

**SUBSTITUTE FOR
SENATE BILL NO. 906**

(As passed the Senate, December 1, 1998)

A bill to make, supplement, and adjust appropriations for certain capital outlay programs and state departments and agencies for the fiscal years ending September 30, 1998 and September 30, 1999; to implement the appropriations within the budgetary process; to make appropriations for planning and construction at state agencies; 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 the development of public recreation facilities; to provide for certain advances from the general fund; to prescribe powers and duties of certain

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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; to provide for the expenditure of appropriations; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3 **Sec. 101. SUMMARY**

4 Subject to the conditions set forth in this act, the amounts listed in
5 this part are appropriated for certain capital outlay projects at the
6 various state agencies for the fiscal year ending September 30, 1999,
7 from the funds indicated in this part. The following is a summary of the
8 appropriations in this part:

9 **CAPITAL OUTLAY**

10	GROSS APPROPRIATION.....	\$	160,443,700
11	Total interdepartmental grants and intradepartment		
12	transfers.....	\$	4,500,000
13	ADJUSTED GROSS APPROPRIATION.....	\$	155,943,700
14	Total federal revenues.....		73,509,000
15	Total local revenues.....		23,129,000
16	Total private revenues.....		450,000
17	Total state restricted revenues.....		48,428,100
18	State general fund/general purpose.....	\$	10,427,600

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1	Sec. 102. DEPARTMENT OF MANAGEMENT AND BUDGET	
2	Lump sum projects:	
3	Special maintenance, remodeling and additions:	
4	For state agencies special maintenance projects esti-	
5	mated to cost more than \$100,000 but less than	
6	\$1,000,000.....	\$ 4,500,000
7	For department of community health special mainte-	
8	nance, remodeling and addition projects at various	
9	ICF/MR and state psychiatric facilities.....	2,000,000
10	Major special maintenance and remodeling for depart-	
11	ment of corrections.....	3,000,000
12	Major special maintenance and remodeling for depart-	
13	ment of community health.....	1,500,000
14	Demolition of Clinton valley mental health center....	5,000,000
15	Renovations of print center at secondary complex.....	2,300,000
16	Fairlawn center maintenance grant.....	1,200,000
17	Planning grant for new forensic center in Ypsilanti..	1,000,000
18	Property acquisition grant for state police post in	
19	Bridgeport.....	<u>100,000</u>
20	GROSS APPROPRIATION.....	\$ 20,600,000
21	Appropriated from:	
22	Interdepartmental grant revenues:	
23	IDG from building occupancy charges.....	4,500,000
24	Federal revenues:	
25	HHS-HCFA, Title XIX, intermediate care facilities for	
26	the mentally retarded and state psychiatric	
27	facilities.....	2,000,000

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1 Special revenue funds:

2	Office services-internal services fund.....	2,300,000
3	Land sale proceeds.....	2,000,000
4	State general fund/general purpose..... \$	9,800,000

5 **Sec. 102a. STATE AGENCY, COMMUNITY COLLEGE, AND UNIVERSITY**

6 **BUILDING PROJECTS**

7	Delta Community College - campus renovations II - for	
8	program and planning to be paid for from college	
9	revenues..... \$	100
10	Lake Superior State University - arts classroom	
11	building - for program and planning to be paid for	
12	from university revenues..... \$	100
13	Monroe County Community College - business and tech-	
14	nical center, library and welding and fastening project - for program	
	and planning to be paid	
15	for from college revenues..... \$	100
16	Mott Community College - regional technology center	
17	building - for program and planning to be paid for	
18	from college revenues..... \$	100
19	University of Michigan - school of natural resources	
20	and environmental planning - for program and plan-	
21	ning to be paid for from university revenues..... \$	100
22	Wayne State University - university wellness center	
23	building - for program and planning to be paid for	
24	from university revenues..... \$	100

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1	Department of corrections - multilevel correctional		
2	facility at Ionia authorized in 1998 PA 273 - to		
3	revise and establish funding shares (total autho-		
4	rized cost increased to \$82,000,000, state building		
5	authority share \$32,999,900, federal share		
6	increased to \$49,000,000, state general fund share		
7	\$100).....	\$	<u>0</u>
8	GROSS APPROPRIATION.....	\$	600
9	Appropriated from:		
10	State general fund/general purpose.....	\$	600

11 Sec. 103. DEPARTMENT OF MILITARY AFFAIRS**12 Lump sum projects:****13 For department of military affairs remodeling and****14 additions and special maintenance projects..... \$ 2,175,000****15 GROSS APPROPRIATION..... \$ 2,175,000****16 Appropriated from:****17 Federal revenues:****18 DOD, department of the army, national guard bureau... \$ 1,548,000****19 Special revenue funds:****20 State general fund/general purpose..... \$ 627,000**

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1	Sec. 104. DEPARTMENT OF NATURAL RESOURCES		
2	(1) STATE PARKS:		
3	State parks remodeling and additions.....	\$	2,500,000
4	GROSS APPROPRIATION.....	\$	2,500,000
5	Appropriated from:		
6	Special revenue funds:		
7	State park improvement fund.....	\$	1,500,000
8	State park endowment fund.....		1,000,000
9	State general fund/general purpose.....	\$	0
10	(2) WILDLIFE:		
11	Blocking-in Michigan game/wildlife areas.....	\$	3,400,000
12	Waterfowl habitat acquisition.....		900,000
13	Statewide waterfowl habitat development and		
14	acquisition.....		<u>900,000</u>
15	GROSS APPROPRIATION.....	\$	5,200,000
16	Appropriated from:		
17	Federal revenues:		
18	DOI.....		2,950,000
19	Special revenue funds:		
20	Private funds.....		450,000
21	Game and fish protection fund, turkey permit fees....		1,400,000
22	Game and fish protection fund, duck stamp.....		400,000
23	State general fund/general purpose.....	\$	0
24	(3) WATERWAYS BOATING PROGRAM		
25	Boating program, planning lump sum.....	\$	850,000
26	Boating program, field initiatives lump sum.....		1,060,000

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1	Boating program, state boating access projects.....	1,585,000
2	Boating program, boating access sites, grants-in-aid:	
3	Whitewater Township, Elk Lake launch, Antrim County	
4	(total project cost \$128,500; state share \$96,400).	96,400
5	Bay County, Independence Park launch (total project	
6	cost \$1,425,000; state share \$1,425,000).....	425,000
7	Genesee County Parks, C.S. Mott Lake restroom build-	
8	ing (total project cost \$200,000; state share	
9	\$140,000).....	140,000
10		
11		
12		
13	Pere Marquette Township, launch upgrade, Mason County	
14	(total project cost \$46,500; state share \$46,500)..	46,500
15	City of Grand Haven, Grand River launch, Ottawa	
16	County (total project cost \$39,300; state share	
17	\$29,500).....	29,500
18	Harbor Island launch, City of Grand Haven, Ottawa	
19	County (total project cost \$927,000; state share	
20	\$695,300).....	695,300
21	Black River launch expansion, City of South Haven,	
22	Van Buren County (total project cost \$171,300;	
23	state share \$128,500).....	128,500
24	Small grants program, various counties (maximum	
25	allowable grant: \$10,000).....	100,000
26	East Tawas mooring restroom building, Iosco County	
27	(total project cost \$675,000; state share \$675,000)	250,000

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1	Boating program, harbor development projects.....	5,100,000
2	Boating harbor projects, grants-in-aid:	
3	Breakwater upgrade, Village of Elk Rapids, Antrim	
4	County (total project cost \$650,000; state share	
5	\$325,000).....	325,000
6	City of East Tawas, Newman Street upgrade (total	
7	project cost \$520,000; state share \$60,000).....	60,000
8	City of St. Joseph, mooring expansion, Berrien County	
9	(total project cost \$350,000; state share \$350,000)	350,000
10	City of Escanaba, restroom building, Delta County	
11	(total project cost \$525,000; state share \$262,500)	<u>262,500</u>
12	GROSS APPROPRIATION..... \$	11,503,700
13	Appropriated from:	
14	Federal revenues:	
15	DOI, U.S. fish and wildlife service, Dingell-Johnson.	1,500,000
16	Special revenue funds:	
17	Michigan state waterways fund.....	4,903,700
18	Harbor development fund.....	5,100,000
19	State general fund/general purpose..... \$	0
20	(4) REAL ESTATE	
21	Farmland and open space development acquisition..... \$	<u>5,000,000</u>
22	GROSS APPROPRIATION..... \$	5,000,000
23	Appropriated from:	
24	Special revenue funds:	
25	Farmland and open space withdrawal fees.....	5,000,000
26	State general fund/general purpose..... \$	0

