

**SUBSTITUTE FOR
SENATE BILL NO. 185**

A bill to make appropriations for the state transportation department and certain transportation purposes for the fiscal year ending September 30, 2012; to provide anticipated appropriations for the fiscal year ending September 30, 2013; to provide for the imposition of fees; to provide for reports; to create certain funds and programs; to prescribe requirements for certain railroad and bus facilities; to prescribe certain powers and duties of certain state departments and officials and local units of government; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

LINE-ITEM APPROPRIATIONS
FOR FISCAL YEAR 2011-2012

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

amounts listed in this part are appropriated for the state transportation department and certain state purposes designated in this act for the fiscal year ending September 30, 2012, from the funds indicated in this part. The following is a summary of the appropriations in this part:

STATE TRANSPORTATION DEPARTMENT

APPROPRIATION SUMMARY

Full-time equated unclassified positions..... 6.0

Full-time equated classified positions..... 3,043.3

GROSS APPROPRIATION..... \$ 3,312,770,700

Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental

transfers 3,451,500

ADJUSTED GROSS APPROPRIATION..... \$ 3,309,319,200

Federal revenues:

DOT, federal transit act..... 61,985,000

DOT, federal aviation administration..... 94,090,600

DOT-FHWA, highway research, planning, and construction 1,082,019,600

DOT-FRA, local rail service assistance..... 100,000

DOT-FRA, rail passenger/HSGT..... 3,000,000

Total federal revenues..... 1,241,195,200

Special revenue funds:

Local funds..... 53,968,500

Total local revenues..... 53,968,500

Total private revenues..... 0

Blue Water Bridge fund..... 16,980,700

Comprehensive transportation fund..... 224,494,100

1	Economic development fund.....	41,819,000
2	Intercity bus equipment fund.....	200,000
3	IRS debt service rebate.....	7,523,500
4	Local bridge fund.....	30,514,300
5	Michigan transportation fund.....	974,103,300
6	Rail freight fund.....	2,000,000
7	State aeronautics fund.....	14,537,700
8	State trunkline fund.....	701,982,900
9	Total other state restricted revenues.....	2,014,155,500
10	State general fund/general purpose.....	\$ 0
11	Sec. 102. DEBT SERVICE	
12	State trunkline.....	\$ 247,449,700
13	Economic development.....	9,174,600
14	Local bridge fund.....	3,261,800
15	Blue Water Bridge.....	4,115,000
16	Airport safety and protection plan.....	3,473,500
17	Comprehensive transportation.....	<u>19,998,800</u>
18	GROSS APPROPRIATION.....	\$ 287,473,400
19	Appropriated from:	
20	Federal revenues:	
21	DOT-FHWA, highway research, planning, and construction	53,434,300
22	Special revenue funds:	
23	Blue Water Bridge fund.....	4,115,000
24	Comprehensive transportation fund.....	19,998,800
25	Economic development fund.....	9,174,600
26	IRS debt service rebate.....	7,523,500
27	Local bridge fund.....	3,261,800

1	State aeronautics fund.....	3,473,500
2	State trunkline fund.....	186,491,900
3	State general fund/general purpose.....	\$ 0
4	Sec. 103. INTERDEPARTMENT AND STATUTORY CONTRACTS	
5	MTF grant to department of environmental quality.....	\$ 1,165,900
6	MTF grant to department of state for collection of	
7	revenue and fees	20,000,000
8	MTF grant to department of treasury.....	8,379,000
9	MTF grant to legislative auditor general.....	204,300
10	STF grant to department of attorney general.....	2,817,500
11	STF grant to civil service commission.....	5,697,000
12	STF grant to department of technology, management,	
13	and budget	1,388,000
14	STF grant to department of state police.....	10,586,900
15	STF grant to department of treasury.....	131,600
16	STF grant to legislative auditor general.....	474,600
17	SAF grant to department of attorney general.....	165,900
18	SAF grant to civil service commission.....	150,000
19	SAF grant to department of technology, management,	
20	and budget	40,100
21	SAF grant to department of treasury.....	74,500
22	SAF grant to legislative auditor general.....	19,600
23	CTF grant to attorney general.....	177,200
24	CTF grant to civil service commission.....	200,000
25	CTF grant to department of technology, management,	
26	and budget	44,000
27	CTF grant to department of treasury.....	7,600

