



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 761 (Substitute S-1)
Sponsor: Senator Darwin L. Booher
Committee: Appropriations

Date Completed: 12-3-14

CONTENT

The Joint Capital Outlay Subcommittee (JCOS) reviewed FY 2014-15 capital outlay project requests from universities and community colleges during four subcommittee hearings in September 2014. On December 3, 2014, JCOS approved 29 new planning authorizations for 12 universities and 17 community colleges. In order for these planning authorizations to be effective, legislative approval in an appropriation bill is required. Senate Bill 761 (S-1) includes planning authorizations for the 29 projects approved by JCOS.

Program development and schematic planning costs are initially born entirely by the institution. The State eventually pays a share of these planning costs only if the project is subsequently approved for construction. Planning authorizations for studies and initial plans for new capital outlay projects are not a commitment on the part of the Legislature to appropriate funds for the completion of plans or construction of any project. After planning documents are reviewed and approved by the Department of Technology, Management, and Budget (DTMB), the projects are submitted to JCOS. The Joint Capital Outlay Subcommittee and the Legislature then may authorize the project for final design and construction with a line-item appropriation in an appropriation bill.

Section 302 of Senate Bill 761 (S-1) would increase the total cost and the State share of funding for the Kalamazoo Valley Community College (KVCC) Healthy Living Campus project. The project was authorized for planning in Public Act 102 of 2013 and construction in Public Act 34 of 2014. As authorized for construction, the total project cost was \$25,625,200, with a State share of \$6.0 million and a college share of \$19,625,200. The total cost of the project is now estimated at \$26,573,800, an increase of \$948,600. The increase is due to an error in the original estimate and the need to make additional accommodations related to the flood plain. Along with the request to increase the total authorized cost, the College is also requesting that the State increase its share of the project cost from \$6.0 million to \$12.0 million, which is close to the 50% match the State traditionally has provided to most community college projects.

The Governor's FY 2014-15 capital outlay recommendation was included in the DTMB appropriation, not as a separate capital outlay appropriation bill. The recommendation was based on the new process for selecting capital outlay projects as provided for in 2012 capital outlay reform legislation (amendments to the Management and Budget Act). The Governor recommended planning authorizations for three projects: Ferris State University, Lake Michigan College, and West Shore Community College. The Omnibus Budget approved by the Legislature in June 2014 did not include planning authorizations for the Governor's recommended projects.

FISCAL IMPACT

If all of the 29 planning authorizations eventually receive construction authorization, the total cost of the projects would be \$841.7 million, with a State share of \$370.4 million. Annual State Building Authority (SBA) rent payments would total between \$25.9 million and \$33.3 million until the bonds are retired (approximately 17 years).

Increasing the State share for the KVCC Healthy Living Campus by \$6.0 million would result in annual SBA rent payments of \$420,000 to \$540,000 until the bonds are retired (approximately 17 years).

Table 1 provides a summary of action on the FY 2014-15 Capital Outlay budget. Table 2 provides details of each project contained in Senate Bill 761 (S-1), including a short description of the project, total cost, State share, and institution share. The descriptions and costs in Table 2 are based on requests as they were presented to JCOS in September 2014. Projects that have changed since the November 2013 submission to the DTMB (in scope and/or cost) are noted.

