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

3 (f) The travel is financed entirely by federal or nonstate
4 funds.

5 (2) If out-of-state travel is necessary but does not meet 1 or
6 more of the conditions in subsection (1), the state budget director
7 may grant an exception to allow the travel. Any exceptions granted
8 by the state budget director shall be reported on a monthly basis
9 to the house and senate appropriations committees.

10 (3) Not later than January 1 of each year, each department
11 shall prepare a travel report listing all travel by classified and
12 unclassified employees outside this state in the immediately
13 preceding fiscal year that was funded in whole or in part with
14 funds appropriated in the department's budget. The report shall be
15 submitted to the chairs and members of the house and senate
16 appropriations committees, the fiscal agencies, and the state
17 budget director. The report shall include the following
18 information:

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

21 (b) The destination of each travel occurrence.

22 (c) The dates of each travel occurrence.

23 (d) A brief statement of the reason for each travel
24 occurrence.

25 (e) The transportation and related costs of each travel
26 occurrence, including the proportion funded with state general
27 fund/general purpose revenues, the proportion funded with state

1 restricted revenues, the proportion funded with federal revenues,
2 and the proportion funded with other revenues.

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

5 Sec. 261. A department or state agency shall not take
6 disciplinary action against an employee for communicating with a
7 member of the legislature or their staff.

8 Sec. 262. Funds appropriated in part 1 shall not be used by a
9 principal executive department, state agency, or authority to hire
10 a person to provide legal services that are the responsibility of
11 the attorney general. This prohibition does not apply to legal
12 services for bonding activities and for those activities that the
13 attorney general authorizes.

14 Sec. 263. (1) The department shall report no later than April
15 1, 2011 on each specific policy change made to implement a public
16 act affecting the department that took effect during the prior
17 calendar year to the house and senate appropriations subcommittees
18 on the budget for the department, the joint committee on
19 administrative rules, and the senate and house fiscal agencies.

20 (2) Funds appropriated in part 1 shall not be used by the
21 department to adopt a rule that will apply to a small business and
22 that will have a disproportionate economic impact on small
23 businesses because of the size of those businesses if the
24 department fails to reduce the disproportionate economic impact of
25 the rule on small businesses as provided under section 40 of the
26 administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

27 (3) As used in this section:

1 (a) "Rule" means that term as defined under section 7 of the
2 administrative procedures act of 1969, 1969 PA 306, MCL 24.207.

3 (b) "Small business" means that term as defined under section
4 7a of the administrative procedures act of 1969, 1969 PA 306, MCL
5 24.207a.

6 Sec. 266. (1) On a quarterly basis, the department shall
7 report on the number of FTEs in pay status by civil service
8 classification to the house and senate appropriations subcommittees
9 on transportation and the house and senate fiscal agencies.

10 (2) From the funds appropriated in part 1, the department
11 shall use an amount not to exceed \$10,000.00 to develop, post, and
12 maintain, on a publicly accessible Internet site, all expenditures
13 made by the agency within a fiscal year. The posting must include
14 the purpose for which each expenditure is made. The department
15 shall not be required to hire additional employees to comply with
16 this section.

17 DEPARTMENTAL SECTIONS

18 Sec. 301. (1) The department may establish a fee schedule and
19 collect fees sufficient to cover the costs to issue the permits
20 that the department is authorized by law to issue upon request,
21 unless otherwise stipulated by law. All permit fees are
22 nonrefundable application fees and shall be credited to the
23 appropriate fund to recover the direct and indirect costs of
24 receiving, reviewing, and processing the requests.

25 (2) A bridge authority shall hold 3 public hearings on an
26 increase in any toll charged by the authority at least 30 days

1 before the toll change will become effective. Two of the hearings
2 shall be held within 5 miles of the bridge over which the bridge
3 authority has jurisdiction. One hearing shall be held in Lansing.
4 Public hearings held under this section shall be conducted in
5 accordance with the open meetings act, 1976 PA 267, MCL 15.261 to
6 15.275, and shall be conducted so as to provide a reasonable
7 opportunity for public comment, including both spoken and written
8 comments.

9 Sec. 303. On request, the department shall provide to a
10 legislator, in writing, a report on the amount of money to be
11 received by each city and village and the county road commission of
12 each county, that is included in whole or in part within the
13 legislator's legislative district.

