

Act No. 538
Public Acts of 1998
Approved by the Governor
January 18, 1999
Filed with the Secretary of State
January 19, 1999
EFFECTIVE DATE: January 19, 1999

STATE OF MICHIGAN
89TH LEGISLATURE
REGULAR SESSION OF 1998

Introduced by Senators Gast, McManus, Gougeon, Geake and Steil

ENROLLED SENATE BILL No. 906

AN ACT 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 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:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. SUMMARY

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

CAPITAL OUTLAY

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

Sec. 102. DEPARTMENT OF MANAGEMENT AND BUDGET

Lump sum projects:

Special maintenance, remodeling and additions:

For state agencies special maintenance projects estimated to cost more than \$100,000 but less than \$1,000,000	\$	4,500,000
For department of community health special maintenance, remodeling and addition projects at various ICF/MR and state psychiatric facilities.		2,000,000
Major special maintenance and remodeling for department of corrections		3,000,000
Major special maintenance and remodeling for department of community health		1,500,000
Demolition of Clinton Valley mental health center		5,000,000
Renovations of print center at secondary complex		2,300,000
Fairlawn center maintenance grant		1,200,000
Planning grant for new forensic center in Ypsilanti		1,000,000
Property acquisition grant for state police post in Bridgeport		100,000
GROSS APPROPRIATION	\$	20,600,000

Appropriated from:

Interdepartmental grant revenues:

IDG from building occupancy charges		4,500,000
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Federal revenues:

HHS-HCFA, Title XIX, intermediate care facilities for the mentally retarded and state psychiatric facilities		2,000,000
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Special revenue funds:

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

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

Delta Community College - campus renovations II - for program and planning to be paid for from college revenues	\$	100
Lake Superior State University - arts classroom building - for program and planning to be paid for from university revenues	\$	100
Monroe County Community College - business and technical center, library and welding and fastening project - for program and planning to be paid for from college revenues	\$	100
Mott Community College - regional technology center building - for program and planning to be paid for from college revenues	\$	100
University of Michigan - school of natural resources and environmental planning - for program and planning to be paid for from university revenues	\$	100
Wayne State University - university wellness center building - for program and planning to be paid for from university revenues	\$	100
Department of corrections - multilevel correctional facility at Ionia authorized in 1998 PA 273 - to revise and establish funding shares (total authorized cost increased to \$82,000,000, state building authority share \$32,999,900, federal share increased to \$49,000,000, state general fund share \$100)	\$	0
GROSS APPROPRIATION	\$	600

Appropriated from:

State general fund/general purpose	\$	600
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Sec. 103. DEPARTMENT OF MILITARY AFFAIRS

Lump sum projects:

For department of military affairs remodeling and additions and special maintenance projects	\$	2,175,000
GROSS APPROPRIATION	\$	2,175,000

Appropriated from:

Federal revenues:

DOD, department of the army, national guard bureau	\$	1,548,000
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Special revenue funds:

State general fund/general purpose	\$	627,000
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Sec. 104. DEPARTMENT OF NATURAL RESOURCES

(1) STATE PARKS

State parks remodeling and additions	\$	2,500,000
GROSS APPROPRIATION	\$	2,500,000

Appropriated from:

Special revenue funds:

State park improvement fund	\$	1,500,000
State park endowment fund		1,000,000
State general fund/general purpose	\$	0

(2) WILDLIFE

Blocking-in Michigan game/wildlife areas	\$	3,400,000
Waterfowl habitat acquisition		900,000
Statewide waterfowl habitat development and acquisition		900,000
GROSS APPROPRIATION	\$	5,200,000

Appropriated from:

Federal revenues:

DOI		2,950,000
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Special revenue funds:

Private funds		450,000
Game and fish protection fund, turkey permit fees		1,400,000
Game and fish protection fund, duck stamp		400,000
State general fund/general purpose	\$	0

(3) WATERWAYS BOATING PROGRAM

Boating program, planning lump sum	\$	850,000
Boating program, field initiatives lump sum		1,060,000
Boating program, state boating access projects		1,585,000

Boating program, boating access sites, grants-in-aid:

