

HOUSE BILL No. 4449

EXECUTIVE BUDGET BILL

February 24, 2009, Introduced by Rep. Gonzales 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, 2010; 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, 2010, 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..... \$ 3,268,120,900

Total interdepartmental grants and intradepartmental

transfers 0

ADJUSTED GROSS APPROPRIATION..... \$ 3,268,120,900

Federal revenues:

Total federal revenues..... 1,226,704,500

Special revenue funds:

Total local revenues..... 56,073,400

Total private revenues..... 0

Total other state restricted revenues..... 1,985,343,000

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

Sec. 102. DEBT SERVICE

State trunkline..... \$ 203,125,200

Economic development..... 9,228,200

Local bridge fund..... 3,318,700

Blue Water Bridge fund..... 2,149,600

Airport safety and protection plan..... 3,472,400

Comprehensive transportation..... 29,843,200

GROSS APPROPRIATION..... \$ 251,137,300

1	Appropriated from:		
2	Federal revenues:		
3	DOT-FHWA, highway research, planning, and construction		57,663,500
4	Special revenue funds:		
5	Blue Water Bridge fund.....		2,149,600
6	Comprehensive transportation fund.....		29,843,200
7	Economic development fund.....		9,228,200
8	Local bridge fund.....		3,318,700
9	State aeronautics fund.....		3,472,400
10	State trunkline fund.....		145,461,700
11	State general fund/general purpose.....	\$	0
12	Sec. 103. COLLECTION, ENFORCEMENT, AND OTHER AGENCY		
13	SUPPORT SERVICES		
14	MTF grant to department of state for collection of		
15	revenue and fees	\$	20,000,000
16	MTF grant to department of treasury.....		7,440,700
17	MTF grant to legislative auditor general.....		204,300
18	STF grant to department of attorney general.....		2,867,400
19	STF grant to civil service commission.....		5,697,000
20	STF grant to department of management and budget		1,188,300
21	STF grant to department of state police.....		9,808,000
22	STF grant to department of treasury.....		179,100
23	STF grant to legislative auditor general.....		474,600
24	SAF grant to department of attorney general.....		160,300
25	SAF grant to civil service commission.....		150,000
26	SAF grant to department of management and budget		24,700
27	SAF grant to department of treasury.....		74,700

1	SAF grant to legislative auditor general	19,600
2	CTF grant to department of attorney general	162,400
3	CTF grant to civil service commission	200,000
4	CTF grant to department of management and budget	34,800
5	CTF grant to department of treasury	4,100
6	CTF grant to legislative auditor general	<u>25,200</u>
7	GROSS APPROPRIATION	\$ 48,715,200
8	Appropriated from:	
9	Special revenue funds:	
10	Comprehensive transportation fund	426,500
11	Michigan transportation fund	27,645,000
12	State aeronautics fund	429,300
13	State trunkline fund	20,214,400
14	State general fund/general purpose	\$ 0
15	Sec. 104. EXECUTIVE DIRECTION	
16	Full-time equated unclassified positions	6.0
17	Full-time equated classified positions	31.3
18	Unclassified salaries	\$ 602,800
19	Asset management council	1,626,400
20	Commission audit--31.3 FTE positions	<u>3,574,600</u>
21	GROSS APPROPRIATION	\$ 5,803,800
22	Appropriated from:	
23	Special revenue funds:	
24	Michigan transportation fund	1,626,400
25	State trunkline fund	4,177,400
26	State general fund/general purpose	\$ 0
27	Sec. 105. BUSINESS SUPPORT	

1	Full-time equated classified positions.....	57.0	
2	Business support services--48.0 FTE positions		\$ 6,076,300
3	Economic development and enhancement programs--9.0 FTE		
4	positions		1,175,200
5	Property management.....		8,642,100
6	Worker's compensation.....		<u>1,726,700</u>
7	GROSS APPROPRIATION.....		\$ 17,620,300
8	Appropriated from:		
9	Special revenue funds:		
10	Comprehensive transportation fund.....		1,128,300
11	Economic development fund.....		482,700
12	Michigan transportation fund.....		185,000
13	State aeronautics fund.....		549,600
14	State trunkline fund.....		15,274,700
15	State general fund/general purpose		\$ 0
16	Sec. 106. INFORMATION TECHNOLOGY		
17	Information technology services and projects		<u>\$ 29,313,200</u>
18	GROSS APPROPRIATION.....		\$ 29,313,200
19	Appropriated from:		
20	Federal revenues:		
21	DOT-FHWA, highway research, planning, and construction		510,800
22	Special revenue funds:		
23	Blue Water Bridge fund.....		48,200
24	Comprehensive transportation fund.....		188,800
25	Economic development fund.....		37,100
26	Michigan transportation fund.....		249,400
27	State aeronautics fund.....		147,400

