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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: 11-16-10

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 passed its own version of the FY 2010-11 Capital Outlay appropriation bill (H.B. 5858) on November 10, 2010. 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-2)	
	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	\$38,000,000
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	38,000,000
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	38,000,000
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	38,000,000
U of M - Dearborn - Science and Computer Information Science Building Renovations	51,000,000	38,250,000	0	0	51,000,000	38,000,000
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	38,000,000
Western - Sangren Hall Building Renovation, Phase II*	0	28,300,000	0	28,300,000	0	26,300,000
SUBTOTAL - UNIVERSITIES	\$873,521,739	\$426,827,500	\$486,851,739	\$254,825,000	\$798,970,000	\$374,577,500
Alpena - Electrical Power Technology Education & Training Center	\$4,997,500	\$2,498,750	\$0	\$0	\$4,997,500	\$2,498,750
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	19,500,000	9,750,000
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	7,000,000	3,500,000
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	7,000,000	3,500,000
Washtenaw - Campus Renovation Projects	6,000,000	3,000,000	0	0	6,000,000	3,000,000
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	\$229,694,350	\$114,847,175
MSP - Detroit Crime Lab	20,000,000	20,000,000	0	0	20,000,000	20,000,000
DMB - State Facility Preservation Projects - Phase IV	100,410,000	100,410,000	0	0	100,410,000	100,410,000
SUBTOTAL - STATE AGENCIES:	\$120,410,000	\$120,410,000	\$0	\$0	\$120,410,000	\$120,410,000
TOTAL SBA PROJECTS:	\$1,276,026,089	\$688,284,675	\$630,887,639	\$326,842,950	\$1,149,074,350	\$609,834,675

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.