



**Article II - Public Act 268 of 2016
(H.B. 5294)
Capital Outlay Appropriation**

CONTENT

Article II of enrolled House Bill 5294 includes an FY 2015-16 Capital Outlay supplemental appropriation for 16 new capital outlay planning authorizations and one construction authorization. The planning authorizations include projects at eight universities, six community colleges, and two State agency projects. The two State agency projects consist of the Department of Natural Resources coolwater rearing hatchery improvements at the Little Manistee River Weir and Thompson; and the Department of Health and Human Services Caro Center modernization project.

Planning and construction authorizations, (with the exception of the Caro Center modernization project) are appropriated at \$100. The actual State cost is funded through the State Building Authority (SBA). Appropriations to finance the debt cost are appropriated in the Department of Technology, Management, and Budget (DTMB) as SBA rent payments. Table 1 provides a summary of capital outlay authorizations contained in enrolled HB 5294, including the total estimated cost for each project, the State share, and the institution share. There is no estimated total project cost for the Caro Center modernization project. That cost will be determined after the planning process evaluates possible alternatives. A \$500,000 appropriation is included for the Caro Center planning costs.

The conference report also includes a construction authorization for the Ferris State University Swan Building Annex Renovation project. That project received planning authorization in Public Act 241 of 2015. The total cost of the Ferris project is \$30.0 million, with a State share of \$22.5 million and university share of \$7.5 million. Boilerplate (Sec. 301) provides authorization for the mechanism that funds the State share of project costs through the SBA pursuant to the requirements of 1964 PA 183, MCL 830.411 to 830.425.

The Governor's FY 2016-17 budget recommendations, as presented on February 10, 2016, included capital outlay planning authorizations developed based on criteria contained in Section 242 of Public Act 431 of 1984 (see Appendix). Along with the FY 2016-17 project recommendations, the Governor submitted a letter stating his continued support for planning authorizations included in his FY 2015-16 budget that had not been acted upon by the Legislature. Table 2 provides a listing of institution capital outlay requests, projects recommended for funding by the Governor (recommendations for FY 2015-16 and FY 2016-17), and the projects that were included in enrolled HB 5294. The Legislature appropriated all of the Capital Outlay projects in HB 5294 as FY 2015-16 supplemental appropriations.

FISCAL IMPACT

Planning costs for university and community college projects are initially borne entirely by the institution. Planning authorizations are not a commitment on the part of the Legislature to appropriate funds for the completion of any project. The State eventually pays a share of these planning costs only if the project is subsequently approved for construction. After planning documents are reviewed and approved by DTMB, the Joint Capital Outlay Subcommittee (JCOS)

and the Legislature may authorize a project for final design and construction with a line-item appropriation in an appropriation bill. If all of the planning authorizations contained HB 5294 eventually receive construction authorizations, the total cost of the projects would be \$491.7 million, with a State share of \$232.7 million (Table 1). Annual SBA rent payments (debt service) would total between \$16.3 million and \$20.9 million until the bonds are retired (approximately 17 years). This cost estimate does not include an estimate for the DHHS Caro modernization project.

The construction authorization for the Ferris State University Swan Building project will result in a State cost of \$22.5 million. Annual State Building Authority (SBA) rent payments (debt service) for that project will total between \$1.6 million and \$2.0 million until the bonds are retired (approximately 17 years).

PROJECT DESCRIPTIONS

Table 3 includes a brief description of each project that received a planning authorization in enrolled HB 5294 along with the total cost, State share, and institution cost. Community college projects are based on a 50/50 State/college match. University projects are based on a 75/25 State/university match, however, the State contribution is capped at \$30.0 million. In some instances, institutions voluntarily fund a larger share than required (Grand Valley and Muskegon). State agency projects are funded entirely by the State.

