

**SUBSTITUTE FOR
SENATE BILL NO. 254**

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:

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PART 1

LINE-ITEM APPROPRIATIONS

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

1 transportation department and certain state purposes designated in
 2 this act for the fiscal year ending September 30, 2010, from the
 3 funds indicated in this part. The following is a summary of the
 4 appropriations in this part:

5 **STATE TRANSPORTATION DEPARTMENT**

6 APPROPRIATION SUMMARY

7	Full-time equated unclassified positions.....	6.0	
8	Full-time equated classified positions.....	3,008.3	
9	GROSS APPROPRIATION.....		\$ 3,244,620,900
10	Interdepartmental grant revenues:		
11	Total interdepartmental grants and intradepartmental		
12	transfers		0
13	ADJUSTED GROSS APPROPRIATION.....		\$ 3,244,620,900
14	Federal revenues:		
15	DOT, federal transit act.....		59,062,100
16	DOT, federal aviation administration.....		104,874,700
17	DOT-FHWA, highway research, planning, and construction		1,059,667,700
18	DOT-FRA, local rail service assistance.....		100,000
19	DOT-FRA, rail passenger/HSGT.....		3,000,000
20	Total federal revenues.....		1,226,704,500
21	Special revenue funds:		
22	Local funds.....		56,073,400
23	Total local revenues.....		56,073,400
24	Total private revenues.....		0
25	Blue Water Bridge fund.....		14,706,300
26	Comprehensive transportation fund.....		219,007,500
27	Economic development fund.....		43,475,000

1	Intercity bus equipment fund.....		2,000,000
2	Local bridge fund.....		30,223,700
3	Michigan transportation fund.....		967,840,400
4	Rail preservation fund.....		2,000,000
5	State aeronautics fund.....		14,869,000
6	State trunkline fund.....		667,721,100
7	Total other state restricted revenues.....		1,961,843,000
8	State general fund/general purpose.....	\$	0
9	TOTAL STATE SPENDING.....		1,961,843,000
10	Sec. 102. DEBT SERVICE		
11	State trunkline.....	\$	203,125,200
12	Economic development.....		9,228,200
13	Local bridge fund.....		3,318,700
14	Blue Water Bridge.....		2,149,600
15	Airport safety and protection plan.....		3,472,400
16	Comprehensive transportation.....		<u>29,843,200</u>
17	GROSS APPROPRIATION.....	\$	251,137,300
18	Appropriated from:		
19	Federal revenues:		
20	DOT-FHWA, highway research, planning, and construction		57,663,500
21	Special revenue funds:		
22	Blue Water Bridge fund.....		2,149,600
23	Comprehensive transportation fund.....		29,843,200
24	Economic development fund.....		9,228,200
25	Local bridge fund.....		3,318,700
26	State aeronautics fund.....		3,472,400
27	State trunkline fund.....		145,461,700

1	State general fund/general purpose	\$	0
2	Sec. 103. INTERDEPARTMENT AND STATUTORY CONTRACTS		
3	Michigan transportation fund (MTF)		
4	MTF grant to department of state for collection of		
5	revenue and fees	\$	20,000,000
6	MTF grant to department of treasury		7,440,700
7	MTF grant to legislative auditor general		204,300
8	State trunkline fund (STF)		
9	STF grant to department of attorney general		2,867,400
10	STF grant to civil service commission		5,697,000
11	STF grant to department of history, arts, and		
12	libraries		83,100
13	STF grant to department of management and budget		1,105,200
14	STF grant to department of state police		9,808,000
15	STF grant to department of treasury		179,100
16	STF grant to legislative auditor general		474,600
17	State aeronautics fund (SAF)		
18	SAF grant to department of attorney general		160,300
19	SAF grant to civil service commission		150,000
20	SAF grant to department of history, arts, and		
21	libraries		1,900
22	SAF grant to department of management and budget		22,800
23	SAF grant to department of treasury		74,700
24	SAF grant to legislative auditor general		19,600
25	Comprehensive transportation fund (CTF)		
26	CTF grant to attorney general		162,400
27	CTF grant to civil service commission		200,000

1	CTF grant to department of history, arts, and		
2	libraries		2,700
3	CTF grant to department of management and budget		32,100
4	CTF grant to department of treasury		4,100
5	CTF grant to legislative auditor general		<u>25,200</u>
6	GROSS APPROPRIATION	\$	48,715,200
7	Appropriated from:		
8	Special revenue funds:		
9	Comprehensive transportation fund		426,500
10	Michigan transportation fund		27,645,000
11	State aeronautics fund		429,300
12	State trunkline fund		20,214,400
13	State general fund/general purpose	\$	0
14	Sec. 104. EXECUTIVE DIRECTION		
15	Full-time equated unclassified positions..... 6.0		
16	Full-time equated classified positions..... 31.3		
17	Director	\$	140,000
18	Communications director		82,400
19	Governmental affairs director		93,700
20	Business development director		88,000
21	UPTRAN director		121,100
22	Commission advisor		77,600
23	Asset management council		1,626,400
24	Commission audit		
25	Salaries and fringe benefits--31.3 FTE positions		3,463,300
26	Travel		56,700
27	Other operational expenses		54,600

