

**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

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.....	\$	9,002,100
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION.....	\$	9,002,100
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.....	\$	9,002,100

Sec. 102. 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 \$40,000,000;

1	university share \$35,000,000).....	\$	100
2	Eastern Michigan University - Strong hall renovation		
3	- for program and planning to be paid for from		
4	university resources (estimated total authorized		
5	cost \$38,000,000; state share \$28,500,000;		
6	university share \$9,500,000)		100
7	Ferris State University - college of pharmacy -		
8	Grand Rapids - for program and planning to be paid		
9	for from university resources (estimated total		
10	authorized cost \$8,800,000; state share \$6,600,000;		
11	university share \$2,200,000)		100
12	Grand Valley State University - classroom/office		
13	additions - for program and planning to be paid for		
14	from university resources (estimated total		
15	authorized cost \$55,000,000; state share		
16	\$40,000,000; university share \$15,000,000).....		100
17	Michigan State University - plant science		
18	facilities-bioeconomy additions and renovations -		
19	for program and planning to be paid for from		
20	university resources (estimated total authorized		
21	cost \$193,600,000; state share \$40,000,000;		
22	university share \$153,600,000).....		100
23	Northern Michigan University - Jamrich hall		
24	modernization - for program and planning to be paid		
25	for from university resources (estimated total		
26	authorized cost \$33,900,000; state share		
27	\$25,425,000; university share \$8,475,000).....		100

1	Oakland University - engineering center - for	
2	program and planning to be paid for from university	
3	resources (estimated total authorized cost	
4	\$74,551,739; state share \$40,000,000; university	
5	share \$34,551,739)	100
6	Saginaw Valley State University - Wickes hall	
7	renovations - for program and planning to be paid	
8	for from university resources (estimated total	
9	authorized cost \$8,000,000; state share \$6,000,000;	
10	university share \$2,000,000)	100
11	Delta College - health and wellness - F wing	
12	renovations - for program and planning to be paid	
13	for from community college resources (estimated	
14	total authorized cost \$19,984,000; state share	
15	\$9,992,000; community college share \$9,992,000)	100
16	Glen Oaks Community College - library renovation -	
17	for program and planning to be paid for from	
18	community college resources (estimated total	
19	authorized cost \$1,400,000; state share \$700,000;	
20	community college share \$700,000)	100
21	Grand Rapids Community College - Cook academic hall	
22	renovation - for program and planning to be paid	
23	for from community college resources (estimated	
24	total authorized cost \$10,000,000; state share	
25	\$5,000,000; community college share \$5,000,000)	100
26	Jackson Community College - student services and	
27	instructional classrooms - for program and planning	

1 to be paid for from community college resources
2 (estimated total authorized cost \$19,500,000;
3 state share \$9,750,000; community college share
4 \$9,750,000) 100

5 Kalamazoo Valley Community College - culinary
6 institute at arcadia commons campus - for program
7 and planning to be paid for from community college
8 resources (estimated total authorized cost
9 \$13,000,000; state share \$6,500,000; community
10 college share \$6,500,000) 100

11 Kirtland Community College - student center
12 renovation and addition - for program and planning
13 to be paid for from community college resources
14 (estimated total authorized cost \$8,000,000; state
15 share \$4,000,000; community college share
16 \$4,000,000) 100

17 Lake Michigan College - energy-saving renovation of
18 the Napier avenue academic building - for program
19 and planning to be paid for from community college
20 resources (estimated total authorized cost
21 \$15,019,000; state share \$7,509,500; community
22 college share \$7,509,500) 100

23 Macomb Community College - health science and
24 technology building, phase II -for program and
25 planning to be paid for from community college
26 resources (estimated total authorized cost
27 \$14,500,000; state share \$7,250,000; community

1	college share \$7,250,000)	100
2	Mid Michigan Community College - Mt. Pleasant campus	
3	unification - for program and planning to be paid	
4	for from community college resources (estimated	
5	total authorized cost \$17,704,500; state share	
6	\$8,852,250; community college share \$8,852,250)	100
7	Muskegon Community College - art/media education	
8	center - for program and planning to be paid for	
9	from community college resources (estimated total	
10	authorized cost \$7,500,000; state share \$3,750,000;	
11	community college share \$3,750,000)	100
12	North Central Michigan College - health education	
13	and science center project - for program and	
14	planning to be paid for from community college	
15	resources (estimated total authorized cost	
16	\$10,428,400; state share \$5,214,200; community	
17	college share \$5,214,200)	100
18	Southwestern Michigan College - science and allied	
19	health labs, classroom, and related renovations -	
20	for program and planning to be paid for from	
21	community college resources (estimated total	
22	authorized cost \$7,000,000; state share \$3,500,000;	
23	community college share \$3,500,000)	<u>100</u>
24	GROSS APPROPRIATION	\$ 2,000
25	Appropriated from:	
26	State general fund/general purpose	\$ 2,000
27	Sec. 103. STATE BUILDING AUTHORITY FINANCED	