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2	Replacement of equipment repair facility in Gaylord..	\$	<u>1,500,000</u>
3	GROSS APPROPRIATION.....	\$	1,500,000
4	Appropriated from:		
5	State general fund/general purpose.....	\$	1,500,000

6 Sec. 104a. NATURAL RESOURCES TRUST FUND

7	Natural resources trust fund projects.....	\$	<u>11,119,400</u>
8	GROSS APPROPRIATION.....	\$	11,119,400
9	Appropriated from:		
10	Special revenue funds:		
11	Michigan natural resources trust fund.....		11,119,400
12	State general fund/general purpose.....	\$	0
13	Michigan natural resources trust fund acquisition projects (by		
14	priority):		
15	Cheboygan-Gaylord trail-phase II, Cheboygan County (#98-191)		
16	CN rail yard acquisition, St. Clair County (grant-in-aid to St.		
17	Clair County) (#98-118)		
18	Chocolay multi-use trails, Marquette County (grant-in-aid to		
19	Chocolay Township) (#98-041)		
20	Hartland Township park, Livingston County (grant-in-aid to Hartland		
21	Township) (#98-007)		
22	Holton recreation and nature center, Muskegon County (grant-in-aid		
23	to Holton Township) (#98-084)		
24	Little Traverse Bay view park, Emmet County (grant-in-aid to Emmet		
25	County) (#98-037)		

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1 Lakeshore property acquisition, Baraga County (grant-in-aid to
2 village of L'Anse) (#98-043)
3 Maxwell property purchase (Crow Island state game area), Saginaw
4 County (#98-210)
5 Oakwood road land acquisition, Oakland County (grant-in-aid to
6 Oxford Township) (#98-013)
7 Hillsdale's project preserve, Hillsdale County (grant-in-aid to city
8 of Hillsdale) (#98-051)
9 Southgate nature center, Wayne County (grant-in-aid to city of
10 Southgate) (#98-106)
11 Bridge to bay trail, St. Clair County (grant-in-aid to city of
12 Marine City) (#98-110)
13 Maceday Lake waterfront park acquisition, Oakland County
14 (grant-in-aid to Waterford Township) (#98-121)
15 Highland Township park, Oakland County (grant-in-aid to Highland
16 Township) (#98-135)
17 Gratiot-Isabella regional education service district land lab,
18 Gratiot County (grant-in-aid to Gratiot County) (#98-039)
19 State forest lump sum (#98-188)
20 Little Sand Bay, Beaver Island, Charlevoix County (#98-190)
21 Depot beach park land acquisition, Charlevoix County (grant-in-aid
22 to city of Charlevoix) (#98-077)
23 Michigan natural resources trust fund development projects (by
24 priority):
25 Ann Arbor railroad park/Betsie valley trail head development, Benzie
26 County (grant-in-aid to village of Elberta) (#98-033)

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- 1 Rogue River park redevelopment, Kent County (grant-in-aid to Kent
2 County) (#98-099)
- 3 Portage Creek bicentennial park trail development, Kalamazoo County
4 (grant-in-aid to City of Portage) (#98-145)
- 5 27th street railtrail, Bay County (grant-in-aid to city of Bay City)
6 (#98-006)
- 7 Flat River trail, Montcalm County (grant-in-aid to city of
8 Greenville) (#98-097)
- 9 Sterling state park-accessible wetlands interpretive trail, Monroe
10 County (#98-206)
- 11 Rogers City linkage plan, Presque Isle County (grant-in-aid to city
12 of Rogers City) (#98-140)
- 13 Orin McPherson/scout park development, Oakland County (grant-in-aid
14 to city of Hazel Park) (#98-078)
- 15 Rambadt park restrooms and linear park improvement, Osceola County
16 (grant-in-aid to city of Reed City) (#98-109)
- 17 Musketawa trail: Musketon-Ravenna, Muskegon County (#98-197)
- 18 Wixom habitat development, Oakland County (grant-in-aid to city of
19 Wixom) (#98-079)
- 20 Huron valley trail construction, Oakland County (grant-in-aid to
21 western Oakland County railway management council) (#98-096)

22 **Sec. 105. DEPARTMENT OF TRANSPORTATION**

23 **STATE TRUNKLINE FUND**

24 **Department buildings and facilities:**

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1	Purchase property, various locations.....	\$ 75,000
2	Construct, renovate regional offices, various	
3	locations (total project cost \$10,000,000).....	2,500,000
4	Construct, renovate salt storage buildings, various	
5	locations (total project cost \$3,600,000).....	600,000
6	Covered salt storage facilities and brine run-off	
7	systems (total project cost \$10,875,000).....	1,000,000
8	Equipment storage buildings, various locations (total	
9	project cost \$2,685,000).....	400,000
10	Install, replace hydraulic floor hoists, various	
11	locations (total project cost \$2,580,000).....	240,000
12	Rest room, lunch room modifications, various	
13	locations.....	100,000
14	Reroof, fence, bituminous surfacing, various	
15	locations.....	500,000
16	Office construction, modification, Paw Paw repair	
17	facility.....	200,000
18	Office construction, modification, Saginaw mainte-	
19	nance garage.....	300,000
20	Office construction, modification, Atlanta mainte-	
21	nance garage.....	300,000
22	Institutional and agency roads.....	750,000
23	Remodeling and additions:	
24	Expand/renovate Metro district office, Southfield	
25	(total project cost \$4,120,000).....	550,000
26	Miscellaneous remodeling, additions, emergency	
27	maintenance.....	500,000

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1	ADA modifications, various MDOT facilities (total	
2	project cost \$3,000,000).....	500,000
3	MIOSHA projects, various locations (total project	
4	cost \$1,560,000).....	140,000
5	Environmental pollution control measures:	
6	Environmental pollution, site investigations,	
7	clean-up, various locations (total project cost	
8	\$16,800,000).....	500,000
9	Energy savings modifications and upgrade:	
10	Energy savings modifications, upgrade lighting, vari-	
11	ous locations (total project cost \$5,250,000).....	<u>550,000</u>
12	GROSS APPROPRIATION.....	\$ 9,705,000
13	Appropriated from:	
14	Special revenue funds:	
15	State trunkline fund.....	9,705,000
16	State general fund/general purpose.....	\$ 0

17 Sec. 106. DEPARTMENT OF TRANSPORTATION**18 AERONAUTICS FUND: AIRPORT PROGRAMS**

19	Airport improvement programs.....	\$ 97,640,000
20	Adrian - Lenawee County airport	
21	Allegan - Padgham field	
22	Alpena - Alpena County regional airport	
23	Ann Arbor - Ann Arbor municipal airport	
24	Atlanta - Atlanta municipal airport	

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- 1 Bad Axe - Huron County memorial airport
- 2 Battle Creek - W.K. Kellogg airport
- 3 Bay City - James Clements airport
- 4 Benton Harbor - Southwest Michigan regional airport
- 5 Bellaire - Antrim County airport
- 6 Big Rapids - Roben-Hood airport
- 7 Caseville - Bay area airport
- 8 Cheboygan - Cheboygan County airport
- 9 Detroit - Berz-Macomb airport
- 10 Detroit - Detroit City airport
- 11 Detroit - Gross Ile municipal airport
- 12 Detroit - Detroit metropolitan airport, Wayne County air-
- 13 port
- 14 Detroit - Willow Run airport
- 15 Dowagiac - Dowagiac municipal airport
- 16 East Jordan - East Jordan city airport
- 17 Escanaba - Delta County airport
- 18 Flint - Bishop international airport
- 19 Frankfort - Frankfort Dow memorial airport
- 20 Gaylord - Otsego County airport
- 21 Gladwin - Zettel memorial airport
- 22 Grand Haven - Memorial airpark
- 23 Grand Rapids - Kent County international airport
- 24 Greenville - Greenville municipal airport
- 25 Gwinn - Sawyer airport
- 26 Hancock - Houghton County memorial airport

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- 1 Hart Shelby - Oceana County airport
- 2 Hessel - Albert J. Lindberg airport
- 3 Hillsdale - Hillsdale municipal airport
- 4 Holland - Tulip city airport
- 5 Howell - Livingston County airport
- 6 Ionia - Ionia County airport
- 7 Iron County - county airports
- 8 Iron Mountain - Ford airport
- 9 Jackson - Jackson County Reynolds field
- 10 Kalamazoo - Kalamazoo/Battle Creek international airport
- 11 Kalkaska - Kalkaska airport
- 12 Lambertville - Toledo suburban airport
- 13 Lansing - Capital city airport
- 14 Lapeer - Dupont-Lapeer airport
- 15 Lewiston - Garland airport
- 16 Manistee - Manistee County Blacker airport
- 17 Marine City - Marine City airport
- 18 Mason - Mason Jewett field
- 19 MDOT - state system plan
- 20 Midland - Jack Barstow airport
- 21 Monroe - Custer airport
- 22 Mt. Pleasant - Mt. Pleasant municipal airport
- 23 Muskegon - Muskegon County airport
- 24 Newberry - Luce County airport
- 25 New Haven - Macomb County airport
- 26 New Hudson - New Hudson airport

