

# HOUSE BILL No. 5606

February 26, 2004, Introduced by Rep. Whitmer and referred to the Committee on Appropriations.

## EXECUTIVE BUDGET BILL

A bill to make 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 make appropriations for planning and construction at state agencies; to make appropriations for state building authority rent and insurance; to make a grant for state building authority rent; to provide for the acquisition of land and buildings; to provide for the elimination of fire hazards; to provide for special maintenance, remodeling and addition, alteration, renovation, demolition, and other projects; to provide for elimination of occupational safety and health hazards; to

provide for the award and implementation of contracts; to provide for the purchase of furnishings and equipment relative to occupancy of a project; to provide for the development of public recreation facilities; to provide for certain advances from the general fund; to prescribe powers and duties of certain state officers and agencies; to require certain reports, plans, and agreements; to provide for leases; to provide for transfers; 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:**

1 **PART 1**

2 **LINE-ITEM APPROPRIATIONS**

3 Sec. 101. Subject to the conditions set forth in this bill, the  
4 amounts listed in this part are appropriated for certain capital outlay  
5 projects at the various state agencies for the fiscal year ending  
6 September 30, 2005, from the funds indicated in this part. The  
7 following is a summary of the appropriations in this part:

8 **CAPITAL OUTLAY**

9 **APPROPRIATIONS SUMMARY:**

10	GROSS APPROPRIATION .....	\$ 573,148,300
11	Interdepartmental grant revenues:	
12	Total interdepartmental grants and	
13	intradepartmental transfers .....	2,000,000
14	ADJUSTED GROSS APPROPRIATION.....	\$ 571,148,300
15	Federal revenues:	
16	Total federal revenues .....	210,842,000
17	Special revenue funds:	

1	Total local revenues .....	42,790,000
2	Total private revenues .....	0
3	Total state restricted revenues.....	46,214,200
4	State general fund/general purpose .....	\$ 271,302,100
5	<b>Sec. 102. DEPARTMENT OF AGRICULTURE</b>	
6	Farmland and open space development acquisition .....	\$ <u>7,500,000</u>
7	GROSS APPROPRIATION .....	\$ 7,500,000
8	Appropriated from:	
9	Federal revenues:	
10	DAG, multiple grants .....	2,500,000
11	Special revenue funds:	
12	Agriculture preservation fund .....	5,000,000
13	State general fund/general purpose .....	\$ 0
14	<b>Sec. 103. DEPARTMENT OF MILITARY AND VETERANS AFFAIRS</b>	
15	Lump-sum projects:	
16	For department of military and veterans affairs	
17	special maintenance remodeling and additions.....	\$ 5,592,000
18	Grand Ledge army aviation support facility, for	
19	design and construction (total authorized cost	
20	\$30,000,000; federal share \$29,660,000; state	
21	share \$340,000) .....	9,200,000
22	North Lansing complex renovations, for design and	
23	construction (total project cost \$13,000,000;	
24	federal share \$12,500,000; state share \$500,000)...	13,000,000
25	Camp Grayling, multiple company headquarters	
26	buildings, for design and construction (total author-	
27	ized cost \$18,500,000; federal share \$18,500,000)..	18,500,000
28	Camp Grayling, multi-purpose machine gun range, for	

1	design and construction (total authorized cost		
2	\$2,000,000; federal share \$2,000,000) .....		<u>2,000,000</u>
3	GROSS APPROPRIATION .....	\$	48,292,000
4	Appropriated from:		
5	Federal revenues:		
6	DOD, department of the army - national guard bureau...		47,792,000
7	Special revenue funds:		
8	Armory construction fund .....		500,000
9	State general fund/general purpose .....	\$	0
10	<b>Sec. 104. DEPARTMENT OF NATURAL RESOURCES</b>		
11	<b>(1) STATE PARK REMODELING AND ADDITIONS:</b>		
12	State parks repair and maintenance .....	\$	1,000,000
13	Forest roads, bridges, and facilities .....		<u>900,000</u>
14	GROSS APPROPRIATION .....	\$	1,900,000
15	Appropriated from:		
16	Special revenue funds:		
17	State park improvement fund .....		1,000,000
18	Forest development fund .....		800,000
19	Forest recreation fund .....		100,000
20	State general fund/general purpose .....	\$	0
21	<b>(2) WILDLIFE:</b>		
22	State game and wildlife area maintenance .....	\$	<u>550,000</u>
23	GROSS APPROPRIATION .....	\$	550,000
24	Appropriated from:		
25	Federal revenues:		
26	DOI, Pittman-Robertson .....		550,000
27	Special revenue funds:		

