

**HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1099**

A bill to make appropriations for certain capital outlay programs and state departments and agencies for the fiscal year ending September 30, 2003; to implement the appropriations within the budgetary process; to make appropriations for planning and construction at state agencies; to make appropriations for state building authority rent and insurance; to make a grant for state building authority rent; to provide for the acquisition of land and buildings; to provide for the elimination of fire hazards; to provide for special maintenance, remodeling and addition, alteration, renovation, demolition, and other projects; to provide for elimination of occupational safety and health hazards; to provide for the award and implementation of contracts; to provide for the purchase of furnishings and equipment relative to occupancy of a project; to provide for the development of public recreation facilities; to provide for certain advances from the general fund; to prescribe powers and duties of certain state officers and agencies; to require certain reports, plans,

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

2

For Fiscal Year Ending
September 30, 2003

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. SUMMARY**

4 Subject to the conditions set forth in this act, the amounts listed
5 in this part are appropriated for certain capital outlay projects at the
6 various state agencies for the fiscal year ending September 30, 2003,
7 from the funds indicated in this part. The following is a summary of the
8 appropriations in this part:

9 **CAPITAL OUTLAY**

10	GROSS APPROPRIATION.....	\$	577,271,800
11	Total interdepartmental grants and intradepartmental		
12	transfers.....	\$	4,000,000
13	ADJUSTED GROSS APPROPRIATION.....	\$	573,271,800
14	Total federal revenues.....		167,542,000
15	Total local revenues.....		43,000,000
16	Total private revenues.....		0
17	Total state restricted revenues.....		58,245,000
18	State general fund/general purpose.....	\$	304,484,800

19 **Sec. 102. DEPARTMENT OF AGRICULTURE**

20	Farmland and open space development acquisition.....	\$	<u>7,500,000</u>
21	GROSS APPROPRIATION.....	\$	7,500,000

22 Appropriated from:

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

3

For Fiscal Year Ending
September 30, 2003

1	Federal revenues:	
2	DAG, multiple grants.....	2,500,000
3	Special revenue funds:	
4	Agriculture preservation fund.....	5,000,000
5	State general fund/general purpose.....	\$ 0
6	Sec. 103. DEPARTMENT OF MANAGEMENT AND BUDGET	
7	Lump sum projects:	
8	Special maintenance, remodeling and additions:	
9	For state agencies special maintenance projects esti-	
10	mated to cost more than \$100,000 but less than	
11	\$1,000,000.....	\$ 4,000,000
12	Major special maintenance and remodeling for depart-	
13	ment of community health.....	500,000
14	Major special maintenance and remodeling for depart-	
15	ment of corrections.....	2,077,700
16	Major special maintenance and remodeling for family	
17	independence agency.....	550,000
18	Major special maintenance and remodeling for depart-	
19	ment of management and budget.....	712,500
20	Major special maintenance and remodeling for depart-	
21	ment of state police.....	<u>256,300</u>
22	GROSS APPROPRIATION.....	\$ 8,096,500
23	Appropriated from:	
24	Interdepartmental grant revenues:	
25	IDG from building occupancy charges.....	4,000,000
26	State general fund/general purpose.....	\$ 4,096,500

