FY 2026-27: CAPITAL OUTLAY
Summary: As Passed by the Senate
Senate Bill 875 (S-1)

Analyst: Perry Zielak

Budget Area	Gross	GF/GP
Capital Outlay – Planning Authorizations	$1,100	$1,100
Capital Outlay – Construction Authorizations	1,300	1,300
TOTAL	**$2,400**	**$2,400**

Overview

Senate Bill 875 contains $1,100 GF/GP for 11 planning authorizations and $1,300 GP/GP for 13 construction authorizations. Traditionally, universities finance 25% of a project's costs and the state finances 75%. Community colleges finance 50% of a project's costs and the state finances 50%. State agency projects are covered 100% from state resources. In recent years, the state share has been capped at $30.0 million for university and community college capital outlay projects. Two planning authorizations for Michigan State University and Michigan Technological University have a $40.0 million state share.

The total cost of the 11 planning authorizations (6 university projects and 5 community colleges projects) contained within the bill is $794.0 million, with a state share of $255.2 million and an institution share of $538.8 million (See Table 1). Annual rental rates are typically around 7.5% of the total state share per year. With a total state share being $255.2 million, the annual debt service payment for these projects is estimated to be $19.1 million GF/GP over 15 to 17 years. To proceed with state financing, the projects would need to receive construction authorization in a subsequent appropriation act. Institutions have 2 years following the fiscal year in which the project received planning authorization to receive construction authorization.

The total cost of the 13 construction authorizations (7 university projects, 5 community college projects, and 1 state agency project) contained within the bill is $447.4 million, with a state share of $259.4 million and an institution share of $188.0 million (See Table 2). With a total state share of $259.4 million, the annual debt service payment for these projects is estimated to be $19.4 million over 15 to 17 years.

FY 2026-27 Appropriation Items		Appropriation Change
CAPITAL OUTLAY – PLANNING AUTHORIZATIONS		
1. *Central Michigan University – Brooks Hall Renovation*	**Gross**	**$100**
Total project cost is $45.0 million. University share is $15.0 million; state share is $30.0 million. The project would include the renovation of 128,000 sq. ft. of Brooks Hall, including the replacement of mechanical, electrical and plumbing infrastructure, along with new exterior windows, doors, and elevators. Improvements would also be made to the observatory and greenhouse space.	GF/GP	$100
2. *Ferris State University – Allied Health Sciences Building*	**Gross**	**$100**
Total project cost is $29.5 million. University share is $7.4 million; state share is $22.1 million. The project would include the renovation of 67,000 sq. ft. and the addition of 20,000 sq. ft. to the Allied Health Sciences Building, including updates to mechanical and core systems infrastructure, improved instructional spaces, and renovations to the nursing simulation lab.	GF/GP	$100
3. *Michigan State University – Engineering and Digital Innovation Building*	**Gross**	**$100**
Total project cost is $340.0 million. University share is $300.0 million; state share is $40.0 million (the state share exceeds the $30.0 million cap generally imposed for capital outlay projects). The project would include the construction of a 270,000 sq. ft. building to provide classroom and research labs for students in computer science, computational data science, machine learning, quantitative methods, gaming, user experience design, cyber security, advanced manufacturing material science, and quantum computing. $30.0 million has been appropriated for the project through 2023 PA 103.	GF/GP	$100