1	CTF grant to legislative auditor general	<u>25,200</u>
2	GROSS APPROPRIATION	\$ 51,748,900
3	Appropriated from:	
4	Special revenue funds:	
5	Comprehensive transportation fund	454,000
6	Michigan transportation fund	29,749,200
7	State aeronautics fund	450,100
8	State trunkline fund	21,095,600
9	State general fund/general purpose	\$ 0
10	Sec. 104. EXECUTIVE DIRECTION	
11	Full-time equated unclassified positions	6.0
12	Full-time equated classified positions	31.3
13	Unclassified salaries	\$ 602,800
14	Asset management council	1,626,400
15	Commission audit--31.3 FTE positions	<u>2,971,800</u>
16	GROSS APPROPRIATION	5,201,000
17	Appropriated from:	
18	Special revenue funds:	
19	Michigan transportation fund	1,626,400
20	State trunkline fund	3,574,600
21	State general fund/general purpose	\$ 0
22	Sec. 105. BUSINESS SUPPORT	
23	Full-time equated classified positions	58.0
24	Business support services--49.0 FTE positions	\$ 6,215,900
25	Economic development and enhancement programs--9.0	
26	FTE positions	1,219,800
27	Property management	7,915,000

1	Worker's compensation.....	<u>1,760,600</u>
2	GROSS APPROPRIATION.....	\$ 17,111,300
3	Appropriated from:	
4	Special revenue funds:	
5	Comprehensive transportation fund.....	1,590,300
6	Economic development fund.....	381,000
7	Michigan transportation fund.....	213,700
8	State aeronautics fund.....	603,900
9	State trunkline fund.....	14,322,400
10	State general fund/general purpose.....	\$ 0
11	Sec. 106. INFORMATION TECHNOLOGY	
12	Information technology services and projects.....	\$ <u>28,335,000</u>
13	GROSS APPROPRIATION.....	\$ 28,335,000
14	Appropriated from:	
15	Federal revenues:	
16	DOT-FHWA, highway research, planning, and construction	520,500
17	Special revenue funds:	
18	Blue Water Bridge fund.....	48,400
19	Comprehensive transportation fund.....	195,900
20	Economic development fund.....	37,200
21	Michigan transportation fund.....	258,800
22	State aeronautics fund.....	152,900
23	State trunkline fund.....	27,121,300
24	State general fund/general purpose.....	\$ 0
25	Sec. 107. FINANCE, CONTRACTS AND SUPPORT SERVICES	
26	Full-time equated classified positions.....	277.5
27	Financial operations--114.0 FTE positions.....	\$ 10,874,500

1	Contract services--53.6 FTE positions	4,853,600
2	Departmental services--41.9 FTE positions	5,098,500
3	Performance excellence--13.0 FTE positions	1,427,400
4	Welcome center operations--55.0 FTE positions	<u>3,959,400</u>
5	GROSS APPROPRIATION.....	\$ 26,213,400
6	Appropriated from:	
7	Interdepartmental grant revenues:	
8	IDG for accounting service center user charges	3,451,500
9	Special revenue funds:	
10	Michigan transportation fund.....	1,976,900
11	State trunkline fund.....	20,785,000
12	State general fund/general purpose	\$ 0
13	Sec. 108. TRANSPORTATION PLANNING	
14	Full-time equated classified positions.....	176.0
15	Statewide planning services--124.0 FTE positions	\$ 14,533,700
16	Data collection services--52.0 FTE positions	6,887,700
17	Specialized planning services and local studies	16,504,800
18	Grants to regional planning councils.....	<u>488,800</u>
19	GROSS APPROPRIATION.....	\$ 38,415,000
20	Appropriated from:	
21	Federal revenues:	
22	DOT-FHWA, highway research, planning, and construction	22,000,000
23	Special revenue funds:	
24	Comprehensive transportation fund.....	960,300
25	Michigan transportation fund.....	6,304,500
26	State aeronautics fund.....	15,000
27	State trunkline fund.....	9,135,200

1	State general fund/general purpose	\$	0
2	Sec. 109. DESIGN AND ENGINEERING SERVICES		
3	Full-time equated classified positions		1,491.8
4	Engineering services--799.1 FTE positions	\$	66,623,300
5	Program services--680.7 FTE positions		39,482,700
6	Intelligent transportation systems operations--12.0		
7	FTE positions		<u>10,579,200</u>
8	GROSS APPROPRIATION	\$	116,685,200
9	Appropriated from:		
10	Federal revenues:		
11	DOT-FHWA, highway research, planning, and construction		23,529,800
12	Special revenue funds:		
13	Michigan transportation fund		6,828,400
14	State trunkline fund		86,327,000
15	State general fund/general purpose	\$	0
16	Sec. 110. HIGHWAY MAINTENANCE		
17	Full-time equated classified positions		837.7
18	State trunkline operations--837.7 FTE positions	\$	<u>267,017,700</u>
19	GROSS APPROPRIATION	\$	267,017,700
20	Appropriated from:		
21	Special revenue funds:		
22	State trunkline fund		267,017,700
23	State general fund/general purpose	\$	0
24	Sec. 111. ROAD AND BRIDGE PROGRAMS		
25	State trunkline federal aid and road and bridge		
26	construction	\$	842,310,000
27	Local federal aid and road and bridge construction ...		240,443,000