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

4

For Fiscal Year Ending
September 30, 2003

1 Sec. 104. DEPARTMENT OF MILITARY AFFAIRS

2 Lump sum projects:

3 For department of military affairs remodeling and

4 additions and special maintenance projects..... \$ 2,711,700

5 GROSS APPROPRIATION..... \$ 2,711,700

6 Appropriated from:

7 Federal revenues:

8 DOD, department of the army, national guard bureau... \$ 1,492,000

9 State general fund/general purpose..... \$ 1,219,700

10 Sec. 104a. STATE AGENCY, COMMUNITY COLLEGE, AND UNIVERSITY

11 PLANNING PROJECTS

12 Alpena Community College - instructional

13 addition/renovation project, for program and plan-

14 ning to be paid for from college revenues..... \$ 100

15 Bay De Noc Community College - Dickinson County

16 facility, for program and planning to be paid for

17 from college revenues..... 100

18 Jackson Community College - new downtown center reno-

19 vation project - for program and planning to be

20 paid for from college revenues..... 100

21 Delta College - allied health and nursing "F" wing

22 renovations, for program and planning to be paid

23 for from college revenues..... 100

24 Grand Rapids Community College - campus renovations -

25 for program and planning to be paid for from

26 college revenues..... 100

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

5

For Fiscal Year Ending
September 30, 2003

1	Kalamazoo Valley Community College - center for new	
2	media, for program and planning to be paid for from	
3	college revenues.....	100
4	Lansing Community College - master plan phase I -	
5	technology facility, for program and planning to be	
6	paid for from college revenues.....	100
7	Muskegon Community College - library/technology	
8	center project, for program and planning to be paid	
9	for from college revenues.....	100
10	North Central Michigan College - university and	
11	science center, for program and planning to be paid	
12	for from college revenues.....	100
13	Schoolcraft College - technical service facility, for	
14	program and planning to be paid for from college	
15	revenues.....	100
16	Southwestern Michigan College - M-Tech center expan-	
17	sion, for program and planning to be paid for from	
18	college revenues.....	100
19	Washtenaw Community College - renovations and science	
20	laboratory upgrade, for program and planning to be	
21	paid for from college revenues.....	100
22	West Shore Community College - media center building,	
23	for program and planning to be paid for from col-	
24	lege revenues.....	100
25	Central Michigan University - education building, for	
26	program and planning to be paid for from college	
27	revenues.....	100

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

6

For Fiscal Year Ending
September 30, 2003

1	Eastern Michigan University - Pray-Harrold classroom		
2	building modernization project, for program and		
3	planning to be paid for from college revenues.....		100
4	University of Michigan - school of public health, for		
5	program and planning to be paid for from college		
6	revenues.....		100
7	Ferris State University - optometry building, for		
8	program and planning to be paid for from college		
9	revenues.....		100
10	Grand Valley State University - library addition and		
11	remodeling - for program and planning to be paid		
12	for from university revenues.....		100
13	Western Michigan University - Sangren hall/education		
14	building, for program and planning to be paid for		
15	from college revenues.....		<u>100</u>
16	GROSS APPROPRIATION.....	\$	1,900
17	Appropriated from:		
18	State general fund/general purpose.....	\$	1,900
19	Sec. 105. DEPARTMENT OF NATURAL RESOURCES		
20	(1) STATE PARKS		
21	State parks repair and maintenance.....	\$	2,500,000
22	Forest roads, bridges, and facilities.....		<u>800,00</u>
23	GROSS APPROPRIATION.....	\$	3,300,000
24	Appropriated from:		
25	Special revenue funds:		
26	State park improvement fund.....	\$	1,500,000

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

7

For Fiscal Year Ending
September 30, 2003

1	State park endowment fund.....	1,000,000
2	Forest development fund.....	800,000
3	State general fund/general purpose..... \$	0
4	(2) WILDLIFE	
5	Deer habitat development and acquisition..... \$	1,500,000
6	State game and wildlife area maintenance.....	<u>550,000</u>
7	GROSS APPROPRIATION..... \$	2,050,000
8	Appropriated from:	
9	Federal revenues:	
10	DOI, U.S. fish and wildlife service,	
11	Pittman-Robertson.....	550,000
12	Special revenue funds:	
13	Deer range improvement fund.....	1,500,000
14	State general fund/general purpose..... \$	0
15	(3) WATERWAYS BOATING PROGRAM	
16	Boating program, state boating access projects..... \$	25,000
17	Boating program, boating access sites, grants in	
18	aid:	
19	Delta County, Escanaba, north shore boating access	
20	site (total project cost \$1,333,000, federal share	
21	\$1,000,000, local share \$333,000).....	1,000,000
22	Boating program, harbors and docks, state	
23	facilities:	
24	Infrastructure improvements and engineering studies..	3,400,000
25	Land acquisition.....	2,200,000
26	Cedar River, new marina, phase II (total cost	
27	\$5,200,000, state share \$5,200,000).....	1,600,000

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

8

For Fiscal Year Ending
September 30, 2003

1	Mackinaw City, new marina, state dock, phase II	
2	(total cost \$7,200,000, federal share \$575,000,	
3	state share \$3,600,000).....	3,025,000
4	Mackinac Island, marina expansion (total project cost	
5	\$11,025,000, state share \$11,025,000).....	9,025,000
6	Boating program, harbors and docks, local	
7	facilities:	
8	Infrastructure improvements and engineering studies..	800,000
9	Traverse City, Grand Traverse County, facility reha-	
10	bilitation, phase II (total project cost	
11	\$10,000,000, state share \$7,500,000).....	2,500,000
12	Muskegon County, Whitehall, restroom/shower upgrade	
13	(total project cost \$250,000, state share \$125,000)	<u>125,000</u>
14	GROSS APPROPRIATION..... \$	23,700,000
15	Appropriated from:	
16	Federal revenues:	
17	DOI, U.S. fish and wildlife service, Dingell-Johnson.	3,000,000
18	Special revenue funds:	
19	Michigan state waterways fund.....	20,700,000
20	State general fund/general purpose..... \$	0
21	Sec. 106. DEPARTMENT OF TRANSPORTATION	
22	STATE TRUNKLINE FUND	
23	Department buildings and facilities:	
24	Salt storage buildings and brine runoff control sys-	
25	tems - contract agencies locations..... \$	1,000,000
26	Design and construct washbay additions at various	
27	maintenance garages locations.....	500,000