FY 2026-27 Appropriation Items		Appropriation Change
4. *Michigan Technological University – Center for Convergence and Innovation* Total project cost is $56.0 million. University share is $16.0 million; state share is $40.0 million (the state share exceeds the $30.0 million cap generally imposed for capital outlay projects). The project would include the construction of a 70,000 sq. ft. building to provide advanced technology classrooms and digital lab facilities to promote increased interactions between students in both the newly created College of Computing and the College of Business.	**Gross** GF/GP	**$100** $100
5. *University of Michigan – Dearborn – Computer and Information Science Building Renovation* Total project cost is $40.0 million. University share is $10.0 million; state share is $30.0 million. The project would renovate 24,300 sq. ft. of the Computer Information Science building, originally constructed in 1959, and include the addition of 9,000 to 12,000 sq. ft. of new space. The renovation would include new fire-suppression and safety systems, update electrical and mechanical systems, create more modern classroom and support spaces and add new state-of-the-art lab spaces.	**Gross** GF/GP	**$100** $100
6. *Western Michigan University – IF1 Knauss Hall Renovation and Addition* Total project cost is $39.0 million. University share is $9.8 million; state share is $29.3 million. The project would include the renovation of 26,000 sq. ft. of Knauss Hall, originally constructed in 1971 and the addition of 22,000 sq. ft. of new space, including upgrades to the various infrastructure systems, the creation new student learning spaces, and increased water and energy sustainability.	**Gross** GF/GP	**$100** $100
7. *Jackson College – STEM Remodel of James McDivitt Hall* Total project cost is $45.0 million. Community college share is $22.5 million; state share is $22.5 million. The project would include the renovation and addition of 117,000 sq. ft of James McDivitt Hall, including the replacement of all existing building infrastructure systems and creation of various new classroom, laboratory, and student support spaces.	**Gross** GF/GP	**$100** $100
8. *Kellogg Community College – Roll Health and Administration Building Renovation* Total project cost is $15.4 million. Community college share is $7.7 million; state share is $7.7 million. The project would include the renovation of approximately 61,600 sq. ft. and the addition of over 3,100 sq. ft. of new space to the Roll Building, originally constructed in 1978. The project would modernize electrical and water treatment systems, update various building, classroom, and lab spaces for the health, nursing, and dental programs located in the building.	**Gross** GF/GP	**$100** $100
9. *Lansing Community College – Energy and Utility Training Center* Total project cost is $8.8 million. Community college share is $4.4 million; state share is $4.4 million. The project would construct 11,000 sq. ft. of new space for Utility and Energy Systems programs. New specialized labs for power generation and underground splicing, indoor and outdoor pole climbing areas, new classrooms, offices and meeting spaces would be included in the new center.	**Gross** GF/GP	**$100** $100
10. *Oakland Community College – Skilled Trades and Industrial Technology Building* Total project cost is $126.5 million. Community college share is $99.5 million; state share is $27.0 million. The project would include the renovation of 105,000 sq. ft. and the addition of 95,000 sq. ft. of new space to the Skilled Trades and Industrial Technology building on the Auburn Hills campus. The project would allow for various advanced specialty programs in robotics, electric vehicles, construction, cyber-physical systems, additive manufacturing, simulation and mechatronics. Fire suppression and life safety systems, ADA accommodations, new bathrooms and lab safety systems would be improved.	**Gross** GF/GP	**$100** $100
11. *Washtenaw Community College – Center for Success and Innovation* Total project cost is $48.8 million. Community college share is $36.6 million; state share is $12.2 million. The project would include the renovation of 80,000 sq. ft. student center that would allow for the creation of new interdisciplinary instruction space and combine various student and career support services into one location. Various infrastructure systems would be upgraded to improve sustainability efforts.	**Gross** GF/GP	**$100** $100

FY 2026-27 Appropriation Items		Appropriation Change
CAPITAL OUTLAY – CONSTRUCTION AUTHORIZATIONS		
1. *Eastern Michigan University – Engineering and Technology Complex – Phase II – Roosevelt Hall*	**Gross** GF/GP	**$100** $100
The Engineering and Technology Complex – Phase II – Roosevelt Hall project at Eastern Michigan University has a total cost of $42.5 million; a total state share of $30.0 million; and a total university share of $12.5 million. The project would involve the renovation of a 71,300 sq. ft. structure constructed in 1924 and expand the structure by approximately 10,000 sq. ft. The renovation would address electrical systems, roof replacement, installation of fire suppression systems, improve ADA accessibility and energy efficiencies, and provide new classroom and laboratory layouts. The project received planning authorization in 2023 PA 321.		
2. *Grand Valley State University – Blue Dot Lab*	**Gross** GF/GP	**$100** $100
The Blue Dot Lab project at Grand Valley State University has a total cost of $66.7 million; a total state share of $30.0 million; and a total university share of $36.7 million. The project cost is $73.3 million less than the estimated cost included in the planning authorization, due to a project scope change due to SBA bonding issues that required the project to be separated into two separate projects. The state funded portion of the project would involve the construction of a new 58,427 sq. ft. addition attached to the lab complex. The university will cover the renovation of an existing 10-story tower and south annex in a separate, university-funded project. The project received planning authorization in 2023 PA 321.		
3. Northern Michigan University – Northern Enterprise Center (College of Business)	**Gross** GF/GP	**$100** $100
The Northern Enterprise Center (College of Business) project at Northern Michigan University has a total cost of $23.0 million; a total state share of $13.4 million; and a total university share of $9.6 million. The project cost is $3.9 million more than the estimated cost included in the planning authorization, which would be covered by the university and is due to a revised project scope. The revised project would consist of the construction of a 24,050 sq. ft. addition and the renovation of 15,000 sq. ft. for the College of Business and military science programs. The facility would provide new high-tech classrooms, make spaces for entrepreneurship, enhanced study areas, high-tech laboratories, and new administrative and faculty office space. The project received planning authorization in 2023 PA 321.		
4. *Oakland University – Science Complex Renovation Project*	**Gross** GF/GP	**$100** $100
The Science Complex Renovation project at Oakland University has a total cost of $44.8 million; a total state share of $30.0 million; and a total university share of $14.8 million. The project cost is $4.8 million more than the estimated cost included in the planning authorization, which would be covered by the university and is due to increased construction costs. The project would consist of the renovation of 151,204 sq. ft. of the Science Complex. The renovation would allow the university to upgrade and address infrastructure, laboratories and classroom spaces for the Engineering, Chemistry, Physics, and Biology departments. The project would replace HVAC systems, electrical, lighting, network communications wiring, and plumbing, along with adding a centralized fume hood ventilation system and improving ADA accessibility. The project received planning authorization in 2023 PA 321.		
5. *Saginaw Valley State University – Lake Huron Environmental Sciences Research Station*	**Gross** GF/GP	**$100** $100
The Lake Huron Environmental Sciences Research Station project at Saginaw Valley State University has a total cost of $15.0 million; a total state share of $7.5 million; and a total university share of $7.5 million. The project cost is $5.0 million more than the estimated cost included in the planning authorization, which would be covered by the university. The project would consist of the construction of a 10,000 sq. ft. research facility near Lake Huron. The facility would allow for increased freshwater research of Lake Huron and add state-of-the-art classroom facilities and laboratories for the Environmental Science program and the Environmental Studies and Sustainability program. The project received planning authorization in 2023 PA 321.		