1	State trunkline fund.....	28,131,500
2	State general fund/general purpose.....	\$ 0
3	Sec. 107. FINANCE, CONTRACTS, AND SUPPORT SERVICES	
4	Full-time equated classified positions.....	243.5
5	Finance, contracts, and support services--188.5 FTE	
6	positions	\$ 20,071,800
7	Welcome center operations--55.0 FTE positions	<u>4,986,500</u>
8	GROSS APPROPRIATION.....	\$ 25,058,300
9	Appropriated from:	
10	Special revenue funds:	
11	Michigan transportation fund.....	1,625,200
12	State trunkline fund.....	23,433,100
13	State general fund/general purpose.....	\$ 0
14	Sec. 108. TRANSPORTATION PLANNING	
15	Full-time equated classified positions.....	176.0
16	Transportation planning services--176.0 FTE positions	\$ 19,429,600
17	Specialized planning services and local studies	16,698,200
18	Grants to regional planning councils.....	<u>488,800</u>
19	GROSS APPROPRIATION.....	\$ 36,616,600
20	Appropriated from:	
21	Federal revenues:	
22	DOT-FHWA, highway research, planning, and construction	22,000,000
23	Special revenue funds:	
24	Comprehensive transportation fund.....	960,300
25	Michigan transportation fund.....	6,304,500
26	State aeronautics fund.....	75,000
27	State trunkline fund.....	7,276,800

1	State general fund/general purpose	\$	0
2	Sec. 109. DESIGN AND ENGINEERING SERVICES		
3	Full-time equated classified positions		1,494.8
4	Engineering services--787.1 FTE positions	\$	62,992,700
5	Program services--695.7 FTE positions		40,423,400
6	Intelligent transportation systems operations--12.0		
7	FTE positions		<u>10,785,400</u>
8	GROSS APPROPRIATION	\$	114,201,500
9	Appropriated from:		
10	Federal revenues:		
11	DOT-FHWA, highway research, planning, and construction		23,529,800
12	Special revenue funds:		
13	Michigan transportation fund		5,835,200
14	State trunkline fund		84,836,500
15	State general fund/general purpose	\$	0
16	Sec. 110. HIGHWAY MAINTENANCE		
17	Full-time equated classified positions		834.7
18	State trunkline operations--834.7 FTE positions	\$	<u>286,528,100</u>
19	GROSS APPROPRIATION	\$	286,528,100
20	Appropriated from:		
21	Special revenue funds:		
22	State trunkline fund		286,528,100
23	State general fund/general purpose	\$	0
24	Sec. 111. ROAD AND BRIDGE PROGRAMS		
25	State trunkline federal aid and road and bridge		
26	construction	\$	794,418,800
27	Local federal aid and road and bridge construction ...		248,751,000

1	Grants to local programs.....	33,000,000
2	Rail grade crossing.....	3,000,000
3	Local bridge program.....	26,905,000
4	County road commissions.....	568,937,400
5	Cities and villages.....	<u>317,208,000</u>
6	GROSS APPROPRIATION.....	\$ 1,992,220,200
7	Appropriated from:	
8	Federal revenues:	
9	DOT-FHWA, highway research, planning, and construction	955,963,600
10	Special revenue funds:	
11	Local funds.....	30,000,000
12	Blue Water Bridge fund.....	7,107,300
13	Local bridge fund.....	26,905,000
14	Michigan transportation fund.....	922,145,400
15	State trunkline fund.....	50,098,900
16	State general fund/general purpose.....	\$ 0
17	Sec. 112. BLUE WATER BRIDGE	
18	Full-time equated classified positions.....	41.0
19	Blue Water Bridge operations--41.0 FTE positions.....	\$ <u>5,401,200</u>
20	GROSS APPROPRIATION.....	\$ 5,401,200
21	Appropriated from:	
22	Special revenue funds:	
23	Blue Water Bridge fund.....	5,401,200
24	State general fund/general purpose.....	\$ 0
25	Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT	
26	Forest roads.....	\$ 5,000,000
27	Rural county urban system.....	2,500,000

