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AN ASSESSMENT OF THE CAPITAL OUTLAY
PLANNING PROCESS FOR THE PUBLIC
BACCALAUREATE INSTITUTIONS
IN MICHIGAN

By

Edward Martin McAleer, Jr.

A DISSERTATION

Submitted to
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in partial fulfillment of the requirements
for the degree of

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1978

ABSTRACT

AN ASSESSMENT OF THE CAPITAL OUTLAY PLANNING PROCESS FOR THE PUBLIC BACCALAUREATE INSTITUTIONS IN MICHIGAN

By

Edward Martin McAleer, Jr.

The principal purpose of this study is to assess the complex and controversial process that the public baccalaureate institutions in Michigan use to secure the funding necessary to construct new buildings or remodel existing facilities. In addition, the study has been designed to reflect the positions of the three significant organizational subsets involved in capital outlay planning: the "user agencies" (the public baccalaureate institutions), the "executive" (the Department of Management and Budget and the Facilities Management Bureau), and the "legislative" branch (the Joint Capital Outlay Subcommittee).

The study includes a review of past capital outlay planning actions and building efforts on the part of the public baccalaureate institutions, in addition to court tests on capital appropriations. A review of prior assessments of capital outlay planning in Michigan and the

current mechanics of capital planning for the public baccalaureate institutions is also provided. The various aspects of capital outlay planning in Michigan is compared and contrasted with existing planning documents from other states.

The study is primarily a historical treatment, however, demographic and economic data are provided, both to assess the conditions that may have generated certain building actions on the part of the public baccalaureate institutions in the past and to project the "climate" for capital outlay planning in the years to come.

Nonstandard interviews have been used in this research to secure information relative to past capital outlay practices. The interviews have been balanced by the use of original documents including agency and staff papers, minutes of the Joint Capital Outlay Subcommittee, a review of the public acts that conferred capital support to the public baccalaureate institutions and a survey of court documents that involved capital appropriations issues.

The research has developed the following conclusions:

1. The State has been extremely consistent and generous in providing capital support to the public baccalaureate institutions. The research has established the fact that during the period 1869-1976 some form of capital

appropriation was conferred (to one or more public baccalaureate institutions) in every scheduled legislative session.

2. A number of difficult enrollment and economic factors preceded the enactment of 1965 P.A. 124, the first formal capital outlay planning act in Michigan. Included among these factors would be the drastic increase in higher education enrollments, construction cost increases that averaged more than 8 percent a year, and construction overdrafts by the public baccalaureate institutions that sometimes amounted to several hundred thousand dollars per project.

3. The control provisions or semantics of the capital outlay planning acts have evidenced "change" with the passing of the years. The "change" must be considered relative, however, for capital outlay controls expressed in the 1920s are probably as comprehensive as those currently in effect. The research demonstrates that the executive arm has not always provided uniform or consistent capital outlay planning provisions for the public baccalaureate institutions.

4. The development of the physical plant at the public baccalaureate institutions has been largely disproportionate. Michigan State University, Wayne State University and the University of Michigan in particular have exercised their political influence to such a degree that,

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taken as a collectivity, the book value of the physical plant for these three institutions far outstrips the value of the remaining public institutions.

5. The Joint Capital Outlay Subcommittee in Michigan is the most pivotal function in the securing of capital appropriations. While the "institutions" can request, and the "executive" can recommend, only the legislature possesses the ability to approve capital projects.

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DEDICATION

To my mother and father who did not enjoy the benefits of higher education, but had the intelligence and insight to emphasize the importance of a college education. Without their active support this undertaking would have been most difficult.

To my wife, Connie, and my children, Mark and Megan, who have exhibited great patience and understanding especially over the past year as I performed the rites of dissertation study.

ACKNOWLEDGMENTS

The writer is appreciative of the interest and support provided by Dr. Floyd G. Parker in his roles of friend, counselor, and major advisor for this thesis.

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The researcher is also indebted to Mr. Jack Breslin for his assistance in reviewing the information contained herein for accuracy and appropriateness.

