

**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

1 LINE-ITEM APPROPRIATIONS

2 Sec. 101. Subject to the conditions set forth in this act, the  
3 amounts listed in this part are appropriated for certain capital  
4 outlay projects at the various state agencies and institutions for  
5 the fiscal year ending September 30, 2011, from the funds indicated  
6 in this part. The following is a summary of the appropriations in  
7 this part:

8 **CAPITAL OUTLAY**

9 APPROPRIATION SUMMARY

|    |  |    |           |
|----|--|----|-----------|
| 10 | GROSS APPROPRIATION.....                             | \$ | 9,002,100 |
| 11 | Interdepartmental grant revenues:                    |    |           |
| 12 | Total interdepartmental grants and intradepartmental |    |           |
| 13 | transfers .....                                      |    | 0         |
| 14 | ADJUSTED GROSS APPROPRIATION.....                    | \$ | 9,002,100 |
| 15 | Federal revenues:                                    |    |           |
| 16 | Total federal revenues.....                          |    | 0         |
| 17 | Special revenue funds:                               |    |           |
| 18 | Total local revenues.....                            |    | 0         |
| 19 | Total private revenues.....                          |    | 0         |
| 20 | Total other state restricted revenues.....           |    | 0         |
| 21 | State general fund/general purpose.....              | \$ | 9,002,100 |

22 **Sec. 102. STATE AGENCY, COMMUNITY COLLEGE, AND**

23 **UNIVERSITY PLANNING AUTHORIZATIONS**

24 Central Michigan University - bio-sciences building  
25 - for program and planning to be paid for from  
26 university resources (estimated total authorized  
27 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 | <b>Sec. 103. STATE BUILDING AUTHORITY FINANCED</b>      |            |

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.