

Act No. 128
Public Acts of 1995
Approved by the Governor
June 30, 1995
Filed with the Secretary of State
June 30, 1995

**STATE OF MICHIGAN
88TH LEGISLATURE
REGULAR SESSION OF 1995**

Introduced by Reps. LeTarte, McBryde, Oxender, Middleton, Gilmer, Johnson, Bankes, Dolan, McNutt, Bobier and Geiger

ENROLLED HOUSE BILL No. 4422

AN ACT to prescribe the powers and duties of certain state agencies, officers, and employees; to provide for the expenditure of appropriations; to make appropriations for a capital outlay program for fiscal years ending September 30, 1995 and September 30, 1996; to implement the appropriations within the budgetary process; to make appropriations for planning and construction at state agencies and community colleges; to make appropriations for state building authority rent and insurance; to make a grant for state building authority rent; to provide for the acquisition of land and buildings; to provide for the elimination of fire hazards; to provide for special maintenance, remodeling and addition, alteration, renovation, demolition, and other projects; to provide for elimination of occupational safety and health hazards; to provide for the award and implementation of contracts; to provide for the purchase of furnishings and equipment relative to occupancy of a project; to provide for certain advances from the general fund; to require certain reports, plans, and agreements; to provide for leases; to provide for transfers; to prescribe standards and conditions relating to the appropriations; to make appropriations for community colleges for the fiscal year ending September 30, 1996; and to establish or continue certain funds, programs, and categories.

The People of the State of Michigan enact:

CAPITAL OUTLAY

Sec. 101. There is appropriated for certain capital outlay projects at the various state agencies for the fiscal year ending September 30, 1996, from the following funds:

TOTAL CAPITAL OUTLAY

GROSS APPROPRIATION.....	\$	293,421,900
Total interdepartmental grants and intradepartment transfers	\$	4,000,000
ADJUSTED GROSS APPROPRIATION.....	\$	289,421,900
Total federal revenues		62,844,500
Total local funds		37,297,000
Total private		450,000
Total state restricted		24,673,600
State general fund/general purpose	\$	164,156,800

DEPARTMENT OF MANAGEMENT AND BUDGET

Lump sum projects:

Special maintenance and remodeling and additions:

For state agencies special maintenance projects estimated to cost less than \$500,000	\$	4,000,000
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For Fiscal Year
Ending Sept. 30,
1996

Major special maintenance and remodeling:	
For department of mental health special maintenance and remodeling and additions projects at various ICF/MR and state psychiatric facilities	1,000,000
GROSS APPROPRIATION	\$ 5,000,000
Appropriated from:	
Federal revenues:	
HHS-HCFA Title XIX-intermediate care facilities for the mentally retarded and state psychiatric facilities	1,000,000
Interdepartmental grant revenues:	
IDG-building occupancy charges	4,000,000
Special revenue funds:	
State general fund/general purpose	\$ 0
STATE BUILDING AUTHORITY FINANCED CONSTRUCTION PROJECTS	
Department of state police-public safety communications system-to complete plans and begin construction (total authorized cost \$187,276,000; state building authority share \$184,426,000; state general fund share \$2,850,000)	\$ 2,850,000
Department of social services-Maxey boys training school (new facilities)-to complete plans and begin construction (total authorized cost \$22,607,000; state building authority share \$22,381,000; state general fund share \$226,000)	\$ 226,000
Kirtland Community College-academic building, art/maintenance building and administration building remodeling and additions-to complete plans and begin construction (total authorized cost \$5,541,000; state building authority share \$2,770,400; Kirtland Community College share \$2,770,500; state general fund share \$100)	\$ 100
Montcalm Community College-vocational/tech facility-to complete plans and begin construction (total authorized cost \$11,400,000; state building authority share \$5,699,900; Montcalm Community College share \$5,700,000; state general fund share \$100)	\$ 100
St. Clair County Community College-university center/learning resources center-to complete plans and begin construction (total authorized cost \$10,500,000; state building authority share \$5,249,900; St. Clair County Community College share \$5,250,000; state general fund share \$100)	\$ 100
GROSS APPROPRIATION	\$ 3,076,300
Appropriated from:	
State general fund/general purpose	\$ 3,076,300
DEPARTMENT OF MILITARY AFFAIRS	
D.J. Jacobetti home for veterans-HVAC replacement-(total authorized cost \$3,000,000-federal share \$1,950,000-state general fund share \$1,050,000)	\$ 1,125,000
Lump sum projects:	
For department of military affairs remodeling and additions and special maintenance projects estimated to cost less than \$500,000	950,000
Wayne County organizational maintenance shop	879,000
GROSS APPROPRIATION	\$ 2,954,000
Appropriated from:	
Federal revenues:	
DOD-department of the army-national guard bureau	\$ 1,761,500
Veterans administration	850,000
State general fund/general purpose	\$ 342,500
DEPARTMENT OF NATURAL RESOURCES	
State park remodeling and additions:	
Buildings, utilities, and site work (projects under \$60,000), various state park and recreation areas	\$ 1,500,000
Waterfowl habitat acquisition	900,000

For Fiscal Year
Ending Sept. 30,
1996

State waterfowl habitat development.....	900,000
Sea lamprey/fish trap at Soo locks, powerhouse unit no. 10	400,000
Building and facility repair	450,000
Critical road, bridge, and culvert repair	350,000
GROSS APPROPRIATION.....	\$ 4,500,000

Appropriated from:

Federal revenues:

DOI-U.S. Pittman-Robertson.....	\$ 950,000
Corps of engineers-section 1135 funds.....	300,000

Special revenue funds:

Private-Ducks unlimited.....	450,000
Game and fish protection fund	500,000
State park endowment fund	1,500,000
Forest management funds	800,000
State general fund/general purpose	\$ 0

DEPARTMENT OF NATURAL RESOURCES

Waterways projects:

Boating access site program:

Region I:

Chippewa County-Detour, Lake Huron access.....	\$ 20,000
Emergency repairs allotment-various counties	15,000
Equipment repairs allotment-various counties	10,000
Small projects allotment-various counties	25,000

Region II:

Pine river Saginaw bay access-Standish Township	50,000
Emergency repairs allotment-various counties	15,000
Equipment repairs allotment-various counties	15,000
Small projects allotment-various counties	50,000

Region III:

Emergency repairs allotment-various counties	25,000
Equipment repairs allotment-various counties	15,000
Small projects allotment-various counties	80,000

Grants-in-aid:

Small grants program-various counties.....	100,000
Baraga County, village of L'Anse-Lake Superior access.....	100,000
Barry County, Hope Township-Cloverdale lake access	21,000
Ingham County-city of Lansing-Grand river access	243,000
Mackinac County-Bois Blanc Township.....	33,600
Mackinac County-city of St. Ignace	500,000

Harbors and docks program:

Mackinac County-Mackinac Island expansion/improvements	4,500,000
Emergency repairs-various counties.....	250,000
Engineering studies-various counties	100,000
Preventative maintenance-various counties	100,000

Grants-in-aid Harbors and docks:

Charlevoix County-Boyne City marina building	63,000
Huron County-Caseville building addition.....	13,000
Mackinac County-Hessel steel sheetpile wall.....	40,000
Wayne County-Elizabeth park marina building	150,000
GROSS APPROPRIATION.....	\$ 6,533,600

Appropriated from:

Federal funds:

DOI-U.S. fish and wildlife service Dingell-Johnson	1,700,000
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Special revenue funds:

State waterways fund	4,833,600
State general fund/general purpose	\$ 0

DEPARTMENT OF TRANSPORTATION
STATE TRUNKLINE FUND

Department buildings and facilities:	
New maintenance facility-Mio, district 4.....	\$ 1,100,000
Salt storage buildings and brine run-off control systems-various statewide locations.....	1,000,000
Construct, renovate, and/or replace salt storage buildings, various maintenance garage locations.....	300,000
New district office, Crystal Falls, district 1.....	625,000
New project offices-various statewide locations.....	500,000
Equipment storage buildings-various statewide locations.....	330,000
Purchase and renovation of an existing building for a sign shop-Grand Rapids.....	400,000
Remodeling and Additions:	
Building renovation and expansion, metro district office-Southfield.....	350,000
Environmental pollution control measures:	
Site investigation and toxic cleanup-various locations.....	1,000,000
A & E repair addition-Kalkaska maintenance garage.....	550,000
A & E repair addition-Paw Paw maintenance garage.....	550,000
ADA modifications-various MDOT facilities.....	500,000
Energy savings modifications and upgrade:	
Lighting and electrical systems at older maintenance facilities-various locations.....	500,000
Reroof MDOT facilities-fence MDOT properties, and install bituminous surface/ resurfacing-various locations.....	440,000
Office, lunchroom and restroom addition, maintenance garage-Kalkaska.....	250,000
Install/replace hydraulic floor hoists-various locations.....	240,000
MIOSHA projects and asbestos removal-various locations.....	120,000
Restroom and lunchroom modifications-various locations.....	100,000
Miscellaneous projects.....	165,000
GROSS APPROPRIATION.....	\$ 9,020,000
Appropriated from:	
Special revenue funds:	
State trunkline fund.....	9,020,000
State general fund/general purpose.....	\$ 0

