



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 1081 (S-4 as passed by the Senate)

Committee: Appropriations

FY 2005-06 Year-to-Date Gross Appropriation	\$238,575,500
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Changes from FY 2005-06 Year-to-Date:

- 1. College, University, State Agency Construction Projects.** The Governor recommended the issuance of \$364.3 million in new State Building Authority bond obligations for projects including; State agencies, \$50 million; State Parks, \$20 million; 5 universities, \$103.2 million; and 14 community colleges, \$91.1 million. In addition, the Governor included a new \$100 million Regional Economic Development Initiative to provide incentives for state/local partnerships on to be specified economic development projects. The Senate included projects that would result in new bond obligations totaling \$666.8 million. The attached table provides details regarding specific projects included by the Senate compared to the Governor.

3,800
- 2. Department of Natural Resources.** The budget (Governor and Senate) reflects a \$500,000 increase for the Forest Roads and Bridges program, and \$2 million for statewide wetlands acquisitions. The Waterways Boating Program includes a \$1.5 million increase for infrastructure improvements; \$265,000 for Phase III of the Mackinaw City Marina/Dock project; \$510,000 for a new boating access site at Walloon Lake; \$332,500 for a local boating access site project in Tuscarora Township; \$113,500 for a boat launch and parking lot rehabilitation in Frankfort; \$171,000 for a breakwater rubble mound protective structure in Ludington; \$463,000 for a seawall and walkway improvements at Mitchell State Park; \$875,000 for marina rehabilitation and upgrades in Leland; \$4,000,000 for floating dock repairs, replacements and improvements at DeTour Harbor; and a \$170,000 increase for land acquisitions. Reductions related to FY 2005-06 projects and land acquisitions total \$25,070,200.

(14,170,200)
- 3. Department of Transportation.** The Governor added \$13,187,000 for the Rosa Parks Transportation Project based on increasing the scope/cost of the project from \$4.3 million to \$17,487,000, \$163,300 to increase funding for garage washbays, \$2,800,000 for a new Transportation Service Center (TSC) in Oakland County, \$650,000 related to cost increases for the Cadillac TSC, \$750,000 related to cost increases for the Taylor TSC, a reduction of \$1,484,000 for costs associated with miscellaneous maintenance and remodeling, and a \$2,514,200 reduction related to FY 2005-06 projects. The Senate eliminated funding for the Rosa Parks Transportation Project.

365,100
- 4. Department of Transportation – Aeronautics.** Adjustments made by the Governor and the Senate included \$12,254,300 in additional Federal revenue, a \$7,351,700 reduction related to available local match revenue, and 265,600 in additional State Aeronautics Fund support.

5,168,200
- 5. Other Changes.** Other adjustments made by the Governor and Senate included a \$650,000 project cost increase for the Shiawassee County Armory, a \$3,750,000 reduction to Farmland and Open Space Development Acquisition based on actual Federal and State Restricted funding, elimination of FY 2005-06 grants (\$4.4 million), elimination of one-time Federal funding (\$18,500,000) related to Camp Grayling, a \$200,000 reduction associated with available Army Construction Fund, elimination of the one-time funding for School for the Deaf renovations (\$300,000), elimination of one-time adjustments related to FY 2005-06 SBA authorizations (2,700).

(26,502,700)
- 6. Comparison to Governor's Recommendation.** The Senate version of the bill is \$13,185,400 Gross under and \$1,600 GF/GP over the Governor's recommendation.

Total Changes.....	(\$35,135,800)
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FY 2006-07 Senate Passed Appropriation.....	\$203,439,700
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Changes from FY 2005-06 Year to Date:

