

SENATE BILL No. 281

March 2, 2005, Introduced by Senators BARCIA and EMERSON and referred to the Committee on Appropriations.

EXECUTIVE BUDGET BILL

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2006; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

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

amounts listed in this part are appropriated for the state transportation department and certain state purposes designated in this bill for the fiscal year ending September 30, 2006, from the funds indicated in this part. The following is a summary of the appropriations in this part:

STATE TRANSPORTATION DEPARTMENT

APPROPRIATION SUMMARY:

Full-time equated unclassified positions 6.0

Full-time equated classified positions 3,030.3

GROSS APPROPRIATION \$ 3,417,708,500

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 0

ADJUSTED GROSS APPROPRIATION \$ 3,417,708,500

Federal revenues:

Total federal revenues 1,207,642,100

Special revenue funds:

Total local revenues 6,100,000

Total private revenues 0

Total other state restricted revenues 2,203,966,400

State general fund/general purpose \$ 0

Sec. 102. DEBT SERVICE

State trunkline \$ 187,117,200

Economic development 14,730,100

Local bridge fund 3,000,000

Blue Water Bridge 2,383,300

Airport safety and protection plan 3,686,100

1	Comprehensive transportation	<u>29,826,800</u>
2	GROSS APPROPRIATION	\$ 240,743,500
3	Appropriated from:	
4	Federal revenues:	
5	DOT-FHWA, highway research, planning, and	
6	construction.....	103,200,000
7	Special revenue funds:	
8	Blue Water Bridge fund.....	2,383,300
9	Comprehensive transportation fund.....	28,843,600
10	Economic development fund.....	14,730,100
11	Local bridge fund.....	3,000,000
12	State aeronautics fund.....	4,669,300
13	State trunkline fund.....	83,917,200
14	State general fund/general purpose	\$ 0
15	Sec. 103. INTERDEPARTMENT AND STATUTORY CONTRACTS	
16	MTF grant to department of environmental quality	\$ 986,600
17	MTF grant to department of state for collection of	
18	revenue and fees.....	20,000,000
19	MTF grant to department of treasury	8,455,700
20	MTF grant to legislative auditor general	204,300
21	STF grant to department of attorney general	2,861,400
22	STF grant to department of civil service	2,000,000
23	STF grant to department of history, arts, and	
24	libraries	139,600
25	STF grant to department of management and budget	1,221,300
26	STF grant to department of state police	7,667,300
27	STF grant to department of treasury	183,900

1	STF grant to legislative auditor general	474,600
2	SAF grant to department of attorney general	144,000
3	SAF grant to department of civil service	50,000
4	SAF grant to department of history, arts, and	
5	libraries	3,800
6	SAF grant to department of management and budget	32,600
7	SAF grant to department of treasury	73,800
8	SAF grant to legislative auditor general	19,600
9	CTF grant to attorney general	145,900
10	CTF grant to department of civil service	90,000
11	CTF grant to department of history, arts, and	
12	libraries	6,300
13	CTF grant to department of management and budget	61,900
14	CTF grant to department of treasury	4,800
15	CTF grant to legislative auditor general	<u>25,200</u>
16	GROSS APPROPRIATION	\$ 44,852,600
17	Appropriated from:	
18	Special revenue funds:	
19	Comprehensive transportation fund	334,100
20	Michigan transportation fund	29,646,600
21	State aeronautics fund	323,800
22	State trunkline fund	14,548,100
23	State general fund/general purpose	\$ 0
24	Sec. 104. EXECUTIVE DIRECTION	
25	Full-time equated unclassified positions	6.0
26	Full-time equated classified positions	31.3
27	Unclassified salaries	\$ 532,200