DEPARTMENT OF TRANSPORTATION
AERONAUTICS FUND: AIRPORT PROGRAMS

Airport improvement programs.....	\$ 95,580,000
Alpena-Alpena County regional	
Bellaire-Antrim County	
Cadillac-Wexford County	
Caro-Caro municipal	
Charlotte-Fitch H. Beach municipal	
Clare-Clare municipal	
Coldwater-Branch County memorial	
Detroit-Berz-Macomb	
Detroit-Detroit City airport-Wayne County	
Detroit-Grosse Ile municipal	
Detroit-Detroit metro	
Detroit-Willow Run airport-Wayne County	
Escanaba-Delta County airport-Delta County	
Flint-Bishop international airport-Genesee County	
Frankfort-City County	
Freemont-Freemont municipal	
Grand Ledge-Abrams municipal	
Grand Rapids-Kent County international airport	
Hillsdale-Hillsdale municipal	
Jackson-Jackson County Reynolds field	

Kalamazoo-Kalamazoo/Battle Creek international		
Lansing-capital city airport		
Lapeer-DuPont-Lapeer		
Marquette-Marquette County airport		
Menominee-Menominee-Marinette twin county		
New Haven-Macomb		
Pellston-Emmet County airport		
Pontiac-Oakland-Pontiac airport		
Port Huron-St. Clair County international		
Romeo-Romeo		
Saginaw-Harry W. Browne international		
Saginaw-tri-city international		
Sparta-Sparta airport		
Three Rivers-Three Rivers municipal-Dr. Haines		
Traverse City-cherry capital airport		
Troy-Oakland Troy		
Statewide pavement restoration/marketing programs		
GROSS APPROPRIATION.....	\$	95,580,000
Appropriated from:		
Federal revenues:		
DOT-federal aviation administration		56,283,000
Special revenue funds:		
Local aeronautics match.....		37,297,000
State aeronautics fund.....		2,000,000
State general fund/general purpose	\$	0
GRANTS		
State building authority rent.....	\$	166,758,000
GROSS APPROPRIATION.....	\$	166,758,000
Appropriated from:		
Special revenue funds:		
State building authority 3rd party reimbursement		4,500,000
State lottery funds		1,520,000
State general fund/general purpose	\$	160,738,000
Sec. 102. There is appropriated for certain capital outlay projects at the various state departments and agencies to supplement former appropriations for the fiscal year ending September 30, 1995, from the following funds:		
TOTAL CAPITAL OUTLAY		
GROSS APPROPRIATION.....	\$	23,805,600
ADJUSTED GROSS APPROPRIATION.....	\$	23,805,600
Total federal revenues.....	\$	2,659,000
Total local funds.....		16,000,000
Total state restricted		4,135,600
State general fund/general purpose	\$	1,011,000
DEPARTMENT OF MANAGEMENT AND BUDGET		
Demolition of various facilities.....	\$	500,000
GROSS APPROPRIATION.....	\$	500,000
Appropriated from:		
State general fund/general purpose	\$	500,000
DEPARTMENT OF MILITARY AFFAIRS		
Lump sum Projects:		
Special maintenance-roof repairs.....	\$	200,000

	For Fiscal Year Ending Sept. 30, 1995
Special maintenance-roof repairs-camp Grayling	150,100
Land acquisition-camp Grayling	60,000
GROSS APPROPRIATION	\$ 410,100
Appropriated from:	
Special revenue funds:	
Warranty claim settlements	150,100
Armory construction fund	60,000
State general fund/general purpose	\$ 200,000
 DEPARTMENT OF NATURAL RESOURCES	
Wildlife acquisition/southern Michigan	\$ 3,400,000
Forest management initiatives	575,000
Saginaw bay wetlands acquisition	700,000
Shooting range improvements	659,000
Farmland and open space preservation	1,250,500
GROSS APPROPRIATION	\$ 6,584,500
Appropriated from:	
Federal revenues:	
DOI-federal	\$ 2,659,000
Special revenue funds:	
Environmental revenue	700,000
Farmland and open space withdrawal fees	1,250,500
Game and fish protection fund	1,400,000
Forest management funds	575,000
State general fund/general purpose	\$ 0
 DEPARTMENT OF NATURAL RESOURCES	
Waterways projects:	
St. Joseph fish ladder	\$ (869,000)
Presque Isle County-swan creek salmon egg-take facility	750,000
Presque Isle County-Presque Isle mooring facility	400,000
Manistee river restoration	89,000
Pere Marquette river restoration	30,000
Cross village harbor of refuge	(4,264,600)
St. Clair County-north channel boating access site	564,600
Mackinac County-St. Ignace mooring expansion	3,300,000
Macomb County-tucker park-Lake St. Clair	(400,000)
Macomb County-Clinton river cutoff	(100,000)
Huron-Clinton metro authority-boating access	500,000
GROSS APPROPRIATION	\$ 0
Appropriated from:	
State general fund/general purpose	\$ 0
 DEPARTMENT OF TRANSPORTATION	
Federal/state/local airport construction	\$ 16,000,000
Grand Rapids-Kent County international airport	
GROSS APPROPRIATION	\$ 16,000,000
Appropriated from:	
Local aeronautics match	16,000,000
State general fund/general purpose	\$ 0
 GRANTS	
Alpena Community College-Iosco County educational job training project	\$ 311,000
GROSS APPROPRIATION	\$ 311,000
Appropriated from:	
State general fund/general purpose	\$ 311,000

FOR FISCAL YEAR 1994-95

Sec. 103. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state sources for the fiscal year ending September 30, 1995 is \$5,146,600.00 and state appropriations to be paid to local units of government in section 102 are as follows:

Alpena Community College-Iosco County educational job training project	\$	311,000
Total	\$	311,000

Sec. 104. The following airport sites are added to those contained in Act No. 19 of the Public Acts of 1993.

Ann Arbor-Ann Arbor municipal
Bellaire-Antrim county
Caro-Caro municipal
Charlotte-Fitch H. Beach municipal
Cheboygan-Cheboygan city-county
Detroit-Detroit metropolitan
Ewart-Ewart municipal airport
Gaylord-Otsego County
Gladwin-Gladwin Zettel memorial
Grand Haven-Memorial
Grand Ledge-Abrams municipal
Greenville-Greenville municipal
Ionia-Ionia County
Menominee-Menominee-Marinette twin county
Niles-Jerry Tyler memorial
Oscoda-Wurtsmith
Saginaw-Harry W. Browne international
Sparta-Sparta
Sturgis-Kirsch municipal
Three Rivers-Three Rivers municipal-Dr. Haines

Sec. 105. The appropriation in Act No. 19 of the Public Acts of 1993 for the Michigan department of transportation for combined statewide operations, maintenance facility, district 8, Lansing area, to continue construction, is hereby renamed as follows:

Combined statewide operations, maintenance facility, district 8, Lansing area-to continue construction or purchase and renovation of an existing facility.

Sec. 106. (1) The appropriation in Act No. 19 of the Public Acts of 1993 for the university of Michigan-Ann Arbor-integrated technology center is hereby renamed as the integrated technology and engineering center building.

(2) The appropriation in Act No. 19 of the Public Acts of 1993 for Grand Rapids Community College classroom facility is hereby renamed the classroom facility and satellite campus facility.

Sec. 107. The appropriation in section 102 for demolition of various facilities is for facilities at the Phoenix correctional facility. These funds shall not be expended until Act No. 96 of the Public Acts of 1991 regarding western Wayne correction facility is amended to allow increased capacity through additional double bunking.

Sec. 108. The department may demolish the following facilities:

- (a) Department of corrections:
 - SPSM-buildings 73, 114, 133, 135, 175, and 88.
 - Ionia-building 50.
- (b) Department of mental health:
 - Northville-buildings 81 and 84.
 - Caro regional center-buildings 62 and 76.
 - Clinton Valley center-buildings 11, 17, 54, and 62.
 - JMS-Macomb Oakland regional center-barn.
 - Kalamazoo regional psychiatric hospital-buildings 33 and 34.
 - Mt. Pleasant regional center-buildings 1, 2, 3, 34, and 71.
 - Northville regional psychiatric hospital-buildings 91 and 91B.
- (c) Department of military affairs:
 - Grand Rapids-building 44.

