

**TRANSPORTATION
FY 2010-11 Appropriations
Public Act 192 of 2010 (House Bill 5889)**



**Analyst: William E. Hamilton
September 30, 2010**

IDG/IDT	FY 2009-10	FY 2010-11	FY 2010-11	FY 2010-11	FY 2010-11	Difference: Enacted Difference From FY 2009-10 YTD	
	YTD (9/30/10)	Executive	House (6-9-10)	Senate (6-17-10)	Enacted	Amount	%
Federal	\$0	\$878,300	\$878,300	\$878,300	\$878,300	\$878,300	100%
ARRA	98,424,400					(98,424,400)	(100%)
Non ARRA	1,228,154,500	752,480,600	1,227,480,600	1,227,480,600	1,227,470,600	(683,900)	0.0
Local	56,453,400	56,496,000	56,496,000	56,496,000	56,496,000	42,600	0.0
Private	0	0	0	0	0		
Restricted	1,978,578,800	1,951,074,400	1,949,604,500	1,959,290,800	1,950,974,400	(27,604,400)	(1.4)
GF/GP	0	0	84,000,000	0	0	0	0%
Gross	\$3,361,611,100	\$2,760,929,300	\$3,318,459,400	\$3,244,145,700	\$3,235,819,300	(\$125,791,800)	(3.7)
FTEs	3,014.3	3,022.3	3,022.3	3,022.3	3,022.3	8.0	0.2

Notes: (1) "ARRA" represents funds received under federal American Recovery and Reinvestment Act. (2) FY 2009-10 YTD reflects transfers, Executive Orders, and supplement appropriation adjustments through September 30, 2010. (3) "Enacted" reflects actual spending authority after the Governor's vetoes, \$150,100 less than the amounts printed in the enrolled bill.

Overview

The Transportation budget supports state and local highway programs, public transportation programs, aeronautics programs, and administration of the Michigan Department of Transportation (MDOT). Approximately two-thirds of the revenue in this budget comes from state restricted revenue, with approximately one-third from federal sources. There is no General Fund revenue appropriated in this budget. Almost all the state-restricted revenue in this budget is constitutionally-restricted – from motor fuel taxes and vehicle registration taxes. This revenue is first credited to the Michigan Transportation Fund (MTF) and then distributed in accordance with 1951 PA 51 to other state transportation funds and programs, including the State Trunkline Fund (STF) and the Comprehensive Transportation Fund (CTF), and to local road agencies.

Summary of Major Budget Issues

The Enacted Budget reflects \$20 million in STF administrative savings that were part of the original Executive budget proposal for securing matching funds for federal aid. The Enacted budget also reflects a subsequent department proposal for securing an additional \$84 million in state funds needed to match all available federal-aid highway funds. Elements of the department proposal are: issuing \$40 million in short term notes; use of \$11 million in soft-match toll credits; redirection of \$12 million in drivers license fees from the Transportation Economic Development Fund (TEDF); recognition of \$2.1 million in STF savings from the Civil Service Commission's rejection of a proposed 3% pay increase for non-represented employees (NEREs); \$6 million in other program reductions, including a \$1 million reduction in Welcome Center operations; deferral of \$11.3 million in capital outlay facility projects, including \$1 million related to salt sheds at contract maintenance agencies; and the deferral of \$1.6 million in capital funding for a proposed Welcome Center in Port Huron. These items represent internal fund shifts, or, in the cases of the proposed note issue and the use of toll credits, are "off-budget."

Acceptance of the department proposal allows the recognition in the budget of an additional \$475 million in federal funds, as compared to the original Executive recommendation. Note that most of items that comprise the \$84 million involve shifting funds within the budget and do not increase gross appropriations. Some, such as the \$40 million note, the use of toll credits, and the lapse of prior year's capital outlay projects, do not require legislative approval and are not reflected in the budget bill at all.

