

**TRANSPORTATION: FY 2011-12
Summary: Conference Report
Senate Bill 185 (S-1) CR-1**



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	FY 2010-11 YTD as of 2/17/10	FY 2011-12 Executive	FY 2011-12 Senate	FY 2011-12 House	FY 2011-12 Conference	Difference: Conference From FY 2010-11 YTD	
						Amount	%
IDG/IDT	\$878,300	\$3,451,500	\$3,451,500	\$3,451,500	\$3,451,500	2,573,200	293.3
Federal	1,227,470,600	1,241,195,200	1,241,195,200	1,241,195,200	1,241,195,200	13,724,600	1.1
Local	56,496,000	53,968,500	53,968,500	53,968,500	53,968,500	(2,527,500)	(4.4)
Private	0	0	0	0	0	0	
Restricted	1,950,974,400	2,079,155,500	2,014,155,500	2,029,155,500	2,029,155,500	78,181,100	4.0
GF/GP	0	0	0	0	0	0	
Gross	\$3,235,819,300	\$3,377,770,700	\$3,312,770,700	\$3,327,770,700	\$3,327,770,700	\$91,951,400	2.8
FTEs	3,022.3	3,049.3	3,049.3	3,049.3	3,049.3	27.0	8.9

Notes: (1) FY 2010-11 appropriation figures include the results of supplementals, Executive Order (EO) actions, and transfer adjustments through February 17, 2011.

(2) House-passed appropriation amounts are based on the Transportation article contained in House Bill 4526.

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 (Act 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 Changes

Gross appropriations in the **Conference Report** for FY 2011-12 would be **\$92.0 million** more than the current year. This increase reflects anticipated increases in estimated state restricted revenue from motor fuel and registration taxes, and well as increases in estimated federal funds. However, Gross appropriations in the Conference report are \$50 million less than the Governor's proposed budget; the Conference report does not recognize as STF revenue \$50 million from the Canadian contribution to a proposed Detroit-Windsor bridge crossing project. The Governor's budget had assumed the use of that revenue as a source of matching funds to access federal aid highway funds.

Although the Conference report does not recognize the \$50 million in STF/Canadian funds, federal revenue shown in the bill would be the same as the Governor's proposed budget. The Conference report anticipates using toll credits to provide the match needed to access all federal aid available to the state. [Most federal aid transportation programs require a non-federal match – most commonly 20% of project cost. To recognize states with a high reliance on toll facilities, federal law allows use of toll-financed capital expenditures made by toll facilities, such as toll bridges and toll roads, as a "soft match" for federal funds. Toll credits allow states to access federal funds if there are not sufficient non-federal matching funds. Since toll credits are a soft match, they are not appropriated or shown in the budget bill].

The House bill had reduced the MTF appropriation for the IDG to the Department of Treasury to \$5.0 million, \$3.4 million less than as proposed by the Governor, and redistributed the \$3.4 million savings to the CTF, the STF, and local road agencies in accordance with Act 51 formula. The Conference report does not concur with the House and instead concurs with the Senate and Executive.

Conference report follows the Governor's recommendation with regard to CTF funding for public transportation programs, including local bus operating and bus capital, and does not include shifts of CTF revenue as proposed in both House and Senate bills.

Major Budget Changes From FY 2010-11 YTD Appropriations

**FY 2010-11 YTD
(as of 2/17/11)** **Conference
Change from
Year-to-Date**

1. Debt Service

Appropriation of \$287.5 million reflects anticipated debt service schedules. \$48.6 million increase in STF debt service reflects repayment of a \$40.0 million short-term note the department may issue, if necessary, in the current fiscal year to match federal funds. Increased in debt service from federal funds reflects federal grant anticipation notes or bonds the department may issue in the current fiscal year for the Blue Water Bridge Plaza project. CTF debt service would decline by \$9.9 million reflecting the May 2009 restructuring of CTF bonds.

