

# HOUSE BILL No. 4297

February 18, 1999, Introduced by Reps. Jellema, Toy, Pappageorge, Pumford, Mead, Kukuk, Caul, Godchaux, Byl, Geiger, Mortimer, Jansen and Scranton and referred to the Committee on Appropriations.

## EXECUTIVE BUDGET BILL

A bill to make appropriations for a capital outlay program for the fiscal year ending September 30, 2000; to implement the appropriations within the budgetary process; to make appropriations for state building authority rent and insurance; to make a grant for state building authority rent; to provide for the acquisition of land and buildings; to provide for the elimination of fire hazards; to provide for special maintenance, remodeling and addition, alteration, renovation, demolition, and other projects; to provide for elimination of occupational safety and health hazards; to provide for the award and implementation of contracts; to provide for the purchase of furnishings and equipment relative to occupancy of a project; to provide for certain advances from the general fund; to prescribe powers and duties of certain state officers and agencies; to require certain reports, plans, and agreements; to provide for leases; to provide for transfers;

to prescribe standards and conditions relating to the appropriations;  
and to provide for the expenditure of appropriations.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. There is appropriated for certain capital outlay projects at the various state agencies and community colleges for the fiscal year ending September 30, 2000, from the following funds:

**CAPITAL OUTLAY**

APPROPRIATIONS SUMMARY:

GROSS APPROPRIATION . . . . .	\$	416,022,381
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers . . . . .		5,500,000
ADJUSTED GROSS APPROPRIATION . . . . .	\$	410,522,381
Federal revenues:		
Total federal revenues . . . . .		78,599,550
Special revenue funds:		
Total local funds . . . . .		10,011,600
Total private funds . . . . .		0
Total other state restricted revenues . . . . .		44,600,100
State general fund/general purpose . . . . .	\$	277,311,131

**Sec. 102. DEPARTMENT OF MANAGEMENT AND BUDGET**

Lump sum projects:

Major special maintenance and remodeling for state agencies . . . . .	\$	5,500,000
Major special maintenance and remodeling 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

1	Major special maintenance and remodeling for		
2	department of management and budget . . . . .		800,000
3	Fort Mackinac wall restoration for department		
4	of natural resources . . . . .		2,068,000
5	Detroit institute of arts . . . . .		5,000,000
6	Grand Rapids convention center . . . . .		<u>5,000,000</u>
7	GROSS APPROPRIATION . . . . .	\$	23,368,000
8	Appropriated from:		
9	Interdepartmental grant revenues:		
10	IDG from building occupancy charges . . . . .		5,500,000
11	Federal revenues:		
12	HHS-HCFA, title XIX - intermediate care		
13	facilities for the mentally retarded and state		
14	psychiatric facilities . . . . .		2,000,000
15	State general fund/general purpose . . . . .	\$	15,868,000
16	<b>Sec. 103. DEPARTMENT OF MILITARY AFFAIRS</b>		
17	Lump sum projects:		
18	Department of military affairs remodeling,		
19	additions, and special maintenance projects . . . . .	\$	3,255,000
20	Fort Custer armory . . . . .		400,000
21	Alpena armory . . . . .		1,000,000
22	Land acquisitions and appraisals statewide . . . . .		<u>150,000</u>
23	GROSS APPROPRIATION . . . . .	\$	4,805,000
24	Appropriated from:		
25	Federal revenues:		
26	DOD, department of the army, national guard . . . . .		3,318,750
27	Special revenue funds:		
28	Armory construction fund . . . . .		1,060,000
29	State general fund/general purpose . . . . .	\$	426,250
30	<b>Sec. 104. DEPARTMENT OF NATURAL RESOURCES</b>		
31	<b>(1) STATE PARKS:</b>		
32	State parks remodeling and additions . . . . .	\$	<u>2,500,000</u>
33	GROSS APPROPRIATION . . . . .	\$	2,500,000