Budget Changes From FY 2009-10 YTD Appropriations		FY 2009-10 YTD (as of 9/30/10)	Enacted Change From YTD	
1. Debt Service		Gross	\$251,637,300	(\$4,824,300)
Recommends \$246.8 million, reflecting anticipated debt service schedules. Budget includes \$7.5 million in a new fund source "IRS rebate" to reflect rebates associated with a new <i>Build America Bonds</i> issued by the department in 2009. This new fund source is included the bill and our analysis with other state restricted revenue.	Federal	58,163,500	(12,331,400)	
	Restricted	193,473,800	7,507,100	
While the appropriation includes \$29.8 million related to CTF debt service, \$13.2 million of that amount would not be used for debt service; it would instead be transferred to a bond proceeds account for subsequent expenditure on public transportation capital projects. The department was able to reduce CTF debt service for three years by restructuring CTF bonds in May 2009. The \$13.2 million represents the second year of reduced CTF debt service. The transfer of this savings to a bond proceeds account is required by IRS regulations governing tax-free bonds, and would be authorized by boilerplate Section 745.				
2. Support Services by Other State Departments – PARTIAL VETO		Gross	\$49,702,300	\$1,409,900
Authorization for interdepartmental grants (IDGs) for services provided by eight other state departments; includes \$20 million MTF to the Department of State and \$8.3 million MTF to the Department of Treasury for the costs of collecting transportation revenue. Increases from prior year include \$721,500 in economic increases, \$747,500 for Treasury collection costs, and \$41,000 in cost allocation adjustments.	Restricted	49,702,300	1,409,900	
The Governor vetoed boilerplate Section 306(3) which had required an alternative study of costs associated with collection of motor fuel taxes; the veto reduced the Department of Treasury MTF IDG by \$100,000, the estimated cost of the study.				
3. Executive Direction		FTEs	37.3	0.0
Includes funding for <i>Unclassified salaries, Asset Management Council, and Office of Commission Audits</i> . The original Executive recommendation reflected economic increases of \$165,200, partially offset by baseline reduction of \$178,700 STF – part of \$20 million in STF reductions.		Gross	\$5,771,100	(\$108,900)
	Restricted	5,771,100	(108,900)	
Enacted budget includes additional \$82,900 STF decrease to recognize rejection of NERES 3% pay increase; plus \$45,200 in STF reductions to free up STF matching funds for federal-aid road and bridge program.				
4. Business Support		FTEs	57.0	1.0
Appropriations unit includes line items <i>Business support, Economic development and enhancement, Property management, and Worker's compensation</i> . Budget reflects employee-related economic increases of \$404,700, reduction in building occupancy costs of \$829,600, and baseline STF reductions of \$245,200 – part of \$20 million in STF reductions.		Gross	\$17,541,700	(\$749,300)
	Restricted	17,541,700	(749,300)	
Enacted budget includes additional \$132,600 decrease to recognize rejection of NERES 3% pay increase, plus \$62,100 STF reduction to free up STF matching funds for federal-aid road and bridge program.				
5. Information Technology		Gross	\$29,211,600	(\$1,380,600)
Reflects economic adjustments of \$559,800, anticipated savings from DIT/DMB merger, and baseline STF program reductions of \$1.4 million – part of \$20.0 million in STF program reductions.	Federal	510,800	9,700	
	Restricted	28,700,800	(1,390,300)	
Enacted budget includes additional \$252,000 decrease to reflect rejection of NERES 3% pay increase, and \$356,000 STF reduction to free up STF matching funds for federal-aid road and bridge program.				