1	State general fund/general purpose .....	\$	0
2	<b>Sec. 105. STATE AGENCY SPECIAL MAINTENANCE</b>		
3	Lump-sum projects:		
4	Major special maintenance, remodeling and addition		
5	for state agencies .....	\$	<u>4,000,000</u>
6	GROSS APPROPRIATION .....	\$	4,000,000
7	Appropriated from:		
8	Interdepartmental grant revenues:		
9	IDG, building occupancy charges.....		2,000,000
10	Special revenue funds:		
11	State general fund/general purpose .....	\$	2,000,000
12	<b>Sec. 106. DEPARTMENT OF TRANSPORTATION</b>		
13	<b>(1) BUILDINGS AND FACILITIES:</b>		
14	Salt storage buildings and containment control		
15	systems - contract agencies .....	\$	1,900,000
16	Salt storage buildings and containment control		
17	systems - various state locations .....		1,100,000
18	Atlanta, Montmorency County, maintenance garage		
19	renovations, phase II (total authorized cost		
20	\$2,926,000) .....		2,376,000
21	Reroof MDOT facilities - fence MDOT properties, and		
22	install bituminous surface/resurfacing - various		
23	locations .....		530,000
24	Construct/replace equipment storage buildings - various		
25	locations .....		1,006,000
26	Houghton, Houghton County, maintenance garage, for		
27	design and construction (total project cost		

1	\$2,230,000) .....	2,230,000
2	Mio, Oscoda County, maintenance garage renovation and	
3	expansion (total project cost \$1,471,000).....	1,471,000
4	Institutional and agency roads.....	750,000
5	Aeronautics facility apron/ramp, roof, and security	
6	improvements .....	<u>400,000</u>
7	GROSS APPROPRIATION .....	\$ 11,763,000
8	Appropriated from:	
9	Special revenue funds:	
10	State aeronautics fund .....	400,000
11	State trunkline fund .....	11,363,000
12	State general fund/general purpose .....	\$ 0
13	<b>(2) AIRPORT IMPROVEMENT PROGRAMS:</b>	
14	Airport safety and protection plan.....	<u>\$ 222,046,200</u>
15	GROSS APPROPRIATION .....	\$ 222,046,200
16	Appropriated from:	
17	Federal revenues:	
18	DOT, federal aviation administration .....	160,000,000
19	Special revenue funds:	
20	Local aeronautics match .....	42,790,000
21	Combined comprehensive transportation bond proceeds	
22	fund - aeronautics .....	12,000,000
23	State aeronautics fund .....	7,256,200
24	State general fund/general purpose.....	\$ 0
25	<b>Sec. 107. STATE BUILDING AUTHORITY RENT</b>	
26	State building authority rent - state agencies .....	\$ 71,604,900
27	State building authority rent - department of corrections	77,030,300

1	State building authority rent - universities.....	111,966,600
2	State building authority rent - community colleges....	<u>16,495,300</u>
3	GROSS APPROPRIATION .....	\$ 277,097,100
4	Appropriated from:	
5	Special revenue funds:	
6	CMRS emergency telephone fund.....	6,000,000
7	State lottery funds .....	1,520,000
8	Roosevelt parking facility reimbursement.....	275,000
9	State general fund/general purpose .....	\$ 269,302,100

PART 2

PROVISIONS CONCERNING APPROPRIATIONS

GENERAL SECTIONS

13 Sec. 201. Pursuant to section 30 of article IX of the state  
14 constitution of 1963, total state spending from state resources under  
15 part 1 for fiscal year 2004-2005 is \$317,516,300.00 and state spending  
16 from state resources paid to units of local government for fiscal year  
17 2004-2005 is \$21,756,200.00. The itemized statement below identifies  
18 appropriations from which spending to units of local government will  
19 occur:

**CAPITAL OUTLAY**

21	Department of agriculture - farmland and open	
22	space development acquisition .....	\$ 2,500,000
23	Department of transportation - airport safety and	
24	protection plan .....	\$ <u>19,256,200</u>
25	TOTAL .....	\$ 21,756,200

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

1       Sec. 203. As used in this bill:

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

3           (b) "CMRS" means the commercial mobile radio suppliers.