1 **CONSTRUCTION AUTHORIZATIONS**

2 Henry Ford Community College - science building
 3 improvements project - (total authorized cost
 4 \$15,000,000; state building authority share
 5 \$7,499,800; Henry Ford community college share
 6 \$7,500,000; state general fund share \$200) \$ 100

7 GROSS APPROPRIATION..... \$ 100

8 Appropriated from:

9 State general fund/general purpose \$ 100

10 **Sec. 104. GRANTS**

11 Oscoda-Wurtsmith airport authority..... \$ 9,000,000

12 GROSS APPROPRIATION..... \$ 9,000,000

13 Appropriated from:

14 State general fund/general purpose \$ 9,000,000

15 PART 2

16 PROVISIONS CONCERNING APPROPRIATIONS

17 GENERAL SECTIONS

18 Sec. 201. Pursuant to section 30 of article IX of the state
 19 constitution of 1963, total state spending from state resources
 20 under part 1 for fiscal year 2010-2011 is \$9,002,100.00 and state
 21 spending from state resources to be paid to local units of
 22 government for fiscal year 2010-2011 is \$9,001,300.00.

23 Sec. 202. The appropriations authorized under this act are
 24 subject to the management and budget act, 1984 PA 431, MCL 18.1101
 25 to 18.1594.

1 Sec. 203. As used in this act:

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

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

5 (c) "Department" means the department of technology,
6 management, and budget.

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

9 (e) "Fiscal agencies" means the senate fiscal agency and the
10 house fiscal agency.

11 (f) "IDG" means interdepartmental grant.

12 (g) "JCOS" means the joint capital outlay subcommittee of the
13 appropriations committees.

14 (h) "LEED" means the United States green building council's
15 leadership in energy and environmental design green building rating
16 system.

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

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

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

24 Sec. 204. Funds appropriated in part 1 shall not be used for
25 the purchase of foreign goods or services, or both, if
26 competitively priced and of comparable quality American goods or
27 services, or both, are available. Preference should be given to

1 goods or services, or both, manufactured or provided by Michigan
2 businesses, if they are competitively priced and of comparable
3 quality. In addition, preference should be given to goods or
4 services, or both, that are manufactured or provided by Michigan
5 businesses owned and operated by veterans, if they are
6 competitively priced and of comparable quality.

7 Sec. 205. Unless otherwise specified, departments and agencies
8 receiving appropriations in part 1 shall use the Internet to
9 fulfill the reporting requirements of this act. This requirement
10 may include transmission of reports via electronic mail to the
11 recipients identified for each reporting requirement, or it may
12 include placement of reports on an Internet or Intranet site.

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

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

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

22 Sec. 403. (1) Before proceeding with final planning and
23 construction for projects at community colleges and universities
24 included in an appropriations act, the community college or
25 university shall sign an agreement with the department that
26 includes the following provisions:

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

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

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

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

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

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

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

25 (b) The balance remaining in each account.

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

27 (d) The anticipated date of occupancy if the project is under

1 construction.

2 (e) The appropriations history for the project.

3 (f) The professional service contractor.

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

5 (h) The amount of a project financed through the state
6 building authority.

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

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

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

14 (b) Whether a program statement is approved.

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

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

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

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

20 Sec. 405. A state agency, college, or university shall take
21 steps necessary to make available federal and other money indicated
22 in this act, to make available federal or other money that may
23 become available for the purposes for which appropriations are made
24 in this act, and to use any part or all of the appropriations to
25 meet matching requirements that are considered to be in the best
26 interest of this state. However, the purpose, scope, and total
27 estimated cost of a project shall not be altered to meet the

1 matching requirements.

2 Sec. 410. Pursuant to section 242(2) of the management and
3 budget act, 1984 PA 431, MCL 18.1242, the department shall submit
4 5-year capital outlay plans and capital outlay priority requests
5 developed by state agencies (and as approved by the department of
6 technology, management, and budget), universities, and community
7 colleges to the chairperson and ranking vice-chairperson of JCOS
8 and the fiscal agencies upon the release of the executive budget
9 recommendation.

10 **COLLEGES AND UNIVERSITIES**

11 Sec. 601. (1) This section applies only to projects for
12 community colleges.

13 (2) State support is directed towards the remodeling and
14 additions, special maintenance, or construction of certain
15 community college buildings. The community college shall obtain or
16 provide for site acquisition and initial main utility installation
17 to operate the facility. Funding shall be comprised of local and
18 state shares, and the state share shall include 50% of any federal
19 money awarded for projects appropriated in this act. Not more than
20 50% of a capital outlay project, not including a lump-sum special
21 maintenance project or remodeling and addition project, for a
22 community college shall be appropriated from state and federal
23 funds, unless otherwise appropriated by the legislature.

24 (3) An expenditure under this act is authorized when the
25 release of the appropriation is approved by the board upon the
26 recommendation of the director. The director may recommend to the

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

15 (4) The community college shall take the steps necessary to
16 secure available federal construction and equipment money for
17 projects funded for construction in this act if an application was
18 not previously made. If there is a reasonable expectation that a
19 prior year unfunded application may receive federal money in a
20 subsequent year, the college shall take whatever action necessary
21 to keep the application active. If federal money is received, the
22 state share shall be adjusted accordingly as provided by this act.

23 Sec. 602. If matching revenues are received in an amount less
24 than the appropriations contained in this act, the state funds of
25 the appropriation shall be reduced in proportion to the amount of
26 matching revenue received.

27 Sec. 603. (1) The director may require that community colleges

1 and universities that have an authorized project listed in part 1
2 submit documentation regarding the project match and governing
3 board approval of the authorized project not more than 60 days
4 after the beginning of the fiscal year.

5 (2) If the documentation required by the director under
6 subsection (1) is not submitted, or does not adequately
7 authenticate the availability of the project match or board
8 approval of the authorized project, the authorization may
9 terminate. The authorization terminates 30 days after the director
10 notifies the JCOS of the intent to terminate the project unless the
11 JCOS convenes to extend the authorization.

12 Sec. 604. The appropriation included in section 102 for
13 university and community college planning project authorizations
14 allow for the completion of program statements and schematic
15 planning documents. These projects will not receive cost and
16 construction authorizations in subsequent budget acts unless there
17 is sufficient bonding capacity available under the state building
18 authority's statutory bond capacity limit.

19 Sec. 605. The Oakland University human health building project
20 was authorized in 2010 PA 27 with a total project cost of
21 \$61,748,100.00. Oakland University has been awarded grants for the
22 specific purpose of implementing enhanced geothermal technologies
23 and other sustainable design features in the human health building
24 project. Oakland University has estimated that the total cost to
25 construct the human health building project with the enhanced
26 geothermal technologies and other sustainable design features for
27 which grant funds were awarded has increased to \$64,561,200.00.

1 Oakland University will fund the increase in the project cost of
2 \$2,813,100.00 with federal and private foundation grant resources
3 awarded to Oakland University, with the total state commitment
4 remaining at \$40,000,000.00. Therefore, pursuant to section 246 of
5 the management and budget act, 1984 PA 431, MCL 18.1246, the total
6 authorized cost for the Oakland University human health building
7 project is increased from \$61,748,100.00 to an amount not to exceed
8 \$64,561,200.00, with the Oakland University share being
9 \$24,561,200.00, the state building authority share being
10 \$39,999,800.00, and the state general fund/general purpose share
11 being \$200.00.

12 Sec. 606. The Western Michigan University Sangren hall
13 replacement project was authorized in 2008 PA 278 and 2010 PA 111
14 with a total project cost of \$60,000,000.00; state building
15 authority share \$11,699,800.00; Western Michigan University share
16 \$48,300,000.00; and state general fund share \$200.00. Pursuant to
17 section 246 of the management and budget act, 1984 PA 431, MCL
18 18.1246, the total authorized cost for the Western Michigan
19 University Sangren hall replacement project is adjusted as follows:
20 total authorized cost is unchanged at an amount not to exceed
21 \$60,000,000.00, with the Western Michigan University share being
22 decreased to \$20,000,000.00, the state building authority share
23 being increased to \$39,999,800.00, and the state general
24 fund/general purpose share being maintained at \$200.00.