Whitewater Township, Elk Lake launch, Antrim County (total project cost \$128,500; state share \$96,400)		96,400
Bay County, Independence Park launch (total project cost \$1,425,000; state share \$1,425,000)		425,000
Genesee County Parks, C.S. Mott Lake restroom building (total project cost \$200,000; state share \$140,000)		140,000
Pere Marquette Township, launch upgrade, Mason County (total project cost \$46,500; state share \$46,500)		46,500
City of Grand Haven, Grand River launch, Ottawa County (total project cost \$39,300; state share \$29,500)		29,500
Harbor Island launch, City of Grand Haven, Ottawa County (total project cost \$927,000; state share \$695,300)		695,300
Black River launch expansion, City of South Haven, Van Buren County (total project cost \$171,300; state share \$128,500)		128,500
Small grants program, various counties (maximum allowable grant: \$10,000)		100,000
East Tawas mooring restroom building, Iosco County (total project cost \$675,000; state share \$675,000)		250,000
Boating program, harbor development projects		5,100,000

Boating harbor projects, grants-in-aid:

Breakwater upgrade, Village of Elk Rapids, Antrim County (total project cost \$650,000; state share \$325,000)		325,000
City of East Tawas, Newman Street upgrade (total project cost \$520,000; state share \$60,000) ...		60,000
City of St. Joseph, mooring expansion, Berrien County (total project cost \$350,000; state share \$350,000)		350,000
City of Escanaba, restroom building, Delta County (total project cost \$525,000; state share \$262,500)		262,500
GROSS APPROPRIATION	\$	11,503,700

Appropriated from:

Federal revenues:

DOI, U.S. fish and wildlife service, Dingell-Johnson		1,500,000
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Special revenue funds:

Michigan state waterways fund		4,903,700
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		For Fiscal Year Ending Sept. 30, 1999
Harbor development fund	\$	5,100,000
State general fund/general purpose	\$	0
(4) REAL ESTATE		
Farmland and open space development acquisition	\$	5,000,000
GROSS APPROPRIATION	\$	5,000,000
Appropriated from:		
Special revenue funds:		
Farmland and open space withdrawal fees		5,000,000
State general fund/general purpose	\$	0
(5) FOREST RESOURCE MANAGEMENT		
Replacement of equipment repair facility in Gaylord	\$	1,500,000
GROSS APPROPRIATION	\$	1,500,000
Appropriated from:		
State general fund/general purpose	\$	1,500,000
Sec. 104a. NATURAL RESOURCES TRUST FUND		
Natural resources trust fund projects	\$	11,119,400
GROSS APPROPRIATION	\$	11,119,400
Appropriated from:		
Special revenue funds:		
Michigan natural resources trust fund		11,119,400
State general fund/general purpose	\$	0
Michigan natural resources trust fund acquisition projects (by priority):		
Cheboygan-Gaylord trail - phase II, Cheboygan County (#98-191)		
CN rail yard acquisition, St. Clair County (grant-in-aid to St. Clair County) (#98-118)		
Chocolay multi-use trails, Marquette County (grant-in-aid to Chocolay Township) (#98-041)		
Hartland Township park, Livingston County (grant-in-aid to Hartland Township) (#98-007)		
Holton recreation and nature center, Muskegon County (grant-in-aid to Holton Township) (#98-084)		
Little Traverse Bay view park, Emmet County (grant-in-aid to Emmet County) (#98-037)		
Lakeshore property acquisition, Baraga County (grant-in-aid to village of L'Anse) (#98-043)		
Maxwell property purchase (Crow Island state game area), Saginaw County (#98-210)		
Oakwood road land acquisition, Oakland County (grant-in-aid to Oxford Township) (#98-013)		
Hillsdale's project preserve, Hillsdale County (grant-in-aid to city of Hillsdale) (#98-051)		
Southgate nature center, Wayne County (grant-in-aid to city of Southgate) (#98-106)		
Bridge to bay trail, St. Clair County (grant-in-aid to city of Marine City) (#98-110)		
Maceday Lake waterfront park acquisition, Oakland County (grant-in-aid to Waterford Township) (#98-121)		
Highland Township park, Oakland County (grant-in-aid to Highland Township) (#98-135)		
Gratiot-Isabella regional education service district land lab, Gratiot County (grant-in-aid to Gratiot County)		
(#98-039)		
State forest lump sum (#98-188)		
Little Sand Bay, Beaver Island, Charlevoix County (#98-190)		
Depot beach park land acquisition, Charlevoix County (grant-in-aid to city of Charlevoix) (#98-077)		
Michigan natural resources trust fund development projects (by priority):		
Ann Arbor railroad park/Betsie valley trail head development, Benzie County (grant-in-aid to village of Elberta)		
(#98-033)		
Rogue River park redevelopment, Kent County (grant-in-aid to Kent County) (#98-099)		
Portage Creek bicentennial park trail development, Kalamazoo County (grant-in-aid to City of Portage) (#98-145)		
27th street railtrail, Bay County (grant-in-aid to city of Bay City) (#98-006)		
Flat River trail, Montcalm County (grant-in-aid to city of Greenville) (#98-097)		
Sterling state park - accessible wetlands interpretive trail, Monroe County (#98-206)		
Rogers City linkage plan, Presque Isle County (grant-in-aid to city of Rogers City) (#98-140)		
Orin McPherson/scout park development, Oakland County (grant-in-aid to city of Hazel Park) (#98-078)		
Rambadt park restrooms and linear park improvement, Osceola County (grant-in-aid to city of Reed City) (#98-109)		
Musketawa trail: Musketon-Ravenna, Muskegon County (#98-197)		
Wixom habitat development, Oakland County (grant-in-aid to city of Wixom) (#98-079)		
Huron valley trail construction, Oakland County (grant-in-aid to western Oakland County railway management council) (#98-096)		