1	Appropriated from:	
2	Special revenue funds:	
3	Park improvement fund . . . . .	1,500,000
4	State park endowment fund . . . . .	1,000,000
5	State general fund/general purpose . . . . .	\$ 0
6	<b>(2) WATERWAYS BOATING PROGRAM:</b>	
7	Recreational boating repair, replacement,	
8	maintenance and development . . . . .	\$ 7,300,000
9	Boating program, state harbors . . . . .	2,930,000
10	Boating program, harbor projects, grants-in-aid .	6,490,000
11	Boating program, boating access sites, grants-	
12	in-aid . . . . .	<u>1,550,100</u>
13	GROSS APPROPRIATION . . . . .	\$ 18,270,100
14	Appropriated from:	
15	Federal revenues:	
16	DOI, U.S. fish and wildlife service, Dingell-	
17	Johnson . . . . .	1,000,000
18	Special revenue funds:	
19	Michigan state waterways fund . . . . .	16,470,100
20	Harbor development fund . . . . .	800,000
21	State general fund/general purpose . . . . .	\$ 0
22	<b>(3) REAL ESTATE:</b>	
23	Farmland and open space development acquisition .	\$ <u>5,000,000</u>
24	GROSS APPROPRIATION . . . . .	\$ 5,000,000
25	Appropriated from:	
26	Special revenue funds:	
27	Farmland and open space withdrawal fees . . . . .	5,000,000
28	State general fund/general purpose . . . . .	\$ 0
29	<b>Sec. 105. DEPARTMENT OF TRANSPORTATION</b>	
30	<b>(1) STATE TRUNKLINE FUND</b>	
31	Institutional agency roads . . . . .	\$ 750,000
32	New construction - various locations . . . . .	5,735,000
33	Remodeling and additions - various locations . . .	<u>3,465,000</u>

1	GROSS APPROPRIATION . . . . .	\$	9,950,000
2	Appropriated from:		
3	Special revenue funds:		
4	State trunkline fund . . . . .		9,950,000
5	State general fund/general purpose . . . . .	\$	0
6	<b>(2) AERONAUTICS FUND: AERONAUTICS PROGRAMS</b>		
7	Airport improvement programs . . . . .	\$	<u>99,492,400</u>
8	GROSS APPROPRIATION . . . . .	\$	99,492,400
9	Appropriated from:		
10	Federal revenues:		
11	DOT-federal aviation administration . . . . .		70,580,800
12	Special revenue funds:		
13	Local aeronautics match . . . . .		10,011,600
14	State aeronautics fund . . . . .		4,000,000
15	State general fund/general purpose . . . . .	\$	14,900,000
16	<b>Sec. 106. STATE BUILDING AUTHORITY RENT</b>		
17	State building authority rent - state agencies . . . . .	\$	33,629,457
18	State building authority rent - department of		
19	corrections . . . . .		96,435,569
20	State building authority rent - universities . . . . .		108,030,433
21	State building authority rent - community		
22	colleges . . . . .		<u>14,541,422</u>
23	GROSS APPROPRIATION . . . . .	\$	252,636,881
24	Appropriated from:		
25	Federal revenues:		
26	Federal funds-grand tower facility . . . . .		1,700,000
27	Special revenue funds:		
28	State building authority - University of		
29	Michigan, medicare and medicaid programs . . . . .		3,300,000
30	State lottery funds . . . . .		1,520,000
31	State general fund/general purpose . . . . .	\$	246,116,881

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

1 **GENERAL SECTIONS**

2 Sec. 201. (1) Pursuant to section 30 of article IX of the state  
3 constitution of 1963, total state spending under part 1 for fiscal year  
4 1999-2000 is \$321,911,231.00 and state appropriations to be paid to  
5 local units of government are as follows:

6 **CAPITAL OUTLAY**

7	Department of natural resources - waterways . . . . .	\$	7,040,100
8	State transportation department - state		
9	aeronautics program . . . . .		<u>18,900,000</u>
10	TOTAL CAPITAL OUTLAY . . . . .	\$	25,940,100

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

16 Sec. 202. The expenditures and funding sources authorized under  
17 this bill are subject to the management and budget act, 1984 PA 431,  
18 MCL 18.1101 to 18.1594.