1	Asset management council	1,626,400
2	Commission audit--31.3 FTE positions	<u>3,290,600</u>
3	GROSS APPROPRIATION	\$ 5,449,200
4	Appropriated from:	
5	Special revenue funds:	
6	Michigan transportation fund	1,626,400
7	State trunkline fund	3,822,800
8	State general fund/general purpose	\$ 0
9	Sec. 105. BUSINESS SUPPORT	
10	Full-time equated classified positions..... 57.5	
11	Business support services--25.5 FTE positions	\$ 2,766,100
12	Human resources services--23.0 FTE positions	2,461,600
13	Economic development and enhancement services--9.0 FTE	
14	positions	1,167,700
15	Property management	6,404,200
16	Human resources optimization user charges	109,100
17	Worker's compensation	<u>2,619,000</u>
18	GROSS APPROPRIATION	\$ 15,527,700
19	Appropriated from:	
20	Special revenue funds:	
21	Comprehensive transportation fund	1,161,200
22	Economic development fund	500,700
23	State aeronautics fund	231,600
24	State trunkline fund	13,634,200
25	State general fund/general purpose	\$ 0
26	Sec. 106. INFORMATION TECHNOLOGY	
27	Information technology services and projects	\$ <u>27,460,400</u>

1	GROSS APPROPRIATION	\$	27,460,400
2	Appropriated from:		
3	Federal revenues:		
4	DOT-FHWA, highway research, planning, and		
5	construction.....		555,100
6	Special revenue funds:		
7	Blue Water Bridge fund.....		46,300
8	Comprehensive transportation fund.....		230,800
9	Economic development fund.....		37,100
10	Michigan transportation fund.....		239,800
11	State aeronautics fund.....		141,600
12	State trunkline fund.....		26,209,700
13	State general fund/general purpose	\$	0
14	Sec. 107. FINANCE, CONTRACTS AND SUPPORT SERVICES		
15	Full-time equated classified positions.....		253.5
16	Finance, contracts and support services--253.5 FTE		
17	positions	\$	<u>24,380,200</u>
18	GROSS APPROPRIATION	\$	24,380,200
19	Appropriated from:		
20	Special revenue funds:		
21	Michigan transportation fund.....		1,344,100
22	State trunkline fund.....		23,036,100
23	State general fund/general purpose	\$	0
24	Sec. 108. TRANSPORTATION PLANNING		
25	Full-time equated classified positions.....		174.0
26	Transportation planning services--174.0 FTE positions	\$	35,064,100
27	Grants to regional planning councils		<u>488,800</u>

1	GROSS APPROPRIATION	\$	35,552,900
2	Appropriated from:		
3	Federal revenues:		
4	DOT-FHWA, highway research, planning, and		
5	construction.....		22,000,000
6	Special revenue funds:		
7	Comprehensive transportation fund.....		1,260,300
8	Michigan transportation fund.....		6,586,300
9	State aeronautics fund.....		261,900
10	State trunkline fund.....		5,444,400
11	State general fund/general purpose	\$	0
12	Sec. 109. DESIGN AND ENGINEERING SERVICES		
13	Full-time equated classified positions.....		1,533.4
14	Engineering services--804.7 FTE positions	\$	59,756,600
15	Program services--728.7 FTE positions		<u>38,696,100</u>
16	GROSS APPROPRIATION	\$	98,452,700
17	Appropriated from:		
18	Federal revenues:		
19	DOT-FHWA, highway research, planning, and		
20	construction.....		7,000,000
21	Special revenue funds:		
22	Michigan transportation fund.....		5,257,600
23	State trunkline fund.....		86,195,100
24	State general fund/general purpose	\$	0
25	Sec. 110. HIGHWAY MAINTENANCE		
26	Full-time equated classified positions.....		815.6
27	State trunkline operations--815.6 FTE positions	\$	124,181,800

