



SENATE BILL No. 305

EXECUTIVE BUDGET

February 16, 1995, Introduced by Senators GAST, DE GROW, MC MANUS, GEAKE and SCHWARZ and referred to the Committee on Appropriations.

A bill to make appropriations for a capital outlay program for fiscal years ending September 30, 1995, and September 30, 1996; to set forth the provisions for its implementation 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 prescribe powers and duties of certain state officers and agencies; to require certain reports, plans, and agreements; to provide for leases; to provide for transfers; to prescribe standards and conditions relating to the appropriations; and to provide for the expenditure of appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 101. There is hereby appropriated for certain capital outlay
2 projects at the various state agencies for the fiscal year ending
3 September 30, 1995, from the following funds:

4 TOTAL CAPITAL OUTLAY

5 APPROPRIATIONS SUMMARY:

6	GROSS APPROPRIATION	\$	10,364,000
7	Interdepartmental grant revenues:		
8	Total interdepartmental grants and		
9	intradepartmental transfers		0
10	ADJUSTED GROSS APPROPRIATION	\$	10,364,000
11	Federal revenues:		
12	Total federal revenues		2,659,000
13	Special revenue funds:		
14	Total local funds		0
15	Total private funds		0
16	Total other state restricted revenues		7,205,000
17	State general fund/general purpose	\$	500,000
18	DEPARTMENT OF MANAGEMENT AND BUDGET		
19	Demolition of various facilities	\$	<u>500,000</u>
20	GROSS APPROPRIATION	\$	500,000
21	Appropriated from:		
22	State general fund/general purpose	\$	500,000
23	DEPARTMENT OF NATURAL RESOURCES		

1	Wildlife acquisition/southern Michigan	\$	3,400,000
2	Forest management initiatives		575,000
3	Saginaw bay wetlands acquisition		700,000
4	Shooting range improvements		659,000
5	Farmland and open space preservation/wetlands bank		<u>4,530,000</u>
6	GROSS APPROPRIATION	\$	9,864,000
7	Appropriated from:		
8	Federal funds:		
9	DOI-Federal		2,659,000
10	Special revenue funds:		
11	Forest resource revenue		575,000
12	Environmental revenue		700,000
13	Farmland and open space withdrawal fees		4,530,000
14	Game and fish protection fund		1,400,000
15	State general fund/general purpose	\$	0
16	Sec. 102. There is appropriated for certain capital outlay		
17	projects at the various state agencies and community colleges, for the		
18	fiscal year ending September 30, 1996, from the following funds:		
19	TOTAL CAPITAL OUTLAY		
20	APPROPRIATIONS SUMMARY:		
21	GROSS APPROPRIATION	\$	273,232,900
22	Interdepartmental grant revenues:		
23	Total interdepartmental grants and		
24	intradepartmental transfers		4,000,000
25	ADJUSTED GROSS APPROPRIATION	\$	269,232,900
26	Federal revenues:		
27	Total federal revenues		62,844,500
28	Special revenue funds:		
29	Total local funds		17,297,000

1	Total private funds	450,000
2	Total other state restricted revenues	24,173,600
3	State general fund/general purpose	\$ 164,467,800
4	DEPARTMENT OF MANAGEMENT AND BUDGET	
5	Lump sum projects:	
6	Major special maintenance and remodeling	
7	for state agencies	\$ 4,000,000
8	Major special maintenance and remodeling	
9	for department of mental health special	
10	maintenance and remodeling and additions	
11	projects at various ICF/MR and state	
12	psychiatric facilities	<u>1,000,000</u>
13	GROSS APPROPRIATION	\$ 5,000,000
14	Appropriated from:	
15	Interdepartmental grant revenues:	
16	IDG from building occupancy charges	4,000,000
17	Federal revenues:	
18	HHS-HCFA title XIX-intermediate care	
19	facilities for the mentally retarded and	
20	state psychiatric facilities	1,000,000
21	State general fund/general purpose	\$ 0
22	STATE BUILDING AUTHORITY PROJECTS	
23	State police - public safety communications	
24	system - to complete plans and begin	
25	construction (total authorized cost	
26	\$187,276,000, state building authority	
27	share \$184,426,000, state general fund	
28	share \$2,850,000.)	\$ 2,850,000
29	Maxey boys training school - to complete	
30	plans and begin construction (total	

