

**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,

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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.....	\$	577,271,600
11	Total interdepartmental grants and intradepartmental		
12	transfers.....	\$	4,000,000
13	ADJUSTED GROSS APPROPRIATION.....	\$	573,271,600
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.....	\$	304,484,600

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:

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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

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Sec. 104. DEPARTMENT OF MILITARY AFFAIRS

Lump sum projects:

For department of military affairs remodeling and

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

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

Appropriated from:

Federal revenues:

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

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

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

PLANNING PROJECTS

Alpena Community College - instructional

addition/renovation project, for program and plan-

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

Bay De Noc Community College - Dickinson County

facility, for program and planning to be paid for

from college revenues..... \$ 100

Jackson Community College - new downtown center

renovation project - for program and planning to be

paid for from college revenues.....\$ 100

Delta College - allied health and nursing "F" wing

renovations for program and planning to be paid for

from college revenues.....\$ 100

Kalamazoo Valley Community College - center for new

media, for program and planning to be paid for from

college revenues..... 100

Lansing Community College - master plan phase I -

technology facility, for program and planning to be

paid for from college revenues..... 100

Muskegon Community College - library/technology

center project, for program and planning to be paid

for from college revenues..... 100

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North Central Michigan College - university and

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2	science center, for program and planning to be paid	
3	for from college revenues.....	100
4	Schoolcraft College - technical service facility, for	
5	program and planning to be paid for from college	
6	revenues.....	100
7	Southwestern Michigan College - M-Tech center expan-	
8	sion, for program and planning to be paid for from	
9	college revenues.....	100
10	Washtenaw Community College - renovations and science	
11	laboratory upgrade, for program and planning to be	
12	paid for from college revenues.....	100
13	West Shore Community College - media center building,	
14	for program and planning to be paid for from col-	
15	lege revenues.....	100
16	Central Michigan University - education building, for	
17	program and planning to be paid for from college	
18	revenues.....	100
19	Eastern Michigan University - Pray-Harrold classroom	
20	building modernization project, for program and	
21	planning to be paid for from college revenues.....	100
22	University of Michigan - school of public health, for	
23	program and planning to be paid for from college	
24	revenues.....	100
25	Ferris State University - optometry building, for	
26	program and planning to be paid for from college	
27	revenues.....	100

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1	Western Michigan University - Sangren hall/education		
2	building, for program and planning to be paid for		
3	from college revenues.....		<u>100</u>
4	GROSS APPROPRIATION.....	\$	<u>1,700</u>
5	Appropriated from:		
6	State general fund/general purpose.....	\$	<u>1,700</u>
7	Sec. 105. DEPARTMENT OF NATURAL RESOURCES		
8	(1) STATE PARKS		
9	State parks repair and maintenance.....	\$	2,500,000
10	Forest roads, bridges, and facilities.....		<u>800,00</u>
11	GROSS APPROPRIATION.....	\$	3,300,000
12	Appropriated from:		
13	Special revenue funds:		
14	State park improvement fund.....	\$	1,500,000
15	State park endowment fund.....		1,000,000
16	Forest development fund.....		800,000
17	State general fund/general purpose.....	\$	0
18	(2) WILDLIFE		
19	Deer habitat development and acquisition.....	\$	1,500,000
20	State game and wildlife area maintenance.....		<u>550,000</u>
21	GROSS APPROPRIATION.....	\$	2,050,000
22	Appropriated from:		
23	Federal revenues:		
24	DOI, U.S. fish and wildlife service,		
25	Pittman-Robertson.....		550,000
26	Special revenue funds:		

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1	Deer range improvement fund.....	1,500,000
2	State general fund/general purpose..... \$	0
3	(3) WATERWAYS BOATING PROGRAM	
4	Boating program, state boating access projects..... \$	25,000
5	Boating program, boating access sites, grants in	
6	aid:	
7	Delta County, Escanaba, north shore boating access	
8	site (total project cost \$1,333,000, federal share	
9	\$1,000,000, local share \$333,000).....	1,000,000
10	Boating program, harbors and docks, state	
11	facilities:	
12	Infrastructure improvements and engineering studies..	3,400,000
13	Land acquisition.....	2,200,000
14	Cedar River, new marina, phase II (total cost	
15	\$5,000,000, state share \$5,000,000).....	1,600,000
16	Mackinaw City, new marina, state dock, phase II	
17	(total cost \$7,200,000, federal share \$575,000,	
18	state share \$3,600,000).....	3,025,000
19	Mackinac Island, marina expansion (total project cost	
20	\$11,025,000, state share \$11,025,000).....	9,025,000
21	Boating program, harbors and docks, local	
22	facilities:	
23	Infrastructure improvements and engineering studies..	800,000
24	Traverse City, Grand Traverse County, facility reha-	
25	bilitation, phase II (total project cost	
26	\$10,000,000, state share \$7,500,000).....	2,500,000