1	Grants to local programs.....	33,000,000
2	Rail grade crossing.....	3,000,000
3	Local bridge program.....	27,252,500
4	County road commissions.....	570,598,400
5	Cities and villages.....	<u>318,134,200</u>
6	GROSS APPROPRIATION.....	\$ 2,034,738,100
7	Appropriated from:	
8	Federal revenues:	
9	DOT-FHWA, highway research, planning, and construction	982,535,000
10	Special revenue funds:	
11	Local funds.....	30,000,000
12	Blue Water Bridge fund.....	7,107,300
13	Local bridge fund.....	27,252,500
14	Michigan transportation fund.....	924,732,600
15	State trunkline fund.....	63,110,700
16	State general fund/general purpose.....	\$ 0
17	Sec. 112. BLUE WATER BRIDGE	
18	Full-time equated classified positions.....	41.0
19	Blue Water Bridge operations--41.0 FTE positions.....	\$ <u>5,710,000</u>
20	GROSS APPROPRIATION.....	\$ 5,710,000
21	Appropriated from:	
22	Special revenue funds:	
23	Blue Water Bridge fund.....	5,710,000
24	State general fund/general purpose.....	\$ 0
25	Sec. 113. TRANSPORTATION ECONOMIC DEVELOPMENT FUND	
26	Forest roads.....	\$ 5,000,000
27	Rural county urban system.....	2,500,000

1	Target industries/economic redevelopment	8,113,200
2	Urban county congestion.....	8,306,500
3	Rural county primary.....	<u>8,306,500</u>
4	GROSS APPROPRIATION.....	\$ 32,226,200
5	Appropriated from:	
6	Special revenue funds:	
7	Economic development fund.....	32,226,200
8	State general fund/general purpose.....	\$ 0
9	Sec. 114. AERONAUTICS AND FREIGHT SERVICES	
10	Full-time equated classified positions.....	84.0
11	Airport improvement services--30.0 FTE positions	\$ 3,021,900
12	Aviation services--26.0 FTE positions	4,193,900
13	Freight and safety services--28.0 FTE positions	3,853,900
14	Air service program.....	<u>100,000</u>
15	GROSS APPROPRIATION.....	\$ 11,169,700
16	Appropriated from:	
17	Special revenue funds:	
18	Comprehensive transportation fund.....	1,667,400
19	Michigan transportation fund.....	2,186,500
20	State aeronautics fund.....	7,315,800
21	State general fund/general purpose.....	\$ 0
22	Sec. 115. PUBLIC TRANSPORTATION SERVICES	
23	Full-time equated classified positions	46.0
24	Passenger transportation services--46.0 FTE positions	\$ <u>6,093,400</u>
25	GROSS APPROPRIATION.....	\$ 6,093,400
26	Appropriated from:	
27	Federal revenues:	

1	DOT, federal transit act.....	862,100
2	Special revenue funds:	
3	Comprehensive transportation fund.....	5,005,000
4	Michigan transportation fund.....	226,300
5	State general fund/general purpose.....	\$ 0
6	Sec. 116. BUS TRANSIT DIVISION: STATUTORY OPERATING	
7	Local bus operating.....	\$ 166,624,000
8	Nonurban operating/capital.....	<u>22,787,900</u>
9	GROSS APPROPRIATION.....	\$ 189,411,900
10	Appropriated from:	
11	Federal revenues:	
12	DOT, federal transit act.....	21,987,900
13	Special revenue funds:	
14	Local funds.....	800,000
15	Comprehensive transportation fund.....	166,624,000
16	State general fund/general purpose.....	\$ 0
17	Sec. 117. INTERCITY PASSENGER AND FREIGHT	
18	Freight property management.....	\$ 1,000,000
19	Detroit/Wayne County port authority.....	468,200
20	Intercity services.....	6,100,000
21	Rail passenger service.....	11,667,000
22	Freight preservation and development.....	5,100,000
23	Marine passenger services.....	400,000
24	Terminal development.....	<u>461,000</u>
25	GROSS APPROPRIATION.....	\$ 25,196,200
26	Appropriated from:	
27	Federal revenues:	

1	DOT, federal transit act.....	4,500,000
2	DOT-FRA, local rail service assistance.....	100,000
3	DOT-FRA, rail passenger/HSGT.....	3,000,000
4	Special revenue funds:	
5	Local funds.....	50,000
6	Comprehensive transportation fund.....	15,346,200
7	Intercity bus equipment fund.....	200,000
8	Rail freight fund.....	2,000,000
9	State general fund/general purpose.....	\$ 0
10	Sec. 118. PUBLIC TRANSPORTATION DEVELOPMENT	
11	Specialized services.....	\$ 8,913,800
12	Municipal credit program.....	2,000,000
13	Bus capital.....	35,048,400
14	Van pooling.....	195,000
15	Service initiatives.....	1,415,000
16	Transportation to work.....	<u>9,700,000</u>
17	GROSS APPROPRIATION.....	\$ 57,272,200
18	Appropriated from:	
19	Federal revenues:	
20	DOT, federal transit act.....	34,635,000
21	Special revenue funds:	
22	Local funds.....	9,985,000
23	Comprehensive transportation fund.....	12,652,200
24	State general fund/general purpose.....	\$ 0
25	Sec. 119. CAPITAL OUTLAY	
26	(1) BUILDINGS AND FACILITIES	
27	Miscellaneous special maintenance, remodeling, and	

