

TRANSPORTATION
Summary: FY 2009-10
Conference Report for Senate Bill 254 (S-2)

Analyst: William E. Hamilton

IDG/IDT	FY 2008-09 YTD *	FY 2009-10 Executive	FY 2009-10 Senate	FY 2009-10 House	FY 2009-10 Conference	Difference: Conference From FY 2008-09 YTD	
						Amount	%
	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Federal	1,460,995,800	1,226,704,500	1,226,704,500	1,227,204,500	1,227,204,500	(234,291,300)	(16.0)
Local	71,624,200	56,073,400	56,073,400	56,073,400	56,073,400	(15,550,800)	(21.7)
Private	0	0	0	0	0	0	0.0
Restricted	2,068,009,200	1,985,343,000	1,961,843,000	1,973,383,000	1,974,470,100	(93,539,100)	(4.5)
GF/GP	0	0	0	0	0	0	0.0
Gross	\$3,600,629,200	\$3,268,120,900	\$3,244,620,900	\$3,256,660,900	\$3,257,748,000	(\$343,381,200)	(9.5)
FTEs	3,014.3	3,014.3	3,014.3	3,014.3	3,014.3	(0.0)	(0.0)

* FY 2008-09 YTD figure in this analysis reflects the \$12.0 million reduction made in Executive Order 2009-22, and a \$400,000 supplemental appropriation enacted as 2009 PA 64. The YTD figure does not include the supplemental appropriation of federal stimulus funds from the American Recovery and Reinvestment Act of 2009 (ARRA) made in 2009 PA 3 and 2009 PA 38. We felt that inclusion of ARRA funds in this analysis would distort year-to-year comparison. To date, \$903.4 million in ARRA funds have been appropriated in FY 2008-09. If ARRA funds were included, the total YTD authorization would be \$4,504,034,200.

Overview

The transportation budget supports state and local highway programs, public transportation programs, aeronautics programs, and administration of the Michigan Department of Transportation (MDOT). Approximately two-thirds of the budget is from constitutionally-restricted state revenue sources—primarily motor fuel taxes and vehicle registration taxes. These state revenues are first credited to the Michigan Transportation Fund (MTF) for distribution to other state transportation funds and programs, and to local road agencies, in accordance with 1951 PA 51. Approximately one-third of the budget is federal revenue. There is no state GF/GP revenue in this budget.

Major Budget Issues

Conference Report reflects a continuation budget; it follows the original Executive recommendation which proposed no new programs or revenue. Line item changes primarily reflect economic adjustments and/or adjustments of estimated restricted or federal revenue.

Conference Report appropriates:

- \$794.4 million for State trunkline construction programs – \$248.6 million less than the current year, reflecting anticipated reductions in state restricted revenue and estimated federal spending authority.
- \$886.1 million MTF (\$568.9 million to county road commissions, \$317.2 million to cities/villages). The appropriation is based on February 2009 MTF revenue estimates and Act 51 distribution formula; final distribution will be based on actual MTF revenue, which may be more or less than appropriations.
- \$230.5 million from the Comprehensive Transportation Fund (CTF) for public transportation programs; \$10.1 million less than the current year, reflecting anticipated reduction in CTF revenue. The Conference Report not recognize the Senate-proposed \$11.5 million redirection of auto-related sales tax from the Comprehensive Transportation Fund (CTF) to the state General Fund, and generally follows the Executive recommendation with regard to CTF-funded public transportation programs, including *Local bus operating* assistance, and *Rail passenger* programs.

The Conference Report:

- Reflects a proposed redirection of \$12.0 million from Category A (Target Industries) of the Transportation Economic Development Fund (TEDF) program
- Includes a \$40,000 boilerplate earmark related to the TEDF Forest roads program
- Recognizes a \$500,000 (federal) increase in debt service
- Includes a \$1.1 million Interdepartmental Grant (IDG) from the MTF for the MDEQ permitting program

The Conference adopts new language regarding the Detroit River International Crossing (DRIC) in Section 384.