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

9

For Fiscal Year Ending
September 30, 2003

1	Gaylord, regional office building.....	1,000,000
2	Grayling, transportation service center.....	1,000,000
3	Monroe welcome center, construction authorization	
4	(total project cost not to exceed \$3,000,000).....	3,000,000
5	Purchase property, various statewide locations.....	500,000
6	Reroof, fence, bituminous surfacing, various	
7	locations.....	450,000
8	Institutional and agency roads.....	750,000
9	Mason maintenance garage, addition or modification of	
10	offices, lunchrooms and restrooms.....	400,000
11	Miscellaneous remodeling, additions, emergency	
12	maintenance.....	<u>1,000,000</u>
13	GROSS APPROPRIATION..... \$	9,600,000
14	Appropriated from:	
15	Special revenue funds:	
16	State trunkline fund.....	9,600,000
17	State general fund/general purpose..... \$	0
18	Sec. 107. DEPARTMENT OF TRANSPORTATION	
19	AERONAUTICS FUND: AIRPORT PROGRAMS	
20	Airport improvement programs..... \$	212,000,000
21	Airport safety and protection plan.....	<u>17,000,000</u>
22	Adrian - Lenawee County airport	
23	Allegan - Padgham field	
24	Alma - Gratiot community airport	
25	Alpena - Alpena County regional airport	
26	Ann Arbor - Ann Arbor municipal airport	

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

10

For Fiscal Year Ending
September 30, 2003

- 1 Atlanta - Atlanta municipal airport
- 2 Bad Axe - Huron County memorial airport
- 3 Baraga - new airport
- 4 Battle Creek - W.K. Kellogg airport
- 5 Bay City - James Clements airport
- 6 Bellaire - Antrim County airport
- 7 Benton Harbor - southwest Michigan regional airport
- 8 Big Rapids - Roben-Hood airport
- 9 Cadillac - Wexford County airport
- 10 Caro - Tuscola area/Caro municipal airport
- 11 Charlevoix - Charlevoix municipal airport
- 12 Charlotte - Fitch H. Beach airport
- 13 Cheboygan - Cheboygan County airport
- 14 Clare - Clare municipal airport
- 15 Coldwater - Branch County airport
- 16 Detroit - Detroit city airport
- 17 Detroit - Detroit metropolitan airport, Wayne County air-
- 18 port
- 19 Detroit - Willow Run airport
- 20 Dowagiac - Cass County airport
- 21 Drummond Island - Drummond Island airport
- 22 Escanaba - Delta County airport
- 23 Evart - Evart municipal airport
- 24 Flint - Bishop international airport
- 25 Frankfort - Frankfort Dow memorial airport
- 26 Fremont - Fremont municipal airport

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

11

For Fiscal Year Ending
September 30, 2003

- 1 Gaylord - Otsego County airport
- 2 Gladwin - Gladwin Zettal memorial airport
- 3 Grand Haven - Grand Haven memorial airpark
- 4 Grand Ledge - Abrams municipal airport
- 5 Grand Rapids - Gerald R. Ford international airport
- 6 Grayling - Grayling army airfield
- 7 Greenville - Greenville municipal airport
- 8 Grosse Ile - Grosse Ile municipal airport
- 9 Hancock - Houghton County memorial airport
- 10 Harbor Springs - Harbor Springs municipal airport
- 11 Hastings - Hastings city/Barry County airport
- 12 Hart Shelby - Oceana County airport
- 13 Hillsdale - Hillsdale municipal airport
- 14 Holland - tulip city airport
- 15 Houghton Lake - Roscommon County airport
- 16 Howell - Livingston County airport
- 17 Ionia - Ionia County airport
- 18 Iron County - county airports
- 19 Iron Mountain - Ford airport
- 20 Ironwood - Gogebic-Iron County (Wisconsin) airport
- 21 Jackson - Jackson County-Reynolds field
- 22 Kalamazoo - Kalamazoo/Battle Creek international airport
- 23 Lakeview - Lakeview-Griffith field
- 24 Lambertville - suburban airport
- 25 Lansing - capital city airport
- 26 Lapeer - Dupont-Lapeer airport