1	Subtotal - commission audit.....		<u>3,574,600</u>
2	GROSS APPROPRIATION.....	\$	5,803,800
3	Appropriated from:		
4	Special revenue funds:		
5	Michigan transportation fund.....		1,626,400
6	State trunkline fund.....		4,177,400
7	State general fund/general purpose.....	\$	0
8	Sec. 105. BUSINESS SUPPORT		
9	Full-time equated classified positions.....	57.0	
10	Business support services		
11	Salaries and fringe benefits--48.0 FTE positions.....	\$	5,360,400
12	Travel.....		146,900
13	Other operational expenses.....		543,600
14	Subtotal - business support services.....		6,050,900
15	Economic development and enhancement programs		
16	Salaries and fringe benefits--9.0 FTE positions.....		1,071,700
17	Travel.....		26,400
18	Other operational expenses.....		77,100
19	Subtotal - economic development and enhancement		
20	programs.....		1,175,200
21	Property management.....		8,642,100
22	Worker's compensation.....		<u>1,726,700</u>
23	GROSS APPROPRIATION.....	\$	17,594,900
24	Appropriated from:		
25	Special revenue funds:		
26	Comprehensive transportation fund.....		1,102,900
27	Economic development fund.....		482,700

1	Michigan transportation fund.....	185,000
2	State aeronautics fund.....	549,600
3	State trunkline fund.....	15,274,700
4	State general fund/general purpose.....	\$ 0
5	Sec. 106. INFORMATION TECHNOLOGY	
6	Information technology services and projects.....	\$ <u>29,313,200</u>
7	GROSS APPROPRIATION	29,313,200
8	Appropriated from:	
9	Federal revenues:	
10	DOT-FHWA, highway research, planning, and construction	510,800
11	Special revenue funds:	
12	Blue Water Bridge fund.....	48,200
13	Comprehensive transportation fund.....	188,800
14	Economic development fund.....	37,100
15	Michigan transportation fund.....	249,400
16	State aeronautics fund.....	147,400
17	State trunkline fund.....	28,131,500
18	State general fund/general purpose.....	\$ 0
19	Sec. 107. FINANCE, CONTRACTS AND SUPPORT SERVICES	
20	Full-time equated classified positions.....	243.5
21	Financial operations	
22	Salaries and fringe benefits--80.0 FTE positions.....	\$ 7,371,900
23	Travel.....	32,700
24	Other operational expenses.....	625,000
25	Subtotal - financial operations.....	8,029,600
26	Contract services	
27	Salaries and fringe benefits--53.6 FTE positions.....	4,960,000

1	Travel.....	5,500
2	Other operational expenses.....	165,000
3	Subtotal - contract services.....	5,130,500
4	Departmental services	
5	Salaries and fringe benefits--41.9 FTE positions.....	3,997,200
6	Travel.....	43,900
7	Other operational expenses.....	1,310,300
8	Subtotal - departmental services.....	5,351,400
9	Performance excellence	
10	Salaries and fringe benefits--13.0 FTE positions.....	1,349,500
11	Travel.....	12,500
12	Other operational expenses.....	198,300
13	Subtotal - performance excellence.....	1,560,300
14	Welcome center operations	
15	Salaries and fringe benefits--55.0 FTE positions.....	3,829,500
16	Travel.....	50,500
17	Other operational expenses.....	1,106,500
18	Subtotal - welcome center operations.....	<u>4,986,500</u>
19	GROSS APPROPRIATION.....	\$ 25,058,300
20	Appropriated from:	
21	Special revenue funds:	
22	Michigan transportation fund.....	1,625,200
23	State trunkline fund.....	23,433,100
24	State general fund/general purpose.....	\$ 0
25	Sec. 108. TRANSPORTATION PLANNING	
26	Full-time equated classified positions.....	176.0
27	Statewide planning services	

1	Salaries and fringe benefits--124.0 FTE positions	\$	12,618,200
2	Travel.....		265,000
3	Other operational expenses.....		653,000
4	Subtotal - statewide planning services.....		13,536,200
5	Data collection services		
6	Salaries and fringe benefits--52.0 FTE positions		5,107,700
7	Travel.....		291,300
8	Other operational expenses.....		494,400
9	Subtotal - data collection services.....		5,893,400
10	Specialized planning services and local studies		16,482,900
11	Grants to regional planning councils.....		<u>488,800</u>
12	GROSS APPROPRIATION.....	\$	36,401,300
13	Appropriated from:		
14	Federal revenues:		
15	DOT-FHWA, highway research, planning, and construction		22,000,000
16	Special revenue funds:		
17	Comprehensive transportation fund.....		745,000
18	Michigan transportation fund.....		6,304,500
19	State aeronautics fund.....		75,000
20	State trunkline fund.....		7,276,800
21	State general fund/general purpose.....	\$	0
22	Sec. 109. DESIGN AND ENGINEERING SERVICES		
23	Full-time equated classified positions.....		1,494.8
24	Engineering services		
25	Salaries and fringe benefits--787.1 FTE positions	\$	40,899,800
26	Travel.....		800,000
27	Other operational expenses.....		21,292,900

1	Subtotal - engineering services.....	62,992,700
2	Program services	
3	Salaries and fringe benefits--695.7 FTE positions	34,932,000
4	Travel.....	491,400
5	Other operational expenses.....	5,000,000
6	Subtotal - program services.....	40,423,400
7	Intelligent transportation systems	
8	Salaries and fringe benefits--12.0 FTE positions	908,500
9	Travel.....	10,000
10	Other operational expenses.....	9,866,900
11	Subtotal - intelligent transportation systems services	<u>10,785,400</u>
12	GROSS APPROPRIATION.....	\$ 114,201,500
13	Appropriated from:	
14	Federal revenues:	
15	DOT-FHWA, highway research, planning, and construction	23,529,800
16	Special revenue funds:	
17	Michigan transportation fund.....	5,835,200
18	State trunkline fund.....	84,836,500
19	State general fund/general purpose.....	\$ 0
20	Sec. 110. HIGHWAY MAINTENANCE	
21	Full-time equated classified positions..... 834.7	
22	State trunkline operations	
23	Salaries and fringe benefits--834.7 FTE positions	\$ 69,889,800
24	Travel.....	900,000
25	Other operational expenses.....	65,878,000
26	Subtotal - state trunkline operations.....	136,667,800
27	Contract operations.....	<u>149,860,300</u>