Sec. 105. DEPARTMENT OF TRANSPORTATION

STATE TRUNKLINE FUND

Department buildings and facilities:

Purchase property, various locations	\$	75,000
Construct, renovate regional offices, various locations (total project cost \$10,000,000)		2,500,000
Construct, renovate salt storage buildings, various locations (total project cost \$3,600,000)		600,000
Covered salt storage facilities and brine run-off systems (total project cost \$10,875,000)		1,000,000
Equipment storage buildings, various locations (total project cost \$2,685,000)		400,000
Install, replace hydraulic floor hoists, various locations (total project cost \$2,580,000)		240,000
Rest room, lunch room modifications, various locations		100,000
Reroof, fence, bituminous surfacing, various locations		500,000
Office construction, modification, Paw Paw repair facility		200,000
Office construction, modification, Saginaw maintenance garage		300,000
Office construction, modification, Atlanta maintenance garage		300,000
Institutional and agency roads		750,000

Remodeling and additions:

Expand/renovate Metro district office, Southfield (total project cost \$4,120,000)		550,000
Miscellaneous remodeling, additions, emergency maintenance		500,000
ADA modifications, various MDOT facilities (total project cost \$3,000,000)		500,000
MIOSHA projects, various locations (total project cost \$1,560,000)		140,000

Environmental pollution control measures:

Environmental pollution, site investigations, clean-up, various locations (total project cost \$16,800,000)		500,000
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Energy savings modifications and upgrade:

Energy savings modifications, upgrade lighting, various locations (total project cost \$5,250,000).		550,000
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GROSS APPROPRIATION	\$	9,705,000
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Appropriated from:

Special revenue funds:

State trunkline fund		9,705,000
State general fund/general purpose	\$	0

Sec. 106. DEPARTMENT OF TRANSPORTATION

AERONAUTICS FUND: AIRPORT PROGRAMS

Airport improvement programs	\$	97,640,000
Adrian - Lenawee County airport		
Allegan - Padgham field		
Alpena - Alpena County regional airport		
Ann Arbor - Ann Arbor municipal airport		
Atlanta - Atlanta municipal airport		
Bad Axe - Huron County memorial airport		
Battle Creek - W.K. Kellogg airport		
Bay City - James Clements airport		
Benton Harbor - Southwest Michigan regional airport		
Bellaire - Antrim County airport		
Big Rapids - Roben-Hood airport		
Caseville - Bay area airport		
Cheboygan - Cheboygan County airport		
Detroit - Berz-Macomb airport		
Detroit - Detroit City airport		
Detroit - Gross Ile municipal airport		
Detroit - Detroit metropolitan airport, Wayne County airport		
Detroit - Willow Run airport		
Dowagiac - Dowagiac municipal airport		
East Jordan - East Jordan city airport		
Escanaba - Delta County airport		
Flint - Bishop international airport		
Frankfort - Frankfort Dow memorial airport		
Gaylord - Otsego County airport		
Gladwin - Zettel memorial airport		