Fiscal Analyst: Bill Bowerman

Table 1: SB 761 (S-1) FY 2014-15 CAPITAL OUTLAY APPROPRIATION BILL

PROJECT	Request with \$30 million Cap		Governor		JCOS 12/03/2014	
	TOTAL COST	STATE SHARE	TOTAL COST	STATE SHARE	TOTAL COST	STATE SHARE
Central - Center for Integrated Health Studies	\$24,000,000	18,000,000		0	\$24,000,000	18,000,000
Eastern - Strong Hall Renovation	47,000,000	30,000,000		0	47,000,000	30,000,000
Ferris - Swan Building Annex Renovations	30,000,000	22,500,000	30,000,000	22,500,000	30,000,000	22,500,000
Grand Valley - Health Sciences Classroom & Office Building	50,000,000	30,000,000		0	50,000,000	30,000,000
Lake Superior - Center for Applied Science, Engineering & Technology	5,000,000	3,750,000		0	5,000,000	3,750,000
Michigan State - Interdisciplinary Science and Technology Building	120,000,000	30,000,000		0	120,000,000	30,000,000
Michigan Technological - no request submitted	0	0		0	0	0
Northern - Learning Resources Center Renovation	40,000,000	30,000,000		0	40,000,000	30,000,000
Oakland - Varner Hall Expansion	106,000,000	30,000,000		0	106,000,000	30,000,000
Saginaw Valley - no request submitted	0	0		0	0	0
U of M - Ann Arbor - School of Dentistry	122,000,000	30,000,000		0	122,000,000	30,000,000
U of M - Dearborn - Engineering Laboratory Building Replacement	90,000,000	30,000,000		0	90,000,000	30,000,000
U of M Flint - no request submitted	0	0		0	0	0
Wayne State - STEM Laboratory Classroom Building	30,000,000	22,500,000		0	30,000,000	22,500,000
Western - College of Aviation Renovation and Addition	19,000,000	14,250,000		0	19,000,000	14,250,000
SUBTOTAL - UNIVERSITIES	\$683,000,000	\$291,000,000	\$30,000,000	\$22,500,000	\$683,000,000	\$291,000,000
Alpena - no request submitted	\$0	\$0		\$0	\$0	\$0
Bay de Noc - Student Success Center Renovation	4,000,000	2,000,000		0	4,000,000	2,000,000
Delta - Saginaw Center	12,204,000	6,102,000		0	12,204,000	6,102,000
Glen Oaks - Library Repairs, Renovation & Upgrades	2,500,000	1,250,000		0	2,500,000	1,250,000
Gogebic - Lindquist Student & Conference Center Exterior Cladding	1,100,000	550,000		0	1,100,000	550,000
Grand Rapids - Early Childhood/Laboratory Preschool Facility	7,213,000	3,606,500		0	7,213,000	3,606,500
Henry Ford - no request submitted		0		0		0
Jackson - no request submitted		0		0		0
Kalamazoo Valley - no request submitted*		0		0		0
Kellogg - Miller PE, Wellness & Community Services Building	15,000,000	7,500,000		0	15,000,000	7,500,000
Kirtland - Health Professions Education & Training Center	10,200,000	5,100,000		0	10,200,000	5,100,000
Lake Michigan - Napier Academic Building Renovations & Upgrade	16,626,800	8,313,400	16,626,800	8,313,400	16,626,800	8,313,400
Lansing - 505 N. Capitol Avenue Building Renovation	6,000,000	3,000,000		0	6,000,000	3,000,000
Macomb - no request submitted		0		0		0
Mid Michigan - Library Learning Services & Bookstore	4,000,000	2,000,000		0	4,000,000	2,000,000
Monroe - Renovation of East & West Technology Buildings	12,000,000	6,000,000		0	12,000,000	6,000,000
Montcalm - no request submitted		0		0		0
Mott - Southern Lakes Branch Center: Rehabilitation/Renovation	4,045,600	2,022,800		0	4,045,600	2,022,800
Muskegon - no request submitted		0		0		0
North Central - no request submitted		0		0		0
Northwestern - Multi-Disciplinary Student Learning & Simulation Center	20,000,000	10,000,000		0	20,000,000	10,000,000
Oakland - Culinary Studies Institute & Conference Center**	N/A	0		0	N/A	0
St. Clair - Student Services One-Stop Configuration**	N/A	0		0	N/A	0
Schoolcraft - Applied Science Building Addition & Renovation	9,270,000	4,635,000		0	9,270,000	4,635,000
Southwestern - no request submitted		0		0		0
Washtenaw - Center for Advanced Transportation	12,500,000	6,250,000		0	12,500,000	6,250,000
Wayne - Eastern Campus Repurposing & Upgrading	18,000,000	9,000,000		0	18,000,000	9,000,000
West Shore - Technical Center Renovation and Addition	4,100,000	2,050,000	4,100,000	2,050,000	4,100,000	2,050,000
SUBTOTAL - COMMUNITY COLLEGES:	\$158,759,400	\$79,379,700	\$20,726,800	\$10,363,400	\$158,759,400	\$79,379,700
TOTAL SBA PROJECTS:	\$841,759,400	\$370,379,700	\$50,726,800	\$32,863,400	\$841,759,400	\$370,379,700

Notes: Projects listed based on institution presentations to JCOS in September 2014. State agency requests are not included in this table.