1	GROSS APPROPRIATION.....	\$	286,528,100
2	Appropriated from:		
3	Special revenue funds:		
4	State trunkline fund.....		286,528,100
5	State general fund/general purpose.....	\$	0
6	Sec. 111. ROAD AND BRIDGE PROGRAMS		
7	State trunkline federal aid and road and bridge		
8	construction	\$	794,418,800
9	Local federal aid and road and bridge construction...		248,751,000
10	Grants to local programs.....		33,000,000
11	Rail grade crossing.....		3,000,000
12	Local bridge fund.....		26,905,000
13	County road commissions.....		568,937,400
14	Cities and villages.....		<u>317,208,000</u>
15	GROSS APPROPRIATION.....	\$	1,992,220,200
16	Appropriated from:		
17	Federal revenues:		
18	DOT-FHWA, highway research, planning, and construction		955,963,600
19	Special revenue funds:		
20	Local funds.....		30,000,000
21	Blue Water Bridge fund.....		7,107,300
22	Local bridge fund.....		26,905,000
23	Michigan transportation fund.....		922,145,400
24	State trunkline fund.....		50,098,900
25	State general fund/general purpose.....	\$	0
26	Sec. 112. BLUE WATER BRIDGE		
27	Full-time equated classified positions.....		41.0

1	Blue Water Bridge operations		
2	Salaries and fringe benefits--41.0 FTE positions	\$	3,310,400
3	Travel.....		11,000
4	Other operational expenses.....		<u>2,079,800</u>
5	GROSS APPROPRIATION.....	\$	5,401,200
6	Appropriated from:		
7	Special revenue funds:		
8	Blue Water Bridge fund.....		5,401,200
9	State general fund/general purpose.....	\$	0
10	Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT FUND		
11	Forest roads.....	\$	5,000,000
12	Rural county urban system.....		2,500,000
13	Target industries/economic redevelopment.....		8,863,400
14	Urban county congestion.....		8,681,800
15	Rural county primary.....		<u>8,681,800</u>
16	GROSS APPROPRIATION.....	\$	33,727,000
17	Appropriated from:		
18	Special revenue funds:		
19	Economic development fund.....		33,727,000
20	State general fund/general purpose.....	\$	0
21	Sec. 114. AERONAUTICS AND FREIGHT SERVICES		
22	Full-time equated classified positions.....		84.0
23	Airport improvement services		
24	Salaries and fringe benefits--30.0 FTE positions	\$	2,719,880
25	Travel.....		30,775
26	Other operational expenses.....		185,345
27	Subtotal - airport improvement services.....		2,936,000

1	Aviation services		
2	Salaries and fringe benefits--26.0 FTE positions		2,624,361
3	Travel.....		107,145
4	Other operational expenses.....		1,535,594
5	Subtotal - aviation services.....		4,267,100
6	Freight and safety services		
7	Salaries and fringe benefits--28.0 FTE positions		2,858,200
8	Travel.....		100,400
9	Other operational expenses.....		295,800
10	Subtotal - freight and safety services.....		3,254,400
11	Air service program.....		<u>464,600</u>
12	GROSS APPROPRIATION.....	\$	10,922,100
13	Appropriated from:		
14	Special revenue funds:		
15	Comprehensive transportation fund.....		1,233,100
16	Michigan transportation fund.....		2,021,300
17	State aeronautics fund.....		7,667,700
18	State general fund/general purpose.....	\$	0
19	Sec. 115. PUBLIC TRANSPORTATION SERVICES		
20	Full-time equated classified positions..... 46.0		
21	Passenger transportation services		
22	Salaries and fringe benefits--46.0 FTE positions	\$	3,931,480
23	Travel.....		111,070
24	Other operational expenses.....		514,850
25	Subtotal - passenger transportation services.....		<u>4,557,400</u>
26	GROSS APPROPRIATION.....	\$	4,557,400
27	Appropriated from:		

1	Federal revenues:		
2	DOT, federal transit act.....		762,100
3	Special revenue funds:		
4	Comprehensive transportation fund.....		3,592,300
5	Michigan transportation fund.....		203,000
6	State general fund/general purpose.....	\$	0
7	Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING		
8	Local bus operating.....	\$	162,340,600
9	Nonurban operating/capital.....		<u>21,800,000</u>
10	GROSS APPROPRIATION.....	\$	184,140,600
11	Appropriated from:		
12	Federal revenues:		
13	DOT, federal transit act.....		21,000,000
14	Special revenue funds:		
15	Local funds.....		800,000
16	Comprehensive transportation fund.....		162,340,600
17	State general fund/general purpose.....	\$	0
18	Sec. 117. INTERCITY PASSENGER AND FREIGHT		
19	Freight property management.....	\$	1,000,000
20	Detroit/Wayne County port authority.....		368,200
21	Intercity services.....		7,250,000
22	Rail passenger service.....		6,667,000
23	Freight preservation and development.....		3,364,200
24	Marine passenger services.....		400,000
25	Terminal development.....		<u>150,000</u>
26	GROSS APPROPRIATION.....	\$	19,199,400
27	Appropriated from:		