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1	Muskegon County, Whitehall, restroom/shower upgrade	
2	(total project cost \$250,000, state share \$125,000)	<u>125,000</u>
3	GROSS APPROPRIATION.....	\$ 23,700,000
4	Appropriated from:	
5	Federal revenues:	
6	DOI, U.S. fish and wildlife service, Dingell-Johnson.	3,000,000
7	Special revenue funds:	
8	Michigan state waterways fund.....	20,700,000
9	State general fund/general purpose.....	\$ 0
10	Sec. 106. DEPARTMENT OF TRANSPORTATION	
11	STATE TRUNKLINE FUND	
12	Department buildings and facilities:	
13	Salt storage buildings and brine runoff control sys-	
14	tems - contract agencies locations.....	\$ 1,000,000
15	Design and construct washbay additions at various	
16	maintenance garages locations.....	500,000
17	Gaylord, regional office building.....	1,000,000
18	Grayling, transportation service center.....	1,000,000
19	Monroe welcome center, construction authorization	
20	(total project cost not to exceed \$3,000,000).....	3,000,000
21	Purchase property, various statewide locations.....	500,000
22	Reroof, fence, bituminous surfacing, various	
23	locations.....	450,000
24	Institutional and agency roads.....	750,000
25	Mason maintenance garage, addition or modification of	
26	offices, lunchrooms and restrooms.....	400,000

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1	Miscellaneous remodeling, additions, emergency	
2	maintenance.....	<u>1,000,000</u>
3	GROSS APPROPRIATION.....	\$ 9,600,000
4	Appropriated from:	
5	Special revenue funds:	
6	State trunkline fund.....	9,600,000
7	State general fund/general purpose.....	\$ 0
8	Sec. 107. DEPARTMENT OF TRANSPORTATION	
9	AERONAUTICS FUND: AIRPORT PROGRAMS	
10	Airport improvement programs.....	\$ 212,000,000
11	Airport safety and protection plan.....	<u>17,000,000</u>
12	Adrian - Lenawee County airport	
13	Allegan - Padgham field	
14	Alma - Gratiot community airport	
15	Alpena - Alpena County regional airport	
16	Ann Arbor - Ann Arbor municipal airport	
17	Atlanta - Atlanta municipal airport	
18	Bad Axe - Huron County memorial airport	
19	Baraga - new airport	
20	Battle Creek - W.K. Kellogg airport	
21	Bay City - James Clements airport	
22	Bellaire - Antrim County airport	
23	Benton Harbor - southwest Michigan regional airport	
24	Big Rapids - Roben-Hood airport	
25	Cadillac - Wexford County airport	
26	Caro - Tuscola area/Caro municipal airport	

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- 1 Charlevoix - Charlevoix municipal airport
- 2 Charlotte - Fitch H. Beach airport
- 3 Cheboygan - Cheboygan County airport
- 4 Clare - Clare municipal airport
- 5 Coldwater - Branch County airport
- 6 Detroit - Detroit city airport
- 7 Detroit - Detroit metropolitan airport, Wayne County air-
- 8 port
- 9 Detroit - Willow Run airport
- 10 Dowagiac - Cass County airport
- 11 Drummond Island - Drummond Island airport
- 12 Escanaba - Delta County airport
- 13 Evart - Evart municipal airport
- 14 Flint - Bishop international airport
- 15 Frankfort - Frankfort Dow memorial airport
- 16 Fremont - Fremont municipal airport
- 17 Gaylord - Otsego County airport
- 18 Gladwin - Gladwin Zettal memorial airport
- 19 Grand Haven - Grand Haven memorial airpark
- 20 Grand Ledge - Abrams municipal airport
- 21 Grand Rapids - Gerald R. Ford international airport
- 22 Grayling - Grayling army airfield
- 23 Greenville - Greenville municipal airport
- 24 Grosse Ile - Grosse Ile municipal airport
- 25 Hancock - Houghton County memorial airport
- 26 Harbor Springs - Harbor Springs municipal airport