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

22 Sec. 305. The department shall permit space on public
23 passenger transportation properties to be occupied by public or
24 private tenants on a competitive market rate basis. The department
25 shall require that revenue from the tenants be placed in an account
26 to be used to pay the costs to maintain and improve the property.

27 Sec. 306. (1) The amounts appropriated in section 103 to

1 support tax and fee collection, law enforcement, and other program
2 services provided to the department and to transportation funds by
3 other state departments shall be expended from transportation funds
4 pursuant to annual contracts between the department and those other
5 state departments. The contracts shall be executed prior to the
6 expenditure or obligation of those funds. The contracts shall
7 provide, but are not limited to, the following data applicable to
8 each state department:

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

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

12 (c) Detailed cost allocation methods appropriate to the type
13 of services being provided and the activities financed with
14 transportation funds.

15 (2) Not later than 2 months after publication of the state of
16 Michigan comprehensive annual financial report, each state
17 department receiving funding pursuant to an interdepartment
18 contract with the department shall submit a written report to the
19 department, the state budget director, and the house and senate
20 fiscal agencies stating by spending authorization account the
21 amount of estimated funds contracted with the department, the
22 amount of funds expended, the amount of funds returned to the
23 transportation funds, and any unreimbursed transportation-related
24 costs incurred but not billed to transportation funds. A copy of
25 the report shall be submitted to the auditor general, and the
26 report shall be subject to audit by the auditor general as provided
27 in subsection (3).

1 (3) In addition to the requirements of subsection (2), the
2 state treasurer shall develop a cost allocation plan to identify
3 the actual costs of work based on time and effort performed by the
4 department of treasury for state-restricted transportation funds.
5 The cost allocation plan shall specifically identify the costs of
6 collecting constitutionally restricted motor fuel taxes. The cost
7 allocation plan shall be submitted to the senate and house of
8 representatives standing committees on appropriations subcommittees
9 on general government, the senate and house fiscal agencies, the
10 auditor general, and the state budget director by November 1. The
11 cost allocation plan shall be subject to audit by the auditor
12 general.

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

1 Sec. 307. Before March 1 of each year, the department will
2 provide to the legislature, the state budget office, and the house
3 and senate fiscal agencies its rolling 5-year plan listing by
4 county or by county road commission all highway construction
5 projects for the fiscal year and all expected projects for the
6 ensuing fiscal years.

7 Sec. 308. The department and local road agencies that receive
8 appropriations under this act shall pursue compliance with contract
9 specifications for construction and maintenance of state highways
10 and local roads and streets. Work shall not be accepted and paid
11 for until it complies with contract requirements. Contractors with
12 unsatisfactory performance ratings shall be restricted from future
13 bidding through the prequalification process established by the
14 department or a local road agency. The department, county road
15 commissions, and cities and villages shall report to the house of
16 representatives and senate appropriations subcommittees on
17 transportation, the senate and house fiscal agencies, and the state
18 budget director on their respective activities under this section.

19 Sec. 309. The department shall continue its efforts to reduce
20 administrative costs and provide the maximum funding possible for
21 construction projects.

22 Sec. 310. The department shall provide in a timely manner
23 copies of the agenda and approved minutes of monthly transportation
24 commission meetings to the members of the house and senate
25 appropriations subcommittees on transportation, the house and
26 senate fiscal agencies, and the state budget director.

27 Sec. 312. At the close of the fiscal year, any unencumbered

1 and unexpended balance in the state trunkline fund shall remain in
2 the state trunkline fund and shall carry forward and is
3 appropriated for federal aid road and bridge programs for projects
4 contained in the annual state transportation program.

5 Sec. 313. (1) From funds appropriated in part 1, the
6 department may increase a state infrastructure bank program and
7 grant or loan funds in accordance with regulations of the state
8 infrastructure bank program of the United States department of
9 transportation. The state infrastructure bank is to be administered
10 by the department for the purpose of providing a revolving, self-
11 sustaining resource for financing transportation infrastructure
12 projects.

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

23 Sec. 314. The department shall provide a report prepared by
24 the department's internal auditor on the activities of the internal
25 auditor for the previous fiscal year. The report shall be due on
26 February 1 of each year and shall be submitted to the senate and
27 house of representatives appropriations committees, the senate and

1 house fiscal agencies, the director of the state budget office, and
2 the auditor general. This report shall include a list of all of the
3 following:

4 (a) All work activities conducted by the internal auditor,
5 including a listing of all audits, reviews, and investigations.