Major Budget Changes From FY 2008-09 YTD Appropriations		FY 2008-09 YTD	Conference Change From YTD	
1. Debt Service		Gross	\$192,003,600	\$59,633,700
Appropriations \$251.6 million for FY 2009-10, reflecting anticipated debt service schedules.		Federal	22,783,300	35,380,200
		Restricted	169,220,300	24,253,500
Conference Report adopts House (revised Executive) – \$500,000 more in federal authorization than the original Executive recommendation and Senate-passed bill.				
2. Grants to Other State Departments		Gross	\$48,949,800	\$852,500
Reflects economic increases of \$923,600. Appropriation includes MTF IDGs to Department of State, \$20.0 million (same as current year), and Department of Treasury, \$7.4 million (\$289,900 more than current year) for cost of collecting MTF revenue.		Restricted	48,949,800	852,500
Conference Report includes a \$1,087,100 MTF IDG to MDEQ for permitting functions; the Executive had proposed turning this function to the federal government.				
3. Executive Direction		FTEs	37.3	(0.0)
Appropriates \$5,803,800; reflects economic increases of \$61,500.		Gross	\$5,742,300	\$61,500
		Restricted	5,742,300	61,500
Senate and House agree with Executive recommendation in total but the Senate had unrolled Unclassified salaries into six separate lines for Director, Communications Director, Government Affairs Director, Business Development Director, and UPTRAN Director, and had unrolled the <i>Office of Commission Audits</i> line into separate lines for salaries and fringe benefits, travel, and other operating expenses.				
Conference Report concurs with Executive/House.				
4. Business Support		FTEs	57.0	(0.0)
The appropriations unit includes line items for <i>Business support, Economic development and enhancement, Property management, and Worker's compensation.</i>		Gross	\$17,165,400	\$429,500
		Restricted	17,165,400	429,500
Appropriates \$17,594,900. Line reflects economic increases of \$514,200; transfer of Civil service costs, \$3,000; and internal cost allocation, (\$62,300).				
Senate reduced CTF funding by \$25,400 in order to increase <i>Marine passenger</i> funding. Conference Report concurs with the Senate appropriation, but does not unroll lines to salary and wages/travel/ other operating expense detail.				
5. Information Technology		Gross	\$28,496,200	\$817,000
Reflects economic adjustments, \$222,900; administrative reductions, (\$5,900); reduction in virtual storage costs, (\$6,600); One-stop Portal development, \$97,300; and Microsoft Office update, \$509,300.		Federal	500,300	10,500
		Restricted	27,995,900	806,500
Conference Report concurs with Executive/Senate/House.				

Major Budget Changes From FY 2008-09 YTD Appropriations		FY 2008-09 YTD	Conference Change From YTD
6. Finance, Contracts, and Support Services	FTEs	242.5	1.0
Appropriates \$25,058,300; reflects economic increases, \$542,300; and position transfers, \$82,100.	Gross	\$24,686,500	\$371,800
	Restricted	24,686,500	371,800
Executive had recommended roll-up of four operating lines (<i>Financial operations, Contract services, Departmental services, and Performance excellence</i>) into a single line. Senate retained five programmatic line items and further unrolled into separate lines for salaries and fringe benefits, travel, and other operating expenses.			
Conference Report adopts the programmatic roll-out from the current year but does not unroll to into separate lines for salaries and fringe benefits, travel, and other operating expenses.			
7. Transportation Planning	FTEs	177.0	(1.0)
Appropriates \$36,616,600; reflects economic increases of \$504,600; and internal cost allocation, (\$214,900); and position transfers, (\$82,100).	Gross	\$36,156,400	\$460,200
	Federal	22,000,000	0
	Restricted	14,156,400	460,200
Senate had reduced CTF support by \$215,300; and unrolled.			
Conference Report concurs with the House/Executive.			
8. Design and Engineering Services	FTEs	1,496.8	(2.0)
Appropriates \$114,201,500; reflects economic increases of \$3.2 million, additional funding for intelligent traffic systems, and \$2.5 million additional federal support for Safe Routes to Schools Program. Reduction in budgeted FTEs due to position transfers.	Gross	\$108,028,500	\$6,173,000
	Federal	18,912,600	4,617,200
	Restricted	89,115,900	1,555,800
House/Senate agreed in total but Senate unrolls lines into separate lines for salaries and fringe benefits, travel, and other operating expenses.			
Conference Report adopts the programmatic roll-out from the current year.			
9. State Trunkline Maintenance	FTEs	832.7	2.0
Appropriates \$286,528,100; reflects economic increases of \$1.6 million, and \$182,600 related to positions transfers. Executive proposed roll-up of two current line items.	Gross	\$284,728,200	\$1,799,900
	Restricted	284,728,200	1,799,900
House and Senate agreed with the Executive in total, but unroll into current two programmatic lines: <i>State trunkline operations</i> ; and <i>Contract operations</i> .			
Conference Report adopts the current-year programmatic roll-out.			
10. State Trunkline Road and Bridge Construction	Gross	\$1,043,058,100	(\$248,639,300)
Appropriates \$794.4 million for state capital construction/reconstruction program. Reflects decrease in estimated available state restricted revenue, and estimated federal aid revenue.	Federal	892,420,900	(185,208,300)
	Local	30,000,000	0
	Restricted	120,637,200	(63,431,000)
To show a more consistent baseline, we do not show federal stimulus funding, appropriated in House Bill 4582, in the YTD figure.			
11. Local Federal Aid Road and Bridge Construction	Gross	\$309,592,000	(\$60,841,000)
Appropriates \$248.8 million based on estimated federal revenue and Act 51 directive that 25% of most federal aid program funds be made available to local road agencies.	Federal	309,592,000	(60,841,000)
To show a more consistent baseline, we do not show federal stimulus funding, appropriated in House Bill 4582, in the YTD figure.			
12. Grants to Local Programs	Gross	\$33,000,000	\$0
No change in this Act 51 earmark to local road agencies.	Restricted	33,000,000	0