Sec. 109. (1) The funding contained in section 102, farmland and open space preservation is to be used for the purchasing of property or development rights as follows: lake Leelanau shoreland parcel A, up to \$67,500.00; lake Leelanau shoreland parcel C1, up to \$141,000.00; lake Leelanau shoreland parcel C2, up to \$52,000.00; sand point parcel Huron county, up to \$420,000.00; Mackinac bay parcel, up to \$50,000.00; and Wayne county sassafras trail, up to \$520,000.00.

(2) The department of natural resources shall not purchase any parcel until the value of the parcel has been determined by an independent certified real estate appraiser.

Sec. 110. In addition to the amount authorized in section 1436 of Act No. 19 of the Public Acts of 1993, there is authorized an additional \$16,000,000.00, for a total authorization of \$35,000,000.00, for the acquisition of lease projects which contain purchase options.

Sec. 111. (1) Pursuant to department policy, state agencies may expend not more than \$250,000.00 from their operating budget for special maintenance purposes.

(2) Expenditures from operating budgets for special maintenance, or other capital outlay purposes, greater than \$250,000.00 are prohibited unless reappropriated by the legislature.

Sec. 112. (1) The Michigan department of transportation is authorized to purchase for transportation purposes the properties and equipment at the following locations: 1215 Delaney Drive, Whitehall; 1700 Sheridan Avenue, Muskegon; 16681 148th Street, Spring Lake; 2093 North Park Drive, Holland; 864 West River Center, Comstock Park; 2490 29th Street, Grand Rapids; 2600 Sanford Avenue, Grandville. Those properties were purchased and developed by a contractor to the Michigan department of transportation for the purpose of administering a vehicle emissions testing program under the motor vehicle emission inspection and maintenance program act, Act No. 294 of the Public Acts of 1993, being sections 257.2051 to 257.2076 of the Michigan Compiled Laws.

(2) The department of transportation shall submit to the JCOS, for approval, a plan or plans detailing the use of each facility or property prior to purchase. The plan or plans shall include details regarding the construction cost of the property and the proposed purchase price.

(3) Any subsequent sale of properties or facilities purchased under the provisions of this section shall require approval of the department of management and budget and the JCOS.

GENERAL SECTIONS-FISCAL YEAR 1995-96

Sec. 201. In accordance with the provisions of section 30 of article IX of the state constitution of 1963, total state spending from state sources for the fiscal year ending September 30, 1996 is \$188,830,400.00 and state appropriations to be paid to local units of government in section 101 are as follows:

Department of natural resources-waterways.....	\$	4,833,600
State transportation department-state aeronautics program		2,000,000
Total	\$	6,833,600

Sec. 202. When it appears to the principal executive officer of a department that state spending to local units of government will be less than the amount that was projected to be expended for any quarter, the principal executive officer shall immediately give notice of the approximate shortfall to the department of management and budget, the appropriations committees, and the fiscal agencies.

Sec. 203. As used in this act:

- (a) "ADA" means the Americans with disability act.
- (b) "Appropriations committees" means the appropriations committee of the senate and the appropriations committee of the house of representatives.
- (c) "A & E" means automotive and engineering.
- (d) "Board" means the state administrative board.
- (e) "BSF" means the countercyclical economic and budget stabilization fund created in section 351 of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1351 of the Michigan Compiled Laws.
- (f) "Community college" does not include a state agency or university.
- (g) "DAG-forest service" means the United States department of agriculture, forest service.
- (h) "Department" means the department of management and budget.
- (i) "Director" means the director of the department of management and budget.
- (j) "DOD" means the United States department of defense.

- (k) "DOI" means the United States department of interior.
- (l) "DOT-FAA" means the United States department of transportation federal aviation administration.
- (m) "Fiscal agencies" means the senate fiscal agency and the house fiscal agency.
- (n) "HHS-HCFA" means the United States department of health and human services, health care financing administration.
- (o) "ICF/MR" means intermediate care facilities for the mentally retarded.
- (p) "JCOS" means the joint capital outlay subcommittee of the appropriations committees.
- (q) "MDOT" means the Michigan department of transportation.
- (r) "MIOSHA" means the Michigan occupational safety and health act, Act No. 154 of the Public Acts of 1974, being sections 408.1001 to 408.1094 of the Michigan Compiled Laws.
- (s) "Self-liquidating project" means a project constructed by a community college or university with money raised through the use of a debt instrument, which project is expected to generate revenues to amortize the loan; a project constructed by a community college or university with money derived from gifts or grants; or a project constructed with money of the community college or university. A self-liquidating project may or may not be a self-supporting project.
- (t) "Self-supporting project" means a project of a community college or university that will house a function or activity from which revenue is generated that will cover all the direct and indirect operating costs of the project without the additional transfer of any other general fund money of the community college or university.
- (u) "State agency" means an agency of state government. State agency does not include a community college or university.
- (v) "State building authority" means the authority created under Act No. 183 of the Public Acts of 1964, being sections 830.411 to 830.425 of the Michigan Compiled Laws.
- (w) "University" means a 4-year university supported by the state. University does not include a community college or a state agency.
- (x) "Utility system" means a utility supply or distribution system, or a combination utility supply and distribution system.
- (y) "VA-DMS" means the United States veterans administration, department of medicine and surgery.

Sec. 204. The grant-in-aid appropriations in Act No. 121 of the Public Acts of 1991, in Act No. 19 of the Public Acts of 1993, and in this act are capital outlay projects subject to section 248 of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1248 of the Michigan Compiled Laws.

DEPARTMENT OF CORRECTIONS

Sec. 301. A maximum security prison that is constructed or completed after October 1, 1986, shall have operating manned watchtowers, equipped with the weaponry, lighting, sighting, and communications devices necessary for effective execution of its function. The watchtowers shall be constructed pursuant to the American correctional association standards for watchtowers.

Sec. 302. (1) An appropriation and authorization contained in this act or a previous appropriations act for the construction of a new correctional facility, including a correctional camp, for which a specific site was not identified with the appropriation shall not be expended until approved by JCOS.

(2) For the purposes of this section, "site" means a city, village, township, or county in which a correctional facility may be located.

Sec. 303. Balances remaining from prior years in the lump sum for new prison construction account may be used to fund the general fund portion of the state prison of southern Michigan reorganization project established in section 101 of Act No. 19 of the Public Acts of 1993.

DEPARTMENT OF MANAGEMENT AND BUDGET

Sec. 401. (1) A contract shall not be let for new construction of a self-liquidating project estimated to cost more than \$1,000,000.00 unless the project is authorized by the JCOS. The request for legislative authorization shall be initially submitted for review to the JCOS and the department. A nonstate-funded project request shall include a complete use and financing statement as defined by a policy adopted by the JCOS. The use and financing statement for a self-liquidating or self-supporting project shall contain the estimated total construction cost and all associated estimated

operating costs including a statement of anticipated revenues. As used in this section, "new construction" includes land or property acquisition, remodeling and additions, and maintenance projects.

(2) A self-liquidating project that is constructed in violation of this section shall not receive state appropriations for purposes of operating the project, or support for future infrastructure enhancements that are necessitated, in part or in total, by construction of the project.

(3) A state agency, including the department of military affairs, shall not let a contract for a direct federally funded capital outlay construction or major maintenance project that is estimated to cost more than \$1,000,000.00 and is to be constructed on state-owned lands unless the project is approved by the department and by the JCOS. For projects over \$1,000,000.00, the state agency shall submit a use and finance statement as required for community colleges and universities in subsection (1). As used in this subsection, "direct federally funded" refers to a project for which federal payments are made directly to the construction vendor and not to the state of Michigan.

(4) Universities, community colleges, and state agencies shall report to the department and to the JCOS on a quarterly basis all projects costing between \$500,000.00 and \$1,000,000.00.

Sec. 402. (1) A statement of a proposed facility's operating cost shall be included with the facility's schematic plans and with the facility's preliminary plans when the plans are presented to JCOS for approval.

(2) Except as otherwise expressly provided, the schematic and preliminary planning costs for a project costing \$1,000,000.00 or more, whether authorized as a specific planning project or as a line item project, shall be allocated only from the lump-sum planning account.