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1	Niles - Jerry Tyler memorial airport		
2	Oscoda - Wurtsmith airport		
3	Pellston - Pellston regional airport		
4	Pontiac - Oakland County international airport		
5	Romeo - Romeo airport		
6	Saginaw - MBS international airport		
7	Sandusky - Sandusky city airport		
8	Sault St. Marie - Chippewa County airport		
9	SEMCOG - regional system plan		
10	South Haven - South Haven area regional airport		
11	Sparta - Sparta airport		
12	Statewide - State/local capital improvement		
13	projects/navigational aids safety projects		
14	Sturgis - Kirsch municipal airport		
15	Thompsonville - Thompsonville airport		
16	Three Rivers - Three Rivers municipal airport, Dr. Haines		
17	airport		
18	Traverse City - Cherry capital airport		
19	Troy - Oakland/Troy airport		
20	Weidman - Lake Isabella air park		
21	West Branch - West Branch community airport		
22	GROSS APPROPRIATION.....	\$	97,640,000
23	Appropriated from:		
24	Federal revenues:		
25	DOT, federal aviation administration.....		65,511,000
26	Special revenue funds:		

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1	Local aeronautics match.....	23,129,000
2	State aeronautics fund.....	4,000,000
3	State general fund/general purpose..... \$	5,000,000
4	Sec. 107. GRANTS - STATE BUILDING AUTHORITY RENT	
5	State building authority rent - state agencies..... \$	(945,100)
6	State building authority rent - department of	
7	corrections.....	(2,235,300)
8	State building authority rent - universities.....	(3,013,300)
9	State building authority rent - community colleges...	<u>(306,300)</u>
10	GROSS APPROPRIATION..... \$	(6,500,000)
11	Appropriated from:	
12	State general fund/general purpose..... \$	(6,500,000)
13		
14		
15	PART 1A	
16	LINE-ITEM APPROPRIATIONS FOR FISCAL YEAR 1997-1998	
17	Sec. 121. SUMMARY	
18	The amounts listed in this part are appropriated for the various state	
19	departments and agencies, subject to the conditions set forth in this	
20	act, for the fiscal year ending September 30, 1998, from the funds iden-	
21	tified in this part. The following is a summary of the appropriations in	
22	this part:	
23	APPROPRIATION SUMMARY:	
24	GROSS APPROPRIATION..... \$	1,207,100

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1	Interdepartmental grant revenues:		
2	Total interdepartmental grants and intradepartmental		
3	transfers.....		0
4	ADJUSTED GROSS APPROPRIATION.....	\$	1,207,100
5	Federal revenues:		
6	Total federal revenues.....		0
7	Special revenue funds:		
8	Total local revenues.....		0
9	Total private revenues.....		0
10	Total other state restricted revenues.....		0
11	State general fund/general purpose.....	\$	1,207,100

12 Sec. 122. DEPARTMENT OF AGRICULTURE**13 MICHIGAN STATE FAIR**

14	Michigan state fair operations.....	\$	<u>707,100</u>
15	GROSS APPROPRIATION.....	\$	707,100
16	Appropriated from:		
17	State general fund/general purpose.....	\$	707,100

18 Sec. 123. HIGHER EDUCATION**19 WESTERN MICHIGAN UNIVERSITY**

20	School of aviation sciences.....	\$	<u>500,000</u>
21	GROSS APPROPRIATION.....	\$	500,000
22	Appropriated from:		

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1 State general fund/general purpose..... \$ 500,000

2

3

4

PART 2

5

PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 1998-1999

6 **GENERAL SECTIONS**

7

Sec. 201. (1) Pursuant to section 30 of article IX of the state

8

constitution of 1963, total state spending from state sources for fiscal

9

year 1998-1999 is estimated at \$58,855,700.00 in part 1 of this appropri-

10

ation act and state spending from state sources paid to local units of

11

government for fiscal year 1998-1999 is estimated at \$17,311,300.00. The

12

itemized statement below identifies appropriations from which spending to

13

units of local government will occur:

14

CAPITAL OUTLAY

15

Department of natural resources - waterways..... \$ 973,500

16

State transportation department - state aeronautics

17

program..... 9,000,000

18

Grant-in-aid acquisition projects..... \$ 4,609,100

19

CN rail yard acquisition, St. Clair County

20

Chocolay multi-use trails, Marquette County

21

Hartland Township park, Livingston County

22

Holton recreation and nature center, Muskegon County

23

Little Traverse Bay view part, Emmet County

24

Lakeshore property acquisition, Baraga County

25

Oakwood Road land acquisition, Oakland County

26

Hillsdale's project preserve, Hillsdale County

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1	Southgate nature center, Wayne County	
2	Bridge to bay trail, St. Clair County	
3	Maceday Lake waterfront park acquisition, Oakland County	
4	Highland Township park, Oakland County	
5	Gratiot-Isabella regional education service district land	
6	lab, Gratiot County	
7	Depot beach park land acquisition, Charlevoix County	
8	Grant-in-aid development projects.....	\$ 2,728,700
9	Ann Arbor railroad park/Betsie valley trail head develop-	
10	ment, Benzie County	
11	Rogue River park redevelopment, Kent County	
12	Portage Creek bicentennial park trail development,	
13	Kalamazoo County	
14	27th Street railtrail, Bay County	
15	Flat River trail, Montcalm County	
16	Rogers City linkage plan, Presque Isle County	
17	Orin McPherson/scout park development, Oakland County	
18	Rambadt park restrooms and linear park improvement, Osceola	
19	County	
20	Wixom habitat development, Oakland County	
21	Huron valley trail construction, Oakland County	
22	Total.....	\$ 17,311,300
23	(2) If it appears to the principal executive officer of a department	
24	or branch that state spending to local units of government will be less	
25	than the amount that was projected to be expended under subsection (1),	
26	the principal executive officer shall immediately give notice of the	
27	approximate shortfall to the state budget director.	

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1 Sec. 202. As used in this act:

2 (a) "ADA" means the Americans with disability act.

3 (b) "Board" means the state administrative board.

4 (c) "Community college" does not include a state agency or
5 university.

6 (d) "Department" means the department of management and budget.

7 (e) "Director" means the director of the department of management
8 and budget.

9 (f) "DOD" means the United States department of defense.

10 (g) "DOI" means the United States department of interior.

11 (h) "Fiscal agencies" means the senate fiscal agency and the house
12 fiscal agency.

13 (i) "HHS-HCFA" means the United States department of health and
14 human services, health care financing administration.

15 (j) "ICF/MR" means intermediate care facilities for the mentally
16 retarded.

17 (k) "IDG" means interdepartmental grant.

18 (l) "JCOS" means the joint capital outlay subcommittee of the
19 appropriations committees.

20 (m) "MDOT" means the Michigan department of transportation.

21 (n) "MIOSHA" means the Michigan occupational safety and health act,
22 1974 PA 154, MCL 408.1001 to 408.1094.

23 (o) "Self-liquidating project" means a project constructed by a
24 community college or university with money raised through the use of a
25 debt instrument or other fund sources including, but not limited to,
26 gifts, grants, federal funds, or institutional sources, which is expected
27 to generate revenues to amortize the loan. A self-liquidating project

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1 may or may not be a self-supporting project. Examples of a
2 self-liquidating project include dormitories, parking facilities, and
3 stadia.

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

9 (q) "SEMCOG" means the southeast Michigan council of governments.

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

12 (s) "State building authority" means the authority created under
13 1964 PA 183, MCL 830.411 to 830.425.

14 (t) "University" means a 4-year university supported by the state.
15 University does not include a community college or a state agency.

16 (u) "Utility system" means a utility supply or distribution system,
17 or a combination utility supply and distribution system.

18 Sec. 203. The expenditures and funding sources authorized under
19 this act are subject to the management and budget act, 1984 PA 431,
20 MCL 18.1101 to 18.1594.

21 **DEPARTMENT OF CORRECTIONS**

22 Sec. 301. A maximum security prison that is constructed or com-
23 pleted after October 1, 1986, shall have operating manned watchtowers
24 equipped with the weaponry, lighting, sighting, and communications
25 devices necessary for effective execution of its function. The

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1 watchtowers shall be constructed pursuant to the American correctional
2 association standards for watchtowers.

