

SENATE BILL NO. 358

EXECUTIVE BUDGET BILL

February 23, 1999, Introduced by Senators GAST, MC MANUS, SCHWARZ, GOUGEON, STEIL, A. SMITH, NORTH and GOSCHKA and referred to the Committee on Appropriations.

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 PART 1

2 LINE-ITEM APPROPRIATIONS

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

6 **CAPITAL OUTLAY**

7 APPROPRIATIONS SUMMARY:

8 GROSS APPROPRIATION \$ 416,022,381

9 Interdepartmental grant revenues:

10 Total interdepartmental grants and

11 intradepartmental transfers 5,500,000

12 ADJUSTED GROSS APPROPRIATION \$ 410,522,381

13 Federal revenues:

14 Total federal revenues 78,599,550

15 Special revenue funds:

16 Total local funds 10,011,600

17 Total private funds 0

18 Total other state restricted revenues 44,600,100

19 State general fund/general purpose \$ 277,311,131

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

21 Lump sum projects:

22 Major special maintenance and remodeling

23 for state agencies \$ 5,500,000

24 Major special maintenance and remodeling

25 for department of community health special

26 maintenance, remodeling, and addition

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

1	Armory construction fund	1,060,000
2	State general fund/general purpose	\$ 426,250
3	Sec. 104. DEPARTMENT OF NATURAL RESOURCES	
4	(1) STATE PARKS:	
5	State parks remodeling and additions	\$ <u>2,500,000</u>
6	GROSS APPROPRIATION	\$ 2,500,000
7	Appropriated from:	
8	Special revenue funds:	
9	Park improvement fund	1,500,000
10	State park endowment fund	1,000,000
11	State general fund/general purpose	\$ 0
12	(2) WATERWAYS BOATING PROGRAM:	
13	Recreational boating repair, replacement,	
14	maintenance and development	\$ 7,300,000
15	Boating program, state harbors	2,930,000
16	Boating program, harbor projects, grants-in-aid	6,490,000
17	Boating program, boating access sites, grants-	
18	in-aid	<u>1,550,100</u>
19	GROSS APPROPRIATION	\$ 18,270,100
20	Appropriated from:	
21	Federal revenues:	
22	DOI, U.S. fish and wildlife service, Dingell-	
23	Johnson	1,000,000
24	Special revenue funds:	
25	Michigan state waterways fund	16,470,100
26	Harbor development fund	800,000
27	State general fund/general purpose	\$ 0
28	(3) REAL ESTATE:	
29	Farmland and open space development acquisition	\$ <u>5,000,000</u>
30	GROSS APPROPRIATION	\$ 5,000,000
31	Appropriated from:	

1	Special revenue funds:		
2	Farmland and open space withdrawal fees		5,000,000
3	State general fund/general purpose	\$	0
4	Sec. 105. DEPARTMENT OF TRANSPORTATION		
5	(1) STATE TRUNKLINE FUND		
6	Institutional agency roads	\$	750,000
7	New construction - various locations		5,735,000
8	Remodeling and additions - various locations . . .		<u>3,465,000</u>
9	GROSS APPROPRIATION	\$	9,950,000
10	Appropriated from:		
11	Special revenue funds:		
12	State trunkline fund		9,950,000
13	State general fund/general purpose	\$	0
14	(2) AERONAUTICS FUND: AERONAUTICS PROGRAMS		
15	Airport improvement programs	\$	<u>99,492,400</u>
16	GROSS APPROPRIATION	\$	99,492,400
17	Appropriated from:		
18	Federal revenues:		
19	DOT-federal aviation administration		70,580,800
20	Special revenue funds:		
21	Local aeronautics match		10,011,600
22	State aeronautics fund		4,000,000
23	State general fund/general purpose	\$	14,900,000
24	Sec. 106. STATE BUILDING AUTHORITY RENT		
25	State building authority rent - state agencies . .	\$	33,629,457
26	State building authority rent - department of		
27	corrections		96,435,569
28	State building authority rent - universities . . .		108,030,433
29	State building authority rent - community		
30	colleges		<u>14,541,422</u>
31	GROSS APPROPRIATION	\$	252,636,881