Major Budget Changes From FY 2008-09 YTD Appropriations		FY 2008-09 YTD	Conference Change From YTD
13. Rail grade crossing	Gross	\$3,000,000	\$0
No change in this Act 51 earmark to local road agencies.	Restricted	3,000,000	0
14. Local Bridge Fund	Gross	\$28,336,800	(\$1,431,800)
Act 51 earmark; reduction reflects anticipated reduction in gasoline tax revenue.	Restricted	28,336,800	(1,431,800)
15. MTF Distribution to Local Road Agencies	Gross	\$931,570,800	(\$45,425,400)
Appropriates \$886.1 million MTF (\$568.9 million to county road commissions, \$317.2 million to cities/villages) based on February 2009 revenue estimates and Act 51 formula; final distribution will be based on actual MTF revenue, which may be more or less than appropriations.	Restricted	931,570,800	(45,425,400)
16. Blue Water Bridge	FTEs	41.0	.0
Appropriates \$5,401,200 – reflects economic increases.	Gross	\$5,328,500	\$72,700
Conference follows the House bill and does not unroll lines.	Restricted	5,328,500	72,700
17. Transportation Economic Development (TEDF) Fund	Gross	\$30,332,200	\$3,434,800
The FY 2008-09 YTD figure reflects Executive Order 2009-22 which reduced current year funding for Category A by \$12.0 million.	Restricted	30,332,200	3,434,800
Appropriates \$33,767,000; reflects proposed transfer of \$12.0 million in driver's license fee revenue to the state General Fund; taken from Category A, (Target Industries). Reduction partially offset by reduction in TEDF debt service. Includes \$40,000 earmark for Forest roads truck turnouts.			
18. Aeronautics and Freight Services	FTEs	84.0	0.0
Appropriates \$11,230,400; reflects economic increases, \$200,400; and \$310,300 reduction in anticipated SAF revenue. Executive proposed roll-up of two current Aeronautics lines, Airport improvement services, and Aviation services, into a single line.	Gross	\$11,340,300	(\$109,900)
Senate had reduced CTF funding for Freight and Safety Services by \$308,300, and unrolled into separate lines for salaries and fringe benefits, travel, and other operating expenses.	Restricted	11,340,300	(109,900)
Conference concurs with Executive/House.			
19. Passenger Transportation Services	FTEs	46.0	0.0
Appropriates \$5,455,400; reflects economic increases.	Gross	\$5,339,400	\$116,000
Senate had reduced CTF by \$898,300 and unrolled into separate lines for salaries and fringe benefits, travel, and other operating expenses.	Federal	762,100	0
Conference concurs with Executive/House.	Restricted	4,577,300	116,000
20. Bus Transit – Local Bus Operating Assistance	Gross	\$166,624,000	\$0
Appropriates \$166.6 million (CTF) for state operating assistance to local public transit agencies; unchanged since FY 2006-07.	Restricted	166,624,000	0
Senate had appropriated \$162.3 million; reduces CTF funding by \$4.3 million.			
Conference concurs with Executive/House.			
21. Bus Transit – Non-Urban Operating/Capital	Gross	\$19,300,000	\$2,500,000
Recognizes anticipated increase in federal non-urban transit grants in 2010.	Federal	18,500,000	2,500,000
	Local	800,000	0
To show a more consistent baseline, we do not show federal stimulus funding, appropriated in House Bill 4582, in the YTD figure.			
22. Freight Property Management (Intercity Passenger & Freight)	Gross	\$1,000,000	\$0
Appropriation same as current year.	Restricted	1,000,000	0