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

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

10 CAPITAL OUTLAY PROCESSES, PROCEDURES, AND REPORTS

11 Sec. 401. Pursuant to section 242(9) of the management and budget
12 act, 1984 PA 431, MCL 18.1242, projects authorized for planning and/or
13 construction in 1997 PA 116, 1997 PA 114, 1997 PA 480, and 1996 PA 321
14 are exempted from requirements contained in section 242 of the management
15 and budget act, 1984 PA 431, MCL 18.1242.

16 Sec. 402. Each capital outlay project for which appropriations are
17 provided in this act shall include sufficient funds for state agency
18 projects and from institutions funds for college and university projects
19 to provide for professionally developed program statements and schematic
20 plans.

21 Sec. 403. (1) A capital outlay project shall be funded by an appro-
22 priation for the purpose provided in a capital outlay appropriation act
23 and must conform to the capital outlay processes and procedures as
24 described in sections 404 and 405 and this section. Capital outlay

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1 projects shall not be funded from operating accounts unless approved by
2 the department and the JCOS.

3 (2) Program statements and schematic planning documents shall be
4 reviewed by the department and, when completed, shall be submitted to the
5 JCOS as either approved or not approved.

6 (3) Upon review and approval by the JCOS, the JCOS and the legisla-
7 ture may authorize the project for final design and construction with a
8 line-item appropriation in an appropriation bill.

9 (4) Preliminary plans shall be submitted to the department for
10 review and approval. The department shall review and approve final plans
11 to be prepared for bidding. Bid results shall be submitted to the JCOS.

12 (5) The department shall provide for review and oversight of capital
13 outlay projects financed either in total or in part by the state building
14 authority pursuant to the provisions of sections 404 and 405.

15 Sec. 404. (1) For state agency capital outlay projects or facili-
16 ties, the department is responsible for development, oversight, review,
17 and approval of program statements, studies, designs, plans, management,
18 specifications, contract documents, construction management, and con-
19 struction, relative to the acquisition, construction, lease purchase,
20 improvement, demolition, or other capital outlay projects for state agen-
21 cies for which an appropriation or other authorization has been made.

22 (2) The department shall approve the award, selection, and employ-
23 ment of architects, engineers, construction managers, and other design or
24 construction professional services contractors, subject to rules of the
25 department of civil service, to do all of the following:

26 (a) Prepare program statements, studies, designs, plans, and
27 specifications for the construction of, repairing of, making additions

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1 to, remodeling or demolition of, lease purchase of, or acquisition of
2 state facilities.

3 (b) To administer construction work, including resident inspectors,
4 on-site management, and supervision of construction projects.

5 (3) The department may obtain independent testing services to pro-
6 vide quality control of work performed on facilities.

7 (4) Prior to state building authority financing, the department
8 shall provide final approval of the capital outlay project to ensure com-
9 pliance with the authorized program, plans, and specifications.

10 Sec. 405. (1) This section pertains to capital outlay projects for
11 community colleges and universities.

12 (2) The department shall review documents associated with community
13 college and university capital outlay projects for which an appropriation
14 or other authorization has been made.

15 (3) The department shall provide architectural and engineering
16 review of documents including designs, plans, and changes at each stage
17 of the project to ensure that the project or facility is in compliance
18 with approved program, appropriation, and capital outlay requirements.

19 (4) The department shall review the selection of architects, engi-
20 neers, construction managers, and other design or construction profes-
21 sional service contractors.

22 (5) The department shall do all of the following:

23 (a) Review the construction bid.

24 (b) Review monthly reports to ensure appropriate construction
25 progress, evaluate change orders, and watch for potential problems.

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1 (c) Respond to college and university requests for assistance on the
2 capital outlay process, contractor issues, and other capital outlay
3 related issues.

4 (d) Provide for field checks and audits throughout the project in
5 order to meet the trustee requirements of the state building authority.

6 (6) The department may charge a fee for the services described in
7 this section at a rate not to exceed actual costs.

8 (7) In the event that a college or university agrees to have the
9 department provide for the complete administration of a capital outlay
10 project, then the provisions of section 404 apply to the project.

11 (8) Prior to state building authority financing, the department
12 shall provide final review of the capital outlay project to ensure com-
13 pliance with the authorized program, plans, and specifications.

14 Sec. 406. (1) Before proceeding with final planning and construc-
15 tion for projects at community colleges and universities included in an
16 appropriations bill, the community college or university must sign an
17 agreement with the department of management and budget that includes the
18 following provisions:

19 (a) The university or community college agrees to construct the
20 project within the total authorized cost established by the legislature
21 pursuant to the management and budget act, 1984 PA 431, MCL 18.1101 to
22 18.1594, and an appropriations act.

23 (b) The design and program scope of the project will not deviate
24 from the design and program scope represented in the program statement
25 and preliminary planning documents approved by the department of manage-
26 ment and budget.

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1 (c) Any other items as identified by the department that are
2 necessary to complete the project.

3 (2) The department of management and budget retains the authority
4 and responsibility normally associated with the prudent maintenance of
5 the public's financial and policy interests relative to the
6 state-financed construction projects managed by a community college or
7 university.

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

12 (2) Before August 15, 1999, the department shall report to the JCOS
13 and the fiscal agencies for each construction project other than lump
14 sums all of the following:

15 (a) The account number and name of each construction project.

16 (b) The balance remaining in each account.

17 (c) The date of the last expenditure from the account.

18 (d) The anticipated date of occupancy if the project is under
19 construction.

20 (e) The appropriations history for the project.

21 (f) The professional service contractor.

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

23 (h) The amount of a project financed through the state building
24 authority.

25 (i) The total authorized cost for the project and the state autho-
26 rized share if different than the total.

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1 (3) Before August 15, 1999, the department shall report the
2 following for each project by a state agency, university, or community
3 college that is authorized for planning but is not yet authorized for
4 construction:

5 (a) The name of the project and account number.

6 (b) Whether a program statement is approved.

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

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

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

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

12 Sec. 408. (1) If a capital outlay appropriation is contained in a
13 public act that was not reviewed by the JCOS during the legislative pro-
14 cess, the director shall notify the JCOS of an expenditure of that capi-
15 tal outlay appropriation not less than 60 days before the expenditure.

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

20 Sec. 409. From a capital outlay appropriation authorizing the com-
21 pletion of final plans and start of construction, or an appropriation to
22 complete plans and construction, the department shall reimburse the
23 lump-sum planning account an amount equal to the releases made from the
24 lump-sum planning account for studies, schematic plans, or preliminary
25 plans for that project, after the JCOS has approved the project for final
26 planning and start or completion of construction.

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1 Sec. 410. A state agency, college, or university shall take steps
2 necessary to make available federal and other money indicated in this
3 act, to make available federal or other money that may become available
4 for the purposes for which appropriations are made in this act, and to
5 use any part or all of the appropriations to meet matching requirements
6 that are considered to be in the best interest of this state. However,
7 the purpose, scope, and total estimated cost of a project shall not be
8 altered to meet the matching requirements.

9 Sec. 411. (1) Before money is released for the construction of a
10 capital outlay project costing over \$1,000,000.00, at the request of the
11 JCOS, the department shall submit to the JCOS, with preliminary planning
12 documents, a detailed comparative cost analysis. The cost analysis shall
13 include a comparison of the financial and other benefits of construction,
14 financing, operation, and maintenance of the proposed facility between
15 all of the following:

- 16 (a) The state.
17 (b) The private sector.
18 (c) A combination of the state and the private sector.
19 (d) A lease agreement.

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

24 (3) For purposes of this section, "capital outlay project" means a
25 construction project requiring JCOS approval including, but not limited
26 to, a general office facility, special use facility, warehouse,
27 institutional facility, or utility system designed for use by a state

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1 agency or university. Capital outlay project does not include a special
2 maintenance and remodeling project, grant-in-aid project, prison facili-
3 ty, legislative facility, judicial facility, community college facility,
4 or self-liquidating facility constructed by a university.

5 USE AND FINANCE STATEMENTS

6 Sec. 501. (1) A state agency, university, or community college
7 shall not let a contract for new construction of a self-liquidating
8 project estimated to cost more than \$1,000,000.00 unless the project is
9 authorized by the JCOS. The request for legislative authorization shall
10 be initially submitted for review to the JCOS and the department. A
11 nonstate-funded project request shall include a complete use and financ-
12 ing statement as defined by a policy adopted by the JCOS. The use and
13 financing statement for a self-liquidating or self-supporting project
14 shall contain the estimated total construction cost and all associated
15 estimated operating costs including a statement of anticipated revenues.
16 As used in this section, "new construction" includes land or property
17 acquisition, remodeling and additions, and maintenance projects.