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

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

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

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

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

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

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

13          (j) "Fiscal agencies" means the senate fiscal agency and the  
14 house fiscal agency.

15          (k) "ICF/MR" means intermediate care facilities for the mentally  
16 retarded.

17          (l) "IDG" means interdepartmental grant.

18          (m) "JCOS" means the joint capital outlay subcommittee of the  
19 appropriations committees.

20          (n) "MDOT" means the Michigan department of transportation.

21          (o) "State agency" means an agency of state government. State  
22 agency does not include a community college or university.

23          (p) "State building authority" means the authority created under  
24 1964 PA 183, MCL 830.411 to 830.425.

25          (q) "University" means a 4-year university supported by the  
26 state. University does not include a community college or a state  
27 agency.



1       Sec. 204. Unless otherwise specified, departments and agencies  
2 receiving appropriations in part 1 shall use the Internet to fulfill  
3 the reporting requirements of this bill. This requirement may include  
4 transmission of reports via electronic mail to the recipients  
5 identified for each reporting requirement or it may include placement  
6 of reports on an Internet or Intranet site.

7 **DEPARTMENT OF AGRICULTURE**

8       Sec. 301. Of the amounts appropriated in part 1 for farmland and  
9 open space development acquisition, the funds shall be used for the  
10 purchase of development rights and the awarding of grants by the  
11 agriculture preservation fund board under the natural resources and  
12 environmental protection act, 1994 PA 451, MCL 324.101 to 324.90106.

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

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

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

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

24           (a) The university or community college agrees to construct the  
25 project within the total authorized cost established by the legislature  
26 pursuant to the management and budget act, 1984 PA 431, MCL 18.1101 to  
27 18.1594, and an appropriations act.

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

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

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

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

15 (2) Before the end of each fiscal year, the department shall  
16 report to the JCOS and the fiscal agencies for each capital outlay  
17 project other than lump sums all of the following:

18 (a) The account number and name of each construction project.

19 (b) The balance remaining in each account.

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

21 (d) The anticipated date of occupancy if the project is under  
22 construction.

23 (e) The appropriations history for the project.

24 (f) The professional service contractor.

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

26 (h) The amount of a project financed through the state building  
27 authority.

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

3 (3) Before the end of each fiscal year, the department shall  
4 report the following for each project by a state agency, university, or  
5 community college that is authorized for planning but is not yet  
6 authorized for construction:

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

8 (b) Whether a program statement is approved.

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

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

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

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

14 Sec. 404. (1) If a capital outlay appropriation is contained in a  
15 public act that was not reviewed by the JCOS during the legislative  
16 process, the director shall notify the JCOS of an expenditure of that  
17 capital outlay appropriation not less than 60 days before the  
18 expenditure.

19 (2) For the purposes of this section, "capital outlay  
20 appropriation" means an appropriation that provides for the  
21 construction, renovation, or repair of a capital facility or  
22 acquisition or development of land and that is normally reviewed by the  
23 JCOS.

24 Sec. 405. A state agency, college, or university shall take steps  
25 necessary to make available federal and other money indicated in this  
26 bill, to make available federal or other money that may become  
27 available for the purposes for which appropriations are made in this

1 bill, and to use any part or all of the appropriations to meet matching  
2 requirements that are considered to be in the best interest of this  
3 state. However, the purpose, scope, and total estimated cost of a  
4 project shall not be altered to meet the matching requirements.

5 Sec. 406. Pursuant to section 242(2) of the management and budget  
6 act, 1984 PA 431, MCL 18.1242, the department shall submit 5-year  
7 capital outlay plans and capital outlay priority requests developed by  
8 state agencies (and as approved by the department of management and  
9 budget), universities, and community colleges to the chairperson and  
10 ranking vice-chairperson of the JCOS and the fiscal agencies upon the  
11 release of the executive budget recommendation.

#### 12 USE AND FINANCE STATEMENTS

13 Sec. 501. (1) A university or community college shall not let a  
14 contract for new construction of a nonstate-funded project estimated to  
15 cost more than \$1,000,000.00 unless the project is authorized by the  
16 JCOS through approval of a use and financing statement defined by a  
17 policy adopted by the JCOS. The request for legislative authorization  
18 shall be initially submitted for review to the JCOS and the department.  
19 The use and financing statement for a nonstate-funded project shall  
20 contain the estimated total construction cost and all associated  
21 estimated operating costs including a statement of anticipated project  
22 revenues. As used in this section, "new construction" includes land or  
23 property acquisition, remodeling and additions, and maintenance  
24 projects.