1 Appropriated from:

2 Federal revenues:

3 Federal funds-grand tower facility 1,700,000

4 Special revenue funds:

5 State building authority - University of

6 Michigan, medicare and medicaid programs 3,300,000

7 State lottery funds 1,520,000

8 State general fund/general purpose \$ 246,116,881

9 PART 2

10 PROVISIONS CONCERNING APPROPRIATIONS

11 **GENERAL SECTIONS**

12 Sec. 201. (1) Pursuant to section 30 of article IX of the state
13 constitution of 1963, total state spending under part 1 for fiscal year
14 1999-2000 is \$321,911,231.00 and state appropriations to be paid to
15 local units of government are as follows:

16 **CAPITAL OUTLAY**

17 Department of natural resources - waterways \$ 7,040,100

18 State transportation department - state

19 aeronautics program 18,900,000

20 TOTAL CAPITAL OUTLAY \$ 25,940,100

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

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

29 Sec. 203. As used in this bill:

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

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

32 (c) "Community college" does not include a state agency or

1 university.

2 (d) "Department" means the Michigan department of management and
3 budget.

4 (e) "Director" means the director of the department of management
5 and budget.

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

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

8 (h) "Fiscal agencies" means the senate fiscal agency and the house
9 fiscal agency.

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

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

14 (k) "IDG" means interdepartmental grant.

15 (l) "JCOS" means the joint capital outlay subcommittee of the
16 appropriations committees.

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

1 (n) "MIOSHA" means the Michigan occupational safety and health act,
2 1974 PA 154, MCL 408.1001 to 408.1094.

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

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

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

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

19 (s) "State building authority" means the authority created under
20 1964 PA 183, MCL 830.411 to 830.425.

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

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

25 **CAPITAL OUTLAY PROCESSES, PROCEDURES, AND REPORTS**

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

1 Sec. 302. Each capital outlay project for which appropriations are
2 provided in this bill shall include sufficient funds for state agency
3 projects and from institutions funds for college and university
4 projects to provide for professionally developed program statements and
5 schematic plans.

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

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

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

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

22 (5) The department shall provide for review and oversight of
23 capital outlay projects financed either in total or in part by the
24 state building authority pursuant to the provisions of sections 304 and
25 305.

26 Sec. 304. (1) For state agency capital outlay projects or
27 facilities, the department is responsible for development, oversight,
28 review, and approval of program statements, studies, designs, plans,
29 management, specifications, contract documents, construction
30 management, and construction, relative to the acquisition,

1 construction, lease purchase, improvement, demolition, or other capital
2 outlay projects for state agencies for which an appropriation or other
3 authorization has been made.

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

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

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

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

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

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

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

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

29 (4) The department shall review the selection of architects,

1 engineers, construction managers, and other design or construction
2 professional service contractors.

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

4 (a) Review the construction bid.

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

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

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

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

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

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

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

25 (a) The university or community college agrees to construct the
26 project within the total authorized cost established by the legislature
27 pursuant to the management and budget act, 1984 PA 431, MCL 18.1101 to
28 18.1594, and an appropriations act.

29 (b) The design and program scope of the project will not deviate

1 from the design and program scope represented in the program statement
2 and preliminary planning documents approved by the department of
3 management and budget.

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

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

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

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

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

19 (b) The balance remaining in each account.

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

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

23 (e) The appropriations history for the project.

24 (f) The professional service contractor.

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

26 (h) The amount of a project financed through the state building
27 authority.

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

30 (3) Before August 15, 2000, the department shall report the

1 following for each project by a state agency, university, or community
2 college that is authorized for planning but is not yet authorized for
3 construction:

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

11 Sec. 308. (1) If a capital outlay appropriation is contained in a
12 public act that was not reviewed by the JCOS during the legislative
13 process, the director shall notify the JCOS of an expenditure of that
14 capital outlay appropriation not less than 60 days before the
15 expenditure.