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

22 (3) A state agency, including the department of military affairs,
23 shall not let a contract for a direct federally funded capital outlay
24 construction or major maintenance or remodeling project that is estimated
25 to cost more than \$1,000,000.00 and is to be constructed on state-owned

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1 lands unless the project is approved by the department and by the JCOS.
2 For projects over \$1,000,000.00, the state agency shall submit a use and
3 finance statement as required for community colleges and universities in
4 subsection (1). As used in this subsection, "direct federally funded"
5 refers to a project for which federal payments are made directly to the
6 construction vendor and not to the state of Michigan.

7 Sec. 502. Universities, community colleges, and state agencies
8 shall report to the department and to the JCOS on a quarterly basis all
9 projects including major special maintenance, remodeling, or additions
10 costing between \$500,000.00 and \$1,000,000.00.

11 Sec. 503. A statement of a proposed facility's operating cost shall
12 be included with the facility's program statement and planning documents
13 when the plans are presented to JCOS for approval.

14 LUMP SUMS AND SPECIAL MAINTENANCE

15 Sec. 601. (1) The director shall allocate lump-sum appropriations
16 made in this act for remodeling and addition, special maintenance, major
17 special maintenance, energy conservation, demolition, ICF/MR,
18 air-conditioning, and fire protection projects. The director shall allo-
19 cate other lump sums, in order of program priority and need of the vari-
20 ous state agencies or as otherwise based on actual building inspection
21 reports by regulatory agencies.

22 (2) Any remaining balance from allocations made in this section
23 shall lapse to the fund from which it was appropriated pursuant to the
24 lapsing of lump sums as provided in the management and budget act, 1984
25 PA 431, MCL 18.1101 to 18.1594.

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1 (3) Before August 15, 1999, the department shall submit a report to
2 the JCOS and the fiscal agencies indicating the total cost and status of
3 all lump-sum projects funded under this act and any previous act that
4 have been designated as proposed, designed, bid, under construction, or
5 completed within the current fiscal year.

6 Sec. 602. (1) The department may expend from the lump-sum special
7 maintenance account amounts necessary to demolish any building that is
8 specifically authorized by law to be demolished.

9 (2) Before July 15, 1999, each state agency, community college, and
10 university shall report each year to the department the status of and
11 planned schedule for demolition projects already authorized but not yet
12 started, the estimated cost of the projects, and the anticipated sources
13 of financing of the projects.

14 Sec. 603. (1) Pursuant to department policy, state agencies may
15 expend not more than \$500,000.00 from their operating budget for special
16 maintenance, remodeling, or additions purposes. In nonroutine emergency
17 cases, cases where the health and safety of the public, state employees,
18 or residents in state facilities are threatened, as determined by the
19 department, the state agencies may expend not more than \$1,000,000.00
20 from their operating budgets for special maintenance purposes. The
21 department shall report to the JCOS on a quarterly basis each time oper-
22 ating funds are used for special maintenance purposes in an amount over
23 \$500,000.00.

24 (2) Expenditures from operating budgets for special maintenance,
25 remodeling, or additions accounts or lump-sum maintenance accounts
26 greater than \$1,000,000.00 are prohibited unless specifically
27 appropriated by the legislature.

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1 STATE BUILDING AUTHORITY

2 Sec. 701. (1) Subject to the provisions of section 242 of the man-
3 agement and budget act, 1984 PA 431, MCL 18.1242, and upon the approval
4 of the state building authority, the department may expend from the gen-
5 eral fund of the state during the fiscal year ending September 30, 1999
6 an amount to meet the cash flow requirements of those state building
7 authority projects solely for lease to a state agency identified in both
8 part 1 and this section, and for which state building authority bonds or
9 notes have not been issued, and for the sole acquisition by the state
10 building authority of equipment and furnishings for lease to a state
11 agency as permitted by 1964 PA 183, MCL 830.411 to 830.425, for which the
12 issuance of bonds or notes is authorized by a legislative concurrent res-
13 olution that is effective for a fiscal year ending September 30, 1999.
14 Any general fund advances for which state building authority bonds have
15 not been issued shall bear an interest cost to the state building author-
16 ity at a rate not to exceed that earned by the state treasurer's common
17 cash fund during the period in which the advances are outstanding and are
18 repaid to the general fund of the state.

19 (2) Upon sale of bonds or notes for the projects identified in
20 part 1 or for equipment as authorized by legislative concurrent resolu-
21 tion, and in this section, the state building authority shall credit the
22 general fund of the state an amount equal to that expended from the gen-
23 eral fund plus interest, if any, as defined in this section.

24 (3) For state building authority projects for which bonds or notes
25 have been issued and upon the request of the state building authority,
26 the state treasurer shall make advances without interest from the general
27 fund as necessary to meet cash flow requirements for the projects, which

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1 advances shall be reimbursed by the state building authority when the
2 investments earmarked for the financing of the projects mature.

3 (4) In the event that a project identified in part 1 is terminated
4 after final design is complete, advances made on behalf of the state
5 building authority for the costs of final design shall be repaid to the
6 general fund in a manner recommended by the director and approved by the
7 JCOS.

8 Sec. 702. (1) State building authority funding to finance construc-
9 tion or renovation of a facility that collects revenue in excess of money
10 required for the operation of that facility shall not be released to a
11 university or community college unless the institution agrees to reim-
12 burse that excess revenue to the state building authority. The excess
13 revenue shall be credited to the general fund to offset rent obligations
14 associated with the retirement of bonds issued for that facility. The
15 auditor general shall annually identify and present an audit of those
16 facilities that are subject to this section. Costs associated with the
17 administration of the audit shall be charged against money recovered pur-
18 suant to this section.

19 (2) As used in this section, "revenue" includes state appropria-
20 tions, facility opening money, other state aid, indirect cost reimburse-
21 ment, and other revenue generated by the activities of the facility.

22 Sec. 703. (1) The state building authority rent appropriations in
23 part 1 may also be expended for the payment of required premiums for
24 insurance on facilities owned by the state building authority or payment
25 of costs that may be incurred as the result of any deductible provisions
26 in such insurance policies.

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1 (2) If the amount appropriated in part 1 for state building
2 authority rent is not sufficient to pay the rent obligations and
3 insurance premiums and deductibles identified in subsection (1) for state
4 building authority projects, there is appropriated from the general fund
5 of the state the amount necessary to pay such obligations.

6 Sec. 704. The department shall provide the JCOS and the fiscal
7 agencies a report, 15 days after the reporting date, relative to the
8 status of construction projects associated with state building authority
9 bonds on March 31 and September 30 of each year, or 30 days after a refi-
10 nancing or restructuring bond issue is sold. The report shall include,
11 but is not limited to, the following:

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

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

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

21 Sec. 705. It is the intention of the legislature that the
22 University of Michigan take the necessary actions to ensure that eligible
23 interest reimbursements from medicare and medicaid programs are made
24 available to the state to satisfy part of the amount appropriated for the
25 University of Michigan adult general hospital facility rent appropriation
26 of \$27,917,000.00 contained within the state building authority rent
27 appropriation in part 1. To the extent of a difference between the

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1 estimated and actual amount received, there is appropriated from the
2 general fund of the state the amounts necessary to satisfy the hospital
3 rental requirements of the state building authority's 1986 revenue
4 refunding bonds, series I. To the extent payments made to the state by
5 the University of Michigan are required to be reimbursed pursuant to the
6 agreement with the University of Michigan, there is appropriated from the
7 general fund the amount necessary for such reimbursement.

8 Sec. 706. (1) The state building authority, on behalf of the state,
9 with the approval of the board, for the purpose of providing office and
10 warehouse space for state agencies, may acquire for not more than the
11 market value, subject to an independent fee appraisal, including esti-
12 mated real estate taxes, various lease projects which contain purchase
13 options in an aggregate cost not to exceed \$45,000,000.00. The state
14 building authority is also authorized to pay any ancillary costs, other
15 than the market value, that the state is required to pay under an option
16 to purchase.

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

19 (3) The acquisition and subsequent conveyance to the state building
20 authority shall conform to the provisions of 1964 PA 183, MCL 830.411 to
21 830.425.

22 (4) Upon completion of the purchase of the Grand tower, the authori-
23 zation for the acquisition of various lease projects that contain pur-
24 chase options will be renewed at \$35,000,000.00.