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

12

For Fiscal Year Ending
September 30, 2003

- 1 Linden - Price airport
- 2 Ludington - Mason County airport
- 3 Mackinac Island - Mackinac Island airport
- 4 Manistee - Manistee County airport
- 5 Manistique - Schoolcraft County airport
- 6 Marlette - Marlette Township airport
- 7 Marquette - Sawyer airport
- 8 Marshall - Brooks field
- 9 Mason - Mason Jewett field
- 10 Menominee - Menominee-Marinette twin city airport
- 11 MDOT - airport obstruction analysis
- 12 Midland - Jack Barstow airport
- 13 Monroe - Custer airport
- 14 Mt. Pleasant - Mt. Pleasant municipal airport
- 15 Munising - Hanley field
- 16 Muskegon - Muskegon County airport
- 17 New Hudson - Oakland-southwest airport
- 18 Newberry - Luce County airport
- 19 Niles - Jerry Tyler memorial airport
- 20 Ontonagon - Ontonagon County airport
- 21 Oscoda - Wurtsmith airport
- 22 Owosso - Owosso community airport
- 23 Pellston - Pellston regional airport
- 24 Plymouth - Canton-Plymouth-Mettetal airport
- 25 Pontiac - Oakland County international airport
- 26 Port Huron - St. Clair County international airport

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

13

For Fiscal Year Ending
September 30, 2003

1	Rogers City - Presque Isle County/Rogers City airport	
2	Romeo - Romeo state airport	
3	Saginaw - Harry W. Browne airport	
4	Saginaw - MBS international airport	
5	St. Ignace - Mackinac County airport	
6	St. James - Beaver Island airport	
7	Sandusky - Sandusky city airport	
8	Sault Ste. Marie - Chippewa County international airport	
9	South Haven - South Haven area regional airport	
10	Sparta - Sparta airport	
11	Statewide - various sites	
12	Sturgis - Kirsch municipal airport	
13	Three Rivers - Three Rivers municipal, Dr. Haines airport	
14	Traverse City - cherry capital airport	
15	Troy - Oakland-Troy airport	
16	West Branch - West Branch community airport	
17	White Cloud - White Cloud airport	
18	GROSS APPROPRIATION.....	\$ 229,000,000
19	Appropriated from:	
20	Federal revenues:	
21	DOT, federal aviation administration.....	160,000,000
22	Special revenue funds:	
23	Combined comprehensive transportation bond proceeds	
24	fund - aeronautics.....	12,000,000
25	Local aeronautics match.....	43,000,000
26	State aeronautics fund.....	2,000,000

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

14

For Fiscal Year Ending
September 30, 2003

1	State general fund/general purpose.....	\$	12,000,000
2	Sec. 108. STATE BUILDING AUTHORITY RENT		
3	State building authority rent - state agencies.....	\$	61,585,200
4	State building authority rent - department of		
5	corrections.....		81,893,500
6	State building authority rent - universities.....		128,031,000
7	State building authority rent - community colleges...		<u>19,802,000</u>
8	GROSS APPROPRIATION.....	\$	291,311,700
9	Appropriated from:		
10	Special revenue funds:		
11	Grand tower facility reimbursement.....		2,150,000
12	Roosevelt parking reimbursement.....		275,000
13	State building authority, University of Michigan,		
14	third party reimbursement.....		200,000
15	State lottery funds.....		1,520,000
16	State general fund/general purpose.....	\$	287,166,700

17

18

19 PART 2

20 PROVISIONS CONCERNING APPROPRIATIONS

21 **GENERAL SECTIONS**

22 Sec. 201. (1) Pursuant to section 30 of article IX of the state
23 constitution of 1963, total state spending from state resources for
24 fiscal year 2002-2003 is estimated at \$362,729,800.00 in part 1 of this
25 appropriation act and state spending from state resources paid to local
26 units of government for fiscal year 2002-2003 is estimated at

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

15

1 \$17,425,000.00. The itemized statement below identifies appropriations
2 from which spending to units of local government will occur:

3 CAPITAL OUTLAY

4	Department of natural resources - waterways.....	\$	3,425,000
5	State transportation department - state aeronautics		
6	program.....		<u>14,000,000</u>
7	TOTAL.....	\$	17,425,000

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

13 Sec. 202. As used in this act:

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

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

16 (c) "Community college" does not include a state agency or
17 university.

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

19 (e) "Director" means the director of the department of management
20 and budget.

21 (f) "DAG" means the United States department of agriculture.

22 (g) "DOD" means the United States department of defense.

23 (h) "DOI" means the United States department of interior.

24 (i) "DOT" means the United States department of transportation.

25 (j) "Fiscal agencies" means the senate fiscal agency and the house
26 fiscal agency.