Gross	\$246,813,000	\$40,660,400
Federal	45,832,100	7,602,200
Restricted	200,980,900	33,058,200

2. Support Services by Other State Departments

Interdepartmental grants (IDGs) authorize the reimbursement of other state departments from restricted transportation funds for services provided to those transportation funds. Increases proposed in the Governor's budget reflect \$545,000 in economic increases, \$183,000 in cost allocation adjustments, less a \$91,600 technical adjustment.

Gross	\$51,112,200	\$636,700
Restricted	51,112,200	636,700

Conference concurs with Senate and Executive.
Conference does not follow the House in reducing the MTF IDG to Department of Treasury by \$3.4 million as compared to the Senate/Executive.

3. Executive Direction

Includes *Unclassified salaries, Asset Management Council, and Office of Commission Audits*; economic increases of \$161,500 would be offset by \$622,700 baseline reduction – part of \$16.0 million in STF administrative reductions to free up matching funds for federal-aid road and bridge program.

FTEs	37.3	0.0
Gross	\$5,662,200	(\$461,200)
Restricted	5,662,200	(461,200)

4. Business Support

Includes *Business support, Economic development and enhancement, Property management, and Worker's compensation*. Reflects retirement-related economic increases, \$394,600; increased building occupancy costs, \$410,400; reduction in workers compensation costs, \$24,000; and baseline reductions of \$426,900 – part of \$16.0 million in STF reductions to free up matching funds for federal-aid road and bridge program.

FTEs	58.0	0.0
Gross	\$16,792,400	\$318,900
Restricted	16,792,400	318,900

5. Information Technology

Reflects economic adjustments.

Gross	\$27,831,000	\$504,000
Federal	520,500	0
Restricted	27,310,500	504,000

6. Finance, Contracts, and Support Services

Reflects economic increases of \$1.0 million, and baseline STF reductions of \$2.0 million – part of \$16.0 million in STF reductions to free up matching funds for federal-aid road and bridge program.

FTEs	250.5	27.0
Gross	\$24,621,500	\$1,591,900
Restricted	23,743,200	(981,300)
IDG	878,300	2,573,200

IDG funding reflects accounting functions performed by MDOT for other state departments, \$878,300 in current year for Department of Agriculture; increase for FY 2011-12 reflects shift of DNR/DEQ accounting functions to MDOT.

7. Transportation Planning

Reflects economic increases of \$1.5 million; STF baseline reductions of \$927,100 – part of \$16.0 million in STF reductions to free up matching funds for federal-aid road and bridge program. Also restores \$10,000 (federal) spending authority lost when the Governor vetoed boilerplate Sec. 394 in the current year budget.

FTEs	176.0	0.0
Gross	\$37,865,200	\$549,800
Federal	21,990,000	10,000
Restricted	15,875,200	539,800

Major Budget Changes From FY 2010-11 YTD Appropriations

8. Design and Engineering Services

Reflects economic increases of \$7.1 million; \$80,200 decrease related to position transfers; and STF program reductions of \$7.0 million – part of \$16.0 million in STF reductions to free up matching funds for federal-aid road and bridge program.

	FY 2010-11 YTD (as of 2/17/11)	Conference Change from Year-to-Date
FTEs	1,492.8	(1.0)
Gross	\$116,658,200	\$27,200
Federal	23,529,800	0
Restricted	93,128,200	27,200

9. State Trunkline Maintenance

Reflects economic increases, \$2.3 million; increase related to position transfers, \$80,200; STF baseline reduction of \$5.0 million – part of \$16.0 million in STF reductions to free up matching funds for federal-aid road and bridge program, as well as additional \$5.0 million one-time decrease in baseline maintenance operations to match federal funds.

FTEs	836.7	1.0
Gross	\$274,663,900	(\$7,646,200)
Restricted	274,663,900	(7,646,200)

10. State Trunkline Road and Bridge Construction

The Governor's proposed budget identified sufficient state revenue to match all estimated available federal aid.

