

**SUBSTITUTE FOR  
HOUSE BILL NO. 5541**

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 technology, management, and budget and the state administrative board.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1 PART 1

2 LINE-ITEM APPROPRIATIONS

3       Sec. 101. Subject to the conditions set forth in this act, the  
4 amounts listed in this part are appropriated for certain capital  
5 outlay projects at the various state agencies and institutions for  
6 the fiscal year ending September 30, 2012, from the funds indicated  
7 in this part. The following is a summary of the appropriations in  
8 this part:

9 **CAPITAL OUTLAY**

10 **APPROPRIATION SUMMARY**

11 GROSS APPROPRIATION.....	\$	1,800
12 Interdepartmental grant revenues:		
13 Total interdepartmental grants and intradepartmental		
14 transfers .....		0
15 ADJUSTED GROSS APPROPRIATION.....	\$	1,800
16 Federal revenues:		
17 Total federal revenues.....		0
18 Special revenue funds:		
19 Total local revenues.....		0
20 Total private revenues.....		0
21 Total other state restricted revenues.....		0
22 State general fund/general purpose.....	\$	1,800

23 **Sec. 102. STATE BUILDING AUTHORITY FINANCED**

24 **CONSTRUCTION AUTHORIZATIONS**

25 Central Michigan University - bio-science building  
26 (total authorized cost \$89,420,000; state building

1	authority share \$29,999,800; Central Michigan	
2	University share \$59,420,000; state general fund	
3	share \$200) .....	\$ 100
4	Grand Valley State University - science laboratory,	
5	classroom, and office building (total authorized	
6	cost \$55,000,000; state building authority share	
7	\$29,999,800; Grand Valley State University share	
8	\$25,000,000; state general fund share \$200) .....	100
9	Michigan State University - bio-engineering facility	
10	(total authorized cost \$40,340,200; state building	
11	authority share \$29,999,800; Michigan State	
12	University share \$10,340,200; state general fund	
13	share \$200) .....	100
14	Northern Michigan University - Jamrich hall	
15	replacement (total authorized cost \$33,400,000;	
16	state building authority share \$25,049,800; Northern	
17	Michigan University share \$8,350,000; state general	
18	fund share \$200) .....	100
19	Oakland University - engineering center (total	
20	authorized cost \$74,551,700; state building	
21	authority share \$29,999,800; Oakland University	
22	share \$44,551,700; state general fund share \$200) ...	100
23	University of Michigan - Ann Arbor - G.G. Brown	
24	memorial laboratories renovation (total authorized	
25	cost \$47,000,000; state building authority share	
26	\$29,999,800; University of Michigan - Ann Arbor	
27	share \$17,000,000; state general fund share \$200) ...	100

1	University of Michigan - Dearborn - science and	
2	computer information science building renovations	
3	(total authorized cost \$51,000,000; state building	
4	authority share \$29,999,800; University of Michigan	
5	- Dearborn share \$21,000,000; state general fund	
6	share \$200) .....	100
7	University of Michigan - Flint - Murchie science	
8	laboratory building renovations (total authorized	
9	cost \$22,170,000; state building authority share	
10	\$16,627,300; University of Michigan - Flint share	
11	\$5,542,500; state general fund share \$200) .....	100
12	Wayne State University - multidisciplinary bio-medical	
13	research building (total authorized cost	
14	\$90,414,700; state building authority share	
15	\$29,999,800; Wayne State University share	
16	\$60,414,700; state general fund share \$200) .....	100
17	Alpena Community College - electrical power technology	
18	education and training center addition (total	
19	authorized cost \$4,989,600; state building authority	
20	share \$2,494,600; Alpena Community College share	
21	\$2,494,800; state general fund share \$200) .....	100
22	Bay de Noc Community College - nursing laboratory and	
23	lecture hall remodeling (total authorized cost	
24	\$1,500,000; state building authority share \$749,800;	
25	Bay de Noc Community College share \$750,000; state	
26	general fund share \$200) .....	100
27	Delta College - health and wellness F-wing renovations	