1	additions	\$	<u>3,001,500</u>
2	GROSS APPROPRIATION.....	\$	3,001,500
3	Appropriated from:		
4	Federal revenues:		
5	Special revenue funds:		
6	State Trunkline Fund.....		3,001,500
7	State general fund/general purpose.....	\$	0
8	(2) AIRPORT IMPROVEMENT PROGRAMS		
9	Airport safety, protection, & improvement program....	\$	<u>109,750,600</u>
10	GROSS APPROPRIATION.....	\$	109,750,600
11	Appropriated from:		
12	Federal revenues:		
13	DOT, federal aviation administration.....		94,090,600
14	Special revenue funds:		
15	Local funds.....		13,133,500
16	State aeronautics fund.....		2,526,500
17	State general fund/general purpose.....	\$	0

18 PART 2

19 PROVISIONS CONCERNING APPROPRIATIONS

20 FOR FISCAL YEAR 2011-2012

21 **GENERAL SECTIONS**

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

23 constitution of 1963, total state spending from state resources

24 under part 1 for fiscal year 2011-2012 is \$2,014,155,500.00 and

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

government for fiscal year 2011-2012 is \$1,167,737,000.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

DEPARTMENT OF TRANSPORTATION

Grants to regional planning councils.....	\$	488,800
Grants to local programs.....		33,000,000
Rail grade crossing.....		3,000,000
Local bridge program.....		27,252,500
Grants to county road commissions.....		570,598,400
Grants to cities and villages.....		318,134,200
Economic development fund.....		32,226,200
Air service program.....		100,000
Local bus operating.....		166,624,000
Bus capital.....		1,748,400
Detroit/Wayne County port authority.....		468,200
Marine passenger service.....		400,000
Terminal development.....		461,000
Specialized services.....		3,943,800
Municipal credit program.....		2,000,000
Service initiatives.....		65,000
Transportation to work.....		4,700,000
Airport safety, protection, and improvement program.....		<u>2,926,500</u>
Total payments to local units of government.....	\$	1,167,737,000

Sec. 203. As used in this act:

(a) "AASHTO" means the American association of state highway and transportation officials.

1 (b) "ASTM" means the American society for testing and
2 materials.

3 (c) "CTF" means comprehensive transportation fund.

4 (d) "Department" means the department of transportation.

5 (e) "DOT" means the United States department of
6 transportation.

7 (f) "DOT-FHWA" means DOT, federal highway administration.

8 (g) "DOT-FRA" means DOT, federal railroad administration.

9 (h) "DOT-FRA, rail passenger/HSGT" means DOT, federal railroad
10 administration, high-speed ground transportation.

11 (i) "EDF" means economic development fund.

12 (j) "FTE" means full-time equated.

13 (k) "IRS" means the internal revenue service.

14 (l) "MTF" means Michigan transportation fund.

15 (m) "RIF" means recreation improvement fund.

16 (n) "SAF" means state aeronautics fund.

17 (o) "STF" means state trunkline fund.

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

24 (2) In addition to the funds appropriated in part 1, there is
25 appropriated an amount not to exceed \$40,000,000.00 for state
26 restricted contingency funds. These funds are not available for
27 expenditure until they have been transferred to another line item

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

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

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

15 Sec. 207. When beginning any effort to privatize, the
16 department shall submit a complete project plan to the house of
17 representatives and senate appropriations subcommittees on
18 transportation, the state budget office, and the house and senate
19 fiscal agencies. The plan shall include the rationale for
20 privatization, including a cost-benefit analysis if appropriate.
21 The evaluation shall be completed and submitted to the appropriate
22 senate and house of representatives appropriations subcommittees
23 and the senate and house fiscal agencies. As used in this section,
24 "privatize" or "privatization" means the transfer of state highway
25 maintenance or activities currently performed by department forces,
26 or by boards of county road commissioners, county boards of
27 commissioners, or local units of government under contract with the

1 department, to private contractors.

2 Sec. 208. Unless otherwise specified, the department shall use
3 the Internet to fulfill the reporting requirements of this act.

4 This requirement may include transmission of reports via electronic
5 mail to the recipients identified for each reporting requirement or
6 it may include placement of reports on an Internet or Intranet
7 site.