1	Contract operations	<u>136,886,100</u>
2	GROSS APPROPRIATION	\$ 261,067,900
3	Appropriated from:	
4	Special revenue funds:	
5	State trunkline fund	261,067,900
6	State general fund/general purpose	\$ 0
7	Sec. 111. ROAD AND BRIDGE PROGRAMS	
8	State trunkline federal aid and road and bridge	
9	construction	\$ 992,519,900
10	Local federal aid and road and bridge construction ...	258,992,000
11	Grants to local programs	33,000,000
12	Rail grade crossing	3,000,000
13	Local bridge fund	31,115,800
14	County road commissions	645,023,600
15	Cities and villages	<u>359,629,500</u>
16	GROSS APPROPRIATION	\$ 2,323,280,800
17	Appropriated from:	
18	Federal revenues:	
19	DOT-FHWA, highway research, planning, and	
20	construction	1,014,587,000
21	Special revenue funds:	
22	Local funds	5,000,000
23	Blue Water Bridge fund	3,000,000
24	Local bridge fund	31,115,800
25	Michigan transportation fund	1,040,653,100
26	State trunkline fund	228,924,900
27	State general fund/general purpose	\$ 0

1	Sec. 112. BLUE WATER BRIDGE		
2	Full-time equated classified positions.....	35.0	
3	Blue water bridge operations--35.0 FTE positions	\$	<u>10,776,400</u>
4	GROSS APPROPRIATION.....	\$	10,776,400
5	Appropriated from:		
6	Special revenue funds:		
7	Blue Water Bridge fund.....		10,776,400
8	State general fund/general purpose	\$	0
9	Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT FUND		
10	Forest roads.....	\$	5,000,000
11	Rural county urban system.....		2,500,000
12	Target industries/economic redevelopment		19,003,600
13	Urban county congestion.....		7,751,800
14	Rural county primary.....		<u>7,751,800</u>
15	GROSS APPROPRIATION.....	\$	42,007,200
16	Appropriated from:		
17	Special revenue funds:		
18	Economic development fund.....		42,007,200
19	State general fund/general purpose	\$	0
20	Sec. 114. AERONAUTICS SERVICES		
21	Full-time equated classified positions.....	56.0	
22	Aeronautic services--56.0 FTE positions	\$	7,486,500
23	Air service program.....		<u>1,000,000</u>
24	GROSS APPROPRIATION.....	\$	8,486,500
25	Appropriated from:		
26	Special revenue funds:		
27	State aeronautics fund.....		8,486,500

1	State general fund/general purpose	\$	0
2	Sec. 115. PUBLIC TRANSPORTATION AND FREIGHT SERVICES		
3	Full-time equated classified positions	74.0	
4	Public transportation and freight services--74.0 FTE		
5	positions	\$	<u>7,713,700</u>
6	GROSS APPROPRIATION	\$	7,713,700
7	Appropriated from:		
8	Special revenue funds:		
9	Comprehensive transportation fund		5,864,500
10	Michigan transportation fund		1,849,200
11	State general fund/general purpose	\$	0
12	Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING		
13	Local bus operating	\$	163,276,100
14	Nonurban operating/capital		<u>14,600,000</u>
15	GROSS APPROPRIATION	\$	177,876,100
16	Appropriated from:		
17	Federal revenues:		
18	DOT, federal transit act		14,400,000
19	Special revenue funds:		
20	Local funds		200,000
21	Comprehensive transportation fund		163,276,100
22	State general fund/general purpose	\$	0
23	Sec. 117. INTERCITY PASSENGER AND FREIGHT		
24	Freight property management	\$	1,000,000
25	Detroit/Wayne County port authority		500,000
26	Intercity bus equipment		2,500,000
27	Rail passenger service		8,200,000

1	Freight preservation and development	4,442,900
2	Rail infrastructure loan program	100,000
3	Intercity bus service development	4,850,000
4	Marine passenger services	800,000
5	Terminal development	<u>1,551,300</u>
6	GROSS APPROPRIATION	\$ 23,944,200
7	Appropriated from:	
8	Federal revenues:	
9	DOT, federal transit act	3,500,000
10	DOT-FRA, local rail service assistance	100,000
11	DOT-FRA, rail passenger/HSGT	1,000,000
12	Special revenue funds:	
13	Local funds	50,000
14	Comprehensive transportation fund	16,294,200
15	Intercity bus equipment fund	1,000,000
16	Rail preservation fund	2,000,000
17	State general fund/general purpose	\$ 0
18	Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT	
19	Specialized services	\$ 8,200,100
20	Municipal credit program	2,000,000
21	Bus capital	49,311,400
22	Van pooling	195,000
23	Service initiatives	1,750,000
24	Planning grants	80,000
25	Transportation to work	<u>8,600,000</u>
26	GROSS APPROPRIATION	\$ 70,136,500
27	Appropriated from:	