Gross	\$796,226,200	\$46,083,800
Federal	713,019,500	29,072,500
Local	30,000,000	0
Restricted	53,206,700	17,011,300

The Conference does not recognize \$50 million in STF funds from the Canadian contribution to a proposed Detroit-Windsor crossing project. The Conference includes the same figure for federal funds as the Governor's proposed budget. The Conference assumes the use of toll credits to provide the non-federal match needed to access all federal aid available to the state. [Since toll credits are a soft match, they are not appropriated in the state budget bill.]

Conference concurs with the Senate.

Conference does not include \$10.0 million in CTF funds the House had appropriated for the state trunkline federal aid construction program and does not recognize the House inclusion of \$1.2 million from a proposed reduction in the MTF IDG to the Michigan Department of Treasury.

11. Local Federal Aid Road and Bridge Construction

A placeholder reflecting estimated federal aid and the Act 51 directive that an average of 25% of most federal aid program funds be made available to local road agencies.

Gross	\$248,751,000	(\$8,308,000)
Federal	248,751,000	(8,308,000)

12. Local Bridge Fund

Act 51 earmark reflects anticipated gasoline tax revenue.

Gross	\$26,799,800	\$452,700
Restricted	26,799,800	452,700

13. MTF Distribution to Local Road Agencies

Recognizes MTF distribution to county road commissions and cities/villages, based on February 2011 revenue estimates and Act 51 formula; actual distribution will be based on actual MTF revenue, which may differ from estimates.

Gross	\$886,145,400	\$29,976,100
Restricted	886,145,400	29,976,100

Conference concurs with the Senate and Executive.

Conference does not include \$10.0 million in CTF funds the House had appropriated for County road commissions and does not recognize the House inclusion of \$1.9 million from a proposed reduction in the MTF IDG to the Michigan Department of Treasury.

Major Budget Changes From FY 2010-11 YTD Appropriations

14. Transportation Economic Development Fund (TEDF)
 Continues into FY 2011-12 and FY 2012-13 the shift of \$12 million in driver's license fee revenue from Category "A" to the STF state trunkline road and bridge program to help provide matching funds for federal aid. Changes reflect minor changes in net available TEDF revenue.

	FY 2010-11 YTD (as of 2/17/11)	Conference Change from Year-to-Date
Gross	\$32,425,500	(\$199,300)
Restricted	32,425,500	(199,300)

Does not include current year appropriation of \$1.0 million for "Non-profit street railways"; funding shifted to Category A program.

15. Aeronautics and Freight Services
 Includes three operating line items, *Airport improvement services*, *Aviation services*, and *Freight and safety services*, as well as the *Aviation services* grant program. Reflects on-going reduction in State Aeronautics Fund (SAF) revenue.

FTEs	84.0	0.0
Gross	\$11,694,400	(\$524,700)
Restricted	11,694,400	(524,700)

16. Public Transportation Services
 Administers passenger public transportation programs. Increase reflects economic adjustments.

FTEs	46.0	0.0
Gross	\$5,827,600	\$265,800
Federal	862,100	0
Restricted	4,965,500	265,800

17. Bus Transit - Local Bus Operating Assistance
 Governor recommends \$166.6 million (CTF) for state operating assistance to local public transit agencies – unchanged since FY 2006-07.

Gross	\$166,624,000	\$0
Restricted	166,624,000	0

Conference concurs with the Senate and Executive.

Conference does not include the House-proposed shift of \$10.0 million CTF to road programs and does not recognize the House inclusion of \$337,900 from a proposed reduction in the MTF IDG to the Michigan Department of Treasury.

18. Bus Transit - Non-Urban Operating/Capital
 Recognizes federal non-urban transit grants.

Gross	\$22,787,900	\$0
Federal	21,987,900	0
Local	800,000	0

19. Rail Passenger Service
 State restricted funds provide operating assistance for AMTRAK rail service between Port Huron/Chicago and Grand Rapids/Chicago; federal revenue supports capital assistance.

Gross	\$11,667,000	\$0
Federal	3,000,000	0
Restricted	8,667,000	0

20. Intercity Services
 Provides \$650,000 in additional CTF support; reduces Intercity Bus Equipment Fund authorization by \$1.8 million to reflect actual revenue.