Grand Haven - Memorial airpark		
Grand Rapids - Kent County international airport		
Greenville - Greenville municipal airport		
Gwinn - Sawyer airport		
Hancock - Houghton County memorial airport		
Hart Shelby - Oceana County airport		
Hessel - Albert J. Lindberg airport		
Hillsdale - Hillsdale municipal airport		
Holland - Tulip city airport		
Howell - Livingston County airport		
Ionia - Ionia County airport		
Iron County - county airports		
Iron Mountain - Ford airport		
Jackson - Jackson County Reynolds field		
Kalamazoo - Kalamazoo/Battle Creek international airport		
Kalkaska - Kalkaska airport		
Lambertville - Toledo suburban airport		
Lansing - Capital city airport		
Lapeer - Dupont-Lapeer airport		
Lewiston - Garland airport		
Manistee - Manistee County Blacker airport		
Marine City - Marine City airport		
Mason - Mason Jewett field		
MDOT - state system plan		
Midland - Jack Barstow airport		
Monroe - Custer airport		
Mt. Pleasant - Mt. Pleasant municipal airport		
Muskegon - Muskegon County airport		
Newberry - Luce County airport		
New Haven - Macomb County airport		
New Hudson - New Hudson airport		
Niles - Jerry Tyler memorial airport		
Oscoda - Wurtsmith airport		
Pellston - Pellston regional airport		
Pontiac - Oakland County international airport		
Romeo - Romeo airport		
Saginaw - MBS international airport		
Sandusky - Sandusky city airport		
Sault St. Marie - Chippewa County airport		
SEMCOG - regional system plan		
South Haven - South Haven area regional airport		
Sparta - Sparta airport		
Statewide - State/local capital improvement projects/navigational aids safety projects		
Sturgis - Kirsch municipal airport		
Thompsonville - Thompsonville airport		
Three Rivers - Three Rivers municipal airport, Dr. Haines airport		
Traverse City - Cherry capital airport		
Troy - Oakland/Troy airport		
Weidman - Lake Isabella air park		
West Branch - West Branch community airport		
GROSS APPROPRIATION.....	\$	97,640,000
Appropriated from:		
Federal revenues:		
DOT, federal aviation administration		65,511,000
Special revenue funds:		
Local aeronautics match		23,129,000
State aeronautics fund		4,000,000
State general fund/general purpose	\$	5,000,000

For Fiscal Year
Ending Sept. 30,
1999

Sec. 107. GRANTS - STATE BUILDING AUTHORITY RENT

State building authority rent - state agencies	\$	(945,100)
State building authority rent - department of corrections		(2,235,300)
State building authority rent - universities.....		(3,013,300)
State building authority rent - community colleges.....		(306,300)
GROSS APPROPRIATION.....	\$	(6,500,000)
Appropriated from:		
State general fund/general purpose	\$	(6,500,000)

PART 1A

LINE-ITEM APPROPRIATIONS FOR FISCAL YEAR 1997-1998

Sec. 121. SUMMARY

The amounts listed in this part are appropriated for the various state departments and agencies, subject to the conditions set forth in this act, for the fiscal year ending September 30, 1998, from the funds identified in this part. The following is a summary of the appropriations in this part:

APPROPRIATION SUMMARY:

GROSS APPROPRIATION.....	\$	1,207,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION.....	\$	1,207,100
Federal revenues:		
Total federal revenues		0
Special revenue funds:		
Total local revenues		0
Total private revenues.....		0
Total other state restricted revenues.....		0
State general fund/general purpose	\$	1,207,100

Sec. 122. DEPARTMENT OF AGRICULTURE

MICHIGAN STATE FAIR

Michigan state fair operations.....	\$	707,100
GROSS APPROPRIATION.....	\$	707,100
Appropriated from:		
State general fund/general purpose	\$	707,100

Sec. 123. HIGHER EDUCATION

WESTERN MICHIGAN UNIVERSITY

School of aviation sciences	\$	500,000
GROSS APPROPRIATION.....	\$	500,000
Appropriated from:		
State general fund/general purpose	\$	500,000

PART 2

PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 1998-1999

GENERAL SECTIONS

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state sources for fiscal year 1998-1999 is estimated at \$58,855,700.00 in part 1 of this appropriation act and state spending from state sources paid to local units of government for fiscal year 1998-1999 is estimated at \$17,311,300.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

