Act No. 10
Public Acts of 2005
Approved by the Governor
April 28, 2005
Filed with the Secretary of State
April 28, 2005
EFFECTIVE DATE: April 28, 2005

STATE OF MICHIGAN
93RD LEGISLATURE
REGULAR SESSION OF 2005

Introduced by Senator Johnson

ENROLLED SENATE BILL No. 235

AN ACT 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:

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 for the fiscal year ending September 30, 2005, from the funds indicated in this part. The following is a summary of the appropriations in this part:

APPROPRIATION SUMMARY		
GROSS APPROPRIATION	$	2,600
Interdepartmental grant revenues:		
Total interdepartmental grants and intradepartmental transfers		0
ADJUSTED GROSS APPROPRIATION	$	2,600
Total federal revenues		0
Total local revenues		0
Total private revenues		0
Total state restricted revenues		0
State general fund/general purpose	$	2,600

Sec. 102. STATE AGENCY, COMMUNITY COLLEGE, AND UNIVERSITY PLANNING PROJECTS

Alpena Community College - instructional addition/renovation project - for program and planning to be paid for from college revenues	$	100
Bay de Noc Community College - new west campus facility - for program and planning to be paid for from college revenues		100
Jackson Community College - health program expansion and information commons - for program and planning to be paid for from college revenues		100

		For Fiscal Year Ending Sept. 30, 2005
Lansing Community College - university center - for program and planning to be paid for from college revenues	$	100
Macomb Community College - health science and technology classroom building - for program and planning to be paid for from college revenues		100
Mid Michigan Community College - science and technology center - for program and planning to be paid for from college revenues		100
Montcalm Community College - life science training facility - for program and planning to be paid for from college revenues		100
Northwestern Michigan College - Oleson center renovations - for program and planning to be paid for from college revenues		100
Schoolcraft College - technical services facility - for program and planning to be paid for from college revenues		100
Southwestern Michigan College - information technology center renovations - for program and planning to be paid for from college revenues		100
Washtenaw Community College - technical and industrial building renovations - for program and planning to be paid for from college revenues		100
West Shore Community College - new student learning center - for program and planning to be paid for from college revenues		100
Central Michigan University - education building - for program and planning to be paid for from university revenues		100
Ferris State University - instructional resource center - for program and planning to be paid for from university revenues		100
Grand Valley State University - Padnos college of engineering - for program and planning to be paid for from university revenues		100
Michigan State University - chemistry building renovations/cooling tower project - for program and planning to be paid for from university revenues		100
Michigan Technological University - general campus renovations - for program and planning to be paid for from university revenues		100
Saginaw Valley State University - pioneer hall renovations - for program and planning to be paid for from university revenues		100
University of Michigan Ann Arbor - student activities building/observatory lodge/phoenix memorial lab renovations - for program and planning to be paid for from university revenues		100
University of Michigan Flint - French hall/Murchie hall renovations - for program and planning to be paid for from university revenues		100
Wayne State University - engineering development center - for program and planning to be paid for from university revenues		100
Western Michigan University - Brown hall building/center for new media project - for program and planning to be paid for from university revenues		100
GROSS APPROPRIATION	$	2,200
Appropriated from:		
State general fund/general purpose	$	2,200

Sec. 103. STATE BUILDING AUTHORITY FINANCED CONSTRUCTION PROJECTS

Gogebic Community College special maintenance projects (total authorized cost $1,000,000; state building authority share $999,900; state general fund share $100)	$	100
Lake Superior State University special maintenance projects (total authorized cost $163,100; state building authority share $163,000; state general fund share $100)		100
Department of management and budget - state facility preservation projects - phase I (total authorized cost $56,220,000; state building authority share $56,219,900; state general fund share $100)		100

State facility preservation projects - phase I:

State capitol building roof repairs, security upgrades, dome restoration, and other improvements

State facility security upgrades and system integration including access control

State facility energy savings plan and conservation measures

Lighting, heating, ventilation, air handling, ceilings, fire system, various facilities statewide

Roof replacements, various facilities statewide

		For Fiscal Year Ending Sept. 30, 2005
Parking lots, drainage repairs, various facilities statewide		
Electrical improvements, capitol complex		
Fire detection and suppression systems, various locations statewide		
Elevator ADA compliance, various state office buildings		
Window systems, exterior repairs, various state office buildings		
Heating, ventilation, air conditioning upgrades, including distribution systems and boiler upgrades, various locations statewide		
Restroom ADA compliance, various state office buildings		
Miscellaneous repairs and system replacements		
Department of information technology - Michigan public safety communications system critical platform upgrades (total authorized cost $13,780,000; state building authority share $13,779,900; state general fund share $100)	$	100
GROSS APPROPRIATION	$	400
Appropriated from:		
State general fund/general purpose	$	400

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.

(f) “DAG” means the United States department of agriculture.

(g) “DOD” means the United States department of defense.

(h) “DOI” means the United States department of interior.

(i) “DOT” means the United States department of transportation.

(j) “Fiscal agencies” means the senate fiscal agency and the house fiscal agency.

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

(*l*) “ICF/MR” means intermediate care facilities for the mentally retarded.

(m) “IDG” means interdepartmental grant.