1	Federal revenues:		
2	DOT, federal transit act.....		4,500,000
3	DOT-FRA, local rail service assistance.....		100,000
4	DOT-FRA, rail passenger/HSGT.....		3,000,000
5	Special revenue funds:		
6	Local funds.....		50,000
7	Comprehensive transportation fund.....		7,549,400
8	Intercity bus equipment fund.....		2,000,000
9	Rail preservation fund.....		2,000,000
10	State general fund/general purpose.....	\$	0
11	Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT		
12	Specialized services.....	\$	7,248,100
13	Municipal credit program.....		1,373,000
14	Bus capital.....		35,178,200
15	Service initiatives.....		1,050,000
16	Transportation to work.....		<u>9,136,400</u>
17	GROSS APPROPRIATION.....	\$	53,985,700
18	Appropriated from:		
19	Federal revenues:		
20	DOT, federal transit act.....		32,800,000
21	Special revenue funds:		
22	Local funds.....		9,200,000
23	Comprehensive transportation fund.....		11,985,700
24	State general fund/general purpose.....	\$	0
25	Sec. 119. CAPITAL OUTLAY		
26	(1) BUILDINGS AND FACILITIES		
27	Miscellaneous special maintenance, remodeling, and		

1	additions	\$	<u>2,288,000</u>
2	GROSS APPROPRIATION.....	\$	2,288,000
3	Appropriated from:		
4	Special revenue funds:		
5	State trunkline fund.....		2,288,000
6	State general fund/general purpose.....	\$	0
7	(2) AIRPORT IMPROVEMENT PROGRAMS		
8	Airport safety, protection, & improvement program....	\$	<u>123,425,700</u>
9	GROSS APPROPRIATION.....	\$	123,425,700
10	Appropriated from:		
11	Federal revenues:		
12	DOT, federal aviation administration.....		104,874,700
13	Special revenue funds:		
14	Local funds.....		16,023,400
15	State aeronautics fund.....		2,527,600
16	State general fund/general purpose.....	\$	0

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

20 Sec. 201. Pursuant to section 30 of article IX of the state
 21 constitution of 1963, total state spending from state resources
 22 under part 1 for fiscal year 2009-2010 is \$1,961,843,000.00 and
 23 state spending from state resources to be paid to local units of
 24 government for fiscal year 2009-2010 is \$1,148,974,900.00. The
 25 itemized statement below identifies appropriations from which

1 spending to units of local government will occur:

2 DEPARTMENT OF TRANSPORTATION

3	Grants to local programs.....	\$	33,000,000
4	Economic development fund.....		24,863,600
5	Grants to cities and villages.....		317,208,000
6	Grants to county road commissions.....		568,937,400
7	Local bridge fund.....		26,905,000
8	Grants to regional planning councils.....		488,800
9	Local bus operating.....		162,340,600
10	Bus capital.....		2,178,200
11	Marine passenger service.....		400,000
12	Detroit/Wayne County port authority.....		368,200
13	Municipal credit program.....		1,373,000
14	Specialized services.....		3,848,100
15	Transportation to work.....		4,536,400
16	Airport safety, protection, and improvement		
17	program.....		<u>2,527,600</u>
18	Total payments to local units of government.....	\$	1,148,974,900

19 Sec. 202. The appropriations authorized under this act are
 20 subject to the management and budget act, 1984 PA 431, MCL 18.1101
 21 to 18.1594.

22 Sec. 203. As used in this act:

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

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

25 (c) "DOT" means the United States department of
 26 transportation.

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

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

2 (f) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad
3 administration, high-speed ground transportation.

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

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

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

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

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

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

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

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

22 (2) The state budget director may grant exceptions to this
23 hiring freeze when the state budget director believes that the
24 hiring freeze will result in rendering a state department or agency
25 unable to deliver basic services, causes loss of revenue to the
26 state, would result in the inability of the state to receive
27 federal funds, or would necessitate additional expenditures that

1 exceed any savings from maintaining a vacancy. The state budget
2 director shall report quarterly to the chairpersons of the senate
3 and house of representatives standing committees on appropriations
4 the number of exceptions to the hiring freeze approved during the
5 previous quarter and the reasons to justify the exception.

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

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

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

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

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

3 Sec. 207. When beginning any effort to privatize, the
4 department shall submit a complete project plan to the house of
5 representatives and senate appropriations subcommittees on
6 transportation, the state budget office, and the house and senate
7 fiscal agencies. The plan shall include the rationale for
8 privatization, including a cost-benefit analysis if appropriate.
9 The evaluation shall be completed and submitted to the appropriate
10 senate and house of representatives appropriations subcommittees
11 and the senate and house fiscal agencies. As used in this section,
12 "privatize" or "privatization" means the transfer of state highway
13 maintenance or activities currently performed by department forces,
14 or by boards of county road commissioners, county boards of
15 commissioners, or local units of government under contract with the
16 department, to private contractors.

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

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

1 businesses, if they are competitively priced and of comparable
2 quality. In addition, preference should be given to goods or
3 services, or both, that are manufactured or provided by Michigan
4 businesses owned and operated by veterans, if they are
5 competitively priced and of comparable quality.

6 Sec. 210. The director of each department receiving
7 appropriations in part 1 may take all reasonable steps to ensure
8 businesses in deprived and depressed communities compete for and
9 perform contracts to provide services or supplies, or both. The
10 director shall encourage firms with which the department contracts
11 to subcontract with certified businesses in deprived and depressed
12 communities for services, supplies, or both.

13 Sec. 211. The departments and state agencies receiving
14 appropriations under this act shall receive and retain copies of
15 all reports funded from appropriations in part 1. These departments
16 and state agencies shall follow federal and state guidelines for
17 short-term and long-term retention of these reports and records.