CAPITAL OUTLAY

Department of natural resources - waterways	\$	973,500
State transportation department - state aeronautics program.....		9,000,000
Grant-in-aid acquisition projects.....	\$	4,609,100
CN rail yard acquisition, St. Clair County		
Chocolay multi-use trails, Marquette County		
Hartland Township park, Livingston County		
Holton recreation and nature center, Muskegon County		
Little Traverse Bay view park, Emmet County		
Lakeshore property acquisition, Baraga County		
Oakwood Road land acquisition, Oakland County		
Hillsdale's project preserve, Hillsdale County		
Southgate nature center, Wayne County		
Bridge to bay trail, St. Clair County		
Maceday Lake waterfront park acquisition, Oakland County		
Highland Township park, Oakland County		
Gratiot-Isabella regional education service district land lab, Gratiot County		
Depot beach park land acquisition, Charlevoix County		
Grant-in-aid development projects.....	\$	2,728,700
Ann Arbor railroad park/Betsie valley trail head development, Benzie County		
Rogue River park redevelopment, Kent County		
Portage Creek bicentennial park trail development, Kalamazoo County		
27th Street railtrail, Bay County		
Flat River trail, Montcalm County		
Rogers City linkage plan, Presque Isle County		
Orin McPherson/scout park development, Oakland County		
Rambadt park restrooms and linear park improvement, Osceola County		
Wixom habitat development, Oakland County		
Huron valley trail construction, Oakland County		
Total	\$	17,311,300

(2) If it appears to the principal executive officer of a department or branch that state spending to local units of government will be less than the amount that was projected to be expended under subsection (1), the principal executive officer shall immediately give notice of the approximate shortfall to the state budget director.

Sec. 202. As used in this act:

- (a) "ADA" means the Americans with disabilities act.
- (b) "Board" means the state administrative board.
- (c) "Community college" does not include a state agency or university.
- (d) "Department" means the department of management and budget.
- (e) "Director" means the director of the department of management and budget.
- (f) "DOD" means the United States department of defense.
- (g) "DOI" means the United States department of interior.
- (h) "Fiscal agencies" means the senate fiscal agency and the house fiscal agency.
- (i) "HHS-HCFA" means the United States department of health and human services, health care financing administration.
- (j) "ICF/MR" means intermediate care facilities for the mentally retarded.
- (k) "IDG" means interdepartmental grant.
- (l) "JCOS" means the joint capital outlay subcommittee of the appropriations committees.
- (m) "MDOT" means the Michigan department of transportation.
- (n) "MIOSHA" means the Michigan occupational safety and health act, 1974 PA 154, MCL 408.1001 to 408.1094.
- (o) "Self-liquidating project" means a project constructed by a community college or university with money raised through the use of a debt instrument or other fund sources including, but not limited to, gifts, grants, federal funds, or institutional sources, which is expected to generate revenues to amortize the loan. A self-liquidating project may or may not be a self-supporting project. Examples of a self-liquidating project include dormitories, parking facilities, and stadia.
- (p) "Self-supporting project" means a project of a community college or university that will house a function or activity from which revenue is generated that will cover all the direct and indirect operating costs of the project without the additional transfer of any other general fund money of the community college or university.

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

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

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

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

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

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

DEPARTMENT OF CORRECTIONS

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

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

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

CAPITAL OUTLAY PROCESSES, PROCEDURES, AND REPORTS

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

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

Sec. 403. (1) A capital outlay project shall be funded by an appropriation for the purpose provided in a capital outlay appropriation act and must conform to the capital outlay processes and procedures as described in sections 404 and 405 and this section. Capital outlay projects shall not be funded from operating accounts unless approved by the department and the JCOS.

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

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

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

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

Sec. 404. (1) For state agency capital outlay projects or facilities, the department is responsible for development, oversight, review, and approval of program statements, studies, designs, plans, management, specifications, contract documents, construction management, and construction, relative to the acquisition, construction, lease purchase, improvement, demolition, or other capital outlay projects for state agencies for which an appropriation or other authorization has been made.

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

(a) Prepare program statements, studies, designs, plans, and specifications for the construction of, repairing of, making additions to, remodeling or demolition of, lease purchase of, or acquisition of state facilities.

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

(3) The department may obtain independent testing services to provide quality control of work performed on facilities.

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

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

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

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

(4) The department shall review the selection of architects, engineers, construction managers, and other design or construction professional service contractors.

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

(a) Review the construction bid.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) The balance remaining in each account.

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

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

(e) The appropriations history for the project.

- (f) The professional service contractor.
 - (g) The amount of a project financed with federal funds.
 - (h) The amount of a project financed through the state building authority.
 - (i) The total authorized cost for the project and the state authorized share if different than the total.
- (3) Before August 15, 1999, the department shall report the following for each project by a state agency, university, or community college that is authorized for planning but is not yet authorized for construction:
- (a) The name of the project and account number.
 - (b) Whether a program statement is approved.
 - (c) Whether schematics are approved by the department.
 - (d) Whether preliminary plans are approved by the department.
 - (e) The name of the professional service contractor.
- (4) As used in this section, "project" includes appropriation line items made for purchase of real estate.