6 (b) The time charged to each work activity, including time
7 charged to each audit, review, or investigation.

8 (c) A listing of which audits, reviews, and investigations
9 have been completed and which audits, reviews, and investigations
10 have had reports of the results issued.

11 Sec. 319. The department shall post signs at each rest area to
12 identify the agency or contractor responsible for maintenance of
13 the rest area. The signs shall include a department telephone
14 number and shall indicate that unsafe or unclean conditions at the
15 rest area may be reported to that telephone number.

16 Sec. 321. In evaluating and awarding enhancement grants, the
17 department shall give preference to applicants which have adopted
18 complete streets policies. In addition, the department shall give
19 preference to enhancement grant applications which further complete
20 streets policy objectives. The department shall report to the house
21 and senate appropriations subcommittees on transportation, and the
22 house and senate fiscal agencies, on or before March 1, 2011, on
23 the specific actions taken to comply with the intent of this
24 section.

25 Sec. 322. Upon request of a university, the department shall
26 work with representatives of state public universities to assist in
27 the development and implementation of complete streets policies on

1 university road and street systems.

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. The department shall
9 report by September 30 of each year to the house and senate
10 appropriations subcommittees on transportation and the house and
11 senate fiscal agencies of its progress in complying with this
12 section.

13 Sec. 353. The department shall review its contractor payment
14 process and ensure that all prime contractors are paid promptly.
15 The department shall ensure that prime contractors are in
16 compliance with special provision 109.10 regarding the prompt
17 payment of subcontractors.

18 Sec. 357. When presented with complete local federal aid
19 project submittals, the department shall complete all necessary
20 reviews and inspections required to let local federal aid projects
21 within 120 days of receipt. The department shall implement a system
22 for monitoring the local federal aid project review process.

23 Sec. 374. The department shall produce and distribute all
24 employee newsletters electronically.

25 Sec. 375. The department is prohibited from reimbursing
26 contractors or consultants for costs associated with groundbreaking
27 ceremonies, receptions, open houses, or press conferences related

1 to transportation projects funded, in whole or in part, by revenue
2 appropriated in part 1.

3 Sec. 376. No later than March 1, 2011, the department shall
4 report to the senate and house appropriations subcommittees on
5 transportation on the status of the 17 projects that were initially
6 deferred in the department's 5-year plan in 2003 and subsequently
7 restored. It is the intent of the legislature that this be the
8 final report on the status of these 17 projects.

9 Sec. 383. (1) The department shall prepare a quarterly report
10 on all travel by executive branch employees, and others including
11 local public officials, university employees, and other public
12 employees on department-owned aircraft. The report shall include,
13 by department, the name of the traveler, the travel origination
14 location, the travel destination location, type of aircraft, and
15 the total estimated costs associated with the air travel.

16 (2) The report shall be submitted to the senate and house
17 appropriations subcommittees on transportation and the house and
18 senate fiscal agencies.

19 (3) From the funds appropriated in part 1, the department is
20 prohibited from transporting legislators or legislative staff on
21 state-owned aircraft without prior approval from the senate
22 majority leader or the speaker of the house of representatives and
23 only when the aircraft is already scheduled by state employees on
24 related official state business.

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

1 Sec. 384. (1) From the funds appropriated in part 1, the
2 department may expend from October 1, 2010 through December 31,
3 2010 an amount not to exceed \$250,000.00 of state transportation
4 revenue under any contract originally entered into before September
5 1, 2010 for the Detroit River International Crossing.

6 (2) From the funds appropriated in part 1, the department may
7 expend from January 1, 2011 through May 31, 2011 \$500,000.00 of
8 state transportation revenue under any contract originally entered
9 into before September 1, 2010 for the Detroit River International
10 Crossing.

11 (3) The department shall not commit the state to any new
12 contract related to the Detroit River International Crossing, after
13 September 1, 2010, unless the legislature has enacted specific
14 enabling legislation to allow for the construction of the Detroit
15 River International Crossing.

