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BILL



ANALYSIS

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Senate Bill 1150 (Substitute S-2 as reported)

Sponsor: Senator Michelle A. McManus

Senate Committee: Appropriations

Date Completed: 11-9-10

CONTENT

Senate Bill 1150 (S-2) includes new State Building Authority (SBA) construction projects totaling \$630.9 million, with a State share of \$326.8 million. A \$9.0 million General Fund grant (not funded through the SBA) is included for the construction of a new heavy aircraft capable maintenance hangar at the Oscoda-Wurtsmith Airport. The bill also includes a cost increase authorization (Sec. 605) for the Oakland University Human Health Building project, and a construction authorization for the Henry Ford Community College Science Building Improvements Project (planning authorization included in Public Act 278 of 2008).

The House Appropriations Committee reported its own version of the FY 2010-11 Capital Outlay appropriation bill (H.B. 5858) on September 23, 2010. That bill is currently on the House floor. Details regarding funding for institutions and a comparison to H.B. 5858 are included on the attached table.

FISCAL IMPACT

The bill would result in additional State costs funded through new SBA bond debt obligations of \$326.8 million. Annual General Fund rental payments to the SBA are estimated at \$22.9 million to \$29.4 million annually until the bonds are retired (approximately 15 to 17 years). Annual rental (debt service) payments to the SBA appropriated in the FY 2010-11 General Government appropriation bill total \$241.9 million.

Senate Bill 1150 (S-2) also includes an appropriation of \$9.0 million GF/GP grant for the Oscoda-Wurtsmith Airport.

Fiscal Analyst: Bill Bowerman

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.

