

## **2009-2010 JCOS Rules and Policies**

(As adopted March 5, 2009)

1. **MEMBERS.** The Joint Capital Outlay Subcommittee shall consist of twenty members, including ten members from the Senate and ten members from the House of Representatives.
2. **CHAIRS.** The Joint Capital Outlay Subcommittee Chairperson shall be determined by the chamber in which the Chairperson resides and alternate between chambers every two calendar years beginning on January 1 of the operative year. For calendar years 2009 and 2010, the Chairperson shall reside in the Senate. Beginning January 1, 2011, the Chairperson shall reside in the House of Representatives. The Vice-Chairperson of the subcommittee shall be a member of the chamber in which the Chairperson of the subcommittee is not a member.
3. **MEETINGS.**
  - a. The committee shall meet upon the call of the chairperson.
  - b. All meetings shall be open to the public and posted at least 18 hours before the meeting. All deliberations and decisions of the subcommittee shall be made at a meeting or public hearing open to the public.
  - c. Agendas shall be determined by the JCOS Chairperson.
  - d. Meeting notices shall be distributed pursuant to statute, and senate and house rules and procedures.
  - e. Reasonable time limits for verbal testimony on agenda items will be set at the discretion of the chairperson.
4. **RULES.** Matters of procedure not addressed in these rules are to be governed by the standing rules of both houses and, in matters not addressed in the standing rules, by the rules of legislative procedure in the most recent edition of Mason's Manual of Legislative Procedure. If there is a conflict between the House and Senate standing rules, the standing rules of the house that the current chair is a member of shall govern.
5. **QUORUM.** In order for the Joint Capital Outlay Subcommittee to take action on an agenda item, a quorum consisting of at least eleven members is required. The quorum must include at least five members of the Senate and five members of the House.
6. **MINUTES.** Minutes shall be kept of all subcommittee action and shall be presented to the subcommittee at the next scheduled meeting, at which time corrections to the minutes may be made. Unless there is an objection, minutes may be approved by a voice vote.
7. **APPROVAL OF AGENDA ITEMS.** Approval of an agenda item requires a favorable vote of a majority of the subcommittee. Proxy votes are not acceptable.
8. **REQUIREMENTS FOR A USE AND FINANCING STATEMENT FOR STATE SUPPORTED UNIVERSITIES AND COMMUNITY COLLEGES.** All non-State funded projects, including utility systems, costing in excess of the limitations stated in the annual appropriations acts

must be approved by the Joint Capital Outlay Subcommittee. A use statement describing the project must be submitted so that the subcommittee has a complete understanding of what is being proposed prior to an informational hearing. For the purposes of this policy, individual projects costing less than these established limitations, but are collectively designed to satisfy a single objective costing in excess of these limitations, require a use and finance statement approval.

### USE STATEMENT

The use statement should contain a brief description of the purpose, need, and justification for a non-State funded project. Specific information to be developed should include, but not be limited, to the following:

1. List the activities and functional spaces accommodated in the project with the approximate square foot area for each appropriate similar group or individual category.
2. When applicable, describe how the activities are being accommodated at the present time, and explain the proposed disposition of any existing facilities.
3. Explain the proposed extent of use by students, faculty or the community.
  - a. If partial instructional use is planned, estimate the percentage and furnish complete scheduling information.
  - b. If the project will be used by the general public, will it compete with other private or community facilities? If so, what is the anticipated effect?
4. Furnish an 8 1/2" x 11" campus map indicating the location of the project and describe its relationship to the long range development plan.
5. When available for new projects only, include an 8 1/2" x 11" copy of schematic floor and site plans.