16 (4) Notwithstanding anything that may be to the contrary in
17 subsection (1), on or before March 31, 2011, the department shall
18 report to the state budget director, the house and senate
19 appropriations subcommittees on transportation, and the house and
20 senate fiscal agencies on department activities related to the
21 Detroit River International Crossing.

22 (5) If the legislature enacts specific enabling legislation
23 for the construction of the Detroit River International Crossing,
24 subsections (1), (2), and (3) do not apply once the enabling
25 legislation goes into effect.

26 Sec. 385. The department shall not use toll credits generated
27 by a private tolled bridge crossing to finance, design, plan,

1 construct, operate, or maintain any international bridge crossing
2 within 5 miles of that privately tolled bridge.

3 Sec. 393. The department shall promote best practices for
4 public transportation services in this state, including, but not
5 limited to, the following:

6 (a) Transit vehicle rehabilitation to reduce life-cycle cost
7 of public transportation through mid-life rehabilitation of transit
8 buses.

9 (b) Coordination with the Michigan economic development
10 corporation to promote transition of bus fleets hybrid transit
11 vehicles with a view to promotion of fuel economy.

12 (c) Cooperation between entities using transit, including
13 school districts, cities, townships, and counties with a view to
14 promoting cost savings through joint purchasing of fuel and other
15 procurements.

16 (d) Coordination of transportation dollars among state
17 departments which provide transit-related services, including the
18 department of human services and the department of community
19 health. Priority should be given to use of public transportation
20 services where available.

21 (e) Promotion of intelligent transportation services for buses
22 that incorporate computer and navigation technology to make
23 transit systems more efficient, including stoplight coordinating,
24 vehicle tracking, data tracking, and computerized scheduling.

25 Sec. 394. (1) From the funds appropriated in part 1, the
26 department shall conduct a study, in consultation with the county
27 road association of Michigan and the Michigan municipal league, of

1 the current statutory formulae for the distribution of state and
2 federal revenue for surface transportation programs. The study
3 shall include an analysis of alternative distribution strategies
4 and a discussion of the extent to which current and alternative
5 distribution formulae contribute to statewide transportation goals.
6 The study shall include all of the following:

7 (a) A discussion of alternative distribution strategies for
8 state and local road and street programs, including distribution
9 methods based on vehicle miles traveled as compared to lane miles.

10 (b) A comparison of vehicle miles traveled to lane miles for
11 the sampled geographical areas as well as comparisons to other
12 states and an evaluation of best practices.

13 (c) A discussion of alternative methods of distributing state
14 operating assistance for local bus transit programs, including an
15 analysis of incentives for those agencies which demonstrate
16 efficient use of resources and increasing ridership levels.

17 (d) An analysis of the fiscal impact of alternative strategies
18 to individual transit and road agencies.

19 (2) The department shall deliver a report on the findings of
20 the study by March 1, 2011 to the house and senate appropriations
21 subcommittees on transportation, the house and senate
22 transportation committees, the house and senate fiscal agencies,
23 and the state budget director.

24 Sec. 395. It is the intent of the legislature that the
25 department assume jurisdiction of county road C-56 between US-31 at
26 Charlevoix and M-75 at Boyne City in Charlevoix County.

27 Sec. 398. The appropriation included in part 1 to a nonprofit

1 street railway is pursuant to section 10e(22) of 1951 PA 51, MCL
2 247.660e. A nonprofit street railway receiving appropriations from
3 part 1 shall submit a quarterly report to the department,
4 including, but not limited to, the construction spending, operating
5 cost, revenue, and ridership, for the preceding fiscal quarter no
6 later than 60 days after the end of the quarter.

7 Sec. 399. The appropriation in section 118 for transit-
8 oriented development is intended to provide matching funds for
9 transit-oriented development projects, including, but not limited
10 to, high-speed rail, commuter and light rail, or fixed-guideway
11 projects.

12 **FEDERAL**

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

22 Sec. 402. A portion of the federal DOT-FHWA highway research,
23 planning, and construction funds made available to the state shall
24 be allocated to transportation programs administered by local
25 jurisdictions in accordance with section 10o of 1951 PA 51, MCL
26 247.660o. A local road agency, with respect to a project approved

1 for federal aid funding in a state transportation improvement
2 program, may enter into a voluntary buyout agreement with the
3 department or with another local road agency to exchange the
4 federal aid with state restricted transportation funds as agreed to
5 by the respective parties. The state restricted transportation
6 funds received in exchange for federal aid funds shall be used for
7 the same purpose as the federal aid funds were originally intended.