1	authorized cost \$22,607,000, state	
2	building authority share \$22,381,000,	
3	state general fund share \$226,000)	226,000
4	Kirtland community college - academic building, art	
5	and maintenance building and administration	
6	building remodeling and additions - to complete	
7	plans and begin construction (total	
8	authorized cost \$5,541,000, state building	
9	authority share \$2,770,400, Kirtland	
10	community college share \$2,770,500, state	
11	general fund share \$100)	100
12	Montcalm community college - vocational/tech	
13	facility - to complete plans and begin	
14	construction (total authorized cost	
15	\$11,400,000, state building authority share	
16	\$5,699,900, Montcalm community college share	
17	\$5,700,000, state general fund share \$100) . . .	100
18	St. Clair county community college - university center/	
19	learning resources center - to complete plans	
20	and begin construction (total authorized cost	
21	\$10,500,000, state building authority share	
22	\$5,249,900, St. Clair county community college share	
23	\$5,250,000, state general fund share \$100) . . .	<u>100</u>
24	GROSS APPROPRIATION	\$ 3,076,300
25	Appropriated from:	
26	State general fund/general purpose	\$ 3,076,300
27	DEPARTMENT OF MILITARY AFFAIRS	
28	D.J. Jacobetti home for veterans-HVAC replacement -	
29	(total project cost \$3,000,000, federal	
30	share \$1,950,000, state general fund	

1	share \$1,050,000)	\$	1,125,000
2	Lump sum projects:		
3	Department of military affairs		
4	remodeling and additions and special		
5	maintenance projects		950,000
6	Wayne county organizational maintenance shop . . .		<u>879,000</u>
7	GROSS APPROPRIATION	\$	2,954,000
8	Appropriated from:		
9	Federal revenues:		
10	Veterans administration		850,000
11	DOD-department of the army, national guard bureau		1,761,500
12	State general fund/general purpose	\$	342,500
13	DEPARTMENT OF NATURAL RESOURCES		
14	State park remodeling and additions:		
15	Buildings, utilities, and site work,		
16	various state parks and recreation areas	\$	1,000,000
17	Waterfowl habitat acquisition		900,000
18	State waterfowl habitat development		900,000
19	Sea lamprey/fish trap at Soo locks		
20	powerhouse unit no. 10		400,000
21	Building and facility repair		450,000
22	Critical road, bridge, and culvert repair		<u>350,000</u>
23	GROSS APPROPRIATION	\$	4,000,000
24	Appropriated from:		
25	Federal revenues:		
26	Federal funds		1,250,000
27	Special revenue funds:		
28	Private funds		450,000
29	Forest resource revenue		800,000
30	State park endowment fund		1,000,000

1	Game and fish protection fund	500,000
2	State general fund/general purpose \$	0
3	DEPARTMENT OF NATURAL RESOURCES	
4	Waterways projects - boating access sites	
5	Region I:	
6	Chippewa county - Detour, Lake Huron access . . . \$	20,000
7	Emergency repairs allotment - various counties . .	15,000
8	Equipment repairs allotment - various counties . .	10,000
9	Small projects allotment - various counties . . .	25,000
10	Region II:	
11	Pine river Saginaw bay access -	
12	Standish township	50,000
13	Emergency repairs allotment - various counties . .	15,000
14	Equipment repairs allotment - various counties . .	15,000
15	Small projects allotment - various counties . . .	50,000
16	Region III:	
17	Emergency repairs allotment - various counties . .	25,000
18	Equipment repairs allotment - various counties . .	15,000
19	Small projects allotment - various counties . . .	80,000
20	Grants-in-aid	
21	Small grants program - various counties	100,000
22	Branch county, village of L'Anse -	
23	Lake Superior access	100,000
24	Barry county, Hope township -	
25	Cloverdale lake access	21,000
26	Ingham county, city of Lansing -	
27	Grand river access	243,000
28	Mackinac county - Bois Blanc township	33,600
29	Mackinac county - city of St. Ignace	500,000
30	Harbors and docks program	