*KVCC did not request a new project, but did request a \$6.0 million increase in the State share of the previously approved Healthy Campus Project. (Boilerplate Section 302 of SB 761 S-1.)

**Withdrawn by institution.

Table 2

FY 2014-15 CURRENT PROJECT REQUESTS			
Project	Total Cost	State Share	Institution Share
Universities:			
Central Michigan University: Center for Integrated Health Studies. The project consists of a 62,000-square-foot new structure. Central states that the facility will allow the university to address its needs for classroom and laboratory space. The building would include mediated classrooms, dry laboratory space, at least one lecture hall, and designated student collaboration space. The project was ranked Number 7 among university capital outlay priority project requests by the DTMB.	\$24,000,000	\$18,000,000	\$6,000,000
Eastern Michigan University: Strong Hall Renovation. Strong Hall was constructed in 1957. The project would replace outdated building systems (building envelope, mechanical, plumbing, electrical, interior systems, ADA accessibility, equipment, and other issues). The 87,500-square-foot proposed renovation project would also provide additional instructional and research laboratories for Physics and Astronomy, and Geography and Geology, Global Mapping/GIS, and Geo-tourism. Since the November submission of the request, Eastern has increased the total cost of the project from \$45.0 million to \$47.0 million. The project was ranked Number 4 among university requests by the DTMB.	47,000,000	30,000,000	17,000,000
Ferris State University: Swan Building Annex Renovations. The \$30.0 million project includes the renovation of 47,086 square feet and a 34,462- square-foot addition. The Swan Building was constructed in 1966. The renovation includes mechanical systems and life/safety issues, and would result in LEED certification. The project would facilitate doubling the size of the Welding Engineering program, create the Center for Advanced Manufacturing, and repurpose printing facilities for both programs. The project was ranked Number 1 among university requests by the DTMB.	30,000,000	22,500,000	7,500,000
Grand Valley State University: Health Sciences Classroom and Office Building. This project was not the university's original priority request for FY 2014-15 and was initially the university's second priority request. Therefore, the project presented to the JCOS was not scored and ranked by the DTMB. The request submitted to the JCOS would provide for the construction of a new 95,000-square-foot laboratory and faculty office building on the GVSU Grand Rapids campus.	50,000,000	30,000,000	20,000,000
Lake Superior: Center for Applied Science, Engineering and Technology Addition. The 6,500-square-foot project would provide for approximately 5,500 square feet of flexible, open laboratory space for industrial robotics equipment, mobile robotics equipment, a water tank suitable for both remotely operated underwater vehicle and acoustic testing, and	5,000,000	3,750,000	1,250,000

FY 2014-15 CURRENT PROJECT REQUESTS			
Project	Total Cost	State Share	Institution Share
approximately 1,000 square feet of classroom/laboratory, collaboration, and office spaces. The project was ranked Number 3 among university requests by the DTMB.			
Michigan State University: Interdisciplinary Science and Technology Building. The \$120.0 million request would provide for a 170,000-square-foot new building to provide laboratory space to support additional faculty and growth in research. It would allow for the co-location and integration of programmers and researchers in the areas of neuroscience and intellectual disabilities, molecular and genomic methods, applied computation and data science, nanotechnology, food and water security, sustainable energy production and storage, and 21 st century manufacturing. This project was recently substantially revised from a previous request that included a \$207.0 million/300,000-square-foot facility. The project as originally proposed was ranked Number 11 by the DTMB.	120,000,000	30,000,000	90,000,000
Northern Michigan University: Learning Resources Center Renovation. The project includes renovation of a 198,000-square-foot library built in 1966 into a state-of-the-art high-tech instructional support and learning resources hub. The project includes improvements for the Olson Library, the Central Upper Peninsula and NMU Archives, public broadcasting stations (WNMU-TV, WNMU-FM), Audio-Visual Services, and instructional and student support areas. The project also addresses \$1.7 million of life/safety issues including improved fire suppression, exit and emergency lighting, and over \$16.0 million of deferred maintenance. The project has changed substantially since the original request, which included a cost of \$65.6 million and approximately 290,300 square feet. According to the university, the cost was reduced by leveraging technology and resources across campus to reduce space needs. As originally proposed, the project was ranked Number 9 among university capital outlay requests.	40,000,000	30,000,000	10,000,000
Oakland University: Varner Hall Expansion. The \$98.0 million project would provide for a 258,000-gross-square-foot addition to Varner Hall to address space shortages and to support the projected growth in enrollment for the College of Arts and Sciences. The building addition would house digital classrooms, technology-enabled learning studios, and student-centered laboratories, as well as expansion of space for faculty-student interaction. When complete and fully occupied, the project would create other space on campus for use and re-purposing by other campus departments. Oakland recently increased its cost estimate by 8.2%, from \$98.0 million to \$106.0 million. The project was ranked Number 10 among university requests by the DTMB.	106,000,000	30,000,000	76,000,000