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

16

1 (k) "HHS-HCFA" means the United States department of health and
2 human services, health care financing administration.

3 (l) "ICF/MR" means intermediate care facilities for the mentally
4 retarded.

5 (m) "IDG" means interdepartmental grant.

6 (n) "JCOS" means the joint capital outlay subcommittee of the
7 appropriations committees.

8 (o) "MDOT" means the Michigan department of transportation.

9 (p) "MIOSHA" means the Michigan occupational safety and health act,
10 1974 PA 154, MCL 408.1001 to 408.1094.

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

19 (r) "Self-supporting project" means a project of a community
20 college or university that will house a function or activity from which
21 revenue is generated that will cover all the direct and indirect operat-
22 ing costs of the project without the additional transfer of any other
23 general fund money of the community college or university.

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

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

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

17

1 (u) "State building authority" means the authority created under
2 1964 PA 183, MCL 830.411 to 830.425.

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

5 (w) "Utility system" means a utility supply or distribution system,
6 or a combination utility supply and distribution system.

7 Sec. 203. Funds appropriated in part 1 shall not be used for the
8 purchase of non-Michigan goods or services, or both, if competitively
9 priced and of comparable quality Michigan goods or services, or both, are
10 available.

11 **DEPARTMENT OF AGRICULTURE**

12 Sec. 251. Of the amounts appropriated in part 1 for farmland and
13 open space development acquisition, the funds shall be used for the pur-
14 chase of development rights and the awarding of grants by the agriculture
15 preservation fund board under the natural resources and environmental
16 protection act, 1994 PA 451, MCL 324.101 to 324.90106.

17 **DEPARTMENT OF CORRECTIONS**

18 Sec. 301. A maximum security prison that is constructed or com-
19 pleted after October 1, 1986, shall have operating manned watchtowers
20 equipped with the weaponry, lighting, sighting, and communications
21 devices necessary for effective execution of its function. The watchtow-
22 ers shall be constructed pursuant to the American correctional
23 association standards for watchtowers.

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

18

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

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

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

9 Sec. 401. Each capital outlay project authorized in this act or any
10 previous capital outlay act shall comply with the procedures required by
11 the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.
12 Capital outlay projects shall not be funded from operating accounts
13 unless approved by the department and the JCOS.

14 Sec. 402. A statement of a proposed facility's operating cost shall
15 be included with the facility's program statement and planning documents
16 when the plans are presented to JCOS for approval.

17 Sec. 403. (1) Before proceeding with final planning and construc-
18 tion for projects at community colleges and universities included in an
19 appropriations bill, the community college or university shall sign an
20 agreement with the department that includes the following provisions:

21 (a) The university or community college agrees to construct the
22 project within the total authorized cost established by the legislature
23 pursuant to the management and budget act, 1984 PA 431, MCL 18.1101 to
24 18.1594, and an appropriations act.

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

19

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

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

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

Sec. 404. (1) The department shall provide the JCOS and the fiscal agencies with reports as considered necessary relative to the status of each planning or construction project financed by the state building authority, by this act, or by previous acts.

(2) Before the end of each fiscal year, the department shall report to the JCOS and the fiscal agencies for each capital outlay project other than lump sums all of the following:

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

(b) The balance remaining in each account.

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

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

(e) The appropriations history for the project.

(f) The professional service contractor.

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

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

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

20

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

3 (3) Before the end of each fiscal year, the department shall report
4 the following for each project by a state agency, university, or commu-
5 nity college that is authorized for planning but is not yet authorized
6 for construction:

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

8 (b) Whether a program statement is approved.

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

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

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

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

14 Sec. 405. (1) If a capital outlay appropriation is contained in a
15 public act that was not reviewed by the JCOS during the legislative pro-
16 cess, the director shall notify the JCOS of an expenditure of that capi-
17 tal outlay appropriation not less than 60 days before the expenditure.

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

22 Sec. 406. A state agency, college, or university shall take steps
23 necessary to make available federal and other money indicated in this
24 act, to make available federal or other money that may become available
25 for the purposes for which appropriations are made in this act, and to
26 use any part or all of the appropriations to meet matching requirements
27 that are considered to be in the best interest of this state. However,

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

21

1 the purpose, scope, and total estimated cost of a project shall not be
2 altered to meet the matching requirements.

3 Sec. 407. (1) Before money is released for the construction or
4 lease of a capital outlay project costing over \$1,000,000.00, at the
5 request of the JCOS the department shall submit to the JCOS, with prelim-
6 inary planning documents, a detailed comparative cost analysis. The cost
7 analysis shall include a comparison of the financial and other benefits
8 of construction, financing, operation, and maintenance of the proposed
9 facility between all of the following:

10 (a) The state.