1	Mackinac county - Mackinac Island expansion/ improvements	4,500,000
2		
3	Emergency repairs - various counties	250,000
4	Engineering studies - various counties	100,000
5	Preventative maintenance - various counties	100,000
6	Grants-in-aid harbors and docks	
7	Charlevoix county - Boyne City marina building	63,000
8	Huron county - Caseville building addition	13,000
9	Mackinac county - Hessell steel sheetpile wall	40,000
10		
11	Wayne county - Elizabeth park marina building	<u>150,000</u>
12	GROSS APPROPRIATION	\$ 6,533,600
13	Appropriated from:	
14	Federal revenues:	
15	Federal funds	1,700,000
16	Special revenue funds:	
17	Michigan state waterways fund	4,833,600
18	State general fund/general purpose	\$ 0
19	DEPARTMENT OF TRANSPORTATION	
20	STATE TRUNKLINE FUND	
21	New maintenance facility - Mio, district 4	\$ 1,100,000
22	Salt storage buildings and brine run-off control contract agencies locations	1,000,000
23		
24	Construct, renovate, and/or replace salt storage buildings various maintenance garage locations	300,000
25		
26	New district office, Crystal Falls, district 1	625,000
27	New project offices - various statewide locations	500,000
28		
29		
30	Equipment storage buildings - various	

1	statewide locations	330,000
2	Purchase and renovate an existing	
3	building for sign shop Grand Rapids	400,000
4	Remodeling and additions:	
5	Building renovation and expansion,	
6	metro district office, Southfield	350,000
7	Environmental pollution control measures:	
8	Site investigation and toxic cleanup-	
9	various locations	1,000,000
10	A & E repair addition, Kalkaska	
11	maintenance garage	550,000
12	A & E repair addition, Paw Paw	
13	maintenance garage	550,000
14	ADA modifications, various MDOT facilities	500,000
15	Energy savings modifications and upgrade:	
16	Lighting and electrical systems at	
17	older maintenance facilities-various	
18	locations	500,000
19	Reroof MDOT facilities, fence MDOT	
20	properties, and install bituminous	
21	surfacing/resurfacing - various locations	440,000
22	Office, lunchroom, and restroom addition,	
23	maintenance garage Kalkaska	250,000
24	Install/replace hydraulic floor hoists-	
25	various locations	240,000
26	MIOSHA projects and asbestos removal-	
27	various locations	120,000
28	Restroom and lunchroom modifications-	
29	various locations	100,000
30	Miscellaneous projects	<u>165,000</u>

1	GROSS APPROPRIATIONS	\$	9,020,000
2	Appropriated from:		
3	Special revenue funds:		
4	State trunkline fund		9,020,000
5	State general fund/general purpose	\$	0
6	AERONAUTICS FUND:		
7	AIRPORT PROGRAMS		
8	Airport improvement programs	\$	<u>75,580,000</u>
9	GROSS APPROPRIATION	\$	75,580,000
10	Appropriated from:		
11	Federal revenues:		
12	DOT-FAA		56,283,000
13	Special revenue funds:		
14	Local-aeronautics match		17,297,000
15	State aeronautics fund		2,000,000
16	State general fund/general purpose	\$	0
17	COMMUNITY COLLEGES		
18	Alpena community college - Iosco county educational		
19	job training project	\$	<u>311,000</u>
20	GROSS APPROPRIATION	\$	311,000
21	Appropriated from:		
22	Special revenue funds:		
23	State general fund/general purpose	\$	311,000
24	GRANTS - STATE BUILDING AUTHORITY RENT		
25	State building authority rent	\$	<u>166,758,000</u>
26	GROSS APPROPRIATION	\$	166,758,000
27	Appropriated from:		
28	Special revenue funds:		
29	State building authority-university of		
30	Michigan - third party reimbursement		4,500,000

1	State lottery funds	1,520,000
2	State general fund/general purpose	\$ 160,738,000

3 **GENERAL SECTIONS**

4 Sec. 201. As used in this act:

5 (a) "ADA" means the Americans with disabilities act.

6 (b) "Appropriations committees" means the house and senate
7 appropriations committees.

8 (c) "Board" means the state administrative board.

9 (d) "BSF" means the Michigan counter cyclical economic and budget
10 stabilization fund.

11 (e) "Community college" does not include a state agency or
12 university.

13 (f) "DAG-FS" means the United States department of
14 agriculture, forest service.

15 (g) "Department" means the department of management and budget.

16 (h) "Director" means the director of the department of management
17 and budget.

18 (i) "DOD" means the United States department of defense.

19 (j) "DOI" means the United States department of interior.

20 (k) "DOT" means the United States department of transportation.

21 (l) "DOT-FAA" means the DOT federal aviation administration.

22 (m) "HHS-HCFA" means the United States department of health and
23 human services, health care financing administration.

24 (n) "ICF/MR" means intermediate care facilities for the mentally
25 retarded.

26 (o) "JCOS" means the joint capital outlay subcommittee of the
27 appropriations committees.