25 (2) A project that is constructed in violation of this section  
26 shall not receive state appropriations for purposes of operating the  
27 project, or support for future infrastructure enhancements that are

1 necessitated, in part or in total, by construction of the project.

2           (3) A state agency, including the department of military affairs,  
3 shall not let a contract, including those for a direct federally-funded  
4 capital outlay construction or major maintenance or remodeling project  
5 if the total project is estimated to cost more than \$1,000,000.00 and  
6 is to be constructed on state-owned lands, unless the project is  
7 approved by the department and by the JCOS through approval of a use  
8 and financing statement defined by a policy adopted by the JCOS. For  
9 projects over \$1,000,000.00, the state agency shall submit a use and  
10 financing statement as required for community colleges and universities  
11 in subsection (1). As used in this subsection, "direct federally-  
12 funded" refers to a project for which federal payments are made  
13 directly to the construction vendor and not to the state of Michigan.

14           (4) A public body corporate created under section 28 of article  
15 VII of the state constitution of 1963 and the urban cooperation act of  
16 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a contractual  
17 interlocal agreement between local participating economic development  
18 corporations formed under the economic development corporations act,  
19 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund  
20 shall not let a contract for new construction estimated to cost more  
21 than \$1,000,000.00 unless the project is authorized by the JCOS through  
22 the approval of a use and financing statement defined by a policy  
23 adopted by the JCOS. For purposes of this subsection, the use and  
24 financing statement for a project shall contain the estimated total  
25 construction cost and all associated estimated operating costs. As  
26 used in this subsection, "new construction" means land or property  
27 acquisition, remodeling or additions, lease or lease purchase, and

1 maintenance projects for the corporate office of the public body  
2 corporate described in this subsection.

3 **LUMP SUMS AND SPECIAL MAINTENANCE**

4       Sec. 601. (1) The director shall allocate lump-sum appropriations  
5 made in this bill for remodeling and addition, special maintenance,  
6 major special maintenance, energy conservation, demolition, ICF/MR,  
7 air-conditioning, and fire protection projects. The director shall  
8 allocate other lump sums in order of program priority and need of the  
9 various state agencies or as otherwise based on actual building  
10 inspection reports by regulatory agencies.

11       (2) The state budget director may authorize that funds  
12 appropriated for lump-sum special maintenance shall be available for no  
13 more than 3 fiscal years following the fiscal year in which the  
14 original appropriation was made. Any remaining balance from  
15 allocations made in this section shall lapse to the fund from which it  
16 was appropriated pursuant to the lapsing of funds as provided in the  
17 management and budget act, 1984 PA 431, MCL 18.1101 to 18.1594.

18       (3) Before the end of each fiscal year, the department shall  
19 submit a report to the JCOS and the fiscal agencies indicating the  
20 total cost and status of all lump-sum projects funded under this bill  
21 and any previous act that have been designated as proposed, designed,  
22 bid, under construction, or completed within the current fiscal year.

23       Sec. 602. A state agency, university or community college shall  
24 provide notification to JCOS prior to commencing a demolition project  
25 authorized in this bill. The demolition project may be disapproved by  
26 the JCOS within 30 days after the date of notification, and if  
27 disapproved within that time, the demolition project shall not be

1 authorized. The notification to JCOS shall identify the building or  
2 facility to be demolished and its location, the estimated cost of the  
3 demolition project, estimated project schedule, and the source of  
4 financing.

5 Sec. 603. Pursuant to department policy, state agencies may expend  
6 not more than \$1,000,000.00 from their operating budget for special  
7 maintenance, remodeling, additions, or other capital outlay purposes,  
8 unless specifically authorized by the legislature.

9 **STATE BUILDING AUTHORITY**

10 Sec. 701. (1) Subject to section 242 of the management and budget  
11 act, 1984 PA 431, MCL 18.1242, and upon the approval of the state  
12 building authority, the department may expend from the general fund of  
13 the state during the fiscal year ending September 30, 2005 an amount to  
14 meet the cash flow requirements of those state building authority  
15 projects solely for lease to a state agency identified in both part 1  
16 and this section, and for which state building authority bonds or notes  
17 have not been issued, and for the sole acquisition by the state  
18 building authority of equipment and furnishings for lease to a state  
19 agency as permitted by 1964 PA 183, MCL 830.411 to 830.425, for which  
20 the issuance of bonds or notes is authorized by a legislative  
21 concurrent resolution that is effective for a fiscal year ending  
22 September 30, 2005. Any general fund advances for which state building  
23 authority bonds have not been issued shall bear an interest cost to the  
24 state building authority at a rate not to exceed that earned by the  
25 state treasurer's common cash fund during the period in which the  
26 advances are outstanding and are repaid to the general fund of the  
27 state.

