

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5858

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; and to provide for the expenditure thereof under the supervision of the director of the department of management and budget and the state administrative board.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

PART 1

LINE-ITEM APPROPRIATIONS

Sec. 101. 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 and institutions for the fiscal year ending September 30, 2011, from the funds indicated in this part. The following is a summary of the appropriations in this part:

CAPITAL OUTLAY

APPROPRIATION SUMMARY

GROSS APPROPRIATION.....	\$	2,500
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION.....	\$	2,500
Federal revenues:		
Total federal revenues.....		0
Special revenue funds:		
Total local revenues.....		0
Total private revenues.....		0
Total other state restricted revenues.....		0
State general fund/general purpose.....	\$	2,500

**Sec. 103. STATE AGENCY, COMMUNITY COLLEGE, AND
UNIVERSITY PLANNING AUTHORIZATIONS**

Central Michigan University - bio-sciences building
- for program and planning to be paid for from

1	university resources (estimated total authorized	
2	cost \$75,000,000; state share \$30,000,000;	
3	university share \$45,000,000).....	\$ 100
4	Grand Valley State University - classroom/office	
5	additions - for program and planning to be paid for	
6	from university resources (estimated total	
7	authorized cost \$55,000,000; state share	
8	\$30,000,000; university share \$25,000,000).....	100
9	Lake Superior State University - school of business	
10	building - for program and planning to be paid for	
11	from university resources (estimated total	
12	authorized cost \$20,000,000; state share	
13	\$15,000,000; university share \$5,000,000).....	100
14	Michigan State University - plant science	
15	facilities-bioeconomy additions and renovations -	
16	for program and planning to be paid for from	
17	university resources (estimated total authorized	
18	cost \$193,600,000; state share \$30,000,000;	
19	university share \$163,600,000).....	100
20	Northern Michigan University - Jamrich hall	
21	modernization - for program and planning to be paid	
22	for from university resources (estimated total	
23	authorized cost \$33,900,000; state share	
24	\$25,425,000; university share \$8,475,000).....	100
25	Oakland University - engineering center - for	
26	program and planning to be paid for from university	
27	resources (estimated total authorized cost	

1	\$74,551,739; state share \$30,000,000; university	
2	share \$44,551,739)	100
3	University of Michigan - Ann Arbor - GG Brown	
4	memorial laboratories renovation - for program and	
5	planning to be paid for from university resources	
6	(estimated total authorized cost \$64,000,000;	
7	state share \$30,000,000; university share	
8	\$34,000,000)	100
9	University of Michigan - Dearborn - science and	
10	computer information science building renovations -	
11	for program and planning to be paid for from	
12	university revenues resources (estimated total	
13	authorized cost \$51,000,000; state share	
14	\$30,000,000; university share \$21,000,000)	100
15	University of Michigan - Flint - Murchie science	
16	laboratory building renovations - for program and	
17	planning to be paid for from university resources	
18	(estimated total authorized cost \$22,170,000;	
19	state share \$16,627,500; university share	
20	\$5,542,500)	100
21	Wayne State University - multi-disciplinary	
22	biomedical research building - for program and	
23	planning to be paid for from university resources	
24	(estimated total authorized cost \$200,000,000;	
25	state share \$30,000,000; university share	
26	\$170,000,000)	100
27	Alpena Community College - electrical power	

1	technology education and training center	
2	instructional addition project - for program and	
3	planning to be paid from community college	
4	resources (estimated total authorized cost	
5	\$4,997,500; state share \$2,498,750; community	
6	college share \$2,498,750)	100
7	Bay de Noc Community College - nursing lab/lecture	
8	hall remodeling - for program and planning to be	
9	paid from community college resources (estimated	
10	total authorized cost \$1,500,000; state share	
11	\$750,000; community college share \$750,000)	100
12	Delta College - health and wellness - F wing	
13	renovations - for program and planning to be paid	
14	for from community college resources (estimated	
15	total authorized cost \$19,984,000; state share	
16	\$9,992,000; community college share \$9,992,000)	100
17	Gogebic Community College - building renovation -	
18	for program and planning to be paid for from	
19	community college resources (estimated total	
20	authorized cost \$1,500,000; state share \$750,000;	
21	community college share \$750,000)	100
22	Grand Rapids Community College - Cook academic hall	
23	renovation - for program and planning to be paid	
24	for from community college resources (estimated	
25	total authorized cost \$10,000,000; state share	
26	\$5,000,000; community college share \$5,000,000)	100
27	Jackson Community College - student services and	