28 (p) "MIOSHA" means the Michigan occupational safety and health act.

29 (q) "Self-liquidating project" means a project constructed by a
30 community college or university with money raised through the use of a

1 debt instrument, which is expected to generate revenues to
2 amortize the loan; a project constructed by a community college or
3 university with money derived from gifts or grants; or a project
4 constructed with money of the community college or university. A
5 self-liquidating project may or may not be a self-supporting project.

6 (r) "Self-supporting project" means a project of a community
7 college or university that will house a function or activity from
8 which revenue is generated that will cover all the direct and indirect
9 operating costs of the project without the additional transfer of any
10 other general fund money of the community college or university.

11 (s) "State agency" means an agency of state government. State
12 agency does not include a community college or university.

13 (t) "State building authority" means the authority created under
14 Act No. 183 of the Public Acts of 1964, being sections 830.411 to
15 830.425 of the Michigan Compiled Laws.

16 (u) "University" means a 4-year university supported by the
17 state. University does not include a community college or a state
18 agency.

19 (v) "Utility system" means a utility supply or distribution
20 system, or a combination utility supply and distribution system.

21 Sec. 202. This act is subject to the management and budget act, Act
22 No. 431 of the Public Acts of 1984, being sections 18.1101 to 18.1594
23 of the Michigan Compiled Laws.

24 **DEPARTMENT OF CORRECTIONS**

25 Sec. 301. Balances remaining from prior years in the (lump sum for
26 new prison construction account) may be used to fund the general fund
27 portion of the state prison of southern Michigan reorganization project
28 established in Act No. 19 of the Public Acts of 1993.

29 **DEPARTMENT OF MANAGEMENT AND BUDGET**

30 Sec. 401. (1) A contract shall not be let for new construction of

1 a self-liquidating project estimated to cost more than \$1,000,000.00
2 unless the project is authorized by the JCOS. The request for
3 authorization shall be initially submitted for review to the JCOS and
4 the department. A nonstate-funded project request shall include a
5 complete use and financing statement as defined by a policy agreed to
6 by the department and adopted by the JCOS. The use and financing
7 statement for a self-liquidating or self-supporting project shall
8 contain the estimated total construction cost and all associated
9 estimated operating costs including a statement of anticipated
10 revenues. As used in this section, "new construction" includes land or
11 property acquisition, remodeling and additions, and maintenance
12 projects.

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

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

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

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

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

10 Sec. 403.(1) In carrying out this act and other acts containing
11 appropriations for preliminary studies and planning, repair,
12 maintenance, remodeling and additions, fire protection, occupational
13 safety and health act requirements, or new construction, the department
14 may obtain appropriated operating funds for professional services and
15 administration of projects. Money may also be transferred from
16 appropriations made in this act to the department for the
17 administration of a special maintenance, remodeling and addition,
18 demolition, fire protection, or occupational safety and health act
19 project. A transfer for this purpose shall not exceed 5% of the amount
20 appropriated for each lump-sum appropriation and is available for three
21 complete fiscal years from the beginning of this act's fiscal year.
22 After three complete fiscal years, any unused balance shall lapse.
23 Money may also be used for administration of projects including the
24 cost of inspection services from line item construction projects for
25 which the department is an agent, but these transfers shall not exceed
26 1.5% of the amount appropriated for each individual project. Any
27 unused balance from these projects shall not lapse at the end of each
28 fiscal year, but shall carry over into succeeding fiscal years to be
29 used for the purpose authorized. The department shall submit to the
30 appropriations committees, JCOS, and the fiscal agencies a report of

1 these transfers at the end of each fiscal year.

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

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

15 Sec. 405. (1) The director shall allocate lump-sum appropriations
16 made in this act for remodeling and addition, special maintenance,
17 major special maintenance, energy conservation, demolition, ICF/MR, air
18 conditioning, and fire protection projects. The director shall
19 allocate lump sums, in order of program priority and need of the
20 various state agencies or as otherwise based on actual building
21 inspection reports by regulatory agencies. The director may award or
22 approve the award of suitable professional services and construction
23 contracts to study, plan, construct, and equip the projects authorized.
24 Construction contracts approved by the director shall be awarded to the
25 lowest acceptable bidders after being advertised publicly. A project
26 authorized from a lump-sum appropriation has three fiscal years from
27 the beginning of this act's fiscal year for the award of contracts
28 after which any unencumbered balance of the appropriation or of any
29 allocations made to a project from the appropriation shall revert to
30 the general fund. For purposes of this subsection, a balance for a

1 project shall not be considered encumbered unless the project is bid.