19 Sec. 203. As used in this bill:

- 20 (a) "ADA" means the Americans with disabilities act.
- 21 (b) "Board" means the state administrative board.
- 22 (c) "Community college" does not include a state agency or  
23 university.
- 24 (d) "Department" means the Michigan department of management and  
25 budget.
- 26 (e) "Director" means the director of the department of management  
27 and budget.
- 28 (f) "DOD" means the United States department of defense.
- 29 (g) "DOI" means the United States department of interior.
- 30 (h) "Fiscal agencies" means the senate fiscal agency and the house  
31 fiscal agency.
- 32 (i) "HHS-HCFA" means the United States department of health and  
33 human services, health care financing administration.
- 34 (j) "ICF/MR" means intermediate care facilities for the mentally

1 retarded.

2 (k) "IDG" means interdepartmental grant.

3 (l) "JCOS" means the joint capital outlay subcommittee of the  
4 appropriations committees.

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

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

8 (o) "Self-liquidating project" means a project constructed by a  
9 community college or university with money raised through the use of a  
10 debt instrument or other fund sources including, but not limited to,  
11 gifts, grants, federal funds, or institutional sources, which is  
12 expected to generate revenues to amortize the loan. A self-  
13 liquidating project may or may not be a self-supporting project.  
14 Examples of a self-liquidating project include dormitories, parking  
15 facilities, and stadia.

16 (p) "Self-supporting project" means a project of a community  
17 college or university that will house a function or activity from which  
18 revenue is generated that will cover all the direct and indirect  
19 operating costs of the project without the additional transfer of any  
20 other general fund money of the community college or university.

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

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

24 (s) "State building authority" means the authority created under  
25 1964 PA 183, MCL 830.411 to 830.425.

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

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

### 30 **CAPITAL OUTLAY PROCESSES, PROCEDURES, AND REPORTS**

31 Sec. 301. Pursuant to section 242(9) of the management and budget  
32 act, 1984 PA 431, MCL 18.1242, projects authorized for planning and/or  
33 construction in 1998 PA 515 are exempt from the requirements contained  
34 in section 242 of the management and budget act, 413, MCL 18.1242.

35 Sec. 302. Each capital outlay project for which appropriations are

1 provided in this bill shall include sufficient funds for state agency  
2 projects and from institutions funds for college and university  
3 projects to provide for professionally developed program statements and  
4 schematic plans.

5       Sec. 303. (1) A capital outlay project shall be funded by an  
6 appropriation for the purpose provided in a capital outlay  
7 appropriation act and must conform to the capital outlay processes and  
8 procedures as described in sections 304 and 305 and this section.  
9 Capital outlay projects shall not be funded from operating accounts  
10 unless approved by the department and the JCOS.

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

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

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

21       (5) The department shall provide for review and oversight of  
22 capital outlay projects financed either in total or in part by the  
23 state building authority pursuant to the provisions of sections 304 and  
24 305.

25       Sec. 304. (1) For state agency capital outlay projects or  
26 facilities, the department is responsible for development, oversight,  
27 review, and approval of program statements, studies, designs, plans,  
28 management, specifications, contract documents, construction  
29 management, and construction, relative to the acquisition,  
30 construction, lease purchase, improvement, demolition, or other capital  
31 outlay projects for state agencies for which an appropriation or other  
32 authorization has been made.

33       (2) The department shall approve the award, selection, and  
34 employment of architects, engineers, construction managers, and other  
35 design or construction professional services contractors, subject to

1 rules of the department of civil service, to do all of the following:

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

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

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

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

14 Sec. 305. (1) This section pertains to capital outlay projects for  
15 community colleges and universities.

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

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

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

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

27 (a) Review the construction bid.

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

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

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

35 (6) The department may charge a fee for the services described in

1 this section at a rate not to exceed actual costs.

2 (7) In the event that a college or university agrees to have the  
3 department provide for the complete administration of a capital outlay  
4 project, then the provisions of section 304 apply to the project.