1	Federal revenues:	
2	DOT, federal transit act	41,300,000
3	Special revenue funds:	
4	Local funds	850,000
5	Comprehensive transportation fund	27,986,500
6	State general fund/general purpose	\$ 0

7 PART 2

8 PROVISIONS CONCERNING APPROPRIATIONS

9 **GENERAL SECTIONS**

10 Sec. 201. Pursuant to section 30 of article IX of the state

11 constitution of 1963, total state spending from state resources

12 under part 1 for fiscal year 2005-2006 is \$2,203,966,400.00 and

13 state spending from state resources to be paid to local units of

14 government for fiscal year 2005-2006 is \$1,281,328,900.00. The

15 itemized statement below identifies appropriations from which

16 spending to units of local government will occur:

17 DEPARTMENT OF TRANSPORTATION

18	Local grant program	\$ 33,000,000
19	Economic development fund	23,003,600
20	Grants to cities and villages	359,629,500
21	Grants to county road commissions	645,023,600
22	Local bridge fund	31,115,800
23	Grants to regional planning councils	488,800
24	Local bus operating	163,276,100
25	Bus capital	18,811,400

1	Marine passenger service	800,000
2	Detroit/Wayne County port authority	500,000
3	Planning grants	80,000
4	Municipal credit program	2,000,000
5	Specialized services	3,600,100
6	Total payments to local units of government	\$ 1,281,328,900

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

10 Sec. 203. As used in this bill:

- 11 (a) "CTF" means comprehensive transportation fund.
- 12 (b) "Department" means the department of transportation.
- 13 (c) "DOT" means the United States department of transportation.
- 14 (d) "DOT-FHWA" means DOT, federal highway administration.
- 15 (e) "DOT-FRA" means DOT, federal railroad administration.
- 16 (f) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad
17 administration, high-speed ground transportation.
- 18 (g) "EDF" means economic development fund.
- 19 (h) "FTE" means full-time equated.
- 20 (i) "MTF" means Michigan transportation fund.
- 21 (j) "RIF" means recreation improvement fund.
- 22 (k) "SAF" means state aeronautics fund.
- 23 (l) "STF" means state trunkline fund.

24 Sec. 204. The department of civil service shall bill
25 departments and agencies at the end of the first fiscal quarter for
26 the 1% charge authorized by section 5 of article XI of the state
27 constitution of 1963. Payments shall be made for the total amount

1 of the billing by the end of the second fiscal quarter.

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

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

20 Sec. 206. (1) In addition to the funds appropriated in part 1,
21 there is appropriated an amount not to exceed \$300,000,000.00 for
22 federal contingency funds. These funds are not available for
23 expenditure until they have been transferred to another line item
24 in this bill pursuant to section 393(2) of the management and
25 budget act, 1984 PA 431, MCL 18.1393.

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

1 restricted contingency funds. These funds are not available for
2 expenditure until they have been transferred to another line item
3 in this bill pursuant to section 393(2) of the management and
4 budget act, 1984 PA 431, MCL 18.1393.

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

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

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

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

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

15 Sec. 260. Amounts appropriated in part 1 for information
16 technology may be designated as work projects and carried forward
17 to support technology projects under the direction of the
18 department of information technology. Funds designated in this
19 manner are not available for expenditure until approved as work
20 projects under section 451a of the management and budget act, 1984
21 PA 431, MCL 18.1451a.