Sec. 403. (1) In carrying out this act and other acts containing appropriations for preliminary studies and planning, repair, maintenance, remodeling and additions, fire protection, occupational safety and health act requirements, or new construction, the department may obtain appropriated operating funds for professional services and administration of projects. Money may also be transferred from appropriations made in this act to the department for the administration of a special maintenance, remodeling and addition, demolition, fire protection, or occupational safety and health act project. A transfer for this purpose shall not exceed 5% of the amount appropriated for each lump-sum appropriation and is available for 3 complete fiscal years from the beginning of this act's fiscal year. After 3 complete fiscal years, any unused balance shall lapse. Money may also be used for administration of projects, including the cost of inspection services, from line item construction projects for which the department is an agent, but these transfers shall not exceed 1.5% of the amount appropriated for each individual project. Any unused balance from these projects shall not lapse at the end of each fiscal year, but shall carry over into succeeding fiscal years to be used for the purpose authorized. The department shall submit to the appropriations committees, JCOS, and the fiscal agencies a report of these transfers at the end of each fiscal year.

(2) Except as provided in subsection (1) and section 244(1) of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1244 of the Michigan Compiled Laws, an expenditure shall not be made for salaries and wages from any appropriation in this act.

Sec. 404. A state agency or university shall take steps necessary to make available federal and other money indicated in this act, to make available federal or other money that may become available for the purposes for which appropriations are made in this act, and to use any part or all of the appropriations to meet matching requirements that are considered to be in the best interest of this state. However, the purpose, scope, and total estimated cost of a project shall not be altered to meet the matching requirements.

Sec. 405. This act is subject to the management and budget act, Act No. 431 of the Public Acts of 1984, being sections 18.1101 to 18.1594 of the Michigan Compiled Laws.

Sec. 406. (1) The director shall allocate lump-sum appropriations made in this act for remodeling and addition, special maintenance, major special maintenance, energy conservation, demolition, ICF/MR, air-conditioning, and fire protection projects. The director shall allocate community college and university special maintenance and remodeling and addition funds by the formula approved by the JCOS on September 18, 1986. The director shall allocate other lump sums, in order of program priority and need of the various state agencies or as otherwise based on actual building inspection reports by regulatory agencies. The director may award or approve the award of suitable professional services and construction contracts to study, plan, construct, and equip the projects authorized. Construction contracts approved by the director shall be awarded to the lowest acceptable bidders after being advertised publicly. A project authorized from a lump-sum appropriation has 3 fiscal years from the beginning of this act's fiscal year for the award of contracts after which any unencumbered balance of the appropriation or of any allocations made to a project from the appropriation shall revert to the general fund. For purposes of this subsection, a balance for a project shall not be considered encumbered unless the project is bid. For purposes of this subsection, a project for a community college shall be considered a special maintenance or remodeling and additions project only if it costs more than \$10,000.00 but less than \$500,000.00.

(2) A specific allocation or distribution shall not be made to a community college or university unless the community college or university submits a management plan to the department for allocation or distribution according to the formula cited in subsection (1).

(3) Any remaining balances from allocations made in this section lapse to the general fund pursuant to the lapsing of lump sums as provided in the management and budget act, Act No. 431 of the Public Acts of 1984, being sections 18.1101 to 18.1594 of the Michigan Compiled Laws.

(4) All audits of the auditor general's office shall include a statement as to the compliance with allocations or distributions according to the formula cited in subsection (1).

(5) When allocating the appropriations in section 101 for community college special maintenance and remodeling and additions, for university special maintenance, and for university remodeling and additions, the department shall take into consideration similar appropriations contained in other budget acts.

(6) An amount shall not be expended for those lump sum projects that are over \$500,000.00 as indicated in section 101. The \$500,000.00 limitation provided by this subsection is the total project cost against which the state share requirements as provided in this act, if any, shall be applied.

(7) Before August 15, 1996, the department shall submit a report to the JCOS and the fiscal agencies indicating the total cost and status of all lump-sum projects funded under this act and any previous act that have been designated as proposed, designed, bid, under construction, or completed within the current fiscal year.

(8) A planning project or construction project appropriated for the airport program shall be considered the same as a capital outlay account and shall be subject to the requirements and restrictions stated in this act relative to all capital outlay accounts for construction unless otherwise expressly provided. This subsection does not apply to an operating account otherwise established by law.

Sec. 407. (1) The department shall provide the JCOS and the fiscal agencies with reports as considered necessary relative to the status of each planning or construction project financed by the state building authority, by this act, or by previous acts.

(2) Before August 15, 1996, the department shall report to the JCOS and the fiscal agencies for each construction project other than lump sums all of the following:

- (a) The account number and name of each construction project.
- (b) The balance remaining in each account.
- (c) The date of the last expenditure from the account.
- (d) The anticipated date of occupancy if the project is under construction.
- (e) The appropriations history for the project.
- (f) The professional service contractor.
- (g) The amount of a project financed with federal funds.
- (h) The amount of a project financed through the state building authority.
- (i) The total authorized cost for the project and the state authorized share if different than the total.

(3) Before August 15, 1996, the department shall report the following for each project by a state agency, university, or community college that is authorized for planning but is not yet authorized for construction:

- (a) The name of the project and account number.
 - (b) Whether a program statement is approved.
 - (c) Whether schematics are approved by the department.
 - (d) Whether preliminary plans are approved by the department.
 - (e) The name of the professional service contractor.
- (4) As used in this section, "project" includes appropriation line items made for purchase of real estate.

Sec. 408. (1) This section applies only to projects for community colleges.

(2) State support is directed towards the remodeling and additions, special maintenance, or construction of certain community college buildings. The community college shall obtain or provide for site acquisition and initial main utility installation to operate the facility. Funding shall be comprised of local and state shares, and the state share shall include 50% of any federal money awarded for projects appropriated in this act.

(3) The director shall not recommend to the board the release of any planning appropriation, except campus master plans, until the community college has submitted a program statement for the project to the director and to the JCOS and until the program statement is approved by the director. After the program statement is approved and the planning

appropriation is released, the community college shall submit to the director for concurrence by the state the name of the firm proposed to provide professional services.

(4) Upon completion of the final planning documents for the project and before bidding, the community college shall submit final planning documents to the department for its review, approval, and certification that the purpose and scope described in the final planning documents do in fact correlate with and reflect the approved preliminary planning documents.

(5) An expenditure under this act is authorized when the release of the appropriation is approved by the board upon the recommendation of the director. The director may recommend to the board the release of any appropriation in section 101 only after the director is assured that the legal entity operating the community college to which the appropriation is made has complied with this act and has matched the amounts appropriated as required by this act, and the director has received a certified report of the advertised competitive bids for the project and the proposed budget based on the amounts of the lowest acceptable bids. A release of funds in section 101 shall not exceed 50% of the total cost of planning and construction of any project, or of any campus master plan, not including lump-sum remodeling and additions and special maintenance. Further planning and construction of a project authorized by this act shall be in accordance with the purpose and scope as defined and delineated in the approved program statements and preliminary planning documents. This act is applicable to all projects for which planning appropriations were made in previous acts.

(6) The community colleges shall take the steps necessary to secure available federal construction and equipment money for projects funded for construction in this act if an application was not previously made. If there is a reasonable expectation that a prior year unfunded application may receive federal money in a subsequent year, the college shall take whatever action necessary to keep the application active. If federal money is received, the state share shall be adjusted accordingly as provided by this act.

(7) Not more than 50% of a capital outlay project, not including a lump-sum special maintenance project or remodeling and addition project, for a community college shall be appropriated from state and federal funds.

Sec. 409. If matching revenues are received in an amount less than the appropriations contained in this act, the state funds of the appropriation shall be reduced in proportion to the amount of matching revenue received.

Sec. 410. (1) Subject to the provisions of section 242 of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1242 of the Michigan Compiled Laws, and upon the approval of the state building authority, the department may expend from the general fund of the state during the fiscal year ending September 30, 1996 an amount to meet the cash flow requirements of those state building authority projects solely for lease to a state agency identified in both section 101 and this section, and for which state building authority bonds or notes have not been issued, and for the sole acquisition by the state building authority of equipment and furnishings for lease to a state agency as permitted by Act No. 183 of the Public Acts of 1964, being sections 830.411 to 830.425 of the Michigan Compiled Laws, for which the issuance of bonds or notes is authorized by a legislative concurrent resolution that is effective for a fiscal year ending September 30, 1996. Any general fund advances for which state building authority bonds have not been issued shall bear an interest cost to the state building authority at a rate not to exceed that earned by the state treasurer's common cash fund during the period in which the advances are outstanding and are repaid to the general fund of the state.

(2) Upon sale of bonds or notes for the projects identified in section 101 or for equipment as authorized by legislative concurrent resolution, and in this section, the state building authority shall credit the general fund of the state an amount equal to that expended from the general fund plus interest, if any, as defined in this section.

(3) For state building authority projects for which bonds or notes have been issued and upon the request of the state building authority, the state treasurer shall make advances without interest from the general fund as necessary to meet cash flow requirements for the projects which advances shall be reimbursed by the state building authority when the investments earmarked for the financing of the projects mature.