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

8 Sec. 306. (1) Before proceeding with final planning and  
9 construction for projects at community colleges and universities  
10 included in an appropriations bill, the community college or university  
11 must sign an agreement with the department of management and budget  
12 that includes the following provisions:

13 (a) The university or community college agrees to construct the  
14 project within the total authorized cost established by the legislature  
15 pursuant to the management and budget act, 1984 PA 431, MCL 18.1101 to  
16 18.1594, and an appropriations act.

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

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

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

28 Sec. 307. (1) The department shall provide the JCOS and the fiscal  
29 agencies with reports as considered necessary relative to the status of  
30 each planning or construction project financed by the state building  
31 authority, by this bill, or by previous acts.

32 (2) Before August 15, 2000, the department shall report to the  
33 JCOS and the fiscal agencies for each construction project other than  
34 lump sums all of the following:

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

1 (b) The balance remaining in each account.

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

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

5 (e) The appropriations history for the project.

6 (f) The professional service contractor.

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

8 (h) The amount of a project financed through the state building  
9 authority.

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

12 (3) Before August 15, 2000, the department shall report the  
13 following for each project by a state agency, university, or community  
14 college that is authorized for planning but is not yet authorized for  
15 construction:

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

17 (b) Whether a program statement is approved.

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

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

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

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

23 Sec. 308. (1) If a capital outlay appropriation is contained in a  
24 public act that was not reviewed by the JCOS during the legislative  
25 process, the director shall notify the JCOS of an expenditure of that  
26 capital outlay appropriation not less than 60 days before the  
27 expenditure.

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

33 Sec. 309. From a capital outlay appropriation authorizing the  
34 completion of final plans and start of construction, or an  
35 appropriation to complete plans and construction, the department shall

1 reimburse the lump-sum planning account an amount equal to the releases  
2 made from the lump-sum planning account for studies, schematic plans,  
3 or preliminary plans for that project, after the JCOS has approved the  
4 project for final planning and start or completion of construction.

5       Sec. 310. A state agency, college, or university shall take steps  
6 necessary to make available federal and other money indicated in this  
7 bill, to make available federal or other money that may become  
8 available for the purposes for which appropriations are made in this  
9 bill, and to use any part or all of the appropriations to meet matching  
10 requirements that are considered to be in the best interest of this  
11 state. However, the purpose, scope, and total estimated cost of a  
12 project shall not be altered to meet the matching requirements.

### 13 **USE AND FINANCE STATEMENTS**

14       Sec. 401. (1) A state agency, university, or community college  
15 shall not let a contract for new construction of a self-liquidating  
16 project estimated to cost more than \$1,000,000.00 unless the project is  
17 authorized by the JCOS. The request for legislative authorization  
18 shall be initially submitted for review to the JCOS and the department.  
19 A nonstate-funded project request shall include a complete use and  
20 financing statement as defined by a policy adopted by the JCOS. The use  
21 and financing statement for a self-liquidating or self-supporting  
22 project shall contain the estimated total construction cost and all  
23 associated estimated operating costs including a statement of  
24 anticipated revenues. As used in this section, "new construction"  
25 includes land or property acquisition, remodeling and additions, and  
26 maintenance projects.

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

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

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

8 Sec. 402. Universities, community colleges, and state agencies  
9 shall report to the department and to the JCOS on a quarterly basis all  
10 projects including major special maintenance, remodeling, or additions  
11 costing between \$500,000.00 and \$1,000,000.00.

12 Sec. 403. A statement of a proposed facility's operating cost  
13 shall be included with the facility's program statement and planning  
14 documents when the plans are presented to JCOS for approval.

15 **LUMP SUMS AND SPECIAL MAINTENANCE**

16 Sec. 501. (1) The director shall allocate lump-sum appropriations  
17 made in this bill for remodeling, additions, special maintenance, major  
18 special maintenance, energy conservation, demolition, ICF/MR,  
19 air-conditioning, and fire protection projects. The director shall  
20 allocate other lump sums, in order of program priority and need of the  
21 various state agencies or as otherwise based on actual building  
22 inspection reports by regulatory agencies.

