

**SUBSTITUTE FOR
HOUSE BILL NO. 4386**

A bill to make appropriations for certain capital outlay programs and state departments and agencies for the fiscal year ending September 30, 2004; 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, and agreements; to provide for leases; to provide for transfers; to prescribe standards and conditions relating to the appropriations; to provide for the expenditure of appropriations; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. SUMMARY

Subject to the conditions set forth in this act, the amounts listed in this part are appropriated for certain capital outlay projects at the various state agencies for the fiscal year ending September 30, 2004, from the funds indicated in this part. The following is a summary of the appropriations in this part:

TOTAL CAPITAL OUTLAY

GROSS APPROPRIATION.....	\$	571,063,900
Total interdepartmental grants and intradepartmental transfers.....	\$	2,000,000
ADJUSTED GROSS APPROPRIATION.....	\$	569,063,900
Total federal revenues.....		202,652,000
Total local funds.....		42,789,600
Total private.....		0
Total state restricted.....		42,320,000
State general fund/general purpose.....	\$	281,302,300
Sec. 102. DEPARTMENT OF AGRICULTURE		
Farmland and open space development acquisition.....	\$	<u>7,500,000</u>
GROSS APPROPRIATION.....	\$	7,500,000

1	Appropriated from:	
2	Federal revenues:	
3	DAG - multiple grants.....	2,500,000
4	Special revenue funds:	
5	Agriculture preservation fund.....	5,000,000
6	State general fund/general purpose..... \$	0
7	Sec. 103. DEPARTMENT OF MANAGEMENT AND BUDGET	
8	Lump-sum projects:	
9	Major special maintenance and remodeling:	
10	For state agencies special maintenance projects	
11	estimated to cost more than \$100,000 but less than	
12	\$1,000,000..... \$	2,000,000
13	Special maintenance and remodeling and additions:	
14	Major special maintenance and remodeling for	
15	department of corrections.....	711,700
16	Major special maintenance and remodeling for	
17	department of management and budget.....	244,100
18	Major special maintenance and remodeling for family	
19	independence agency.....	188,400
20	Major special maintenance and remodeling for	
21	department of community health.....	171,300
22	Major special maintenance and remodeling for	
23	department of state police.....	<u>87,800</u>
24	GROSS APPROPRIATION..... \$	3,403,300
25	Appropriated from:	
26	Interdepartmental grant revenues:	
27	IDG - building occupancy charges.....	2,000,000

1	Special revenue funds:	
2	State general fund/general purpose.....	\$ 1,403,300
3	Sec. 104. DEPARTMENT OF MILITARY AND VETERANS'	
4	AFFAIRS	
5	Lump-sum projects:	
6	For department of military and veterans' affairs	
7	remodeling, additions, and special maintenance	
8	projects.....	\$ 6,188,700
9	Grand Ledge army aviation support facility, for	
10	design and construction (total authorized cost	
11	\$20,800,000; federal share \$20,460,000; state	
12	armory construction fund share \$340,000).....	20,800,000
13	United States property and fiscal office, for design	
14	and construction (total authorized cost	
15	\$6,700,000; federal share \$6,200,000; state armory	
16	construction fund share \$500,000).....	6,700,000
17	Camp Grayling, bachelor officer quarters, for design	
18	and construction (total authorized cost	
19	\$1,800,000; federal share \$1,800,000).....	1,800,000
20	Camp Grayling, conference center, for design and	
21	construction (total authorized cost \$1,800,000;	
22	federal share \$1,800,000).....	1,800,000
23	Shiawassee County, armory replacement, for design	
24	and construction (total authorized cost	
25	\$5,000,000; federal share \$3,750,000; state armory	
26	construction fund share \$1,250,000).....	<u>5,000,000</u>
27	GROSS APPROPRIATION.....	\$ 42,288,700