FY 2026-27 Appropriation Items		Appropriation Change
6. *University of Michigan – Flint – Innovation and Technology Complex*	**Gross**	**$100**
The Innovation and Technology Complex project at the University of Michigan – Flint has a total cost of $40.0 million; a total state share of $30.0 million; and a total university share of $10.0 million. The project would consist of the construction of 50,000 sq. ft. to expand the College of Innovation and Technology offerings. The new facility would feature classroom spaces; instructional laboratories and research spaces, including new labs focused on bioprinting; AI and machine learning; additive manufacturing; emerging mobility; clean energy; immersive experience; data visualization; biotechnology; smart learning; and a controlled environment room. The project received planning authorization in 2023 PA 321.	GF/GP	$100
7. *Wayne State University – Wayne Law Classroom Building*	**Gross**	**$100**
The Wayne Law Classroom Building project at Wayne State University has a total cost of $46.0 million; a total state share of $30.0 million; and a total university share of $16.0 million. The project cost is $6.0 million more than the estimated cost included in the planning authorization, which would be covered by the university and is due to increased construction costs. The revised project would replace the existing 17,689 sq. ft. structure constructed in 1966 with a new 46,500 sq. ft building, which would house the law school. The new facility would provide classrooms; lecture and student and faculty support spaces, along with a mock trial classroom; and student workspace. In addition, the new facility would provide increased accommodations for new minor, bachelor, and master programs in law, along with increased growth in the juris doctor program. The project received planning authorization in 2023 PA 321.	GF/GP	$100
8. *Bay de Noc Community College– Manufacturing Hub and Safety Training Center*	**Gross**	**$100**
The Manufacturing Hub and Safety Training Center project at Bay de Noc Community College has a total cost of $1.9 million; a total state share of $937,300; and a total college share of $937,500. The project would renovate 7,500 sq. ft. of an existing building constructed in 1974 and upgrade various electrical, mechanical, and fire suppression systems, along with adding a new innovation center. The project received planning authorization in 2024 PA 121.	GF/GP	$100
9. *Kalamazoo Valley Community College – Automotive Technology/Advanced Manufacturing Wing*	**Gross**	**$100**
The Automotive Technology/Advanced Manufacturing Wing project at Kalamazoo Valley Community College has a total cost of $39.0 million; a total state share of $19.5 million; and a total college share of $19.5 million. The project would renovate approximately 66,500 sq. ft. of the Advanced Technology wing at the KVCC Texas Township Campus and add an additional 29,400 sq. ft. for the Automotive Technology program. The renovation would modernize current laboratories and unused former ceramics and photography spaces to allow for growth of skilled trades offerings around automotive technology, manufacturing, welding, electrical, and HVAC technologies. The project received planning authorization in 2023 PA 321.	GF/GP	$100
10. *Macomb Community College – Mobility and Sustainability Education Center*	**Gross**	**$100**
The Mobility and Sustainability Education Center project at Macomb Community College has a total cost of $59.9 million; a total state share of $26.3 million; and a total college share of $33.6 million. The project cost is $1.4 million more than the estimated cost included in the planning authorization, which would be covered by the university and is due to an additional site improvement needed for the project. The project would renovate the current 73,800 sq. ft. Mobility and Sustainability Education Center and add an additional 35,100 sq. ft. The renovation and addition would redevelop lab spaces to accommodate larger and more modern laboratory spaces, address building water infiltration issues, increase ADA accommodations, and update fire suppression and life safety systems. The project received planning authorization in 2023 PA 321.	GF/GP	$100