1	Target industries/economic redevelopment	20,863,400
2	Urban county congestion.....	8,681,800
3	Rural county primary.....	<u>8,681,800</u>
4	GROSS APPROPRIATION.....	\$ 45,727,000
5	Appropriated from:	
6	Special revenue funds:	
7	Economic development fund.....	45,727,000
8	State general fund/general purpose.....	\$ 0
9	Sec. 114. AERONAUTICS AND FREIGHT SERVICES	
10	Full-time equated classified positions.....	84.0
11	Aeronautics services--56.0 FTE positions.....	\$ 7,203,100
12	Freight and safety services--28.0 FTE positions.....	3,562,700
13	Air service program.....	<u>464,600</u>
14	GROSS APPROPRIATION.....	\$ 11,230,400
15	Appropriated from:	
16	Special revenue funds:	
17	Comprehensive transportation fund.....	1,541,400
18	Michigan transportation fund.....	2,021,300
19	State aeronautics fund.....	7,667,700
20	State general fund/general purpose.....	\$ 0
21	Sec. 115. PUBLIC TRANSPORTATION SERVICES	
22	Full-time equated classified positions.....	46.0
23	Passenger transportation services--46.0 FTE positions	\$ <u>5,455,400</u>
24	GROSS APPROPRIATION.....	\$ 5,455,400
25	Appropriated from:	
26	Federal revenues:	
27	DOT, federal transit act.....	762,100

1	Special revenue funds:	
2	Comprehensive transportation fund.....	4,490,300
3	Michigan transportation fund.....	203,000
4	State general fund/general purpose.....	\$ 0
5	Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING	
6	Local bus operating.....	\$ 166,624,000
7	Nonurban operating/capital.....	<u>21,800,000</u>
8	GROSS APPROPRIATION.....	\$ 188,424,000
9	Appropriated from:	
10	Federal revenues:	
11	DOT, federal transit act.....	21,000,000
12	Special revenue funds:	
13	Local fund.....	800,000
14	Comprehensive transportation fund.....	166,624,000
15	State general fund/general purpose.....	\$ 0
16	Sec. 117. INTERCITY PASSENGER AND FREIGHT	
17	Freight property management.....	\$ 1,000,000
18	Detroit/Wayne County port authority.....	468,200
19	Intercity services.....	7,250,000
20	Rail passenger service.....	8,667,000
21	Freight preservation and development.....	3,364,200
22	Marine passenger service.....	374,600
23	Terminal development.....	<u>150,000</u>
24	GROSS APPROPRIATION.....	\$ 21,274,000
25	Appropriated from:	
26	Federal revenues:	
27	DOT, federal transit act.....	4,500,000

1	DOT-FRA, local rail service assistance	100,000
2	DOT-FRA, rail passenger/HSGT	3,000,000
3	Special revenue funds:	
4	Local funds	50,000
5	Comprehensive transportation fund	9,624,000
6	Intercity bus equipment fund	2,000,000
7	Rail freight fund	2,000,000
8	State general fund/general purpose	\$ 0
9	Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT	
10	Specialized services	\$ 7,248,100
11	Municipal credit program	1,873,000
12	Bus capital	38,178,200
13	Van pooling	195,000
14	Service initiatives	1,050,000
15	Transportation to work	<u>9,136,400</u>
16	GROSS APPROPRIATION	\$ 57,680,700
17	Appropriated from:	
18	Federal revenues:	
19	DOT, federal transit act	32,800,000
20	Special revenue funds:	
21	Local funds	9,200,000
22	Comprehensive transportation fund	15,680,700
23	State general fund/general purpose	\$ 0
24	Sec. 119. CAPITAL OUTLAY	
25	(1) BUILDINGS AND FACILITIES	
26	Special maintenance, remodeling, and additions	\$ <u>2,288,000</u>
27	GROSS APPROPRIATION	\$ 2,288,000