<u>Major Budget Changes From FY 2008-09 YTD Appropriations</u>		<u>FY 2008-09</u> <u>YTD</u>	<u>Conference</u> <u>Change</u> <u>From YTD</u>
23. Detroit Wayne County Port Authority (Intercity Passenger & Freight) Appropriates \$468,200; reflects anticipated reduction in CTF revenue.	Gross Restricted	\$500,000 500,000	(\$31,800) (31,800)
Senate had appropriated \$368,500; \$100,000 less CTF than Executive.			
Conference concurs with Executive/House.			
24. Intercity – Intercity Services (Intercity Passenger & Freight) Appropriates \$7,250,000; reflects reduction in anticipated CTF revenue (\$1,175,000); partially offset by \$1,000,000 increase related to anticipated sale of intercity buses for loan program.	Gross Federal Local Restricted	\$7,425,000 4,500,000 50,000 2,875,000	(\$175,000) 0 0 (175,000)
Line supports intercity bus transportation.			
25. Rail Passenger Service (Intercity Passenger & Freight) <i>Provides operating assistance for Port Huron/Chicago and Grand Rapids/Chicago rail service with state restricted funds; federal revenue provides capital assistance. The FY 2008-09 YTD figure reflects supplemental appropriation of \$400,000 (CTF) which provided rail passenger service through September 30, 2009.</i>	Gross Federal Restricted	\$13,100,000 5,800,000 7,300,000	(\$4,433,000) (2,800,000) (1,633,000)
Conference Report appropriates \$8,667,000; recognizes reduction Federal Railroad Administration grant and anticipated reduction in CTF revenue. The appropriation from the CTF for this line, which provides funding for the AMTRAK operating contract, would be \$5,667,000 CTF, \$1.6 million less than the current year. The appropriated amount supports only a partial-year AMTRAK operating contract.			
26. Freight Preservation and Development (Intercity Passenger & Freight) Reflects reduction in anticipated CTF revenue.	Gross Federal Restricted	\$5,092,900 100,000 4,992,900	(\$1,728,700) 0 (1,728,700)
27. Rail Infrastructure Loan Program (Intercity Passenger & Freight) Line item eliminated due to reduction in anticipated CTF revenue.	Gross Restricted	\$300,000 300,000	(\$300,000) (300,000)
28. Marine Passenger Service (Intercity Passenger & Freight) Appropriates \$400,000, same as current year.	Gross Restricted	\$400,000 400,000	(\$25,400) (25,400)
29. Terminal Development (Intercity Passenger & Freight) Appropriates \$150,000; reflects reduction in anticipated CTF revenue.	Gross Restricted	\$550,000 550,000	(\$400,000) (400,000)
30. Specialized Services (Public Transportation Development) Appropriates \$7,248,100; reflects anticipated federal and local revenue, and anticipated reductions in CTF revenue. Line item supports transit programs for elderly and disabled citizens.	Gross Federal Local Restricted	\$9,500,100 2,700,000 2,700,000 4,100,100	(\$2,252,000) (1,000,000) (1,000,000) (252,000)
31. Municipal Credit Program (Public Transportation Development) Appropriates \$1,873,000; reflects reduction in anticipated CTF revenue, less than Act 51 earmark of not less than \$2,000,000.	Gross Restricted	\$2,000,000 2,000,000	(\$127,000) (127,000)

Major Budget Changes From FY 2008-09 YTD Appropriations		FY 2008-09 YTD	Conference Change From YTD
32. Bus Capital (Public Transportation Development)	Gross	\$40,803,000	(\$2,624,800)
Provides matching funds for Federal Transit Administration (FTA) grants to local transit agencies; reflects anticipated FTA grants distributed through this budget; anticipates reduction in available CTF matching revenue.	Federal	26,400,000	1,600,000
	Local	5,000,000	0
	Restricted	9,403,000	(4,224,800)
Conference appropriates \$38,178,200; of which, \$5,178,200 CTF would be available to match federal grants.			
33. Van Pooling (Public Transportation Development)	Gross	\$195,000	\$0
Same as current year	Restricted	195,000	0
34. Service Initiatives (Public Transportation Development)	Gross	\$1,116,500	(\$66,500)
Appropriates \$1,050,000; reflects reduction in anticipated CTF revenue.	Federal	800,000	0
	Local	200,000	0
	Restricted	116,500	(66,500)
35. Transportation to Work (Public Transportation Development)	Gross	\$9,244,000	(\$107,600)
Reflects estimated federal/local revenue; reduction in anticipated CTF revenue.	Federal	2,200,000	100,000
	Local	2,200,000	100,000
	CTF	4,844,000	(307,600)
36. AERO Capital Projects	Gross	\$167,491,700	(\$44,066,000)
Provides estimated funding for FY 2009-10 Aeronautics Capital program.	Federal	133,024,600	(28,149,900)
	Local	30,674,200	(14,650,800)
To show a more consistent baseline, we do not show federal stimulus funding, appropriated in House Bill 4308, in the YTD figure.	Restricted	3,792,900	(1,265,300)
37. State/Local Capital Facilities Projects	Gross	\$9,132,000	(\$6,844,000)
Provides funds for other capital outlay projects (salt storage facilities, Transportation Service Center, Institutional and Agency road program, other facility special maintenance projects). Only special maintenance would be funded in FY 2009-10 due to reduced STF revenue.	Restricted	9,132,000	(6,844,000)
38. Economics	Gross	N/A	\$6,872,000
The State Budget Office estimated additional costs to provide baseline service levels: \$1.8 million increase to reflect salaries/wages, \$1.2 million related to health insurance, and \$3.5 million increase for retirement contributions. Projected workers compensation and building occupancy costs would decrease by \$337,300 and \$669,700 respectively.	Restricted	N/A	6,872,000
		N/A	