FY 2014-15 CURRENT PROJECT REQUESTS			
Project	Total Cost	State Share	Institution Share
University of Michigan-Ann Arbor: School of Dentistry Project. The project includes the renovation of 50% of existing space in the Dental Building and W.K. Kellogg Foundation Institute, and a 50,000-square-foot addition to ameliorate overcrowded and outdated lab space, provide adaptable and flexible space for research, and provide appropriate space for clinical education, while expanding the statewide patient care services (134,000 patient visits in 2013). The university recently increased the total cost to reflect a grant from Delta Dental to fund a special needs clinic. The project was ranked Number 2 among university requests by the DTMB.	122,000,000	30,000,000	92,000,000
University of Michigan-Dearborn: Engineering Laboratory Building Replacement. The project would replace the existing 92,125-square-foot building that was constructed in 1959. The facility provides support for degrees in the fields of electrical and computer engineering, industrial and manufacturing systems engineering, and mechanical engineering. The university maintains that the project will allow for the doubling of Engineering and other STEM graduates, while providing a state-of-the-art facility to increase capacity for programmatic and research growth. The project was ranked Number 6 among university requests by the DTMB.	90,000,000	30,000,000	60,000,000
Wayne State: STEM Laboratory Classroom Building Project. The revised \$30.0 million project request consists of the renovation of the eight-floor/100,000-square-foot Science and Engineering Library that was closed in January 2014. The renovated facility would allow for new technology and teaching methodologies, and the integration and re-assignment of existing and redesigned STEM courses that are currently housed in dated facilities and teaching labs. This project was originally proposed as a new 45,300-square-foot/\$20.0 million new building project. As originally submitted, the DTMB ranked this project Number 5 among university requests.	30,000,000	22,500,000	7,500,000
Western: College of Aviation Renovation and Addition. The \$19.0 million project would renovate and add to existing space at the College of Aviation to address current and future enrollment needs, energy deficiencies and space appropriateness, and safety concerns. The Aviation Education Center building is located on the WMU College of Aviation campus in Battle Creek. The project includes classrooms, composites/paint labs, simulation center, research center, student briefing rooms, office space, and bringing the building up to current energy, life safety, and accessibility codes. The project was ranked Number 8 among university requests by the DTMB.	19,000,000	14,250,000	4,750,000
Subtotal - Universities:	\$683,000,000	\$291,000,000	\$392,000,000