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

27 (3) Before August 15, 2000, the department shall submit a report  
28 to the JCOS and the fiscal agencies indicating the total cost and  
29 status of all lump-sum projects funded under this bill and any previous  
30 act that have been designated as proposed, designed, bid, under  
31 construction, or completed within the current fiscal year.

32 Sec. 502. (1) The director may provide that state buildings on  
33 state-owned land be demolished when it is determined to be in the best  
34 interest of the state due to health and safety concerns or major  
35 disrepair.

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

4 (3) Before July 15, 2000, each state agency, community college,  
5 and university shall report each year to the department the status of  
6 and planned schedule for demolition projects already authorized but not  
7 yet started, the estimated cost of the projects, and the anticipated  
8 sources of financing of the projects.

9 Sec. 503. (1) Pursuant to department policy, state agencies may  
10 expend not more than \$1,000,000.00 from their operating budget for  
11 special maintenance, remodeling, or additions purposes. In nonroutine  
12 emergency cases, cases where the health and safety of the public, state  
13 employees, or residents in state facilities are threatened, as  
14 determined by the department, the state agencies may expend not more  
15 than \$1,500,000.00 from their operating budgets for special maintenance  
16 purposes. The department shall report to the JCOS on a quarterly basis  
17 each time operating funds are used for special maintenance purposes in  
18 an amount over \$1,000,000.00.

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

23 Sec. 504. (1) The resources appropriated under section 102 for the  
24 Detroit institute of arts and the Grand Rapids convention center shall  
25 be expended only if those funds are matched by funds from other sources  
26 in a ratio of two dollars from other sources for each one dollar of  
27 section 102 funds.

28 (2) Resources appropriated under section 102 for the Detroit  
29 institute of arts and the Grand Rapids convention center shall be the  
30 first payments toward a total commitment of \$40,000,000 in state funds  
31 for each institution.

32 **STATE BUILDING AUTHORITY**

33 Sec. 601. (1) Subject to the provisions of section 242 of the  
34 management and budget act, 1984 PA 431, MCL 18.1242, and upon the  
35 approval of the state building authority, the department may expend

1 from the general fund of the state during the fiscal year ending  
2 September 30, 2000 an amount to meet the cash flow requirements of  
3 those state building authority projects solely for lease to a state  
4 agency identified in both part 1 and this section, and for which state  
5 building authority bonds or notes have not been issued, and for the  
6 sole acquisition by the state building authority of equipment and  
7 furnishings for lease to a state agency as permitted by 1964 PA 183,  
8 MCL 830.411 to 830.425, for which the issuance of bonds or notes is  
9 authorized by a legislative concurrent resolution that is effective for  
10 a fiscal year ending September 30, 2000. Any general fund advances for  
11 which state building authority bonds have not been issued shall bear an  
12 interest cost to the state building authority at a rate not to exceed  
13 that earned by the state treasurer's common cash fund during the period  
14 in which the advances are outstanding and are repaid to the general  
15 fund of the state.

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

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

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

34 Sec. 602. (1) State building authority funding to finance  
35 construction or renovation of a facility that collects revenue in

1 excess of money required for the operation of that facility shall not  
2 be released to a university or community college unless the institution  
3 agrees to reimburse that excess revenue to the state building  
4 authority. The excess revenue shall be credited to the general fund to  
5 offset rent obligations associated with the retirement of bonds issued  
6 for that facility. The auditor general shall annually identify and  
7 present an audit of those facilities that are subject to this section.  
8 Costs associated with the administration of the audit shall be charged  
9 against money recovered pursuant to this section.

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

14 Sec. 603. (1) The state building authority rent appropriations in  
15 part 1 may also be expended for the payment of required premiums for  
16 insurance on facilities owned by the state building authority or  
17 payment of costs that may be incurred as the result of any deductible  
18 provisions in such insurance policies.

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

24 Sec. 604. The department shall provide the JCOS and the fiscal  
25 agencies a report, 15 days after the reporting date, relative to the  
26 status of construction projects associated with state building  
27 authority bonds on March 31 and September 30 of each year, or 30 days  
28 after a refinancing or restructuring bond issue is sold. The report  
29 shall include, but is not limited to, the following:

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

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

35 (c) A list of all projects authorized for construction or

1 identified in an appropriations act for which approval of  
2 schematic/preliminary plans or total authorized cost is pending that  
3 have state building authority bonds identified as a source of  
4 financing.