Major Boilerplate Changes From FY 2008-09
Sec. 201. Total State Spending and Payments to Local Units of Government – Updated Identifies total state spending in Part 1 and state payments to local units of government.
Sec. 202. Management and Budget Act – Retains References the Management and Budget Act.
Sec. 203. Abbreviations – Retains Defines abbreviations used in Act.
Sec. 204. Civil Service 1% Billing – Retains
Sec. 205. Hiring Freeze – Retains Establishes a hiring freeze on state classified civil service.
Sec. 206. Contingency Appropriations – Retains Provides for contingency appropriations in accordance with Section 393(2) of the Management and Budget Act, \$200.0 million federal; \$40.0 million state restricted, \$1.0 million in local, and \$1.0 million private funds.
Sec. 207. Privatization – Retains Provides for reports on privatization activities and defines privatize and privatization.
Sec. 208. Internet Reports – Retains Provides for use of Internet to fulfill reporting requirements.

Major Boilerplate Changes From FY 2008-09
<p>Sec. 209. Foreign Goods and Services — Modifies Prohibits use of foreign goods and services if comparatively priced and comparable quality American goods and services are available. Directs Department to give priority to Michigan goods and services, and to businesses owned by Michigan veterans.</p> <p>Conference adopts House language and replaces "should" with "shall".</p>
<p>Sec. 210. Deprived and Depressed Communities — Modifies Requires director to take reasonable steps to ensure that businesses in deprived and depressed communities compete for contracts to provide services or supplies or both.</p> <p>Conference adopts House language and replaces "should" with "shall".</p>
<p>Sec. 211. Receive and Retain Reports— Retains Provides guidelines regarding record retention.</p>
<p>Sec. 258. Department of Information Technology Work Projects – Retains Provides carryforward funds to support technology projects.</p>
<p>Sec. 259. Department of Information Technology User Fees – Retains Provides for user fees to be paid to Department of Information Technology.</p>
<p>Sec. 260. Out-of-State Travel – Retains Establishes limitation on out-of-state travel and creates travel reporting requirement.</p>
<p>Sec. 261. Employee Discipline – Retains Prohibits departments and agencies from taking disciplinary action against an employee for communicating with legislator or legislative staff.</p>
<p>Sec. 262. Hire of Outside Legal Counsel – Retains Prohibits department from hiring a person to provide legal services that are the responsibility of the Attorney General; exempts bond counsel.</p>
<p>Sec. 263. Impact of New Legislation and Administrative Rules– Retains Requires a report, by April 1, 2008, on specific policy changes adopted to implement new public acts. Prohibits the Department from adopting administrative rules that have a disproportionate impact on small business.</p> <p>Conference concurs with Senate and retains (updates report due date).</p>
<p>Sec. 264. Continuous Improvements – Retains Requires department director to implement "continuous improvement efficiency mechanisms."</p> <p>Conference concurs with Senate/House and updates report due date to March 1, 2010.</p>
<p>Sec. 265. Travel Restriction – Retains Limits out-of-state travel for conferences/professional development.</p> <p>Conference concurs with Senate and retains (updates report due date).</p>
<p>Sec. 265. New –Transparency – NEW House adds new language requiring internet reporting of expenditures – limits cost to \$10,000.</p> <p>Conference concurs with House</p>
<p>Sec. 301. Permit Fees/Bridge Tolls – Modifies Provides for permit and FOIA processing fees; provides process for raising bridge tolls. The Executive modifies subsection (1) to indicate permit fees are non-refundable, and to allow credit to applicable fund.</p> <p>Conference concurs with Senate/House and adopts modified language.</p>
<p>Sec. 303. Legislative Report– Retains Provides for report (on request) of funds received by city, village, and county road commission by legislative district.</p> <p>Conference concurs with Senate and retains.</p>
<p>Sec. 304. Confidentiality of Bid Documents – Retains Provides for confidentiality of highway project bid documents.</p>
<p>Sec. 305. Lease of Space in Public Transportation Property – Retains Requires lease of space in public transportation facilities at market rates; requires that revenue be used for property maintenance.</p>
<p>Sec. 306. Use of Transportation Funds by Other State Agencies/Biennial Audit of Transportation Funds (PARTIAL VETO in 2009) Sets guidelines for use of transportation funds (grants) by other state agencies; requires report. Provides for biennial audit of use of transportation funds by other state departments, due 9 months after state CAFR is issued. Governor vetoed subsection 3 which required the State Treasurer to identify actual cost of work performed by Michigan Department of Treasury for state-restricted transportation funds.</p> <p>Conference concurs with Senate and includes all four subsections.</p>
<p>Sec. 307. Rolling Five-Year Plan– Retains Requires Department to provide a rolling five-year highway construction plan by March 1 of each year.</p>

