

# Summary: House Subcommittee Budget Recommendation for Fiscal Years 2011-12 and 2012-13

## Department of Transportation

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	FY 2010-11 Year-to-Date as of 4/7/11	FY 2011-12 House	Difference: FY 2011-12 Vs. FY 2010-11		FY 2012-13 House	Difference: FY 2012-13 Vs. FY 2011-12	
			Amount	%		Amount	%
<b>IDG/IDT</b>	\$878,300	\$3,451,500	2,573,200	293.0	\$3,451,500	0	.
<b>Federal</b>	1,227,470,600	1,241,195,200	13,724,600	1.1	1,228,065,700	(13,129,500)	(1.1)
<b>Local</b>	56,496,000	53,968,500	(2,527,500)	(4.5)	51,711,900	(2,256,600)	(4.2)
<b>Private</b>	0	0	0		0	0	
<b>Restricted</b>	1,950,974,400	2,029,155,500	78,181,100	4.0	2,036,147,100	6,991,600	0.3
<b>GF/GP</b>	0	0	0		0	0	
<b>Gross</b>	\$3,235,819,300	<b>\$3,327,770,700</b>	<b>\$91,951,400</b>	2.8	<b>\$3,319,376,200</b>	(\$8,394,500)	(0.3)
<b>FTEs</b>	3,022.3	3,049.3	27.0	0.9	3,049.3	0.0	

### 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 House Substitute HB 4282 (H-1, Draft 2)

*Gross appropriations* for FY 2011-12 are \$92.0 million more than the current year. This increase reflects anticipated increase in estimated state restricted revenue from motor fuel and registration taxes, and well as increases in estimated federal funds. However, *Gross appropriations* in the House bill are \$50 million less than the Governor's proposed budget; the House bill 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 House bill does not recognize the \$50 million in STF/Canadian funds, federal revenue shown in the bill would be the same as the Governor's proposal. The House bill would provide \$10 million in matching funds for the state trunkline federal aid construction program from a proposed \$20 million redirection of CTF revenue – with \$10 million earmarked for local federal aid projects. The House budget also 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 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].

As noted above, the House substitute anticipates the redirection of \$20 million from the CTF to provide state and local matching funds for federal aid highway funds. The \$20 million reduction in CTF funds would be taken from Local bus operating assistance.

The House substitute would appropriate \$5.0 million for the MTF IDG to the Department of Treasury, \$3.4 million less than as proposed by the Governor. The \$3.4 million savings would be reallocated to the CTF, the STF, and local road agencies in accordance with Act 51 formula.

The differences between the House bill and the Governor's proposed budget are carried forward and reflected in estimated FY 2012-13 appropriations.

		House Changes		
<u>Major Budget Changes From FY 2010-11 YTD Appropriations</u>		<u>FY 2010-11 YTD (as of 2/17/11)</u>	<u>FY 2010-11 to FY 2011-12</u>	<u>FY 2011-12 to FY 2012-13</u>
<b>1. Debt Service</b>	<b>Gross</b>	<b>\$246,813,000</b>	<b>\$40,660,400</b>	<b>(\$41,005,200)</b>
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.	Federal	45,832,100	7,602,200	24,000
	Restricted	200,980,900	33,058,200	(41,029,200)
<b>2. Support Services by Other State Departments</b>	<b>Gross</b>	<b>\$51,112,200</b>	<b>(\$2,742,300)</b>	<b>\$0</b>
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.	Restricted	51,112,200	(2,742,300)	0
The House substitute reduces MTF IDG to the Department of Treasury from \$8.4 million as proposed by the Governor to \$5.0 million; \$3.4 million savings would be reallocated to the CTF, the STF, and local road agencies in accordance with Act 51 formula.				
<b>3. Executive Direction</b>	FTEs	37.3	0.0	0.0
Includes <i>Unclassified salaries, Asset Management Council, and Office of Commission Audits</i> ; 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.	<b>Gross</b>	<b>\$5,662,200</b>	<b>(\$461,200)</b>	<b>\$0</b>
	Restricted	5,662,200	(461,200)	0
<b>4. Business Support</b>	FTEs	58.0	0.0	0.0
Includes <i>Business support, Economic development and enhancement, Property management, and Worker's compensation</i> . 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.	<b>Gross</b>	<b>\$16,792,400</b>	<b>\$318,900</b>	<b>\$10,187,300</b>
	Restricted	16,792,400	318,900	10,187,300
FY 2012-13 change reflects "Active and retiree insurance and pension adjustment."				
<b>5. Information Technology</b>	<b>Gross</b>	<b>\$27,831,000</b>	<b>\$504,000</b>	<b>\$0</b>
Reflects economic adjustments.	Federal	520,500	0	0
	Restricted	27,310,500	504,000	0
<b>6. Finance, Contracts, and Support Services</b>	FTEs	250.5	27.0	0.0
Includes <i>Financial operations, Contract services, Department services, Performance excellence, and Welcome center operations</i> . 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.	<b>Gross</b>	<b>\$24,621,500</b>	<b>\$1,591,900</b>	<b>\$0</b>
	Restricted	23,743,200	(981,300)	0
	IDG	878,300	2,573,200	0
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.				