FY 2014-15 CURRENT PROJECT REQUESTS			
Project	Total Cost	State Share	Institution Share
Community Colleges:			
Bay de Noc Community College: Student Success Center Renovation. The \$4.0 million project will provide a central location for academic support resources including tutoring, supplemental instruction, the writing center, and support programs for students from disadvantaged backgrounds. The project includes a 10,000-square-foot renovation with a possibility of a slight addition of new space. The project was ranked Number 5 among community college capital outlay priority requests by the DTMB.	\$4,000,000	\$2,000,000	\$2,000,000
Delta: Saginaw Center Project. The \$12.2 million/ 35,000-square-foot proposed new construction project would support the delivery of educational programs in the City of Saginaw. Delta College current leases a 21,000-square-foot 1950s elementary school in Saginaw. The new building would include high-level technology, special use training rooms and science labs. The project was ranked Number 4 among community college requests by the DTMB.	12,204,000	6,102,000	6,102,000
Glen Oaks: Library Repairs, Renovation and Upgrades. The \$2.5 million 12,000-square-foot renovation project includes the renovation of the library to include the testing and tutoring center. Renovations will provide for increased electrical capacity, installation of insulation, and construction of student study meeting areas. The renovation will address preexisting problems of walls separating, insufficient electrical supply, inadequate lighting and traffic flow through the library. The revised request was submitted to the DTMB in September 2014 and therefore not scored or ranked for the FY 2014-15 budget cycle. The original priority request (reviewed and ranked Number 8 by the DTMB) from Glen Oaks was the \$7.2 million Student Success Center Addition.	2,500,000	1,250,000	1,250,000
Gogebic: Lindquist Student and Conference Center Exterior Cladding. The request consists of replacing the exterior cladding on the Lindquist Student Center to create a weatherproof shell on the building. The current building exterior is cracking and allowing water to penetrate the interior of the building. The college states that replacing the exterior cladding will reduce energy costs, protect the building structure, and extend the useful life of the facility. The college does not have funds available to provide for the 50% match normally required for a community college project. Therefore, the college is requesting a special maintenance grant from the State for the entire amount. The DTMB did not score and rank Gogebic's request due to bondability concerns.	1,100,000	550,000	550,000
Grand Rapids: Early Childhood/Laboratory Preschool Facility. The proposed \$7.2 new construction project (addition) would provide for a 23,200-square-foot building to be constructed behind the Applied Technology Center Building on the Main	7,213,000	3,606,500	3,606,500

FY 2014-15 CURRENT PROJECT REQUESTS			
Project	Total Cost	State Share	Institution Share
Campus. The facility would include state-of-the-art preschool demonstration classrooms and observation areas. The project was ranked Number 11 among community college requests by the DTMB.			
Kellogg: Miller PE, Wellness & Community Services Building. The project includes renovating space for the criminal justice program, lifelong learning, physical education, wellness activities, the competitive robotics program; and demolition and repurposing of the existing natatorium and the construction of an NCAA basketball regulation-sized gymnasium in its place. The gymnasium expansion would include seating for 1,000 spectators for home basketball, volleyball, and community events. The project would include separate team locker rooms and storage space for the entire complex. Funding also would support replacing the entire mechanical infrastructure of the building. The DTMB did not score and rank this project because of bonding concerns related to the nature of the facility.	15,000,000	7,500,000	7,500,000
Kirtland: Health Professions Education & Training Center. The \$10.2 million project would expand and relocate Kirtland's health sciences programs to a site on Interstate 75 between Roscommon and Grayling. The college states that the new 35,000-square-foot facility would make health science resources more accessible and allow for the repurposing of existing space to house a middle college focused on technical education as well as transfer education. The project was ranked Number 7 among community college requests by the DTMB.	10,200,000	5,100,000	5,100,000
Lake Michigan: Napier Academic Building Renovations & Upgrade. The project includes renovation of 50 classrooms and three lecture halls; a new service center to assist faculty with redesigning curricula, identifying and learning new technologies; new collaborative learning spaces; replacement of heating and cooling plant and air handling units; bringing building facilities to current ADA standards; and providing a Student Success Center to support student success in the classroom and successful transition into the workforce. The project was ranked Number 2 among community college requests by the DTMB.	16,626,800	8,313,400	8,313,400
Lansing: 505 N. Capitol Avenue Building Renovation Project. The \$6.0 million/19,500-square-foot renovation project would provide additional specialized space for the study of mathematics and create a Center for Veterans Services. The request was submitted in February 2014 and therefore was not evaluated and ranked by the DTMB.	6,000,000	3,000,000	3,000,000
Mid Michigan: Library Learning Services & Bookstore. The \$4.0 million project would include 8,600 square feet of new construction (5,000 square feet on the ground level and 3,600 square feet on the second level) and provide for renovation of the existing library and surrounding areas to combine Library	4,000,000	2,000,000	2,000,000