Major Boilerplate Changes From FY 2008-09
<p>Sec. 308. Contract Compliance – Retains Requires that Department and local road agencies pursue compliance with contract specifications for construction and maintenance; provides for sanctions for unsatisfactory contractors; requires a report. House also adopts new language which prohibits lifting a contractor's prequalification until all administrative appeals have been exhausted. Conference retains current year.</p>
<p>Sec. 309. Administrative Costs — Modifies Requires Department to reduce administrative costs. Conference concurs with House and adds the phrase "continue its efforts to reduce..."</p>
<p>Sec. 310. State Transportation Commission Minutes/Agenda – Retains Requires Department to provide copies of minutes and agenda to Legislature.</p>
<p>Sec. 312. State Trunkline Fund Carryforward – Retains Allows carryforward authority for STF; appropriates for state trunkline federal aid and road and bridge program.</p>
<p>Sec. 313. State Infrastructure Bank – Retains Provides guidelines for State Infrastructure Bank program.</p>
<p>Sec. 314. Report on Internal Auditor – Retains Provides for report on activities of internal auditor; report due February 1st of each year.</p>
<p>Sec. 319. Rest Area Maintenance – Retains Requires signs/telephone numbers for reporting unclean and unsafe conditions at rest areas.</p>
<p>Sec. 324. Construction Zone Traffic Law Enforcement – Retains Earmarks \$500,000 from STF for construction zone traffic law enforcement and the "Give 'em a brake campaign."</p>
<p>Sec. 334. Women- and Minority-Owned Businesses Program – Retains Requires Department to continue MBE/WBE program; September 30th reporting requirement.</p>
<p>Sec. 353. Prompt Payment – Retains Directs Department to review contractor payment process to ensure that contractors and subs are paid promptly. Conference retains current year language.</p>
<p>Sec. 357. Local Federal Aid Project Review – Retains Directs Department to complete project reviews within 120 days; requires system for monitoring review process.</p>
<p>Sec. 358. NEW FTE Report -- NEW House adds new report language. Conference concurs with House.</p>
<p>Sec. 361. Bureau of Multi-Modal Transportation Services – Not Included Requires Department to report on any change in bureau services or functions as approved by the State Transportation Commission. Conference concurs with House (Not Included).</p>
<p>Sec. 374. MDOT Employee Newsletters – Retains Requires Department to distribute employee newsletters electronically.</p>
<p>Sec. 375. MDOT Open Houses and Groundbreaking Ceremonies – Retains Prohibits Department from reimbursing contractors or consultants for groundbreaking ceremonies, receptions, open houses, or press conferences related to transportation projects funded from appropriations made in Act.</p>
<p>Sec. 376. Deferred Project Report – Retains Requires report by March 1 of each year on status of 17 projects deferred in 2003, then restored to five-year plan. Conference concurs with Senate and retains.</p>
<p>Sec. 383. Report on Use of State Airfleet – Retains Requires quarterly report on use of department-owned aircraft; restricts transport of local government employees, employees of institutions of higher education, and legislative employees; waives restrictions for law enforcement and homeland security.</p>

Major Boilerplate Changes From FY 2008-09

Sec. 384. Detroit River International Crossing (DRIC) -- Modifies

Conference Report language as follows:

Section 384 (1) The department may continue with preliminary legal, financial, traffic and revenue study, permitting, engineering, and other ancillary work for the Detroit River International Crossing (DRIC) so that it can solicit from the private sector, requests for proposals for public-private partnerships to construct the bridge, plaza, and related infrastructure. The department shall submit proposals to the legislature by May 1, 2010. Those activities associated with the DRIC project shall not bind the state in any way to construction.

(2) The department shall submit an investment grade traffic study to the legislature by May 1, 2010 from a reputable traffic company with appropriate experience intended to provide a detailed traffic projection for the ensuing 10 years, taking into account projected infrastructure modifications, expansions and improvements announced.

(3) The department shall not expend more than \$2.5 million from state transportation revenue sources for activities enumerated in this section.