22 Sec. 261. (1) Due to the current budgetary problems in this
23 state, out-of-state travel for the fiscal year ending September 30,
24 2006 shall be limited to situations in which 1 or more of the
25 following conditions apply:

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

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

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

7 (d) The travel is necessary to comply with federal
8 requirements.

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

11 (f) The travel is financed entirely by federal or nonstate
12 funds.

13 (2) If out-of-state travel is necessary but does not meet 1 or
14 more of the conditions in subsection (1), the state budget director
15 may grant an exception to allow the travel. Any exceptions granted
16 by the state budget director shall be reported on a monthly basis
17 to the senate and house of representatives standing committees on
18 appropriations.

19 (3) Not later than January 1 of each year, each department shall
20 prepare a travel report listing all travel by classified and
21 unclassified employees outside this state in the immediately
22 preceding fiscal year that was funded in whole or in part with
23 funds appropriated in the department's budget. The report shall be
24 submitted to the chairs and members of the senate and house of
25 representatives standing committees on appropriations, the fiscal
26 agencies, and the state budget director. The report shall include
27 the following information:

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

3 (b) The destination of each travel occurrence.

4 (c) The dates of each travel occurrence.

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

6 (e) The transportation and related costs of each travel
7 occurrence, including the proportion funded with state general
8 fund/general purpose revenues, the proportion funded with state
9 restricted revenues, the proportion funded with federal revenues,
10 and the proportion funded with other revenues.

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

13 **DEPARTMENTAL SECTIONS**

14 Sec. 301. (1) The department may establish a fee schedule and
15 collect fees sufficient to cover the costs to issue the permits
16 that the department is authorized by law to issue upon request, and
17 for which fees are not otherwise stipulated by law. All permit
18 fees are nonrefundable application fees and shall be credited to
19 the state trunkline fund to recover the direct and indirect costs
20 of receiving, reviewing, and processing the requests.

21 (2) A bridge authority shall hold 3 public hearings on an
22 increase in any toll charged by the authority at least 30 days
23 before the toll change will become effective. Two of the hearings
24 shall be held within 5 miles of the bridge over which the bridge
25 authority has jurisdiction. One hearing shall be held in Lansing.
26 Public hearings held under this section shall be conducted in
27 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. 304. If, as a requirement of bidding on a highway project,
5 the department requires a contractor to submit financial or
6 proprietary documentation as to how the bid was calculated, that
7 bid documentation shall be kept confidential and shall not be
8 disclosed other than to a department representative without the
9 contractor's written consent. The department may disclose the bid
10 documentation if necessary to address or defend a claim by a
11 contractor.

12 Sec. 305. The department shall permit space on state owned
13 public passenger transportation properties to be occupied by public
14 or private tenants on a competitive market rate basis. The
15 department shall require that revenue from the tenants be placed in
16 an account to be used to pay the costs to maintain and improve the
17 property. Funds in excess of those needed to maintain the property
18 shall be deposited into the appropriate transportation fund.

19 Sec. 306. Biennially, the auditor general shall conduct an audit
20 of charges to transportation funds by state departments for the 2
21 preceding fiscal years, with the next such audit including the
22 fiscal years ending September 30, 2006 and September 30, 2007. The
23 auditor general shall prepare a detailed report, with
24 recommendations and conclusions, including a list of services
25 charged to transportation funds, the appropriateness of those
26 charges, the cost allocation methodologies used in determining the
27 level of funding, and any unreimbursed costs. The report shall be

1 provided, upon request, to any member of the senate and house of
2 representatives, senate and house fiscal agencies, and the state
3 budget director 6 months after publication of the state of Michigan
4 comprehensive annual financial report.

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

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

24 Sec. 309. The department shall continue its efforts to reduce
25 administrative costs and provide the maximum funding possible for
26 construction projects.

27 Sec. 310. The department shall provide in a timely manner copies

1 of the agenda and approved minutes of monthly transportation
2 commission meetings to the members of the house and senate
3 appropriations subcommittees on transportation, the house and
4 senate fiscal agencies, and the state budget director.