1	instructional classrooms - for program and planning	
2	to be paid for from community college resources	
3	(estimated total authorized cost \$19,500,000;	
4	state share \$9,750,000; community college share	
5	\$9,750,000)	100
6	Lansing Community College - arts and sciences	
7	building renovation - for program and planning to	
8	be paid for from community college resources	
9	(estimated total authorized cost \$19,950,000;	
10	state share \$9,975,000; community college share	
11	\$9,975,000)	100
12	Macomb Community College - health science and	
13	technology building, phase II - for program and	
14	planning to be paid for from community college	
15	resources (estimated total authorized cost	
16	\$14,500,000; state share \$7,250,000; community	
17	college share \$7,250,000)	100
18	Mid-Michigan Community College - Mt. Pleasant campus	
19	unification - for program and planning to be paid	
20	for from community college resources (estimated	
21	total authorized cost \$17,704,500; state share	
22	\$8,852,250; community college share \$8,852,250)	100
23	North Central Michigan College - health education	
24	and science center project - for program and	
25	planning to be paid for from community college	
26	resources (estimated total authorized cost	
27	\$10,428,400; state share \$5,214,200; community	

1	college share \$5,214,200)	<u>100</u>
2	GROSS APPROPRIATION.....	\$ 2,000
3	Appropriated from:	
4	State general fund/general purpose.....	\$ 2,000
5	Sec. 104. STATE BUILDING AUTHORITY FINANCED	
6	CONSTRUCTION AUTHORIZATIONS	
7	Henry Ford Community College - science building	
8	improvements project (total authorized cost	
9	\$15,000,000; state building authority share	
10	\$7,499,800; Henry Ford Community College share	
11	\$7,500,000; state general fund share \$200)	\$ 100
12	Monroe County Community College - technology center	
13	project (total authorized cost \$17,000,000; state	
14	building authority share \$8,499,800; Monroe County	
15	Community College share \$8,500,000; state general	
16	fund share \$200)	100
17	Ferris State University - college of pharmacy -	
18	Grand Rapids (total authorized cost \$8,800,000;	
19	state building authority share \$6,599,800; Ferris	
20	State University share \$2,200,000; state general	
21	fund share \$200)	100
22	Department of technology, management, and budget -	
23	state facility preservation projects - phase IV	
24	(total authorized costs \$35,000,000; state	
25	building authority share \$34,999,900; state general	
26	fund share \$100)	100
27	Department of state police - Detroit crime lab	

1	(total authorized costs \$15,000,000; state		
2	building authority share \$14,999,900; state general		
3	fund share \$100)		100
4	GROSS APPROPRIATION.....	\$	500
5	Appropriated from:		
6	State general fund/general purpose	\$	500

7 PART 2

8 PROVISIONS CONCERNING APPROPRIATIONS

9 GENERAL SECTIONS

10 Sec. 201. Pursuant to section 30 of article IX of the state
 11 constitution of 1963, total state spending from state resources
 12 under part 1 for fiscal year 2010-2011 is \$2,500.00 and state
 13 spending from state resources to be paid to local units of
 14 government for fiscal year 2010-2011 is \$1,200.00.

15 Sec. 202. The appropriations authorized under this act are
 16 subject to the management and budget act, 1984 PA 431, MCL 18.1101
 17 to 18.1594.

18 Sec. 203. As used in this act:

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

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

22 (c) "Department" means the department of technology,
 23 management, and budget.

24 (d) "Director" means the director of the department of
 25 technology, management, and budget.

26 (e) "Fiscal agencies" means the senate fiscal agency and the

1 house fiscal agency.

2 (f) "IDG" means interdepartmental grant.

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

5 (h) "LEED" means the United States green building council's
6 leadership in energy and environmental design green building rating
7 system.

8 (i) "State agency" means an agency of state government. State
9 agency does not include a community college or university.

10 (j) "State building authority" means the authority created
11 under 1964 PA 183, MCL 830.411 to 830.425.

12 (k) "University" means a 4-year university supported by the
13 state. University does not include a community college or a state
14 agency.

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

25 Sec. 205. Unless otherwise specified, departments and agencies
26 receiving appropriations in part 1 shall use the Internet to
27 fulfill the reporting requirements of this act. This requirement

1 may include transmission of reports via electronic mail to the
2 recipients identified for each reporting requirement, or it may
3 include placement of reports on an Internet or Intranet site.

4 **CAPITAL OUTLAY PROCESSES, PROCEDURES AND REPORTS**

5 Sec. 401. Each capital outlay project authorized in this act
6 or any previous capital outlay act shall comply with the procedures
7 required by the management and budget act, 1984 PA 431, MCL 18.1101
8 to 18.1594.