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

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

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

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

21 Sec. 406. (1) The department shall provide the JCOS and the fiscal
22 agencies with reports as considered necessary relative to the status of
23 each planning or construction project financed by the state building
24 authority, by this act, or by previous acts.

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

28 (a) The appropriation number and name of each construction project.

29 (b) The balance remaining in each account.

30 (c) The date of the last expenditure from the project.

1 (d) The anticipated date of occupancy if the project is under
2 construction.

3 (e) The appropriation history for the project.

4 (f) The professional service contractor.

5 (g) The amount of a project financed with federal funds.

6 (h) The amount of a project financed through the state building
7 authority.

8 (i) The total authorized cost for the project and the state
9 authorized share if different than the total.

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

13 (a) The name of the project and appropriation number.

14 (b) Whether a program statement is approved.

15 (c) Whether schematics are approved by the department.

16 (d) Whether preliminary plans are approved by the department.

17 (e) The name of the professional service contractor.

18 (4) As used in this section, "project" includes appropriation line
19 items made for purchase of real estate.

20 Sec. 407. If matching revenues are restricted in an amount less
21 than the appropriations contained in this act, the state funds of the
22 appropriation shall be reduced in proportion to the amount of matching
23 revenue received.

24 Sec. 408. (1) Subject to the provisions of section 242 of the
25 management and budget act, Act No. 431 of the Public Acts of 1984,
26 being section 18.1242 of the Michigan Compiled Laws, the department,
27 upon the approval of the state building authority, may expend from the
28 general fund of the state an amount to meet the cash flow requirements
29 of those state building authority projects solely for lease to a state
30 agency identified in section 102 and for which state building

1 authority bonds or notes have not been issued, and for the sole
2 acquisition by the state building authority of equipment and
3 furnishings for lease to a state agency as permitted by Act No. 183 of
4 the Public Acts of 1964, being sections 830.411 to 830.425 of the
5 Michigan Compiled Laws for which bond or note issuance is authorized
6 pursuant to a legislative concurrent resolution effective in the
7 fiscal year ending September 30, 1996. Any such general fund advances
8 for which state building authority bonds have not been issued shall
9 bear an interest cost to the state building authority at a rate not to
10 exceed that earned by the state treasurer's common cash fund during
11 the period in which the advances are outstanding and are repaid to the
12 general fund of the state.

13 (2) Upon sale of bonds or notes for the projects identified in
14 this act or equipment authorized pursuant to concurrent resolution the
15 state building authority shall credit the general fund of the state an
16 amount equal to that expended from the general fund plus interest, if
17 any, as defined in this section.

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

25 (4) In the event that any project identified in section 102 is
26 terminated after final design is complete, advances made on behalf of
27 the state building authority for the costs of final design will be
28 repaid to the general fund.

29 (5) Before December 1, 1996, and each quarter thereafter, the
30 department shall provide a report to the JCOS on the status of any

1 consent order outlining the problem statement, the administrative
2 activities to correct the problem, the total estimated costs as
3 compared to any established total authorized cost, and the current and
4 future funding obligations and sources. Any change in the purpose and
5 scope of a consent order requires JCOS approval as required by section
6 246 of the management and budget act, Act No. 431 of the Public Acts of
7 1984, being section 18.1246 of the Michigan Compiled Laws.

8 Sec. 409. State building authority funding to finance construction
9 or renovation of a facility which collects revenue in excess of funds
10 required for the operation of that facility shall not be released to a
11 university or community college unless the institution agrees to
12 reimburse such excess revenue to the state building authority.
13 Revenue shall include any state appropriations and facility opening
14 funds and any other state aid and any indirect cost reimbursement and
15 any other revenue generated by the activities of the facility. These
16 excess amounts shall be credited to the general fund to offset rent
17 obligations associated with the retirement of bonds issued for that
18 facility. The auditor general will annually identify and present an
19 audit of those facilities that meet this definition. Costs associated
20 with the administration of the audit shall be charged against funds
21 recovered pursuant to this section.

22 Sec. 410. Before July 15, 1996, each state agency, community
23 college, and university shall report to the department the status of
24 and planned schedule for demolition projects already authorized but not
25 yet started, the estimated cost of the projects and the anticipated
26 sources of finance of the projects.