		House Changes		
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<b>7. Transportation Planning</b>				
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	0.0
	<b>Gross</b>	<b>\$37,865,200</b>	<b>\$549,800</b>	<b>\$0</b>
	Federal	21,990,000	10,000	0
	Restricted	15,875,200	539,800	0
<b>8. Design and Engineering Services</b>				
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.				
	FTEs	1,492.8	(1.0)	0.0
	<b>Gross</b>	<b>\$116,658,200</b>	<b>\$27,200</b>	<b>\$0</b>
	Federal	23,529,800	0	0
	Restricted	93,128,200	27,200	0
<b>9. State Trunkline Maintenance</b>				
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	0.0
	<b>Gross</b>	<b>\$274,663,900</b>	<b>(\$7,646,200)</b>	<b>\$5,000,000</b>
	Restricted	274,663,900	(7,646,200)	5,000,000
<b>10. State Trunkline Road and Bridge Construction</b>				
The Governor's proposed budget identified sufficient state revenue to match all estimated available federal aid.				
	<b>Gross</b>	<b>\$796,226,200</b>	<b>\$47,272,900</b>	<b>\$28,849,700</b>
	Federal	713,019,500	29,072,500	1,000
	Local	30,000,000	0	0
	Restricted	53,206,700	18,200,400	28,848,700
Although the House bill includes the same figure for federal funds as the Governor, the House bill does not recognize \$50 million in STF funds from the Canadian contribution to a proposed Detroit-Windsor crossing project. The House bill would provide \$10 million in matching funds for the state trunkline federal aid construction program from a proposed \$20 million redirection of CTF revenue, with \$10 million earmarked for local federal aid projects (see below). The House budget anticipates using toll credits to provide the additional 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.]				
The House bill also recognizes \$1.2 million as STF funds realized from the reduction in the MTF IDG to the Michigan Department of Treasury.				
Table A at the end of this analysis shows the detail of changes affecting this line item.				
<b>NEW State Federal Aid Match</b>				
House would add a new line item to provide matching funds for state trunkline federal aid highway funds. Funding would come from a proposed \$20 million redirection of CTF revenue.				
	<b>Gross</b>	<b>\$0</b>	<b>\$10,000,000</b>	<b>\$0</b>
	Federal	0	10,000,000	0
<b>NEW Local Federal Aid Match</b>				
House would add a new line item to provide matching funds for local federal aid highway funds. Funding would come from a proposed \$20 million redirection of CTF revenue.				
	<b>Gross</b>	<b>\$0</b>	<b>\$10,000,000</b>	<b>\$0</b>
	Federal	0	10,000,000	0
<b>11. Local Federal Aid Road and Bridge Construction</b>				
A placeholder reflecting estimated federal aid and the Act 51 directive that an average of 25% of most federal aid program				
	<b>Gross</b>	<b>\$248,751,000</b>	<b>(\$8,308,000)</b>	<b>\$0</b>
	Federal	248,751,000	(8,308,000)	0

