

SUBSTITUTE FOR
SENATE BILL NO. 235

A bill to make, supplement, and adjust appropriations for certain capital outlay programs and state departments and agencies for the fiscal year ending September 30, 2005; to implement the appropriations within the budgetary process; to prescribe standards and conditions relating to the appropriations; and to provide for the expenditure of appropriations.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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PART 1

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LINE-ITEM APPROPRIATIONS

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Sec. 101. Subject to the conditions set forth in this act, the

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amounts listed in this part are appropriated for certain capital

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outlay projects at the various state agencies for the fiscal year

1 ending September 30, 2005, from the funds indicated in this part.

2 The following is a summary of the appropriations in this part:

3 **APPROPRIATION SUMMARY**

4	GROSS APPROPRIATION	\$	2,600
5	Interdepartmental grant revenues:		
6	Total interdepartmental grants and intradepartmental		
7	transfers		0
8	ADJUSTED GROSS APPROPRIATION	\$	2,600
9	Total federal revenues		0
10	Total local revenues		0
11	Total private revenues		0
12	Total state restricted revenues		0
13	State general fund/general purpose	\$	2,600
14	Sec. 102. STATE AGENCY, COMMUNITY COLLEGE, AND		
15	UNIVERSITY PLANNING PROJECTS		
16	Alpena Community College - instructional		
17	addition/renovation project - for program and		
18	planning to be paid for from college revenues	\$	100
19	Bay de Noc Community College - new west campus		
20	facility - for program and planning to be paid for		
21	from college revenues		100
22	Jackson Community College - health program		
23	expansion and information commons - for program		
24	and planning to be paid for from college revenues ...		100
25	Lansing Community College - university center - for		
26	program and planning to be paid for from college		
27	revenues		100

1	Macomb Community College - health science and	
2	technology classroom building - for program and	
3	planning to be paid for from college revenues.....	100
4	Mid Michigan Community College - science and	
5	technology center - for program and planning to be	
6	paid for from college revenues.....	100
7	Montcalm Community College - life science training	
8	facility - for program and planning to be paid for	
9	from college revenues.....	100
10	Northwestern Michigan College - Oleson center	
11	renovations - for program and planning to be paid	
12	for from college revenues.....	100
13	Schoolcraft College - technical services facility -	
14	for program and planning to be paid for from	
15	college revenues.....	100
16	Southwestern Michigan College - information	
17	technology center renovations - for program and	
18	planning to be paid for from college revenues.....	100
19	Washtenaw Community College - technical and	
20	industrial building renovations - for program and	
21	planning to be paid for from college revenues.....	100
22	West Shore Community College - new student learning	
23	center - for program and planning to be paid for	
24	from college revenues.....	100
25	Central Michigan University - education building -	
26	for program and planning to be paid for from	
27	university revenues.....	100

1	Ferris State University - instructional resource	
2	center - for program and planning to be paid for	
3	from university revenues.....	100
4	Grand Valley State University - Padnos college of	
5	engineering - for program and planning to be paid	
6	for from university revenues.....	100
7	Michigan State University - chemistry building	
8	renovations/cooling tower project - for program	
9	and planning to be paid for from university revenues	100
10	Michigan Technological University - general campus	
11	renovations - for program and planning to be paid	
12	for from university revenues.....	100
13	Saginaw Valley State University - pioneer hall	
14	renovations - for program and planning to be paid	
15	for from university revenues.....	100
16	University of Michigan Ann Arbor - student	
17	activities building/observatory lodge/phoenix	
18	memorial lab renovations - for program and planning	
19	to be paid for from university revenues.....	100
20	University of Michigan Flint - French hall/Murchie hall	
21	renovations - for program and planning to be paid for	
22	from university revenues.....	100
23	Wayne State University - engineering development	
24	center - for program and planning to be paid for	
25	from university revenues.....	100
26	Western Michigan University - Brown hall	
27	building/center for new media project - for	