Sec. 408. (1) If a capital outlay appropriation is contained in a public act that was not reviewed by the JCOS during the legislative process, the director shall notify the JCOS of an expenditure of that capital outlay appropriation not less than 60 days before the expenditure.

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

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

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

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

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

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

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

USE AND FINANCE STATEMENTS

Sec. 501. (1) A state agency, university, or community college shall not let a contract for new construction of a self-liquidating project estimated to cost more than \$1,000,000.00 unless the project is authorized by the JCOS. The request for legislative authorization shall be initially submitted for review to the JCOS and the department. A nonstate-funded project request shall include a complete use and financing statement as defined by a policy adopted by the JCOS. The

use and financing statement for a self-liquidating or self-supporting project shall contain the estimated total construction cost and all associated estimated operating costs including a statement of anticipated revenues. As used in this section, "new construction" includes land or property acquisition, remodeling and additions, and maintenance projects.

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

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

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

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

LUMP SUMS AND SPECIAL MAINTENANCE

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

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

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

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

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

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

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

STATE BUILDING AUTHORITY

Sec. 701. (1) Subject to the provisions of section 242 of the management and budget act, 1984 PA 431, MCL 18.1242, and upon the approval of the state building authority, the department may expend from the general fund of the state during the fiscal year ending September 30, 1999 an amount to meet the cash flow requirements of those state building authority projects solely for lease to a state agency identified in both part 1 and this section, and for which state building authority bonds or notes have not been issued, and for the sole acquisition by the state building authority of equipment

and furnishings for lease to a state agency as permitted by 1964 PA 183, MCL 830.411 to 830.425, for which the issuance of bonds or notes is authorized by a legislative concurrent resolution that is effective for a fiscal year ending September 30, 1999. Any general fund advances for which state building authority bonds have not been issued shall bear an interest cost to the state building authority at a rate not to exceed that earned by the state treasurer's common cash fund during the period in which the advances are outstanding and are repaid to the general fund of the state.

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

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

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

Sec. 702. (1) State building authority funding to finance construction or renovation of a facility that collects revenue in excess of money required for the operation of that facility shall not be released to a university or community college unless the institution agrees to reimburse that excess revenue to the state building authority. The excess revenue shall be credited to the general fund to offset rent obligations associated with the retirement of bonds issued for that facility. The auditor general shall annually identify and present an audit of those facilities that are subject to this section. Costs associated with the administration of the audit shall be charged against money recovered pursuant to this section.

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

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

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

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

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

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

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

Sec. 705. It is the intention of the legislature that the University of Michigan take the necessary actions to ensure that eligible interest reimbursements from Medicare and Medicaid programs are made available to the state to satisfy part of the amount appropriated for the University of Michigan adult general hospital facility rent appropriation of \$27,917,000.00 contained within the state building authority rent appropriation in part 1. To the extent of a difference between the estimated and actual amount received, there is appropriated from the general fund of the state the amounts necessary to satisfy the hospital rental requirements of the state building authority's 1986 revenue refunding bonds, series I. To the extent payments made to the state by the University of Michigan are required to be reimbursed pursuant to the agreement with the University of Michigan, there is appropriated from the general fund the amount necessary for such reimbursement.

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

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

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

(4) Upon completion of the purchase of the Grand tower, the authorization for the acquisition of various lease projects that contain purchase options will be renewed at \$35,000,000.00.

COLLEGES AND UNIVERSITIES

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

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

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

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

Sec. 802. If matching revenues are received in an amount less than the appropriations contained in this act, the state funds of the appropriation shall be reduced in proportion to the amount of matching revenue received.

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

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

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

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

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

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

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

(2) If the documentation required by the director under subsection (1) is not submitted, or does not adequately authenticate the availability of the project match or board approval of the authorized project, the authorization may

terminate. The authorization terminates 30 days after the director notifies the JCOS of the intent to terminate the project unless the JCOS convenes to extend the authorization.

Sec. 805. The total project cost for the Michigan State University science building renovations project authorized in 1996 PA 480 is increased from \$80,600,000.00 to \$93,000,000.00 to cover cost overruns of the project. The state building authority share is increased from \$60,499,900.00 to \$69,750,000.00; the general fund/general purpose share remains at \$100.00; and the university share is increased from \$20,100,000.00 to \$23,250,000.00.