Table 1: House Bill 5294 - Article II Capital Outlay

	Total Cost	State Share	Institution Share	HB 5294 Appropriation
<u>Planning Authorizations</u>				
Central - Center for Integrated Health Studies	\$26,000,000	\$19,500,000	\$6,500,000	\$100
Eastern - Strong Hall Renovation	39,536,000	29,652,000	9,884,000	100
Grand Valley - Health & Medical Sciences Laboratory & Classroom Building	70,000,000	29,000,000	41,000,000	100
Lake Superior - Center for Freshwater Research and Education	11,800,000	8,850,000	2,950,000	100
U of M - Ann Arbor - School of Dentistry Renovation and Addition	122,000,000	30,000,000	92,000,000	100
U of M - Dearborn - Engineering Laboratory Building Replacement	90,000,000	30,000,000	60,000,000	100
U of M Flint - Murchie Science Building Addition	39,000,000	29,250,000	9,750,000	100
Western - College of Aviation Renovation & Addition	<u>20,000,000</u>	<u>15,000,000</u>	<u>5,000,000</u>	<u>100</u>
Subtotal - Universities:	\$418,336,000	\$191,252,000	\$227,084,000	\$800
Delta - Saginaw Center	\$12,739,000	\$6,369,500	\$6,369,500	\$100
Kellogg - Regional Manufacturing Technology Center Renovation & Addition	4,300,000	2,150,000	2,150,000	100
Monroe - Renovation of East & West Technology Buildings	7,500,000	3,750,000	3,750,000	100
Muskegon - Health and Wellness Center	14,100,000	5,640,000	8,460,000	100
Northwestern - West Hall Innovation Center Renovation & Expansion	14,499,400	7,249,700	7,249,700	100
Southwestern - Nursing & Health Education Building Renovation & Expansion	<u>8,000,000</u>	<u>4,000,000</u>	<u>4,000,000</u>	<u>100</u>
Subtotal - Community Colleges:	\$61,138,400	\$29,159,200	\$31,979,200	\$600
DNR- Coolwater Rearing Hatchery Improvements	\$12,242,500	\$12,242,500	\$0	\$100
DHHS - Caro Center Modernization	<u>N/A</u>	<u>N/A</u>	<u>0</u>	<u>500,000</u>
Subtotal - State Agencies:	\$12,242,500	\$12,242,500	\$0	500,100
Total SBA Planning Projects:	\$491,716,900	\$232,653,700	\$259,063,200	\$501,500
<u>Construction Authorizations</u>				
Ferris State University - Swan Building Annex Renovation	\$30,000,000	\$22,500,000	\$7,500,000	\$100
HB 5294 - Total Planning and Construction Authorizations:	\$521,716,900	\$255,153,700	\$266,563,200	\$501,600

NOTES

Match variations: Grand Valley and Muskegon are funding more than the standard match requirement, thereby reducing the State Share. Monroe Community College reduced the total estimated cost of their request from \$12.0 million to \$7.5 million on April 27, 2016. The cost for the Caro Center project has not been determined. The budget includes \$500,000 for Caro Center planning costs.

Table 2: Capital Outlay Planning Authorization Requests, Governor's Recommendation, and Conference Report