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- 1 Hastings - Hastings city/Barry County airport
- 2 Hart Shelby - Oceana County airport
- 3 Hillsdale - Hillsdale municipal airport
- 4 Holland - tulip city airport
- 5 Houghton Lake - Roscommon County airport
- 6 Howell - Livingston County airport
- 7 Ionia - Ionia County airport
- 8 Iron County - county airports
- 9 Iron Mountain - Ford airport
- 10 Ironwood - Gogebic-Iron County (Wisconsin) airport
- 11 Jackson - Jackson County-Reynolds field
- 12 Kalamazoo - Kalamazoo/Battle Creek international airport
- 13 Lakeview - Lakeview-Griffith field
- 14 Lambertville - suburban airport
- 15 Lansing - capital city airport
- 16 Lapeer - Dupont-Lapeer airport
- 17 Linden - Price airport
- 18 Ludington - Mason County airport
- 19 Mackinac Island - Mackinac Island airport
- 20 Manistee - Manistee County airport
- 21 Manistique - Schoolcraft County airport
- 22 Marlette - Marlette Township airport
- 23 Marquette - Sawyer airport
- 24 Marshall - Brooks field
- 25 Mason - Mason Jewett field
- 26 Menominee - Menominee-Marinette twin city airport

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- 1 MDOT - airport obstruction analysis
- 2 Midland - Jack Barstow airport
- 3 Monroe - Custer airport
- 4 Mt. Pleasant - Mt. Pleasant municipal airport
- 5 Munising - Hanley field
- 6 Muskegon - Muskegon County airport
- 7 New Hudson - Oakland-southwest airport
- 8 Newberry - Luce County airport
- 9 Niles - Jerry Tyler memorial airport
- 10 Ontonagon - Ontonagon County airport
- 11 Oscoda - Wurtsmith airport
- 12 Owosso - Owosso community airport
- 13 Pellston - Pellston regional airport
- 14 Plymouth - Canton-Plymouth-Mettetal airport
- 15 Pontiac - Oakland County international airport
- 16 Port Huron - St. Clair County international airport
- 17 Rogers City - Presque Isle County/Rogers City airport
- 18 Romeo - Romeo state airport
- 19 Saginaw - Harry W. Browne airport
- 20 Saginaw - MBS international airport
- 21 St. Ignace - Mackinac County airport
- 22 St. James - Beaver Island airport
- 23 Sandusky - Sandusky city airport
- 24 Sault Ste. Marie - Chippewa County international airport
- 25 South Haven - South Haven area regional airport
- 26 Sparta - Sparta airport

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1	Statewide - various sites	
2	Sturgis - Kirsch municipal airport	
3	Three Rivers - Three Rivers municipal, Dr. Haines airport	
4	Traverse City - cherry capital airport	
5	Troy - Oakland-Troy airport	
6	West Branch - West Branch community airport	
7	White Cloud - White Cloud airport	
8	GROSS APPROPRIATION.....	\$ 229,000,000
9	Appropriated from:	
10	Federal revenues:	
11	DOT, federal aviation administration.....	160,000,000
12	Special revenue funds:	
13	Combined comprehensive transportation bond proceeds	
14	fund - aeronautics.....	12,000,000
15	Local aeronautics match.....	43,000,000
16	State aeronautics fund.....	2,000,000
17	State general fund/general purpose.....	\$ 12,000,000
18	Sec. 108. STATE BUILDING AUTHORITY RENT	
19	State building authority rent - state agencies.....	\$ 61,585,200
20	State building authority rent - department of	
21	corrections.....	81,893,500
22	State building authority rent - universities.....	128,031,000
23	State building authority rent - community colleges...	<u>19,802,000</u>
24	GROSS APPROPRIATION.....	\$ 291,311,700
25	Appropriated from:	
26	Special revenue funds:	

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1	Grand tower facility reimbursement.....	2,150,000
2	Roosevelt parking reimbursement.....	275,000
3	State building authority, University of Michigan,	
4	third party reimbursement.....	200,000
5	State lottery funds.....	1,520,000
6	State general fund/general purpose..... \$	287,166,700

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PART 2

10

PROVISIONS CONCERNING APPROPRIATIONS

11

GENERAL SECTIONS

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CAPITAL OUTLAY

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

(2) If it appears to the principal executive officer of a department or branch that state spending to local units of government will be less than the amount that was projected to be expended under subsection (1),

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1 the principal executive officer shall immediately give notice of the
2 approximate shortfall to the state budget director.

3 Sec. 202. As used in this act:

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

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

6 (c) "Community college" does not include a state agency or
7 university.

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

9 (e) "Director" means the director of the department of management
10 and budget.

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

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

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

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

15 (j) "Fiscal agencies" means the senate fiscal agency and the house
16 fiscal agency.

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

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

21 (m) "IDG" means interdepartmental grant.

22 (n) "JCOS" means the joint capital outlay subcommittee of the
23 appropriations committees.