11 (b) The private sector.

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

13 (d) A lease agreement.

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

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

26 Sec. 408. Pursuant to section 242(2) of the management and budget
27 act, 1984 PA 431, MCL 18.1242, the department shall submit 5-year capital

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

22

1 outlay plans and capital outlay priority requests developed by state
2 agencies (and as approved by the department of management and budget),
3 universities, and community colleges to the chairperson and ranking
4 vice-chairperson of the JCOS and the fiscal agencies upon the release of
5 the executive budget recommendation.

6 **USE AND FINANCE STATEMENTS**

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

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

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

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

23

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

10 (4) A public body corporate created under section 28 of article VII
11 of the state constitution of 1963 and the urban cooperation act of 1967,
12 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a contractual interlocal
13 agreement between local participating economic development corporations
14 formed under the economic development corporations act, 1974 PA 338,
15 MCL 125.1601 to 125.1636, and the Michigan strategic fund shall not let a
16 contract for new construction estimated to cost more than \$1,000,000.00
17 unless the project is authorized by the JCOS through the approval of a
18 use and financing statement defined by a policy adopted by the JCOS. For
19 purposes of this subsection, the use and financing statement for a
20 project shall contain the estimated total construction cost and all asso-
21 ciated estimated operating costs. As used in this subsection, "new
22 construction" means land or property acquisition, remodeling or addi-
23 tions, lease or lease purchase, and maintenance projects for the corpo-
24 rate office of the public body corporate described in this subsection.

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

24

1 LUMP SUMS AND SPECIAL MAINTENANCE

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

9 (2) The state budget director may authorize that funds appropriated
10 for lump sum special maintenance shall be available for no more than 2
11 fiscal years following the fiscal year in which the original appropria-
12 tion was made. Any remaining balance from allocations made in this sec-
13 tion shall lapse to the fund from which it was appropriated pursuant to
14 the lapsing of funds as provided in the management and budget act, 1984
15 PA 431, MCL 18.1101 to 18.1594.

16 (3) Before the end of each fiscal year, the department shall submit
17 a report to the JCOS and the fiscal agencies indicating the total cost
18 and status of all lump-sum projects funded under this act and any previ-
19 ous act that have been designated as proposed, designed, bid, under con-
20 struction, or completed within the current fiscal year.

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

24 (2) Before the end of each fiscal year, each state agency, community
25 college, and university shall report each year to the department the
26 status of and planned schedule for demolition projects already authorized

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

25

1 but not yet started, the estimated cost of the projects, and the
2 anticipated sources of financing of the projects.

3 Sec. 603. Pursuant to department policy, state agencies may expend
4 not more than \$1,000,000.00 from their operating budget for special main-
5 tenance, remodeling, additions, or other capital outlay purposes, unless
6 specifically authorized by the legislature.

7 **STATE BUILDING AUTHORITY**

8 Sec. 701. (1) Subject to section 242 of the management and budget
9 act, 1984 PA 431, MCL 18.1242, and upon the approval of the state build-
10 ing authority, the department may expend from the general fund of the
11 state during the fiscal year ending September 30, 2003 an amount to meet
12 the cash flow requirements of those state building authority projects
13 solely for lease to a state agency identified in both part 1 and this
14 section, and for which state building authority bonds or notes have not
15 been issued, and for the sole acquisition by the state building authority
16 of equipment and furnishings for lease to a state agency as permitted by
17 1964 PA 183, MCL 830.411 to 830.425, for which the issuance of bonds or
18 notes is authorized by a legislative concurrent resolution that is effec-
19 tive for a fiscal year ending September 30, 2003. Any general fund
20 advances for which state building authority bonds have not been issued
21 shall bear an interest cost to the state building authority at a rate not
22 to exceed that earned by the state treasurer's common cash fund during
23 the period in which the advances are outstanding and are repaid to the
24 general fund of the state.

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

26

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

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

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

17 Sec. 702. (1) State building authority funding to finance construc-
18 tion or renovation of a facility that collects revenue in excess of money
19 required for the operation of that facility shall not be released to a
20 university or community college unless the institution agrees to reim-
21 burse that excess revenue to the state building authority. The excess
22 revenue shall be credited to the general fund to offset rent obligations
23 associated with the retirement of bonds issued for that facility. The
24 auditor general shall annually identify and present an audit of those
25 facilities that are subject to this section. Costs associated with the
26 administration of the audit shall be charged against money recovered
27 pursuant to this section.

