



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-2768
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 5510 (H-1 as passed by the House)
Committee: Appropriations

FY 2003-04 Year-to-Date Gross Appropriation	\$276,462,100
---------------------------------------------------	---------------

Changes from FY 2003-04 Year-to-Date:

1. **Special Maintenance.** Per target agreements, the \$2,000,000 General Fund portion of special maintenance was shifted to FY 2003-04 and funded from State Building Authority (SBA) escrow reserve funds. The Governor later recommended an additional \$2.8 million for state agency special maintenance projects funded from escrow reserve funds. The House passed bill provides \$200,000 for special maintenance projects and uses the balance for 3 grants described below. (1,800,000)
2. **Grants** \$2,792,700
 - **Kalamazoo Valley Community College** – high initiative throughput screening; \$600,000
 - **Michigan International Speedway** – pedestrian access project; \$1,000,000
 - **City of Detroit** – baseball all-star game related infrastructure repairs, demolition, and major special maintenance; \$1,000,000
 - **Lake Superior State University** – Infrastructure, Tech., Equip., and Maint. (ITEM); \$192,700
3. **Department of Military and Veteran's Affairs.** The budget includes several new construction projects funded primarily with Federal revenue including: 4,766,500
 - **Camp Grayling:** Company Headquarters, New Machine Gun Range - \$20,500,000 Federal
 - **North Lansing Baker Olin Complex:** Renovations - \$12,500,000 Federal, \$500,000 Restricted
 - **Veteran's Homes:** Life/Safety Renovations - \$1,538,200 Federal; \$828,300 Restricted
4. **Department of Natural Resources**
 - **State Parks.** The budget provides a \$100,000 increase for the Forest Roads and Bridges program, and continuation funding of \$1,000,000 for State Park maintenance. 100,000
 - **Waterways.** The budget provides \$10,000,000, a \$4,000,000 increase from the State Waterways Fund for a number of new harbor, docks, and state boating access site projects, including: 4,000,000
 - **St. Clair County:** Marina Expansion - \$3,000,000 State; \$1,000,000 Local
 - **Charlevoix County:** Marina Expansion - \$1,000,000 State; \$1,000,000 Local
5. **Department of Transportation.** The budget includes the elimination of several one time construction project authorizations, and provides new funding for a variety of projects, including: 2,033,000
 - **Montmorency County:** Atlanta Maintenance Garage, Phase II-\$2,676,000 (\$3,300,000 total cost)
 - **Wayne County:** Detroit Maintenance Garage, Phase II-\$530,000 (\$4,030,000 total cost)
 - **Oscoda County:** Mio Maintenance Garage, \$1,471,000 (\$1,471,000 total cost)
6. **Department of Transportation – Aeronautics.** The budget provides an increase in State matching funds for security and improvement projects at nearly 100 airports statewide. 1,156,600
7. **State Building Authority Rent (Debt Service).** P.A. 309 of 2004 appropriated \$250,797,100 for SBA rent for FY 2004-05, an increase of \$8,095,000. This bill implements the target agreement to restore \$6,000,000 General Fund which will replace 9-1-1 emergency telephone fee revenue. 0
8. **Construction Authorizations.** The budget includes a new construction authorization for the Glen Oaks Community College science addition and allied health renovation project. (400)
9. **Planning Authorizations.** The House- passed bill includes new planning authorizations for project at 6 community colleges, (Alpena, Bay de Noc, Lansing, North Central, Southwestern, West Shore) and 4 university projects (Central, Ferris, Lake Superior, Western). \$1,000
10. **Comparison to Governor's Recommendation.** The bill is \$193,700 GF/GP over the Governor's recommendation.

Total Changes	\$13,049,400
---------------------	--------------

FY 2004-05 House Passed Appropriation.....	\$289,511,500
--------------------------------------------	---------------

Changes from FY 2003-04 Year to Date:

1. **Buy Michigan.** The bill restores language eliminated by the Governor that prohibits the purchase of non-Michigan goods and services if comparably priced Michigan goods and services are available.
2. **Corrections Watch Towers.** The bill restores language eliminated by the Governor that requires any new maximum security prison to have manned and operational watch towers.
3. **Prison Facility Locations.** The bill restores language eliminated by the Governor that requires Joint Capital Outlay Subcommittee (JCOS) approval of the location of a new correctional facility if not specified in an Act.
4. **Comparative Cost Analysis.** The bill restores language eliminated by the Governor that requires a comparative cost analysis of a construction vs. lease project over \$1,000,000 if requested by the JCOS.
5. **Use and Finance.** The bill adds a penalty of a possible loss of state capital outlay funding for 2 years for noncompliance of the section, and adds an annual notification of current requirements subsection.
6. **Special Maintenance Carry Forward.** The bill restores language eliminated by the Governor that allows special maintenance appropriations to be available for 2 years, instead of 3 as recommended by the Governor.
7. **Building Demolitions.** Existing language prohibits the demolition of any building unless authorized by law, and requires a report on the status of authorized building demolition projects. The Governor recommends this language be modified to require 30 day notification of building demolition requests. The bill eliminates colleges and universities from this requirement, allows for disapproval of demolition request if made within the 30 day period, and makes the 30 day notification requirement valid only when the Legislature is in session.
8. **Capital Outlay Spending From Operating Accounts.** The bill restores the \$600,000 limit on capital expenditures from operating accounts for state agencies. The Governor had recommended raising the limit to \$1,000,000.
9. **Storage and Preservation of Michigan Artifacts.** The bill concurs with the Governor's recommendation to remove language that requires the Departments of History, Art and Libraries, and Management and Budget to work cooperatively on plans for storing and preserving Michigan artifacts.
10. **Harbor Development Transfer:** The bill retains language allowing for the transfer of 1,000,000 from The Harbor Development Fund to the State Waterways fund.
11. **Prohibits Expenditures for Leased Facilities.** The bill concurs with the Governor's recommendation to include new language that prohibits expenditures on leases by a number of state agencies, unless approved by the DMB director. The language will give the DMB the option of canceling these private leases if the space is no longer needed.
12. **Department of Military and Veterans Affairs – Project Termination.** The bill concurs with the Governor's recommendation to add new language that terminates the previously authorized United State Property and Fiscal Office project and shifts that \$6.7 million appropriation to the Baker-Olin renovation project.
13. **Airport Improvement Projects Local Match.** The bill concurs with the Governor's recommendation to reduce the local match requirement for Federal funds for airport improvement projects from 10% to 5%, consistent with new Federal requirements.
14. **Airport Land Acquisition.** The bill includes new language that allows acquisition of property adjacent to a state or local airport to be funded with federal, state, and local funds.
15. **Transportation Repeals.** The bill repeals a section of language from the FY 2004–05 Transportation budget dealing with reporting requirements for bus systems that have wheelchair lifts. (Sec. 1401).
16. **Michigan State Fair.** The bill authorizes \$700,000 for payment of premiums to exhibitors at the state fair.

Date Completed: 12/07/04

Fiscal Analyst: Michael Hansen