5       Sec. 605. The University of Michigan shall take the necessary  
6 actions to ensure that eligible interest reimbursements from Medicare  
7 and Medicaid programs are made available to the state to satisfy part  
8 of the amount appropriated for the University of Michigan adult general  
9 hospital facility rent appropriation of \$27,917,000.00 contained within  
10 the state building authority rent appropriation in part 1. To the  
11 extent of a difference between the estimated and actual amount  
12 received, there is appropriated from the general fund of the state the  
13 amounts necessary to satisfy the hospital rental requirements of the  
14 state building authority's 1986 revenue refunding bonds, series 1. To  
15 the extent payments made to the state by the University of Michigan are  
16 required to be reimbursed pursuant to the agreement with the University  
17 of Michigan, there is appropriated from the general fund the amount  
18 necessary for such reimbursement.

19       Sec. 606. (1) The state building authority, on behalf of the  
20 state, with the approval of the board, for the purpose of providing  
21 office and warehouse space for state agencies, may acquire for not more  
22 than the market value, subject to an independent fee appraisal,  
23 including estimated real estate taxes, various lease projects which  
24 contain purchase options in an aggregate cost not to exceed  
25 \$45,000,000.00. The state building authority is also authorized to pay  
26 any ancillary costs, other than the market value, that the state is  
27 required to pay under an option to purchase.

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

30       (3) The acquisition and subsequent conveyance to the state  
31 building authority shall conform to the provisions of 1964 PA 183, MCL  
32 830.411 to 830.425.

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

1 **COLLEGES AND UNIVERSITIES**

2 Sec. 701. (1) This section applies only to projects for community  
3 colleges.

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

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

30 (4) The community college shall take the steps necessary to secure  
31 available federal construction and equipment money for projects funded  
32 for construction in this bill if an application was not previously  
33 made. If there is a reasonable expectation that a prior year unfunded  
34 application may receive federal money in a subsequent year, the college  
35 shall take whatever action necessary to keep the application active.

1 If federal money is received, the state share shall be adjusted  
2 accordingly as provided by this bill.

3 Sec. 702. If matching revenues are received in an amount less than  
4 the appropriations contained in this bill, the state funds of the  
5 appropriation shall be reduced in proportion to the amount of matching  
6 revenue received.

7 Sec. 703. Subject to section 701, a consortium comprised of a  
8 community college and a university may receive up to 100% of the total  
9 project capital cost allocated to the participating university if all  
10 of the following criteria are met and approved by the JCOS and the  
11 department:

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

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

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

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

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

30 Sec. 704. (1) The director may require that community colleges and  
31 universities that have an authorized project listed in part 1 submit  
32 documentation regarding the project match and governing board approval  
33 of the authorized project within 60 days after the beginning of the  
34 fiscal year.

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

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

6 **DEPARTMENT OF MANAGEMENT AND BUDGET**

7 Sec. 801. If the JCOS approves, the department, for purposes of  
8 administrative and fiscal efficiency, may consolidate or discontinue  
9 federal surplus property warehouses administered pursuant to 1961 PA  
10 139, MCL 18.251 to 18.261.

11 Sec. 802. (1) The department shall provide the JCOS and the fiscal  
12 agencies a report, 15 days after the reporting date, of privately owned  
13 leased space by state agencies, by March 31 and September 30 of each  
14 year, consisting of the following:

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

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

28 **DEPARTMENT OF NATURAL RESOURCES**

29 Sec. 901. The \$7,300,000.00 in resources appropriated in section  
30 104(2) for the recreational boating repair, replacement, maintenance  
31 and development line - item within the department of natural resources  
32 waterways program, shall be allocated as follows:

33 (a) \$5,700,000.00 for replacement, maintenance and repairs, and  
34 state development