8 **MICHIGAN TRANSPORTATION FUND**

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

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

22 Sec. 503. (1) The funds appropriated in part 1 for the
23 economic development and local bridge programs shall not lapse at
24 the end of the fiscal year but shall carry forward each fiscal year
25 for the purposes for which appropriated in accordance with 1987 PA
26 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL

1 247.660.

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

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

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

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

25 **STATE TRUNKLINE FUND**

26 Sec. 601. The department shall work with the road construction

1 industry and engineering consulting community to develop
2 performance and road construction warranties for construction
3 contracts. The development of warranties shall include warranties
4 on materials, workmanship, performance criteria, and design/build
5 projects. The department will report by September 30 of each
6 calendar year to the house of representatives and senate
7 appropriations subcommittees on transportation, the state budget
8 director, and the house and senate fiscal agencies on the status of
9 efforts to develop performance and road construction warranties.

10 Sec. 602. If the department uses manufactured pipe for road
11 construction drainage, the department shall require that pipe used
12 under certain load-bearing conditions beneath the roadway meets the
13 standards established by the American society for testing and
14 materials (ASTM) or American association of state highway and
15 transportation officials (AASHTO). The department may also use the
16 mandrel test for manufactured pipe 60 days after installation and
17 provide a summary of the results of these inspections to the house
18 of representatives and senate appropriations subcommittees on
19 transportation and house and senate fiscal agencies.

20 Sec. 603. The department shall use traffic congestion as 1 of
21 the criteria in determining the priorities for designating which
22 roads shall be remediated in its 5-year road plan, which must be
23 submitted on or before March 1 of each year. Criteria for
24 evaluating traffic congestion shall include, but not be limited to,
25 coordination with local, county, and regional planning, improvement
26 in traffic operations, improvement in physical roadway conditions,
27 accident reduction, and coordination with area public

1 transportation planning.

2 Sec. 604. It is the intent of the legislature that the
3 department shall place signs designed in compliance with the
4 Michigan manual on uniform traffic control devices for streets and
5 highways at each highway construction work zone subject to the
6 jurisdiction of the department. The signs shall notify the
7 operators of vehicles in a work zone of the increased fines and
8 penalties provided for the protection and safety of construction
9 workers and the public under section 601b of the Michigan vehicle
10 code, 1949 PA 300, MCL 257.601b.

11 Sec. 607. It is the intent of the legislature that the
12 Michigan department of transportation work to add a southbound
13 entrance ramp at the interchange of I-75 at Corunna Road in the
14 charter township of Flint.

15 Sec. 608. From the amounts appropriated in part 1 for forest
16 roads from the transportation economic development fund, \$40,000.00
17 shall be used for the purpose of establishing 2 additional truck
18 inspection stations. The department shall work directly with
19 representatives of the timber industry to educate truck drivers on
20 the use of the stations. The department shall report on the status
21 of this program.

22 Sec. 610. It is the intent of the legislature that the
23 department have as a priority the removal of dead deer and other
24 large animal remains from the traveled portion and shoulder of
25 state highways. The department, and counties that perform state
26 highway maintenance under contract, shall remove animal remains,
27 wherever practicable, away from the traveled portion and shoulder

1 of state highways.

2 Sec. 612. The department shall establish guidelines governing
3 incentives and disincentives provided under contracts for state
4 trunkline projects. The guidelines shall include specific financial
5 information concerning incentives and disincentives. On or before
6 January 1 of each year, the department shall prepare a report for
7 the immediately preceding fiscal year regarding contract incentives
8 and disincentives. This report shall include a list, by project, of
9 the contractors that received contract incentives and/or
10 disincentives, the amount of the incentives and/or disincentives,
11 and the number of days that each project was completed either ahead
12 or past the contracted completion date. This report shall be
13 provided to the senate and house appropriations subcommittees on
14 transportation, the senate and house standing committees on
15 transportation, and the senate and house fiscal agencies.

16 Sec. 615. It is the intent of the legislature that the
17 department shall proceed with the construction of a full
18 interchange at the intersection of M-48 and I-75 in Chippewa
19 County. It is the intent of the legislature that the department
20 develop design plans and award the construction contract for this
21 project during the fiscal year ending September 30, 2011.