FY 2026-27 Appropriation Items		Appropriation Change
11. *Monroe County Community College – Welch Health Education Building Renovation and Addition*	**Gross** GF/GP	**$100** $100
The Welch Health Education Building Renovation and Addition project at Monroe County Community College has a total cost of $32.0 million; a total state share of $10.9 million; and a total college share of $21.1 million. The project cost is $10.1 million more than the estimated cost included in the planning authorization, which would be covered by the university and is due to increased construction costs. The project would renovate 8,100 sq. ft. of the Welch Health Education Building and add an 30,770 sq. ft. addition. New and improved classroom space, health science and public safety labs, student collaboration spaces, additional study space, and administrative offices would be included in the project. The project received planning authorization in 2024 PA 121.		
12. *Wayne County Community College – Center for Virtual Learning and Digital Careers*	**Gross** GF/GP	**$100** $100
The Center for Virtual Learning and Digital Careers project at Wayne County Community College has a total cost of $11.6 million; a total state share of $5.8 million; and a total college share of $5.8 million. The project would include the renovation of 12,100 sq. ft. of the Center for Learning Technology building and the 18,786 Mary Ellen Stempfle University Center. The project would upgrade rooftop insulation, HVAC systems, plumbing, and bathrooms. New laboratories, studios, and classrooms would be added. The project received planning authorization in 2023 PA 321.		
13. *Michigan State Capitol Commission – Park Michigan*	**Gross** GF/GP	**$100** $100
The Park Michigan project for the Michigan State Capitol Commission has a total cost of $25.0 million, and a total state share of $25.0 million. The project would develop a permanent public park on or adjacent to the state capitol complex. The park would serve as a commemoration of the state's contributions to the nation for the American Semiquincentennial. The project received planning authorization in 2024 PA 121.		

FY 2025-26 Supplemental Boilerplate Items

GENERAL SECTIONS

Sec. 201. Total State Spending – **NEW**
Senate adds language that specifies total state spending and state spending from state resources to be paid to local units of government.

Sec. 202. Applicability of Management and Budget Act – **NEW**
Senate adds language that subjects appropriations to the Management and Budget Act, 1984 PA 431.

Sec. 203. Public Purpose, Lease and Conveyance, and Annual Appropriation – **NEW**
Senate adds language that states that the Legislature determines the leasing of SBA-financed facilities are for a public purpose under the State Building Authority Act, 1964 PA 183, approves and authorizes the lease and conveyance of property to the SBA and from the SBA to state and educational institutions, as applicable, executed by the Governor and Secretary of State on behalf of the state, and specifies intent of the Legislature to annually appropriate sufficient amounts to pay rent obligations pursuant to the lease.

Sec. 204. Michigan Technological University – H-STEM Engineering and Health Technology Complex, Phase 1 Project Cost Decrease – **NEW**
Senate adds language that provides for a $1.5 million cost decrease for the Michigan Technological University – H-STEM Engineering and Health Technology Complex, Phase 1 project that was approved for construction authorization in 2020 PA 257 and reauthorized in 2022 PA 10 at a total project cost of $53.1 million; a state share of $29.7 million; and a university share of $23.4 million. The university would realize the entire cost decrease resulting in a university share of $21.9 million and a total project cost of $51.6 million. The cost decrease is the result of completed construction costs coming in below revised estimates.

