



Senate Fiscal Agency
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Senate Bill 783 (as introduced)
Committee: Appropriations

[Vehicle for Governor's Recommendation line items is Senate Bill 823](#)

FULL-TIME EQUATED (FTE) CLASSIFIED POSITIONS/FUNDING SOURCE	FY 2015-16 YEAR-TO-DATE	FY 2016-17 GOV.'S REC. ¹⁾	CHANGES FROM FY 2015-16 YEAR-TO-DATE	
			AMOUNT	PERCENT
FTE Positions.....	N/A	N/A	0.0	0.0
GROSS	400	900	500	125.0
Less:				
Interdepartmental Grants Received	0	0	0	0.0
ADJUSTED GROSS.....	400	900	500	125.0
Less:				
Federal Funds.....	0	0	0	0.0
Local and Private	0	0	0	0.0
TOTAL STATE SPENDING.....	400	0	(400)	(100.0)
Less:				
Other State Restricted Funds.....	0	0	0	0.0
GENERAL FUND/GENERAL PURPOSE.....	400	400	0	0.0
PAYMENTS TO LOCALS	200	300	100	50.0

FY 2015-16 Year-to-Date Gross Appropriation	\$400
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Changes from FY 2015-16 Year-to-Date:

Background. Capital Outlay appropriations for State departments have been included in annual departmental appropriation bills since FY 2008-09. Since that time, the remaining appropriations for the Capital Outlay budget have mainly consisted of projects financed by the State Building Authority (SBA) for State agencies, universities, and community colleges. An FY 2015-16 supplemental appropriation bill that included planning authorizations for four SBA-financed projects was enacted in December 2015. The appropriations for planning authorizations consist of nominal \$100 appropriation line items. The actual State cost of SBA-financed projects is appropriated in Department of Technology, Management, and Budget (DTMB) appropriations for SBA rent (debt service).

Since FY 2014-15, the Governor has included recommendations for new SBA financed projects as one-time appropriations in Department of Technology, Management, and Budget (DTMB) section of the General Government budget, in lieu of recognizing a separate capital outlay budget. The Legislature has historically enacted appropriations for SBA-financed projects through a capital outlay budget, and not as part of the DTMB budget.

¹⁾ Governor included as one-time appropriations in the DTMB budget recommendation, instead of a separate capital outlay budget.

1. Planning Authorizations. The Governor's FY 2016-17 budget recommendation includes new planning authorizations for four universities, three community colleges, and two State agency projects. While planning authorizations are not a commitment on the part of the State to fund a project, if the projects eventually receive construction authorizations, the total cost to the State would be \$123.5 million. The State's share of project costs would be funded through the State Building Authority (SBA). Annual rental payments to the SBA would range from \$8.6 million to \$11.1 million until the bonds were retired (approximately 17 years). The Governor's FY 2016-17 budget also included a letter stating continued support for projects recommended by the Governor in FY 2015-16 that have not been acted upon by the Legislature. They included three university projects and two community college projects, with a total State cost of \$77.2 million. Annual rental payments to the SBA, if the projects eventually receive construction authorization would range from \$5.4 million to \$6.9 million until the bonds were retired. Table 1 provides a summary of FY 2015-16 and FY 2016-17 recommendations by the Governor.		900
2. FY 2015-16 One-time planning authorizations. FY 2015-16 one-time planning authorizations are eliminated.		(400)
Total Changes		\$ 500
FY 2016-17 Governor's Recommendation		\$ 900

CAPITAL OUTLAY - FY 2015-16 AND FY 2016-17 GOVERNOR'S RECOMMENDATION FOR UNIVERSITIES AND COMMUNITY COLLEGES			
Project	Total Cost	State Share	Institution Share
<u>FY 2015-16 Recommendation</u>			
Universities			
Lake Superior State University - Center for Freshwater Research & Education	\$11,800,000	\$8,850,000	\$2,950,000
U of M-Ann Arbor - School of Dentistry Renovation & Addition	122,000,000	30,000,000	92,000,000
U of M-Dearborn - Engineering Laboratory Building Replacement.....	90,000,000	30,000,000	60,000,000
Community Colleges			
Delta College - Saginaw Center	\$12,739,000	\$6,369,500	\$6,369,500
Mott - Southern Lakes Branch Center Rehabilitation/Renovation.....	4,045,600	2,022,800	2,022,800
FY 2015-16 Recommendation Subtotal	\$240,584,600	\$77,242,300	\$163,342,300
<u>FY 2016-17 Recommendation</u>			
Universities			
U of M-Flint - Murchie Science Building Addition	39,000,000	29,250,000	9,750,000
Saginaw Valley - College of Business & Management Expansion	17,500,000	9,800,000	7,700,000
Wayne State - STEM Innovation Learning Center	29,500,000	14,750,000	14,750,000
Eastern - Strong Hall Renovation	39,536,000	29,652,000	9,884,000
Community Colleges			
Kellogg - Regional Manufacturing Technology Center Renovation & Addition	4,300,000	2,150,000	2,150,000
Wayne County - Eastern Campus Repurposing & Upgrading	18,000,000	9,000,000	9,000,000
Northwestern - West Hall Innovation Center Renovation & Expansion	14,499,400	7,249,700	7,249,700
State Agencies			
DNR- Coolwater Rearing Hatchery Improvements ...	12,242,500	12,242,500	N/A
DTMB - Jackson State Office Building Renovation ...	9,450,000	9,450,000	N/A
FY 2016-17 Subtotal.....	\$184,027,900	\$123,544,200	\$60,483,700
TOTAL FY 2015-16 & FY 2016-17 REC.....	\$424,612,500	\$200,786,500	\$223,826,000
Notes: Projects and costs are based on institution submissions to the Department of Technology, Management, and Budget (DTMB) pursuant to requirements of Section 242 of the Management and Budget Act. State share assumes \$30.0 million maximum consistent with Capital Outlay appropriations since 2010. The DTMB is continuing to support projects recommended in the FY 2015-16 budget, as stated in the letter included with the FY 2016-17 budget recommendation on February 10, 2016.			

Date Completed: 3-2-16

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberation.