

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 1150

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:

1

PART 1

2

LINE-ITEM APPROPRIATIONS

Senate Bill No. 1150 (H-3) as amended December 3, 2010

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.....	\$	[102,100,900]
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Interdepartmental grant revenues:

Total interdepartmental grants and intradepartmental transfers	0
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ADJUSTED GROSS APPROPRIATION.....	\$	[102,100,900]
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Federal revenues:

Total federal revenues.....	0
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Special revenue funds:

Total local revenues.....	0
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Total private revenues.....	0
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Total other state restricted revenues.....	102,098,400
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State general fund/general purpose.....	\$	[2,500]
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Sec. 102. MICHIGAN NATURAL RESOURCES TRUST FUND

Natural resources trust fund projects.....	\$	<u>102,098,400</u>
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GROSS APPROPRIATION.....	\$	102,098,400
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Appropriated from:

Special revenue funds:

Michigan natural resources trust fund.....	102,098,400
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State general fund/general purpose.....	\$	0
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**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		
university resources (estimated total authorized		
cost \$75,000,000; state share \$30,000,000;		
university share \$45,000,000).....	\$	100
Grand Valley State University - classroom/office		
additions - for program and planning to be paid for		
from university resources (estimated total		
authorized cost \$55,000,000; state share		
\$30,000,000; university share \$25,000,000).....		100
Lake Superior State University - school of business		
building - for program and planning to be paid for		
from university resources (estimated total		
authorized cost \$20,000,000; state share		
\$15,000,000; university share \$5,000,000).....		100
Michigan State University - plant science		
facilities-bioeconomy additions and renovations -		
for program and planning to be paid for from		
university resources (estimated total authorized		
cost \$193,600,000; state share \$30,000,000;		
university share \$163,600,000).....		100
Northern Michigan University - Jamrich hall		
modernization - for program and planning to be paid		
for from university resources (estimated total		
authorized cost \$33,900,000; state share		

1	\$25,425,000; university share \$8,475,000)	100
2	Oakland University - engineering center - for	
3	program and planning to be paid for from university	
4	resources (estimated total authorized cost	
5	\$74,551,739; state share \$30,000,000; university	
6	share \$44,551,739)	100
7	University of Michigan - Ann Arbor - G.G. Brown	
8	memorial laboratories renovation - for program and	
9	planning to be paid for from university resources	
10	(estimated total authorized cost \$64,000,000;	
11	state share \$30,000,000; university share	
12	\$34,000,000)	100
13	University of Michigan - Dearborn - science and	
14	computer information science building renovations -	
15	for program and planning to be paid for from	
16	university revenues resources (estimated total	
17	authorized cost \$51,000,000; state share	
18	\$30,000,000; university share \$21,000,000)	100
19	University of Michigan - Flint - Murchie science	
20	laboratory building renovations - for program and	
21	planning to be paid for from university resources	
22	(estimated total authorized cost \$22,170,000;	
23	state share \$16,627,500; university share	
24	\$5,542,500)	100
25	Wayne State University - multi-disciplinary	
26	biomedical research building - for program and	
27	planning to be paid for from university resources	

1	(estimated total authorized cost \$200,000,000;	
2	state share \$30,000,000; university share	
3	\$170,000,000)	100
4	Alpena Community College - electrical power	
5	technology education and training center	
6	instructional addition - for program and planning	
7	to be paid for from community college resources	
8	(estimated total authorized cost \$4,997,500; state	
9	share \$2,498,750; community college share	
10	\$2,498,750)	100
11	Bay de Noc Community College - nursing lab/lecture	
12	hall remodeling - for program and planning to be	
13	paid for from community college resources	
14	(estimated total authorized cost \$1,500,000; state	
15	share \$750,000; community college share \$750,000) ...	100
16	Delta College - health and wellness - F wing	
17	renovations - for program and planning to be paid	
18	for from community college resources (estimated	
19	total authorized cost \$19,984,000; state share	
20	\$9,992,000; community college share \$9,992,000)	100
21	Gogebic Community College - building renovation -	
22	for program and planning to be paid for from	
23	community college resources (estimated total	
24	authorized cost \$1,500,000; state share \$750,000;	
25	community college share \$750,000)	100
26	Grand Rapids Community College - Cook academic hall	
27	renovation - for program and planning to be paid	

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

1	and science center project - for program and		
2	planning to be paid for from community college		
3	resources (estimated total authorized cost		
4	\$10,428,400; state share \$5,214,200; community		
5	college share \$5,214,200)		100
6	GROSS APPROPRIATION.....	\$	2,000
7	Appropriated from:		
8	State general fund/general purpose	\$	2,000
9	Sec. 104. STATE BUILDING AUTHORITY FINANCED		
10	CONSTRUCTION AUTHORIZATIONS		
11	Henry Ford Community College - science building		
12	improvements project (total authorized cost		
13	\$15,000,000; state building authority share		
14	\$7,499,800; Henry Ford Community College share		
15	\$7,500,000; state general fund share \$200)	\$	100
16	Monroe County Community College - technology center		
17	project (total authorized cost \$17,000,000; state		
18	building authority share \$8,499,800; Monroe County		
19	Community College share \$8,500,000; state general		
20	fund share \$200)		100
21	Ferris State University - college of pharmacy -		
22	Grand Rapids (total authorized cost \$8,800,000;		
23	state building authority share \$6,599,800; Ferris		
24	State University share \$2,200,000; state general		
25	fund share \$200)		100
26	Department of technology, management, and budget -		
27	state facility preservation projects - phase IV		

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1	(total authorized costs \$35,000,000; state		
2	building authority share \$34,999,900; state general		
3	fund share \$100)		100
4	Department of state police - Detroit crime lab		
5	(total authorized cost \$15,000,000; state building		
6	authority share \$14,999,900; state general fund		
7	share \$100)		100
8	GROSS APPROPRIATION.....	\$	500
9	Appropriated from:		
10	State general fund/general purpose	\$	500
11	[
12			
13			
14			
15]		

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

19 Sec. 201. Pursuant to section 30 of article IX of the state
 20 constitution of 1963, total state spending from state resources
 21 under part 1 for fiscal year 2010-2011 is [\$102,100,900.00] and state
 22 spending from state resources to be paid to local units of
 23 government for fiscal year 2010-2011 is [\$39,794,600.00]. State
 24 appropriations paid to local units of government are [\$39,794,600.00]
 25 as follows:

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1	Development grants-in-aid	\$	20,842,600
2	Acquisition grants-in-aid		18,950,800
3	[]
4	Community colleges		<u>1,200</u>
5	Total payments to locals	\$	[39,794,600]

6 Sec. 202. The appropriations authorized under this act are
 7 subject to the management and budget act, 1984 PA 431, MCL 18.1101
 8 to 18.1594.

9 Sec. 203. As used in this act:

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

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

13 (c) "Department" means the department of technology,
 14 management, and budget.

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

17 (e) "Fiscal agencies" means the senate fiscal agency and the
 18 house fiscal agency.

19 (f) "IDG" means interdepartmental grant.

20 (g) "JCOS" means the joint capital outlay subcommittee of the
 21 appropriations committees.

22 (h) "LEED" means the United States green building council's
 23 leadership in energy and environmental design green building rating
 24 system.

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

27 (j) "State building authority" means the authority created

1 under 1964 PA 183, MCL 830.411 to 830.425.

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

5 Sec. 204. Funds appropriated in part 1 shall not be used for
6 the purchase of foreign goods or services, or both, if
7 competitively priced and of comparable quality American goods or
8 services, or both, are available. Preference should be given to
9 goods or services, or both, manufactured or provided by Michigan
10 businesses, if they are competitively priced and of comparable
11 quality. In addition, preference should be given to goods or
12 services, or both, that are manufactured or provided by Michigan
13 businesses owned and operated by veterans, if they are
14 competitively priced and of comparable quality.

15 Sec. 205. Unless otherwise specified, departments and agencies
16 receiving appropriations in part 1 shall use the Internet to
17 fulfill the reporting requirements of this act. This requirement
18 may include transmission of reports via electronic mail to the
19 recipients identified for each reporting requirement, or it may
20 include placement of reports on an Internet or Intranet site.

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

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

26 Sec. 402. A statement of a proposed facility's operating cost

1 shall be included with the facility's program statement and
2 planning documents when the plans are presented to JCOS for
3 approval.

4 Sec. 403. (1) Before proceeding with final planning and
5 construction for projects at community colleges and universities
6 included in an appropriations act, the community college or
7 university shall sign an agreement with the department that
8 includes the following provisions:

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

13 (b) The design and program scope of the project shall not
14 deviate from the design and program scope represented in the
15 program statement and preliminary planning documents approved by
16 the department.

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

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

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

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

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

6 (b) The balance remaining in each account.

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

8 (d) The anticipated date of occupancy if the project is under
9 construction.

10 (e) The appropriations history for the project.

11 (f) The professional service contractor.

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

13 (h) The amount of a project financed through the state
14 building authority.

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

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

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

22 (b) Whether a program statement is approved.

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

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

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

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

1 Sec. 405. A state agency, college, or university shall take
2 steps necessary to make available federal and other money indicated
3 in this act, to make available federal or other money that may
4 become available for the purposes for which appropriations are made
5 in this act, and to use any part or all of the appropriations to
6 meet matching requirements that are considered to be in the best
7 interest of this state. However, the purpose, scope, and total
8 estimated cost of a project shall not be altered to meet the
9 matching requirements.

10 Sec. 410. Pursuant to section 242(2) of the management and
11 budget act, 1984 PA 431, MCL 18.1242, the department shall submit
12 5-year capital outlay plans and capital outlay priority requests
13 developed by state agencies (and as approved by the department of
14 technology, management, and budget), universities, and community
15 colleges to the chairperson and ranking vice-chairperson of JCOS
16 and the fiscal agencies upon the release of the executive budget
17 recommendation.

18 COLLEGES AND UNIVERSITIES

19 Sec. 601. (1) This section applies only to projects for
20 community colleges.

21 (2) State support is directed towards the remodeling and
22 additions, special maintenance, or construction of certain
23 community college buildings. The community college shall obtain or
24 provide for site acquisition and initial main utility installation
25 to operate the facility. Funding shall be comprised of local and
26 state shares, and the state share shall include 50% of any federal

1 money awarded for projects appropriated in this act. Not more than
2 50% of a capital outlay project, not including a lump-sum special
3 maintenance project or remodeling and addition project, for a
4 community college shall be appropriated from state and federal
5 funds, unless otherwise appropriated by the legislature.

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

23 (4) The community college shall take the steps necessary to
24 secure available federal construction and equipment money for
25 projects funded for construction in this act if an application was
26 not previously made. If there is a reasonable expectation that a
27 prior year unfunded application may receive federal money in a

1 subsequent year, the college shall take whatever action necessary
2 to keep the application active. If federal money is received, the
3 state share shall be adjusted accordingly as provided by this act.

4 Sec. 602. If matching revenues are received in an amount less
5 than the appropriations contained in this act, the state funds of
6 the appropriation shall be reduced in proportion to the amount of
7 matching revenue received.

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

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

20 Sec. 604. The appropriation included in section 102 for
21 university and community college planning project authorizations
22 allow for the completion of program statements and schematic
23 planning documents. These projects will not receive cost and
24 construction authorizations in subsequent budget acts unless there
25 is sufficient bonding capacity available under the state building
26 authority's statutory bond capacity limit.

27 Sec. 605. The Oakland University human health building project

1 was authorized in 2010 PA 27 with a total project cost of
2 \$61,748,100.00. Oakland University has been awarded grants for the
3 specific purpose of implementing enhanced geothermal technologies
4 and other sustainable design features in the human health building
5 project. Oakland University has estimated that the total cost to
6 construct the human health building project with the enhanced
7 geothermal technologies and other sustainable design features for
8 which grant funds were awarded has increased to \$64,561,200.00.
9 Oakland University will fund the increase in the project cost of
10 \$2,813,100.00 with federal and private foundation grant resources
11 awarded to Oakland University, with the total state commitment
12 remaining at \$40,000,000.00. Therefore, pursuant to section 246 of
13 the management and budget act, 1984 PA 431, MCL 18.1246, the total
14 authorized cost for the Oakland University human health building
15 project is increased from \$61,748,100.00 to an amount not to exceed
16 \$64,561,200.00, with the Oakland University share being
17 \$24,561,200.00, the state building authority share being
18 \$39,999,800.00, and the state general fund/general purpose share
19 being \$200.00.

20 **NATURAL RESOURCES TRUST FUND**

21 Sec. 701. The department of natural resources and environment
22 shall enter into agreements with local units of government for the
23 purpose of administering the grants identified in part 1. Among
24 other provisions, the agreements shall require that grant
25 recipients agree to dedicate to public outdoor recreation uses in
26 perpetuity the land acquired or developed; to replace land

1 converted or lost to other than public outdoor recreation use; and,
2 for parcels acquired that are over 5 acres in size, to provide the
3 state with a nonparticipating 1/6 minimum royalty interest in any
4 acquired minerals that are retained by the grant recipient. The
5 agreements shall also provide that the full payments of grants can
6 be made only after proof of acquisition, or proof of completion of
7 the development project, is submitted by the grant recipient and
8 all costs are verified by the department of natural resources and
9 environment. The preceding reimbursement requirement may be waived
10 by the department of natural resources and environment.

11 Sec. 702. Any unobligated balance in any natural resources
12 trust fund appropriation made under part 1 shall not revert to the
13 fund from which appropriated at the close of the fiscal year, but
14 shall continue until the purpose for which it was appropriated is
15 completed for a period not to exceed 3 fiscal years. The unexpended
16 balance of any natural resources trust fund appropriation made in
17 part 1 remaining after the purpose for which it was appropriated is
18 completed shall revert to the Michigan natural resources trust fund
19 and be made available for appropriation.

20 Sec. 703. The department of natural resources and environment
21 shall submit a report to the senate and house of representatives
22 standing committees on appropriations, joint capital outlay
23 subcommittee, and senate and house fiscal agencies by January 15,
24 2011. The report shall include a listing of trust fund acquisition
25 and development projects by priority and program statements for all
26 trust fund acquisition and development projects.