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

DEPARTMENT OF MANAGEMENT AND BUDGET

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

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

- (a) Department.
- (b) Agency division and leased number.
- (c) Building location (address and city).
- (d) Type of building.
- (e) County.
- (f) Name and address of lessor.
- (g) Square footage and net square footage rate.
- (h) Monthly and annual cost.
- (i) Date lease started and expires.
- (j) Options and services.

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

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

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

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

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

Sec. 905. The resources appropriated in section 102 for the property acquisition for the state police are to be utilized towards the purchase of a land parcel adjacent to the state police headquarters facility in Bridgeport.

DEPARTMENT OF NATURAL RESOURCES

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

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

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

(2) A project request for reauthorization by the department of natural resources shall also be identified within the report required by subsection (1). These reauthorization requests shall identify the subsection number of section 248 of the management and budget act, 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 general fund/general purpose 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 PA 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	\$	<u>400,000</u>

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

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

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

Sec. 1005. Any unobligated balance in any appropriation made under section 104 shall not revert to the fund from which appropriated at the close of the fiscal year, but shall continue until the purpose for which it was appropriated is completed for a period not to exceed 3 fiscal years. The unexpended balance of any appropriation made in section 104

remaining after the purpose for which it was appropriated is completed shall revert to the Michigan natural resources trust fund and be made available for appropriation.

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

STATE TRANSPORTATION DEPARTMENT

Sec. 1101. (1) From federal-state-local project appropriations contained in part 1 for the purpose of assisting political entities and subdivisions of this state in the construction and improvement of publicly used airports and landing fields within this state, the state transportation department may permit the award of contracts on behalf of units of local government for the authorized locations not to exceed the indicated amounts, of which the state allocated portion shall not exceed the amount appropriated in part 1.

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

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

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

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

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

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

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

(i) Lump sums.

(ii) Construction.

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

(i) Lump sums.

(ii) Construction.

(2) A project request for reauthorization by the state transportation department shall also be identified within the reports required by subsection (1). These reauthorization requests shall identify the subsection number of section 248 of the management and budget act, 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. 1105. A planning project or construction project appropriated for the airport program shall be considered the same as a capital outlay account and shall be subject to the requirements and restrictions stated in this act relative to all capital outlay accounts for construction unless otherwise expressly provided. This section does not apply to an operating account otherwise established by law.

PART 2A

PROVISIONS CONCERNING APPROPRIATIONS FOR FISCAL YEAR 1997-1998

GENERAL SECTIONS

Sec. 2101. Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources in part 1A of this appropriation act is \$1,207,100.00. There is no local spending pursuant to section 30 of article IX of the state constitution of 1963.

CAPITAL OUTLAY

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

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

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

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

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

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

(2) Before August 15, 1999, the department shall report the following to the JCOS and the fiscal agencies for the project referenced in section 2102:

- (a) The account number and name of each construction project.
- (b) The balance remaining in each account.
- (c) The date of the last expenditure from the account.
- (d) The anticipated date of occupancy if the project is under construction.
- (e) The appropriation history for the project.
- (f) The professional service contractor.
- (g) The total authorized cost for the project and the state authorized share if different than the total.

DEPARTMENT OF MICHIGAN JOBS COMMISSION

Sec. 2104. (1) The appropriation in section 101 of 1997 PA 104 to the department of Michigan jobs commission for economic development job training shall be expended for competitive grants that provide economic development job training and may include social services/vocational job club training, job placement, or job retention services.

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

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

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

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

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

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

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

(a) The name, address, and total number of employees of each business organization whose employees are receiving job training.

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

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

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

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

(f) A budget that relates to the proposed activities and various program components and that demonstrates whether the estimated costs are reasonable and justified. Estimated costs include, but are not limited to, necessary child care, necessary transportation, job development, the cost of an annual audit performed by a certified public accountant, and the cost of any tests required to demonstrate successful completion of a program. A budget shall include revenues from all sources of funding, total costs, and costs per participant.

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

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

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

(j) Evidence of collaboration with appropriate community and business organizations.

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

(a) A demonstrated need for the type of training offered and prospects for participant job placement or job retention and for strengthening the state's economic base.

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

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

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

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

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

(g) The strength of commitment to guaranteed job placement upon completion of training.