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

21 Sec. 309. From a capital outlay appropriation authorizing the
22 completion of final plans and start of construction, or an
23 appropriation to complete plans and construction, the department shall
24 reimburse the lump-sum planning account an amount equal to the releases
25 made from the lump-sum planning account for studies, schematic plans,
26 or preliminary plans for that project, after the JCOS has approved the
27 project for final planning and start or completion of construction.

28 Sec. 310. A state agency, college, or university shall take steps
29 necessary to make available federal and other money indicated in this

1 bill, to make available federal or other money that may become
2 available for the purposes for which appropriations are made in this
3 bill, and to use any part or all of the appropriations to meet matching
4 requirements that are considered to be in the best interest of this
5 state. However, the purpose, scope, and total estimated cost of a
6 project shall not be altered to meet the matching requirements.

7 **USE AND FINANCE STATEMENTS**

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

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

26 (3) A state agency, including the department of military affairs,
27 shall not let a contract for a direct federally funded capital outlay
28 construction or major maintenance or remodeling project that is
29 estimated to cost more than \$1,000,000.00 and is to be constructed on
30 state-owned lands unless the project is approved by the department and

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

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

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

14 **LUMP SUMS AND SPECIAL MAINTENANCE**

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

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

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

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

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

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

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

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

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

1 dollar of section 102 funds.

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

6 **STATE BUILDING AUTHORITY**

7 Sec. 601. (1) Subject to the provisions of section 242 of the
8 management and budget act, 1984 PA 431, MCL 18.1242, and upon the
9 approval of the state building authority, the department may expend
10 from the general fund of the state during the fiscal year ending
11 September 30, 2000 an amount to meet the cash flow requirements of
12 those state building authority projects solely for lease to a state
13 agency identified in both part 1 and this section, and for which state
14 building authority bonds or notes have not been issued, and for the
15 sole acquisition by the state building authority of equipment and
16 furnishings for lease to a state agency as permitted by 1964 PA 183,
17 MCL 830.411 to 830.425, for which the issuance of bonds or notes is
18 authorized by a legislative concurrent resolution that is effective for
19 a fiscal year ending September 30, 2000. Any general fund advances for
20 which state building authority bonds have not been issued shall bear an
21 interest cost to the state building authority at a rate not to exceed
22 that earned by the state treasurer's common cash fund during the period
23 in which the advances are outstanding and are repaid to the general
24 fund of the state.

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

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

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

13 Sec. 602. (1) State building authority funding to finance
14 construction or renovation of a facility that collects revenue in
15 excess of money required for the operation of that facility shall not
16 be released to a university or community college unless the institution
17 agrees to reimburse that excess revenue to the state building
18 authority. The excess revenue shall be credited to the general fund to
19 offset rent obligations associated with the retirement of bonds issued
20 for that facility. The auditor general shall annually identify and
21 present an audit of those facilities that are subject to this section.
22 Costs associated with the administration of the audit shall be charged
23 against money recovered pursuant to this section.

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

28 Sec. 603. (1) The state building authority rent appropriations in
29 part 1 may also be expended for the payment of required premiums for
30 insurance on facilities owned by the state building authority or

1 payment of costs that may be incurred as the result of any deductible
2 provisions in such insurance policies.

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

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

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

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

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

24 Sec. 605. The University of Michigan shall take the necessary
25 actions to ensure that eligible interest reimbursements from Medicare
26 and Medicaid programs are made available to the state to satisfy part
27 of the amount appropriated for the University of Michigan adult general
28 hospital facility rent appropriation of \$27,917,000.00 contained within
29 the state building authority rent appropriation in

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

9 Sec. 606. (1) The state building authority, on behalf of the
10 state, with the approval of the board, for the purpose of providing
11 office and warehouse space for state agencies, may acquire for not more
12 than the market value, subject to an independent fee appraisal,
13 including estimated real estate taxes, various lease projects which
14 contain purchase options in an aggregate cost not to exceed
15 \$45,000,000.00. The state building authority is also authorized to pay
16 any ancillary costs, other than the market value, that the state is
17 required to pay under an option to purchase.