5 Sec. 311. The department shall not use funds appropriated under
6 part 1 on behalf of a local governmental unit to pay the amount
7 required for that local governmental unit to participate in the
8 federal advance construction program.

9 Sec. 312. At the close of the fiscal year, any unencumbered and
10 unexpended balance in the state trunkline fund shall remain in the
11 state trunkline fund and shall carry forward and is appropriated
12 for federal aid road and bridge programs for projects contained in
13 the annual state transportation program.

14 Sec. 313. (1) From funds appropriated in part 1, the department
15 may increase a state infrastructure bank program and grant or loan
16 funds in accordance with regulations of the state infrastructure
17 bank program of the United States department of transportation.
18 The state infrastructure bank is to be administered by the
19 department for the purpose of providing a revolving, self-
20 sustaining resource for financing transportation infrastructure
21 projects.

22 (2) In addition to funds provided in subsection (1), money
23 received by the state as federal grants, repayment of state
24 infrastructure bank loans, or other reimbursement or revenue
25 received by the state as a result of projects funded by the program
26 and interest earned on that money shall be deposited in the
27 revolving state infrastructure bank fund and shall be available for

1 transportation infrastructure projects. At the close of the fiscal
2 year, any funds remaining in the state infrastructure bank fund
3 shall remain in the fund and be carried forward into the succeeding
4 fiscal year.

5 Sec. 324. From the funds appropriated in part 1, up to
6 \$500,000.00 from the state trunkline fund shall be used for
7 enhanced construction zone traffic law enforcement and the "give
8 'em a brake" campaign. The funding shall be used to reimburse law
9 enforcement agencies for costs associated with construction zone
10 traffic enforcement. The funding shall be provided based on
11 approved memoranda of understanding between the department and
12 participating law enforcement agencies.

13 Sec. 334. The department shall continue its program to increase
14 the use of women- and minority-owned businesses in state and local
15 road construction projects. This program shall comprise, at a
16 minimum, outreach and education efforts to inform women- and
17 minority-owned firms of department competitive bidding processes
18 and requirements, and an assessment of the availability of surety
19 for women- and minority-owned businesses.

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 **FEDERAL**

26 Sec. 401. Within 30 days of receiving the applicable fiscal year
27 authorization from the federal government to commit transportation

1 funds, the department shall notify local agency representatives,
2 the senate and house of representatives appropriations
3 transportation subcommittees, the senate and house fiscal agencies,
4 and the state budget director regarding the amount of federal aid
5 for categorical allocations to state and local agency programs not
6 specifically allocated in either federal or state law.

7 **MICHIGAN TRANSPORTATION FUND**

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

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

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

26 (2) Interest earned in the economic development fund and local
27 bridge fund shall remain in the respective funds and shall be

1 allocated to the respective programs based on actual interest
2 earned at the end of each fiscal year.

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

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

11 Sec. 504. (1) Funds from the Michigan transportation fund (MTF)
12 shall be distributed to the comprehensive transportation fund
13 (CTF), the economic development fund (EDF), the recreational
14 improvement fund (RIF), and the state trunkline fund (STF), in
15 accordance with this bill and part 711 of the natural resources and
16 environmental protection act, 1994 PA 451, MCL 324.71101 to
17 324.71108, and may only be used as specified in this bill, 1951 PA
18 51, MCL 247.651 to 247.675, and part 711 of the natural resources
19 and environmental protection act, 1994 PA 451, MCL 324.71101 to
20 324.71108.

21 (2) The amounts appropriated and transferred to various state
22 agencies from part 1 shall be expended from the transportation
23 funds pursuant to annual contracts between the department and state
24 agencies providing tax and fee collection and other services
25 applicable to transportation funds. The contracts shall be executed
26 prior to the transfer of these funds. The contracts shall provide,
27 but are not limited to, the following data applicable to each state

1 agency:

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

3 (b) Description of services financed with transportation funds.