27 Sec. 411. (1) If a capital outlay appropriation is contained in a
28 public act that was not reviewed by the JCOS during the legislative
29 process, the director shall notify the JCOS of an allotment of that
30 capital outlay appropriation not later than 60 days before the

1 allotment.

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

7 Sec. 412. From a capital outlay appropriation authorizing the
8 completion of final plans and start of construction, or an
9 appropriation to complete plans and construction, the department shall
10 reimburse the lump-sum planning account an amount equal to the
11 releases made from the lump-sum planning account for studies,
12 schematic plans, or preliminary plans for that project, after the JCOS
13 has approved the project for final planning and start or completion of
14 construction.

15 Sec. 413. The appropriation in section 102 for state building
16 authority rent may also be expended for one or more of the following
17 purposes:

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

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

23 (c) To the extent the amount appropriated in section 102 for state
24 building authority rent is insufficient for payment of amounts required
25 by subdivision (b), there is appropriated from the general fund of the
26 state the amount necessary to satisfy those deductible provisions.

27 Sec. 414. The department shall provide the JCOS and the fiscal
28 agencies a report, 15 days after the reporting date, relative to the
29 status of construction projects associated with state building
30 authority bonds on March 31, 1996, and September 30, 1996, or 30 days

1 after a refinancing or restructuring bond issue is sold. The report
2 shall include, but is not limited to, the following:

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

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

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

13 Sec. 415. The university of Michigan shall take the necessary
14 actions to ensure that eligible interest reimbursements from third
15 party providers are made available to the state to satisfy part of the
16 amount appropriated for the university of Michigan adult general
17 hospital facility rent appropriation of \$27,917,000.00 contained within
18 the state building authority rent appropriation in sections 101. To
19 the extent of a difference between the estimated and actual amount
20 received, there is appropriated from the general fund of the state the
21 amounts necessary to satisfy the hospital rental requirements of the
22 state building authority's 1986 revenue refunding bonds, series I. To
23 the extent payments made to the state by the university of Michigan are
24 required to be reimbursed pursuant to the agreement with the university
25 of Michigan, there is appropriated from the general fund the amount
26 necessary for such reimbursement.

27 Sec. 416. If the JCOS approves, the department, for purposes of
28 administrative and fiscal efficiency, may consolidate or discontinue
29 federal surplus property warehouses administered pursuant to Act No.
30 139 of the Public Acts of 1961, being sections 18.251 to 18.261 of the

1 Michigan Compiled Laws.

2 Sec. 417. (1) Before money is released for the construction of a
3 capital outlay project costing over \$500,000.00, at the request of the
4 JCOS, the department shall submit to the JCOS, with preliminary
5 planning documents, a detailed comparative cost analysis. The cost
6 analysis shall include a comparison of the financial and other benefits
7 of construction, financing, operation, and maintenance of the proposed
8 facility between all of the following:

9 (a) The state.

10 (b) The private sector.

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

12 (d) A lease agreement.

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

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

26 Sec. 418. (1) Subject to the provisions of the management and
27 budget act, Act No. 431 of the Public Acts of 1984 being section
28 18.1242(2) through (10) and section 18.1243 of Michigan Compiled Laws,
29 upon the approval of the department and the JCOS, funds may be released
30 from the lump sum planning account for the preparation of schematic

1 and preliminary planning documents for new facilities that will be
2 competitively bid, constructed, and leased back to the state.

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

6 Sec. 419. Money received for reimbursement from the Michigan
7 underground storage tank financial assurance fund for environmental
8 cleanup at state facilities shall be deposited in the environmental
9 cleanup account established in Act 19 of the Public Acts of 1993.

10 Sec. 420. (1) The state building authority, on behalf of the state,
11 with the approval of the board, for the purpose of providing office and
12 warehouse space for state agencies, may acquire for not more than the
13 market value, subject to an independent fee appraisal, including
14 estimated real estate taxes, various lease projects which contain
15 purchase options in an aggregate cost not to exceed \$35,000,000.00

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

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

22 Sec. 421. The following projects authorized to complete plans and
23 begin construction in Act No. 19 of the Public Acts of 1993:

24 Delta community college - science and learning technology facility
25 Bay de Noc community college - business/advanced technology facility
26 Grand Rapids community college classroom facility and satellite
27 campus
28 Northwestern Michigan college - university center
29 Lansing community college - academic services facility
30 Lake Michigan college - south campus center

1 Sec. 422. (1) Pursuant to department policy, state agencies may
2 expend up to \$1,000,000.00 from their operating budget for special
3 maintenance purposes.

