

HOUSE BILL No. 5803

EXECUTIVE BUDGET BILL

February 26, 2008, Introduced by Rep. Hood and referred to the Committee on Appropriations.

A bill to provide for a capital outlay program; to set forth the provisions for its implementation within the budgetary process; to make appropriations for planning and construction at state institutions and the acquisition of land; to provide for the elimination of fire hazards at the institutions; to provide for certain special maintenance, remodeling, alteration, renovation, or demolition of and additions to projects at state institutions; to provide for elimination of occupational safety and health hazards at state agencies and institutions; to provide for the award of contracts; to provide for expenditures under the supervision of the director of the department of management and budget and the state administrative board; 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 prescribe standards and conditions relating to the appropriations; to make appropriations for the fiscal year ending September 30, 2009; and to provide for the expenditure of the appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. Subject to the conditions set forth in this bill, the amounts listed in this part are appropriated for certain capital outlay projects at the various state agencies and institutions for the fiscal year ending September 30, 2009, from the funds indicated in this part. The following is a summary of the appropriations in this part:

CAPITAL OUTLAY

APPROPRIATIONS SUMMARY:

GROSS APPROPRIATION.....	\$	249,966,700
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		2,000,000
ADJUSTED GROSS APPROPRIATION.....	\$	247,966,700
Federal revenues:		
Total federal revenues		188,017,600
Special revenue funds:		
Total local revenues.....		30,674,200
Total private revenues.....		1,500,000
Total state restricted revenues.....		27,324,900

1	State general fund/general purpose	\$	450,000
2	Sec. 102. DEPARTMENT OF AGRICULTURE		
3	Farmland and open space development acquisition	\$	<u>3,750,000</u>
4	GROSS APPROPRIATION.....	\$	3,750,000
5	Appropriated from:		
6	Federal revenues:		
7	DAG, multiple grants.....		1,250,000
8	Special revenue funds:		
9	Agriculture preservation fund		2,500,000
10	State general fund/general purpose	\$	0
11	Sec. 103. DEPARTMENT OF MANAGEMENT AND BUDGET		
12	Major special maintenance, remodeling and addition		
13	for state agencies	\$	<u>2,000,000</u>
14	GROSS APPROPRIATION.....	\$	2,000,000
15	Appropriated from:		
16	Interdepartmental grant revenues:		
17	IDG, building occupancy charges.....		2,000,000
18	Special revenue funds:		
19	State general fund/general purpose	\$	0
20	Sec. 104. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS		
21	For department of military and veterans affairs		
22	special maintenance, remodeling and additions.....	\$	12,900,000
23	Land acquisitions and appraisals statewide.....		500,000
24	Camp Grayling, military operations on urban terrain		
25	(MOUT) training course construction (total authorized		
26	cost \$40,000,000; federal share \$40,000,000)		<u>40,000,000</u>
27	GROSS APPROPRIATION.....	\$	53,400,000

1	Appropriated from	
2	Federal revenues:	
3	DOD, department of the army - national guard bureau ..	52,450,000
4	Special revenue funds:	
5	Armory construction fund.....	500,000
6	State general fund/general purpose	\$ 450,000
7	Sec. 105. DEPARTMENT OF NATURAL RESOURCES	
8	(1) STATE PARK AND FOREST AREA IMPROVEMENTS	
9	State parks repair and maintenance	\$ 3,500,000
10	Forest roads, bridges and facilities	<u>1,300,000</u>
11	GROSS APPROPRIATION.....	\$ 4,800,000
12	Appropriated from:	
13	Special revenue funds:	
14	Private revenues.....	1,500,000
15	State park improvement fund	2,000,000
16	Forest development fund	1,300,000
17	State general fund/general purpose	\$ 0
18	(2) WATERWAYS BOATING PROGRAM	
19	Infrastructure improvements - state projects	\$ 4,293,000
20	Infrastructure improvements - local projects	900,000
21	Land acquisitions.....	1,000,000
22	Boating program, state boating access sites:	
23	Port Austin, Huron county, site improvements (total	
24	authorized cost \$500,000; state share \$500,000)	500,000
25	Boating program, state harbors and docks:	
26	Mackinaw City, Cheboygan county, new marina, state	
27	dock, phase V, (total authorized cost is increased	