PROJECT	Institution Request			Governor		Conference	
	Total Cost	State Share	Institution Share	Total Cost	State Share	Total Cost	State Share
Central - Center for Integrated Health Studies	\$26,000,000	\$19,500,000	\$6,500,000			\$26,000,000	\$19,500,000
Eastern - Strong Hall Renovation	39,536,000	29,652,000	9,884,000	39,536,000	29,652,000	39,536,000	29,652,000
Grand Valley - Health & Medical Sciences Laboratory & Classroom Building	70,000,000	29,000,000	41,000,000			70,000,000	29,000,000
Lake Superior - Center for Freshwater Research and Education	11,800,000	8,850,000	2,950,000	11,800,000	8,850,000	11,800,000	8,850,000
Michigan State - STEM Teaching & Learning Facility	70,000,000	30,000,000	40,000,000				
Michigan Tech - Health Sciences and Medical Engineering Building	52,000,000	30,000,000	22,000,000				
Northern - Learning Resources Center Renovation	40,000,000	30,000,000	10,000,000				
Oakland - Varner Hall Expansion	111,300,000	30,000,000	81,300,000				
Saginaw Valley - College of Business & Management Expansion	17,500,000	9,800,000	7,700,000	17,500,000	9,800,000		
U of M - Ann Arbor - School of Dentistry Renovation and Addition	122,000,000	30,000,000	92,000,000	122,000,000	30,000,000	122,000,000	30,000,000
U of M - Dearborn - Engineering Laboratory Building Replacement	90,000,000	30,000,000	60,000,000	90,000,000	30,000,000	90,000,000	30,000,000
U of M Flint - Murchie Science Building Addition	39,000,000	29,250,000	9,750,000	39,000,000	29,250,000	39,000,000	29,250,000
Wayne State - STEM Innovation Learning Center	29,500,000	14,750,000	14,750,000	29,500,000	14,750,000		
Western - College of Aviation Renovation & Addition	<u>20,000,000</u>	<u>15,000,000</u>	<u>5,000,000</u>			<u>20,000,000</u>	<u>15,000,000</u>
SUBTOTAL - UNIVERSITIES	\$738,636,000	\$335,802,000	\$402,834,000	\$349,336,000	\$152,302,000	\$418,336,000	\$191,252,000
Alpena - Center for Health & Student Success	\$6,700,000	\$3,350,000	\$3,350,000				
Bay de Noc - Outdoor Learning Environment & Sustainability Center	929,600	464,800	464,800				
Delta - Saginaw Center	12,739,000	6,369,500	6,369,500	12,739,000	6,369,500	12,739,000	6,369,500
Glen Oaks - Library Repairs, Renovation & Upgrades	2,500,000	1,250,000	1,250,000				
Gogebic - Lindquist Center Exterior Cladding	1,100,000	1,100,000	0				
Grand Rapids - Exercise Science Facility Renovation	8,500,000	4,250,000	4,250,000				
Henry Ford - Center for Innovative Manufacturing Education	33,000,000	16,500,000	16,500,000				
Kalamazoo Valley - Healthy Living Campus - State Share Increase	0	6,000,000	(6,000,000)				
Kellogg - Regional Manufacturing Technology Center Renovation & Addition	4,300,000	2,150,000	2,150,000	4,300,000	2,150,000	4,300,000	2,150,000
Lansing - 505 N. Capitol Avenue Building Renovation	6,000,000	3,000,000	3,000,000				
Macomb - South Campus - Turner Advanced Technology Center	20,699,500	10,349,750	10,349,750				
Mid Michigan - Library Learning Services & Career/Technical Education	12,658,400	6,329,200	6,329,200				
Monroe - Renovation of East & West Technology Buildings	7,500,000	3,750,000	3,750,000			7,500,000	3,750,000
Mott - Southern Lakes Branch Center: Rehabilitation/Renovation	4,045,600	2,022,800	2,022,800	4,045,600	2,022,800		
Muskegon - Health and Wellness Center	14,100,000	5,640,000	8,460,000			14,100,000	5,640,000
North Central - Administration Classroom Building Renovation & Addition	6,500,000	3,250,000	3,250,000				
Northwestern - West Hall Innovation Center Renovation & Expansion	14,499,400	7,249,700	7,249,700	14,499,400	7,249,700	14,499,400	7,249,700
Schoolcraft - Applied Sciences Renovation & Expansion	10,150,000	5,075,000	5,075,000				
Southwestern - Nursing & Health Education Building Renovation & Expansion	8,000,000	4,000,000	4,000,000			8,000,000	4,000,000
Washtenaw - Center for Advanced Transportation Addition/Renovation	12,500,000	6,250,000	6,250,000				
Wayne - Eastern Campus Repurposing & Upgrading	<u>18,000,000</u>	<u>9,000,000</u>	<u>9,000,000</u>	<u>18,000,000</u>	<u>9,000,000</u>		
SUBTOTAL - COMMUNITY COLLEGES	\$204,421,500	\$107,350,750	\$97,070,750	\$53,584,000	\$26,792,000	\$61,138,400	\$29,159,200
DNR - Coolwater Rearing Hatchery Improvements	\$12,242,500	\$12,242,500	\$0	\$12,242,500	\$12,242,500	\$12,242,500	\$12,242,500
DHHS - Caro Center Modernization	N/A	N/A	0			N/A	N/A
DTMB - Jackson State Office Building Renovation	<u>9,450,000</u>	<u>9,450,000</u>	<u>0</u>	<u>9,450,000</u>	<u>9,450,000</u>		
SUBTOTAL - STATE AGENCIES	\$21,692,500	\$21,692,500	\$0	\$21,692,500	\$21,692,500	\$12,242,500	\$12,242,500
TOTAL SBA PLANNING PROJECTS	\$964,750,000	\$464,845,250	\$499,904,750	\$424,612,500	\$200,786,500	\$491,716,900	\$232,653,700