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

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

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

19       Sec. 702. (1) State building authority funding to finance  
20 construction or renovation of a facility that collects revenue in  
21 excess of money required for the operation of that facility shall not  
22 be released to a university or community college unless the institution  
23 agrees to reimburse that excess revenue to the state building  
24 authority. The excess revenue shall be credited to the general fund to  
25 offset rent obligations associated with the retirement of bonds issued  
26 for that facility. The auditor general shall annually identify and  
27 present an audit of those facilities that are subject to this section.



1 Costs associated with the administration of the audit shall be charged  
2 against money recovered pursuant to this section.

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

7 Sec. 703. (1) The state building authority rent appropriations in  
8 part 1 may also be expended for the payment of required premiums for  
9 insurance on facilities owned by the state building authority or  
10 payment of costs that may be incurred as the result of any deductible  
11 provisions in such insurance policies.

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

17 Sec. 704. The department shall provide the JCOS and the fiscal  
18 agencies a report, not more than 15 days after the reporting date,  
19 relative to the status of construction projects associated with state  
20 building authority bonds on September 30 of each year, or not more than  
21 30 days after a refinancing or restructuring bond issue is sold. The  
22 report shall include, but is not limited to, the following:

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

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

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

6 **COLLEGES AND UNIVERSITIES**

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

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

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

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

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

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

21 Sec. 803. (1) The director may require that community colleges and  
22 universities that have an authorized project listed in part 1 submit  
23 documentation regarding the project match and governing board approval  
24 of the authorized project not more than 60 days after the beginning of  
25 the fiscal year.

26 (2) If the documentation required by the director under  
27 subsection (1) is not submitted, or does not adequately authenticate

1 the availability of the project match or board approval of the  
2 authorized project, the authorization may terminate. The authorization  
3 terminates 30 days after the director notifies the JCOS of the intent  
4 to terminate the project unless the JCOS extends the authorization.

5 **DEPARTMENT OF MANAGEMENT AND BUDGET**

6 Sec. 901. (1) The department shall provide the JCOS and the fiscal  
7 agencies a report of privately owned leased space by state agencies by  
8 September 30 of each year, consisting of the following:

- 9 (a) Department.  
10 (b) Agency division and leased number.  
11 (c) Building location (address and city).  
12 (d) Type of building.  
13 (e) County.  
14 (f) Name and address of lessor.  
15 (g) Square footage and net square footage rate.  
16 (h) Monthly and annual cost per lease.  
17 (i) Date lease started and expires.  
18 (j) Options and services.  
19 (k) Total monthly and annual cost for all leases.

20 (2) The lease report shall be summarized for office space, group  
21 homes, and other space for the Lansing area and statewide, excepting  
22 the Lansing area.

23 Sec. 902. (1) Due to the need to more efficiently and effectively  
24 manage the portfolio of facilities leased for use by agencies of  
25 state government, the reduction in the number of state employees  
26 occupying such facilities and the need to reduce expenditures, the  
27 director of the department of management and budget shall not

1 authorize the expenditure of any funds appropriated to state  
2 departments and state agencies for the fiscal year ending  
3 September 30, 2005 for rental payments or operational expenses for  
4 the leased premises at the following location(s) except as  
5 provided in subsection (2):

6 (a) 10226-1995-1035, department of labor and economic growth:  
7 201 N. Washington, Lansing, MI.

8 (b) 7158-1990-115, department of labor and economic growth: 201  
9 N. Washington, Lansing, MI.

10 (c) 7320-1989-349, department of civil service: 400 S. Pine,  
11 Lansing, MI.

12 (d) 10464-1996-1362, department of community health: 300 E.  
13 Michigan, Lansing, MI.

14 (e) 7321-1989-350, department of community health: 400 S. Pine,  
15 Lansing, MI.

16 (f) 10573-1998-1136, department of labor and economic growth:  
17 1375 S. Washington, Lansing, MI.