1 Appropriated from:

2 Special revenue funds:

3 State trunkline fund..... 2,288,000

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

5 **(2) AIRPORT IMPROVEMENT PROGRAMS**

6 Airport safety, protection and improvement program... \$ 123,425,700

7 GROSS APPROPRIATION..... \$ 123,425,700

8 Appropriated from:

9 Federal revenues:

10 DOT, federal aviation administration..... 104,874,700

11 Special revenue funds:

12 Local funds..... 16,023,400

13 State aeronautics fund..... 2,527,600

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

15 **PART 2**

16 **PROVISIONS CONCERNING APPROPRIATIONS**

17 **GENERAL SECTIONS**

18 Sec. 201. Pursuant to section 30 of article IX of the state
 19 constitution of 1963, total state spending from state resources
 20 under part 1 for fiscal year 2009-2010 is \$1,985,343,000 and state
 21 spending from state resources to be paid to local units of
 22 government for fiscal year 2009-2010 is \$1,180,335,900. The
 23 itemized statement below identifies appropriations from which
 24 spending to units of local government will occur:

25 DEPARTMENT OF TRANSPORTATION

1	Grants to local programs.....	\$	33,000,000
2	Economic development fund.....		45,727,000
3	Cities and villages.....		317,208,000
4	County road commissions.....		568,937,400
5	Local bridge program.....		26,905,000
6	Grants to regional planning councils.....		488,800
7	Local bus operating.....		166,624,000
8	Bus capital.....		5,178,200
9	Marine passenger service.....		374,600
10	Detroit/Wayne County port authority.....		468,200
11	Municipal credit program.....		1,873,000
12			
13	Specialized services.....		3,848,100
14	Transportation to work.....		4,536,400
15	Terminal development.....		75,000
16	Air service program.....		464,600
17	Rail grade crossing.....		2,100,000
18	CAPITAL OUTLAY		
19	Airport safety, protection, and improvement program..		2,527,600
20	Total payments to local units of government.....	\$	1,180,335,900
21	Sec. 202. The appropriations authorized under this bill are		
22	subject to the management and budget act, 1984 PA 431, MCL 18.1101		
23	to 18.1594.		
24	Sec. 203. As used in this bill:		
25	(a) "AASHTO" means American association of state highway and		
26	transportation officials.		
27	(b) "ASTM" means American society for testing and materials.		
28	(c) "CTF" means comprehensive transportation fund.		

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

2 (e) "DOT" means the United States department of
3 transportation.

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

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

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

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

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

10 (k) "MTF" means Michigan transportation fund.

11 (l) "RIF" means recreation improvement fund.

12 (m) "SAF" means state aeronautics fund.

13 (n) "STF" means state trunkline fund.

14 Sec. 204. The civil service commission shall bill `departments
15 and agencies at the end of the first fiscal quarter for the charges
16 authorized by section 5 of article XI of the state constitution of
17 1963. Payments shall be made for the total amount of the billing by
18 the end of the second fiscal quarter.

19 Sec. 206. (1) In addition to the funds appropriated in part 1,
20 there is appropriated an amount not to exceed \$200,000,000.00 for
21 federal contingency funds. These funds are not available for
22 expenditure until they have been transferred to another line item
23 in this bill under section 393(2) of the management and budget act,
24 1984 PA 431, MCL 18.1393.

25 (2) In addition to the funds appropriated in part 1, there is
26 appropriated an amount not to exceed \$40,000,000.00 for state
27 restricted contingency funds. These funds are not available for

1 expenditure until they have been transferred to another line item
2 in this bill under section 393(2) of the management and budget act,
3 1984 PA 431, MCL 18.1393.

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

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

16 Sec. 208. The department shall use the Internet to fulfill the
17 reporting requirements of this bill. This requirement may include
18 transmission of reports via electronic mail to the recipients
19 identified for each reporting requirement, or it may include
20 placement of reports on an Internet or Intranet site.

21 Sec. 209. Funds appropriated in part 1 shall not be used for
22 the purchase of foreign goods or services, or both, if
23 competitively priced and of comparable quality American goods or
24 services, or both, are available. Preference shall be given to
25 goods or services, or both, manufactured or provided by Michigan
26 businesses, if they are competitively priced and of comparable
27 quality. In addition, preference should be given to goods or

1 services, or both, that are manufactured or provided by Michigan
2 businesses owned and operated by veterans, if they are
3 competitively priced and of comparable quality.