NOTES

Match variations: GVSU, SVSU, WSU, and Muskegon Community College would fund more than the standard match requirement, thereby reducing the State Share. KVCC is seeking a \$6.0 million increase in the State share of Healthy Living Campus project. Total cost would remain \$25.6 million and the State share would increase from \$6.0 million to \$12.0 million. Monroe reduced the total estimated cost of their request from \$12.0 million to \$7.5 million on April 27, 2016. Caro Center Modernization project added by Administration during target discussions. HB 5294 includes \$500,000 for planning costs. No total project cost estimate is available.

Table 3: HB 5294 Planning Authorizations

Project	Total Cost	State Share	Institution Share
Universities:			
<p>Central Michigan University: Center for Integrated Health Studies. The project consists of a 62,000-square-foot new structure. Central states that the facility would allow the university to address its needs for classroom and laboratory space, enabling CMU to train more health professionals (physician assistants, physical therapists, audiologists, etc.) as well as bring in students from the College of Business with logistics, information technology and economics majors to better connect these related professions to health care professions and patient care. The building would include mediated classrooms, dry laboratory space, at least one lecture hall, and designated student collaboration space. The DTMB ranked the project Number 7 among FY 2016-17 university capital outlay priority project requests. (FY 2015-16 DTMB Ranking: Number 5.)</p>	\$26,000,000	\$19,500,000	\$6,500,000
<p>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 update fire suppression systems). The 80,713-square-foot proposed renovation project also would provide additional instructional and research laboratories for Physics and Astronomy, Geography and Geology, Global Mapping/GIS, and Geo-tourism. The DTMB ranked the project Number 4 among FY 2016-17 university capital outlay priority project requests. (FY 2015-16 DTMB Ranking: Number 4, then submitted as an 87,500 sq. ft. project with a cost of \$47.0 million.)</p>	39,536,000	29,652,000	9,884,000
<p>Grand Valley State University: Health Medical Sciences Laboratory and Classroom Building. The project would provide for the construction of a new 160,000-square-foot laboratory, classroom and faculty office building on the Pew Grand Rapids campus, on university property adjacent to the GVSU Cook-DeVos Center for Health Sciences on Michigan Street NE. (This area is the city's "Medical Mile" and hosts numerous hospital, medical, and research activities, including Spectrum Health.) The facility would address capacity issues and provide space for the health sciences, nursing, medical engineering, and computer-based analysis</p>	70,000,000	29,000,000	41,000,000