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

25 Sec. 259. From the funds appropriated in part 1 for
26 information technology, the department shall pay user fees to the
27 department of information technology for technology-related

1 services and projects. The user fees shall be subject to provisions
2 of an interagency agreement between the department and the
3 department of information technology.

4 Sec. 260. (1) Due to the current budgetary problems in this
5 state, out-of-state travel shall be limited to situations in which
6 1 or more of the following conditions apply:

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

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

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

15 (d) The travel is necessary to comply with federal
16 requirements.

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

19 (f) The travel is financed entirely by federal or nonstate
20 funds.

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

26 (3) Not later than January 1 of each year, each department
27 shall prepare a travel report listing all travel by classified and

1 unclassified employees outside this state in the immediately
2 preceding fiscal year that was funded in whole or in part with
3 funds appropriated in the department's budget. The report shall be
4 submitted to the chairs and members of the house and senate
5 appropriations committees, the fiscal agencies, and the state
6 budget director. The report shall include the following
7 information:

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

10 (b) The destination of each travel occurrence.

11 (c) The dates of each travel occurrence.

12 (d) A brief statement of the reason for each travel
13 occurrence.

14 (e) The transportation and related costs of each travel
15 occurrence, including the proportion funded with state general
16 fund/general purpose revenues, the proportion funded with state
17 restricted revenues, the proportion funded with federal revenues,
18 and the proportion funded with other revenues.

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

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

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

1 services for bonding activities and for those activities that the
2 attorney general authorizes.

3 Sec. 263. (1) The department shall report no later than April
4 1, 2010 on each specific policy change made to implement a public
5 act affecting the department that took effect during the prior
6 calendar year to the house and senate appropriations subcommittees
7 on the budget for the department, the joint committee on
8 administrative rules, and the senate and house fiscal agencies.

9 (2) Funds appropriated in part 1 shall not be used by the
10 department to adopt a rule that will apply to a small business and
11 that will have a disproportionate economic impact on small
12 businesses because of the size of those businesses if the
13 department fails to reduce the disproportionate economic impact of
14 the rule on small businesses as provided under section 40 of the
15 administrative procedures act of 1969, 1969 PA 306, MCL 24.240.

16 (3) As used in this section:

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

19 (b) "Small business" means that term as defined under section
20 7a of the administrative procedures act of 1969, 1969 PA 306, MCL
21 24.207a.

22 Sec. 264. The department shall continue its efforts to
23 implement continuous process improvement programs. On or before
24 March 1, 2010, the department shall report to the state budget
25 director, the house and senate appropriations subcommittees on
26 transportation, and the house and senate fiscal agencies on
27 department activities to increase efficiency in the delivery of

1 core programs. The report shall include a description of activities
2 of the performance excellence section in identifying and
3 implementing business process improvements.

4 Sec. 265. The department shall not approve the travel of more
5 than 1 departmental employee to a specific professional development
6 conference or training seminar that is located outside of this
7 state unless a professional development conference or training
8 seminar that is funded by a federal or private funding source and
9 requires more than 1 person from a department to attend or the
10 conference or training seminar includes more than 1 issue in which
11 1 employee from the department does not have expertise.

12 DEPARTMENTAL SECTIONS

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

20 (2) A bridge authority shall hold 3 public hearings on an
21 increase in any toll charged by the authority at least 30 days
22 before the toll change will become effective. Two of the hearings
23 shall be held within 5 miles of the bridge over which the bridge
24 authority has jurisdiction. One hearing shall be held in Lansing.
25 Public hearings held under this section shall be conducted in
26 accordance with the open meetings act, 1976 PA 267, MCL 15.261 to

1 15.275, and shall be conducted so as to provide a reasonable
2 opportunity for public comment, including both spoken and written
3 comments.

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

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

17 Sec. 305. The department shall permit space on public
18 passenger transportation properties to be occupied by public or
19 private tenants on a competitive market rate basis. The department
20 shall require that revenue from the tenants be placed in an account
21 to be used to pay the costs to maintain the property.

22 Sec. 306. (1) The amounts appropriated in section 103 to
23 support tax and fee collection, law enforcement, and other program
24 services provided to the department and to transportation funds by
25 other state departments shall be expended from transportation funds
26 pursuant to annual contracts between the department and those other
27 state departments. The contracts shall be executed prior to the

1 expenditure or obligation of those funds. The contracts shall
2 provide, but are not limited to, the following data applicable to
3 each state department:

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

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

7 (c) Detailed cost allocation methods appropriate to the type
8 of services being provided and the activities financed with
9 transportation funds.

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

23 (3) In addition to the requirements of subsection (2), the
24 state treasurer shall develop a cost allocation plan to identify
25 the actual costs of work based on time and effort performed by the
26 Michigan department of treasury for state-restricted transportation
27 funds. The cost allocation plan shall specifically identify the

1 costs of collecting constitutionally restricted motor fuel taxes.
2 The cost allocation plan shall be submitted to the senate and house
3 of representatives standing committees on appropriations
4 subcommittees on general government, the senate and house fiscal
5 agencies, the auditor general, and the state budget director by
6 November 1. The cost allocation plan shall be subject to audit by
7 the auditor general.

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

23 Sec. 307. Before March 1 of each year, the department will
24 provide to the legislature, the state budget office, and the house
25 and senate fiscal agencies its rolling 5-year plan listing by
26 county or by county road commission all highway construction
27 projects for the fiscal year and all expected projects for the

1 ensuing fiscal years.

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

14 Sec. 309. The department shall reduce administrative costs and
15 provide the maximum funding possible for construction projects.