1	from \$11,775,000 to \$12,075,000; state share is	
2	increased from \$11,775,000 to \$12,075,000)	300,000
3	Boating program, local harbors and docks:	
4	Metro beach metropark, Macomb county, dock	
5	replacements, utility and seawall upgrades (total	
6	authorized cost \$4,800,000; state share \$2,400,000;	
7	local share \$2,400,000)	<u>2,400,000</u>
8	GROSS APPROPRIATION	\$ 9,393,000
9	Appropriated from:	
10	Federal revenues:	
11	DHS, U.S. coast guard	\$ 1,293,000
12	Special revenue funds:	
13	Michigan state waterways fund	8,100,000
14	State general fund/general purpose	\$ 0
15	Sec. 106. DEPARTMENT OF TRANSPORTATION	
16	(1) BUILDINGS AND FACILITIES	
17	Salt storage buildings and containment control	
18	systems - contract agencies	\$ 2,765,000
19	Salt storage buildings and containment control	
20	systems - various state locations	1,337,000
21	Port Huron, St. Clair county, transportation service	
22	center construction (total authorized cost \$1,915,000;	
23	state trunkline fund share \$1,915,000)	1,915,000
24	Fennville, Allegan county, maintenance garage	
25	expansion (total authorized cost \$945,000; state	
26	trunkline fund share \$945,000)	945,000
27	Institutional and agency roads	750,000

1	Miscellaneous special maintenance, remodeling, and	
2	additions	<u>1,420,000</u>
3	GROSS APPROPRIATION.....	\$ 9,132,000
4	Appropriated from:	
5	Special revenue funds:	
6	State trunkline fund	9,132,000
7	State general fund/general purpose	\$ 0
8	(2) AIRPORT IMPROVEMENT PROGRAMS	
9	Airport safety, protection and improvement program...	\$ <u>167,491,700</u>
10	GROSS APPROPRIATION.....	\$ 167,491,700
11	Appropriated from:	
12	Federal revenues:	
13	DOT, federal aviation administration.....	133,024,600
14	Special revenue funds:	
15	Local aeronautics match.....	30,674,200
16	State aeronautics fund.....	3,792,900
17	State general fund/general purpose.....	\$ 0

18 PART 2

19 PROVISIONS CONCERNING APPROPRIATIONS

20 **GENERAL SECTIONS**

21 Sec. 201. Pursuant to section 30 of article IX of the state
 22 constitution of 1963, total state spending from state resources
 23 under part 1 for fiscal year 2008-2009 is \$27,774,900.00 and state
 24 spending from state resources to be paid to local units of
 25 government for fiscal year 2008-2009 is \$9,857,900.00. The itemized

statement below identifies appropriations from which spending to
units of local government will occur:

CAPITAL OUTLAY

Department of natural resources - waterways boating

program	\$	3,300,000
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Department of transportation - buildings and

facilities	\$	2,765,000
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Department of transportation - airport safety,

protection and improvement program.....	\$	<u>3,792,900</u>
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TOTAL.....	\$	9,857,900
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Sec. 202. The appropriations authorized under this bill are
subject to the management and budget act, 1984 PA 431, MCL 18.1101
to 18.1594.

Sec. 203. As used in this bill:

(a) "Board" means the state administrative board.

(b) "Community college" does not include a state agency or
university.

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

(d) "Director" means the director of the department of
management and budget.

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

(f) "DHS" means the United States department of homeland
security.

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

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

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

(j) "Fiscal agencies" means the senate fiscal agency and the

1 house fiscal agency.

2 (k) "IDG" means interdepartmental grant.

3 (l) "JCOS" means the joint capital outlay subcommittee of the
4 appropriations committees.

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

7 (n) "State building authority" means the authority created under
8 1964 PA 183, MCL 830.411 to 830.425.