Table 3: HB 5294 Planning Authorizations

Project	Total Cost	State Share	Institution Share
<p>programs. The DTMB ranked the project Number 6 among FY 2016-17 university capital outlay priority project requests. (FY 2015-16 DTMB Ranking: Number 8, when the request was for a 95,000-square-foot \$50.0 million project.)</p>			
<p>Lake Superior: Center for Freshwater Research and Education (CFRE). The renovation and expansion would provide 16,000 sq. ft. compared to the current location (3,500 sq. ft.). The CFRE Building would have three floors that would be renovated in one phase at a cost of \$11.8 million. The building would include a visitor center, classroom space for K-12 groups, modern research space, a fish health laboratory, additional hatchery space, office space for visiting scientists, space to expand community outreach programs, ADA compliance, and high-speed data capabilities. (The project was ranked Number 1 among FY 2015-16 university requests by the DTMB, at that time a \$10.5 million project, and included in the Governor's FY 2015-16 budget recommendation and therefore was not scored in FY 2016-17.)</p>	11,800,000	8,850,000	2,950,000
<p>University of Michigan-Ann Arbor: School of Dentistry Renovation & Addition. The project includes the renovation of 120,000-gross-square-foot (30% of existing space) in the Dental Building and W.K. Kellogg Foundation Institute, and a 31,000-gross-square-foot addition to ameliorate crowded and outdated lab space, provide adaptable and flexible space for research, create a special needs clinic, and provide appropriate space for clinical education, while expanding the statewide patient care services (182,000 patient appointments in FY 2014-15). (The project was ranked Number 3 among FY 2015-16 university requests by the DTMB and recommended by the Governor in FY 2015-16. Therefore, the project was not scored again in the FY 2016-17 round.)</p>	122,000,000	30,000,000	92,000,000
<p>University of Michigan-Dearborn: Engineering Laboratory Building Replacement. The project would replace the existing 92,125-sq.-ft. building that was constructed in 1959 with a new 108,000-sq.-ft. facility. The current 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 would allow for</p>	90,000,000	30,000,000	60,000,000

Table 3: HB 5294 Planning Authorizations

Project	Total Cost	State Share	Institution Share
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 2 among FY 2015-16 university requests by the DTMB and recommended by the Governor in FY 2015-16. Therefore, the project was not scored again in the FY 2016-17 round.)			
University of Michigan-Flint: Murchie Science Building Addition. The project includes an 80,000-sq.-ft. addition to the Murchie Science Building. The additions will include innovative learning spaces, flexible spaces specifically designed to support interactive learning, facilitate interdisciplinary collaboration, meet evolving needs, and free up needed space to support laboratory preparation staff and supplies. The building expansion would address growth patterns that have occurred in physics/engineering, biology, earth and resource sciences, mathematics, computer science/information systems, and chemistry programs. The DTMB ranked the project Number 1 among FY 2016-17 university capital outlay priority project requests.	39,000,000	29,250,000	9,750,000
Western: College of Aviation Renovation and Addition. The \$20.0 million project (16,000-sq.-ft. renovation, 51,000-sq.-ft. new construction) 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 DTMB ranked the project Number 8 among FY 2016-17 university capital outlay priority project requests. (FY 2015-16 DTMB Ranking: Number 9.)	20,000,000	15,000,000	5,000,000
Subtotal - Universities:	\$418,336,000	\$191,252,000	\$227,084,000
Community Colleges:			
Delta: Saginaw Center Project. The \$12.7 million/35,000-sq.-ft. proposed new construction project would support the delivery of educational programs to the City of Saginaw and southeastern Saginaw	12,739,000	6,369,500	6,369,500

Table 3: HB 5294 Planning Authorizations

Project	Total Cost	State Share	Institution Share
<p>County. Delta currently leases a 21,500-sq.-ft. 1950s era elementary school in the Buena Vista area. The proposed new facility would be designed to be flexible to teach general education, skilled trades, health care, and classes offering an entry point to career options. It would include high-level technology, special use training rooms, eight to 10 classrooms, and basic science and computer labs. It also would provide multipurpose rooms/labs, student services and administrative support spaces. (The project was ranked Number 1 among community college requests in FY 2015-16 by the DTMB, included in the Governor's FY 2015-16 budget recommendation, and therefore not scored in the FY 2016-17 round.)</p>			
<p>Kellogg: Regional Manufacturing Technology Center (RMTC) Renovation and Addition. The 48,790-sq.-ft. renovation/addition project would update the plumbing, mechanical and electrical systems, address deficiencies in the facility's envelope and security, and expand student classroom and training lab areas. The 8,400-sq.-ft. addition would provide classroom space for the Workforce Solutions/Customized Training Department. The project also would address lifecycle issues with building finishes (e.g., flooring and wall coverings). The project was ranked Number 1 among FY 2016-17 community college capital outlay priority requests by the DTMB. (FY 2015-16 DTMB Ranking: Number 7.)</p>	4,300,000	2,150,000	2,150,000
<p>Monroe: Renovation of East & West Technology Buildings. The 60,000-sq.-ft. 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 would include relocation of the Learning Assistance Lab, Writing Center, and Math Lab to an accessible and visible location, renovation of space to accommodate the Information Assurance and Security Program, renovation of space to support the expansion of the Viticulture and Enology Program, renovation of two existing computer labs that are used for multiple programs, renovation of six traditional classrooms and creation of a lecture hall, and the addition of student collaborative work</p>	7,500,000	3,750,000	3,750,000