1. **Buy American Intent Language.** The Governor and Senate modified this section to make it consistent with standard language in other appropriation bills. Prohibits use of funds for purchase of foreign goods or services if competitively priced and comparable quality American goods or services are available. Provides preference for goods and services manufactured or provided by Michigan businesses. (Sec. 205)
2. **Correction's Watch Towers/Prison Locations.** The Governor removed current-year sections that require new maximum security prisons to have staffed watch towers, and new prison sites to be approved by the JCOS. The Senate restored both sections. (Sec. 401 and Sec. 402)
3. **Comparative Cost Analyses.** The Governor removed current-year language requiring that prior to release of funds for the construction or lease of a capital outlay project costing over \$1 million, at the request of JCOS, the Department shall submit a detailed comparative cost analysis. The Senate restored this language. (Sec. 507)
4. **Use and Finance Statements.** This section prohibits universities, community colleges, and the MEDC from letting a contract for new construction of a self-funded project estimated to cost more than \$1 million unless the project is authorized by JCOS. If the project is funded by a direct surcharge or increase in tuition, fees, special assessment, or other mandatory charge, then a use and finance statement is required regardless of cost. Provides for exceptions and penalties. Requires use and finance statements for State agencies for projects over \$1 million that are not appropriated in the Capital Outlay Budget. The Governor eliminated roads, landscaping, equipment, telecommunications, utilities, and parking lots from the definition of "new construction," eliminated certain exceptions to use and finance statements for specific emergencies, eliminated penalty provisions for violations of this section, and eliminated annual transmission of use and finance requirements and guidelines to institutions. The Senate modified this section by eliminating the requirement that statements be filed for all projects, regardless of the cost, when they are funded by a direct surcharge or increase in tuition, fees, special assessments or other mandatory charges. The Senate increased the threshold for use and finance statements to \$3 million for universities and \$2 million for community colleges and exempted the University of Michigan Hospital and Health Center from the use and finance statement requirements. The Senate also eliminated the requirement that the Chair of JCOS annually transmit to colleges and universities the current requirements and guidelines for use and finance statements.
5. **State Facility Preservation Program.** The Governor included language that appropriates any Federal Funds earned for Department of Military and Veterans Affairs projects through the State Facility Preservation Program. The Senate removed this section.
6. **Major Special Maintenance and Remodeling Re-appropriation.** Provides that any unexpended and unreserved State General Fund remaining in accounts appropriated for special maintenance and remodeling for DCH, Corrections, DHS, DMB, Military Affairs, and State Police in 2002 PA 518 are re-appropriated for maintenance and remodeling projects for the Department of Corrections. (Sec. 705)
7. **Willow Run Airport.** The Governor removed current-year language prohibiting any funds to be used for runway extensions at Detroit Willow Run Airport. The Senate restored this section. (Sec. 1204)
8. **Triangle Project.** The Governor removed current-year language that prohibits spending on any project on property commonly referred to as the Triangle Property in the City of Lansing and requires prior approval by JCOS for any projects related to this site. The Senate concurred with the Governor.
9. **Other Changes.** FY 2005-06 sections regarding Walloon Lake, and the Detroit Zoo, and one-time SBA issues are removed. The Senate maintained the current threshold on spending for special maintenance projects from operating budgets (Sec. 703), restored current-year time period restrictions on Lump-Sum Special Maintenance Funds (Sec. 701. and Sec. 1203), restored a section conditioning appropriations for Department of Military Affairs design and construction projects upon the availability of Federal and State Restricted funds (Sec. 1001). The Senate added sections that correct the cost allocation for a Wayne State University Project (Sec. 808), a reallocation of costs for the Montcalm Community College Life Science Training Facility (Sec. 809), a section prohibiting the Department of Transportation from expending funds to continue the Detroit River International Crossing Study Project or participating in any manner with the Border Transportation Partnership (Sec. 1205), a section that transfers \$200,000 from the Mackinac Island State Park Operations Fee Fund to Mackinac Island State Park Commission Historic Projects Division Revenue Bond Fund for infrastructure improvements (Sec. 1305), and a section delineating the Regional Economic Development Initiative (Sec. 1304).