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1 COLLEGES AND UNIVERSITIES

2 Sec. 801. (1) This section applies only to projects for community
3 colleges.

4 (2) State support is directed towards the remodeling and additions,
5 special maintenance, or construction of certain community college
6 buildings. The community college shall obtain or provide for site acqui-
7 sition and initial main utility installation to operate the facility.
8 Funding shall be comprised of local and state shares, and the state share
9 shall include 50% of any federal money awarded for projects appropriated
10 in this act. Not more than 50% of a capital outlay project, not includ-
11 ing a lump-sum special maintenance project or remodeling and addition
12 project, for a community college shall be appropriated from state and
13 federal funds.

14 (3) An expenditure under this act is authorized when the release of
15 the appropriation is approved by the board upon the recommendation of the
16 director. The director may recommend to the board the release of any
17 appropriation in part 1 only after the director is assured that the legal
18 entity operating the community college to which the appropriation is made
19 has complied with this act and has matched the amounts appropriated as
20 required by this act. A release of funds in part 1 shall not exceed 50%
21 of the total cost of planning and construction of any project, not
22 including lump-sum remodeling and additions and special maintenance.
23 Further planning and construction of a project authorized by this act or
24 applicable sections of the management and budget act, 1984 PA 431, MCL
25 18.1101 to 18.1594, shall be in accordance with the purpose and scope as
26 defined and delineated in the approved program statements and planning

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1 documents. This act is applicable to all projects for which planning
2 appropriations were made in previous acts.

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

11 Sec. 802. If matching revenues are received in an amount less than
12 the appropriations contained in this act, the state funds of the appro-
13 priation shall be reduced in proportion to the amount of matching revenue
14 received.

15 Sec. 803. Subject to section 801, a consortium comprised of a com-
16 munity college and a university may receive up to 100% of the total
17 project capital cost allocated to the participating university if all of
18 the following criteria are met and approved by the JCOS and the
19 department:

20 (a) The university and the community college have entered into a
21 binding consortium joint use agreement for use and maintenance of the
22 facility and for the pro rata offset of the community college's and
23 university's future state appropriations equal to the straight-line unde-
24preciated balance of the university's appropriated capital cost upon ter-
25 mination of the agreement prior to the minimum term requirements in sub-
26 division (b). Any appropriation offset required by this section shall be

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1 structured in a manner so as not to impair the rating or repayment of the
2 local funding mechanism.

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

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

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

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

12 Sec. 804. (1) The director may require that community colleges and
13 universities that have an authorized project listed in part 1 submit doc-
14 umentation regarding the project match and governing board approval of
15 the authorized project within 60 days after the beginning of the fiscal
16 year.

17 (2) If the documentation required by the director under subsection
18 (1) is not submitted, or does not adequately authenticate the availabil-
19 ity of the project match or board approval of the authorized project, the
20 authorization may terminate. The authorization terminates 30 days after
21 the director notifies the JCOS of the intent to terminate the project
22 unless the JCOS convenes to extend the authorization.

23 Sec. 805. The total project cost for the Michigan State University
24 science building renovations project authorized in 1996 PA 480 is
25 increased from \$80,600,000.00 to \$93,000,000.00 to cover cost overruns of
26 the project. The state building authority share is increased from

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1 \$60,499,900.00 to \$69,750,000.00; the GF/GP share remains at \$100.00; and
2 the university share is increased from \$20,100,000.00 to \$23,250,000.00.

3 Sec. 806. The \$12,000,000.00 capital outlay authorization in 1996
4 PA 321 at Kellogg Community College is renamed the computer technology
5 and academic center. The total authorized cost of the project remains at
6 \$12,000,000.00, state building authority share remains at \$5,999,900.00,
7 Kellogg Community College share remains at \$6,000,000.00, state general
8 fund share remains at \$100.00.

"Sec. 807. The total project cost for the North Central Michigan
College multipurpose facility and general campus renovations project
authorized in 1996 PA 321 is increased from \$7,935,000.00 to
\$10,000,000.00 to cover changes in the project. The State building
authority remains at \$3,967,400.00, the General Fund/General Purpose share
remains at \$100.00, and the college share is increased from \$3,967,500.00
to \$6,032,500.00"

9 DEPARTMENT OF MANAGEMENT AND BUDGET

10 Sec. 901. If the JCOS approves, the department, for purposes of
11 administrative and fiscal efficiency, may consolidate or discontinue fed-
12 eral surplus property warehouses administered pursuant to 1961 PA 139,
13 MCL 18.251 to 18.261.

14 Sec. 902. (1) The department shall provide the JCOS and the fiscal
15 agencies a report, 15 days after the reporting date, of privately owned
16 leased space by state agencies, by March 31 and September 30 of each
17 year, consisting of the following:

- 18 (a) Department.
- 19 (b) Agency division and leased number.
- 20 (c) Building location (address and city).
- 21 (d) Type of building.
- 22 (e) County.
- 23 (f) Name and address of lessor.
- 24 (g) Square footage and net square footage rate.

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1 (h) Monthly and annual cost.

2 (i) Date lease started and expires.

3 (j) Options and services.

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

7 Sec. 903. The department of management and budget may demolish,
8 dismantle, or otherwise dispose of the following surplus buildings:

9 (a) Department of community health buildings 11, 12, and 17 at the
10 Caro Center and Hawthorn Center Cottage building 1.

11 (b) Department of corrections: all buildings at Camp Baraga; build-
12 ings 9, 10, 21, and 64 at Camp Branch; the Chapel building at Cassidy
13 Lake; the abandoned garage at Camp Pellston; the M-unit building at Camp
14 Sauble; buildings 22 and 41 at Florence Crane; buildings H and I at the
15 Handlon Michigan Training Unit; building 60 at Marquette Branch Prison;
16 building 12 at Muskegon Correctional Facility; buildings 9, 15, and 20 at
17 Michigan Reformatory; buildings 22, 70, 73, 76, 77, 82, 88, 90, 102, 107,
18 111, 114, 115, 129, 131, 132, and 134, and the Peek Farm - Old Well House
19 at the State Prison of Southern Michigan; and building 15 and the Barn
20 and Root Cellar at Western Wayne.

21 Sec. 904. Of the revenue derived from the sale of the Clinton
22 Valley Mental Health Center of the department of community health, not
23 more than \$5,000,000.00 of the revenue shall be deposited to a restricted
24 account to offset the cost of demolition.

25 Sec. 905. The resources appropriated in section 102 for the prop-
26 erty acquisition for the state police are to be utilized towards the

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1 purchase of a land parcel adjacent to the state police headquarters
2 facility in Bridgeport.

3 **DEPARTMENT OF NATURAL RESOURCES**

4 Sec. 1001. The appropriation made in this act for the harbors and
5 docks program is for the purpose of participating with the federal gov-
6 ernment and assisting political entities and subdivisions of this state
7 in the construction and improvement of recreational boating facilities
8 within this state. Subject to the approval of the board, this money
9 shall be allocated by the department of natural resources to the federal
10 government, or to the political entities or local units of government
11 involved in the particular projects. An allocation shall not exceed the
12 state portion as listed with each project description. The department of
13 natural resources shall take the steps necessary to match federal money
14 available for the construction and improvement of recreational boating
15 facilities within this state, and to meet requirements of the federal
16 government.

17 Sec. 1002. (1) Before August 15, 1999, the department of natural
18 resources shall report each year to the JCOS the status of each project
19 that received an appropriation in any capital outlay act, if the project
20 is either not completed or has a balance remaining in its account. The
21 report shall be in the same form and contain the information as required
22 under section 407. The report shall be separated into the following
23 areas, by fund sources:

24 (a) Waterways projects.

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(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, 1984 PA 431, MCL 18.1248, 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. 1002a. The department of natural resources is authorized to utilize the following unexpended FY 1997-98 GF/GP appropriations for continued renovation of state offices in the Mason building. These funds shall be considered a work project appropriation as per section 451 of P.A. 504 of 1998, and shall not lapse but be carried into FY 1998-99.

ADMINISTRATIVE SERVICES

Budget and program support.....	300,000
Office of litigation and program services.....	100,000
TOTAL.....	400,000"

13 CAPITAL OUTLAY-NATURAL RESOURCES TRUST FUND

Sec. 1003. (1) The department of natural resources shall enter into agreements with local units of government for the purpose of administering the grants identified in section 104. Among other provisions, the agreements shall require that grant recipients agree to do all of the following:

(a) Dedicate to public recreation uses in perpetuity the land acquired.

(b) Replace lands converted or lost to other than public recreation use.

(c) Convey to the state any mineral interests acquired by the grant recipient with an exception allowed for a share of the mineral interests acquired, which share is based on the portion of the fair market value of

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1 the property that was provided by the local cash contribution of the
2 grant recipient.