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

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

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

22 (b) The design and program scope of the project shall not
23 deviate from the design and program scope represented in the
24 program statement and preliminary planning documents approved by
25 the department.

26 (c) Any other items as identified by the department that are

1 necessary to complete the project.

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

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

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

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

16 (b) The balance remaining in each account.

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

18 (d) The anticipated date of occupancy if the project is under
19 construction.

20 (e) The appropriations history for the project.

21 (f) The professional service contractor.

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

23 (h) The amount of a project financed through the state
24 building authority.

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

27 (3) Before the end of each fiscal year, the department shall

1 report the following for each project by a state agency,
2 university, or community college that is authorized for planning
3 but is not yet authorized for construction:

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

5 (b) Whether a program statement is approved.

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

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

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

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

11 Sec. 405. A state agency, college, or university shall take
12 steps necessary to make available federal and other money indicated
13 in this act, to make available federal or other money that may
14 become available for the purposes for which appropriations are made
15 in this act, and to use any part or all of the appropriations to
16 meet matching requirements that are considered to be in the best
17 interest of this state. However, the purpose, scope, and total
18 estimated cost of a project shall not be altered to meet the
19 matching requirements.

20 Sec. 410. Pursuant to section 242(2) of the management and
21 budget act, 1984 PA 431, MCL 18.1242, the department shall submit
22 5-year capital outlay plans and capital outlay priority requests
23 developed by state agencies (and as approved by the department of
24 technology, management, and budget), universities, and community
25 colleges to the chairperson and ranking vice-chairperson of JCOS
26 and the fiscal agencies upon the release of the executive budget
27 recommendation.

1 **COLLEGES AND UNIVERSITIES**

2 Sec. 601. (1) This section applies only to projects for
3 community colleges.

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

15 (3) An expenditure under this act is authorized when the
16 release of the appropriation is approved by the board upon the
17 recommendation of the director. The director may recommend to the
18 board the release of any appropriation in part 1 only after the
19 director is assured that the legal entity operating the community
20 college to which the appropriation is made has complied with this
21 act and has matched the amounts appropriated as required by this
22 act. A release of funds in part 1 shall not exceed 50% of the total
23 cost of planning and construction of any project, not including
24 lump-sum remodeling and additions and special maintenance, unless
25 otherwise appropriated by the legislature. Further planning and
26 construction of a project authorized by this act or applicable

1 sections of the management and budget act, 1984 PA 431, MCL 18.1101
2 to 18.1594, shall be in accordance with the purpose and scope as
3 defined and delineated in the approved program statements and
4 planning documents. This act is applicable to all projects for
5 which planning appropriations were made in previous acts.

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

14 Sec. 602. If matching revenues are received in an amount less
15 than the appropriations contained in this act, the state funds of
16 the appropriation shall be reduced in proportion to the amount of
17 matching revenue received.

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

23 (2) If the documentation required by the director under
24 subsection (1) is not submitted, or does not adequately
25 authenticate the availability of the project match or board
26 approval of the authorized project, the authorization may
27 terminate. The authorization terminates 30 days after the director

1 notifies the JCOS of the intent to terminate the project unless the
2 JCOS convenes to extend the authorization.

3 Sec. 604. The appropriation included in section 102 for
4 university and community college planning project authorizations
5 allow for the completion of program statements and schematic
6 planning documents. These projects will not receive cost and
7 construction authorizations in subsequent budget acts unless there
8 is sufficient bonding capacity available under the state building
9 authority's statutory bond capacity limit.

10 Sec. 605. The Oakland University human health building project
11 was authorized in 2010 PA 27 with a total project cost of
12 \$61,748,100.00. Oakland University has been awarded grants for the
13 specific purpose of implementing enhanced geothermal technologies
14 and other sustainable design features in the human health building
15 project. Oakland University has estimated that the total cost to
16 construct the human health building project with the enhanced
17 geothermal technologies and other sustainable design features for
18 which grant funds were awarded has increased to \$64,561,200.00.
19 Oakland University will fund the increase in the project cost of
20 \$2,813,100.00 with federal and private foundation grant resources
21 awarded to Oakland University, with the total state commitment
22 remaining at \$40,000,000.00. Therefore, pursuant to section 246 of
23 the management and budget act, 1984 PA 431, MCL 18.1246, the total
24 authorized cost for the Oakland University human health building
25 project is increased from \$61,748,100.00 to an amount not to exceed
26 \$64,561,200.00, with the Oakland University share being
27 \$24,561,200.00, the state building authority share being

- 1 \$39,999,800.00, and the state general fund/general purpose share
- 2 being \$200.00.