4 (2) State agencies shall be required to submit to the department by
5 December 1 of each year a detailed list of projects to be funded in
6 that fiscal year. These projects shall be in priority order.

7 (3) The department shall report to the JCOS any individual projects
8 costing over \$500,000.00.

9 Sec. 423. (1) This section applies only to projects for community
10 colleges.

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

18 (3) The director shall not recommend to the board the release of
19 any planning appropriation, except campus master plans, until the
20 community college has submitted a program statement for the project to
21 the director and to the JCOS and until the program statement is
22 approved by the director. After the program statement is approved and
23 the planning appropriation is released, the community college shall
24 submit to the director for concurrence by the state the name of the
25 firm proposed to provide professional services.

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

1 documents.

2 (5) An expenditure under this act is authorized when the release of
3 the appropriation is approved by the board upon the recommendation of
4 the director. The director may recommend to the board the release of
5 any appropriation in section 102 only after the director is assured
6 that the legal entity operating the community college to which the
7 appropriation is made has complied with this act and has matched the
8 amounts appropriated as required by this act, and the director has
9 received a certified report of the advertised competitive bids for the
10 project and the proposed budget based on the amounts of the lowest
11 acceptable bids. A release of funds in section 201 shall not exceed
12 50% of the total cost of planning and construction of any project, or
13 of any campus master plan, not including lump-sum remodeling and
14 additions and special maintenance. Further planning and construction
15 of a project authorized by this act shall be in accordance with the
16 purpose and scope as defined and delineated in the approved program
17 statements and preliminary planning documents. This act is applicable
18 to all projects for which planning appropriations were made in previous
19 acts.

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

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

1 federal funds.

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

7 (a) The university and the community college have entered into a
8 binding consortium joint use agreement for use and maintenance of the
9 facility and for the pro rata offset of the community college's and
10 university's future state appropriations equal to the straight-line
11 undepreciated balance of the university's appropriated capital cost
12 upon termination of the agreement prior to the minimum term
13 requirements in subdivision (b). Any appropriation offset required by
14 this section shall be structured in a manner so as not to impair the
15 rating or repayment of the local funding mechanism.

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

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

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

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

25 Sec. 425. (1) The director may require that community colleges
26 that have an authorized project listed in section 102 submit
27 documentation regarding the 50% local match and local governing board
28 approval of the authorized project within 60 days after the beginning
29 of the fiscal year.

30 (2) If the documentation required by the director under subsection

1 (1) is not submitted, or does not adequately authenticate the
2 availability of the local 50% match or board approval of the authorized
3 project, the authorization may terminate. The authorization terminates
4 30 days after the director notifies the JDOC of the intent to terminate
5 the project unless the JCOS convenes to extend the authorization.

6 Sec. 426. The department may demolish the following facilities:

7 Department of corrections: SPSM buildings 73, 114, 133, 135, 175,
8 and 88 and Ionia building 50.

9 Department of mental health: Northville buildings 81 and 84.

10 Department of military affairs: Grand Rapids building 44.

11 **DEPARTMENT OF MILITARY AFFAIRS**

12 Sec. 501. Funds received by the department of military affairs
13 from the Michigan national guard armory fund are hereby appropriated.
14 Funds shall not be expended until the department and JCOS are notified
15 of the specific projects for which expenditures are to be made.

16 **DEPARTMENT OF NATURAL RESOURCES**

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

30 Sec. 602. (1) Before August 15, 1996, the department of natural

1 resources shall report to the JCOS the status of each project that
2 received an appropriation in any capital outlay act, if the project is
3 either not completed or has a balance remaining in its account. The
4 report shall be in the same form and contain the information as
5 required under section 406. The report shall be separated into the
6 following areas, by fund sources:

- 7 (a) Waterways projects.
- 8 (b) Urban recreation projects.
- 9 (c) State park projects.
- 10 (d) Wildlife and fisheries projects.
- 11 (e) Other projects.

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

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

21 **STATE TRANSPORTATION DEPARTMENT**

22 Sec. 701. (1) From airport improvement programs appropriations
23 contained in section 102 for the purpose of assisting political
24 entities and subdivisions of this state in the construction and
25 improvement of publicly used airports and landing fields within this
26 state, the state transportation department may permit the award of
27 contracts on behalf of units of local government not to exceed the
28 indicated amount. The state allocated portion shall not
29 exceed the amount appropriated in section 102. Political entities and
30 subdivisions shall provide not less than 5% of the cost of any project

1 with state-federal-local funding under this section. State money
2 shall not be allocated until local money is allocated, and state money
3 for any location shall not exceed 1/3 of the total appropriation to the
4 state aeronautics fund.