18 (g) 10469-2002-2159, department of labor and economic growth:  
19 2501 Woodlake Circle, Okemos, MI.

20 (h) 7157-2001-1172, department of corrections: 206 E. Michigan,  
21 Lansing, MI.

22 (i) 10143-1992-1045, family independence agency: 2100 Woodward  
23 Ave, Bloomfield Hills, MI.

24 (j) 10214-1993-1237, family independence agency: 5321 28<sup>th</sup> Street  
25 SE, Grand Rapids, MI.

26 (k) 10220-1999-1330, family independence agency: 2015 Bailey,  
27 Dearborn, MI.

1           (l) 10237-1992-1238, family independence agency: 1509  
2 Washington, Midland, MI.

3           (m) 10450-1995-1289, family independence agency: 27407 Hamlin,  
4 Inkster, MI.

5           (n) 2502-1986-29, family independence agency: 111 W. Union,  
6 Roscommon, MI.

7           (o) 2625-1988-55, family independence agency: 4505 Oakman,  
8 Detroit, MI.

9           (p) 2702-1994-1191, family independence agency: 1960 Lafayette,  
10 Detroit, MI.

11          (q) 6129-1983-57, family independence agency: 2400 Denton,  
12 Hamtramck, MI.

13          (r) 7026-1988-212, family independence agency: 515 S. Sandusky,  
14 Sandusky, MI.

15          (s) 7455-1992-1165, family independence agency: 22 Center,  
16 Ypsilanti, MI.

17          (t) 10900-2001-1096, department of management and budget: 110 W.  
18 Michigan, Lansing, MI.

19          (u) 7050-2001-1203, department of management and budget: 400 S.  
20 Pine, Lansing, MI.

21          (v) 10235-1994-1262, department of state police: 4481 Corunna  
22 Rd., Flint, MI.

23          (w) 2787-1993-1009, department of labor and economic growth:  
24 5015 S. Cedar, Lansing, MI.

25          (2) If the director of the department of management and budget  
26 determines that the proper and efficient administration of the  
27 portfolio of facilities leased for use by agencies of state government

1 requires that payments from funds appropriated to state departments and  
2 state agencies in the fiscal year ending September 30, 2005, continue  
3 to be expended for rental payments or operational expenses for one or  
4 more of the properties listed in subsection (1), an exception may be  
5 granted by the director of the department of management and budget for  
6 lease expenditures related to such property or properties. No such  
7 exception shall be granted unless the director determines that one or  
8 more of the following will occur:

9 (a) The efficient and effective operation of an essential state  
10 agency function will be jeopardized.

11 (b) Failure to waive application of subsection 1 will cause  
12 substantial unnecessary expenditure of resources.

13 (c) Such an exception will serve the best interests of the state.

14 (3) Prior to September 30, 2005, the director of the department  
15 of management and budget shall report in writing to the chairs of the  
16 house and senate committees on appropriations, the house and senate  
17 fiscal agencies and the state budget director any exceptions approved  
18 under subsection (2), and the justification for such exception(s).

19 **DEPARTMENT OF MILITARY AND VETERANS AFFAIRS**

20 Sec. 1001. The appropriations in part 1 for department of military  
21 and veterans affairs design and construction projects are contingent  
22 upon the availability of federal and state restricted funds for  
23 financing.

24 Sec. 1002. The following department of military and veterans  
25 affairs design and construction project is canceled: a total of  
26 \$6,700,000.00 appropriated in 2003 PA 193 for design and construction  
27 of a new United States property and fiscal office.

**1 DEPARTMENT OF NATURAL RESOURCES**

2       Sec. 1101. Before the end of each fiscal year, the department of  
3 natural resources shall report each year to the JCOS the status of each  
4 project that received an appropriation in any capital outlay act, if  
5 the project is either not completed or has a balance remaining in its  
6 account. The report shall be in the same form and contain the  
7 information as required under section 404. The report shall be  
8 separated into the following areas, by fund sources:

9           (a) Waterways projects.

10          (b) Urban recreation projects.

11          (c) State park projects.

12          (d) Wildlife and fisheries projects.

13          (e) Other projects.