(4) It is the intent of the legislature to fully adopt or reject authorizing legislation by the full legislative bodies by June 1, 2010 to:

- Construct a new international crossing jointly and in agreement with Canada
- Create an authorized tolling authority; and
- Create a public private partnership.

Sec. 393. Best Practices for Public Transportation – Retains

Directs department to support best practices.

Conference concurs with **House** and includes.

Sec. 394. Revisit Act 51 Distribution Formula -- Modifies

Indicates legislative intent that department study distribution formula.

Conference adopts new language; updates report date to July 1, 2010.

Sec. 395. County Road C-56 Jurisdiction – Retains

Indicates legislative intent that department assume jurisdiction of County Road C-56 between US-31 and I-75 in Charlevoix County.

Conference concurs with **Senate** and retains.

Sec. 397. Ann Arbor/Detroit Commuter Rail Stations – Not Included

Indicates legislative intent that department work with SEMCOG in locating future train stations along corridor.

Sec. 398. Street Railway Appropriation – NEW

Provides for the appropriation of \$0 to a street railway pursuant to section 10e(22) of 1951 PA 51.

Conference adopts Executive language.

Sec. 399. VMT Study – New In Senate Bill

Directs department to conduct a statewide study of vehicle miles traveled, including a comparison of vehicle miles traveled to lane miles for sampled geographical areas; comparisons to other states; evaluation of best practices.

Conference includes in a modified Section 394, above.

Sec. 399. Complete Streets – NEW

Directs the department and local road agencies to adopt complete streets policies; directs the department to provide assistance to local agencies. New in House bill.

Conference modifies language from House bill.

Sec. 401. Federal Aid Distribution Report – Retains

Requires Department to notify local agencies, Legislature, and state budget director on proposed distribution of federal funds between state and local units.

Sec. 402. Sale of Local Federal Aid – Retains

Authorizes local road agencies to sell federal aid to Department or to other local road agencies.

Sec. 501. Motor Carrier Act – Modifies

Describes distribution of revenue received under the act (1933 PA 254).

Conference concurs with **House** and changes reference from MDLEG to MDELEG.

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

Provides for audits of local road agencies by Department of Treasury.

Sec. 503. TEDF/Local Bridge Fund Carryforward – Retains

Provides carryforward authority for TEDF and Local Bridge funds; prevents diversion for other purposes; authorizes use of federal, local, or private funds for program.

Sec. 504. MTF Distribution – Retains

Requires use of MTF in accordance with Act 51 requirements.

Major Boilerplate Changes From FY 2008-09
Sec. 601. Road Construction Warranties – Retains Encourages use of road construction warranties; provides for report by September 30 of each year.
Sec. 602. Manufactured Pipe – Retains Provides standards for use and testing of manufactured pipe.
Sec. 603. Traffic Congestion – Retains Directs Department to consider traffic congestion be used as criteria in project selection; provides specific criteria for evaluating traffic congestion.
Sec. 607. I-75 Interchange Flint Township – Retains Indicates legislative intent that Department construct new interchange.
Sec. 608. Truck Inspection Stations – Retains Earmarks \$40,000 from the TEDF (Forest Roads) for two truck inspection stations. Conference concurs with House ; retains current year language.
Sec. 610. Dead Deer – Retains Describes legislative intent regarding clean-up of dead deer and other large animal remains.
Sec. 612. Incentive/Disincentive – Retains Requires Department to establish guidelines for use of incentive/disincentive contracts; establishes a reporting requirement; report due January 1st of each year.
Sec. 615. Interchange M-48 and I75 in Chippewa County– Retains Indicates legislative intent that Department construct full interchange. [Updates report date to September 30, 2010.]
Sec. 654. Long-term Viability of Mackinac Bridge– Retains Indicates legislative intent that the Mackinac Bridge Authority protect long-term viability of the Mackinac Bridge.
Sec. 655. Eaton Rapids Sidewalk Program – Retains Indicates legislative intent that Department spend not less than \$32,000 for sidewalk improvement project. Conference concurs with Senate and retains.
Sec. 656. M-49 Upgrade “Green Highway” – Retains Indicates legislative intent that the Department upgrade M-49 in Hillsdale County to a “designated” truck route. Conference concurs with Senate and retains.
Sec. 658. Interchange at I-196 and Phoenix Road in South Haven – Retains Indicates legislative intent that Department reconstruct interchange. Conference concurs with Senate and retains.
Sec. 659. Life Cycle Cost for Pavement Projects– Retains Allows the use of historical/comparable data from states with similar climate, soil, and vehicular traffic. Conference concurs with Senate and includes.
Sec. 660. Use of Alternative Materials– Retains Encourages the department to examine the use of alternative road surface materials. Conference concurs with Senate and includes.
Sec. 661. Completion of US-127 St. Johns to Ithaca – Retains Indicates legislative intent that Department complete engineering and right of way acquisition. Conference concurs with Senate and includes.
Sec. 701. Intercity Bus Equipment Fund – Retains Provides for separate accounting and carryforward authority for this fund.
Sec. 702. Rail Preservation Fund – Retains Provides for separate accounting and carryforward authority for this fund; reference to State Transportation Preservation Act of 1976 (1976 PA 295).
Sec. 703. Rail Abandonment Notice Requires Department to notify Legislature when railroad companies file for abandonment of lines.
Sec. 705. Rail Infrastructure Loan Program – Retains References program guidelines in Public Act 295 of 1976.
Sec. 706. Detroit/Wayne County Port Authority – Retains Requires report due by February 15 of each year.
Sec. 708. Intercity Bus Equipment Program – Retains Requires annual lease of not less than \$1,000.
Sec. 709. Intercity Bus Essential Corridor – Retains Identifies essential bus corridors; prohibits operating subsidy to any entity competing with another public or private carrier over the same route.
Sec. 711. Seven-Day Rail Passenger Service (AMTRAK) Directs Department to negotiate with a rail carrier to provide seven-day Port Huron/Chicago and Grand Rapids/Chicago service; limits state subsidy to \$7.1 million; requires a monitoring system for complaints. Senate – reduces subsidy limitation to \$3.667 million, House does not include subsection (2) limitation. Conference concurs with House and does not include subsection (2) limitation.