Budget Changes From FY 2009-10 YTD Appropriations		FY 2009-10 YTD (as of 9/30/10)	Enacted Change From YTD
6. Finance, Contracts, and Support Services		FTEs 243.5	7.0
Includes line items for <i>Financial operations, Contract services, Department services, Performance excellence, and Welcome center operations.</i>	Gross	\$24,877,400	(\$255,900)
Reflects economic increases of \$1.2 million, and baseline STF reductions of \$1.2 million – part of \$20.0 million in STF program reductions. Also includes \$878,300 IDG from the Michigan Department of Agriculture (MDA) related to consolidation of accounting functions.	Restricted	24,877,400	(1,134,200)
	IDG	0	878,300
Enacted budget includes additional \$345,400 decrease to reflect rejection of NERES 3% pay increase, and \$1.2 million STF reduction to free up STF matching funds for federal-aid road and bridge program.			
7. Transportation Planning – PARTIAL VETO		FTEs 176.0	0.0
Reflects economic increases of \$1.7 million; STF baseline reductions of \$363,700 – part of \$20.0 million in STF program reductions.	Gross	\$36,456,300	\$1,408,900
	Federal	22,000,000	(10,000)
	Restricted	14,456,300	1,418,900
Enacted budget includes additional \$92,100 decrease to free up STF matching funds for federal-aid road and bridge program. Also reflects the Governor's veto of boilerplate Sec. 394 which required a study of state transportation funding; the cost of the study was estimated to be \$10,000.			
8. Design and Engineering Services		FTEs 1,494.8	(2.0)
Reflects economic increases of \$8.5 million; STF program reductions of \$3.8 million – part of \$20.0 million in STF program reductions.	Gross	\$112,908,100	\$3,749,900
	Federal	23,529,800	0
	Restricted	89,378,300	3,749,900
Enacted budget includes additional \$853,800 decrease to reflect rejection of NERES 3% pay increase, and \$974,200 STF reduction to free up STF matching funds for federal-aid road and bridge program.			
9. State Trunkline Maintenance		FTEs 834.7	2.0
Reflects economic increases of \$4.1 million; STF baseline reductions of \$12.8 million – part of \$20.0 million in STF program reductions.	Gross	\$285,806,000	(\$11,142,100)
	Restricted	285,806,000	(11,142,100)
Enacted budget includes additional \$294,000 decrease to reflect rejection of NERES 3% pay increase, and \$3.2 million reduction to free up STF matching funds for federal-aid road and bridge program. Rolls up the two current line items into a single <i>State trunkline operations</i> line.			
10. State Trunkline Road and Bridge Construction		Gross \$823,918,800	(\$27,692,600)
Recognizes approximately the same level of federal funding as FY 2009-10 based on a department proposal for securing \$84 million in state funds needed to match all federal funds. Elements of the proposal are: issuing \$40 million in short term notes; use of \$11 million in soft-match toll credits; redirection of \$12 million in drivers license fees from the Transportation Economic Development Fund (TEDF); recognition of \$2.1 million in STF savings from the Civil Service Commission's rejection of a proposed 3% pay increase for non-represented employees (NEREs); \$6 million in other program reductions, including a \$1 million reduction in Welcome Center operations; deferral of \$11.3 million in capital outlay facility projects, including \$1 million related to salt sheds at contract maintenance agencies; and the deferral of \$1.6 million in capital funding for a proposed Welcome Center in Port Huron. These items represent internal fund shifts, or, in the cases of the proposed note issue and the use of toll credits, are "off-budget."	Federal	706,812,600	6,206,900
	ARRA	30,000,000	(30,000,000)
	Local	30,000,000	0
	Restricted	57,106,200	(3,899,500)

Note: FY 2009-10 YTD figure includes \$30 million in federal stimulus (ARRA) funds appropriated in 2010 PA 92 (Senate Bill 928).