FY 2025-26 Supplemental Boilerplate Items

***Sec. 205. Oakland University – South Foundation Hall Renovation and Expansion Project Cost Decrease* – NEW**
Senate adds language that provides for a $500,100 cost decrease for the Oakland University – South Foundation Hall Renovation and Expansion project that was approved for construction authorization in 2020 PA 257 and reauthorized in 2021 PA 87 and 2022 PA 10 at a total project cost of $44.2 million; a state share of $30.0 million; and a university share of $14.2 million. The university would realize the entire cost decrease resulting in a university share of $13.7 million and a total project cost of $43.7 million. The cost decrease is the result of completed construction costs coming in below revised estimates.

Table 1: As Passed by the Senate - FY 2026-27 Planning Authorizations

Institution	Project	Total Cost	State Share	Institutional Share	Estimated Debt Service
Universities					
Central Michigan	Brooks Hall Renovation	$45,000,000	$30,000,000	$15,000,000	$2,250,000
Ferris State	Allied Health Sciences Building	29,500,000	22,125,000	7,375,000	1,659,375
Michigan State	Engineering and Digital Innovation Building	340,000,000	40,000,000	300,000,000	3,000,000
Michigan Tech	Center for Convergence and Innovation	56,000,000	40,000,000	16,000,000	3,000,000
University of Michigan - Dearborn	Computer and Information Science Building Renovation	40,000,000	30,000,000	10,000,000	2,250,000
Western Michigan	IF1 Knauss Hall Renovation and Addition	39,000,000	29,250,000	9,750,000	2,193,750
Universities Total		**$549,500,000**	**$191,375,000**	**$358,125,000**	**$14,353,125**
Community Colleges					
Jackson	STEM Remodel of James McDivitt Hall	$45,000,000	$12,500,000	$32,500,000	$937,500
Kellogg	Roll Health and Administration Building Renovation	15,400,000	7,700,000	7,700,000	577,500
Lansing	Energy and Utility Training Center	8,850,000	4,425,000	4,425,000	331,875
Oakland	Skilled Trades and Industrial Technology Building	126,500,000	27,000,000	99,500,000	2,025,000
Washtenaw	Center for Success and Innovation	48,775,000	12,193,700	36,581,300	914,528
Community Colleges Total		**$244,525,000**	**$63,818,700**	**$180,706,300**	**$4,786,403**
TOTAL PLANNING AUTHORIZATIONS		**$794,025,000**	**$255,193,700**	**$538,831,300**	**$19,139,528**

Table 2: As Passed by the Senate - FY 2026-27 Construction Authorizations

Institution	Project	Total Cost	State Share	Institutional Share	Estimated Debt Service
Universities					
Eastern Michigan	College of Engineering & Technology Complex - Phase II - Roosevelt Hall	$42,500,000	$30,000,000	$12,500,000	$2,250,000
Grand Valley State	Blue Dot Lab	66,700,000	30,000,000	36,700,000	2,250,000
Northern Michigan	Norther Enterprise Center (College of Business)	22,980,000	13,370,000	9,610,000	1,002,750
Oakland	Science Complex Renovation Project	44,775,000	30,000,000	14,775,000	2,250,000
Saginaw Valley State	Lake Huron Environmental Sciences Research Station	15,000,000	7,500,000	7,500,000	562,500
University of Michigan - Flint	Innovation and Technology Complex	40,000,000	30,000,000	10,000,000	2,250,000
Wayne State	Wayne Law Classroom Building	46,000,000	30,000,000	16,000,000	2,250,000
Universities Total		**$277,955,000**	**$170,870,000**	**$107,085,000**	**$12,815,250**
Community Colleges					
Bay de Noc	Manufacturing Hub and Safety Training Center	$1,875,000	$937,500	$937,500	$70,313
Kalamazoo Valley	Automotive Technology/Advanced Manufacturing Wing	39,000,000	19,500,000	19,500,000	1,462,500
Macomb	Mobility and Sustainability Education Center	59,980,000	26,349,300	33,630,700	1,976,198
Monroe County	Welch Health Education Building Renovation and Addition	32,000,000	10,932,200	21,067,800	819,915
Wayne County	Center for Virtual Learning and Digital Careers	11,564,200	5,782,100	5,782,100	433,658
Community Colleges Total		**$144,419,200**	**$63,501,100**	**$80,918,100**	**$4,762,583**
State Agencies					
Michigan State Capitol Commission	Park Michigan	$25,000,000	$25,000,000	$0	$1,875,000
State Agencies Total		**$25,000,000**	**$25,000,000**	**$0**	**$1,875,000**
TOTAL CONSTRUCTION AUTHORIZATIONS		**$447,374,200**	**$259,371,100**	**$188,003,100**	**$19,452,833**