### FINANCING STATEMENT

The financing statement should include the following specific information:

1. Capital Investment Program - (describe in detail)
  - a. State the gross estimated capital improvement or project costs including a breakdown of land, site development and demolition, construction cost, furnishings, equipment, fees, and any other special costs (specify).
  - b. How was the land acquired? If purchased, what is the cost and the source of funds?
  - c. Specify the source of funds for the capital costs; i.e., borrowed funds, institutional sources, gift, grant, federal funds, partial State appropriation, or any combination.
  - d. If bonding or other debt service is incurred, state the source of the funds and the proposed retirement schedule. (Refer to 3. Student Fees)
  
2. Operating Financing Program - (describe in detail on an annual or fiscal year basis)

- a. Furnish a realistic itemized estimate of all gross revenues by major fund source and expenses expected to be generated and incurred on an annual basis.
  - b. Include the basis for an estimate of revenues from each user activity that will be returned to the general fund to defray operating costs.
  - c. Explain how you intend to dispose of funds generated by self-supporting activities in excess of expenditures for the project.
  - d. Identify total cubic footage, gross square feet and specify the total volume of those portions of the project that will be used for self-supporting or revenue producing activities, compared to those portions used for institutional or instructional programs.
3. Student Fees
- a. If a student fee is assessed, what is its purpose and extent i.e., does it cover both capital and operating costs?
  - b. Is it a dedicated portion of a student fee?
  - c. If it is a specific student fee, estimate the amount per student, the FYES or headcount assumption and the gross fee allocation.
  - d. Will the student fee be eliminated when the capital debt is retired? How long do you estimate the fee will be collected to meet bonding or other debt obligations? If the student fee is not eliminated, what will the revenue be dedicated for after debt retirement?

#### GENERAL INSTRUCTIONS

Major changes in a submittal and the distribution of all statements should be as follows:

1. Existing Facilities

If a major change in the project use or financing method occurs in a project previously approved by the Joint Capital Outlay Subcommittee, an updated use and financing plan must subsequently be forwarded to the Joint Capital Outlay Subcommittee.

2. Distributions

- a. All members of the Joint Capital Outlay Subcommittee (direct the covering letter to the Chairman).
- b. Retain a record file copy at the college for examination by the Auditor General's staff.
- c. Circulate two copies to:
  - House Fiscal Agency
  - Senate Fiscal Agency
  - Department of Management and Budget, Office of the Budget

#### COMPLIANCE

All audits of the Legislative Auditor General shall include a statement as to the compliance with this policy.

JOINT CAPITAL OUTLAY SUBCOMMITTEE  
PROJECT DATA SHEET  
USE AND FINANCE STATEMENT

Date: \_\_\_\_\_

Agency/Institution:  
\_\_\_\_\_

Project Title: \_\_\_\_\_

New Project: Y or N (If revised, Date \_\_\_\_\_ of original Subcommittee approval)

Contact Person/Phone Number:  
\_\_\_\_\_

Professional Consultant(s)/Phone Number:  
\_\_\_\_\_

General Project Description (use as much space as needed):  
  
\_\_\_\_\_  
  
\_\_\_\_\_

**Estimated Cost of:**

1. The structure (general, mechanical, electrical, fixed equipment)..... \$ \_\_\_\_\_

2. Architectural/Engineering fees, surveys, site investigations, etc..... \$ \_\_\_\_\_

3. Services from five feet outside of the structure (sewers, utilities, water supply, etc.) ..... \$ \_\_\_\_\_

4. Site improvements (roads, walks, grading, etc.) ..... \$ \_\_\_\_\_

5. Telecommunications..... \$ \_\_\_\_\_

6. Furnishings (furniture, movable equipment, etc.; not considered a part of the structure nor requiring fixed mechanical and/or electrical services)..... \$ \_\_\_\_\_

7. Other (i.e., *asbestos abatement*)..... \$ \_\_\_\_\_

8. Design, construction, and bidding contingencies (%\_\_\_\_)..... \$ \_\_\_\_\_

9. Total estimated project cost..... \$ \_\_\_\_\_

**Total project cost per gross sq. ft. (1 thru 8 = 9 ÷ gross sq. ft.) \$ \_\_\_\_\_/gross sq. ft.**

Total gross square feet \_\_\_\_\_

Total net square feet \_\_\_\_\_

**Source(s) of Financing:**

University/College Funds (please specify)