FY 2010-11 STATE BUILDING AUTHORITY PROJECTS

| PROJECT | Request with \$40 million Cap | | Senate Bill 1150 (S-2) | | HAC HB 5858 (H-1) | |
|--|--------------------------------------|----------------------|-------------------------------|----------------------|--------------------------|----------------------|
| | TOTAL COST | STATE SHARE | TOTAL COST | STATE SHARE | TOTAL COST | STATE SHARE |
| Central - Bio-Sciences Building | \$75,000,000 | 40,000,000 | \$75,000,000 | 40,000,000 | \$75,000,000 | 40,000,000 |
| Eastern - Strong Hall Renovation | 38,000,000 | 28,500,000 | 38,000,000 | 28,500,000 | 38,000,000 | 28,500,000 |
| Ferris - College of Pharmacy - Grand Rapids | 8,800,000 | 6,600,000 | 8,800,000 | 6,600,000 | 8,800,000 | 6,600,000 |
| Grand Valley - Classroom/Office Additions | 55,000,000 | 40,000,000 | 55,000,000 | 40,000,000 | 55,000,000 | 40,000,000 |
| Lake Superior - School of Business Building | 20,000,000 | 15,000,000 | 0 | 0 | 20,000,000 | 15,000,000 |
| Michigan State - Plant Science Facilities-Bioeconomy--Additions and Renovations | 193,600,000 | 40,000,000 | 193,600,000 | 40,000,000 | 193,600,000 | 40,000,000 |
| Michigan Technological - Next Generation Energy Complex | 29,500,000 | 22,125,000 | 0 | 0 | 29,500,000 | 22,125,000 |
| Northern - Jamrich Hall Modernization | 33,900,000 | 25,425,000 | 33,900,000 | 25,425,000 | 33,900,000 | 25,425,000 |
| Oakland - Engineering Center | 74,551,739 | 40,000,000 | 74,551,739 | 40,000,000 | 0 | 0 |
| Saginaw Valley - Wickes Hall Renovations | 8,000,000 | 6,000,000 | 8,000,000 | 6,000,000 | 8,000,000 | 6,000,000 |
| U of M - Ann Arbor - G.G. Brown Memorial Laboratories Renovation | 64,000,000 | 40,000,000 | 0 | 0 | 64,000,000 | 40,000,000 |
| U of M - Dearborn - Science and Computer Information Science Building Renovations | 51,000,000 | 38,250,000 | 0 | 0 | 0 | 0 |
| U of M Flint - Murchie Science Laboratory Building Renovation | 22,170,000 | 16,627,500 | 0 | 0 | 22,170,000 | 16,627,500 |
| Wayne State - Multidisciplinary Biomedical Research Building | 200,000,000 | 40,000,000 | 0 | 0 | 200,000,000 | 40,000,000 |
| Western - Sangren Hall Building Renovation, Phase II* | 0 | 28,300,000 | 0 | 28,300,000 | 44,400,000 | 33,300,000 |
| SUBTOTAL - UNIVERSITIES | \$873,521,739 | \$426,827,500 | \$486,851,739 | \$254,825,000 | \$792,370,000 | \$353,577,500 |
| Alpena - Electrical Power Technology Education & Training Center | \$4,997,500 | \$2,498,750 | \$0 | \$0 | \$0 | \$0 |
| Bay de Noc - Nursing Lab/Lecture Hall Remodeling | 1,500,000 | 750,000 | 0 | 0 | 1,500,000 | 750,000 |
| Delta - Health and Wellness Program - F Wing Renovation | 19,984,000 | 9,992,000 | 19,984,000 | 9,992,000 | 19,984,000 | 9,992,000 |
| Glen Oaks - Library Renovation | 1,400,000 | 700,000 | 1,400,000 | 700,000 | 0 | 0 |
| Gogebic - Building Renovation | 1,500,000 | 750,000 | 0 | 0 | 1,500,000 | 750,000 |
| Grand Rapids - Cook Academic Hall Renovation | 10,000,000 | 5,000,000 | 10,000,000 | 5,000,000 | 10,000,000 | 5,000,000 |
| Henry Ford - No new request submitted | N/A | 0 | N/A | 0 | N/A | 0 |
| Jackson - Student Services and Instructional Classrooms | 19,500,000 | 9,750,000 | 19,500,000 | 9,750,000 | 0 | 0 |
| Kalamazoo Valley - Culinary Institute at Arcadia Commons Campus | 13,000,000 | 6,500,000 | 13,000,000 | 6,500,000 | 0 | 0 |
| Kellogg - Student Center | 4,500,000 | 2,250,000 | 0 | 0 | 4,500,000 | 2,250,000 |
| Kirtland - Student Center Renovation and Addition | 8,000,000 | 4,000,000 | 8,000,000 | 4,000,000 | 8,000,000 | 4,000,000 |
| Lake Michigan - Energy-Saving Renovation of the Napier Avenue Academic Building | 15,019,000 | 7,509,500 | 15,019,000 | 7,509,500 | 15,019,000 | 7,509,500 |
| Lansing - Arts & Sciences Building Renovation | 19,950,000 | 9,975,000 | 0 | 0 | 19,950,000 | 9,975,000 |
| Macomb - Health Science and Technology Building, Phase II | 14,500,000 | 7,250,000 | 14,500,000 | 7,250,000 | 14,500,000 | 7,250,000 |
| Mid Michigan - Mt. Pleasant Campus Unification | 17,704,500 | 8,852,250 | 17,704,500 | 8,852,250 | 17,704,500 | 8,852,250 |
| Monroe - No request submitted | N/A | 0 | N/A | 0 | N/A | 0 |
| Montcalm - Sustainability Education Initiative | 4,000,000 | 2,000,000 | 0 | 0 | 0 | 0 |
| Mott - Southern Lakes Branch Center: Rehabilitation | 6,545,950 | 3,272,975 | 0 | 0 | 6,545,950 | 3,272,975 |
| Muskegon - Art/Media Education Center | 7,500,000 | 3,750,000 | 7,500,000 | 3,750,000 | 7,500,000 | 3,750,000 |
| North Central - Health Education and Science Center Project | 10,428,400 | 5,214,200 | 10,428,400 | 5,214,200 | 10,428,400 | 5,214,200 |
| Northwestern - Student Learning Center | 14,000,000 | 7,000,000 | 0 | 0 | 0 | 0 |
| Oakland - Interior Renovation/Building Addition - Building A, Auburn Hills Campus | 32,065,000 | 16,032,500 | 0 | 0 | 32,065,000 | 16,032,500 |
| St. Clair - Center for Health & Human Services | 7,000,000 | 3,500,000 | 0 | 0 | 0 | 0 |
| Schoolcraft - Simulation Technology Center | 20,000,000 | 10,000,000 | 0 | 0 | 0 | 0 |
| Southwestern - Science & Allied Health Labs, Classrooms, and Related Renovations** | 7,000,000 | 3,500,000 | 7,000,000 | 3,500,000 | 32,000,000 | 16,000,000 |
| Washtenaw - Campus Renovation Projects | 6,000,000 | 3,000,000 | 0 | 0 | 0 | 0 |
| Wayne - Eastern Campus Facility Upgrade & Site Redevelopment Project | 16,000,000 | 8,000,000 | 0 | 0 | 16,000,000 | 8,000,000 |
| West Shore - No request submitted | N/A | 0 | N/A | 0 | N/A | 0 |
| SUBTOTAL - COMMUNITY COLLEGES: | \$282,094,350 | \$141,047,175 | \$144,035,900 | \$72,017,950 | \$217,196,850 | \$108,598,425 |
| DMB - State Facility Preservation Projects - Phase IV | 100,410,000 | 100,410,000 | 0 | 0 | 0 | 0 |
| SUBTOTAL - STATE AGENCIES: | \$100,410,000 | \$100,410,000 | \$0 | \$0 | \$0 | \$0 |
| TOTAL SBA PROJECTS: | \$1,256,026,089 | \$668,284,675 | \$630,887,639 | \$326,842,950 | \$1,009,566,850 | \$462,175,925 |

ALSO INCLUDED IN SB 1150 and HB5858

\$9.0 million General Fund Grant to the Oscoda-Wurtsmith Airport Authority: Sec. 104
 Construction authorization for the Henry Ford Community College Project: Sec. 103
 Cost Increase for the Oakland University Human Health Building: Sec. 605

*While WMU submitted this request as Phase II, authorizations for the entire Sangren Hall Project were included in 2008 PA 278 and 2010 PA 111. The total authorized cost for the project is \$60.0 million. WMU's request as a separate Phase II for the purpose of increasing the State share would result in the State exceeding the \$40.0 million cap and shift the burden of the cost increase authorized in PA 111 to the State. Therefore, the request is adjusted to reflect no net project increase and the \$40.0 million cap on the State share in boilerplate Section 606.

** Southwestern revised its request from the original \$32.0 million Campus Renovation Project.