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

25 (p) "MIOSHA" means the Michigan occupational safety and health act,
26 1974 PA 154, MCL 408.1001 to 408.1094.

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

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

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

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

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

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

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

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

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1 DEPARTMENT OF AGRICULTURE

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

7 DEPARTMENT OF CORRECTIONS

8 Sec. 301. A maximum security prison that is constructed or com-
9 pleted after October 1, 1986, shall have operating manned watchtowers
10 equipped with the weaponry, lighting, sighting, and communications
11 devices necessary for effective execution of its function. The watchtow-
12 ers shall be constructed pursuant to the American correctional associa-
13 tion standards for watchtowers.

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

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

1 CAPITAL OUTLAY PROCESSES, PROCEDURES, AND REPORTS

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

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

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

14 (a) The university or community college agrees to construct the
15 project within the total authorized cost established by the legislature
16 pursuant to the management and budget act, 1984 PA 431, MCL 18.1101 to
17 18.1594, and an appropriations act.

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

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

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

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

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

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

9 (b) The balance remaining in each account.

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

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

13 (e) The appropriations history for the project.

14 (f) The professional service contractor.

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

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

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

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

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

25 (b) Whether a program statement is approved.

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

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

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

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

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

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

13 Sec. 406. A state agency, college, or university shall take steps
14 necessary to make available federal and other money indicated in this
15 act, to make available federal or other money that may become available
16 for the purposes for which appropriations are made in this act, and to
17 use any part or all of the appropriations to meet matching requirements
18 that are considered to be in the best interest of this state. However,
19 the purpose, scope, and total estimated cost of a project shall not be
20 altered to meet the matching requirements.

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

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1 (a) The state.

2 (b) The private sector.

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

4 (d) A lease agreement.

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

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

17 Sec. 408. Pursuant to section 242(2) of the management and budget
18 act, 1984 PA 431, MCL 18.1242, the department shall submit 5-year capital
19 outlay plans and capital outlay priority requests developed by state
20 agencies (and as approved by the department of management and budget),
21 universities, and community colleges to the chairperson and ranking
22 vice-chairperson of the JCOS and the fiscal agencies upon the release of
23 the executive budget recommendation.

1 USE AND FINANCE STATEMENTS

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

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

17 (3) A state agency, including the department of military affairs,
18 shall not let a contract, including those for a direct federally-funded
19 capital outlay construction or major maintenance or remodeling project if
20 the total project is estimated to cost more than \$1,000,000.00 and is to
21 be constructed on state-owned lands, unless the project is approved by
22 the department and by the JCOS through approval of a use and financing
23 statement defined by a policy adopted by the JCOS through approval of a
24 use and financing statement defined by a policy adopted by the JCOS. For
25 projects over \$1,000,000.00, the state agency shall submit a use and
26 financing statement as required for community colleges and universities
27 in subsection (1). As used in this subsection, "direct federally-funded"

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1 refers to a project for which federal payments are made directly to the
2 construction vendor and not to the state of Michigan.

3 (4) A public body corporate created under section 28 of article VII
4 of the state constitution of 1963 and the urban cooperation act of 1967,
5 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a contractual interlocal
6 agreement between local participating economic development corporations
7 formed under the economic development corporations act, 1974 PA 338,
8 MCL 125.1601 to 125.1636, and the Michigan strategic fund shall not let a
9 contract for new construction estimated to cost more than \$1,000,000.00
10 unless the project is authorized by the JCOS through the approval of a
11 use and financing statement defined by a policy adopted by the JCOS. For
12 purposes of this subsection, the use and financing statement for a
13 project shall contain the estimated total construction cost and all asso-
14 ciated estimated operating costs. As used in this subsection, "new
15 construction" means land or property acquisition, remodeling or addi-
16 tions, lease or lease purchase, and maintenance projects for the corpo-
17 rate office of the public body corporate described in this subsection.

18 **LUMP SUMS AND SPECIAL MAINTENANCE**

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

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

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

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

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

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

1 STATE BUILDING AUTHORITY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 **COLLEGES AND UNIVERSITIES**

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

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

21 (3) An expenditure under this act is authorized when the release of
22 the appropriation is approved by the board upon the recommendation of the
23 director. The director may recommend to the board the release of any
24 appropriation in part 1 only after the director is assured that the legal
25 entity operating the community college to which the appropriation is made

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1 has complied with this act and has matched the amounts appropriated as
2 required by this act. A release of funds in part 1 shall not exceed 50%
3 of the total cost of planning and construction of any project, not
4 including lump-sum remodeling and additions and special maintenance,
5 unless otherwise appropriated by the legislature. Further planning and
6 construction of a project authorized by this act or applicable sections
7 of the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594,
8 shall be in accordance with the purpose and scope as defined and delin-
9 eated in the approved program statements and planning documents. This
10 act is applicable to all projects for which planning appropriations were
11 made in previous acts.