Date Completed: 12-8-06

Fiscal Analyst: Bill Bowerman

<u>PLANNING AUTHORIZATIONS</u>	<u>PROJECT</u>	<u>GOVERNOR</u>		<u>SENATE PASSED</u>	
		<u>SBA SHARE</u>	<u>TOTAL COST</u>	<u>SBA SHARE</u>	<u>TOTAL COST</u>
Central Michigan University	Campus-wide Renovation/Maintenance	\$0	\$0	\$24,749,800	\$33,000,000
Eastern Michigan University	Pray Harold Addition and Modernization	39,521,100	52,695,000	39,521,100	52,695,000
Ferris State University	Center for Collaborative Health Education	0	0	17,849,800	23,800,000
Grand Valley State University	Learning & Tech Center Remodeling	0	0	52,499,800	70,000,000
Lake Superior State University	South Hall Reconstruction	7,499,800	10,000,000	7,499,800	10,000,000
Michigan State University	Nursing School Expansion	0	0	13,649,800	18,200,000
Michigan Technological University	Great Lakes Research Facility	0	0	16,499,800	22,000,000
Northern Michigan University	Cohodas Building Adaptive Re-Use	11,687,800	15,584,000	0	0
Oakland University	Engineering Center	39,999,800	64,357,700	39,999,800	64,357,700
Oakland University	School of Nursing and Health Science Building	0	0	42,164,800	56,220,000
Saginaw Valley State University	Nursing and Health Sciences Building	0	0	20,999,800	28,000,000
University of Michigan Ann Arbor	Biology Building	0	0	123,749,800	165,000,000
University of Michigan Dearborn	Teacher Prep. Facility/ Child Development Center	4,499,800	6,000,000	5,999,800	8,000,000
University of Michigan Flint	Murchie and French Hall Renovations	0	0	14,999,800	20,000,000
Western Michigan University	Sangren Hall			38,999,800	52,000,000
SUBTOTAL - UNIVERSITY PLANNING PROJECTS:		\$103,208,300	\$148,636,700	\$459,183,500	\$623,272,700
Alpena Community College	Transportation Engineering Center of Excellence	0	0	1,111,450	2,223,300
Bay de Noc	Student Center Remodeling	0	0	1,949,800	3,900,000
Delta College	Health and Wellness Center	5,649,300	11,299,000	5,649,300	11,299,000
Grand Rapids Community College	Lifelong Learning Center	10,949,800	21,900,000	10,949,800	21,900,000
Henry Ford Community College	Instructional Technology and Infrastructure	6,079,800	12,160,000	6,079,800	12,160,000
Jackson Community College	Campus Renovation Project	0	0	13,999,800	28,000,000
Kalamazoo Valley Community College	Texas Township Campus Expansion	3,532,300	7,065,000	3,532,300	7,065,000
Kellogg Community College	Classroom C Building renovations	1,999,800	4,000,000	1,999,800	4,000,000
Lake Michigan College	Emerging Technologies Initiative	3,499,800	7,000,000	10,499,800	21,000,000
Macomb County Community College	Alternative Fuel Development Center	0	0	2,699,800	5,400,000
Monroe County Community College	Classroom Technology and Environmental Renovations (Senate project Middle College Technology Center)	1,099,800	2,200,000	1,099,800	2,200,000
Montcalm Community College	M-TEC Expansion	0	0	3,000,000	6,000,000
Mott Community College	Library Consolidation and Renovations	4,099,800	8,200,000	4,099,800	8,200,000
Muskegon Community College	Museum/Art Project	4,999,800	10,000,000	4,999,800	10,000,000
North Central Michigan College	University and Science Center	8,161,600	16,323,700	8,161,600	16,323,700
Oakland Community College	Building A Additions/Renovations	16,032,300	32,065,000	16,032,300	32,065,000
St. Clair County Community College	Center for Health and Human Services	3,499,800	7,000,000	3,499,800	7,000,000
Schoolcraft College	Public Safety Training Complex	0	0	9,499,800	19,000,000
Wayne County Community College	Northwest Campus Replacement	20,999,800	42,000,000	20,999,800	42,000,000
SUBTOTAL - COMMUNITY COLLEGE PLANNING PROJECTS:		\$90,603,700	\$181,212,700	\$129,864,350	\$259,736,000
DMB	Regional Economic Development Initiative	100,000,000	100,000,000	50,000,000	66,700,000
SUBTOTAL - OTHER PLANNING PROJECTS:		\$100,000,000	\$100,000,000	\$50,000,000	\$66,700,000
<u>CONSTRUCTION AUTHORIZATIONS</u>					
Kirtland Community College	Campus Well Water System Upgrades	502,400	1,005,000	502,400	1,005,000
Dept. of Education	School for the Deaf Renovations	0	0	2,274,900	2,275,000
Dept. of Management and Budget	State Facility Preservation Projects - Phase III	49,999,900	50,000,000	0	0
Dept. of Military Affairs	Armory Repairs	0	0	4,999,900	5,000,000
Dept. of Natural Resources	State Park Improvement Projects	19,999,900	20,000,000	19,999,900	20,000,000
SUBTOTAL - CONSTRUCTION AUTHORIZATION PROJECTS:		\$70,502,200	\$71,005,000	\$27,777,100	\$28,280,000
TOTAL - SBA PROJECTS:		\$364,314,200	\$500,854,400	\$666,824,950	\$977,988,700