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

27

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

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

10 (2) If the amount appropriated in part 1 for state building author-
11 ity rent is not sufficient to pay the rent obligations and insurance pre-
12 miums and deductibles identified in subsection (1) for state building
13 authority projects, there is appropriated from the general fund of the
14 state the amount necessary to pay such obligations.

15 Sec. 704. The department shall provide the JCOS and the fiscal
16 agencies a report, not more than 15 days after the reporting date, rela-
17 tive to the status of construction projects associated with state build-
18 ing authority bonds on March 31 and September 30 of each year, or not
19 more than 30 days after a refinancing or restructuring bond issue is
20 sold. The report shall include, but is not limited to, the following:

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

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

26 (c) A list of all projects authorized for construction or identified
27 in an appropriations act for which approval of schematic/preliminary

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

28

1 plans or total authorized cost is pending that have state building
2 authority bonds identified as a source of financing.

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

17 **COLLEGES AND UNIVERSITIES**

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

20 (2) State support is directed towards the remodeling and additions,
21 special maintenance, or construction of certain community college
22 buildings. The community college shall obtain or provide for site acqui-
23 sition and initial main utility installation to operate the facility.
24 Funding shall be comprised of local and state shares, and the state share
25 shall include 50% of any federal money awarded for projects appropriated

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

29

1 in this act. Not more than 50% of a capital outlay project, not
2 including a lump-sum special maintenance project or remodeling and addi-
3 tion project, for a community college shall be appropriated from state
4 and federal funds, unless otherwise appropriated by the legislature.

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

21 (4) The community college shall take the steps necessary to secure
22 available federal construction and equipment money for projects funded
23 for construction in this act if an application was not previously made.
24 If there is a reasonable expectation that a prior year unfunded applica-
25 tion may receive federal money in a subsequent year, the college shall
26 take whatever action necessary to keep the application active. If

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

30

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

3 Sec. 802. If matching revenues are received in an amount less than
4 the appropriations contained in this act, the state funds of the appro-
5 priation shall be reduced in proportion to the amount of matching revenue
6 received.

7 Sec. 804. (1) The director may require that community colleges and
8 universities that have an authorized project listed in part 1 submit doc-
9 umentation regarding the project match and governing board approval of
10 the authorized project not more than 60 days after the beginning of the
11 fiscal year.

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

18 Sec. 805. The appropriation for planning projects authorized in
19 part 1 provides authorization to complete programming and schematic plan-
20 ning documents. These projects will not receive construction authoriza-
21 tion unless there is sufficient bonding capacity available under the
22 state building authority's statutory bond capacity limit.

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

31

1 DEPARTMENT OF MANAGEMENT AND BUDGET

2 Sec. 901. If the JCOS approves, the department, for purposes of
3 administrative and fiscal efficiency, may consolidate or discontinue fed-
4 eral surplus property warehouses administered under 1961 PA 139,
5 MCL 18.251 to 18.261.

6 Sec. 902. (1) The department shall provide the JCOS and the fiscal
7 agencies a report, not more than 15 days after the reporting date, of
8 privately owned leased space by state agencies, by March 31 and
9 September 30 of each year, consisting of the following:

10 (a) Department.

11 (b) Agency division and leased number.

12 (c) Building location (address and city).

13 (d) Type of building.

14 (e) County.

15 (f) Name and address of lessor.

16 (g) Square footage and net square footage rate.

17 (h) Monthly and annual cost.

18 (i) Date lease started and expires.

19 (j) Options and services.

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

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

32

1 DEPARTMENT OF NATURAL RESOURCES

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

15 Sec. 1002. (1) Before the end of each fiscal year, the department
16 of natural resources shall report each year to the JCOS the status of
17 each project that received an appropriation in any capital outlay act, if
18 the project is either not completed or has a balance remaining in its
19 account. The report shall be in the same form and contain the informa-
20 tion as required under section 404. The report shall be separated into
21 the following areas, by fund sources:

- 22 (a) Waterways projects.
- 23 (b) Urban recreation projects.
- 24 (c) State park projects.
- 25 (d) Wildlife and fisheries projects.
- 26 (e) Other projects.

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

33

1 (2) A project request for reauthorization by the department of
2 natural resources shall also be identified within the report required by
3 subsection (1). These reauthorization requests shall identify the sub-
4 section number of section 248 of the management and budget act, 1984
5 PA 431, MCL 18.1248, that provides the reason and justification for the
6 requested reauthorization.

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

9 Sec. 1003. The department of natural resources may transfer
10 \$4,900,000.00 from the harbor development fund to the state waterways
11 fund for the purposes appropriated in part 1 of this act.