1	Appropriated from:	
2	Federal revenues:	
3	DOD-department of the army - national guard bureau..	39,602,000
4	Special revenue funds:	
5	Armory construction fund.....	2,090,000
6	State general fund/general purpose..... \$	596,700
7	Sec. 105. DEPARTMENT OF NATURAL RESOURCES	
8	(1) DEPARTMENTAL SUMMARY:	
9	GROSS APPROPRIATION..... \$	8,350,000
10	Total interdepartmental grants and intradepartmental	
11	transfers.....	0
12	ADJUSTED GROSS APPROPRIATION..... \$	8,350,000
13	Total federal revenues..... \$	550,000
14	Total local funds:	
15	Total private..... \$	0
16	Total state restricted.....	7,800,000
17	State general fund/general purpose..... \$	0
18	(2) STATE PARK REMODELING AND ADDITIONS:	
19	State parks repair and maintenance.....	1,000,000
20	Forest roads, bridges, and facilities.....	<u>800,000</u>
21	GROSS APPROPRIATION..... \$	1,800,000
22	Appropriated from:	
23	Special revenue funds:	
24	State park improvement fund.....	1,000,000
25	Forest development fund.....	800,000
26	State general fund/general purpose..... \$	0
27	(3) WILDLIFE:	

1	State game and wildlife area maintenance.....	<u>550,000</u>
2	GROSS APPROPRIATION..... \$	550,000
3	Appropriated from:	
4	Federal revenues:	
5	DOI - Pittman - Robertson.....	550,000
6	Special revenue funds:	
7	State general fund/general purpose..... \$	0
8	(4) WATERWAYS BOATING PROGRAM:	
9	Boating program, state boating access sites:	
10	Crystal Lake, Benzie County, new site construction	
11	(total authorized cost \$550,000; state share	
12	\$550,000).....	550,000
13	Trout Lake, Livingston County, new site construction	
14	(total authorized cost \$310,000; state share	
15	\$310,000).....	310,000
16	Boating program, boating access sites,	
17	grants-in-aid:	
18	Traverse City, Grand Traverse County, boating access	
19	site rehabilitation (total project cost \$180,000;	
20	state share \$135,000; local share \$45,000).....	135,000
21	Boating program, state harbors and docks:	
22	Infrastructure improvements and engineering studies.	880,000
23	Land acquisitions.....	1,500,000
24	Boating harbor projects, grants-in-aid:	
25	Infrastructure improvements and engineering studies.	400,000
26	South Haven, Van Buren County, marina dock system	
27	rehabilitation and upgrade (total authorized cost	

1	\$1,250,000; state share \$625,000; local share	
2	\$625,000).....	625,000
3	Harrisville, Alcona County, restroom/shower building	
4	improvements (total authorized cost \$1,200,000;	
5	state share \$600,000; local share \$600,000).....	600,000
6	Detroit, Wayne County, St. Aubin marina (total	
7	authorized cost \$4,000,000; state share	
8	\$4,000,000).....	<u>1,000,000</u>
9	GROSS APPROPRIATION..... \$	6,000,000
10	Appropriated from:	
11	Special revenue funds:	
12	State waterways fund.....	6,000,000
13	State general fund/general purpose..... \$	0
14	Sec. 106. DEPARTMENT OF TRANSPORTATION	
15	Department buildings and facilities:	
16	Salt storage buildings and brine run-off control	
17	systems - contract agencies locations..... \$	1,400,000
18	Construct, renovate, and/or replace salt storage	
19	buildings, various maintenance garage locations...	1,100,000
20	Gaylord, Otsego County, regional office building,	
21	for design and construction (total authorized cost	
22	\$2,800,000).....	1,800,000
23	Grayling, Crawford County, transportation service	
24	center (project termination).....	(1,000,000)
25	Detroit, Wayne County, transportation service center	
26	for design and construction (total authorized cost	
27	\$3,300,000).....	3,300,000

1	Brighton, Livingston County, transportation service	
2	center (project termination).....	(800,000)
3	New Buffalo, Berrien County, welcome center water	
4	and sewer upgrades.....	500,000
5	L'Anse, Baraga County, demolish old and construct	
6	new equipment storage building.....	815,000
7	Atlanta, Montmorency County, maintenance garage	
8	renovations, phase I (total authorized cost	
9	\$2,000,000).....	550,000
10	Reroof MDOT facilities - fence MDOT properties, and	
11	install bituminous surface/resurfacing - various	
12	locations.....	265,000
13	Institutional and agency roads.....	750,000
14	British landing dock repairs, Mackinac Island state	
15	park.....	130,000
16	Miscellaneous projects.....	<u>920,000</u>
17	GROSS APPROPRIATION..... \$	9,730,000
18	Appropriated from:	
19	Special revenue funds:	
20	State trunkline fund.....	9,600,000
21	Comprehensive transportation fund.....	130,000
22	State general fund/general purpose..... \$	0
23	Sec. 107. DEPARTMENT OF TRANSPORTATION	
24	AERONAUTICS FUND: AIRPORT PROGRAMS	
25	Airport safety and protection plan..... \$	216,789,600
26	Federal/state/local airport construction:	
27	Adrian - Lenawee County airport	