8 Sec. 209. Funds appropriated in part 1 shall not be used for
9 the purchase of foreign goods or services, or both, if
10 competitively priced and of comparable quality American goods or
11 services, or both, are available. Preference shall be given to
12 goods or services, or both, manufactured or provided by Michigan
13 businesses, if they are competitively priced and of comparable
14 quality. In addition, preference shall be given to goods or
15 services, or both, that are manufactured or provided by Michigan
16 businesses owned and operated by veterans, if they are
17 competitively priced and of comparable quality.

18 Sec. 211. The departments and state agencies receiving
19 appropriations under this act shall receive and retain copies of
20 all reports funded from appropriations in part 1. These departments
21 and state agencies shall follow federal and state guidelines for
22 short-term and long-term retention of these reports and records.

23 Sec. 259. From the funds appropriated in part 1 for
24 information technology, the department shall pay user fees to the
25 department of technology, management, and budget for technology-
26 related services and projects. The user fees shall be subject to
27 provisions of an interagency agreement between the department and

1 the department of technology, management, and budget.

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

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

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

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

13 (d) The travel is necessary to comply with federal
14 requirements.

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

17 (f) The travel is financed entirely by federal or nonstate
18 funds.

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

24 (3) Not later than January 1 of each year, each department
25 shall prepare a travel report listing all travel by classified and
26 unclassified employees outside this state in the immediately
27 preceding fiscal year that was funded in whole or in part with

1 funds appropriated in the department's budget. The report shall be
2 submitted to the chairs and members of the house and senate
3 appropriations committees, the fiscal agencies, and the state
4 budget director. The report shall include the following
5 information:

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

8 (b) The destination of each travel occurrence.

9 (c) The dates of each travel occurrence.

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

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

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

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

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

1 Sec. 263. (1) The department shall report no later than April
2 1, 2012 on each specific policy change made to implement a public
3 act affecting the department that took effect during the prior
4 calendar year to the house and senate appropriations subcommittees
5 on the budget for the department, the joint committee on
6 administrative rules, and the senate and house fiscal agencies.

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

14 (3) As used in this section:

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

17 (b) "Small business" means that term as defined under section
18 7a of the administrative procedures act of 1969, 1969 PA 306, MCL
19 24.207a.

20 Sec. 266. (1) On a quarterly basis, the department shall
21 report on the number of FTEs in pay status by civil service
22 classification to the house and senate appropriations subcommittees
23 on transportation and the house and senate fiscal agencies.

24 (2) From the funds appropriated in part 1, the department
25 shall use an amount not to exceed \$10,000.00 to develop, post, and
26 maintain, on a publicly accessible Internet site, all expenditures
27 made by the agency within a fiscal year. The posting must include

Senate Bill No. 185 as amended April 27, 2011

1 the purpose for which each expenditure is made. The department
2 shall not be required to hire additional employees to comply with
3 this section.

4 <<Sec. 270. In order to reduce costs and maintain quality, it is
5 the intent of the legislature that, excluding the fleet of motor
6 vehicles for the department of state police, the department will
7 prioritize the utilization of remanufactured parts as the primary
8 means of maintenance and repair for the state of Michigan's fleet
of motor vehicles.>>

9 **DEPARTMENTAL SECTIONS**

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

17 (2) A bridge authority shall hold 3 public hearings on an
18 increase in any toll charged by the authority at least 30 days
19 before the toll change will become effective. Two of the hearings
20 shall be held within 5 miles of the bridge over which the bridge
21 authority has jurisdiction. One hearing shall be held in Lansing.
22 Public hearings held under this section shall be conducted in
23 accordance with the open meetings act, 1976 PA 267, MCL 15.261 to
24 15.275, and shall be conducted so as to provide a reasonable
25 opportunity for public comment, including both spoken and written
26 comments.

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

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

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

19 Sec. 306. (1) The amounts appropriated in section 103 to
20 support tax and fee collection, law enforcement, and other program
21 services provided to the department and to transportation funds by
22 other state departments shall be expended from transportation funds
23 pursuant to annual contracts between the department and those other
24 state departments. The contracts shall be executed prior to the
25 expenditure or obligation of those funds. The contracts shall
26 provide, but are not limited to, the following data applicable to
27 each state department:

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

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

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

7 (2) Not later than 2 months after publication of the state of
8 Michigan comprehensive annual financial report, each state
9 department receiving funding pursuant to an interdepartment
10 contract with the department shall submit a written report to the
11 department, the state budget director, and the house and senate
12 fiscal agencies stating by spending authorization account the
13 amount of estimated funds contracted with the department, the
14 amount of funds expended, the amount of funds returned to the
15 transportation funds, and any unreimbursed transportation-related
16 costs incurred but not billed to transportation funds. A copy of
17 the report shall be submitted to the auditor general, and the
18 report shall be subject to audit by the auditor general as provided
19 in subsection (3).