Budget Changes From FY 2009-10 YTD Appropriations		FY 2009-10 YTD (as of 9/30/10)	Enacted Change From YTD
11. Local Federal Aid Road and Bridge Construction	Gross	\$248,751,000	\$0
Appropriates \$248.8 million, the same as FY 2009-10, based on estimated available federal revenue and the Act 51 directive that 25% of most federal aid program funds be made available to local road agencies. While the appropriation of federal funds for local road agency programs is the same as prior year, it is not clear to what extent some local road agencies will have trouble matching federal funds.	Federal	248,751,000	0
12. Local Bridge Fund	Gross	\$26,905,000	(\$105,200)
Act 51 earmark reflects anticipated reduction in gasoline tax revenue.	Restricted	26,905,000	(105,200)
13. MTF Distribution to Local Road Agencies	Gross	\$886,145,400	(\$27,388,900)
Recognizes \$858.8 million MTF (\$551.4 million to county road commissions, \$307.4 million to cities/villages) based on February 2010 revenue estimates and Act 51 formula; actual distribution will be based on actual MTF revenue, which may differ from estimates.	Restricted	886,145,400	(27,388,900)
14. Transportation Economic Development Fund (TEDF)– PARTIAL VETO	Gross	\$58,767,000	(\$26,341,500)
Reflects anticipated \$1.3 million reduction in interest earnings on the TEDF fund balance; that reduction is partially offset by \$54,800 reduction in TEDF-related debt service. Also reflects the Governor's veto of a \$40,000 Forest Roads earmark for truck inspection turn-offs (and related boilerplate Section 608).	ARRA	25,000,000	(25,000,000)
	Restricted	33,767,000	(1,341,500)
<p>TEDF revenue reflects the shift of \$12 million in driver's license fee revenue to the state trunkline road and bridge program to help provide matching funds for federal aid. [In FY 2009-10 \$12 million in TEDF driver's license fee revenue was redirected to the state General Fund.]</p> <p>Includes a new TEDF line item for "Non-profit street railways" with an initial appropriation of \$1.0 million, and related boilerplate in Section 398. This appropriation will require an amendment to the TEDF authorizing legislation.</p> <p><i>Note: FY 2009-10 YTD figure includes \$25 million in federal stimulus (ARRA) funds appropriated in 2010 PA 92 (Senate Bill 928) for a Non-profit street railway.</i></p>			
15. Aeronautics and Freight Services	FTEs	84.0	0.0
Reflects economic increases. Appropriations unit includes three operating line items: <i>Airport improvement services</i> , <i>Aviation services</i> , and <i>Freight and safety services</i> , as well as the <i>Aviation services</i> grant program.	Gross	\$11,157,100	\$537,300
	Restricted	11,157,100	537,300
16. Public Transportation Services	FTEs	46.0	0.0
<i>This appropriations unit administers passenger public transportation programs.</i> Reflects economic increases and anticipated increase in federal aid.	Gross	\$5,414,500	\$413,100
	Federal	762,100	100,000
	Restricted	4,652,400	313,100
17. Bus Transit - Local Bus Operating Assistance	Gross	\$166,624,000	\$0
Recommends \$166.6 million (CTF) for state operating assistance to local public transit agencies – unchanged since FY 2006-07.	Restricted	166,624,000	0
18. Bus Transit - Non-Urban Operating/Capital	Gross	\$22,324,100	\$463,800
Recognizes anticipated increase in federal non-urban transit grants.	Federal	21,000,000	987,900
	ARRA	524,100	(524,100)
	Local	800,000	0
<p><i>Note: FY 2009-10 YTD figure includes \$524,100 in federal stimulus (ARRA) funds appropriated in 2010 PA 92 (Senate Bill 928) for various non-urban capital projects.</i></p>			