35 (b) \$600,000.00 for engineering studies

1 (c) \$1,000,000.00 for land acquisition

2 Sec. 902. The \$2,930,000.00 in resources appropriated in section  
3 104(2) for the boating program, state harbors line-item within the  
4 department of natural resources waterways program, shall be allocated  
5 for support of the following projects:

6 (a) East Tawas harbor - mooring restroom building

7 (b) Copper Harbor state harbor - Keweenaw county - expansion

8 (c) Cheboygan lock and dam - Cheboygan county - ADA improvements

9 (d) Presque Isle state harbor - Presque Isle county - fuel system  
10 upgrades

11 (e) Fayette state harbor - Delta county - refurbish pier

12 (f) Little Lake state harbor - Luce county - dredging

13 (g) Hammond Bay state harbor - Presque Isle county -  
14 building/utility upgrade.

15 Sec. 903. The \$6,490,000.00 in resources appropriated in section  
16 104(2) for the boating program, harbor projects, grants-in-aid line-  
17 item within the department of natural resources waterways program,  
18 shall be allocated for support of the following projects:

19 (a) Engineering studies and project development

20 (b) Village of Elk Rapids - Antrim county - breakwater upgrade

21 (c) City of St. Joseph - Berrien county - mooring expansion

22 (d) City of Escanaba - Delta county - restroom building

23 (e) Detroit - Wayne county - Erma Henderson marina upgrade

24 (f) St. Ignace - Mackinac county - marina expansion

25 (g) Rogers City - Presque Isle county - breakwater and east wall  
26 repair

27 (h) L'anse - Baraga county - harbor docking and showers

28 (i) Naubinway - Mackinac county - marina upgrade

29 Sec. 904. The \$1,550,100.00 in resources appropriated in section  
30 104(2) for the boating program, boating access sites, grants-in-aid  
31 line-item within the department of natural resources waterways program,  
32 shall be allocated for support of the following projects:

33 (a) Engineering studies and project development

34 (b) Suttons Bay - Leelanau county - new boating access sites at  
35 north park.

1 (c) Caledonia township - Alcona county - Hubbard Lake, boating  
2 access site paving.

3 (d) Montague - White lake - Muskegon county - boating access site -  
4 ramp/parking expansion.

5 (e) Bay county - Independence park launch

6 (f) City of St. Ignace - Mackinac county - Moran bay

7 (g) Small grants program - various counties

8 Sec. 905. The appropriation made in this bill for the harbors and  
9 docks program is for the purpose of participating with the federal  
10 government and assisting political entities and subdivisions of this  
11 state in the construction and improvement of recreational boating  
12 facilities within this state. Subject to the approval of the board,  
13 this money shall be allocated by the department of natural resources to  
14 the federal government, or to the political entities or local units of  
15 government involved in the particular projects. An allocation shall  
16 not exceed the state portion as listed with each project description.  
17 The department of natural resources shall take the steps necessary to  
18 match federal money available for the construction and improvement of  
19 recreational boating facilities within this state, and to meet  
20 requirements of the federal government.

21 Sec. 906. (1) Before August 15, 2000, the department of natural  
22 resources shall report each year to the JCOS the status of each project  
23 that received an appropriation in any capital outlay act, if the  
24 project is either not completed or has a balance remaining in its  
25 account. The report shall be in the same form and contain the  
26 information as required under section 307. The report shall be  
27 separated into the following areas, by fund sources:

28 (a) Waterways projects.

29 (b) Urban recreation projects.

30 (c) State park projects.

31 (d) Wildlife and fisheries projects.

32 (e) Other projects.

33 (2) A project request for reauthorization by the department of  
34 natural resources shall also be identified within the report required  
35 by subsection (1). These reauthorization requests shall identify the

1 subsection number of section 248 of the management and budget act, 1984  
2 PA 431, MCL 18.1248, that provides the reason and justification for the  
3 requested reauthorization.

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

6 **STATE TRANSPORTATION DEPARTMENT**

7 Sec. 1001. The \$5,735,000.00 in state trunkline fund resources  
8 appropriated in section 105(1) for new construction - various locations  
9 within the department of transportation, shall be allocated for support  
10 of the following projects:

11 (a) Covered salt storage facilities and brine run off control  
12 systems, various contract agencies.