		House Changes		
<u>Major Budget Changes From FY 2010-11 YTD Appropriations</u>		<u>FY 2010-11 YTD (as of 2/17/11)</u>	<u>FY 2010-11 to FY 2011-12</u>	<u>FY 2011-12 to FY 2012-13</u>
funds be made available to local road agencies.				
<b>12. Local Bridge Fund</b>	<b>Gross</b>	<b>\$26,799,800</b>	<b>\$452,700</b>	<b>(\$52,600)</b>
Act 51 earmark reflects anticipated gasoline tax revenue.	Restricted	26,799,800	452,700	(52,600)
<b>13. MTF Distribution to Local Road Agencies</b>	<b>Gross</b>	<b>\$886,145,400</b>	<b>\$31,828,100</b>	<b>\$4,766,700</b>
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.	Restricted	886,145,400	31,828,100	4,766,700
The House substitute includes an additional \$1.9 million realized from the reduction in the MTF IDG to the Michigan Department of Treasury.				
<b>14. Transportation Economic Development Fund (TEDF)</b>	<b>Gross</b>	<b>\$32,425,500</b>	<b>(\$199,300)</b>	<b>\$438,900</b>
Reflects net TEDF revenue from MTF and interest on TEDF fund balance, less administrative costs and TEDF-related debt service. 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.	Restricted	32,425,500	(199,300)	438,900
The current year appropriation of \$1.0 million for "Non-profit street railways" is not included in FY 2011-12 or 2012-13; funding would be shifted to Category A program.				
<b>15. Aeronautics and Freight Services</b>	FTEs	84.0	0.0	0.0
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. Reflects on-going reduction in State Aeronautics Fund (SAF) revenue.	<b>Gross</b>	<b>\$11,694,400</b>	<b>(\$524,700)</b>	<b>(\$749,200)</b>
	Restricted	11,694,400	(524,700)	(749,200)
<b>16. Public Transportation Services</b>	FTEs	46.0	0.0	0.0
Administers passenger public transportation programs. Increase reflects economic adjustments.	<b>Gross</b>	<b>\$5,827,600</b>	<b>\$265,800</b>	<b>\$0</b>
	Federal	862,100	0	0
	Restricted	4,965,500	265,800	0
<b>17. Bus Transit - Local Bus Operating Assistance</b>	<b>Gross</b>	<b>\$166,624,000</b>	<b>(\$19,662,100)</b>	<b>\$0</b>
The Governor had recommended \$166.6 million (CTF) for state operating assistance to local public transit agencies – unchanged since FY 2006-07.	Restricted	166,624,000	(19,662,100)	0
The House substitute recognizes a proposed \$20 million redirection of CTF revenue. This would be partially offset by inclusion of \$337,900 realized from the reduction in the MTF IDG to the Michigan Department of Treasury.				
<b>18. Bus Transit - Non-Urban Operating/Capital</b>	<b>Gross</b>	<b>\$22,787,900</b>	<b>\$0</b>	<b>\$0</b>
Recognizes federal non-urban transit grants.	Federal	21,987,900	0	0
	Local	800,000	0	0
<b>19. Rail Passenger Service</b>	<b>Gross</b>	<b>\$11,667,000</b>	<b>\$0</b>	<b>\$0</b>
State restricted funds provide operating assistance for AMTRAK rail service between Port Huron/Chicago and Grand Rapids/Chicago; federal revenue supports capital assistance.	Federal	3,000,000	0	0
	Restricted	8,667,000	0	0
<b>20. Intercity Services</b>	<b>Gross</b>	<b>\$7,250,000</b>	<b>(\$1,150,000)</b>	<b>\$0</b>
Provides \$650,000 in additional CTF support; reduces Intercity Bus Equipment Fund authorization by \$1.8 million to reflect actual revenue.	Federal	4,500,000	0	0
	Local	50,000	0	0
	Restricted	2,700,000	(1,150,000)	0
<b>21. Freight Preservation and Development</b>	<b>Gross</b>	<b>\$3,364,200</b>	<b>\$1,735,800</b>	<b>\$0</b>

		<b>House Changes</b>		
<b><u>Major Budget Changes From FY 2010-11 YTD</u></b>		<b>FY 2010-11 YTD</b>	<b>FY 2010-11 to</b>	<b>FY 2011-12 to</b>
<b><u>Appropriations</u></b>		<b><u>(as of 2/17/11)</u></b>	<b><u>FY 2011-12</u></b>	<b><u>FY 2012-13</u></b>
Provides additional CTF support to program that supports capital improvements to state owned railroads.	Federal	100,000	0	0
	Restricted	3,264,200	1,735,800	0
<b>22. Specialized Services</b>	<b>Gross</b>	<b>\$7,443,800</b>	<b>\$1,470,000</b>	<b>\$0</b>
Supports transit programs for elderly and disabled citizens.	Federal	1,785,000	700,000	0
Increase to \$8.9 million reflects anticipated federal and CTF revenue.	Local	1,700,000	785,000	0
	Restricted	3,958,800	(15,000)	0
<b>23. Municipal Credit Program</b>	<b>Gross</b>	<b>\$2,000,000</b>	<b>\$0</b>	<b>\$0</b>
Reflects Act 51 earmark level of not less than \$2.0 million.	Restricted	2,000,000	0	0
<b>24. Bus Capital/Transit Capital</b>	<b>Gross</b>	<b>\$41,300,000</b>	<b>\$8,748,400</b>	<b>\$0</b>
Provides increased state CTF matching funds for federal transit grants to local transit agencies.	Federal	28,300,000	0	0
	Local	5,000,000	0	0
	Restricted	8,000,000	8,748,400	0
<b>25. State/Local Capital Facilities Projects</b>	<b>Gross</b>	<b>\$12,891,100</b>	<b>(\$9,889,600)</b>	<b>\$0</b>
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 inspection station, administration, and maintenance facilities.	Federal	6,514,800	(6,514,800)	0
	Restricted	6,376,300	(3,374,800)	0
<b>26. AERO Capital Projects</b>	<b>Gross</b>	<b>\$123,246,400</b>	<b>(\$13,495,800)</b>	<b>(\$15,830,100)</b>
Provides funding for federal Airport Improvement Program; reflects anticipated program funding.	Federal	102,927,900	(8,837,300)	(13,154,500)
	Local	16,446,000	(3,312,500)	(2,256,600)
	Restricted	3,872,500	(1,346,000)	(419,000)
<b>27. Economics</b>	<b>Gross</b>	<b>N/A</b>	<b>\$14,207,200</b>	<b>\$10,187,300</b>
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	10,187,300
Executive budget detail shows a \$10.2 million increase in FY 2012-13 for "Active and retiree insurance and pension adjustment."				