**14 STATE TRANSPORTATION DEPARTMENT**

15       Sec. 1201. (1) From federal-state-local project appropriations  
16 contained in part 1 for the purpose of assisting political entities and  
17 subdivisions of this state in the construction and improvement of  
18 publicly used airports and landing fields within this state, the state  
19 transportation department may permit the award of contracts on behalf  
20 of units of local government for the authorized locations not to exceed  
21 the indicated amounts, of which the state allocated portion shall not  
22 exceed the amount appropriated in part 1.

23           (2) Political entities and subdivisions shall provide not less  
24 than 2.5% of the cost of any project under this section, unless a total  
25 non-federal share greater than 5% is otherwise specified in federal  
26 law. State money shall not be allocated until local money is  
27 allocated. State money for any 1 project shall not exceed 1/3 of the



1 total appropriation in part 1 from state funds for airport improvement  
2 programs.

3           (3) The Michigan aeronautics commission may take those steps  
4 necessary to match federal money available for airport construction and  
5 improvement within this state, and to meet the matching requirements of  
6 the federal government. Whether acting alone or jointly with another  
7 political subdivision or public agency or with this state, a political  
8 subdivision or public agency of this state shall not submit to any  
9 agency of the federal government a project application for airport  
10 planning or development unless it is authorized in this bill and the  
11 project application is approved by the governing body of each political  
12 subdivision or public agency making the application, and by the  
13 Michigan aeronautics commission.

14           (4) From the appropriations contained in part 1 for airport  
15 improvement programs, no funds shall be allocated for any runway  
16 extensions, taxiway extensions, or apron extensions at the Detroit-  
17 Willow Run airport.

18       Sec. 1202. Before the end of each fiscal year, the state  
19 transportation department shall report to the JCOS the status of  
20 projects funded in part 1 with the estimated dollars allocated for each  
21 project. If there has to be a delay in reporting, the state  
22 transportation department shall notify JCOS in writing of the date the  
23 report will be received.

24       Sec. 1203. (1) A planning project or construction project  
25 appropriated for the airport program shall be made available for no  
26 more than 3 fiscal years following the fiscal year in which the  
27 original appropriation was made.

1           (2) Any remaining balance from allocations made in this section  
2 shall lapse to the fund from which it was appropriated pursuant to the  
3 lapsing of funds as provided in the management and budget act, 1984 PA  
4 431, MCL 18.1101 to 18.1594.

5 **MISCELLANEOUS**

6           Sec. 1301. (1) Revenue collected from licenses issued under the  
7 antenna site management project shall be deposited into the antenna  
8 site management revolving fund created for this purpose in the  
9 department of information technology. The department may receive and  
10 expend funds from the fund for costs associated with the antenna site  
11 management project, including the cost of the third-party site manager.  
12 Any excess revenue remaining in the fund at the close of the fiscal  
13 year shall be proportionately transferred to the appropriate state  
14 restricted funds as designated in statute or by constitution.

15           (2) An antenna shall not be sited pursuant to this section  
16 without prior compliance with the respective local zoning codes and  
17 local unit of government processes.

18           Sec. 1302. (1) A site preparation economic development fund is  
19 hereby created in the department of management and budget. As used in  
20 this section, "economic development sites" means those state-owned  
21 sites declared as surplus property pursuant to section 251 of the  
22 management and budget act, 1984 PA 431, MCL 18.1251, that would provide  
23 economic benefit to the area or to the state. The Michigan economic  
24 development corporation board and the state budget director shall  
25 determine whether or not a specific state-owned site qualifies for  
26 inclusion in the fund created under this subsection.

27           (2) Proceeds from the sale of any sites designated in subsection

1 (1) shall be deposited into the fund created in subsection (1) and  
2 shall be available for site preparation expenditures, unless otherwise  
3 provided by law. The economic development sites authorized in  
4 subsection (1) are hereby authorized for sale consistent with state  
5 law. Expenditures from the fund are hereby authorized for site  
6 preparation activities that enhance the marketable sale value of the  
7 sites. Site preparation activities include, but are not limited to,  
8 demolition, environmental studies and abatement, utility enhancement,  
9 and site excavation.

10 (3) A cash advance in an amount of not more than \$25,000,000.00  
11 is hereby authorized from the general fund to the site preparation  
12 economic development fund.

13 (4) An annual report shall be transmitted to the senate and house  
14 of representatives appropriations committees not later than December 31  
15 of each year. This report shall detail both of the following:

16 (a) The revenue and expenditure activity in the fund for the  
17 preceding fiscal year.

18 (b) The sites identified as economic development sites under  
19 subsection (1).