1	program and planning to be paid for from university		
2	revenues		100
3	GROSS APPROPRIATION	\$	2,200
4	Appropriated from:		
5	State general fund/general purpose	\$	2,200
6	Sec. 103. STATE BUILDING AUTHORITY FINANCED		
7	CONSTRUCTION PROJECTS		
8	Gogebic Community College special maintenance		
9	projects (total authorized cost \$1,000,000; state		
10	building authority share \$999,900; state general		
11	fund share \$100)	\$	100
12	Lake Superior State University special maintenance		
13	projects (total authorized cost \$163,100; state		
14	building authority share \$163,000; state general fund		
15	share \$100)		100
16	Department of management and budget - state		
17	facility preservation projects - phase I (total		
18	authorized cost \$56,220,000; state building		
19	authority share \$56,219,900; state general fund		
20	share \$100)		100
21	State facility preservation projects - phase I:		
22	State capitol building roof repairs, security		
23	upgrades, dome restoration, and other improvements		
24	State facility security upgrades and system		
25	integration including access control		
26	State facility energy savings plan and conservation		
27	measures		

1	Lighting, heating, ventilation, air handling,		
2	ceilings, fire system, various facilities		
3	statewide		
4	Roof replacements, various facilities statewide		
5	Parking lots, drainage repairs, various facilities		
6	statewide		
7	Electrical improvements, capitol complex		
8	Fire detection and suppression systems, various		
9	locations statewide		
10	Elevator ADA compliance, various state office		
11	buildings		
12	Window systems, exterior repairs, various state		
13	office buildings		
14	Heating, ventilation, air conditioning upgrades,		
15	including distribution systems and boiler		
16	upgrades, various locations statewide		
17	Restroom ADA compliance, various state office		
18	buildings		
19	Miscellaneous repairs and system replacements		
20	Department of information technology - Michigan		
21	public safety communications system critical		
22	platform upgrades (total authorized cost		
23	\$13,780,000; state building authority share		
24	\$13,779,900; state general fund share \$100)		<u>100</u>
25	GROSS APPROPRIATION	\$	400
26	Appropriated from:		
27	State general fund/general purpose	\$	400

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PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

Sec. 201. (1) Pursuant to section 30 of article IX of the state constitution of 1963, total state spending from state resources under part 1 for fiscal year 2004-2005 is \$2,600.00 and state spending from state resources paid to units of local government for fiscal year 2004-2005 is \$0.00.

(2) If it appears to the principal executive officer of a department or branch that state spending to local units of government will be less than the amount that was projected to be expended under subsection (1), the principal executive officer shall immediately give notice of the approximate shortfall to the state budget director.

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

Sec. 203. As used in this act:

(a) "ADA" means the Americans with disabilities act.

(b) "Board" means the state administrative board.

(c) "Community college" does not include a state agency or university.

(d) "Department" means the department of management and budget.

(e) "Director" means the director of the department of management and budget.

1 (f) "DAG" means the United States department of agriculture.

2 (g) "DOD" means the United States department of defense.

3 (h) "DOI" means the United States department of interior.

4 (i) "DOT" means the United States department of
5 transportation.

6 (j) "Fiscal agencies" means the senate fiscal agency and the
7 house fiscal agency.

8 (k) "HHS-HCFA" means the United States department of health
9 and human services, health care financing administration.

10 (l) "ICF/MR" means intermediate care facilities for the
11 mentally retarded.

12 (m) "IDG" means interdepartmental grant.

13 (n) "JCOS" means the joint capital outlay subcommittee of the
14 appropriations committees.

15 (o) "MDOT" means the Michigan department of transportation.

16 (p) "Self-liquidating project" means a project constructed by
17 a community college or university with money raised through the use
18 of a debt instrument or other fund sources including, but not
19 limited to, gifts, grants, federal funds, or institutional sources,
20 that is expected to generate revenues to amortize the loan. A self-
21 liquidating project may or may not be a self-supporting project.
22 Examples of a self-liquidating project include dormitories, parking
23 facilities, and stadia.