13 (b) Construct or replace salt storage buildings at Michigan  
14 department of transportation maintenance garage facilities, various  
15 locations.

16 (c) Equipment storage buildings, various statewide locations

17 (d) Construct, replace project/regional offices, various statewide  
18 locations.

19 (e) Purchase property, various statewide locations.

20 Sec. 1002. The \$3,465,000.00 in state trunkline fund resources  
21 appropriated in section 105(1) for the remodeling and additions -  
22 various locations line-item within the department of transportation,  
23 shall be allocated for support of the following projects:

24 (a) MIOSHA projects, various statewide locations.

25 (b) Installation and/or replacement of hydraulic floor hoists,  
26 various maintenance garage locations.

27 (c) ADA modifications - Michigan department of transportation  
28 facilities at various statewide locations.

29 (d) Energy saving modifications, and upgrade lighting and  
30 electrical systems at Michigan department of transportation facilities,  
31 various statewide locations.

32 (e) Rest rooms and lunch rooms modifications, various statewide  
33 facilities.

34 (f) Re-roof Michigan department of transportation facilities,  
35 fence Michigan department of transportation properties and install

1 bituminous surfacing/resurfacing, various statewide locations.

2 (g) Miscellaneous remodeling and additions, emergency maintenance  
3 and repair, and minor improvements.

4 Sec. 1003. (1) From federal-state-local project appropriations  
5 contained in part 1 for the purpose of assisting political entities and  
6 subdivisions of this state in the construction and improvement of  
7 publicly used airports and landing fields within this state, the state  
8 transportation department may permit the award of contracts on behalf  
9 of units of local government for the authorized locations not to exceed  
10 the indicated amounts, of which the state allocated portion shall not  
11 exceed the amount appropriated in part 1.

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

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

29 (4) From appropriations contained in sec. 105(2) for airport  
30 improvement programs, \$10,200,000.00 of the state general fund shall be  
31 used as state resources for state funded components of the  
32 comprehensive Northwest airlines midfield terminal project and  
33 \$4,000,000.00 of the state general fund shall be used for state funded  
34 components of the Northwest airlines Willow Run project.

35 Sec. 1004. On or before November 15 of each year, the state

1 transportation department shall report to the JCOS the projects funded  
2 from the previous fiscal year capital outlay act and the proposed  
3 projects with the estimated dollars for the current fiscal year. If  
4 there has to be a delay in reporting, the department shall notify JCOS  
5 in writing of the date the report can be received.

6 Sec. 1005. An aeronautics project proposed for funding with  
7 federal-state-local appropriations contained in part 1 that includes  
8 acquisition of an airport facility from a private owner or political  
9 subdivision for operation by the state or by a political subdivision  
10 requires line-item authorization in an appropriations act and is not  
11 fundable with appropriations from the federal/local airport  
12 discretionary contingencies account.

13 Sec. 1006. (1) Before August 15, 2000, the state transportation  
14 department shall report each year to the JCOS the status of each  
15 project that received an appropriation in any capital outlay act, if  
16 the project is either not completed or has a balance remaining in its  
17 account. The report shall be in the same form and contain the  
18 information as required under section 307. The report shall be  
19 separated into all the following areas:

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

21 (i) Lump sums.

22 (ii) Construction.

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

24 (i) Lump sums.

25 (ii) Construction.

26 (2) A project request for reauthorization by the state  
27 transportation department shall also be identified within the reports  
28 required by subsection (1). These reauthorization requests shall  
29 identify the subsection number of section 248 of the management and  
30 budget act, 1984 PA 431, MCL 18.1248, that provides the reason and  
31 justification for the requested reauthorization.

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

34 Sec. 1007. A planning project or construction project appropriated  
35 for the airport program shall be considered the same as a capital

1 outlay account and shall be subject to the requirements and  
2 restrictions stated in this bill relative to all capital outlay  
3 accounts for construction unless otherwise expressly provided. This  
4 section does not apply to an operating account otherwise established by  
5 law.

final page