FY 2014-15 CURRENT PROJECT REQUESTS			
Project	Total Cost	State Share	Institution Share
Learning Services (Retention, Academic Testing and Assessment, Tutoring, Writing and Reading Center, Math Lab, Supplemental Instruction and all of the Library Services) in one location to enhance services and provide additional space for the bookstore. The Student Services Department, including Financial Aid, Registration, and Advising, would be aligned in a centrally located physical environment. The project was ranked Number 12 among community college requests by the DTMB.			
Monroe: Renovation of East & West Technology Buildings. The 60,000-square-foot renovation project includes repurposing of 1960s space previously used for industrial technology instructional facilities to usable classroom and laboratory space for high-growth, high-demand instructional programs and expansion of student support services. The project was ranked Number 13 among community college requests by the DTMB.	12,000,000	6,000,000	6,000,000
Mott: Southern Lakes Branch Center: Rehabilitation/Renovation. The project includes the renovation of two buildings totaling 57,575 net square feet. They house general education academic classrooms, academic occupational therapy and physical therapy programs, continuing education programs, and the Institute for Medical Simulation. Proposed renovations include replacing the boiler and chiller, fire suppression pump and controls, facility HVAC systems, as well as re-roofing/re-flooring, and site modifications and improvements. The project was ranked Number 8 (tied with Glen Oak's original request) among community college requests by the DTMB.	4,045,600	2,022,800	2,022,800
Northwestern: Multi-Disciplinary Student Learning & Simulation Center. The \$20.0 million project includes renovation of the current West Hall building on campus and expansion to provide for an additional 35,000 square feet for a Student Learning and Simulation Center. The Center would include learning spaces designed to promote interactive learning experiences; simulation-based experiential learning; and dynamic teaching. The Center would integrate relevant Student Services and Learning Support functions, space for student organizations, and simulation-based experiential learning and dynamic teaching. The project was ranked Number 6 among community college requests by the DTMB.	20,000,000	10,000,000	10,000,000
Schoolcraft: Applied Science Building Addition & Renovation. The \$9.3 million project includes an addition of 15,000 to 20,000 square feet and the renovation of 33,000 square feet to upgrade the Applied Science building, built in 1965. The addition would allow for relocation of the existing labs to larger, adjacent spaces; several computer labs for expanding the Biomedical Information Technology programs; along	9,270,000	4,635,000	4,635,000

FY 2014-15 CURRENT PROJECT REQUESTS			
Project	Total Cost	State Share	Institution Share
with five additional technology classrooms and labs to support the growing Additive Manufacturing curriculum. Existing lab space would be renovated and repurposed to allow for the update and expansion of the college's welding program. Approximately 33,000 square feet of classroom, lab, and office space would be renovated and brought up to modern-day technology standards. The project was ranked Number 10 among community college requests by the DTMB.			
Washtenaw: Center for Advanced Transportation. The project includes the construction of a 30,000-square-foot addition to the Whitworth Occupational Education Building along with renovations to the existing building. The addition would be reserved for Science, Technology, Engineering and Mathematics; and Genetics, Robotics, Information Technology and Nano-Technology-related advanced manufacturing technology courses in a laboratory setting. The addition would include 15 instructional laboratories, classrooms and support spaces CAD-CAM, CAE, Non-Destructive Testing, and Computer Measurement. The request was submitted to the DTMB in March 2014, and therefore was not scored or ranked for the FY 2014-15 budget cycle.	12,500,000	6,250,000	6,250,000
Wayne: Eastern Campus Repurposing & Upgrading Project. The project consists of upgrading 50,000 gross square feet of a 192,625-square-foot building that was constructed in 1982, and a 20,000-square-foot building addition. Renovations would include electrical and mechanical systems, equipment security systems, restrooms, and other improvements. The addition would house a new welcome center, library, classrooms, laboratories, and a small auditorium/lecture hall. The project was ranked Number 3 among community college requests by the DTMB.	18,000,000	9,000,000	9,000,000
West Shore: Technical Center Renovation and Addition. The \$4.1 million project includes the renovation of 66,000 square feet and a 2,700-square-foot addition. The building was originally constructed in 1969, with an addition in 1993. Renovations include remodeling space for larger class size capacity, expanding high-bay welding lab capacities, and general remodeling of classrooms, corridors, offices and restrooms. The project was ranked Number 1 among community college requests by the DTMB.	4,100,000	2,050,000	2,050,000
Subtotal Community Colleges	\$158,759,400	\$79,379,700	\$79,379,700
Total University & Community College SBA Projects	\$841,759,400	\$370,379,700	\$471,379,700