- 1 Allegan - Padgham field
- 2 Alma - Gratiot community airport
- 3 Alpena - Alpena County regional airport
- 4 Ann Arbor - municipal airport
- 5 Atlanta - Atlanta municipal airport
- 6 Bad Axe - Huron County memorial airport
- 7 Baraga - Baraga County airport
- 8 Battle Creek - W.K. Kellogg airport
- 9 Bay City - James Clements airport
- 10 Bellaire - Antrim County airport
- 11 Benton Harbor - southwest Michigan regional airport
- 12 Big Rapids - Roben - Hood airport
- 13 Cadillac - Wexford County airport
- 14 Caro - municipal airport
- 15 Caseville - Caseville airport
- 16 Charlevoix - municipal airport
- 17 Charlotte - Fitch H. Beach airport
- 18 Cheboygan - Cheboygan County airport
- 19 Clare - Clare municipal airport
- 20 Coldwater - Branch County airport
- 21 Detroit - Detroit city airport
- 22 Detroit - Detroit metropolitan - Wayne County airport
- 23 Detroit - Willow Run airport
- 24 Dowagiac - Cass County airport
- 25 Drummond Island - Drummond Island airport
- 26 Escanaba - Delta County airport
- 27 Evart - Evart municipal airport

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

- 1 Lansing - capital city airport
- 2 Lapeer - Dupont - Lapeer airport
- 3 Lewiston - Garland airport
- 4 Linden - Price airport
- 5 Lowell - city airport
- 6 Ludington - Mason County airport
- 7 Mackinac Island - Mackinac Island airport
- 8 Manistee - Manistee County airport
- 9 Manistique - Schoolcraft County airport
- 10 Marlette - Marlette township airport
- 11 Marquette - Sawyer airport
- 12 Marshall - Brooks field
- 13 Mason - Jewett field
- 14 Menominee - Menominee - Marinette twin city airport
- 15 Midland - Barstow airport
- 16 Mio - Oscoda County airport
- 17 Monroe - Custer airport
- 18 Mount Pleasant - municipal airport
- 19 Munising - Hanley field
- 20 Muskegon - Muskegon County airport
- 21 Newberry - Luce County airport
- 22 New Hudson - Oakland - southwest airport
- 23 Niles - Jerry Tyler memorial airport
- 24 Ontonagon - Ontonagon County airport
- 25 Oscoda - Wurtsmith airport
- 26 Owosso - community airport
- 27 Paradise - Paradise airport

1	Pellston - Pellston regional airport		
2	Plymouth - Canton - Plymouth - Mettetal airport		
3	Pointe Aux Pins - Bois Blanc Island airport		
4	Pontiac - Oakland County international airport		
5	Port Huron - St. Clair County international airport		
6	Rogers City - Presque Isle County - Rogers City airport		
7	Romeo - Romeo airport		
8	Saginaw - H. W. Browne airport		
9	Saginaw - MBS international airport		
10	St. Ignace - Mackinac County airport		
11	Saint James - Beaver Island airport		
12	Sandusky - Sandusky city airport		
13	Sault Ste. Marie - Chippewa County international airport		
14	Sault Ste. Marie - Sanderson airport		
15	South Haven - regional airport		
16	Sparta - Sparta airport		
17	Statewide - various sites		
18	Sturgis - Kirsch municipal airport		
19	Three Rivers - Three Rivers municipal - Dr. Haines airport		
20	Traverse City - cherry capital airport		
21	Troy - Oakland - Troy airport		
22	West Branch - West Branch community airport		
23	White Cloud - White Cloud airport		
24	GROSS APPROPRIATION.....	\$	216,789,600
25	Appropriated from:		
26	Federal revenues:		
27	DOT-federal aviation administration.....		160,000,000