20 (3) In addition to the requirements of subsection (2), the
21 state treasurer shall develop a cost allocation plan to identify
22 the actual costs of work based on time and effort performed by the
23 department of treasury for state-restricted transportation funds.
24 The cost allocation plan shall specifically identify the costs of
25 collecting constitutionally restricted motor fuel taxes. The cost
26 allocation plan shall be submitted to the senate and house of
27 representatives standing committees on appropriations subcommittees

1 on general government, the senate and house fiscal agencies, the
2 auditor general, and the state budget director by November 1. The
3 cost allocation plan shall be subject to audit by the auditor
4 general.

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

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

26 Sec. 308. The department and local road agencies that receive
27 appropriations under this act shall pursue compliance with contract

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

11 Sec. 309. The department shall continue its efforts to reduce
12 administrative costs and provide the maximum funding possible for
13 construction projects.

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

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

24 Sec. 313. (1) From funds appropriated in part 1, the
25 department may increase a state infrastructure bank program and
26 grant or loan funds in accordance with regulations of the state
27 infrastructure bank program of the United States department of

1 transportation. The state infrastructure bank is to be administered
2 by the department for the purpose of providing a revolving, self-
3 sustaining resource for financing transportation infrastructure
4 projects.

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

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

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

25 (b) The time charged to each work activity, including time
26 charged to each audit, review, or investigation.

27 (c) A listing of which audits, reviews, and investigations

1 have been completed and which audits, reviews, and investigations
2 have had reports of the results issued.

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

8 Sec. 321. In evaluating and awarding enhancement grants, the
9 department shall give preference to applicants which have adopted
10 complete streets policies. In addition, the department shall give
11 preference to enhancement grant applications which further complete
12 streets policy objectives. The department shall report to the house
13 and senate appropriations subcommittees on transportation, and the
14 house and senate fiscal agencies, on or before March 1, 2012, on
15 the specific actions taken to comply with the intent of this
16 section.

17 Sec. 322. Upon request of a university, the department shall
18 work with representatives of state public universities to assist in
19 the development and implementation of complete streets policies on
20 university road and street systems.

21 Sec. 334. The department shall continue its program to
22 increase the use of women- and minority-owned businesses in state
23 and local road construction projects. This program shall comprise,
24 at a minimum, outreach and education efforts to inform women- and
25 minority-owned firms of department competitive bidding processes
26 and requirements, and an assessment of the availability of surety
27 for women- and minority-owned businesses. The department shall

1 report by September 30 of each year to the house and senate
2 appropriations subcommittees on transportation and the house and
3 senate fiscal agencies of its progress in complying with this
4 section.

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

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

15 Sec. 374. The department shall produce and distribute all
16 employee newsletters electronically.

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

22 Sec. 383. (1) The department shall prepare an annual report on
23 all travel by executive branch employees, and others including
24 local public officials, university employees, and other public
25 employees on department-owned aircraft. The report shall include,
26 by department, the name of the traveler, the travel origination
27 location, the travel destination location, type of aircraft, and

1 the total estimated costs associated with the air travel.

2 (2) The report shall be submitted to the senate and house
3 appropriations subcommittees on transportation and the house and
4 senate fiscal agencies no later than July 1.

5 (3) From the funds appropriated in part 1, the department is
6 prohibited from transporting legislators or legislative staff on
7 state-owned aircraft without prior approval from the senate
8 majority leader or the speaker of the house of representatives and
9 only when the aircraft is already scheduled by state employees on
10 related official state business.

11 (4) The department shall maintain a system for recovering the
12 cost of operating department-owned aircraft through charges to
13 aircraft users.

14 Sec. 384. (1) The department shall not expend any state
15 transportation revenue for the Detroit River International Crossing
16 or a renamed successor. In addition, the department shall not
17 commit the state to any new contract related to the Detroit River
18 International Crossing or a renamed successor unless the
19 legislature has enacted specific enabling legislation to allow for
20 the construction of the Detroit River International Crossing or a
21 renamed successor.

22 (2) On or before March 31, 2012, the department shall
23 report to the state budget director, the house and senate
24 appropriations subcommittees on transportation, and the house and
25 senate fiscal agencies on department activities related to the
26 Detroit River International Crossing or a renamed successor.

27 (3) If the legislature enacts specific enabling legislation

1 for the construction of the Detroit River International Crossing or
2 a renamed successor, subsection (1) does not apply once the
3 enabling legislation goes into effect.

4 Sec. 385. (1) The department shall use all available toll
5 credits, as provided by private toll facilities in this state and
6 certified by the federal highway administration, to match available
7 federal aid highway funds.

8 (2) The department shall not use toll credits generated by a
9 private tolled bridge crossing to finance, design, plan, construct,
10 operate, or maintain any international bridge crossing within 5
11 miles of that privately tolled bridge.

12 Sec. 393. The department shall promote best practices for
13 public transportation services in this state, including, but not
14 limited to, the following:

15 (a) Transit vehicle rehabilitation to reduce life-cycle cost
16 of public transportation through mid-life rehabilitation of transit
17 buses.