24 (q) "Self-supporting project" means a project of a community
25 college or university that will house a function or activity from
26 which revenue is generated that will cover all the direct and
27 indirect operating costs of the project without the additional

1 transfer of any other general fund money of the community college
2 or university.

3 (r) "State agency" means an agency of state government. State
4 agency does not include a community college or university.

5 (s) "State building authority" means the authority created
6 under 1964 PA 183, MCL 830.411 to 830.425.

7 (t) "University" means a 4-year university supported by the
8 state. University does not include a community college or a state
9 agency.

10 (u) "Utility system" means a utility supply or distribution
11 system, or a combination utility supply and distribution system.

12 Sec. 206. (1) Funds appropriated in part 1 for state facility
13 preservation projects shall include the state capitol building
14 repairs as the number 1 priority.

15 (2) State facility preservation projects shall include the
16 following projects:

17 Department of Community Health

18 Mt. Pleasant center

19 Hawthorn center

20 Kalamazoo Psychiatric hospital

21 Department of Corrections

22 Huron Valley Women's

23 Multiple facilities - HVAC controls

24 Multiple facilities - roof repairs

25 Parnall correctional facility

26 Department of Management and Budget

27 All agencies - energy savings plan/energy conservation

1 measures
2 All agencies - conversion of chiller building to central
3 operations control facility
4 All complexes - security upgrades
5 Allegan plaza and parking ramp
6 Capitol complex
7 Lewis Cass building
8 Energy center
9 Flint State office building
10 General office building
11 General services building
12 Grand Rapids State office building
13 Grand Tower
14 Joint Lab
15 Lottery building
16 Mason building
17 Michigan Department of Transportation and technology building
18 Michigan Department of Transportation photo lab
19 Michigan Department of Transportation warehouse
20 Michigan library and historical museum
21 Department of State Police - 1st district headquarters
22 Department of State Police - training academy
23 North complex boiler
24 Ottawa building
25 Saginaw state office building
26 Secondary complex
27 Secretary of State office building

1 Treasury building
2 VanWagoner building
3 Vehicle and travel services building
4 Williams building
5 Department of Education
6 Michigan schools for the deaf and blind
7 Department of Human Services (FIA)
8 Adrian training school
9 Shawono center
10 Nokomis center
11 Maxey training school
12 Department of Labor and Economic Growth
13 Michigan career and technical institute
14 Legislature
15 Capitol building - roof repairs, security cameras, lighting
16 control, dome restoration, and other maintenance projects
17 Department of Military and Veterans Affairs
18 Grand Rapids home for veterans
19 D.J. Jacobetti home for veterans
20 Department of State Police
21 Southeast criminal investigation division - Livonia
22 Gaylord post
23 South Haven post
24 Manistique post
25 Newberry post
26 Bad Axe post
27 West Branch post

1 L'Anse post
2 Traverse City post
3 Wakefield post
4 East Tawas post
5 Sandusky post
6 Bay City post
7 Cheboygan post
8 Adrian post
9 White Pigeon post
10 Manistee post
11 Iron Mountain post
12 Gladstone post
13 Petoskey post
14 Fifth District Headquarters - Paw Paw
15 Ypsilanti post
16 Houghton Lake post
17 Reed City post
18 Grand Rapids forensic laboratory

19 (3) Each calendar quarter, the department shall submit to the
20 members of JCOS a report detailing the contracts awarded in the
21 previous quarter and any anticipated contracts to be awarded in the
22 immediately succeeding quarter for the projects described in
23 subsection (2).

24 **STATE BUILDING AUTHORITY**

25 Sec. 301. (1) Subject to section 242 of the management and
26 budget act, 1984 PA 431, MCL 18.1242, and upon the approval of the

1 state building authority, the department may expend from the
2 general fund of the state during the fiscal year ending September
3 30, 2005 an amount to meet the cash flow requirements of those
4 state building authority projects solely for lease to a state
5 agency identified in both part 1 and this section, and for which
6 state building authority bonds or notes have not been issued, and
7 for the sole acquisition by the state building authority of
8 equipment and furnishings for lease to a state agency as permitted
9 by 1964 PA 183, MCL 830.411 to 830.425, for which the issuance of
10 bonds or notes is authorized by a legislative concurrent resolution
11 that is effective for a fiscal year ending September 30, 2005. Any
12 general fund advances for which state building authority bonds have
13 not been issued shall bear an interest cost to the state building
14 authority at a rate not to exceed that earned by the state
15 treasurer's common cash fund during the period in which the
16 advances are outstanding and are repaid to the general fund of the
17 state.