A listing of the numerous individual members from the various state agencies who materially assisted in this study is not feasible but the writer is particularly indebted to Mr. William Roege and Mr. Robert Endriss for their advice and assistance in completion of this project.

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CHAPTER I

THE PROBLEM

Several years ago while completing a task assignment of describing some of the methods by which state appropriations are ultimately conferred to Michigan colleges and universities, the matter of capital outlay planning and funding was addressed as one of several research adjuncts. The subject was immensely interesting; however, painfully little written material seemed to be available on the process of capital outlay funding. Interviews with persons associated with capital outlay planning (at the time) were interesting and informative--however, a number of contrasting or divergent views seemed to be expressed.

It was immediately evident that a number of organizational subsets were involved in the process of securing capital outlay funds: facilities planners at the respective institutions, college and university legislative liaison personnel, representatives from architectural and contracting firms, administrative personnel from the Bureau of the Budget and other officials from the Facilities Management Section, in

addition to Michigan's Joint Capital Outlay Subcommittee (JCOS), and even the Governor's Office itself.

The perceptions of capital outlay planning and budgeting seemed to vary (sometimes slightly, at other times rather significantly) when each person from the various organizational subsets was interviewed. In short, describing capital planning and funding in Michigan was not unlike the parable of the blind men and the elephant--it seemed to depend on whose vantage point was under study.

Later, in beginning active preparations for research into capital outlay planning, the cast of characters involved in the process had changed, and with this change in personnel came the impression that policies, definitions and interpretations may have been transformed somewhat also.

Several factors remained unchanged from the preliminary research conducted a number of years ago--no records or attempts had been made to chronicle the history of capital outlay planning from its earliest beginnings to its present status. Several assessments had been made of the physical plant at Michigan colleges and universities (e.g., Physical Plant Survey No. 4); however, some of these efforts seemed to have been largely restricted to reviewing the brick and

mortar condition of buildings and how effectively the rooms within these same buildings were being used.

Physical Plant Defined

While the campus physical plant is a vital component of capital outlay planning, it does not describe or reflect the vitality of the entire process. The campus physical plant is viewed as one element of (total) capital outlay planning. Successful capital outlay planning contributes in a meaningful way to an impressive campus physical plant, however, the process is considerably more comprehensive than the buildings themselves. This research will propose that the "physical plant" is:

An analytic category, within the function of General Support, of support for operating and maintaining the normal physical locus for the educational activities of the institution.¹

Emphasis of the Research

Accordingly, this research will not be restricted or oriented toward the production of room-use data or measuring the effectiveness of building projects on the respective campuses. It is sometimes common for researchers or evaluators to measure an

¹John E. Swanson, Financial Analysis of Current Operations of Colleges and Universities (Ann Arbor: Institute of Public Administration, University of Michigan, 1966), p. 213.

organizational process against its goal or goals. These types of studies generally tend to assess how successful an organization is in reaching its goal or how effective are the processes contained in the organization. There are decided weaknesses in goal-oriented studies as pointed out by Amitai Etzioni:

This approach has two potential pitfalls. First it tends, though not invariably, to give organizational studies a tone of social criticism rather than scientific analysis. Since most organizations most of the time do not attain their goals in any final sense, organizational monographs are frequently detoured into lengthy discussions about the lack of success Low effectiveness is a general characteristic of organizations.²

As a result, implications of physical plant utilization, measures of building construction efficiency, and the effectiveness of campus planning (from all perspectives) will all be treated in this research --but only to the extent that it assists in demonstrating the total functioning of Michigan's system of capital outlay allocation.