- (h) Collaboration with appropriate community and business organizations.
 - (i) The inclusion of an evaluation plan that will provide an assessment of the impact of the training program on participant job placement and job retention and on strengthening the state's economic base.
 - (j) The extent to which the proposals maximize other federal, local, private, or in-kind financial contributions.
 - (k) The extent to which the proposal supports workforce development for small business organizations with not more than 250 employees worldwide.
 - (l) Other criteria determined by the department of Michigan jobs commission to be important in achieving the objectives of the program.
- (10) Not more than \$5,000,000.00 of the amount appropriated in section 101 of 1997 PA 104 for economic development job training may be allocated to rapid response grants for employee training programs that maintain or attract permanent jobs for Michigan residents. A grant under this subsection shall be awarded to eligible applicants under this part by the chief executive officer of the department of Michigan jobs commission.
- (11) Participants in economic development job training programs shall be 16 years or older and not enrolled and counted in membership in a school district or intermediate school district.
- (12) Not later than 60 days after the completion of the grant period, grant recipients shall provide an evaluation report on the educational and employment outcomes of the participants in the program in a form and manner prescribed by the department of Michigan jobs commission.
- (13) A grant awarded under this section may extend beyond the end of the fiscal year in which the grant is awarded, and the funds awarded for the grant may be carried over into the next fiscal year for payment in the next fiscal year. Unexpended and unencumbered amounts remaining in the fiscal year ending September 30, 1998, from economic development job training grants awarded prior to September 15, 1997, may be used to award additional economic development job training grants during the fiscal year ending September 30, 1998. Unexpended and unencumbered amounts remaining in the fiscal year ending September 30, 1998 may be appropriated from economic development job training grants awarded in fiscal years prior to and including fiscal year 1998 and may be used to cover employment service activities costs disallowed by the United States department of labor.
- (14) A recipient of a grant under this section shall not charge tuition or fees to participants in the program funded by the grant. However, a nonprofit organization may charge tuition or fees if the tuition plan or fees are recognized by the state and the nonprofit organization receives additional funding from other governmental or private funding sources for its programs.
- (15) If a participant in a program funded under this section is an employee of a business organization whose employees are receiving job training under the program and the participant was an employee of that business organization prior to 30 days before the date of the grant application, the business organization shall provide at least 25% of the program's costs, excluding the costs of the participant's wages for the time participants are involved in program training. For purposes of meeting the 25% match requirement, small business organizations with not more than 250 employees worldwide at the time of application may include the costs of pretraining needs assessments and wages paid to participants while enrolled in training. This subsection does not apply to an individual who becomes a new employee of a business organization as a result of the individual's participation in the program.
- (16) A grant awarded to an economic development job training grant recipient that guarantees a predetermined number of specified jobs for new employees that are directly related to the participant's area of training or for existing employees shall be paid to the grant recipient according to the following schedule:
- (a) 40% of the grant amount shall be paid within 30 days after the grant is awarded.
 - (b) 40% of the grant amount shall be paid at the completion of the training period, after the grant recipient submits to the department an interim report specifying actual costs of the training program and training outcomes of the students.
 - (c) 20% of the grant amount shall be paid at the conclusion of the grant period, as determined by the department.
- (17) A recipient of a grant under this section shall allow the department of Michigan jobs commission or the department's designee to audit all records related to the grant for all entities that receive money, either directly or indirectly through a contract, from the grant funds. A grant recipient or contractor shall reimburse the state for all disallowances found in the audit.
- (18) The department of Michigan jobs commission shall provide to the department of management and budget and the house and senate fiscal agencies within 10 days after the end of each quarter of the state fiscal year a report specifying all of the following:
- (a) The amount and recipient of each grant or contract awarded during that quarter.
 - (b) The number of participants under each grant or contract and the number of new hires who are in training under the grant.

(c) The names, addresses, and total number of employees of all business organizations for whom training is or will be provided.

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

DEPARTMENT OF TREASURY

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

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

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

(4) An award distributed under subsection (3) shall not exceed \$500,000.00 or the amount of state assistance requested under the application submitted on or before June 30, 1998, whichever is less.

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

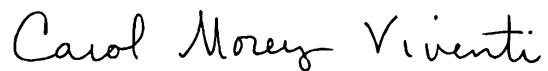
HIGHER EDUCATION

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

MISCELLANEOUS

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

This act is ordered to take immediate effect.



Secretary of the Senate.



Clerk of the House of Representatives.

Approved _____

Governor.