1	Special revenue funds:		
2	Local aeronautics match.....	42,789,600	
3	Combined comprehensive transportation bond proceeds		
4	fund - aeronautics.....	12,000,000	
5	State aeronautics fund.....	2,000,000	
6	State general fund/general purpose..... \$	0	
7	Sec. 108. STATE BUILDING AUTHORITY FINANCED		
8	CONSTRUCTION PROJECTS		
9	Department of corrections - Kinross correctional		
10	facility - new power plant - authorized for		
11	planning in 1999 PA 265, for design and		
12	construction (total authorized cost \$6,000,000;		
13	state building authority share \$5,999,900; state		
14	general fund share \$100)..... \$	100	
15	Department of corrections - Riverside correctional		
16	facility - power plant automation project -		
17	authorized for planning in 1999 PA 265, for design		
18	and construction (total authorized cost		
19	\$3,000,000; state building authority share		
20	\$2,999,900; state general fund share \$100)..... \$	<u>100</u>	
21	GROSS APPROPRIATION..... \$	200	
22	Appropriated from:		
23	State general fund/general purpose..... \$	200	
24	Sec. 109. STATE BUILDING AUTHORITY RENT		
25	State building authority rent - state agencies..... \$	71,207,200	
26	State building authority rent - department of		
27	corrections.....	85,105,100	

1	State building authority rent - universities.....	111,547,200
2	State building authority rent - community colleges..	<u>15,142,600</u>
3	GROSS APPROPRIATION..... \$	283,002,100
4	Appropriated from:	
5	Special revenue funds:	
6	Grand tower facility reimbursement.....	1,905,000
7	State lottery funds.....	1,520,000
8	Roosevelt parking facility reimbursement.....	275,000
9	State general fund/general purpose..... \$	279,302,100

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2003-2004 is \$323,622,300.00 and state spending from state resources paid to units of local government for fiscal year 2003-2004 is \$20,060,000.00. The itemized statement below identifies appropriations from which spending to units of local government will occur:

CAPITAL OUTLAY

21	Department of agriculture - farmland and open space	
22	preservation..... \$	4,300,000
23	Department of natural resources - waterways.....	1,760,000
24	State transportation department - state aeronautics	
25	program.....	<u>14,000,000</u>

1 TOTAL..... \$ 20,060,000

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

7 Sec. 202. The appropriations authorized under this act are
8 subject to the management and budget act, 1984 PA 431, MCL 18.1101 to
9 18.1594.

10 Sec. 203. As used in this act:

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

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

13 (c) "Community college" does not include a state agency or
14 university.

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

16 (e) "Director" means the director of the department of management
and
17 budget.

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

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

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

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

22 (j) "Fiscal agencies" means the senate fiscal agency and the house
23 fiscal agency.

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

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

1 (m) "IDG" means interdepartmental grant.

2 (n) "JCOS" means the joint capital outlay subcommittee of the
3 appropriations committees.

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

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

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

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

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

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

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

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

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

3 Sec. 204. Funds appropriated in part 1 shall not be used for the
4 purchase of non-Michigan goods or services, or both, if competitively
5 priced and of comparable quality Michigan goods or services, or both,
6 are available.

7 Sec. 208. Unless otherwise specified, departments and agencies
8 receiving appropriations in part 1 shall use the Internet to fulfill
9 the reporting requirements of this act. This requirement may include
10 transmission of reports via electronic mail to the recipients
11 identified for each reporting requirement or it may include placement
12 of reports on an Internet or Intranet site.

13 DEPARTMENT OF AGRICULTURE

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

19 DEPARTMENT OF CORRECTIONS

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

House Bill No. 4386 as amended October 22, 2003

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

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

<<Sec. 303. From the amounts appropriated in part 1, no money shall be used for the expansion of either the Scott correctional facility or the western Wayne correctional facility.>>

9 CAPITAL OUTLAY PROCESSES, PROCEDURES, AND REPORTS

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

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

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

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

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

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

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

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

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

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

18 (b) The balance remaining in each account.

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

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

22 (e) The appropriations history for the project.

23 (f) The professional service contractor.

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

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

27 (i) The total authorized cost for the project and the state

1 authorized share if different than the total.

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

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

7 (b) Whether a program statement is approved.

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

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

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

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

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

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

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

1 requirements that are considered to be in the best interest of this
2 state. However, the purpose, scope, and total estimated cost of a
3 project shall not be altered to meet the matching requirements.

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

11 (a) The state.

12 (b) The private sector.

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

14 (d) A lease agreement.