(4) In the event that a project identified in section 101 is terminated after final design is complete, advances made on behalf of the state building authority for the costs of final design shall be repaid to the general fund in a manner recommended by the director and approved by the JCOS.

(5) Before December 1, 1995, the department shall provide a report to the JCOS on the status of any consent order outlining the problem statement, the administrative activities to correct the problem, the total estimated cost as compared to any established total authorized cost, and the current and future funding obligations and sources. Any change in the purpose and scope of a consent order requires JCOS approval as required by section 246 of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1246 of the Michigan Compiled Laws.

Sec. 411. (1) Before proceeding with final planning and construction for projects at community colleges and universities included in an appropriations act, the community college or university must sign an agreement with the department of management and budget that includes the following provisions:

(a) The university or community college agrees to construct the project within the total authorized cost established by the legislature pursuant to Act No. 431 of the Public Acts of 1984 and an appropriations act.

(b) The design and program scope of the project will not deviate from the design and program scope represented in the program statement approved by the department of management and budget.

(c) A capital outlay project included for a university or community college in an appropriations act will be managed by the department of management and budget-office of facilities unless a university or community college demonstrates the ability and institutional resources to provide those same project management services in an effective manner.

(2) If the department of management and budget determines that a university or community college will manage a construction project at that institution, the department of management and budget retains the authority and responsibility normally associated with the prudent maintenance of the public's financial and policy interests relative to the state-financed construction projects.

Sec. 412. (1) State building authority funding to finance construction or renovation of a facility that collects revenue in excess of money required for the operation of that facility shall not be released to a university or community college unless the institution agrees to reimburse that excess revenue to the state building authority. The excess revenue shall be credited to the general fund to offset rent obligations associated with the retirement of bonds issued for that facility. The auditor general shall annually identify and present an audit of those facilities that are subject to this section. Costs associated with the administration of the audit shall be charged against money recovered pursuant to this section.

(2) As used in this section, "revenue" includes state appropriations, facility opening money, other state aid, indirect cost reimbursement, and other revenue generated by the activities of the facility.

Sec. 413. (1) The department may expend from the lump-sum special maintenance account amounts necessary to demolish any building that is specifically authorized by law to be demolished.

(2) Before July 15, 1996, each state agency, community college, and university shall report each year to the department the status of and planned schedule for demolition projects already authorized but not yet started, the estimated cost of the projects, and the anticipated sources of financing of the projects.

Sec. 414. The department shall not require construction contractors that are to be paid with appropriations made pursuant to this act to pay prevailing wages as a condition of any bid or contract unless the payment of prevailing wages is otherwise specifically required by law.

Sec. 415. (1) If a capital outlay appropriation is contained in a public act that was not reviewed by the JCOS during the legislative process, the director shall notify the JCOS of an allotment of that capital outlay appropriation not less than 60 days before the allotment.

(2) For the purposes of this section, "capital outlay appropriation" means an appropriation that provides for the construction, renovation, or repair of a capital facility or acquisition or development of land and that is normally reviewed by the JCOS.

Sec. 416. From a capital outlay appropriation authorizing the completion of final plans and start of construction, or an appropriation to complete plans and construction, the department shall reimburse the lump-sum planning account an amount equal to the releases made from the lump-sum planning account for studies, schematic plans, or preliminary plans for that project, after the JCOS has approved the project for final planning and start or completion of construction. This section only applies to new construction projects authorized for start of construction for the fiscal year beginning after October 1, 1988.

Sec. 417. The appropriation in section 101 for state building authority rent may also be expended for 1 or more of the following purposes:

(a) Payment of the required premiums for insurance on facilities owned by the state building authority.

(b) Payment of costs that may be incurred as the result of any deductible provisions in the insurance policies purchased in accordance with subdivision (a).

(c) To the extent the amount appropriated in section 101 for state building authority rent is insufficient for payment of amounts required by subdivision (b), there is appropriated from the general fund of the state the amount necessary to satisfy those deductible provisions.

Sec. 418. The department shall provide the JCOS and the fiscal agencies a report, 15 days after the reporting date, relative to the status of construction projects associated with state building authority bonds on March 31 and September 30 of each year, or 30 days after a refinancing or restructuring bond issue is sold. The report shall include, but is not limited to, the following:

(a) A list of all completed construction projects for which state building authority bonds have been sold, and which bonds are currently active.

(b) A list of all projects under construction for which sale of state building authority bonds are pending.

(c) A list of all projects authorized for construction or identified in an appropriations act for which approval of schematic/preliminary plans or total authorized cost is pending that have state building authority bonds identified as a source of financing.

Sec. 419. It is the intention of the legislature that the University of Michigan take the necessary actions to ensure that eligible interest reimbursements from third party providers are made available to the state to satisfy part of the amount appropriated for the University of Michigan adult general hospital facility rent appropriation of \$27,917,000.00 contained within the state building authority rent appropriation in section 101. To the extent of a difference between the estimated and actual amount received, there is appropriated from the general fund of the state the amounts necessary to satisfy the hospital rental requirements of the state building authority's 1986 revenue refunding bonds, series I. To the extent payments made to the state by the University of Michigan are required to be reimbursed pursuant to the agreement with the University of Michigan, there is appropriated from the general fund the amount necessary for such reimbursement.

Sec. 420. If the JCOS approves, the department, for purposes of administrative and fiscal efficiency, may consolidate or discontinue federal surplus property warehouses administered pursuant to Act No. 139 of the Public Acts of 1961, being sections 18.251 to 18.261 of the Michigan Compiled Laws.

Sec. 421. (1) Before money is released for the construction of a capital outlay project costing over \$500,000.00, at the request of the JCOS, the department shall submit to the JCOS, with preliminary planning documents, a detailed comparative cost analysis. The cost analysis shall include a comparison of the financial and other benefits of construction, financing, operation, and maintenance of the proposed facility between all of the following:

(a) The state.

(b) The private sector.

(c) A combination of the state and the private sector.

(d) A lease agreement.

(2) If the department's recommendation for financing is inconsistent with the findings of the comparative cost analysis, the department shall present written documentation to the JCOS outlining the rationale for the recommendation.

(3) For purposes of this section, "capital outlay project" means a construction project requiring JCOS approval including, but not limited to, a general office facility, special use facility, warehouse, institutional facility, or utility system designed for use by a state agency or university. Capital outlay project does not include a special maintenance and remodeling project, grant-in-aid project, prison facility, legislative facility, judicial facility, community college facility, or self-liquidating facility constructed by a university.

Sec. 422. The director shall submit to the JCOS for approval a formula to allocate the capital costs of any utility system between the state and a university. This allocation shall be determined before the sale of state building authority bonds for a utility system, and such allocations as determined and approved supersede any previous authorizations. The recommendation shall reflect the distribution of costs of a utility system based on the consumption ratio of energy between nonrevenue and revenue producing facilities.

Sec. 423. (1) Subject to sections 242(2) to (10) and 243 of the management and budget act, Act No. 431 of the Public Acts of 1984, being sections 18.1242 and 18.1243 of the Michigan Compiled Laws, and upon the approval of the JCOS, money may be released from the lump-sum planning account for the preparation of schematic and preliminary planning documents for new facilities that will be competitively bid, constructed, and leased back to the state.

(2) The cost to develop the schematic and preliminary plans shall be charged to the successful bidder and the money deposited in the lump-sum planning account.

Sec. 424. Subject to section 408, a consortium comprised of a community college and a university may receive up to 100% of the total project capital cost allocated to the participating university if all of the following criteria are met and approved by the JCOS and the department:

(a) The university and the community college have entered into a binding consortium joint use agreement for use and maintenance of the facility and for the pro rata offset of the community college's and university's future state appropriations equal to the straight-line undepreciated balance of the university's appropriated capital cost upon termination of the agreement prior to the minimum term requirements in subdivision (b). Any appropriation offset

required by this section shall be structured in a manner so as not to impair the rating or repayment of the local funding mechanism.

(b) The joint use agreement is for a term of not less than 15 years or the term of the local funding mechanism, whichever is longer.

(c) Articulation agreements have been entered into which provide for maximum credit transfer and efficient program completion.

(d) In addition to lower division offerings, the facility will accommodate only upper division first professional degree programs not already offered by a university currently serving the area.

(e) There is recognized community and industrial support for the consortium facility.

Sec. 425. (1) Pursuant to department policy, state agencies may expend not more than \$250,000.00 from their operating budget for special maintenance purposes.

(2) Expenditures from operating budgets for special maintenance or other capital outlay purposes greater than \$250,000.00 are prohibited unless reappropriated by the legislature.