4 (c) Detailed cost allocation methods that are appropriate to
5 the type of services being provided and the activities financed
6 with transportation funds.

7 (3) Two months after publication of the state of Michigan
8 comprehensive annual financial report, each state agency receiving
9 an interdepartment and statutory contract from the department shall
10 submit a written report to the department, the state budget
11 director, and the house and senate fiscal agencies stating by
12 spending authorization account the amount of estimated funds
13 contracted with the department, the amount of funds expended, and
14 the amount of funds returned to the transportation funds. A copy
15 of the report shall be submitted to the auditor general and the
16 report shall be subject to audit by the auditor general.

17 **STATE TRUNKLINE FUND**

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

24 Sec. 602. If the department uses manufactured pipe for road
25 construction drainage, the department shall require that pipe used
26 under certain load-bearing conditions beneath the roadway meets the
27 standards established by the American society for testing and

1 materials (ASTM) or American association of state highway and
2 transportation officials (AASHTO). The department may also use the
3 mandrel test for manufactured pipe 60 days after installation and
4 provide a summary of the results of these inspections to the house
5 of representatives and senate appropriations subcommittees on
6 transportation, house and senate fiscal agencies, and the state
7 budget director.

8 **COMPREHENSIVE TRANSPORTATION FUND**

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

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

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

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

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

20 Sec. 707. For the fiscal year ending September 30, 2006, each
21 eligible authority and each eligible governmental agency which
22 provides public transportation services in urbanized areas with a
23 Michigan population of less than or equal to 100,000 and
24 nonurbanized areas under section 5311 of title 49 of the United
25 States Code, 49 U.S.C. 5311, shall receive a grant of up to 60% of
26 its eligible operating expenses. Each eligible authority and each
27 eligible government agency which provides public transportation

1 services in urbanized areas with a Michigan population of greater
2 than 100,000 under section 5307 of title 49 of the United States
3 Code, 49 U.S.C. 5307, shall receive a grant of up to 50% of its
4 eligible operating expenses.

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

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

15 (2) Any state subsidy for rail passenger service between Grand
16 Rapids and Chicago and between Port Huron and Chicago shall be
17 limited to fifty percent of the portion of the cost not eligible
18 for reimbursement by the federal government and shall not exceed
19 \$7,100,000.00.

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

26 Sec. 714. The department, in cooperation with local transit
27 agencies, shall work to ensure that demand-response services are

1 provided throughout Michigan. The department shall continue to
2 work with local units of government to address the unmet transit
3 needs in Michigan.

4 Sec. 721. For federal transit administration bus acquisition
5 capital grants matched with CTF funds appropriated in part 1,
6 transit agencies shall have 4 years from the federal approval date
7 to carry out their projects. Contract line items unobligated 4
8 years after the federal approval date may be matched with CTF funds
9 only up to 15% in the fifth and subsequent years. "Unobligated"
10 means any line item in the contract that is not committed to a
11 third party or purchase order. A waiver shall be granted by the
12 department for an additional year with documented justification
13 from the transit agency accompanied by a resolution from the board
14 or authority seeking a waiver. If a transit agency does not carry
15 out a line item activity in a specific authorization and the
16 transit agency requests funds in a new authorization for that same
17 activity, the line item shall be matched at up to 15%. This
18 section applies only to bus acquisition capital grants. Lapsed
19 funds under this section shall remain in the CTF.

20 **AERONAUTICS FUND**

21 Sec. 801. At the close of the fiscal year, any unobligated and
22 unexpended balance in the state aeronautics fund created in the
23 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1
24 to 259.208, shall lapse to the state aeronautics fund and be
25 appropriated by the legislature in the immediately succeeding
26 fiscal year.

27 Sec. 805. State aeronautics funds appropriated in part 1 for

1 airport safety and protection plan debt service are transferred to
2 the comprehensive transportation fund and are appropriated for the
3 purpose of reimbursing comprehensive transportation fund debt
4 service obligations for the airport safety and protection plan
5 program.