Gross	\$7,250,000	(\$1,150,000)
Federal	4,500,000	0
Local	50,000	0
Restricted	2,700,000	(1,150,000)

21. Freight Preservation and Development
 Provides additional CTF support to program that supports capital improvements to state owned rail property.

Gross	\$3,364,200	\$1,735,800
Federal	100,000	0
Restricted	3,264,200	1,735,800

22. Specialized Services
 Supports transit programs for elderly and disabled citizens. Increase reflects anticipated federal and CTF revenue.

Gross	\$7,443,800	\$1,470,000
Federal	1,785,000	700,000
Local	1,700,000	785,000
Restricted	3,958,800	(15,000)

23. Municipal Credit Program
 Reflects Act 51 earmark level of not less than \$2.0 million.

Gross	\$2,000,000	\$0
Restricted	2,000,000	0

24. Bus Capital/Transit Capital
 Provides increased state CTF matching funds for federal transit grants to local transit agencies.

Gross	\$41,300,000	\$8,748,400
Federal	28,300,000	0
Local	5,000,000	0
Restricted	8,000,000	8,748,400

Conference follows the Governor's proposed budget and does not include the House-proposed shift of \$10.0 million CTF to road programs, or the Senate's \$15.0 million shift to state GF/GP.

<u>Major Budget Changes From FY 2010-11 YTD Appropriations</u>		<u>FY 2010-11 YTD (as of 2/17/11)</u>	<u>Conference Change from Year-to-Date</u>
25. State/Local Capital Facilities Projects	Gross	\$12,891,100	(\$9,889,600)
Provides \$3.0 million for department facilities. Reflects the end of one time funding for new Port Huron Welcome center replacement, and Blue Water Bridge facilities.	Federal	6,514,800	(6,514,800)
	Restricted	6,376,300	(3,374,800)
26. AERO Capital Projects	Gross	\$123,246,400	(\$13,495,800)
Provides funding for federal Airport Improvement Program; reflects anticipated program funding.	Federal	102,927,900	(8,837,300)
	Local	16,446,000	(3,312,500)
	Restricted	3,872,500	(1,346,000)
27. Economics	Gross	N/A	\$14,207,200
Estimated additional funding needed to maintain baseline service levels. Net increase reflects \$14.6 million increase for retirement contributions, \$1.3 million decrease for health insurance, \$24,000 decrease for workers compensation, and \$410,400 increase in building occupancy costs.	Restricted	N/A	14,207,200

Boilerplate Changes From FY 2010-11

Sec. 201. Total State Payments/Payments to Local Units – MODIFIED

Identifies total state spending; payments of state funds to local units of government from the funds appropriated. Updated to reflect Part 1 appropriations.

Sec. 202. Management and Budget Act – RETAINED

Indicates that appropriations are subject to the Management and Budget Act.

Sec. 203. Abbreviations – RETAINED

Defines abbreviations.

Sec. 204. Civil Service Charge – RETAINED

Requires Department of Civil Service to bill departments at the end of the first fiscal quarter for 1% charge authorized in the Constitution; requires payment by the end of the second fiscal quarter.

Sec. 205. Hiring Freeze – DELETED

Imposes a hiring freeze for state civil service positions.

Sec. 206. Contingency Appropriations – RETAINED

Provides for contingent federal, state, local, and private appropriations per Management and Budget Act.

Sec. 207. Transparency – MODIFIED

Directs department to maintain on a searchable website expenditures made during the fiscal year; number of employees and job classification.

Sec. 208. Internet Reporting – RETAINED

Requires Department to use the Internet to fulfill reporting requirements.

Sec. 209 Purchase of Foreign Goods – RETAINED

Prohibits the purchase of foreign-made goods if comparable American or Michigan goods are available. Gives preference to Michigan businesses owned or operated by veterans.

Sec. 210. Economically Distressed Areas – DELETED

Encourages the department to contract with businesses in economically distressed areas

Sec. 212. Receive/Retain Reports – RETAINED (Renumbered current year Sec. 211)

Requires department to retain reports funded from appropriation in part 1.