3 (2) The agreements entered into under subsection (1) shall also pro-
4 vide the full payments of grants be made only after proof of acquisition
5 is submitted by the grant recipient and all costs are verified by the
6 department of natural resources.

7 Sec. 1004. The department of natural resources shall take steps
8 necessary to make available federal or other funds that may become avail-
9 able for the purpose for which appropriations are made in section 104 and
10 to use any or all of the appropriations to meet matching requirements
11 which are determined to be in the best interest of the state.

12 Sec. 1005. Any unobligated balance in any appropriation made under
13 section 104 shall not revert to the fund from which appropriated at the
14 close of the fiscal year, but shall continue until the purpose for which
15 it was appropriated is completed for a period not to exceed 3 fiscal
16 years. The unexpended balance of any appropriation made in section 104
17 remaining after the purpose for which it was appropriated is completed
18 shall revert to the Michigan natural resources trust fund and be made
19 available for appropriation.

20 Sec. 1006. If a person or organization has acquired an option on a
21 parcel of property prior to final determination by the department of nat-
22 ural resources and the Michigan natural resources trust fund board, the
23 property shall not be considered for acquisition unless the department
24 and board can demonstrate that a clear recreational advantage exists in
25 obtaining the parcel of property for the people of the state at a reason-
26 able fair market value.

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1 STATE TRANSPORTATION DEPARTMENT

2 Sec. 1101. (1) From federal-state-local project appropriations con-
3 tained in part 1 for the purpose of assisting political entities and sub-
4 divisions of this state in the construction and improvement of publicly
5 used airports and landing fields within this state, the state transporta-
6 tion department may permit the award of contracts on behalf of units of
7 local government for the authorized locations not to exceed the indicated
8 amounts, of which the state allocated portion shall not exceed the amount
9 appropriated in part 1.

10 (2) Political entities and subdivisions shall provide not less than
11 5% of the cost of any project under this section. State money shall not
12 be allocated until local money is allocated, and except as provided in
13 subsection (4) state money for any 1 project shall not exceed 1/3 of the
14 total appropriation in part 1 from state funds for airport improvement
15 programs.

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

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1 (4) From appropriations contained in part 1 for airport improvement
2 programs, \$4,300,000.00 of the state funds shall be used as state
3 resources for state funded components of the comprehensive northwest air-
4 lines midfield terminal project. The \$4,300,000.00 of state funds shall
5 be subject to audit by the auditor general.

6 Sec. 1102. On or before November 15 of each year, the state trans-
7 portation department shall report to the JCOS the projects funded from
8 the previous fiscal year capital outlay act and the proposed projects
9 with the estimated dollars for the current fiscal year. If there has to
10 be a delay in reporting, the department shall notify JCOS in writing of
11 the date the report can be received.

12 Sec. 1103. An aeronautics project proposed for funding with
13 federal-state-local appropriations contained in part 1 that includes
14 acquisition of an airport facility from a private owner or political sub-
15 division for operation by the state or by a political subdivision
16 requires line-item authorization in an appropriations act and is not
17 fundable with appropriations from the federal/local airport discretionary
18 contingencies account.

19 Sec. 1104. (1) Before August 15, 1999, the state transportation
20 department shall report each year to the JCOS the status of each project
21 that received an appropriation in any capital outlay act, if the project
22 is either not completed or has a balance remaining in its account. The
23 report shall be in the same form and contain the information as required
24 under section 407. The report shall be separated into all the following
25 areas:

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

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1 (i) Lump sums.

2 (ii) Construction.

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

4 (i) Lump sums.

5 (ii) Construction.

6 (2) A project request for reauthorization by the state transpor-
7 tion department shall also be identified within the reports required by
8 subsection (1). These reauthorization requests shall identify the sub-
9 section number of section 248 of the management and budget act, 1984
10 PA 431, MCL 18.1248, that provides the reason and justification for the
11 requested reauthorization.

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

14 Sec. 1105. A planning project or construction project appropriated
15 for the airport program shall be considered the same as a capital outlay
16 account and shall be subject to the requirements and restrictions stated
17 in this act relative to all capital outlay accounts for construction
18 unless otherwise expressly provided. This section does not apply to an
19 operating account otherwise established by law.

20

21

22 PART 2A

23 PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 1997-1998

24 **GENERAL SECTIONS**

25 Sec. 2101. Pursuant to section 30 of article IX of the state con-
26 stitution of 1963, total state spending from state resources in part 1A

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1 of this appropriation act is \$1,207,100.00. There is no local spending
2 pursuant to section 30 of article IX of the state constitution of 1963.

3 **CAPITAL OUTLAY**

4 Sec. 2102. (1) If the state budget director certifies to the senate
5 and house appropriations committees that sufficient general fund/general
6 purpose balances will exist at the close of the fiscal year ending
7 September 30, 1998, an amount not to exceed \$87,800,000.00 is appropri-
8 ated to the judiciary for design and construction of a new office facil-
9 ity and underground parking structure to be located in Lansing. If suf-
10 ficient funds are not available, the appropriation shall not be made. If
11 sufficient funds are available, the appropriation shall be made only
12 after the appropriations in section 204 of 1998 PA 273 have been
13 recorded.

14 (2) If sufficient state general fund/general purpose balances are
15 not available for the fiscal year ending September 30, 1998 to fully
16 finance the project in subsection (1), any amount needed to fully finance
17 the project after the available general fund/general purpose balances
18 have been applied shall be financed through the state building
19 authority.

20 (3) The capital outlay project described in subsection (1) shall be
21 funded for the purpose provided in a capital outlay appropriation act and
22 shall conform to the capital outlay processes and procedures described in
23 section 404. Capital outlay projects shall not be funded from operating
24 accounts unless approved by the department of management and budget and
25 the JCOS.

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1 (4) The program statement and schematic planning documents for the
2 above referenced project shall be reviewed by the department and, when
3 completed, shall be submitted to the JCOS for approval.

4 (5) Preliminary plans, final plans, and bid results for the above
5 referenced project shall be reviewed by the department and submitted to
6 the JCOS as either approved or not approved.

7 Sec. 2103. (1) The department shall provide the JCOS and the fiscal
8 agencies with reports as considered necessary relative to the status of
9 the project as financed in section 2102.

10 (2) Before August 15, 1999, the department shall report the follow-
11 ing to the JCOS and the fiscal agencies for the project referenced in
12 section 2102:

13 (a) The account number and name of each construction project.

14 (b) The balance remaining in each account.

15 (c) The date of the last expenditure from the account.

16 (d) The anticipated date of occupancy if the project is under
17 construction.

18 (e) The appropriation history for the project.

19 (f) The professional service contractor.

20 (g) The total authorized cost for the project and the state autho-
21 rized share if different than the total.

22 DEPARTMENT OF MICHIGAN JOBS COMMISSION

23 Sec. 2104. (1) The appropriation in section 101 of 1997 PA 104 to
24 the department of Michigan jobs commission for economic development job
25 training shall be expended for competitive grants that provide economic

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1 development job training and may include social services/vocational job
2 club training, job placement, or job retention services.

3 (2) Not more than 2% of the total grant, administration, and operat-
4 ing funds appropriated in section 101 of 1997 PA 104 for the department
5 of Michigan jobs commission's economic development job training grants
6 program may be expended for administrative costs.

7 (3) Funds appropriated in section 101 of 1997 PA 104 to the depart-
8 ment of Michigan jobs commission for economic development job training
9 grants shall not be expended for the training of permanent striker
10 replacement workers.

11 (4) Seventy percent of the economic development job training grant
12 funds described in this section shall be awarded to community colleges or
13 a consortium of community colleges and other eligible applicants pursuant
14 to the requirements of section 406 of 1997 PA 104.

15 (5) Training grants provided by the private sector trainers may
16 reach or exceed 20% of total grants, but not be less than 10% of total
17 grants.

18 (6) An applicant may be a district, intermediate district, community
19 college, public or private nonprofit college or university, nonprofit
20 organization whose primary purpose is to provide education programs or
21 employment and training services or vocational rehabilitation programs or
22 school-to-work transition programs, local workforce development board,
23 the headquarters of a federal and state sponsored manufacturing technol-
24 ogy center, or a consortium consisting of any combination of districts,
25 intermediate districts, community colleges, nonprofit organizations
26 described in this subsection, or public or private nonprofit colleges or
27 universities described in this subsection.

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1 (7) On or before October 1, 1997, the department of Michigan jobs
2 commission shall publish proposed application criteria, instructions, and
3 forms for use by eligible applicants. The department of Michigan jobs
4 commission shall provide at least a 2-week period of public comment prior
5 to finalization of the application criteria, instructions, and forms.