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

12 Sec. 204. Funds appropriated in part 1 shall not be used for
13 the purchase of foreign goods or services, or both, if
14 competitively priced and of comparable quality American goods or
15 services, or both, are available. Preference shall be given to
16 goods or services, or both, manufactured or provided by Michigan
17 businesses if they are competitively priced and of comparable
18 quality. In addition, preference shall be given to goods or
19 services, or both, that are manufactured or provided by Michigan
20 businesses owned and operated by veterans, if they are
21 competitively priced and of comparable quality.

22 Sec. 205. The departments and agencies receiving
23 appropriations in part 1 shall use the Internet to fulfill the
24 reporting requirements of this bill. This requirement may include
25 transmission of reports via electronic mail to the recipients
26 identified for each reporting requirement, or it may include
27 placement of reports on an Internet or Intranet site.

1 Sec. 206. The director of each department receiving
2 appropriations in part 1 shall take all reasonable steps to ensure
3 businesses in deprived and depressed communities compete for and
4 perform contracts to provide services or supplies, or both. Each
5 director shall strongly encourage firms with which the department
6 contracts to subcontract with certified businesses in depressed and
7 deprived communities for services, supplies, or both.

8 **DEPARTMENT OF AGRICULTURE**

9 Sec. 301. Of the amounts appropriated in part 1 for farmland
10 and open space development acquisition, the funds shall be used for
11 the purchase of development rights and the awarding of grants by
12 the agriculture preservation fund board under the natural resources
13 and environmental protection act, 1994 PA 451, MCL 324.101 to
14 324.90106.

15 **CAPITAL OUTLAY PROCESSES, PROCEDURES & REPORTS**

16 Sec. 401. Each capital outlay project authorized in this bill
17 or any previous capital outlay act shall comply with the procedures
18 required by the management and budget act, 1984 PA 431, MCL 18.1101
19 to 18.1594.

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

24 Sec. 403. (1) Before proceeding with final planning and
25 construction for projects at community colleges and universities

1 included in an appropriations act, the community college or
2 university shall sign an agreement with the department that
3 includes the following provisions:

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

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

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

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

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

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

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

1 (b) The balance remaining in each account.

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

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

5 (e) The appropriations history for the project.

6 (f) The professional service contractor.

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

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

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

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

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

17 (b) Whether a program statement is approved.

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

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

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

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

23 Sec. 405. A state agency, college, or university shall take
24 steps necessary to make available federal and other money indicated
25 in this bill, to make available federal or other money that may
26 become available for the purposes for which appropriations are made
27 in this bill, and to use any part or all of the appropriations to

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

5 **STATE AGENCY LUMP SUMS**

6 Sec. 501. (1) The directors of respective departments shall
7 allocate lump-sum appropriations made in this bill consistent with
8 statutory provisions and the purposes for which funds were
9 appropriated. Lump sum allocations shall address priority program
10 or facility needs and may include, but are not limited to, design,
11 construction, remodeling and addition, special maintenance, major
12 special maintenance, energy conservation and demolition.

13 (2) The state budget director may authorize that funds
14 appropriated for lump-sum appropriations shall be available for no
15 more than 3 fiscal years following the fiscal year in which the
16 original appropriation was made. Any remaining balance from
17 allocations made in this section shall lapse to the fund from which
18 it was appropriated pursuant to the lapsing of funds as provided in
19 the management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

20 **COLLEGES AND UNIVERSITIES**

21 Sec. 601. (1) This section applies only to projects for
22 community colleges.

23 (2) State support is directed towards the remodeling and
24 additions, special maintenance, or construction of certain
25 community college buildings. The community college shall obtain or

1 provide for site acquisition and initial main utility installation
2 to operate the facility. Funding shall be comprised of local and
3 state shares, and the state share shall include 50% of any federal
4 money awarded for projects appropriated in this bill. Not more than
5 50% of a capital outlay project, not including a lump-sum special
6 maintenance project or remodeling and addition project, for a
7 community college shall be appropriated from state and federal
8 funds, unless otherwise appropriated by the legislature.