Sec. 426. The appropriations in section 101 of this act shall be allotted at least 15 days before the beginning of the fiscal year, as required by section 371(2) of Act No. 431 of the Public Acts of 1984, being section 18.1371 of the Michigan Compiled Laws, and shall be released for expenditure.

Sec. 427. (1) The department shall provide the JCOS and the fiscal agencies a report, 15 days after the reporting date, of privately owned leased space by state agencies, by March 31 and September 30 of each year, consisting of the following:

(a) Department.

(b) Agency division and leased number.

(c) Building location (address and city).

(d) Type of building.

(e) County.

(f) Name and address of lessor.

(g) Square footage and net square footage rate.

(h) Monthly and annual cost.

(i) Date lease started and expires.

(j) Options and services.

(2) The lease report shall be summarized for office space, group homes, and other space for the Lansing area and statewide, excepting the Lansing area.

Sec. 428. Money received for reimbursement from the Michigan underground storage tank financial assurance fund for environmental cleanup at state facilities shall be deposited in the environmental cleanup account established in fiscal year 1992-93.

Sec. 429. (1) The director may require that community colleges that have an authorized project listed in section 101 submit documentation regarding the 50% local match and local governing board approval of the authorized project within 60 days after the beginning of the fiscal year.

(2) If the documentation required by the director under subsection (1) is not submitted, or does not adequately authenticate the availability of the local 50% match or board approval of the authorized project, the authorization may terminate. The authorization terminates 30 days after the director notifies the JCOS of the intent to terminate the project unless the JCOS convenes to extend the authorization.

Sec. 430. (1) The state building authority, on behalf of the state, with the approval of the board, for the purpose of providing office and warehouse space for state agencies, may acquire for not more than the market value, subject to an independent fee appraisal, including estimated real estate taxes, various lease projects which contain purchase options in an aggregate cost not to exceed \$35,000,000.00.

(2) All documents regarding the acquisition of the property described in subsection (1) shall be approved by the attorney general.

(3) The acquisition and subsequent conveyance to the state building authority shall conform to the provisions of Act No. 183 of the Public Acts of 1964, being sections 830.411 to 830.425 of the Michigan Compiled Laws.

Sec. 431. The following planning or construction projects and special studies are subject to the management and budget act, Act No. 431 of the Public Acts of 1984, being sections 18.1101 to 18.1594 of the Michigan Compiled Laws:

- (a) Delta Community College-science and learning technology facility (reauthorization).
- (b) Bay de Noc Community College-business/advanced technology facility (reauthorization).
- (c) Grand Rapids Community College-classroom facility and satellite campus (reauthorization).
- (d) Northwestern Michigan College-university center (reauthorization).
- (e) Lansing Community College-academic services facility (reauthorization).
- (f) Lake Michigan College-south campus center (reauthorization).

Sec. 432. (1) If Senate Bill No. 562 or House Bill No. 4915 of the 88th Legislature is enacted into law, and the state general fund/general purpose balances exceed \$22,653,100.00 at the final close of the fiscal year ending September 30, 1995, then pursuant to Senate Bill No. 562 or House Bill No. 4915, and in addition to the appropriations in section 101, there is appropriated to the department of management and budget, the state general fund/general purpose balances in excess of \$22,653,100.00 at the final close of fiscal year ending September 30, 1995, but not to exceed \$5,000,000.00.

(2) The additional funds shall be used for special maintenance at state agencies and shall be allocated by the director in conformance with section 406.

DEPARTMENT OF NATURAL RESOURCES

Sec. 601. The appropriation made in this act for the harbors and docks program is for the purpose of participating with the federal government and assisting political entities and subdivisions of this state in the construction and improvement of recreational boating facilities within this state. Subject to the approval of the board, this money shall be allocated by the department of natural resources to the federal government, or to the political entities or local units of government involved in the particular projects. An allocation shall not exceed the state portion as listed with each project description. The department of natural resources shall take the steps necessary to match federal money available for the construction and improvement of recreational boating facilities within this state, and to meet requirements of the federal government.

Sec. 602. (1) Before August 15, 1996, the department of natural resources shall report each year to the JCOS the status of each project that received an appropriation in any capital outlay act, if the project is either not completed or has a balance remaining in its account. The report shall be in the same form and contain the information as required under section 407. The report shall be separated into the following areas, by fund sources:

- (a) Waterways projects.
- (b) Urban recreation projects.
- (c) State park projects.
- (d) Wildlife and fisheries projects.
- (e) Other projects.

(2) A project request for reauthorization by the department of natural resources shall also be identified within the report required by subsection (1). These reauthorization requests shall identify the subsection number of section 248 of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1248 of the Michigan Compiled Laws, that provides the reason and justification for the requested reauthorization.

(3) A project shall be reauthorized if approved by the JCOS after review by the department.

STATE TRANSPORTATION DEPARTMENT

Sec. 701. (1) From federal-state-local project appropriations contained in section 101 for the purpose of assisting political entities and subdivisions of this state in the construction and improvement of publicly used airports and landing fields within this state, the state transportation department may permit the award of contracts on behalf of units of local government for the authorized locations not to exceed the indicated amounts, of which the state allocated portion shall not exceed the amount appropriated in section 101.

(2) Political entities and subdivisions shall provide not less than 5% of the cost of any project under this section. State money shall not be allocated until local money is allocated, and state money for any location shall not exceed 1/3 of the total appropriation from state aeronautics funds.

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

Sec. 702. On or before November 15 of each year, the state transportation department shall report to the JCOS the projects funded from the previous fiscal year capital outlay act and the proposed projects with the estimated dollars for the current fiscal year. If there has to be a delay in reporting, the department shall notify JCOS in writing of the date the report can be received.

Sec. 703. An aeronautics project proposed for funding with federal-state-local appropriations contained in section 101 that includes acquisition of an airport facility from a private owner or political subdivision for operation by the state or by a political subdivision requires line-item authorization in an appropriations act and is not fundable with appropriations from the federal/local airport discretionary contingencies account.

Sec. 704. (1) Before August 15, 1996, the state transportation department shall report each year to the JCOS the status of each project that received an appropriation in any capital outlay act, if the project is either not completed or has a balance remaining in its account. The report shall be in the same form and contain the information as required under section 407. The report shall be separated into all the following areas:

(a) Highway programs, including each of the following:

(i) Lump sums.

(ii) Construction.

(b) Airport programs, including each of the following:

(i) Lump sums.

(ii) Construction.

(2) A project request for reauthorization by the state transportation department shall also be identified within the reports required by subsection (1). These reauthorization requests shall identify the subsection number of section 248 of the management and budget act, Act No. 431 of the Public Acts of 1984, being section 18.1248 of the Michigan Compiled Laws, that provides the reason and justification for the requested reauthorization.

(3) A project shall be reauthorized if approved by the JCOS after review by the department.

Sec. 705. The state transportation department shall not expend funds for the development of land for use as a highway service plaza as proposed in section 32 of House Bill No. 5444 of the 84th Legislature, the 1988-89 executive budget recommendation for transportation, as introduced or for a tourist-oriented directional signs program, unless such a proposal is approved by the JCOS.

COMMUNITY COLLEGES

Sec. 1101. There is appropriated for community colleges and certain other state purposes relating to education, subject to the conditions set forth in this act, for the fiscal year ending September 30, 1996, the following amounts:

SUMMARY UNIT FOR COMMUNITY COLLEGES

GROSS APPROPRIATION.....	\$	255,009,787
Total interdepartmental grants and intradepartmental transfers	\$	0
ADJUSTED GROSS APPROPRIATION.....	\$	255,009,787
Total federal revenues		0
Total local revenues		0
Total private revenues.....		0
Total local and private revenues.....		0
Total other state restricted revenues.....		0
State general fund/general purpose	\$	255,009,787

OPERATIONS

Alpena Community College	\$	4,019,667
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For Fiscal Year
Ending Sept. 30,
1996

Bay de Noc Community College.....	3,433,333
Delta College.....	11,628,420
Glen Oaks Community College.....	1,721,808
Gogebic Community College.....	3,626,213
Grand Rapids Community College.....	16,041,355
Henry Ford Community College.....	17,655,954
Highland Park Community College.....	6,200,000
Jackson Community College.....	10,761,612
Kalamazoo Valley Community College.....	7,967,756
Kellogg Community College.....	7,081,046
Kirtland Community College.....	2,654,652
Lake Michigan College.....	3,921,588
Lansing Community College.....	25,524,047
Macomb Community College.....	27,644,077
Mid Michigan Community College.....	3,135,176
Monroe County Community College.....	2,968,658
Montcalm Community College.....	2,673,514
Mott Community College.....	12,627,429
Muskegon Community College.....	7,344,222
North Central Michigan College.....	2,401,876
Northwestern Michigan College.....	6,874,409
Oakland Community College.....	18,480,029
St. Clair County Community College.....	5,800,435
Schoolcraft College.....	9,431,755
Southwestern Michigan College.....	4,399,729
Washtenaw Community College.....	8,826,747
Wayne County Community College.....	15,006,750
West Shore Community College.....	1,826,922
GROSS APPROPRIATION.....	\$ 251,679,179
State general fund/general purpose.....	\$ 251,679,179

GRANTS

At-risk student success program/technology acquisitions, upgrades, and enhancements.....	3,330,608
GROSS APPROPRIATION.....	\$ 3,330,608
State general fund/general purpose.....	\$ 3,330,608

GENERAL SECTIONS

Sec. 1201. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending in this act is \$255,009,787.00, and state appropriations to be paid to local units of government in section 1101 total \$255,009,787.00.