22 Sec. 654. It is the intent of the legislature that the
23 Mackinac Bridge Authority work to protect the long-term viability
24 of the Mackinac Bridge.

25 Sec. 656. It is the intent of the legislature that the
26 department upgrade that section of M-49 from M-99 to US-12 to
27 standards necessary for designation as a designated highway as

1 provided under sections 717 and 718 of the Michigan vehicle code,
2 1949 PA 300, MCL 257.717 and 257.718, and for inclusion as a
3 "green" special designated highway on the department's truck
4 operator's map.

5 Sec. 658. It is the intent of the legislature that the
6 department proceed with the reconstruction of the interchange at I-
7 196 and Phoenix Road in South Haven.

8 Sec. 659. For pavement projects for which there are no
9 Michigan actual historic project maintenance, repair, and
10 resurfacing schedules and costs as recorded by the pavement
11 management system, the department may use actual historical and
12 comparable data for equivalent designs from states with similar
13 climates, soil structures, and vehicle traffic.

14 Sec. 660. The legislature encourages the department to examine
15 the use of alternative road surface materials, including recycled
16 materials, and to develop criteria and specifications for its use
17 in both department-managed and contracted projects.

18 Sec. 661. It is the intent of the legislature that the
19 department complete engineering design work and right-of-way
20 acquisitions for the proposed expressway project along US-127 from
21 St. Johns in Clinton County to Ithaca in Gratiot County.

22 Sec. 662. It is the intent of the legislature that the
23 department shall work with the Graafschap Fire Department and
24 Laketown Township to develop a gated, limited access point along
25 US-31 in Allegan County in order to improve emergency response
26 times along this highway.

27 Sec. 664. It is the intent of the legislature that if actual

1 state-restricted revenue deposited to the Michigan transportation
2 fund exceeds the revenue estimates upon which the appropriations in
3 part 1 of this act were based, the department shall give priority
4 to reinstating delayed and deferred projects.

5 Sec. 665. It is the intent of the legislature that from the
6 funds appropriated in part 1, the department shall not purchase
7 property in Watervliet Charter Township along Interstate 94 for the
8 purpose of constructing a new rest area.

9 **COMPREHENSIVE TRANSPORTATION FUND**

10 Sec. 701. Money that is received by the state as a lease
11 payment for state-owned intercity bus equipment is not money to be
12 deposited in the comprehensive transportation fund under section
13 10b of 1951 PA 51, MCL 247.660b, but is money that is deposited in
14 an intercity bus equipment fund for appropriation for the purchase
15 and repair of intercity bus equipment. Proceeds received by the
16 state from the sale of intercity bus equipment are deposited in an
17 intercity bus equipment fund for appropriation for the purchase and
18 repair of intercity bus equipment. Security deposits from the lease
19 of state-owned intercity bus equipment not returned to the lessee
20 of the equipment under terms of the lease agreement are deposited
21 in an intercity bus equipment fund for appropriation for the repair
22 of intercity bus equipment. At the close of the fiscal year, any
23 funds remaining in the intercity bus equipment fund shall remain in
24 the fund and be carried forward into the succeeding fiscal year.

25 Sec. 702. Money that is received by the state as repayment for
26 loans made for rail or water freight capital projects, and as a

1 result of the sale of property or equipment used or projected to be
2 used for rail or water freight projects shall be deposited in the
3 fund created by section 17 of the state transportation preservation
4 act of 1976, 1976 PA 295, MCL 474.67. At the close of the fiscal
5 year, any funds remaining in the rail freight fund shall remain in
6 the fund and be carried forward into the succeeding fiscal year.

7 Sec. 703. After receiving notification from a railroad company
8 pursuant to section 8 of the state transportation preservation act
9 of 1976, 1976 PA 295, MCL 474.58, the department shall immediately
10 notify the house of representatives and senate appropriations
11 subcommittees on transportation and the state budget office that
12 the railroad company has filed with the appropriate governmental
13 agencies for abandonment of a line.