1	(total authorized cost \$19,984,000; state building	
2	authority share \$9,991,800; Delta College share	
3	\$9,992,000; state general fund share \$200) .....	100
4	Gogebic Community College - building renovations	
5	(total authorized cost \$1,500,000; state building	
6	authority share \$749,800; Gogebic Community College	
7	share \$750,000; state general fund share \$200) .....	100
8	Grand Rapids Community College - Cook academic hall	
9	renovations (total authorized cost \$14,255,400;	
10	state building authority share \$4,999,800; Grand	
11	Rapids Community College share \$9,255,400; state	
12	general fund share \$200) .....	100
13	Jackson Community College - Bert Walker hall	
14	renovations (total authorized cost \$19,500,000;	
15	state building authority share \$9,749,800; Jackson	
16	Community College share \$9,750,000; state general	
17	fund share \$200) .....	100
18	Lansing Community College - arts and sciences building	
19	renovations (total authorized cost \$19,950,000;	
20	state building authority share \$9,974,800; Lansing	
21	Community College share \$9,975,000; state general	
22	fund share \$200) .....	100
23	Mid-Michigan Community College - Mt. Pleasant campus	
24	unification (total authorized cost \$17,704,600;	
25	state building authority share \$8,852,100; Mid-	
26	Michigan Community College share \$8,852,300; state	
27	general fund share \$200) .....	100

1	North Central Michigan College - health education and		
2	science center project (total authorized cost		
3	\$10,428,400; state building authority share		
4	\$5,214,000; North Central Michigan College share		
5	\$5,214,200; state general fund share \$200).....		100
6	GROSS APPROPRIATION.....	\$	1,800
7	Appropriated from:		
8	State general fund/general purpose.....	\$	1,800

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

12       Sec. 201. Pursuant to section 30 of article IX of the state  
13 constitution of 1963, total state spending from state resources  
14 under part 1 for fiscal year 2011-2012 is \$1,800.00 and state  
15 spending from state resources to be paid to local units of  
16 government for fiscal year 2011-2012 is \$900.00.

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

20       Sec. 203. As used in this act:

21       (a) "Board" means the state administrative board.

22       (b) "Community college" means a postsecondary educational  
23 institution supported by this state but does not include a state  
24 agency or university.

25       (c) "Department" means the department of technology,

1 management, and budget.

2 (d) "Director" means the director of the department of  
3 technology, management, and budget.

4 (e) "Fiscal agencies" means the senate fiscal agency and the  
5 house fiscal agency.

6 (f) "JCOS" means the joint capital outlay subcommittee of the  
7 appropriations committees.

8 (g) "State agency" means an agency of state government. State  
9 agency does not include a community college or university.

10 (h) "State building authority" means the authority created  
11 under 1964 PA 183, MCL 830.411 to 830.425.

12 (i) "University" means a 4-year university supported by this  
13 state. University does not include a community college or a state  
14 agency.

15 Sec. 204. Funds appropriated in part 1 shall not be used for  
16 the purchase of foreign goods or services, or both, if  
17 competitively priced and of comparable quality American goods or  
18 services, or both, are available. Preference shall be given to  
19 goods or services, or both, manufactured or provided by Michigan  
20 businesses, if they are competitively priced and of comparable  
21 quality. In addition, preference should be given to goods or  
22 services, or both, that are manufactured or provided by Michigan  
23 businesses owned and operated by veterans, if they are  
24 competitively priced and of comparable quality.

25 Sec. 205. Unless otherwise specified, institutions receiving  
26 appropriations in part 1 shall use the Internet to fulfill the  
27 reporting requirements of this act. This requirement may include

1 transmission of reports via electronic mail to the recipients  
2 identified for each reporting requirement, or it may include  
3 placement of reports on an Internet or Intranet site.

#### 4 **CAPITAL OUTLAY PROCESSES, PROCEDURES AND REPORTS**

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

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

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

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

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

26 (c) Any other items as identified by the department that are



1 necessary to complete the project.

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

6 Sec. 404. (1) The department shall provide the JCOS, the state  
7 budget director, and the fiscal agencies with reports as considered  
8 necessary relative to the status of each planning or construction  
9 project financed by the state building authority, by this act, or  
10 by previous acts.

11 (2) Before the end of each fiscal year, the department shall  
12 report to the JCOS, the state budget director, and the fiscal  
13 agencies for each capital outlay project other than lump sums all  
14 of the following:

15 (a) The account number and name of the construction project.