Rather than comparing organizations and organizational performances to the ideals that they might be, this research will attempt to assess the performance of the several parties relative to one another. This

² Amitai Etzioni, Modern Organizations (Englewood Cliffs, N.J.: Prentice Hall, 1964), p. 16.

comparative analysis or assessment is generally described as the "systems" model. The "systems" model according to Etzioni is ". . . a statement about relationships which, if actually existing, would allow an organization to maintain itself and operate."³

The use of the "systems model" does not imply a sterile research vehicle despite the intended lack of social criticism. While the capital outlay process involves the expenditure of considerable sums of money, the assessment will address certain corollary issues that have little pecuniary bearing. Since the public baccalaureate institutions are obliged to seek legislative approval for capital outlay projects, the sensitive and sometimes tenuous relationship between the university and the State will be described in the most objective manner possible. Dwight Waldo, the distinguished scholar of political science and public administration, identifies this type of central concern:

As the university becomes increasingly an instrument of government there will be severe problems arising from the lack of congruence between academic norms and ideology.⁴

³Ibid., p. 19.

⁴Dwight Waldo, "The University in Relation to the Governmental-Political," Public Administration Review (March/April 1970): 111.

This research will attempt to show evidences of "(1) intraorganizational strain as evidenced by potential tension and conflict among organizational subgroups and (2) organizational flexibility, defined as the ability to adjust to external and internal changes."⁵

In keeping with the delimiting conditions noted previously efforts will be made to:

1. Establish the origin, extent, and, if possible, the dollar amount of capital outlay appropriations awarded to the public baccalaureate institutions.

2. Identify what possible higher education enrollment trends and institutional building efforts preceded the formal enactment of 1965 P.A. 124 (the Capital Outlay Planning Act in Michigan).

3. Determine if capital outlay planning provisions as carried in the various public acts have changed in semantics, or their application with the passing of time.

4. Compare and contrast past legal, historical, and research efforts as they have impacted on the public baccalaureate institutions, the state, and its various administrative agencies.

⁵B. S. Georgopoulos and A. S. Tannenbaum, "A Study of Organizational Effectiveness," American Sociological Review 22 (October 1957): 534-40.

5. Examine the specific process or progression currently in use for securing capital outlay funds for Michigan's public baccalaureate institutions.

The probable changes in capital outlay planning provisions, and the potential changes in legal, historical and research efforts are admittedly difficult to substantiate, in an empirical sense at least. Time erodes many things including laws and organizational goals. Anthony Downs observes this phenomenon:

. . . as time passes, other issues emerge that are just as critical--or more so--than the task assigned to the organization. As a result, the bureau's top-level officials begin focusing their attention on other matters. Thus the passage of time weakens the ability of the organization to retain the concentrated interest of the top most officials⁶

In order to accomplish its stated objectives, and bearing in mind the lack of similar types of assessments of capital outlay planning in Michigan, this study will attempt to collect and analyze data from three primary sources. Interviews with past and present personnel from the organizational subsets noted previously will be compiled. A review of original documents including those Michigan public acts conferring capital outlay support to the baccalaureate institutions will be

⁶Anthony Downs, Inside Bureaucracy, Rand Corporation Research Study (Boston: Little, Brown and Company, 1967), p. 162.

made, and the analysis will also include a review of court documents and agency minutes and staff papers. Finally, books, reports and planning documents will be used to buttress or refute observations regarding the capital outlay process drawn from the other two sources.

Since this research will be examining legal documents, staff papers, public acts and the like, many observations and contentions will be presented in their entirety in an attempt to portray the conditions exactly as their authors intended.

The interview method in particular while subject to certain limitations, is still recognized as one of the purest forms of research. This research study proposes to use at least six of the eight primary sources listed by Elliott Gatner arranged "approximately in order of their purity and value."⁷

1. Experimentation.
2. First-hand investigation.
3. Doctoral dissertations, monographs, and professional journals.
4. Letters, diaries and autobiographies.
5. Original creative works in art and literature.

⁷ Elliott S. Gatner and F. G. M. Cordasco, University Handbook for Research and Report Writing (Ann Arbor: Edwards Bros., Inc., 1947), p. 30.

6. National, state, provincial, county and municipal reports of governments and their agencies.
7. Annual reports of research foundations, universities and corporations.
8. Newspapers.