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

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

27 Sec. 709. (1) The following bus routes are designated as an

1 essential corridor in Michigan:

2 Between St. Ignace and Escanaba US-2

3 Between Escanaba and Duluth US-2 through Ironwood to the

4 state line

5 Between Calumet and Escanaba US-41

6 Between Escanaba and Milwaukee US-41 through Menominee to

7 the state line

8 Between St. Ignace and

9 Sault Ste. Marie I-75

10 Between Detroit and Chicago I-94 from Detroit to the

11 state line

12 Between Detroit and Muskegon I-96

13 Between Grand Rapids, Holland,

14 and Benton Harbor I-196 to I-94

15 Between Muskegon and Grand

16 Rapids US-31, I-96

17 Between Detroit and Bay City I-75

18 Between Bay City and Mount

19 Pleasant US-10, M-20

20 Between Jackson and Traverse US-127, US-27, I-75,

21 City Grayling,

22 Gaylord, M-72 to Traverse

23 City

24 Between Jackson and I-69, I-94 to the state line

25 Indianapolis through Albion, Marshall,

26 and Coldwater

27 Between Houghton Lake and

1	Cadillac	M-55 and M-66
2	Between Detroit and Toledo	I-75 to the state line
3	Between the Indiana state line	
4	and Traverse City	US-31 and I-196
5	Between Detroit and Port Huron	I-375 and I-94
6	Between Toledo and Bay City	US-23, I-75, and I-675, I-75
7	Between Bay City and Chicago	I-75, Flint, I-69, I-94,
8		Battle Creek, I-94 to the
9		state line
10	Between Flint and Lansing	I-69, M-21, Owosso, M-52,
11		I-69
12	Between Bay City and St. Ignace	I-75, US-23
13	Between Grand Rapids and	US-131, Cadillac, M-115,
14	St. Ignace	Mesick, M-37 to Traverse
15		City, US-31, Acme, M-72,
16		Kalkaska, US-131, Boyne
17		Falls, M-75, Walloon Lake,
18		US-131, Petoskey, US-31,
19		I-75, St. Ignace
20	Between Kalamazoo and Grand	
21	Rapids	US-131

22 (2) Any changes to the essential corridor list in subsection
 23 (1) shall be approved by the house and senate appropriations
 24 subcommittees on transportation.

25 (3) No entity shall receive operating assistance for a
 26 scheduled regular route service which is competing with another
 27 private or public carrier over the same route.

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

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

12 (3) Future state support for the service between Grand Rapids
13 and Chicago and Port Huron and Chicago is dependent on the
14 department's ability to provide a plan and a contract for services
15 that increase ridership and revenue, reduce operating costs, and
16 improve on-time performance.

17 (4) No state subsidy shall be provided from the funds
18 appropriated in part 1 if the chosen rail carrier is Amtrak and
19 Amtrak discontinued service or any portion of the service between
20 Port Huron and Chicago or Grand Rapids and Chicago during the
21 preceding fiscal year, unless the discontinuance of service was for
22 track maintenance or was caused by acts of God.

23 (5) For rail passenger service supported in any part through
24 capital or operating assistance from funds appropriated in this
25 act, the department shall work with the rail carrier to identify
26 ways in which reasonable transport of bicycles by passengers can be
27 accommodated.

1 Sec. 714. The department, in cooperation with local transit
2 agencies, shall work to ensure that demand-response services are
3 provided throughout Michigan. The department shall continue to work
4 with local units of government to address the unmet transit needs
5 in Michigan.

6 Sec. 731. The department shall charge public transit agencies
7 and intercity bus carriers equal rates per square foot for leasing
8 space in state-owned intermodal facilities.

9 Sec. 734. (1) The department shall ensure that all public
10 transit agencies provide the highest quality public transit service
11 by moving people in a cost-effective, safe, and user-friendly
12 manner that maintains and attracts residents and businesses.

13 (2) Public transit agencies receiving funds under part 1 shall
14 do all of the following:

15 (a) Provide efficient, cost-effective, safe, well-maintained,
16 reliable, customer-driven transportation services.

17 (b) Provide a quality work environment that has and fulfills
18 employee performance, productivity, and development standards.

19 (c) Identify and capture all available funding or create cost-
20 effective programs to eliminate debt and have a balanced budget.

21 (d) Maintain sufficient local and community funding.

22 (e) Support business development by providing transportation
23 to areas of employment and commerce, emerging or established
24 businesses, and health care facilities.