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

20 (3) The acquisition and subsequent conveyance to the state
21 building authority shall conform to the provisions of 1964 PA 183, MCL
22 830.411 to 830.425.

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

26 **COLLEGES AND UNIVERSITIES**

27 Sec. 701. (1) This section applies only to projects for community
28 colleges.

29 (2) State support is directed towards the remodeling, additions,
30 special maintenance, or construction of certain community college

1 buildings. The community college shall obtain or provide for site
2 acquisition and initial main utility installation to operate the
3 facility. Funding shall be comprised of local and state shares, and
4 the state share shall include 50% of any federal money awarded for
5 projects appropriated in this bill. Not more than 50% of a capital
6 outlay project, not including a lump-sum special maintenance project,
7 remodeling, or addition project, for a community college shall be
8 appropriated from state and federal funds.

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

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

1 application active. If federal money is received, the state share
2 shall be adjusted 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

1 and universities that have an authorized project listed in part 1
2 submit documentation regarding the project match and governing board
3 approval of the authorized project within 60 days after the beginning
4 of the fiscal year.

5 (2) If the documentation required by the director under subsection
6 (1) is not submitted, or does not adequately authenticate the
7 availability of the project match or board approval of the authorized
8 project, the authorization may terminate. The authorization terminates
9 30 days after the director notifies the JCOS of the intent to terminate
10 the project unless the JCOS convenes to extend the authorization.

11 **DEPARTMENT OF MANAGEMENT AND BUDGET**

12 Sec. 801. If the JCOS approves, the department, for purposes of
13 administrative and fiscal efficiency, may consolidate or discontinue
14 federal surplus property warehouses administered pursuant to 1961 PA
15 139, MCL 18.251 to 18.261.

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

- 20 (a) Department.
- 21 (b) Agency division and leased number.
- 22 (c) Building location (address and city).
- 23 (d) Type of building.
- 24 (e) County.
- 25 (f) Name and address of lessor.
- 26 (g) Square footage and net square footage rate.
- 27 (h) Monthly and annual cost.
- 28 (i) Date lease started and expires.
- 29 (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.

DEPARTMENT OF NATURAL RESOURCES

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

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

(b) \$600,000.00 for engineering studies

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

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

(a) East Tawas harbor - mooring restroom building

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

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

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

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

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

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

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

(a) Engineering studies and project development

- 1 (b) Village of Elk Rapids - Antrim county - breakwater upgrade
- 2 (c) City of St. Joseph - Berrien county - mooring expansion
- 3 (d) City of Escanaba - Delta county - restroom building
- 4 (e) Detroit - Wayne county - Erma Henderson marina upgrade
- 5 (f) St. Ignace - Mackinac county - marina expansion
- 6 (g) Rogers City - Presque Isle county - breakwater and east wall
- 7 repair
- 8 (h) L'anse - Baraga county - harbor docking and showers
- 9 (i) Naubinway - Mackinac county - marina upgrade

10 Sec. 904. The \$1,550,100.00 in resources appropriated in section
 11 104(2) for the boating program, boating access sites, grants-in-aid
 12 line-item within the department of natural resources waterways program,
 13 shall be allocated for support of the following projects:

- 14 (a) Engineering studies and project development
- 15 (b) Suttons Bay - Leelanau county - new boating access sites at
- 16 north park.
- 17 (c) Caledonia township - Alcona county - Hubbard Lake, boating
- 18 access site paving.
- 19 (d) Montague - White lake - Muskegon county - boating access site -
- 20 ramp/parking expansion.
- 21 (e) Bay county - Independence park launch
- 22 (f) City of St. Ignace - Mackinac county - Moran bay
- 23 (g) Small grants program - various counties