To counteract potential respondent bias, the researcher proposes to use nonstandard interview methods. Stephen A. Richardson notes the advantages of such a methodology:

. . . can be used at all stages in the articulation and conceptual development of a study. It can be used to uncover insights of unanticipated areas of relevance to a study. One of the unique assets of the nonstandardized interview is that the interview content can be varied from one respondent to another on the basis of his conceptual grasp of the over-all subject matter of the study, each respondent giving the information and ideas that he is best suited to provide.⁸

The researcher proposes to provide each respondent with a summary of interview impressions to heighten the validity and reliability of the information. Again, Richardson encourages the use of the summary technique:

The summary can accomplish several objectives, either individually or simultaneously. It can assemble, consolidate, and synthesize a number of pieces of information which the respondent has provided in discrete responses, and, in this

⁸Stephen A. Richardson, Barbara S. Dohrenwend, and David Klein, Interviewing: Its Forms and Functions (New York: Basic Books, Inc., 1965), p. 54.

way, it can give significance and relevance to the response material. It can clarify ambiguities.⁹

In summary, it is hoped that this research will provide the first assessment on how Michigan's capital outlay process developed, its legal and historical "roots," and how campus building needs are currently accommodated.

⁹ Ibid.

CHAPTER II

SETTING THE SCENE

Throughout the cultural changes of mankind, the physical embodiments have often survived as the most vivid and lasting remembrances. While collegiate memories flicker and fade, curricula change and multiply, faculty disappear and the student body ebbs and flows, the college often remains in the person of its buildings.

Even the most idyllic or pastoral campus settings gain presence from their buildings. Renowned architect Charles Z. Klauder observes: "The institution, for however beautiful a natural scene, landscape alone cannot identify itself until architecture enters and completes the pictorial quality."¹

It may be the sheer physical presence of campus buildings that makes them conspicuous for both favorable and negative review. Michigan in particular has been blessed with many winsome campus settings, an abundance of attractive buildings and a philosophy of higher

¹Charles Z. Klauder and Herbert C. Wise, College Architecture in America (New York: Charles Scribner & Sons, 1927), p. 1.

education support that has maintained a sound, if not remarkable, physical plant.

Appropriations for campus buildings or physical plant items have not been achieved without cost--both pecuniary and human. Despite its advocacy role in securing new campus facilities, certain members of the Michigan Legislature have grown increasingly concerned over multi-million dollar expenditures for its growing number of community colleges and public baccalaureate institutions. Representative Gary Owen (D-Ypsilanti) recently blasted the buildup of campus facilities with the observation that "everyone has to get something if the system is going to work--whether it's justified or not."² William B. Cudlip underscores this growing resentment when he notes:

One does not have to be around the state capital for long before he hears numerous antagonistic comments about the "fourth branch" of state government. While there are great reservoirs of good will, some cracks are appearing.³

The major focus of this research will be to analyze the complex and controversial process by which the public baccalaureate institutions in Michigan obtain the funding necessary to build new physical facilities

²Lansing State Journal, November 6, 1977, p. B2.

³William B. Cudlip, The University of Michigan: Its Legal Profile (Ann Arbor: University of Michigan Press, 1969), p. 176.

or to remodel existing ones. The research will attempt to establish, also, if the wording and intent of capital outlay legislation has become more or less comprehensive since the formal enactment of P.A. 124 (Michigan's first capital outlay planning bill) in 1965.

Although the community college movement in Michigan will not be a focus of this research, its substantial level of capital support cannot be dismissed, particularly from the mid-1950s onward. Additionally, this research will be restricted to State support for capital outlay planning. It is wholly recognized that Federal support for capital outlay projects has been of great benefit to the building efforts of the several baccalaureate institutions.

Capital Outlay Defined

"Capital outlay" for the purposes of this research will conform to the definition offered by Engelhardt and Von Borgerrode:

The expenditure of funds for anything (excluding supplies) which results in an increase in the total amount of property owned by an organization this then will represent expenditures for land, equipment, and buildings.⁴

⁴Foster E. Grossnickle, Capital Outlay in Relation to a State's Minimum Educational Needs (New York: Columbia University Press, 1931), p. 2.