Table 3: HB 5294 Planning Authorizations

Project	Total Cost	State Share	Institution Share
spaces and commons area. The project was ranked Number 14 among FY 2016-17 community college capital outlay priority requests by the DTMB. (FY 2015-16 DTMB Ranking: Number 16.)			
Muskegon: Health and Wellness Center. The \$14.1 million sq. ft. project includes the construction of a 60,000 sq. ft. facility and the renovation of approximately 17,000 square feet of an existing facility. The science laboratory addition and renovation would replace outdated facilities and equipment for students in several academic programs including the allied health program, nursing programs, recreation programs, and criminal justice. The college is pledging to fund 60.0% of the project cost instead of the normal 50/50 State/college match. The project was ranked Number 14 among FY 2016-17 community college capital outlay priority requests by the DTMB, tied with Monroe. (FY 2015-16 DTMB Ranking: Number 15, as a then \$9.5 million project.)	14,100,000	5,640,000	8,460,000
Northwestern: West Hall Innovation Center Renovation and Expansion. The project includes renovation of 20,000-sq. ft. of the current West Hall building on campus and an expansion of 18,000-sq.-ft. to provide space for learning and collaboration. The project will create 13 additional learning spaces in a variety of configuration levels for adaptive learning spaces designed to promote interactive learning experiences; simulation-based experiential learning; and dynamic teaching. The project was ranked Number 3 among FY 2016-17 community college capital outlay priority requests by the DTMB. (FY 2015-16 DTMB Ranking: Number 14, at that time proposed as a \$20.0 million project.)	14,499,400	7,249,700	7,249,700
Southwestern: Nursing and Health Education Building Renovation and Expansion. The 22,000-sq.-ft. project (12,000-sq.-ft. renovation; 10,000-sq.-ft. addition) includes replacement of exterior cladding, windows, and roofing. Other improvements will include energy efficiency upgrades, reallocation of interior spaces, handicap accessible restrooms, interior finishes, mechanical, plumbing, and electrical systems, and site improvements. The project includes new instructional equipment for nursing and related health fields, new state-of-the-art simulation labs	8,000,000	4,000,000	4,000,000

Table 3: HB 5294 Planning Authorizations

Project	Total Cost	State Share	Institution Share
and other instructional spaces. The DTMB ranked the project Number 6 among FY 2016-17 community college capital outlay priority requests.			
Subtotal Community Colleges	\$61,138,400	\$29,159,200	\$31,979,200
State Agencies:			
DNR- Coolwater Rearing Hatchery Improvements. The proposed project would address needs at Thompson State Fish Hatchery and Little Manistee Weir. It includes the construction of a 2,000 sq. ft. fully-outfitted coolwater fish production facility at Thompson State Fish Hatchery as well as new rearing ponds to improve and consolidate walleye fingerling production. Completion of this project would result in an increase of 250,000 walleye spring fingerlings, the ability to produce millions of additional walleye fry, and increases in the production of other coolwater species (e.g. increasing fall fingerling muskellunge production by 15,000). A series of improvements would also be made at the Thompson hatchery to upgrade critical life support systems (e.g. replacing failing automated fish feeders, upgrading water supplies, improving water heating capabilities). The project also includes large-scale maintenance needs that would be addressed at the Little Manistee River Weir (e.g. replacing the backup generator, replacing concrete holding ponds, renovating the spawn building). These actions are projected to collectively sustain and increase steelhead production by 150,000, bringing production closer to demand.	\$12,242,500	\$12,242,500	0
DHHS - Caro Center Modernization. The Caro Center is a State operated psychiatric hospital that is budgeted for a population of approximately 145 patients. The Caro Center consists of 37 buildings with a total square footage of 503,537 square feet. Buildings range in age from the early 1900's through the 1950's. Some residential buildings were remodeled in the 1970's. No major remodeling has occurred since 1979. Several buildings require maintenance on an ongoing basis. All buildings are in need of exterior improvements to facilitate a safe environment for patients, staff and visitors. Some buildings need roofing replacements, central air conditioning and improved space utilization. The DHHS five-year capital outlay plan included special	N/A	N/A	0