18 (b) Coordination with the Michigan economic development
19 corporation to promote transition of bus fleets hybrid transit
20 vehicles with a view to promotion of fuel economy.

21 (c) Cooperation between entities using transit, including
22 school districts, cities, townships, and counties with a view to
23 promoting cost savings through joint purchasing of fuel and other
24 procurements.

25 (d) Coordination of transportation dollars among state
26 departments which provide transit-related services, including the
27 department of human services and the department of community

1 health. Priority should be given to use of public transportation
2 services where available.

3 (e) Promotion of intelligent transportation services for buses
4 that incorporate computer and navigation technology to make
5 transit systems more efficient, including stoplight coordinating,
6 vehicle tracking, data tracking, and computerized scheduling.

7 **FEDERAL**

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

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

1 funds received in exchange for federal aid funds shall be used for
2 the same purpose as the federal aid funds were originally intended.

3 **MICHIGAN TRANSPORTATION FUND**

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

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

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

23 (2) Interest earned in the department of transportation
24 economic development fund and local bridge fund shall remain in the
25 respective funds and shall be allocated to the respective programs
26 based on actual interest earned at the end of each fiscal year.

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

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

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

20 STATE TRUNKLINE FUND

21 Sec. 601. The department shall work with the road construction
22 industry and engineering consulting community to develop
23 performance and road construction warranties for construction
24 contracts. The development of warranties shall include warranties
25 on materials, workmanship, performance criteria, and design/build
26 projects. The department will report by September 30 of each

1 calendar year to the house of representatives and senate
2 appropriations subcommittees on transportation, the state budget
3 director, and the house and senate fiscal agencies on the status of
4 efforts to develop performance and road construction warranties.

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

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

24 Sec. 604. It is the intent of the legislature that the
25 department shall place signs designed in compliance with the
26 Michigan manual on uniform traffic control devices for streets and
27 highways at each highway construction work zone subject to the

1 jurisdiction of the department. The signs shall notify the
2 operators of vehicles in a work zone of the increased fines and
3 penalties provided for the protection and safety of construction
4 workers and the public under section 601b of the Michigan vehicle
5 code, 1949 PA 300, MCL 257.601b.

6 Sec. 610. It is the intent of the legislature that the
7 department have as a priority the removal of dead deer and other
8 large animal remains from the traveled portion and shoulder of
9 state highways. The department, and counties that perform state
10 highway maintenance under contract, shall remove animal remains,
11 wherever practicable, away from the traveled portion and shoulder
12 of state highways.

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

27 Sec. 654. It is the intent of the legislature that the

1 Mackinac Bridge Authority work to protect the long-term viability
2 of the Mackinac Bridge.

3 Sec. 659. For pavement projects for which there are no
4 Michigan actual historic project maintenance, repair, and
5 resurfacing schedules and costs as recorded by the pavement
6 management system, the department may use actual historical and
7 comparable data for equivalent designs from states with similar
8 climates, soil structures, and vehicle traffic.

9 Sec. 664. It is the intent of the legislature that if actual
10 state-restricted revenue deposited to the Michigan transportation
11 fund exceeds the revenue estimates upon which the appropriations in
12 part 1 of this act were based, the department shall give priority
13 to reinstating delayed and deferred projects.

14 **COMPREHENSIVE TRANSPORTATION FUND**

15 Sec. 701. Money that is received by the state as a lease
16 payment for state-owned intercity bus equipment is not money to be
17 deposited in the comprehensive transportation fund under section
18 10b of 1951 PA 51, MCL 247.660b, but is money that is deposited in
19 an intercity bus equipment fund for appropriation for the purchase
20 and repair of intercity bus equipment. Proceeds received by the
21 state from the sale of intercity bus equipment are deposited in an
22 intercity bus equipment fund for appropriation for the purchase and
23 repair of intercity bus equipment. Security deposits from the lease
24 of state-owned intercity bus equipment not returned to the lessee
25 of the equipment under terms of the lease agreement are deposited
26 in an intercity bus equipment fund for appropriation for the repair

1 of intercity bus equipment. At the close of the fiscal year, any
2 funds remaining in the intercity bus equipment fund shall remain in
3 the fund and be carried forward into the succeeding fiscal year.

4 Sec. 702. Money that is received by the state as repayment for
5 loans made for rail or water freight capital projects, and as a
6 result of the sale of property or equipment used or projected to be
7 used for rail or water freight projects shall be deposited in the
8 fund created by section 17 of the state transportation preservation
9 act of 1976, 1976 PA 295, MCL 474.67. At the close of the fiscal
10 year, any funds remaining in the rail freight fund shall remain in
11 the fund and be carried forward into the succeeding fiscal year.