12 **STATE TRANSPORTATION DEPARTMENT**

13 Sec. 1101. (1) From federal-state-local project appropriations con-
14 tained in part 1 for the purpose of assisting political entities and sub-
15 divisions of this state in the construction and improvement of publicly
16 used airports and landing fields within this state, the state transporta-
17 tion department may permit the award of contracts on behalf of units of
18 local government for the authorized locations not to exceed the indicated
19 amounts, of which the state allocated portion shall not exceed the amount
20 appropriated in part 1.

21 (2) Political entities and subdivisions shall provide not less than
22 5% of the cost of any project under this section. State money shall not
23 be allocated until local money is allocated, and except as provided in
24 subsection (4) state money for any 1 project shall not exceed 1/3 of the

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

34

1 total appropriation in part 1 from state funds for airport improvement
2 programs.

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

14 (4) The department of transportation shall notify the state budget
15 director if additional federal aeronautics funds are anticipated beyond
16 those appropriated in part 1 of this act. In the event that additional
17 federal funds are available, the state budget director shall recommend to
18 the legislature an appropriation of state and local funds necessary to
19 meet any federal matching requirements.

20 (5) From appropriations contained in part 1 for airport improvement
21 programs, \$12,000,000.00 of the state general fund shall be used as state
22 resources for state-funded components of the comprehensive northwest air-
23 lines midfield terminal project. The allocation of state general fund
24 money is subject to audit by the auditor general.

25 (6) From the appropriations contained in part 1 for airport improve-
26 ment programs, no funds shall be allocated for any runway extensions,
27 taxiway extensions, or apron extensions at the Detroit-Willow Run

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

35

1 airport. Further, it is the intent of the legislature that no state
2 funds shall be expended to improve or repair the airport where the pur-
3 pose of the improvement or repair is to expand the usage of the airport
4 including, but not limited to, anything approximating a tradeport as that
5 term is defined in the international tradeport development authority act,
6 1994 PA 325, MCL 152.2521 to 152.2546.

7 Sec. 1102. Before the end of each fiscal year, the state transpor-
8 tation department shall report to the JCOS the status of projects funded
9 in part 1 with the estimated dollars allocated for each project. If
10 there has to be a delay in reporting, the state transportation department
11 shall notify JCOS in writing of the date the report will be received.

12 Sec. 1104. (1) A planning project or construction project appropri-
13 ated for the airport program shall be made available for no more than 2
14 fiscal years following the fiscal year in which the original appropria-
15 tion was made.

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

20 **MISCELLANEOUS**

21 Sec. 1201. (1) Revenue collected from licenses issued under the
22 antenna site management project shall be deposited into the antenna site
23 management revolving fund created for this purpose in the department of
24 management and budget. The department may receive and expend funds from
25 the fund for costs associated with the antenna site management project,

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

36

1 including the cost of the third-party site manager. Any excess revenue
2 remaining in the fund at the close of the fiscal year shall be propor-
3 tionately transferred to the appropriate state restricted funds as desig-
4 nated in statute or by constitution.

5 (2) An antenna shall not be sited pursuant to this section without
6 prior compliance with the respective local zoning codes and local unit of
7 government processes.

8 Sec. 1202. (1) A site preparation economic development fund is
9 hereby created in the department of management and budget. As used in
10 this section, "economic development sites" means those state owned sites
11 declared as surplus property pursuant to section 251 of the management
12 and budget act, 1984 PA 431, MCL 18.1251, that would provide economic
13 benefit to the area or to the state. The Michigan economic development
14 corporation board and the state budget director shall determine whether
15 or not a specific state owned site qualifies for inclusion in the fund
16 created under this subsection.

17 (2) Proceeds from the sale of any sites designated in subsection (1)
18 shall be deposited into the fund created in subsection (1) and shall be
19 available for site preparation expenditures, unless otherwise provided by
20 law. The economic development sites authorized in subsection (1) are
21 hereby authorized for sale consistent with state law. Expenditures from
22 the fund are hereby authorized for site preparation activities that
23 enhance the marketable sale value of the sites. Site preparation activi-
24 ties include, but are not limited to, demolition, environmental studies
25 and abatement, utility enhancement, and site excavation.

SB1099, As Passed House, June 4, 2002

Senate Bill No. 1099

37

1 (3) A cash advance in an amount of not more than \$25,000,000.00 is
2 hereby authorized from the general fund to the site preparation economic
3 development fund.

4 (4) An annual report shall be transmitted to the senate and house of
5 representatives appropriations committees not later than December 31 of
6 each year. This report shall detail both of the following:

7 (a) The revenue and expenditure activity in the fund for the preced-
8 ing fiscal year.

9 (b) The sites identified as economic development sites under
10 subsection (1).