Table 3: HB 5294 Planning Authorizations

Project	Total Cost	State Share	Institution Share
maintenance projects to maintain the facility consistent with industry standards and national patient safety goals, along with the demolition of 14 buildings. During the course of FY 2016-17 target negotiations, the Administration requested \$500,000 in planning funds to do a more in-depth review of alternatives for the Caro Center.			
Subtotal State Agency Projects	\$12,242,500	\$12,242,500	0
Total Capital Outlay Planning Authorizations:	\$491,716,900	\$232,653,700	\$259,063,200

APPENDIX

THE MANAGEMENT AND BUDGET ACT (EXCERPT)

Act 431 of 1984

18.1242 Development of 5-year capital outlay plans; review; priorities; program statements and schematic planning documents; authorization of project for final design and construction; submission of bid results summary to JCOS; oversight; appropriation not considered as commitment.

Sec. 242. (1) State agencies, community colleges, and universities shall develop 5-year capital outlay plans, which shall identify capital outlay needs, including new construction, or the addition, renovation, adaptive reuse, and improvement of existing facilities. For state agencies, community colleges, and universities, the 5-year capital outlay plans shall also include the need for special maintenance. These plans shall be submitted in electronic format to the department, to members of the JCOS, and to the fiscal agencies not later than November 1 of each year.

(2) The department and the JCOS shall review state agency, community college, and university capital outlay plans. The department and the JCOS shall prioritize requests. The department shall include the department-recommended requests in the executive budget recommendation. If a state agency, community college, or university subsequently modifies a request, the revision shall be submitted to the department, members of the JCOS, and the fiscal agencies.

(3) The department and the chairperson and vice-chairperson of the JCOS shall review and evaluate by March 1 of each year capital outlay project requests received from community colleges, universities, and state agencies. All of the following shall be considered when reviewing and evaluating project requests:

- (a) Investment in existing facilities and infrastructure.
- (b) Life and safety deficiencies.
- (c) Occupancy and utilization of existing facilities.
- (d) Integration of sustainable design to enhance the efficiency and operations of the facility.
- (e) Estimated cost.
- (f) Institutional support.
- (g) Estimated operating costs.
- (h) Impact on tuition, if any.
- (i) Impact on job creation in this state.
- (j) History of prior appropriations received by the institution through the capital outlay process.

(4) The request for program development and schematic planning must be approved by the JCOS and the legislature through the appropriation process.

(5) Program statements and schematic planning documents shall be reviewed by the department and, when the review is completed, shall be submitted to the JCOS as either approved or not approved.

(6) Upon review and approval by the JCOS, the JCOS and the legislature may authorize the project for final design and construction with a line-item appropriation in an appropriation bill. The appropriations bill shall include appropriations for projected state building authority rental payments associated with the projects that are authorized for construction. The authorization shall include the legislative lease approval required for state building authority financing.

(7) Preliminary plans shall be submitted to the department for review and approval. The department shall review and approve final plans to be prepared for bidding. A summary of bid results shall be submitted to the JCOS.

(8) The department shall provide for review and oversight of capital outlay projects financed either in total or in part by the state building authority pursuant to the provisions of sections 237 and 237a.

(9) Appropriations made for studies and initial plans shall not be considered a commitment on the part of the legislature to appropriate funds for the completion of plans or construction of any project based on the studies or planning documents.

History: 1984, Act 431, Eff. Mar. 29, 1985;³/₄Am. 1999, Act 8, Imd. Eff. Mar. 22, 1999;³/₄Am. 2012, Act 430, Imd. Eff. Dec. 21, 2012.