Budget Changes From FY 2009-10 YTD Appropriations		FY 2009-10 YTD (as of 9/30/10)	Enacted Change From YTD
19. Rail Passenger Service	Gross	\$12,380,000	(\$713,000)
<i>Provides operating assistance to AMTRAK for Port Huron/Chicago and Grand Rapids/Chicago rail service with state restricted funds; federal revenue supports capital assistance. Gross appropriations in this line would be \$11.7 million, including \$8.7 million from the CTF.</i>	Federal	3,800,000	(800,000)
	Local	380,000	(380,000)
	Restricted	8,200,000	467,000
<i>Note: FY 2009-10 YTD figure reflects legislative transfers which increased YTD authorization by \$3.7 million including \$2.5 million CTF. However, the YTD figure does not include \$40.3 million in federal stimulus (ARRA) funds appropriated in 2010 PA 92 (Senate Bill 928) for high-speed rail projects.</i>			
20. Specialized Services	Gross	\$7,358,800	\$85,700
<i>Line supports transit programs for elderly and disabled citizens. Recommends \$7.4 million; increase reflects anticipated federal and CTF revenue.</i>	Federal	1,700,000	85,000
	Local	1,700,000	0
	Restricted	3,958,800	0
21. Municipal Credit Program	Gross	\$2,000,000	\$0
<i>Reflects Act 51 earmark level of not less than \$2.0 million; reflects anticipated CTF revenue.</i>	Restricted	2,000,000	0
22. Bus Capital	Gross	\$41,474,500	(\$174,500)
<i>Provides matching funds for federal transit grants to local transit agencies. Reflects Act 51 earmark floor of not less than \$8.0 million CTF.</i>	Federal	28,000,000	300,000
	Local	5,000,000	0
	Restricted	8,474,500	(474,500)
<i>Note: FY 2009-10 YTD figure reflects a legislative transfer which increased YTD authorization by \$3.3 million CTF. However, the YTD figure does not include \$2.6 million in federal stimulus (ARRA) funds appropriated in 2010 PA 1 (House Bill 5404) for various local bus capital projects.</i>			
23. Transit Oriented Development – VETOED	Gross	\$0	\$100
<i>Governor vetoed this \$100 placeholder (TEDF) and related boilerplate section 399.</i>	Restricted	0	100
24. State/Local Capital Facilities Projects	Gross	\$2,288,000	\$10,603,100
<i>Appropriates \$12.9 million which includes \$9.9 million for Port Huron Welcome center replacement, Blue Water Bridge inspection station, administration, and maintenance facilities. Budget does not include \$1.6 million STF for the Port Huron Welcome Center or \$1.0 million proposed for salt shed buildings and containment facilities; those funds were redirected to the road and bridge program to match federal funds.</i>	Federal	0	6,514,800
	Restricted	2,288,000	4,088,300
[Part of the department's plan to match all federal funds includes the lapse of \$10.3 million in STF spending authority related to capital outlay projects approved in prior fiscal year budgets and carried forward.]			
25. AERO Capital Projects	Gross	\$123,425,700	(\$179,300)
<i>Provides funding for FY 2010-11 Aeronautics Capital program; reflects anticipated federal program funding.</i>	Federal	104,874,700	(1,946,800)
	Local	16,023,400	422,600
	Restricted	2,527,600	1,344,900

Budget Changes From FY 2009-10 YTD Appropriations	FY 2009-10 YTD (as of 9/30/10)	Enacted Change From YTD
26. Economics	Gross	N/A
Estimated additional funding needed to maintain baseline service levels: \$5.7 million for salaries/wages, \$3.6 million for health insurance, \$7.8 million for retirement contributions, and \$57,900 for workers compensation. Building occupancy costs decrease by \$887,500.	Restricted	\$16,256,600 16,256,600

[Note that the \$16.3 million in economic increases originally computed by the State Budget Office will be partially offset by the \$2.7 million in savings from the Civil Service Commission's rejection of a proposed 3% pay increase for non-represented employees. Of this savings, \$2.0 million STF is recognized in the enacted budget as part of the state funds used to match federal aid highway funds.]

Boilerplate Changes From FY 2009-10
Sec. 201. Total State Spending and Payments to Local Units of Government – Retained Identifies total state spending in Part 1 and state payments to local units of government.
Sec. 202. Management and Budget Act – Retained References the Management and Budget Act.
Sec. 203. Abbreviations – Retained Defines abbreviations used in the Act.
Sec. 204. Civil Service 1% Billing – Retained Provides for quarterly Civil Service Commission charges to MDOT.
Sec. 205. Hiring Freeze – Retained Establishes a hiring freeze on state classified civil service.
Sec. 206. Contingency Appropriations – Retained Provides for contingency appropriations in accordance with Section 393(2) of the Management and Budget Act, \$200.0 million federal; \$40.0 million state restricted, \$1.0 million in local, and \$1.0 million private funds.
Sec. 207. Privatization – Retained Provides for reports on privatization activities and defines privatize and privatization.
Sec. 208. Internet Reports – Retained Provides for use of Internet to fulfill reporting requirements.
Sec. 209. Foreign Goods and Services – Retained Prohibits use of foreign goods and services if comparatively priced and comparable quality American goods and services are available. Directs MDOT to give priority to Michigan goods and services, and to businesses owned by Michigan veterans.
Sec. 210. Deprived and Depressed Communities – Retained Requires director to take reasonable steps to ensure that businesses in deprived and depressed communities compete for contracts to provide services or supplies or both.
Sec. 211. Receive and Retain Reports – Retained Provides guidelines regarding record retention.
Sec. 259. DIT User Fees – Retained Provides for user fees to be paid to DIT.
Sec. 260. Out-of-State Travel – Retained Establishes limitation on out-of-state travel and creates travel reporting requirement.
Sec. 261. Employee Discipline – Retained Prohibits departments and agencies from taking disciplinary action against an employee for communicating with legislator or legislative staff.
Sec. 262. Hire of Outside Legal Counsel – Retained Prohibits MDOT from hiring a person to provide legal services that are the responsibility of the Attorney General; exempts bond counsel.
Sec. 263. Impact of New Legislation and Administrative Rules – Retained Requires a report, by April 1, 2011, on specific policy changes adopted to implement new public acts. Prohibits MDOT from adopting administrative rules that have a disproportionate impact on small business.