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

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

26 Sec. 313. (1) From funds appropriated in part 1, the
27 department may increase a state infrastructure bank program and

1 grant or loan funds in accordance with regulations of the state
2 infrastructure bank program of the United States department of
3 transportation. The state infrastructure bank is to be administered
4 by the department for the purpose of providing a revolving, self-
5 sustaining resource for financing transportation infrastructure
6 projects.

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

17 Sec. 314. The department shall provide a report prepared by
18 the department's internal auditor on the activities of the internal
19 auditor for the previous fiscal year. The report shall be due on
20 February 1 of each year and shall be submitted to the senate and
21 house of representatives appropriations committees, the senate and
22 house fiscal agencies, the director of the state budget office, and
23 the auditor general. This report shall include a list of all of the
24 following:

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

27 (b) The time charged to each work activity, including time

1 charged to each audit, review, or investigation.

2 (c) A listing of which audits, reviews, and investigations
3 have been completed and which audits, reviews, and investigations
4 have had reports of the results issued.

5 Sec. 319. The department shall post signs at each rest area to
6 identify the agency or contractor responsible for maintenance of
7 the rest area. The signs shall include a department telephone
8 number and shall indicate that unsafe or unclean conditions at the
9 rest area may be reported to that telephone number.

10 Sec. 324. From the funds appropriated in part 1, \$500,000.00
11 from the state trunkline fund shall be used for enhanced
12 construction zone traffic law enforcement and the "give 'em a
13 brake" campaign. The funding shall be used to reimburse law
14 enforcement agencies for costs associated with construction zone
15 traffic enforcement. The funding shall be provided based on
16 approved memoranda of understanding between the department and
17 participating law enforcement agencies.

18 Sec. 334. The department shall continue its program to
19 increase the use of women- and minority-owned businesses in state
20 and local road construction projects. This program shall comprise,
21 at a minimum, outreach and education efforts to inform women- and
22 minority-owned firms of department competitive bidding processes
23 and requirements, and an assessment of the availability of surety
24 for women- and minority-owned businesses. The department shall
25 report by September 30 of each year to the house and senate
26 appropriations subcommittees on transportation and the house and
27 senate fiscal agencies of its progress in complying with this

1 section.

2 Sec. 353. The department shall review its contractor payment
3 process and ensure that all prime contractors are paid promptly.
4 The department shall ensure that prime contractors are in
5 compliance with special provision 109.10 regarding the prompt
6 payment of subcontractors.

7 Sec. 357. When presented with complete local federal aid
8 project submittals, the department shall complete all necessary
9 reviews and inspections required to let local federal aid projects
10 within 120 days of receipt. The department shall implement a system
11 for monitoring the local federal aid project review process.

12 Sec. 361. The department will notify the senate and house
13 appropriations subcommittees on transportation, the senate and
14 house fiscal agencies, and the state budget director of any changes
15 to the services or function of the multi-modal transportation
16 services program as approved by the state transportation
17 commission.

18 Sec. 374. The department shall produce and distribute all
19 employee newsletters electronically.

20 Sec. 375. The department is prohibited from reimbursing
21 contractors or consultants for costs associated with groundbreaking
22 ceremonies, receptions, open houses, or press conferences related
23 to transportation projects funded, in whole or in part, by revenue
24 appropriated in part 1.

25 Sec. 376. No later than March 1 of each year, the department
26 shall report to the senate and house appropriations subcommittees
27 on transportation on the status of the 17 projects that were

1 initially deferred in the department's 5-year plan in 2003 and
2 subsequently restored.

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

10 (2) The report shall be submitted to the senate and house
11 appropriations subcommittees on transportation and the house and
12 senate fiscal agencies.

13 (3) From the funds appropriated in part 1, the department is
14 prohibited from transporting legislators or legislative staff on
15 state-owned aircraft without prior approval from the senate
16 majority leader or the speaker of the house of representatives and
17 only when the aircraft is already scheduled by state employees on
18 related official state business.

19 (4) The department shall maintain a system for recovering the
20 cost of operating department-owned aircraft through charges to
21 aircraft users.

22 Sec. 384. (1) The state transportation department is allowed
23 to continue preliminary work on the Detroit River International
24 Crossing (DRIC) project as long as those activities associated with
25 the DRIC project shall not bind the state in any way to
26 construction.

27 (2) The department may continue those preliminary activities

1 which are necessary to prepare a proposal for a decision by the
2 legislature as long as they do not bind the state. The preliminary
3 activities shall be completed and a proposal shall be submitted to
4 the legislature by March 31, 2010. Those activities include all of
5 the following:

- 6 (a) Applications for permits and approvals.
- 7 (b) Preliminary design engineering work.
- 8 (c) Preliminary utility planning and relocation.
- 9 (d) Preliminary financial and funding arrangements.

10 (3) The department shall report on a quarterly basis to both
11 the house and senate appropriations committees on any expenditures
12 relative to the process identified in subsection (2). These
13 expenditures shall be reported individually for each specific
14 activity category as listed in subsection (2) and shall include
15 descriptions of any consultant services utilized.

16 Sec. 394. It is the intent of the legislature that the
17 department conduct a study of the current distribution formulae for
18 transit and road funding and of alternative distribution
19 strategies. This study should take into consideration any
20 recommendations made by the alternative transportation funding task
21 force. For transit, alternatives should provide for incentives for
22 those agencies which demonstrate efficient use of resources and
23 increasing ridership levels. For road funding, the study should
24 include an examination of "miles traveled" as a funding variable
25 rather than linear miles. By July 1, 2010, the department shall
26 report to the house and senate appropriations subcommittees on
27 transportation, the house and senate transportation committees, the

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1 house and senate fiscal agencies, and the state budget director on
2 the findings of the study including the fiscal impact of the
3 various strategies to individual transit and road agencies.