Major Boilerplate Changes From FY 2008-09
Sec. 714. Local Transit Demand-Response Services – Retains Requires that Department, in cooperation with local transit agencies, work to ensure that demand-response services are provided throughout Michigan; requires report due March 1, 2008. Conference retains current year language.
Sec. 721. Guidelines for CTF Matching Federal Transit Funds – Retains Reduces CTF matching funds for projects not put under contract within specified term. Conference retains current year language
Sec. 722. Transportation to Work Match for Federal Funds – Retains Requires CTF funds in Transportation to Work line be used to match federal job access/reverse commute grants.
Sec. 729. Intercity Bus Marketing – Retains Earmarks \$100,000 from Intercity Services line item for marketing. Conference concurs with Senate and retains.
Sec. 730. Intercity Bus Equipment Sales – Not Included Directs Department to sell state-owned intercity bus equipment within six months of lease termination and to credit proceeds to Intercity Bus Equipment Loan Fund. Conference concurs with House and does not include.
Sec. 731. Intercity Bus Space Rental – Retains Directs Department to charge transit agencies and intercity bus carriers the same rent when leasing similar space in state-owned intermodal facilities. Conference concurs with Senate and retains.
Sec. 734. Transit Agency Service Performance Measures – Retains Directs Department to work to ensure that transit agencies meet certain service performance measures.
Sec. 736. Intercity Bus/Rail Coordination – Not Included Directs Department to work with intercity bus and rail passenger carriers to coordinate services. Conference concurs with House and does not include.
Sec. 737. Birmingham/Troy Passenger Facility -- Retains Legislative intent that Department proceed with construction of a Birmingham/Troy intermodal passenger facility. Conference concurs with Senate and retains.
Sec. 740. Review of CTF Fund Balances – Retains Requires report on unencumbered CTF balance by March 1 of each year.
Sec. 741. Ann Arbor and Northwest Michigan Railroad -- Modifies Requires report on progress made to improve rail track to support passenger trains at 59 MPH. Conference adopts new reporting date of March 1, 2010.
Sec. 743. Use HEV Vehicles -- NEW Encourages the department to include hybrid electric vehicles in RFPs purchased through the department. Conference concurs with Senate and includes.
Sec. 743. Mobility Manager -- NEW Encourages local transit agencies to hire mobility manager to coordinate transportation services. Conference concurs with Senate and includes.
Sec. 801. State Aeronautics Fund -- Modifies Requires that unexpended funds in the State Aeronautics Fund lapse back to the fund. Conference concurs with House and adopts Executive language "Except as provided for in Section 903 for Capital Outlay..."
Sec. 901. Aeronautics Capital Program – Modifies Permits department to contract for airport improvement projects on behalf of local airport owners; local match requirements. Conference retains current year language; also adopt new subsection (3) requiring local agencies to obtain authorization before submitting projects to federal agencies.
Sec. 902. Aeronautics Capital Program – Status Report – Retains Provides reporting requirement. Conference concurs with Senate and includes reporting requirement.
Sec. 903. Capital Outlay Carry Forward – Retains Provides of carry forward authority in accordance with the Management and Budget Act.
Sec. 904. Capital Outlay Authorization/Lapse – Modifies Conference adopts Executive proposed language on allocation of lump-sum appropriations.