Boilerplate Changes From FY 2009-10
Sec. 266. Transparency/FTE Report – NEW Requires quarterly report on FTE positions; directs department to use funds not to exceed \$10,000 to develop, post, and maintain on a publically accessible website expenditures made during the fiscal year.
Sec. 301. Permit Fees/Bridge Tolls – Retained Provides for permit and FOIA processing fees; provides process for raising bridge tolls.
Sec. 303. Legislative Report – Retained Provides for report (on request) of funds received by city, village, and county road commission by legislative district.
Sec. 304. Confidentiality of Bid Documents – Retained Provides for confidentiality of highway project bid documents.
Sec. 305. Lease of Space in Public Transportation Property – Retained Requires lease of space in public transportation facilities at market rates; requires that revenue be used for property maintenance/improvements.
Sec. 306. Use of Transportation Funds by Other State Agencies/Biennial Audit – PARTIAL VETO Sets guidelines for use of transportation funds (grants) by other state agencies; requires report. Provides for biennial audit of use of transportation funds by other state departments, due nine months after state CAFR issue. The Governor vetoed Subsection (3) which required the State Treasurer to perform a cost allocation study based on time and effort.
Sec. 307. Rolling Five-Year Plan – Retained Requires MDOT to provide a rolling five-year highway construction plan by March 1 of each year.
Sec. 308. Contract Compliance– Retained Requires that MDOT and local road agencies pursue compliance with contract specifications for construction and maintenance; provides for sanctions for unsatisfactory contractors; requires a report.
Sec. 309. Administrative Costs – Retained Requires MDOT to continue its efforts to reduce administrative costs.
Sec. 310. State Transportation Commission Minutes/Agenda – Retained Requires MDOT to provide copies of minutes and agenda to House and Senate Appropriations Subcommittees on Transportation, House and Senate Fiscal Agencies, and State Budget Director.
Sec. 312. State Trunkline Fund Carryforward – Retained Allows carryforward authority for STF; appropriates for state trunkline federal aid and road and bridge program.
Sec. 314. Report on Internal Auditor – Retained Provides for report on activities of internal auditor; report due February 1.
Sec. 319. Rest Area Maintenance – Retained Requires signs/telephone numbers for reporting unclean and unsafe conditions at rest areas.
Sec. 321. Complete Streets/Enhancement Grants – NEW Directs the department to give preference, in awarding Enhancement grants, to applicants which have adopted Complete Streets policies.
Sec. 322. Complete Streets/Universities – NEW Directs the department to work with requesting universities on Complete Streets polices.
Sec. 334. Women- and Minority-Owned Businesses Program – Retained Requires MDOT to continue MBE/WBE program; September 30th reporting requirement.
Sec. 353. Prompt Payment – Retained Directs MDOT to review contractor payment process to ensure that contractors and subs are paid promptly.
Sec. 357. Local Federal Aid Project Review– Retained Directs MDOT to complete project reviews within 120 days; requires system for monitoring review process.
Sec. 374. MDOT Employee Newsletters– Retained Requires MDOT to distribute employee newsletters electronically.
Sec. 375. MDOT Open Houses and Groundbreaking Ceremonies– Retained Prohibits MDOT from reimbursing contractors or consultants for groundbreaking ceremonies, receptions, open houses, or press conferences related to transportation projects funded from appropriations made in Act.
Sec. 376. Deferred Project Report– Retained Requires report by March 1, 2011, on the status of 17 projects deferred in 2003, then restored to Five-year Plan. Indicates legislative intent that this be the final report.
Sec. 383. Report on Use of State Airfleet – Retained Requires quarterly report on use of MDOT-owned aircraft; restricts use by legislative employees; requires recovery of department costs.
Sec. 384. Detroit River International Crossing (DRIC) – MODIFIED Limits spending for 3-month period ending December 31, 2010 to \$250,000 under any contract entered prior to September 1, 2010; limits spending for 5-month period ending May 31, 2011 to \$500,000 under any contract entered prior to September 1, 2010; prohibits the department from entering any new contract after September 1, 2010 unless specific legislation authorizing DRIC has been enacted; requires legislative report by March 31, 2011; indicates that spending restrictions of the section will not apply if DRIC enabling legislation is enacted.