4 Sec. 210. The director shall take all reasonable steps to
5 ensure businesses in deprived and depressed communities compete for
6 and perform contracts to provide services or supplies, or both. The
7 director shall strongly encourage firms with which the department
8 contracts to subcontract with certified businesses in deprived and
9 depressed communities for services, supplies, or both.

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

16 Sec. 260. (1) Due to the current budgetary problems in this
17 state, out-of-state travel for the fiscal year ending September 30,
18 2010 shall be limited to situations in which 1 or more of the
19 following conditions apply:

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

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

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

1 (d) The travel is necessary to comply with federal
2 requirements.

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

5 (f) The travel is financed entirely by federal or nonstate
6 funds.

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

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

18 (b) The destination of each travel occurrence.

19 (c) The dates of each travel occurrence.

20 (d) A brief statement of the reason for each travel
21 occurrence.

22 (e) The transportation and related costs of each travel
23 occurrence, including the proportion funded with state general
24 fund/general purpose revenues, the proportion funded with state
25 restricted revenues, the proportion funded with federal revenues,
26 and the proportion funded with other revenues.

27 (f) A total of all out-of-state travel funded for the

1 immediately preceding fiscal year.

2 Sec. 262. Funds appropriated in part 1 shall not be used by a
3 principal executive department, state agency, or authority to hire
4 a person to provide legal services that are the responsibility of
5 the attorney general. This prohibition does not apply to legal
6 services for bonding activities and for those activities that the
7 attorney general authorizes.

8 DEPARTMENTAL SECTIONS

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

16 (2) A bridge authority shall hold 3 public hearings on an
17 increase in any toll charged by the authority at least 30 days
18 before the toll change will become effective. Two of the hearings
19 shall be held within 5 miles of the bridge over which the bridge
20 authority has jurisdiction. One hearing shall be held in Lansing.
21 Public hearings held under this section shall be conducted in
22 accordance with the open meetings act, 1976 PA 267, MCL 15.261 to
23 15.275, and shall be conducted so as to provide a reasonable
24 opportunity for public comment, including both spoken and written
25 comments.

26 Sec. 304. If, as a requirement of bidding on a highway

1 project, the department requires a contractor to submit financial
2 or proprietary documentation as to how the bid was calculated, that
3 bid documentation shall be kept confidential and shall not be
4 disclosed other than to a department representative without the
5 contractor's written consent. The department may disclose the bid
6 documentation if necessary to address or defend a claim by a
7 contractor.

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

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

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

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

25 (c) Detailed cost allocation methods appropriate to the type
26 of services being provided and the activities financed with
27 transportation funds.

1 (2) Not later than 2 months after publication of the state of
2 Michigan comprehensive annual financial report, each state
3 department receiving funding pursuant to an interdepartmental
4 contract with the department shall submit a written report to the
5 department, the state budget director, and the house and senate
6 fiscal agencies stating by spending authorization account the
7 amount of estimated funds contracted with the department, the
8 amount of funds expended, the amount of funds returned to the
9 transportation funds, and any unreimbursed transportation-related
10 costs incurred but not billed to transportation funds. A copy of
11 the report shall be submitted to the auditor general, and the
12 report shall be subject to audit by the auditor general as provided
13 in subsection (3).

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

1 state of Michigan comprehensive annual financial report.

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

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

16 Sec. 309. The department shall continue its efforts to reduce
17 administrative costs and provide the maximum funding possible for
18 construction projects.

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

24 Sec. 312. At the close of the fiscal year, any unencumbered
25 and unexpended balance in the state trunkline fund shall remain in
26 the state trunkline fund and shall carry forward and is
27 appropriated for federal aid road and bridge programs for projects

1 contained in the annual state transportation program.

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

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

20 Sec. 334. The department shall continue its program to
21 increase the use of women- and minority-owned businesses in state
22 and local road construction projects. This program shall comprise,
23 at a minimum, outreach and education efforts to inform women- and
24 minority-owned firms of department competitive bidding processes
25 and requirements, and an assessment of the availability of surety
26 for women- and minority-owned businesses.

27 Sec. 375. The department is prohibited from reimbursing

1 contractors or consultants for costs associated with groundbreaking
2 ceremonies, receptions, open houses, or press conferences related
3 to transportation projects funded, in whole or in part, by revenue
4 appropriated in part 1.