Sec. 1202. (1) For community colleges with fiscal years ending June 30, 1996, the sums appropriated in this act are appropriated for their fiscal years ending June 30, 1996 and shall be paid out of the state treasury and distributed by the state treasurer to the respective community colleges in 9 equal monthly installments for the period October 1, 1995 to June 30, 1996. However, if a community college fails to submit all verified Michigan Community Colleges Activities Classification Structure data for school year 1994-95 to the department of education by November 1, 1995, the monthly installments shall be withheld from that community college until those data are submitted. The department of education shall publish the activity classification structure data book on or before March 1, 1996 for use by the legislature during budget development for the fiscal year ending September 30, 1997. The amount from the funds appropriated in section 1101 that is allocated under section 1401 to address the special needs of at-risk students shall be paid in full by the state treasurer by November 1, 1995. The amount distributed to a community college or department shall not exceed the net state allocation authorized by this act.

(2) Except as otherwise provided by law, each of the amounts appropriated shall be used solely for the respective purposes stated in this act. The funds appropriated by this act may be used to match the cost of any available programs under the Carl D. Perkins vocational and applied technology education act, Public Law 88-210, 98 Stat. 2435, including

local administration. A community college shall not pay an employer's contribution to more than 1 retirement fund providing benefits for an employee.

Sec. 1203. (1) The auditor general or an independent public accounting firm appointed by the auditor general shall audit data for the fiscal year ending on June 30, 1995 as submitted on the department of education request forms of 7 randomly selected community colleges. A community college shall maintain and provide those records necessary for the auditor general or certified public accountant appointed by the auditor general to determine the accuracy of the reported data. The audits shall be based upon the definitions and requirements contained in the Michigan Public Community Colleges Manual for Uniform Financial Reporting, 1981, as revised, and the Michigan Community Colleges Activities Classification Structure, 1981, as revised. Before the submission of a final audit report, a community college may appeal the findings of the preliminary report, and the auditor general shall consult legislative and executive authorities concerning an interpretation of the manual if necessary, pursuant to an appeal process to be established by the auditor general. The auditor general shall submit a report of the findings to the house and senate appropriations committees, the department of education, and the department of management and budget before June 1, 1996.

(2) The auditor general or a certified public accountant appointed by the auditor general shall conduct not less than 3 performance audits of community colleges but may conduct more if the auditor general considers it necessary.

(3) Not more than 60 days after an audit report is released by the office of the auditor general, the principal executive officer of the community college that was audited shall submit to the house and senate appropriations committees, the house and senate fiscal agencies, the department of education, the auditor general, and the department of management and budget a plan to comply with audit recommendations. The plan shall contain projected dates and resources required, if any, to achieve compliance with the audit recommendations, or a documented explanation of the college's noncompliance with the audit recommendations concerning the matters on which the audited community college and office of the auditor general disagree.

(4) Any community college whose audited activities classification structure data is significantly different than the data used to determine state aid under this act shall return any overappropriated funds upon notification by the chairs of the senate and house appropriations subcommittees on community colleges. The returned funds shall be redistributed to all 29 community colleges, prorated on the base appropriations contained in section 1101.

Sec. 1204. The department of education shall revise and update the taxonomy of the 7 community colleges selected for audit under section 1203(1) pursuant to the Michigan Community Colleges Activities Classification Structure, 1981, as revised.

Sec. 1205. (1) A community college shall retain certified class summaries, class lists, registration documents, and student transcripts that are consistent with the taxonomy of courses. For each enrollment period during the fiscal year, these certified documents shall identify clearly by course the number of in-district and out-of-district student credit and contact hours. The class summaries and class lists shall be consistent with each other and shall include the course prefix and numbers, course title, course credit and contact hours, credit and contact hours generated by each student, and activity classifications consistent with the taxonomy. An auditable process shall be used by the community college to determine the unduplicated head count for in-district students, out-of-district students, and prisoners for each enrollment period during the fiscal year.

(2) Contracts between the community college and agencies that reimburse the community college for the costs of instruction shall be retained for audit purposes.

Sec. 1206. Each community college shall have an annual audit of all income and expenditures performed by an independent auditor and shall furnish the independent auditor's management letter and an annual audited accounting to the legislature, the senate and house fiscal agencies, the auditor general, the department of education, and the department of management and budget before December 1, 1995. If a community college fails to furnish the audit materials, the monthly state aid installments shall be withheld from that college until the information is submitted. All reporting shall conform to the requirements set forth in the Michigan Public Community Colleges Manual for Uniform Financial Reporting, 1981, as revised.

Sec. 1207. (1) Appropriations under this act shall not be expended in contemplation of federal or other matching funds until federal or other matching funds are available. The acceptance of federal or other matching funds does not obligate this state to continue programs after those funds are no longer available.

(2) A community college shall not establish special programs or expand existing programs beyond the scope of the programs of the community college already established and recognized by the legislature, including programs that may develop as a result of gifts or money received or available from the federal government, if that acceptance will require an obligation or expenditure of state funds.

(3) A community college shall pay the employer's contributions to the Michigan public school employees' retirement system created by the public school employees retirement act of 1979, Act No. 300 of the Public Acts of 1980, being

sections 38.1301 to 38.1408 of the Michigan Compiled Laws, as a condition of receiving funds appropriated under this act.

(4) An appropriation contained in this act shall not be used for the construction of buildings for or operations of a community college not expressly authorized in section 1101. Funds appropriated in section 1101 shall not be used to pay for the construction or maintenance of any self-liquidating project.

(5) The governing body of a community college shall reduce expenditures authorized by appropriations when it appears that actual revenues for a fiscal period will fall below the revenue estimates on which appropriations for that period were based.

(6) Except as otherwise provided in this subsection, funds appropriated in section 1101 shall not be used for travel outside the United States. This subsection does not apply to expenses of students, administrators, faculty, or college trustees necessarily incurred for involvement in a foreign study program offered by a community college, for travel to fulfill a reciprocal education program with a postsecondary educational institution, or for program-specific curriculum, educational, or exchange policy discussions with a foreign postsecondary institution or government.

Sec. 1208. Each community college shall report to the house and senate fiscal agencies, the department of education, and the department of management and budget a modification in credit or contact hour tuition or mandatory non-course-related student fees not later than 30 days after the modification is established by the college governing board.

Sec. 1209. The appropriations made and the expenditures authorized under this act and the departments, agencies, commissions, boards, offices, and programs for which an appropriation is made under this act are subject to the management and budget act, Act No. 431 of the Public Acts of 1984, being sections 18.1101 to 18.1594 of the Michigan Compiled Laws.

Sec. 1210. A community college shall develop a plan to increase the number of minority students in meeting the continuing educational needs of all Michigan citizens. Individual plans will be submitted by the colleges to the department of education to be included with the activity classification data published by the department.

Sec. 1211. Each community college shall report to the department of education, the house and senate appropriations committees, and the house and senate fiscal agencies the numbers and type of associate degrees and other certificates awarded during the previous fiscal year. The report shall be made not later than November 15, 1995.

Sec. 1212. Each community college shall submit the following information relating to the community college to the civil rights commission and the house and senate appropriations subcommittees on community colleges in a format established by the department of civil rights and the community colleges that incorporates the requirements of state and federal law:

(a) An affirmative action plan for employment of minorities, women, and handicappers including the plan requirements set forth in executive directive 1979-4.

(b) A statistical report for minorities and women employees for the most recent school year as submitted to the federal government on the EEO-6 form.

(c) A statistical report for the most recent school year that includes enrollment statistics for minorities and women as submitted to the department of education.

Sec. 1213. The department of education shall annually collect and compile as part of the activity classification structure report the tax revenue losses to community colleges resulting from tax increment financing authorities and tax abatements.