\_\_\_\_\_ \$ \_\_\_\_\_ % \_\_\_\_\_

State of Michigan Funds (please specify)

\_\_\_\_\_ \$ \_\_\_\_\_ % \_\_\_\_\_

Federal Funds (please specify)

\_\_\_\_\_ \$ \_\_\_\_\_ % \_\_\_\_\_

Private Funds (please specify)

\_\_\_\_\_ \$ \_\_\_\_\_ % \_\_\_\_\_

Student Fees/Tuition (please indicate if the source is new or existing)

\_\_\_\_\_ \$ \_\_\_\_\_ % \_\_\_\_\_

Other Funds (please specify)

\_\_\_\_\_ \$ \_\_\_\_\_ % \_\_\_\_\_

**TOTAL** \$ \_\_\_\_\_

Estimated Annual Operating Costs:

Year 1 \$ \_\_\_\_\_

Annually thereafter \$ \_\_\_\_\_

Operating Source(s) of Financing (please specify)

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Impact of project financing on tuition (construction, site development, and operations)

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Furnish an 8 1/2" x 11" campus map indicating the location of the project and describe its relationship to the long range development plan.

Estimated Completion Date: Month: \_\_\_\_\_ Year: \_\_\_\_\_

NOTE: This form must be submitted to the State for all Use and Finance Statement projects pursuant to annual appropriation act requirements.

**9. LEASE FOR PRIVATE PROPERTY**

The following form shall be submitted to the Joint Capital Outlay Subcommittee (JCOS) at least two weeks prior to a lease being included on a JCOS agenda for review and approval pursuant to Section 221 (3) of PA 431 of 1984.

<b>DMB Letter Date:</b>	
<b>Lease Number:</b>	
<b>Department:</b>	
<b>Location:</b>	
<b>Lessor:</b>	
<b>Square Footage/Use:</b>	
<b>Lease Costs:</b> Annual Monthly Per Sq. Ft. Increases	
<b>Renovation Costs:</b>	
<b>Utilities:</b>	
<b>Management Fee:</b>	
<b>Taxes:</b>	
<b>Operating Costs:</b>	
<b>Lease Terms:</b>	
<b>Option to Purchase:</b>	(If option to purchase is included, provide rationale for not funding construction through the State Building Authority.)
<b>Existing Space:</b>	(Include years in existing location, cost, terms of the lease, and disadvantages related to continuing in current location.)
<b>Bid Process:</b>	(Include overview including dates, number of proposals submitted, cost range of proposals, comparable market rates, and an explanation if lowest bid was not accepted.)
<b>Other Issues:</b>	

**Cost Comparison**

	Proposed Lease	Current Lease	Difference
Total Sq. Ft.			
Base Cost Per Sq. Ft.			
Annual Lease Cost			
Utilities			
Taxes			
Operating Costs			
<b>Total Annual Cost:</b>			

## 10. AGENDA ITEMS.

- a. An agenda item proposed by the Department of Management and budget, a State agency, or an institution of higher education, including a community college, as defined in Act. No 431 of the Public Acts of 1984, as amended, which requires official approval by the Joint Capital Outlay Subcommittee shall not be considered unless the appropriate written recommendation and supporting documentation is received by the Chair, and Vice Chair, of the Joint Capital Outlay Subcommittee, and the House and Senate Fiscal Agencies, at least 10 calendar days before the convening of the meeting of the Joint Capital Outlay Subcommittee at which that item is to be considered. This requirement may be waived upon approval of the Chairperson of the Joint Capital Outlay Subcommittee.
- b. Distribution:
  - i. All members of the Joint Capital Outlay Subcommittee (direct the cover letter to the Chairperson).
  - ii. Where appropriate, forward two copies to the House and Senate Fiscal Agencies and the Department of Management and Budget.