(n) “JCOS” means the joint capital outlay subcommittee of the appropriations committees.

(o) “MDOT” means the Michigan department of transportation.

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

(q) “Self-supporting project” means a project of a community college or university that will house a function or activity from which revenue is generated that will cover all the direct and indirect operating costs of the project without the additional transfer of any other general fund money of the community college or university.

(r) “State agency” means an agency of state government. State agency does not include a community college or university.

(s) “State building authority” means the authority created under 1964 PA 183, MCL 830.411 to 830.425.

(t) “University” means a 4-year university supported by the state. University does not include a community college or a state agency.

(u) “Utility system” means a utility supply or distribution system, or a combination utility supply and distribution system.

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

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

Department of Community Health
- Mt. Pleasant center
- Hawthorn center
- Kalamazoo Psychiatric Hospital
- Department of Corrections
- Huron Valley Women’s
- Multiple facilities – HVAC controls
- Multiple facilities – roof repairs
- Parnall correctional facility

Department of Management and Budget
- All agencies – energy savings plan/energy conservation measures
- All agencies – conversion of chiller building to central operations control facility
- All complexes – security upgrades
- Allegan plaza and parking ramp
- Capitol complex
- Lewis Cass building
- Energy center
- Flint state office building
- General office building
- General services building
- Grand Rapids state office building
- Grand Tower
- Joint lab
- Lottery building
- Mason building
- Michigan department of transportation and technology building
- Michigan department of transportation photo lab
- Michigan department of transportation warehouse
- Michigan library and historical museum
- Department of state police – 1st district headquarters
- Department of state police – training academy
- North complex boiler
- Ottawa building
- Saginaw state office building
- Secondary complex
- Secretary of state office building
- Treasury building
- VanWagoner building
- Vehicle and travel services building
- Williams building

Department of Education
- Michigan schools for the deaf and blind

Department of Human Services (FIA)
- Adrian training school
- Shawono center
- Nokomis center
- Maxey training school

Department of Labor and Economic Growth
Michigan career and technical institute
Legislature
Capitol building - roof repairs, security cameras, lighting control, dome restoration, and other maintenance projects
Department of Military and Veterans Affairs
Grand Rapids home for veterans
D.J. Jacobetti home for veterans
Department of State Police
Southeast criminal investigation division – Livonia
Gaylord post
South Haven post
Manistique post
Newberry post
Bad Axe post
West Branch post
L'Anse post
Traverse City post
Wakefield post
East Tawas post
Sandusky post
Bay City post
Cheboygan post
Adrian post
White Pigeon post
Manistee post
Iron Mountain post
Gladstone post
Petoskey post
Fifth district headquarters – Paw Paw
Ypsilanti post
Houghton Lake post
Reed City post
Grand Rapids forensic laboratory

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

STATE BUILDING AUTHORITY

Sec. 301. (1) Subject to section 242 of the management and budget act, 1984 PA 431, MCL 18.1242, and upon the approval of the state building authority, the department may expend from the general fund of the state during the fiscal year ending September 30, 2005 an amount to meet the cash flow requirements of those state building authority projects solely for lease to a state agency identified in both part 1 and this section, and for which state building authority bonds or notes have not been issued, and for the sole acquisition by the state building authority of equipment and furnishings for lease to a state agency as permitted by 1964 PA 183, MCL 830.411 to 830.425, for which the issuance of bonds or notes is authorized by a legislative concurrent resolution that is effective for a fiscal year ending September 30, 2005. Any general fund advances for which state building authority bonds have not been issued shall bear an interest cost to the state building authority at a rate not to exceed that earned by the state treasurer's common cash fund during the period in which the advances are outstanding and are repaid to the general fund of the state.

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

(3) For state building authority projects for which bonds or notes have been issued and upon the request of the state building authority, the state treasurer shall make advances without interest from the general fund as necessary to meet cash flow requirements for the projects, which advances shall be reimbursed by the state building authority when the investments earmarked for the financing of the projects mature.

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

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

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

Sec. 303. (1) The state building authority rent appropriations in part 1 may also be expended for the payment of required premiums for insurance on facilities owned by the state building authority or payment of costs that may be incurred as the result of any deductible provisions in such insurance policies.

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

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

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

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

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

CAPITAL OUTLAY PROCESSES, PROCEDURES, AND REPORTS

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

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

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

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

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

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

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

Sec. 406. A state agency, college, or university shall take steps necessary to make available federal and other money indicated in this act, to make available federal or other money that may become available for the purposes for which appropriations are made in this act, and to use any part or all of the appropriations to meet matching requirements that are considered to be in the best interest of this state. However, the purpose, scope, and total estimated cost of a project shall not be altered to meet the matching requirements.

COLLEGES AND UNIVERSITIES

Sec. 801. (1) This section applies only to projects for community colleges.

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

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

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

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

Sec. 802. If matching revenues are received in an amount less than the appropriations contained in this act, the state funds of the appropriation shall be reduced in proportion to the amount of matching revenue received.

Sec. 804. (1) The director may require that community colleges and universities that have an authorized project listed in part 1 submit documentation regarding the project match and governing board approval of the authorized project not more than 60 days after the beginning of the fiscal year.

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

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate

Gary L Randall

Clerk of the House of Representatives

Approved ....

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Governor