#### **Boilerplate Changes From FY 2010-11**

**NOTE:** No boilerplate language is proposed for FY 2012-13

The list below includes all changes to boilerplate.

#### **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 – RETAINED**

Imposes a hiring freeze for state civil service positions.

State Budget Director given authority to grant exceptions to the hiring freezes if specific criteria are met.

## **Boilerplate Changes From FY 2010-11**

### ***Sec. 206. Contingency Appropriations – RETAINED***

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

### ***Sec. 207. Privatization – DELETED***

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

### ***Sec. 207 Transparency – MODIFIED***

Directs department to develop, post, and maintain on a publically accessible website expenditures made during the fiscal year. (Modified and renumbered from Sec. 266 in current year budget.)

### ***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 – RETAINED***

Encourages the department to contract with businesses in economically distressed areas

### ***Sec. 212. Receive/Retain Reports – RETAINED***

Requires department to retain reports funded from appropriation in part 1.  
(Renumbered from Sec. 211 in current year.)

### ***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***

Prohibits the department from taking disciplinary action against an employee for communicating with a legislator or his/her staff.  
(Renumbered from Sec. 261 in current year.)

### ***Sec. 216. Out-of-State Travel – RETAINED***

Limits out-of-state travel.  
(Renumbered from Sec. 260 in current year.)

### ***Sec. 226. 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 in current year.)

### ***Sec. 228. General Fund Lapse Report – NEW***

Requires report on estimated GF/GP lapses.

### ***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. 301. Permit Fees/Bridge Tolls – MODIFIED***

Provides for permit and FOIA processing fees; current year subsection providing process for raising bridge tolls is not included.

### ***Sec. 304. Confidentiality of Bid Documents – RETAINED***

Provides for confidentiality of highway project bid documents.

### ***Sec. 305. Lease of Space in Public Transportation Property – DELETED***

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 – MODIFIED***

Sets guidelines for use of transportation funds (grants) by other state agencies. Current year subsections providing for reporting requirements and biennial audit not included.

### ***Sec. 307. Rolling Five-Year Plan – DELETED***

Requires MDOT to provide a 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. House adds subsection prohibiting the department from reducing or restricting a contractor's prequalification until all administrative appeals have been exhausted.

## **Boilerplate Changes From FY 2010-11**

### ***Sec. 309. Administrative Costs – DELETED***

Requires MDOT to continue its efforts to reduce administrative costs.

### ***Sec. 310. State Transportation Commission Minutes/Agenda – DELETED***

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. 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***

Provides for report on activities of internal auditor; report due February 1.

### ***Sec. 319. Rest Area Maintenance – DELETED***

Requires signs/telephone numbers for reporting unclean and unsafe conditions at rest areas.

### ***Sec. 321. Complete Streets/Enhancement Grants – DELETED***

Directs the department to give preference, in awarding Enhancement grants, to applicants which have adopted Complete Streets policies.

### ***Sec. 322. Complete Streets/Universities – DELETED***

Directs the department to work with requesting universities on Complete Streets policies.

### ***Sec. 334. Disadvantaged Businesses Enterprise (DBE) Program – MODIFIED***

House deletes current year language which required MDOT to continue MBE/WBE program and reporting requirement.