24 Sec. 905. The appropriation made in this bill for the harbors and
 25 docks program is for the purpose of participating with the federal
 26 government and assisting political entities and subdivisions of this
 27 state in the construction and improvement of recreational boating
 28 facilities within this state. Subject to the approval of the board,
 29 this money shall be allocated by the department of natural resources to
 30 the federal government, or to the political entities or local units

1 of government involved in the particular projects. An allocation shall
2 not exceed the state portion as listed with each project description.
3 The department of natural resources shall take the steps necessary to
4 match federal money available for the construction and improvement of
5 recreational boating facilities within this state, and to meet
6 requirements of the federal government.

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

- 14 (a) Waterways projects.
- 15 (b) Urban recreation projects.
- 16 (c) State park projects.
- 17 (d) Wildlife and fisheries projects.
- 18 (e) Other projects.

19 (2) A project request for reauthorization by the department of
20 natural resources shall also be identified within the report required
21 by subsection (1). These reauthorization requests shall identify the
22 subsection number of section 248 of the management and budget act, 1984
23 PA 431, MCL 18.1248, that provides the reason and justification for the
24 requested reauthorization.

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

27 **STATE TRANSPORTATION DEPARTMENT**

28 Sec. 1001. The \$5,735,000.00 in state trunkline fund resources
29 appropriated in section 105(1) for new construction - various locations
30 within the department of transportation, shall be allocated

1 for support of the following projects:

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

4 (b) Construct or replace salt storage buildings at Michigan
5 department of transportation maintenance garage facilities, various
6 locations.

7 (c) Equipment storage buildings, various statewide locations

8 (d) Construct, replace project/regional offices, various statewide
9 locations.

10 (e) Purchase property, various statewide locations.

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

15 (a) MIOSHA projects, various statewide locations.

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

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

20 (d) Energy saving modifications, and upgrade lighting and
21 electrical systems at Michigan department of transportation facilities,
22 various statewide locations.

23 (e) Rest rooms and lunch rooms modifications, various statewide
24 facilities.

25 (f) Re-roof Michigan department of transportation facilities,
26 fence Michigan department of transportation properties and install
27 bituminous surfacing/resurfacing, various statewide locations.

28 (g) Miscellaneous remodeling and additions, emergency maintenance
29 and repair, and minor improvements.

30 Sec. 1003. (1) From federal-state-local project appropriations

1 contained in part 1 for the purpose of assisting political entities and
2 subdivisions of this state in the construction and improvement of
3 publicly used airports and landing fields within this state, the state
4 transportation department may permit the award of contracts on behalf
5 of units of local government for the authorized locations not to exceed
6 the indicated amounts, of which the state allocated portion shall not
7 exceed the amount appropriated in part 1.

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

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

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

1 Sec. 1004. On or before November 15 of each year, the state
2 transportation department shall report to the JCOS the projects funded
3 from the previous fiscal year capital outlay act and the proposed
4 projects with the estimated dollars for the current fiscal year. If
5 there has to be a delay in reporting, the department shall notify JCOS
6 in writing of the date the report can be received.

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

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

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

22 (i) Lump sums.

23 (ii) Construction.

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

25 (i) Lump sums.

26 (ii) Construction.

27 (2) A project request for reauthorization by the state
28 transportation department shall also be identified within the reports
29 required by subsection (1). These reauthorization requests shall
30 identify the subsection number of section 248 of the management and

1 budget act, 1984 PA 431, MCL 18.1248, that provides the reason and
2 justification for the requested reauthorization.

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

5 Sec. 1007. A planning project or construction project appropriated
6 for the airport program shall be considered the same as a capital
7 outlay account and shall be subject to the requirements and
8 restrictions stated in this bill relative to all capital outlay
9 accounts for construction unless otherwise expressly provided. This
10 section does not apply to an operating account otherwise established by
11 law.

final page