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

27 (4) The community college shall take the steps necessary to

1 secure available federal construction and equipment money for
2 projects funded for construction in this bill if an application was
3 not previously made. If there is a reasonable expectation that a
4 prior year unfunded application may receive federal money in a
5 subsequent year, the college shall take whatever action necessary
6 to keep the application active. If federal money is received, the
7 state share shall be adjusted accordingly as provided by this bill.

8 Sec. 602. If matching revenues are received in an amount less
9 than the appropriations contained in this bill, the state funds of
10 the appropriation shall be reduced in proportion to the amount of
11 matching revenue received.

12 Sec. 603. (1) The director may require that community colleges
13 and universities that have an authorized project listed in part 1
14 submit documentation regarding the project match and governing
15 board approval of the authorized project not more than 60 days
16 after the beginning of the fiscal year.

17 (2) If the documentation required by the director under
18 subsection (1) is not submitted, or does not adequately
19 authenticate the availability of the project match or board
20 approval of the authorized project, the authorization may
21 terminate. The authorization terminates 30 days after the director
22 notifies the JCOS of the intent to terminate the project unless the
23 JCOS convenes to extend the authorization.

24 DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

25 Sec. 701. The appropriations in part 1 for the department of
26 military and veterans affairs design and construction projects are

1 contingent upon the availability of federal and state restricted
2 funds for financing.

3 **DEPARTMENT OF NATURAL RESOURCES**

4 Sec. 801. The appropriation made in this bill for the harbors
5 and docks program is for the purpose of participating with the
6 federal government and assisting political entities and
7 subdivisions of this state in the construction and improvement of
8 recreational boating facilities within this state. Subject to the
9 approval of the board, this money shall be allocated by the
10 department of natural resources to the federal government, or to
11 the political entities or local units of government involved in the
12 particular projects. An allocation shall not exceed the state
13 portion as listed with each project description. The department of
14 natural resources shall take the steps necessary to match federal
15 money available for the construction and improvement of
16 recreational boating facilities within this state, and to meet
17 requirements of the federal government.

18 **STATE TRANSPORTATION DEPARTMENT**

19 Sec. 901. (1) From federal-state-local project appropriations
20 contained in part 1 for the purpose of assisting political entities
21 and subdivisions of this state in the construction and improvement
22 of publicly used airports and landing fields within this state, the
23 state transportation department may permit the award of contracts
24 on behalf of units of local government for the authorized locations
25 not to exceed the indicated amounts, of which the state allocated

1 portion shall not exceed the amount appropriated in part 1.

2 (2) Political entities and subdivisions shall provide not less
3 than 2.5% of the cost of any project under this section, unless a
4 total nonfederal share greater than 5% is otherwise specified in
5 federal law. State money shall not be allocated until local money
6 is allocated. State money for any 1 project shall not exceed 1/3 of
7 the total appropriation in part 1 from state funds for airport
8 improvement programs.

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

20 MISCELLANEOUS

21 Sec. 1001. (1) Revenue collected from licenses issued under
22 the antenna site management project shall be deposited into the
23 antenna site management revolving fund created for this purpose in
24 the department of information technology. The department may
25 receive and expend funds from the fund for costs associated with
26 the antenna site management project, including the cost of a third-

1 party site manager. Any excess revenue remaining in the fund at the
2 close of the fiscal year shall be proportionately transferred to
3 the appropriate state restricted funds as designated in statute or
4 by constitution.

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

8 Sec. 1002. (1) A site preparation economic development fund is
9 hereby created in the department of management and budget. As used
10 in this section, "economic development sites" means those state-
11 owned sites declared as surplus property pursuant to section 251 of
12 the management and budget act, 1984 PA 431, MCL 18.1251, that would
13 provide economic benefit to the area or to the state. The Michigan
14 economic development corporation board and the state budget
15 director shall determine whether or not a specific state-owned site
16 qualifies for inclusion in the fund created under this subsection.

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

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

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

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

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