**House limits DBE goal to 5%; limits 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 – DELETED***

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

### ***Sec. 374. MDOT Employee Newsletters – DELETED***

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 – DELETED***

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. 382. Use of State Airfleet – NEW***

Directs department to sell one of two MDOT-owned Beechcraft turbo-prop aircraft by September 30, 2012.

### ***Sec. 383. Report on Use of State Airfleet – DELETED***

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 on DRIC or related projects; 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***

Direct department to use all available toll credits from private toll facilities to match available federal funds; restricts use of toll credits earned from private toll facilities.

### ***Sec. 393. Best Practices for Public Transportation – DELETED***

Directs department to support best practices.

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

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

## **Boilerplate Changes From FY 2010-11**

### ***Sec. 401. Federal Aid Distribution Report – DELETED***

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***

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 – MODIFIED***

Requires use of MTF in accordance with Act 51 requirements.

### ***Sec. 601. Road Construction Warranties – DELETED***

Encourages use of road construction warranties; provides for report by September 30 of each year.

### ***Sec. 602. Manufactured Pipe – DELETED***

Provides standards for use and testing of manufactured pipe.

### ***Sec. 603. Traffic Congestion – DELETED***

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 – DELETED***

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 – DELETED***

Legislative intent regarding proposed project.

### ***Sec. 610. Dead Deer – DELETED***

Describes legislative intent regarding clean-up of dead deer and other large animal remains.

### ***Sec. 612. Incentive/Disincentive – DELETED***

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***

Indicates legislative intent that Department construct full interchange.

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

Indicates legislative intent that the Mackinac Bridge Authority protect long-term viability of the Mackinac Bridge.

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

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 – DELETED***

Indicates legislative intent that Department reconstruct interchange.

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

Allows the 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 reference to crumb rubber from tires.**

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

Indicates legislative intent that Department complete engineering and right of way acquisition.

### ***Sec. 662. Improved Emergency Response Access Point – DELETED***

Intent language that Department work with Graafschap Fire Department and Laketown Township to improve emergency access on US-31 in Allegan County.

## **Boilerplate Changes From FY 2010-11**

### ***Sec. 664. Use of Additional MTF Revenue – DELETED***

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 – DELETED***

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 accounting and carryforward authority for this fund; reference to State Transportation Preservation Act of 1976 (1976 PA 295).

### ***Sec. 703. Rail Abandonment Notice – DELETED***

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 – DELETED***

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

### ***Sec. 709. Intercity Bus Essential Corridor – DELETED***

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) – DELETED***

Directs Department to negotiate with a rail carrier to provide seven-day Port Huron/Chicago and Grand Rapids/Chicago service.

### ***Sec. 714. Local Transit Demand-Response Services – DELETED***

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 – DELETED***

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 – DELETED***

Directs Department to work to ensure that transit agencies meet certain service performance measures.

### ***Sec. 740. Review of CTF Fund Balances – DELETED***

Requires report on unencumbered CTF balance by March 1 of each year.

### ***Sec. 741. Ann Arbor and Northwest Michigan Railroad – DELETED***

Requires report on progress made to improve rail track to support passenger trains at 59 MPH..

### ***Sec. 743. Use HEV Vehicles – DELETED***

Encourages the department to include hybrid electric vehicles in RFPs purchased through the department.

### ***Sec. 745. Appropriation of CTF Debt Service – DELETED***

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. 746. Legislative Intent Regarding CTF Redirection – NEW***

Indicates that \$10.0 million appropriated for state and local federal aid match respectively reflect legislative intent to redirect \$20 million from Act 51 allocation of MTF revenue to the CTF.

### ***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 – DELETED***

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.

TABLE A

Transportation Budget - FY 2011-12											
	FY 2010-11	Changes from FY 2010-11 to FY 2011-12				Net	FY 2011-12	House Changes			
		Program Shifts		Revenue	Net Increase	Difference	Executive	No Canadian	IDG Savings	House	Difference
		Admin	Maintenance		STF Costs			STF Funds	Treasury		from FY 2010-11
		Savings	Reduction								
State Trunkline Road and Bridge											
Federal	\$713,019,500			29,072,500		29,072,500	\$742,092,000			\$742,092,000	\$29,072,500
Local	30,000,000					0	30,000,000			30,000,000	\$0
Blue Water Bridge	7,107,300					0	7,107,300			7,107,300	\$0
State Trunkline Fund	46,099,400	16,000,000	5,000,000	99,543,400	(53,532,100)	\$67,011,300	113,110,700	(50,000,000)	1,189,100	64,299,800	\$18,200,400
Total	\$796,226,200					\$96,083,800	\$892,310,000	(\$50,000,000)	\$1,189,100	\$843,499,100	\$47,272,900