Sec. 211 and 214. Information Technology – RETAINED

Requires Department to pay user fees to Department of Technology, Management, and Budget subject to provisions of interagency agreement. Allows IT projects to carry forward as work projects.

Sec. 215. Communication with the Legislature – RETAINED (Renumbered current year Sec. 261)

Prohibits the department from taking disciplinary action against an employee for communicating with a legislator or his/her staff.

Sec. 216. Privatization – RETAINED (Renumbered current year Sec. 207)

Provides for reports on privatization activities and defines privatize and privatization.

Boilerplate Changes From FY 2010-11

Sec. 228. General Fund Lapse Report – MODIFIED

Requires report on estimated GF/GP lapses by November 15.

Sec. 229. Restricted Fund Balances – NEW

Requires report on restricted fund balances.

Sec. 260. Out-of-State Travel – RETAINED

Limits out-of-state travel.

Sec. 262. Hire of Outside Legal Counsel – RETAINED

Prohibits the department from hiring a person to provide legal services that are the responsibility of the Attorney General but exempts legal services for bonding or other activities authorized by the Attorney General. (Renumbered from Sec. 262.)

Sec. 263. Impact of New Legislation and Administrative Rules – DELETED

Requires a report on specific policy changes adopted to implement new public acts. Prohibits the department from adopting administrative rules that have a disproportionate impact on small business.

Sec. 270. Remanufactured Parts – NEW

Requires use of remanufactured parts for repair and maintenance of state motor vehicle fleet.

Sec. 301. Permit Fees/Bridge Tolls – RETAINED

Provides for permit and FOIA processing fees; provides process for raising bridge tolls is not included.

Sec. 303. Legislative Report – RETAINED

Report 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 and that revenue be used for property maintenance/improvements.

Sec. 306. Use of Transportation Funds by Other State Agencies/Biennial Audit – RETAINED

Sets guidelines for use of transportation funds (grants) by other state agencies; provides reporting requirements and biennial audit.

Sec. 307. Rolling Five-Year Plan – RETAINED

Requires that department provide rolling five-year highway construction plan by March 1 of each year.

Sec. 308. Contract Compliance – MODIFIED

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. Adds subsection prohibiting the department from reducing or restricting a contractor's prequalification until all administrative appeals have been exhausted under certain conditions.

Sec. 309. Administrative Costs – RETAINED

Requires MDOT to continue its efforts to reduce administrative costs.

Sec. 310. State Transportation Commission Minutes/Agenda – RETAINED

Requires department 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. 313. State Infrastructure Bank – RETAINED

Allows the department to increase and make loans from the State Infrastructure Bank.

Sec. 314. Report on Internal Auditor – DELETED

Deletes current year language providing 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 – DELETED

Deletes current year language directing department give preference, in awarding Enhancement grants, to applicants which have adopted Complete Streets policies.

Boilerplate Changes From FY 2010-11

Sec. 322. Complete Streets/Universities – DELETED

Deletes current year language directing department to work with requesting universities on Complete Streets polices.

Sec. 334. Disadvantaged Businesses Enterprise (DBE) Program – DELETED

Deletes language which required MDOT to continue MBE/WBE program and reporting requirement; does not include House language limiting DBE goal to 5%, participation to 5 years.

Sec. 353. Prompt Payment – RETAINED

Directs MDOT to review contractor payment process to ensure that contractors and subs are paid promptly.

Sec. 354. Solicit Proposals for Improper Payment Audit – NEW

Directs department to solicit proposals for an audit of improper payments by March 1, 2012; report to Legislature by September 1, 2012.

Sec. 357. Local Federal Aid Project Review – RETAINED

Directs MDOT complete project reviews within 120 days; requires system for monitoring review process.

Sec. 374. MDOT Employee Newsletters – DELETED

Deletes current year language which requires department 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 – DELETED

Deletes language which required a report on the status of 17 projects deferred in 2003.