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

7 Sec. 398. For the fiscal year ending September 30, 2010, the
8 appropriation to a street railway pursuant to section 10e(22) of
9 1951 PA 51, MCL 247.660e, is \$0.

<<Sec. 399. From the funds appropriated in part 1, the department shall conduct a statewide study of vehicle miles traveled. The study shall include a comparison of vehicle miles traveled to lane miles for the sampled geographical areas as well as comparisons to other states and an evaluation of best practices.>>

10 **FEDERAL**

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

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

6 **MICHIGAN TRANSPORTATION FUND**

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

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

20 Sec. 503. (1) The funds appropriated in part 1 for the
21 economic development and local bridge programs shall not lapse at
22 the end of the fiscal year but shall carry forward each fiscal year
23 for the purposes for which appropriated in accordance with 1987 PA
24 231, MCL 247.901 to 247.913, and section 10(5) of 1951 PA 51, MCL
25 247.660.

26 (2) Interest earned in the department of transportation

1 economic development fund and local bridge fund shall remain in the
2 respective funds and shall be allocated to the respective programs
3 based on actual interest earned at the end of each fiscal year.

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

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

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

22 STATE TRUNKLINE FUND

23 Sec. 601. The department shall work with the road construction
24 industry and engineering consulting community to develop
25 performance and road construction warranties for construction
26 contracts. The development of warranties shall include warranties

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

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

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

26 Sec. 610. It is the intent of the legislature that the
27 department have as a priority the removal of dead deer and other

1 large animal remains from the traveled portion and shoulder of
2 state highways. The department, and counties that perform state
3 highway maintenance under contract, shall remove animal remains,
4 wherever practicable, away from the traveled portion and shoulder
5 of state highways.

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

20 Sec. 615. It is the intent of the legislature that the
21 department shall proceed with the construction of a full
22 interchange at the intersection of M-48 and I-75 in Chippewa
23 County. It is the intent of the legislature that the department
24 develop design plans and award the construction contract for this
25 project during the fiscal year ending September 30, 2010.

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

1 of the Mackinac Bridge.

2 Sec. 655. It is the intent of the legislature that the
3 department expend not less than \$32,000.00 for a safe routes to
4 schools project in Eaton Rapids, Michigan, involving extension of
5 and improvements to sidewalks along North State Street from Gould
6 to beyond Greyhound Drive, as well as connecting streets in
7 neighborhoods near Eaton Rapids High School, Eaton Rapids Middle
8 School, Greyhound Intermediate School, and Lockwood Elementary
9 School.

10 Sec. 656. It is the intent of the legislature that the
11 department upgrade that section of M-49 from M-99 to US-12 to
12 standards necessary for designation as a designated highway as
13 provided under sections 717 and 718 of the Michigan vehicle code,
14 1949 PA 300, MCL 257.717 and 257.718, and for inclusion as a
15 "green" special designated highway on the department's truck
16 operator's map.

17 Sec. 658. It is the intent of the legislature that the
18 department proceed with the reconstruction of the interchange at I-
19 196 and Phoenix Road in South Haven.

20 Sec. 659. For pavement projects for which there are no
21 Michigan actual historic project maintenance, repair, and
22 resurfacing schedules and costs as recorded by the pavement
23 management system, the department may use actual historical and
24 comparable data for equivalent designs from states with similar
25 climates, soil structures, and vehicle traffic.

26 Sec. 660. The legislature encourages the department to examine
27 the use of alternative road surface materials, including recycled

1 materials, and to develop criteria and specifications for its use
2 in both department-managed and contracted projects.

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

7 COMPREHENSIVE TRANSPORTATION FUND

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

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

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

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

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

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

25 Sec. 709. (1) The following bus routes are designated as an
26 essential corridor in Michigan:

27 Between St. Ignace and Escanaba US-2

1	Between Escanaba and Duluth	US-2 through Ironwood to the
2		state line
3	Between Calumet and Escanaba	US-41
4	Between Escanaba and Milwaukee	US-41 through Menominee to
5		the state line
6	Between St. Ignace and	
7	Sault Ste. Marie	I-75
8	Between Detroit and Chicago	I-94 from Detroit to the
9		state line
10	Between Detroit and Muskegon	I-96
11	Between Grand Rapids, Holland,	
12	and Benton Harbor	I-196 to I-94
13	Between Muskegon and Grand	
14	Rapids	US-31, I-96
15	Between Detroit and Bay City	I-75
16	Between Bay City and Mount	
17	Pleasant	US-10, M-20
18	Between Jackson and Traverse	US-127, US-27, I-75,
19	City	Grayling,
20		Gaylord, M-72 to Traverse
21		City
22	Between Jackson and	I-69, I-94 to the state line
23	Indianapolis	through Albion, Marshall,
24		and Coldwater
25	Between Houghton Lake and	
26	Cadillac	M-55 and M-66
27	Between Detroit and Toledo	I-75 to the state line

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

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

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

26 Sec. 711. (1) From the funds appropriated in part 1 from the
27 comprehensive transportation fund for rail passenger service, the

1 department shall negotiate with a rail carrier to provide rail
2 service between Grand Rapids and Chicago and between Port Huron and
3 Chicago, consistent with the other provisions of this section.

4 (2) Any state subsidy for rail passenger service between Grand
5 Rapids and Chicago and between Port Huron and Chicago shall not
6 exceed \$3,667,000.00.