12 Sec. 703. After receiving notification from a railroad company
13 pursuant to section 8 of the state transportation preservation act
14 of 1976, 1976 PA 295, MCL 474.58, the department shall immediately
15 notify the house of representatives and senate appropriations
16 subcommittees on transportation and the state budget office that
17 the railroad company has filed with the appropriate governmental
18 agencies for abandonment of a line.

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

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

5 Sec. 711. (1) From the funds appropriated in part 1 from the
6 comprehensive transportation fund for rail passenger service, the
7 department shall negotiate with a rail carrier to provide rail
8 service between Grand Rapids and Chicago and between Port Huron and
9 Chicago, consistent with the other provisions of this section.

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

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

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

27 (5) For rail passenger service supported in any part through

1 capital or operating assistance from funds appropriated in this
2 act, the department shall work with the rail carrier to identify
3 ways in which reasonable transport of bicycles by passengers can be
4 accommodated.

5 Sec. 714. The department, in cooperation with local transit
6 agencies, shall work to ensure that demand-response services are
7 provided throughout Michigan. The department shall continue to work
8 with local units of government to address the unmet transit needs
9 in Michigan.

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

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

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

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

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

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

25 (d) Maintain sufficient local and community funding.

26 (e) Support business development by providing transportation
27 to areas of employment and commerce, emerging or established

1 businesses, and health care facilities.

2 Sec. 740. The department shall report by March 1 of each year
3 to the house of representatives and senate appropriations
4 subcommittees on transportation, the house and senate fiscal
5 agencies, and the state budget director the encumbered and
6 unencumbered balances of the comprehensive transportation fund.

7 Sec. 741. The department shall report by March 1, 2012 to the
8 house of representatives and senate appropriations subcommittees on
9 transportation, the house and senate fiscal agencies, and the state
10 budget director on progress of operations on the Ann Arbor and NW
11 Michigan railroad, particularly concerning any use of the track
12 infrastructure for the purpose of supporting a passenger train
13 speed of 59 miles per hour.

14 AERONAUTICS FUND

15 Sec. 801. Except as otherwise provided in section 903 for
16 capital outlay, at the close of the fiscal year, any unobligated
17 and unexpended balance in the state aeronautics fund created in the
18 aeronautics code of the state of Michigan, 1945 PA 327, MCL 259.1
19 to 259.208, shall lapse to the state aeronautics fund and be
20 appropriated by the legislature in the immediately succeeding
21 fiscal year.

22 CAPITAL OUTLAY

23 Sec. 901. (1) From federal-state-local project appropriations
24 contained in part 1 for the purpose of assisting political entities
25 and subdivisions of this state in the construction and improvement

1 of publicly used airports and landing fields within this state, the
2 state transportation department may permit the award of contracts
3 on behalf of units of local government for the authorized locations
4 not to exceed the indicated amounts, of which the state allocated
5 portion shall not exceed the amount appropriated in part 1.

6 (2) Political entities and subdivisions shall provide not less
7 than 2.5% of the cost of any project under this section, unless a
8 total nonfederal share greater than 5% is otherwise specified in
9 federal law. State money shall not be allocated until local money
10 is allocated. State money for any 1 project shall not exceed 1/3 of
11 the total appropriation in part 1 from state funds for airport
12 improvement programs.

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

24 Sec. 902. Before the end of each fiscal year, the state
25 transportation department shall report to the house and senate
26 appropriations subcommittees on transportation the status of
27 airport improvement projects funded in part 1 with the estimated

1 dollars allocated for each project. If there has to be a delay in
2 reporting, the state transportation department shall notify the
3 house and senate appropriations subcommittees on transportation in
4 writing of the date the report will be received.

5 Sec. 903. The appropriations in part 1 for capital outlay
6 shall be carried forward at the end of the fiscal year consistent
7 with the provisions of section 248 of the management and budget
8 act, 1984 PA 431, MCL 18.1248.

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

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

24 PART 2A

25 PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS

26 FOR FISCAL YEAR 2012-2013

1 **GENERAL SECTIONS**

2 Sec. 1201. It is the intent of the legislature to provide
3 appropriations for the fiscal year ending on September 30, 2013 for
4 the line items listed in part 1. The fiscal year 2012-2013
5 appropriations are anticipated to be the same as those for fiscal
6 year 2011-2012, except that the line items will be adjusted for
7 changes in caseload and related costs, federal fund match rates,
8 economic factors, and available revenue. These adjustments will be
9 determined after the January 2012 consensus revenue estimating
10 conference. The January 2012 consensus revenue estimating
11 conference shall include estimates for fiscal year 2011-2012,
12 fiscal year 2012-2013, and fiscal year 2013-2014 for the following:

13 (a) State revenue.

14 (b) Prison population and correction expenditures.

15 (c) Annual percentage growth in the school aid basic
16 foundation allowance.

17 (d) Medicaid expenditures.

18 (e) Human service caseloads and expenditures.