Sec. 382. State Airfleet Study – NEW

Directs department and State Budget Office to provide independent study of needs of state airfleet, report required by March 30, 2012. Does not include House language which had directed department to sell one of two MDOT-owned Beechcraft turbo-prop aircraft by September 30, 2012.

Sec. 383. Report on Use of State Airfleet – RETAINED

Requires quarterly report on use of MDOT-owned aircraft; recovery of department costs.

Sec. 384. Detroit River International Crossing (DRIC) – MODIFIED

Limits spending on DRIC or successor project; requires legislative report by March 31, 2012; indicates that spending restrictions of the section will not apply if DRIC enabling legislation is enacted.

Sec. 385. Private Facility Toll Credits – MODIFIED

Restricts use of toll credits earned from private toll facilities. Includes new language directing department to use all available toll credits from private toll facilities to match available federal funds.

Sec. 393. Best Practices for Public Transportation – MODIFIED

Directing Directs department to support best practices; deletes references to hybrid buses.

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

House deletes intent language that department assume jurisdiction of County Road C-56 in Charlevoix County.

Sec. 398. Street Railway Appropriation – MODIFIED

Provides for \$0 appropriation to a street railway pursuant to section 10e(22) of 1951 PA 51; the appropriation had been \$1 million in current year budget.

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 – DELETED

Deletes language which provided 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. .

Boilerplate Changes From FY 2010-11

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; reporting requirement.

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.

Sec. 604. Work Zone Safety Signs – DELETED

Deletes language indicating 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 – DELETED

Deletes current year language regarding proposed project.

Sec. 610. Dead Deer – RETAINED

Legislative intent language 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 – DELETED

Deletes language which indicates legislative intent that Department construct full interchange.

Sec. 654. Long-term Viability of Mackinac Bridge – DELETED

Deletes current year language regarding legislative intent that the Mackinac Bridge Authority protect long-term viability of the Mackinac Bridge.

Sec. 656. M-49 Upgrade “Green Highway” – DELETED

Deletes current year intent language 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 – DELETED

Deletes current year language indicating legislative intent that Department reconstruct interchange.

Sec. 659. Life Cycle Cost for Pavement Projects – DELETED

Deletes section dealing with use of historical/comparable data from states with similar climate, soil, and vehicular traffic.

Sec. 660. Use of Alternative Materials – MODIFIED

Encourages the department to examine the use of alternative road surface materials.
Includes House language encouraging use of crumb rubber from tires.

Sec. 661. Completion of US-127 St. Johns to Ithaca – DELETED

Deletes current year language indicating intent that Department complete engineering and right of way acquisition.

Sec. 662. Improved Emergency Response Access Point, Graafschap Fire/Laketown Township – DELETED

Intent language regarding emergency access on US-31 in Allegan County.

Sec. 664. Use of Additional MTF Revenue – RETAINED

Provides 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 – DELETED

Deletes current year intent language 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 accounting and carryforward authority; reference to State Transportation Preservation Act of 1976 (1976 PA 295).

Sec. 703. Rail Abandonment Notice – RETAINED

Requires notification of 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.

Boilerplate Changes From FY 2010-11

Sec. 708. Intercity Bus Equipment Program – RETAINED

Requiring annual lease of not less than \$1,000.

Sec. 709. Intercity Bus Essential Corridor – DELETED

Deletes section which identifies essential bus corridors and restrictions on intercity operating subsidies.

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; provides certain directives; new report on capital projects.

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

Requires 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 that Department 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 – DELETED

Deletes section requiring report on progress made to improve rail track to support passenger trains at 59 MPH..

Sec. 743. Use HEV Vehicles – DELETED

Deletes section encouraging department to include hybrid electric vehicles in RFPs purchased through the department.

Sec. 745. Appropriation of CTF Debt Service – DELETED

Does not include language regarding transfer of bond proceeds to bond proceeds account

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

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.

Sec. 1001. One-Time GF/GP Swing Bridge Maintenance – NEW

Appropriates \$500,000 GF/GP for maintenance of two swing bridges.

Sec. 1201. Intent to provide FY 2012-13 Appropriations – NEW

New language.