25 Sec. 740. The department shall report by March 1 of each year
26 to the house of representatives and senate appropriations
27 subcommittees on transportation, the house and senate fiscal

1 agencies, and the state budget director the encumbered and
2 unencumbered balances of the comprehensive transportation fund.

3 Sec. 741. The department shall report by March 1, 2011 to the
4 house of representatives and senate appropriations subcommittees on
5 transportation, the house and senate fiscal agencies, and the state
6 budget director on progress of operations on the Ann Arbor and NW
7 Michigan railroad, particularly concerning any use of the track
8 infrastructure for the purpose of supporting a passenger train
9 speed of 59 miles per hour.

10 Sec. 743. The legislature encourages the department to include
11 a hybrid-electric vehicle (HEV) option in all requests for proposal
12 for vehicles up to and including Class 5 purchased by or through
13 the department.

14 Sec. 745. From the funds appropriated in part 1 for
15 comprehensive transportation fund debt service, up to
16 \$13,200,000.00 shall be transferred to a restricted account in
17 compliance with the internal revenue code of 1986, as required by
18 comprehensive transportation refunding bonds series 2009.

19 **AERONAUTICS FUND**

20 Sec. 801. Except as otherwise provided in section 903 for
21 capital outlay, at the close of the fiscal year, any unobligated
22 and unexpended balance in the state aeronautics fund created in the
23 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1
24 to 259.208, shall lapse to the state aeronautics fund and be
25 appropriated by the legislature in the immediately succeeding
26 fiscal year.

1 **CAPITAL OUTLAY**

2 Sec. 901. (1) From federal-state-local project appropriations
3 contained in part 1 for the purpose of assisting political entities
4 and subdivisions of this state in the construction and improvement
5 of publicly used airports and landing fields within this state, the
6 state transportation department may permit the award of contracts
7 on behalf of units of local government for the authorized locations
8 not to exceed the indicated amounts, of which the state allocated
9 portion shall not exceed the amount appropriated in part 1.

10 (2) Political entities and subdivisions shall provide not less
11 than 2.5% of the cost of any project under this section, unless a
12 total nonfederal share greater than 5% is otherwise specified in
13 federal law. State money shall not be allocated until local money
14 is allocated. State money for any 1 project shall not exceed 1/3 of
15 the total appropriation in part 1 from state funds for airport
16 improvement programs.

17 (3) The Michigan aeronautics commission may take those steps
18 necessary to match federal money available for airport construction
19 and improvement within this state and to meet the matching
20 requirements of the federal government. Whether acting alone or
21 jointly with another political subdivision or public agency or with
22 this state, a political subdivision or public agency of this state
23 shall not submit to any agency of the federal government a project
24 application for airport planning or development unless it is
25 authorized in this act and the project application is approved by
26 the governing body of each political subdivision or public agency

1 making the application and by the Michigan aeronautics commission.

2 Sec. 902. Before the end of each fiscal year, the state
3 transportation department shall report to the house and senate
4 appropriations subcommittees on transportation the status of
5 airport improvement projects funded in part 1 with the estimated
6 dollars allocated for each project. If there has to be a delay in
7 reporting, the state transportation department shall notify the
8 house and senate appropriations subcommittees on transportation in
9 writing of the date the report will be received.

10 Sec. 903. The appropriations in part 1 for capital outlay
11 shall be carried forward at the end of the fiscal year consistent
12 with the provisions of section 248 of the management and budget
13 act, 1984 PA 431, MCL 18.1248.

14 Sec. 904. (1) The director shall allocate lump-sum
15 appropriations made in this act consistent with statutory
16 provisions and the purposes for which funds were appropriated.
17 Lump-sum allocations shall address priority program or facility
18 needs and may include, but are not limited to, design,
19 construction, remodeling and addition, special maintenance, major
20 special maintenance, energy conservation, and demolition.

21 (2) The state budget director may authorize that funds
22 appropriated for lump-sum appropriations and designated as work
23 project appropriations shall be available for no more than 3 fiscal
24 years following the fiscal year in which the original appropriation
25 was made. Any remaining balance from allocations made in this
26 section shall lapse to the fund from which it was appropriated
27 pursuant to the lapsing of funds as provided in the management and

1 budget act, 1984 PA 431, MCL 18.1101 to 18.1594.