6 (8) Applications for all grants shall be submitted to the department
7 of Michigan jobs commission, and each application shall contain at least
8 all of the following:

9 (a) The name, address, and total number of employees of each busi-
10 ness organization whose employees are receiving job training.

11 (b) A description of the specific job skills that will be taught.

12 (c) A clear statement of the project's scope of activities, the
13 number of participants to be involved, the number of participants who
14 have been an employee of the business organization for at least 30 days
15 before the date of application who are at risk of becoming unemployed
16 unless trained in the program, and the number of participants who are
17 either a new employee within 30 days of the date of application or who
18 will become a new employee of the business organization as a result of
19 the individual's participation in the program.

20 (d) A management plan and description of staff responsibilities.

21 (e) A commitment to maintain participant records in a form and
22 manner required by the department.

23 (f) A budget that relates to the proposed activities and various
24 program components and that demonstrates whether the estimated costs are
25 reasonable and justified. Estimated costs include, but are not limited
26 to, necessary child care, necessary transportation, job development, the
27 cost of an annual audit performed by a certified public accountant, and

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1 the cost of any tests required to demonstrate successful completion of a
2 program. A budget shall include revenues from all sources of funding,
3 total costs, and costs per participant.

4 (g) A demonstration of training commitment made by the business
5 organization on employee training for the 5-year period immediately pre-
6 ceding application for state grant assistance and evidence that the
7 training would not occur but for the state assistance.

8 (h) Evidence that the training will strengthen the state's economic
9 base and provide participants with the skills necessary for long-term
10 employment.

11 (i) Evidence that the grant will not supplant other available public
12 or private job training funds.

13 (j) Evidence of collaboration with appropriate community and busi-
14 ness organizations.

15 (9) The priority of the department's award of grants shall be based
16 on the following criteria:

17 (a) A demonstrated need for the type of training offered and pros-
18 pects for participant job placement or job retention and for strengthen-
19 ing the state's economic base.

20 (b) The average state unemployment rate for the 12-month period
21 immediately preceding application for state grant assistance for the
22 locality of the business organization.

23 (c) The number of persons who will become employed as a result of
24 participation in the proposed program and the number of persons at risk
25 of becoming unemployed to be trained in the program.

26 (d) The qualifications of the project director and key personnel who
27 will administer the program.

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1 (e) The availability of appropriate classroom space, materials, and
2 equipment.

3 (f) The cost per participant and participant contact hours of
4 training.

5 (g) The strength of commitment to guaranteed job placement upon com-
6 pletion of training.

7 (h) Collaboration with appropriate community and business
8 organizations.

9 (i) The inclusion of an evaluation plan that will provide an assess-
10 ment of the impact of the training program on participant job placement
11 and job retention and on strengthening the state's economic base.

12 (j) The extent to which the proposals maximize other federal, local,
13 private, or in-kind financial contributions.

14 (k) The extent to which the proposal supports workforce development
15 for small business organizations with not more than 250 employees
16 worldwide.

17 (l) Other criteria determined by the department of Michigan jobs
18 commission to be important in achieving the objectives of the program.

19 (10) Not more than \$5,000,000.00 of the amount appropriated in sec-
20 tion 101 of 1997 PA 104 for economic development job training may be
21 allocated to rapid response grants for employee training programs that
22 maintain or attract permanent jobs for Michigan residents. A grant under
23 this subsection shall be awarded to eligible applicants under this part
24 by the chief executive officer of the department of Michigan jobs
25 commission.

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1 (11) Participants in economic development job training programs
2 shall be 16 years or older and not enrolled and counted in membership in
3 a school district or intermediate school district.

4 (12) Not later than 60 days after the completion of the grant
5 period, grant recipients shall provide an evaluation report on the educa-
6 tional and employment outcomes of the participants in the program in a
7 form and manner prescribed by the department of Michigan jobs
8 commission.

9 (13) A grant awarded under this section may extend beyond the end of
10 the fiscal year in which the grant is awarded, and the funds awarded for
11 the grant may be carried over into the next fiscal year for payment in
12 the next fiscal year. Unexpended and unencumbered amounts remaining in
13 the fiscal year ending September 30, 1998, from economic development job
14 training grants awarded prior to September 15, 1997, may be used to award
15 additional economic development job training grants during the fiscal
16 year ending September 30, 1998. Unexpended and unencumbered amounts
17 remaining in the fiscal year ending September 30, 1998 may be appropri-
18 ated from economic development job training grants awarded in fiscal
19 years prior to and including fiscal year 1998 and may be used to cover
20 employment service activities costs disallowed by the United States
21 department of labor.

22 (14) A recipient of a grant under this section shall not charge
23 tuition or fees to participants in the program funded by the grant.
24 However, a nonprofit organization may charge tuition or fees if the
25 tuition plan or fees are recognized by the state and the nonprofit organ-
26 ization receives additional funding from other governmental or private
27 funding sources for its programs.

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1 (15) If a participant in a program funded under this section is an
2 employee of a business organization whose employees are receiving job
3 training under the program and the participant was an employee of that
4 business organization prior to 30 days before the date of the grant
5 application, the business organization shall provide at least 25% of the
6 program's costs, excluding the costs of the participant's wages for the
7 time participants are involved in program training. For purposes of
8 meeting the 25% match requirement, small business organizations with not
9 more than 250 employees worldwide at the time of application may include
10 the costs of pretraining needs assessments and wages paid to participants
11 while enrolled in training. This subsection does not apply to an indi-
12 vidual who becomes a new employee of a business organization as a result
13 of the individual's participation in the program.

14 (16) A grant awarded to an economic development job training grant
15 recipient that guarantees a predetermined number of specified jobs for
16 new employees that are directly related to the participant's area of
17 training or for existing employees shall be paid to the grant recipient
18 according to the following schedule:

19 (a) 40% of the grant amount shall be paid within 30 days after the
20 grant is awarded.

21 (b) 40% of the grant amount shall be paid at the completion of the
22 training period, after the grant recipient submits to the department an
23 interim report specifying actual costs of the training program and train-
24 ing outcomes of the students.

25 (c) 20% of the grant amount shall be paid at the conclusion of the
26 grant period, as determined by the department.

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1 (17) A recipient of a grant under this section shall allow the
2 department of Michigan jobs commission or the department's designee to
3 audit all records related to the grant for all entities that receive
4 money, either directly or indirectly through a contract, from the grant
5 funds. A grant recipient or contractor shall reimburse the state for all
6 disallowances found in the audit.

7 (18) The department of Michigan jobs commission shall provide to the
8 department of management and budget and the house and senate fiscal agen-
9 cies within 10 days after the end of each quarter of the state fiscal
10 year a report specifying all of the following:

11 (a) The amount and recipient of each grant or contract awarded
12 during that quarter.

13 (b) The number of participants under each grant or contract and the
14 number of new hires who are in training under the grant.

15 (c) The names, addresses, and total number of employees of all busi-
16 ness organizations for whom training is or will be provided.

17 (d) The matching funds, if any, to be provided by a business
18 organization.

19 **DEPARTMENT OF TREASURY**

20 Sec. 2105. (1) Of the \$10,000,000.00 appropriated in 1997 PA 111 to
21 the state community policing program, \$6,506,000.00 shall be expended for
22 state grants to local communities receiving notice from the department of
23 treasury of a state financial assistance award and subject to the terms
24 and conditions contained within the community policing grant agreement.

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1 (2) Additional officers hired under the state community policing
2 grant program are encouraged to participate in training for community
3 policing through a Michigan law enforcement officers' training council
4 approved program. Participation in training for community policing shall
5 not be a condition for receiving state community policing grant funds.

6 (3) The remaining appropriation of \$3,494,000.00 shall be expended
7 for technology and equipment grants and allocated to local communities
8 for applications submitted to the department of management and budget on
9 or before June 30, 1998.

10 (4) An award distributed under subsection (3) shall not exceed
11 \$500,00.00 or the amount of state assistance requested under the applica-
12 tion submitted on or before June 30, 1998, whichever is less.

13 (5) The department of treasury shall issue a single payment to grant
14 recipients described in subsections (1) and (3) without regard to the
15 number of years contained in a federal grant agreement under the federal
16 community oriented policing services program.

17 **HIGHER EDUCATION**

18 Sec. 2106. The amount appropriated in part 1A for the school of
19 aviation sciences at Western Michigan University shall be considered a
20 work project and funds may be carried forward into the fiscal year ending
21 September 30, 1999.

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1 MISCELLANEOUS

2 Enacting section 1. Section 406 of 1997 PA 104 and section 959d of
3 1997 PA 111 are repealed.