5 Sec. 383. The department shall maintain a system for
6 recovering the cost of operating department-owned aircraft through
7 charges to aircraft users.

8 **FEDERAL**

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

18 Sec. 402. A portion of the federal DOT-FHWA highway research,
19 planning, and construction funds made available to the state shall
20 be allocated to transportation programs administered by local
21 jurisdictions in accordance with section 10o of 1951 PA 51, MCL
22 247.660o. A local road agency, with respect to a project approved
23 for federal aid funding in a state transportation improvement
24 program, may enter into a voluntary buyout agreement with the
25 department or with another local road agency to exchange the
26 federal aid with state restricted transportation funds as agreed to

1 by the respective parties. The state-restricted transportation
2 funds received in exchange for federal aid funds shall be used for
3 the same purpose as the federal aid funds were originally intended.

4 **MICHIGAN TRANSPORTATION FUND**

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

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

18 Sec. 503. (1) The funds appropriated in part 1 for the
19 economic development and local bridge programs shall not lapse at
20 the end of the fiscal year but shall carry forward each fiscal year
21 for the purposes for which appropriated in accordance with 1987 PA
22 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL
23 247.660.

24 (2) Interest earned in the department of transportation
25 economic development fund and local bridge fund shall remain in the
26 respective funds and shall be allocated to the respective programs

1 based on actual interest earned at the end of each fiscal year.

2 (3) In addition to the funds appropriated in part 1, the
3 department of transportation economic development fund and local
4 bridge fund, federal, local, private or restricted source funds
5 such as interest earnings are appropriated for projects that are
6 consistent with the programmatic mission of the respective funds.

7 (4) None of the funds statutorily dedicated to the
8 transportation economic development fund and local bridge fund
9 shall be diverted to other projects.

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

20 **STATE TRUNKLINE FUND**

21 Sec. 601. The department shall work with the road construction
22 industry and engineering consulting community to develop
23 performance and road construction warranties for construction
24 contracts. The development of warranties shall include warranties
25 on materials, workmanship, performance criteria, and design/build
26 projects.

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

8 **COMPREHENSIVE TRANSPORTATION FUND**

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

24 Sec. 702. Money that is received by the state as repayment for
25 loans made for rail or water freight capital projects, and as a
26 result of the sale of property or equipment used or projected to be

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

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

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

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

24 (2) The rail carrier shall, as a condition to receiving a
25 state operating subsidy, maintain a system to monitor, collect, and
26 resolve customer complaints and shall make the information
27 available to the department, the house and senate appropriations

1 subcommittees on transportation, the state budget director, and the
2 house and senate fiscal agencies.

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

8 Sec. 742. For the fiscal year ending September 30, 2010, the
9 appropriation recommended by the governor to a street railway
10 pursuant to section 22 of 1951 PA 51, MCL 247.660E, is \$0.

11 AERONAUTICS FUND

12 Sec. 801. Except as provided for in section 903 for capital
13 outlay, at the close of the fiscal year, any unobligated and
14 unexpended balance in the state aeronautics fund created in the
15 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1
16 to 259.208, shall lapse to the state aeronautics fund and be
17 appropriated by the legislature in the immediately succeeding
18 fiscal year.

19 CAPITAL OUTLAY

20 Sec. 901. (1) From federal-state-local project appropriations
21 contained in part 1 for the purpose of assisting political entities
22 and subdivisions of this state in the construction and improvement
23 of publicly used airports and landing fields within this state, the
24 state transportation department may permit the award of contracts
25 on behalf of units of local government for the authorized locations

1 not to exceed the indicated amount, of which the state allocated
2 portion shall not exceed the amount appropriated in part 1.

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

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

21 Sec. 902. (1) The director shall allocate lump-sum
22 appropriations made in this bill consistent with statutory
23 provisions and the purposes for which funds were appropriated.
24 Lump-sum allocations shall address priority program or facility
25 needs and may include, but are not limited to, design,
26 construction, remodeling and addition, special maintenance, major
27 special maintenance, energy conservation, and demolition.

1 (2) The state budget director may authorize that funds
2 appropriated for lump-sum appropriations shall be available for no
3 more than 3 fiscal years following the fiscal year in which the
4 original appropriation was made. Any remaining balance from
5 allocations made in this section shall lapse to the fund from which
6 it was appropriated pursuant to the lapsing of funds as provided in
7 the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

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