16 (b) The balance remaining in the account.

17 (c) The date of the last expenditure from the account.

18 (d) The anticipated date of occupancy if the project is under  
19 construction.

20 (e) The appropriations history for the project.

21 (f) The professional service contractor.

22 (g) The amount of a project financed with federal funds.

23 (h) The amount of a project financed through the state  
24 building authority.

25 (i) The total authorized cost for the project and the state  
26 authorized share if different than the total.

27 (3) Before the end of each fiscal year, the department shall

1 report the following for each project by a state agency,  
2 university, or community college that is authorized for planning  
3 but is not yet authorized for construction:

4 (a) The name and account number of the project.

5 (b) Whether a program statement is approved.

6 (c) Whether schematics are approved by the department.

7 (d) Whether preliminary plans are approved by the department.

8 (e) The name of the professional service contractor.

9 (4) As used in this section, "project" includes appropriation  
10 line items made for purchase of real estate.

11 Sec. 405. A state agency, community college, or university  
12 shall take steps necessary to make available federal and other  
13 money indicated in this act, to make available federal or other  
14 money that may become available for the purposes for which  
15 appropriations are made in this act, and to use any part or all of  
16 the appropriations to meet matching requirements that are  
17 considered to be in the best interest of this state. However, the  
18 purpose, scope, and total estimated cost of a project shall not be  
19 altered to meet the matching requirements. Any federal matching  
20 revenues received to support the construction of the project shall  
21 be applied to the total authorized project cost, with state,  
22 community college, and university financing shares proportionately  
23 adjusted.

24 Sec. 406. Pursuant to section 242(2) of the management and  
25 budget act, 1984 PA 431, MCL 18.1242, the department shall submit  
26 5-year capital outlay plans and capital outlay priority requests  
27 developed by state agencies (and as approved by the department of

1 technology, management, and budget), universities, and community  
2 colleges to the chairperson and ranking vice-chairperson of JCOS  
3 and the fiscal agencies upon the release of the executive budget  
4 recommendation.

5 **COLLEGES AND UNIVERSITIES**

6 Sec. 601. (1) This section applies only to projects for  
7 community colleges.

8 (2) State support is directed towards the remodeling and  
9 additions, special maintenance, or construction of certain  
10 community college buildings. The community college shall obtain or  
11 provide for site acquisition and initial main utility installation  
12 to operate the facility. Funding shall be comprised of local and  
13 state shares, and the state share shall include 50% of any federal  
14 money awarded for projects appropriated in this act. Not more than  
15 50% of a capital outlay project, not including a lump-sum special  
16 maintenance project or remodeling and addition project, for a  
17 community college shall be appropriated from state and federal  
18 funds, unless otherwise appropriated by the legislature.

19 (3) An expenditure under this act is authorized when the  
20 release of the appropriation is approved by the board upon the  
21 recommendation of the director. The director may recommend to the  
22 board the release of any appropriation in part 1 only after the  
23 director is assured that the legal entity operating the community  
24 college to which the appropriation is made has complied with this  
25 act and has matched the amounts appropriated as required by this  
26 act. A release of funds in part 1 shall not exceed 50% of the total

1 cost of planning and construction of any project, not including  
2 lump-sum remodeling and additions and special maintenance, unless  
3 otherwise appropriated by the legislature. Further planning and  
4 construction of a project authorized by this act or applicable  
5 sections of the management and budget act, 1984 PA 431, MCL 18.1101  
6 to 18.1594, shall be in accordance with the purpose and scope as  
7 defined and delineated in the approved program statements and  
8 planning documents. This act is applicable to all projects for  
9 which planning appropriations were made in previous acts.

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

18 Sec. 602. If matching revenues are received in an amount less  
19 than the appropriations contained in this act, the state funds of  
20 the appropriation shall be reduced in proportion to the amount of  
21 matching revenue received.

22 Sec. 603. (1) The director may require that community colleges  
23 and universities that have an authorized project listed in part 1  
24 submit documentation regarding the project match and governing  
25 board approval of the authorized project not more than 60 days  
26 after the beginning of the fiscal year.

27 (2) If the documentation required by the director under

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