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

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

22 Sec. 703. An aeronautics project proposed for funding with federal-
23 state-local appropriations contained in section 102 that includes
24 acquisition of an airport facility from a private owner or political
25 subdivision for operation by the state or by a political subdivision
26 requires line-item authorization in an appropriation act and is not
27 fundable with appropriations from the federal/local airport
28 discretionary contingencies account.

29 Sec. 704. (1) Before August 15, 1996, the state transportation
30 department shall report to the JCOS the status of each project that

1 received an appropriation in any capital outlay act, if the project is
2 either not completed or has a balance remaining in its account. The
3 report shall be in the same form and contain the information as
4 required under section 406. The report shall be separated into all the
5 following areas:

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

7 (i) Lump sums.

8 (ii) Construction.

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

10 (i) Lump sums.

11 (ii) Construction.

12 (2) A project request for reauthorization by the state
13 transportation department shall also be identified within the reports
14 required by subsection (1). These reauthorization requests shall
15 identify the subsection number of section 248 of the management and
16 budget act, Act No. 431 of the Public Acts of 1984, being section
17 18.1248 of the Michigan Compiled Laws, that provides the reason and
18 justification for the requested reauthorization.

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

21 **FY95 Supplemental**

22 Sec. 1101. The following airport sites are added to those contained
23 in Act 19 of the Public Acts of 1993.

24 Ann Arbor - Ann Arbor municipal

25 Bellaire - Antrim county

26 Caro - Caro municipal

27 Charlotte - Fitch H. Beach municipal

28 Cheboygan - Cheboygan city-county

29 Detroit - Detroit metropolitan

30 Evart - Evart municipal airport

1 Gaylord - Otsego county
2 Gladwin - Gladwin Zettel memorial
3 Grand Haven - Abrams municipal
4 Greenville - Greenville municipal
5 Ionia - Ionia county
6 Menominee - Menominee-Marquette twin county
7 Niles - Jerry Tyler memorial
8 Oscoda - Wurtsmith
9 Saginaw - Harry W. Browne international
10 Sparta - Sparta
11 Sturgis - Kirsch municipal
12 Three Rivers - Three Rivers municipal-Dr. Haines

13 Sec. 1102. The appropriation in Act 19 of Public Acts 1993 for the
14 Michigan department of transportation for combined statewide
15 operations, maintenance facility, district 8, Lansing area, to continue
16 construction, is hereby renamed as follows:

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

20 Sec. 1103. (1) The appropriation in Act No. 19 of the Public Acts
21 of 1993 for the university of Michigan-Ann Arbor-integrated technology
22 center is hereby renamed as the integrated technology and engineering
23 center building.

24 (2) The appropriation in Act No. 19 of the Public Acts of 1993 for
25 Grand Rapids community college classroom facility is hereby renamed the
26 classroom facility and satellite campus facility.

27 Sec. 1104. (1) Pursuant to department policy, state agencies may
28 expend up to \$1,000,000.00 from their operating budget for special
29 maintenance purposes.

30 (2) The department shall report to the JCOS any individual projects

1 costing over \$500,000.00.

2 Sec. 1105. The funding contained in section 101 for the farmland
3 and open space preservation/wetlands bank is to be used for the
4 establishment of a wetlands bank. Parcels to be purchased include but
5 are not limited to: lake Leelanau shoreland parcel A, lake Leelanau
6 shorelane parcel B, lake Leelanau shoreland parcel C1, lake Leelanau
7 shoreland parcel C2, sand point parcel, Mackinac bay parcel.

8 Sec. 1106. The appropriation in section 101 for demolition of
9 various facilities is for facilities at the Phoenix correctional
10 facility. These funds shall not be expended until Act 96 of the Public
11 Acts of 1991 regarding western wayne correction facility is amended to
12 allow increased capacity through additional double bunking.

13 Sec. 1107. In addition to the amount authorized in section 1436 of
14 Act 19 of the Public Acts of 1993, there is authorized an additional
15 \$16,000,000.00, for a total authorization of \$35,000,000.00, for the
16 acquisition of lease projects which contain purchase options.