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

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

1 Sec. 408. Pursuant to section 242(2) of the management and
2 budget act, 1984 PA 431, MCL 18.1242, the department shall submit
3 5-year capital outlay plans and capital outlay priority requests
4 developed by state agencies (and as approved by the department of
5 management and budget), universities, and community colleges to the
6 chairperson and ranking vice-chairperson of the JCOS and the fiscal
7 agencies upon the release of the executive budget recommendation.

8 **USE AND FINANCE STATEMENTS**

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

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

25 (3) A state agency, including the department of military affairs,
26 shall not let a contract, including those for a direct

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

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

1 subsection.

2 **LUMP SUMS AND SPECIAL MAINTENANCE**

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

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

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

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

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

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

3 Sec. 603. Pursuant to department policy, state agencies may
4 expend not more than \$600,000.00 from their operating budget for
5 special maintenance, remodeling, additions, or other capital outlay
6 purposes, unless specifically authorized by the legislature.

7 **STATE BUILDING AUTHORITY**

8 Sec. 701. (1) Subject to section 242 of the management and
9 budget act, 1984 PA 431, MCL 18.1242, and upon the approval of the
10 state building authority, the department may expend from the general
11 fund of the state during the fiscal year ending September 30, 2004 an
12 amount to meet the cash flow requirements of those state building
13 authority projects solely for lease to a state agency identified in
14 both part 1 and this section, and for which state building authority
15 bonds or notes have not been issued, and for the sole acquisition by
16 the state building authority of equipment and furnishings for lease to
17 a state agency as permitted by 1964 PA 183, MCL 830.411 to 830.425,
18 for which the issuance of bonds or notes is authorized by a
19 legislative concurrent resolution that is effective for a fiscal year
20 ending September 30, 2004. Any general fund advances for which state
21 building authority bonds have not been issued shall bear an interest
22 cost to the state building authority at a rate not to exceed that
23 earned by the state treasurer's common cash fund during the period in
24 which the advances are outstanding and are repaid to the general fund
25 of the state.

26 (2) Upon sale of bonds or notes for the projects identified in

1 part 1 or for equipment as authorized by legislative concurrent
2 resolution and in this section, the state building authority shall
3 credit the general fund of the state an amount equal to that expended
4 from the general fund plus interest, if any, as defined in this
5 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
9 general fund as necessary to meet cash flow requirements for the
10 projects, which advances shall be reimbursed by the state building
11 authority when the investments earmarked for the financing of the
12 projects mature.

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

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

1 shall be charged against money recovered pursuant to this section.

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

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

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

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

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

27 (b) A list of all projects under construction for which sale of

1 state building authority bonds are pending.

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

7 **COLLEGES AND UNIVERSITIES**

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

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

21 (3) An expenditure under this act is authorized when the release
22 of the appropriation is approved by the board upon the recommendation
23 of the director. The director may recommend to the board the release
24 of any appropriation in part 1 only after the director is assured that
25 the legal entity operating the community college to which the
26 appropriation is made has complied with this act and has matched the
27 amounts appropriated as required by this act. A release of funds in

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

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

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

23 Sec. 804. (1) The director may require that community colleges
24 and universities that have an authorized project listed in part 1
25 submit documentation regarding the project match and governing board
26 approval of the authorized project not more than 60 days after the
27 beginning of the fiscal year.

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

8 Sec. 805. The total project cost for the University of Michigan
9 - Ann Arbor, central campus renovations phase II project authorized in
10 1996 PA 480, and adjusted in 1999 PA 137, is increased from
11 \$86,000,000.00 to \$88,000,000.00. The state building authority share
12 remains \$59,249,900.00; the state general fund/general purpose share
13 remains \$100.00; and the university share is increased from
14 \$26,750,000.00 to \$28,750,000.00.

15 Sec. 806. The project planning authorization provided in 1999 PA
16 265 to Glen Oaks Community College for its applied science/technology
17 center project is extended through September 30, 2005.

18 Sec. 807. For the Lake Superior State University arts classroom
19 building project authorized for construction by 2000 PA 291, the
20 project's financing is adjusted as follows: the total authorized cost
21 remains \$15,300,000.00; the state building authority share is
22 increased from \$7,999,800.00 to \$11,474,800.00; the state general fund
23 share remains \$200.00; and the university share is reduced from
24 \$7,300,000.00 to \$3,825,000.00.