18 (2) Upon sale of bonds or notes for the projects identified in
19 part 1 or for equipment as authorized by legislative concurrent
20 resolution and in this section, the state building authority shall
21 credit the general fund of this state an amount equal to that
22 expended from the general fund plus interest, if any, as defined in
23 this section.

24 (3) For state building authority projects for which bonds or
25 notes have been issued and upon the request of the state building
26 authority, the state treasurer shall make advances without interest
27 from the general fund as necessary to meet cash flow requirements

1 for the projects, which advances shall be reimbursed by the state
2 building authority when the investments earmarked for the financing
3 of the projects mature.

4 (4) In the event that a project identified in part 1 is
5 terminated after final design is complete, advances made on behalf
6 of the state building authority for the costs of final design shall
7 be repaid to the general fund in a manner recommended by the
8 director and approved by JCOS.

9 Sec. 302. (1) State building authority funding to finance
10 construction or renovation of a facility that collects revenue in
11 excess of money required for the operation of that facility shall
12 not be released to a university or community college unless the
13 institution agrees to reimburse that excess revenue to the state
14 building authority. The excess revenue shall be credited to the
15 general fund to offset rent obligations associated with the
16 retirement of bonds issued for that facility. The auditor general
17 shall annually identify and present an audit of those facilities
18 that are subject to this section. Costs associated with the
19 administration of the audit shall be charged against money
20 recovered pursuant to this section.

21 (2) As used in this section, "revenue" includes state
22 appropriations, facility opening money, other state aid, indirect
23 cost reimbursement, and other revenue generated by the activities
24 of the facility.

25 Sec. 303. (1) The state building authority rent appropriations
26 in part 1 may also be expended for the payment of required premiums
27 for insurance on facilities owned by the state building authority

1 or payment of costs that may be incurred as the result of any
2 deductible provisions in such insurance policies.

3 (2) If the amount appropriated in part 1 for state building
4 authority rent is not sufficient to pay the rent obligations and
5 insurance premiums and deductibles identified in subsection (1) for
6 state building authority projects, there is appropriated from the
7 general fund of this state the amount necessary to pay such
8 obligations.

9 Sec. 304. The department shall provide JCOS and the fiscal
10 agencies a report, not more than 15 days after the reporting date,
11 relative to the status of construction projects associated with
12 state building authority bonds on March 31 and September 30 of each
13 year, or not more than 30 days after a refinancing or restructuring
14 bond issue is sold. The report shall include, but is not limited
15 to, the following:

16 (a) A list of all completed construction projects for which
17 state building authority bonds have been sold, and which bonds are
18 currently active.

19 (b) A list of all projects under construction for which sale
20 of state building authority bonds are pending.

21 (c) A list of all projects authorized for construction or
22 identified in an appropriations act for which approval of
23 schematic/preliminary plans or total authorized cost is pending
24 that have state building authority bonds identified as a source of
25 financing.

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

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

5 Sec. 402. A statement of a proposed facility's operating cost
6 shall be included with the facility's program statement and
7 planning documents when the plans are presented to JCOS for
8 approval.

9 Sec. 403. (1) Before proceeding with final planning and
10 construction for projects at community colleges and universities
11 included in an appropriations bill, the community college or
12 university shall sign an agreement with the department that
13 includes the following provisions:

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

18 (b) The design and program scope of the project shall not
19 deviate from the design and program scope represented in the
20 program statement and preliminary planning documents approved by
21 the department.

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

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

1 Sec. 406. 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 **COLLEGES AND UNIVERSITIES**

11 Sec. 801. (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. 802. 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. 804. (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.