Boilerplate Changes From FY 2009-10
Sec. 385. Private Facility Toll Credits – NEW Restricts use of toll credits earned from private toll facilities.
Sec. 393. Best Practices for Public Transportation – Retained Directs department to support best practices.
Sec. 394. Revisit Act 51 Distribution Formula – VETOED Indicated legislative intent that department study transportation funding distribution formula; requires consultation with CRAM & MML. The Governor indicated that the study had already been done.
Sec. 395. County Road C-56 Jurisdiction – Retained Indicates legislative intent that department assume jurisdiction of County Road C-56 between US-31 and I-75 in Charlevoix County.
Sec. 398. Street Railway Appropriation – MODIFIED Provides for the appropriation a street railway pursuant to section 10e(22) of 1951 PA 51.
Sec. 399. Transit Oriented Development – VETOED Explained \$100 appropriation for Transit oriented development in Part 1.
Sec. 401. Federal Aid Distribution Report – Retained Requires Department to notify local agencies, Legislature, and state budget director on proposed distribution of federal funds between state and local units.
Sec. 402. Sale of Local Federal Aid – Retained Authorizes local road agencies to sell federal aid to Department or to other local road agencies.
Sec. 501. Motor Carrier Act – Retained Describes distribution of revenue received under the Motor Carrier Act (1933 PA 254).
Sec. 502. Treasury Audits of Local Road Agencies – Retained Provides for audits of local road agencies by Department of Treasury.
Sec. 503. TEDF/Local Bridge Fund Carryforward – Retained Provides carryforward authority for TEDF and Local Bridge funds; prevents diversion for other purposes; authorizes use of federal, local, or private funds for program. .
Sec. 504. MTF Distribution – Retained Requires use of MTF in accordance with Act 51 requirements.
Sec. 601. Road Construction Warranties – Retained Encourages use of road construction warranties; provides for report by September 30 of each year.
Sec. 602. Manufactured Pipe – Retained Provides standards for use and testing of manufactured pipe.
Sec. 603. Traffic Congestion – Retained Directs Department to consider traffic congestion be used as criteria in project selection; provides specific criteria for evaluating traffic congestion.
Sec. 604. Work Zone Safety Signs – NEW Indicates legislative intent that the department place signs in work zones notifying vehicle operators of increased penalties for traffic offenses in work zones.
Sec. 607. Interchange – I-75 at Corunna Road, Flint – Retained Legislative intent regarding proposed project.
Sec. 608. Truck Inspection Stations – VETOED Earmarked \$40,000 from the TEDF (Forest Roads) for two truck inspection stations
Sec. 610. Dead Deer – Retained Describes legislative intent regarding clean-up of dead deer and other large animal remains.
Sec. 612. Incentive/Disincentive – Retained Requires Department to establish guidelines for use of incentive/disincentive contracts; establishes a reporting requirement; report due January 1st of each year.
Sec. 615. Interchange M-48 and I75 in Chippewa County – Retained Indicates legislative intent that Department construct full interchange.
Sec. 654. Long-term Viability of Mackinac Bridge – Retained Indicates legislative intent that the Mackinac Bridge Authority protect long-term viability of the Mackinac Bridge.
Sec. 656. M-49 Upgrade “Green Highway” – Retained Indicates legislative intent that the Department upgrade M-49 in Hillsdale County to a “designated” truck route.
Sec. 658. Interchange at I-196 and Phoenix Road in South Haven – Retained Indicates legislative intent that Department reconstruct interchange.
Sec. 659. Life Cycle Cost for Pavement Projects – Retained Allows the use of historical/comparable data from states with similar climate, soil, and vehicular traffic.
Sec. 660. Use of Alternative Materials – Retained Encourages the department to examine the use of alternative road surface materials.
Sec. 661. Completion of US-127 St. Johns to Ithaca – Retained Indicates legislative intent that Department complete engineering and right of way acquisition.

Boilerplate Changes From FY 2009-10
Sec. 662. Improved Emergency Response Access Point – NEW Intent language that Department work with Graafschap Fire Department and Laketown Township to improve emergency access on US-31 in Allegan County.
Sec. 664. Use of Additional MTF Revenue – NEW Directs that revenue in excess of revenue estimates be used to reinstate delayed projects.
Sec. 665. Prohibition on Land Purchase for Watervliet I-94 rest area – NEW Indicates legislative intent that appropriated funds not be used for property acquisition related to new rest area.
Sec. 701. Intercity Bus Equipment Fund – Retained Provides for separate accounting and carryforward authority for this fund.
Sec. 702. Rail Preservation Fund – Retained Provides for separate accounting and carryforward authority for this fund; reference to State Transportation Preservation Act of 1976 (1976 PA 295).
Sec. 703. Rail Abandonment Notice – Retained Requires Department to notify Legislature when railroad companies file for abandonment of lines.
Sec. 706. Detroit/Wayne County Port Authority – Retained Requires report due by February 15 of each year.
Sec. 708. Intercity Bus Equipment Program – Retained Requires annual lease of not less than \$1,000.
Sec. 709. Intercity Bus Essential Corridor – Retained Identifies essential bus corridors; prohibits operating subsidy to any entity competing with another public or private carrier over the same route.
Sec. 711. Seven-Day Rail Passenger Service (AMTRAK) – MODIFIED Directs Department to negotiate with a rail carrier to provide seven-day Port Huron/Chicago and Grand Rapids/Chicago service. Adds directive that department work with rail carrier to identify ways to accommodate transport of bicycles by passengers.
Sec. 714. Local Transit Demand-Response Services – Retained Requires that Department, in cooperation with local transit agencies, work to ensure that demand-response services are provided throughout Michigan.
Sec. 731. Intercity Bus Space Rental – Retained Directs Department to charge transit agencies and intercity bus carriers the same rent when leasing similar space in state-owned intermodal facilities.
Sec. 734. Transit Agency Service Performance Measures – Retained Directs Department to work to ensure that transit agencies meet certain service performance measures.
Sec. 740. Review of CTF Fund Balances – Retained Requires report on unencumbered CTF balance by March 1 of each year.
Sec. 741. Ann Arbor and Northwest Michigan Railroad – MODIFIED Requires report on progress made to improve rail track to support passenger trains at 59 MPH..
Sec. 743. Use HEV Vehicles – Retained Encourages the department to include hybrid electric vehicles in RFPs purchased through the department.
Sec. 745. Appropriation of CTF Debt Service – MODIFIED Directs that \$13.2 million appropriated for CTF debt service be transferred to bond proceeds account in accordance with IRS regulation. [Similar language was included in FY 2009-10 supplemental HB 5394.]
Sec. 801. State Aeronautics Fund – Retained Requires that unexpended funds in the State Aeronautics Fund lapse back to the fund.
Sec. 901. Aeronautics Capital Program – Retained Permits department to contract for airport improvement projects on behalf of local airport owners; local match requirements, requires local agencies to obtain authorization before submitting projects to federal agencies.
Sec. 902. Aeronautics Capital Program Status Report – Retained Provides reporting requirement.
Sec. 903. Capital Outlay Carry Forward – Retained Provides for carry forward authority in accordance with the Management and Budget Act.
Sec. 904. Capital Outlay Authorization/Lapse – Retained Language on allocation of lump-sum appropriations.