25 Sec. 808. The total project cost for the Washtenaw Community
26 College, plumbers and pipefitters building project authorized in 2002
27 PA 530 is increased from \$4,000,000.00 to \$4,741,000.00. The state

1 building authority share remains \$1,999,800.00; the state general
2 fund/general purpose share remains \$200.00; and the college share is
3 increased from \$2,000,000.00 to \$2,741,000.00.

4 DEPARTMENT OF MANAGEMENT AND BUDGET

5 Sec. 901. (1) The department shall provide the JCOS and the
6 fiscal agencies a report, not more than 15 days after the reporting
7 date, of privately owned leased space by state agencies, by March 31
8 and September 30 of each year, consisting of the following:

9 (a) Department.

10 (b) Agency division and leased number.

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

12 (d) Type of building.

13 (e) County.

14 (f) Name and address of lessor.

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

16 (h) Monthly and annual cost.

17 (i) Date lease started and expires.

18 (j) Options and services.

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

22 Sec. 902. The department of history, arts, and libraries shall
23 work cooperatively with the department to pursue plans to store and
24 preserve Michigan's artifacts in a manner so as to secure American
25 association of museums accreditation for the Michigan historical
26 museum and the Michigan State University museum to create a central

1 resource for the proper preservation and restoration of important
2 collections and to secure increased federal revenue.

3 DEPARTMENT OF NATURAL RESOURCES

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

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

- 24 (a) Waterways projects.
- 25 (b) Urban recreation projects.
- 26 (c) State park projects.

1 (d) Wildlife and fisheries projects.

2 (e) Other projects.

3 (2) A project request for reauthorization by the department of
4 natural resources shall also be identified within the report required
5 by subsection (1). These reauthorization requests shall identify the
6 subsection number of section 248 of the management and budget act,
7 1984 PA 431, MCL 18.1248, that provides the reason and justification
8 for the requested reauthorization.

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

11 Sec. 1003. The department of natural resources may transfer
12 \$1,000,000.00 from the harbor development fund to the state waterways
13 fund for the purposes appropriated in part 1 of this act.

14 **STATE TRANSPORTATION DEPARTMENT**

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

23 (2) Political entities and subdivisions shall provide not less
24 than 5% of the cost of any project under this section. State money
25 shall not be allocated until local money is allocated. State money
26 for any 1 project shall not exceed 1/3 of the total appropriation in

1 part 1 from state funds for airport improvement programs.

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

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

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

1 report will be received.

2 Sec. 1104. (1) A planning project or construction project
3 appropriated for the airport program shall be made available for no
4 more than 2 fiscal years following the fiscal year in which the
5 original appropriation was made.

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

10 Sec. 1105. (1) The following department of transportation design
11 and construction projects are canceled:

12 (a) A total of \$800,000.00 appropriated in 2001 PA 45 for a new
13 project office in Brighton.

14 (b) A total of \$1,000,000.00 appropriated in 2002 PA 518 for a
15 new Grayling transportation service center.

16 (2) Total project cost authorizations for each of the projects
17 canceled in subsection (1) are reappropriated in part 1.

18 MISCELLANEOUS

19 Sec. 1201. (1) Revenue collected from licenses issued under the
20 antenna site management project shall be deposited into the antenna
21 site management revolving fund created for this purpose in the
22 department of management and budget. The department may receive and
23 expend funds from the fund for costs associated with the antenna site
24 management project, including the cost of the third-party site
25 manager. Any excess revenue remaining in the fund at the close of the
26 fiscal year shall be proportionately transferred to the appropriate

1 state restricted funds as designated in statute or by constitution.

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

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

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

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

27 (4) An annual report shall be transmitted to the senate and house

1 of representatives appropriations committees not later than
2 December 31 of each year. This report shall detail both of the
3 following:

4 (a) The revenue and expenditure activity in the fund for the
5 preceding fiscal year.

6 (b) The sites identified as economic development sites under
7 subsection (1).

8 **MILITARY AFFAIRS**

9 Sec. 1301. The appropriations in part 1 for department of
10 military and veterans affairs design and construction projects are
11 contingent upon the availability of federal and state restricted funds
12 for financing.

13 **REPEALERS**

14 Sec. 1404. Sections 152, 1301, 1302, 1303, and 1304 of 2003 PA
15 173 are repealed.