Sec. 1214. (1) Guidelines and procedures developed by the Michigan department of education, the Michigan commission on Indian affairs, and each state supported community college shall be used to ensure accurate and consistent reporting and auditing of North American Indian student enrollments. Community college financial aid programs shall comply with all of the guidelines and procedures developed pursuant to this section.

(2) As used in this section, "North American Indian" means that term as defined in section 2 of Act No. 174 of the Public Acts of 1976, being section 390.1252 of the Michigan Compiled Laws, or a person certified as a North American Indian by a tribal organization.

Sec. 1216. For the fiscal year beginning October 1, 1995, community colleges shall systematically inform Michigan high schools of the aggregate academic status of students in a manner prescribed by the Michigan community college association and in cooperation with the Michigan association of secondary school principals.

Sec. 1216a. (1) Highland Park Community College shall do all of the following:

(a) Correct all current state and local health and safety code violations by not later than September 1, 1996.

(b) Adopt clear rules and procedures that separate the finances of the college from those of the Highland Park school district, follow those rules and procedures, and expeditiously take all steps necessary and appropriate to have restrictions on the college's financial aid programs removed.

(c) To rehabilitate the college's instructional and administrative facilities, adopt a plan by January 15, 1996 and implement the plan according to schedule.

(d) Adopt a plan that will obtain a positive year-end balance in each of the college's operating funds by June 30, 1997 and implement the plan according to schedule. Until the date when each of the college's operating funds have a positive year-end fund balance, the college shall freeze the salary of all college employees, expend no funds for out-of-state travel for college employees or board members, and reduce administrative costs. Upon the conclusion of each quarter of the college's fiscal year, submit to the department of management and budget and the house and senate fiscal agencies a report on compliance with all of the requirements in this section.

(2) If the department of management and budget and the house and senate fiscal agencies agree that the college is not in substantial compliance with any of the requirements of this section, they shall report this finding to the legislature and may recommend that funding for the college be terminated. Administrative costs shall be cut.

STATE AID-OPERATIONS

Sec. 1301. Unless otherwise stated, all data items used in determining state aid in this act are as defined in the Michigan Public Community Colleges Manual for Uniform Financial Reporting, 1981, as revised, which shall be the basis for reporting data, and the Michigan Community Colleges Activities Classification Structure, 1981, as revised, which shall be used to document financial needs of the community colleges.

Sec. 1302. A community college shall not include in the enrollment report any student credit hours or student contact hours for a student taking a college course to complete high school graduation requirements or generated by a student incarcerated in Michigan penal institutions. Exclusion of these students is intended to avoid the payment of state aid under this act for the same individuals for whom a community college has already been reimbursed under the state school aid act of 1979, Act No. 94 of the Public Acts of 1979, being sections 388.1601 to 388.1772 of the Michigan Compiled Laws, for completion of high school requirements or for whom reimbursement is provided by the state correctional system.

GRANTS

Sec. 1401. (1) The community college at-risk student success program is continued. For the fiscal year ending on September 30, 1996, funds allocated to community colleges under the at-risk student success program may be used, at the discretion of the college, for the acquisition, enhancement, or upgrade of equipment and software related to telecommunications, computers or computer systems, or other technologies for use by students, faculty, or administrators. Equipment and software purchased with at-risk student success program funds need not be associated with the operation of a program designed to address the needs of at-risk students. Expenditures of at-risk student success program funds for the acquisition, enhancement, or upgrade, of technologies are subject to subsections (6), (7), and (8). The funding shall be prorated among community colleges based on the number of student contact hours for developmental and preparatory instruction reported by each community college to the department of education for use in the Michigan Community Colleges Activities Classification Structure, 1981, as revised. Of the amount appropriated in section 1101 for the at-risk student success program, \$1,120,000.00 shall be allocated for base grants of \$40,000.00 each, to address the special needs of at-risk students at community colleges or the acquisition or upgrade of technology related equipment and software.

(2) Of the amount appropriated in section 1101 for the at-risk student success program, the balance of the appropriated funds shall be distributed on a proration utilizing the sum of the most recent 3 years developmental/preparatory contact hours divided by the sum of the 3-year total contact hours at each college. Each community college's percentage shall be divided by the sum of all such percentages systemwide to obtain each community college's prorated grant amount.

(3) For the fiscal year ending September 30, 1996, the at-risk student success program funds shall be allocated as follows:

Alpena Community College	\$	102,972
Bay de Noc Community College		107,983

Delta College	103,683
Glen Oaks Community College	126,518
Gogebic Community College.....	69,855
Grand Rapids Community College.....	64,648
Henry Ford Community College.....	131,988
Jackson Community College.....	112,690
Kalamazoo Valley Community College.....	113,466
Kellogg Community College.....	123,347
Kirtland Community College.....	137,957
Lake Michigan College	176,783
Lansing Community College	109,301
Macomb Community College.....	81,025
Mid Michigan Community College	111,559
Monroe Community College	91,785
Montcalm Community College.....	77,832
Mott Community College.....	98,371
Muskegon Community College.....	166,196
North Central Michigan College.....	109,177
Northwestern Michigan College	123,727
Oakland Community College.....	146,610
St. Clair Community College.....	74,686
Schoolcraft College.....	167,570
Southwestern Michigan College.....	155,268
Washtenaw Community College.....	132,337
Wayne County Community College.....	199,135
West Shore Community College.....	114,139

(4) For the purposes of this section, “at-risk students” means students who meet 1 or more of the following criteria:

(a) Are initially placed in 1 or more developmental courses as a result of standardized testing or as a result of failure to make satisfactory academic progress.

(b) Are diagnosed as learning disabled.

(c) Require English as a second language (ESL) assistance.

(5) Grant funding under this section shall be used only for the acquisition, enhancement, or upgrade of equipment and software related to telecommunications, computers or computer systems, or other technologies for use by students, faculty, or administrators or for activities related to services provided to at-risk students. Activities related to services provided to at-risk students include, but are not limited to, pretesting for academic ability, counseling contacts, and special programs.

(6) Grant funding under this section shall not be used for indirect costs including, but not limited to, rent, utilities, or, except as provided in this section, college administration.

(7) Each community college shall report to the house and senate appropriations subcommittees on community colleges, the house and senate fiscal agencies, and the director of the department of management and budget a summary of all accomplishments under, expenditures for, and compliance with the intent of this program, including the number of at-risk students served. The report is subject to audit as provided for in section 1203(1). The report shall be submitted not later than 90 days after the end of the state’s fiscal year.

(8) Each community college receiving grant funds under this section shall, not more than 12 months after receipt of those funds, certify to the state treasurer, the department of management and budget, the house and senate fiscal agencies, and the auditor general whether all the grant funds are expended or encumbered. Those funds not expended or encumbered shall lapse to the general fund.

Sec. 1402. It is the intent of the legislature that any executive or legislative proposal or action, subsequent to the adoption of a recommendation for appropriations for community colleges for the fiscal year ending September 30, 1996, to increase appropriations to state supported 4-year universities in excess of the governor’s original recommendation for the fiscal year ending September 30, 1996, will be accompanied by a similar action or proposal for state supported community colleges.

Sec. 1403. (1) If House Bill No. 4915 or Senate Bill No. 562 of the 88th Legislature is enacted into law, appropriating up to \$3,847,914.00 for community colleges, the appropriation shall be allocated by the state budget director as follows:

Alpena Community College	\$	63,009
Bay de Noc Community College.....		53,818
Delta College		182,277

Glen Oaks Community College	26,991
Gogebic Community College.....	56,841
Grand Rapids Community College.....	251,450
Henry Ford Community College.....	276,759
Jackson Community College.....	168,689
Kalamazoo Valley Community College.....	124,895
Kellogg Community College.....	110,996
Kirtland Community College.....	41,612
Lake Michigan College	61,471
Lansing Community College	400,092
Macomb Community College.....	433,324
Mid Michigan Community College	49,144
Monroe County Community College.....	46,534
Montcalm Community College	41,908
Mott Community College	197,936
Muskegon Community College.....	115,122
North Central Michigan College.....	37,650
Northwestern Michigan College.....	107,757
Oakland Community College.....	289,677
St. Clair County Community College	90,922
Schoolcraft College	147,844
Southwestern Michigan College.....	68,966
Washtenaw Community College.....	138,360
Wayne County Community College.....	235,233
West Shore Community College.....	28,637

(2) If the appropriation for community colleges in House Bill No. 4915 or Senate Bill No. 562 is less than \$3,847,914.00, the amounts listed in subsection (1) shall be reduced proportionally.

Sec. 1404. Funds appropriated in section 1101 shall not be used for the purchase of foreign goods and/or services if competitively priced and comparable quality American goods and/or services are available.

This act is ordered to take immediate effect.

Clerk of the House of Representatives.

Secretary of the Senate.

Approved -----

Governor.