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

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

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

24 Sec. 714. The department, in cooperation with local transit
25 agencies, shall work to ensure that demand-response services are
26 provided throughout Michigan. The department shall continue to work
27 with local units of government to address the unmet transit needs

1 in Michigan.

2 Sec. 721. For federal transit administration bus acquisition
3 capital grants matched with CTF funds appropriated in part 1,
4 transit agencies shall have 4 years from the federal approval date
5 to carry out their projects. Contract line items unobligated 4
6 years after the federal approval date may be matched with CTF funds
7 only up to 15% in the fifth and subsequent years. "Unobligated"
8 means any line item in the contract that is not committed to a
9 third party or purchase order. A waiver shall be granted by the
10 department for an additional year with documented justification
11 from the transit agency accompanied by a resolution from the board
12 or authority seeking a waiver. If a transit agency does not carry
13 out a line item activity in a specific authorization and the
14 transit agency requests funds in a new authorization for that same
15 activity, the line item shall be matched at up to 15%. This section
16 applies only to bus acquisition capital grants. Lapsed funds under
17 this section shall remain in the CTF. This section does not take
18 effect if failure to comply with the provisions of this section by
19 a transit agency occurs due to the inability of the state to
20 provide sufficient matching funds for available federal funding
21 earmarked to that transit agency for the purpose of bus capital
22 acquisition. The department shall report to the appropriation
23 subcommittees on transportation of the senate and house of
24 representatives if the state is unable to provide sufficient
25 matching funds for this section to take effect.

26 Sec. 722. From the funds appropriated in part 1 for
27 transportation to work from the CTF, sufficient funds shall be used

1 as a match for job access reverse commute grants for local transit
2 agencies.

3 Sec. 729. From the funds appropriated in part 1 for intercity
4 services, \$100,000.00 shall be used for lost ridership support
5 and/or marketing efforts to increase awareness of intercity bus
6 service, increase ridership on intercity bus carriers, and improve
7 coordination of intercity bus service in Michigan.

8 Sec. 730. The department shall sell all state-owned intercity
9 bus equipment within 6 months of termination of lease agreements
10 with intercity bus carriers. The proceeds from the sale of state-
11 owned intercity bus equipment under this section shall be deposited
12 in the intercity bus equipment fund, consistent with section 701.

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

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

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

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

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

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

1 (d) Maintain sufficient local and community funding.

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

5 Sec. 736. From the funds appropriated in part 1, the
6 department shall work with intercity rail and bus passenger
7 carriers to coordinate intercity passenger transportation in
8 Michigan. The department shall assist in the coordination of
9 intercity routes, schedules, and facilities.

10 Sec. 737. It is the intent of the legislature that the
11 department proceed with the construction of a Birmingham/Troy
12 intermodal passenger facility.

13 Sec. 740. The department shall report by March 1 of each year
14 to the house of representatives and senate appropriations
15 subcommittees on transportation, the house and senate fiscal
16 agencies, and the state budget director the encumbered and
17 unencumbered balances of the comprehensive transportation fund.

18 Sec. 741. The department shall report by October 1, 2009 to
19 the house of representatives and senate appropriations
20 subcommittees on transportation, the house and senate fiscal
21 agencies, and the state budget director on progress made to improve
22 the Ann Arbor and NW Michigan railroad's track infrastructure for
23 the purpose of supporting passenger train speed of 59 miles per
24 hour.

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

1 the department.

2 Sec. 744. The legislature encourages local transit agencies to
3 hire or consult with a mobility manager to coordinate
4 transportation services with the needs of the local workforce and
5 low-income or special needs populations. This position should work
6 with economic development agencies, human service professionals,
7 and other stakeholders to ensure that the appropriate
8 transportation resources are available to the community.

9 **AERONAUTICS FUND**

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

16 **CAPITAL OUTLAY**

17 Sec. 901. (1) From federal-state-local project appropriations
18 contained in part 1 for the purpose of assisting political entities
19 and subdivisions of this state in the construction and improvement
20 of publicly used airports and landing fields within this state, the
21 state transportation department may permit the award of contracts
22 on behalf of units of local government for the authorized locations
23 not to exceed the indicated amounts, of which the state allocated
24 portion shall not exceed the amount appropriated in part 1.

25 (2) Political entities and subdivisions shall provide not less

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

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

18 Sec. 902. Before the end of each fiscal year, the state
19 transportation department shall report to the house and senate
20 appropriations subcommittees on transportation the status of
21 airport improvement projects funded in part 1 with the estimated
22 dollars allocated for each project. If there has to be a delay in
23 reporting, the state transportation department shall notify the
24 house and senate appropriations subcommittees on transportation in
25 writing of the date the report will be received.

26 Sec. 903. The appropriations in part 1 for capital outlay
27 shall be carried forward at the end of the fiscal year consistent

1 with the provisions of section 248 of the management and budget
2 act, 1984 PA 431, MCL 18.1248.

3 Sec. 904. (1) The director shall allocate lump-sum
4 appropriations made in this bill consistent with statutory
5 provisions and the purposes for which funds were appropriated.
6 Lump-sum allocations shall address priority program or facility
7 needs and may include, but are not limited to, design,
8 construction, remodeling and addition, special maintenance, major
9 special maintenance, energy conservation, and demolition.

10 (2) The state budget director may authorize that funds
11 appropriated for lump-sum appropriations and designated as work
12 project appropriations shall be available for no more than 3 fiscal
13 years following the fiscal year in which the original appropriation
14 was made. Any remaining balance from allocations made in this
15 section shall lapse to the fund from which it was appropriated
16 pursuant to the lapsing of funds as provided in the management and
17 budget act, 1984 PA 431, MCL 18.1101 to 18.1594.