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

20 Sec. 802. If matching revenues are received in an amount less than
21 the appropriations contained in this act, the state funds of the appro-
22 priation shall be reduced in proportion to the amount of matching revenue
23 received.

24 Sec. 804. (1) The director may require that community colleges and
25 universities that have an authorized project listed in part 1 submit doc-
26 umentation regarding the project match and governing board approval of

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1 the authorized project not more than 60 days after the beginning of the
2 fiscal year.

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

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

14 **DEPARTMENT OF MANAGEMENT AND BUDGET**

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

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

23 (a) Department.

24 (b) Agency division and leased number.

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- 1 (c) Building location (address and city).
2 (d) Type of building.
3 (e) County.
4 (f) Name and address of lessor.
5 (g) Square footage and net square footage rate.
6 (h) Monthly and annual cost.
7 (i) Date lease started and expires.
8 (j) Options and services.
9 (2) The lease report shall be summarized for office space, group
10 homes, and other space for the Lansing area and statewide, excepting the
11 Lansing area.

12 **DEPARTMENT OF NATURAL RESOURCES**

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

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

8 (a) Waterways projects.

9 (b) Urban recreation projects.

10 (c) State park projects.

11 (d) Wildlife and fisheries projects.

12 (e) Other projects.

13 (2) A project request for reauthorization by the department of natu-
14 ral resources shall also be identified within the report required by sub-
15 section (1). These reauthorization requests shall identify the subsec-
16 tion number of section 248 of the management and budget act, 1984 PA 431,
17 MCL 18.1248, that provides the reason and justification for the requested
18 reauthorization.

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

21 Sec. 1003. The department of natural resources may transfer
22 \$4,900,000.00 from the harbor development fund to the state waterways
23 fund for the purposes appropriated in part 1 of this act.

1 STATE TRANSPORTATION DEPARTMENT

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

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

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

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

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

12 (6) From the appropriations contained in part 1 for airport improve-
13 ment programs, no funds shall be allocated for any runway extensions,
14 taxiway extensions, or apron extensions at the Detroit-Willow Run
15 airport. Further, it is the intent of the legislature that no state
16 funds shall be expended to improve or repair the airport where the pur-
17 pose of the improvement or repair is to expand the usage of the airport
18 including, but not limited to, anything approximating a tradeport as that
19 term is defined in the international tradeport development authority act,
20 1994 PA 325, MCL 152.2521 to 152.2546.

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

26 Sec. 1104. (1) A planning project or construction project
27 appropriated for the airport program shall be made available for no more

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1 than 2 fiscal years following the fiscal year in which the original
2 appropriation was made.

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

7 **MISCELLANEOUS**

8 Sec. 1201. (1) Revenue collected from licenses issued under the
9 antenna site management project shall be deposited into the antenna site
10 management revolving fund created for this purpose in the department of
11 management and budget. The department may receive and expend funds from
12 the fund for costs associated with the antenna site management project,
13 including the cost of the third-party site manager. Any excess revenue
14 remaining in the fund at the close of the fiscal year shall be propor-
15 tionately transferred to the appropriate state restricted funds as desig-
16 nated in statute or by constitution.

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

20 Sec. 1202. (1) A site preparation economic development fund is
21 hereby created in the department of management and budget. As used in
22 this section, "economic development sites" means those state owned sites
23 declared as surplus property pursuant to section 251 of the management
24 and budget act, 1984 PA 431, MCL 18.1251, that would provide economic
25 benefit to the area or to the state. The Michigan economic development

1 corporation board and the state budget director shall determine whether
2 or not a specific state owned site qualifies for inclusion in the fund
3 created under this subsection.

4 (2) Proceeds from the sale of any sites designated in subsection (1)
5 shall be deposited into the fund created in subsection (1) and shall be
6 available for site preparation expenditures, unless otherwise provided by
7 law. The economic development sites authorized in subsection (1) are
8 hereby authorized for sale consistent with state law. Expenditures from
9 the fund are hereby authorized for site preparation activities that
10 enhance the marketable sale value of the sites. Site preparation activi-
11 ties include, but are not limited to, demolition, environmental studies
12 and abatement, utility enhancement, and site excavation.

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

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

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

21 (b) The sites identified as economic development sites under
22 subsection (1).