The definition will be complemented and heightened by the recognition that projects must be undertaken periodically to maintain the capital value and habitability of a facility for its original uses through repair and/or replacement of building materials such as roofing, plumbing, steps, etc. This addendum to the Englehardt and Von Borgerrode statement will include the recognition that special maintenance is a capital outlay item:

Special maintenance is nonrecurring, non-routine work which is to be completed in total or in part by Contract or supplemental force account employees. It is distinguished from operating (regular) maintenance work which is entirely completed by the regular maintenance staff with funds available in the regular operating appropriations.⁵

It is recognized from the outset that several differing interpretations or definitions of the capital outlay process exist. John Green is representative of one body of thought maintaining that proper cost accounting techniques should include professional and maintenance staff salaries in capital outlay portrayals.⁶ The concept has not been utilized in this research for two

⁵Michigan Department of Management and Budget, Capital Outlay Manual (Lansing, 1975), p. 12.

⁶John L. Green, Jr., A System of Cost Accounting for Physical Plant Operations in Institutions of Higher Education (Athens: University of Georgia Press, 1968), pp. 67-76.

primary reasons: the Legislature has not funded capital outlays in this realm and it is difficult, if not impossible, to separate such costs from general fund operations.

Capital outlay planning does not stand as an isolate; its successes, failures, and on-going problems are inexorably tied to the fabric of Michigan's political system, its unique system of higher education governance, and to the complexities of its economic support base.

That Michigan has been a generous provider for the capital outlay needs of its public baccalaureate institutions stands without question. That elements of legislative control have been attached as conditions to capital outlay needs for these same institutions is sometimes much less evident. The boundary line between the permissible and unconstitutional involvements of legislative and executive officials in higher education planning (and the formulation of capital outlay needs) quite properly differs from state to state. There are some recognizable limits to the autonomous status of colleges and universities as Alexander Brody has pointed out: "The constitutional status of the university does not raise it above the legislative power

when the latter acts as the state organ of public authority."⁷

The Legislature's power to appropriate, then, is one major source of limitation on institutional autonomy. Lyman Glenny correctly observes that capital outlay needs, because they involve the expenditure of large sums of money, are often the objects of intense (and perhaps inappropriate) legislative scrutiny. Glenny notes: "Borderline areas which allow for dispute over which are legislative and which are institutional prerogatives are those involving large sums of money."⁸

A recent study of legislative enactments which purported to affect the public baccalaureate institutions in Michigan concluded that of the 328 such acts that referred to one or all of the institutions from 1851 to 1971, two-thirds were appropriations acts which attached policymaking conditions to the funds appropriated. When the appropriations acts were reviewed, all were found to be unconstitutional by the Michigan

⁷ Alexander Brody, The American State and Higher Education (Washington, D.C.: American Council on Education, 1935), pp. 182-83.

⁸ Lyman A. Glenny and Thomas K. Dalglish, Public Universities, State Agencies and the Law: Constitutional Autonomy in Decline (Berkeley: Center for Research and Development in Higher Education, University of California, 1973), p. 22.

Supreme Court.⁹ Reflective, perhaps, of one of the more overt and blatant violations of institutional autonomy in the area of capital outlay funding was a crisis in 1921 at Michigan Agricultural College (now Michigan State University):

In the meantime, dissatisfaction with the College's policies and with its lack of momentum precipitated a crisis in the 1921 Legislature. A Special Building Appropriation was threatened with a rider to withhold funds until the administration should be changed. Although a compromise was reached and money was granted . . . reforms appeared inevitable.¹⁰

The 1963 Michigan Constitution reflects a slight, although perceptible shift toward demanding greater public accountability on the part of the public baccalaureate institutions. The State Board of Education was charged with "planning and coordinating" the educational policies of all institutions possessed of constitutional status--but in doing so was instructed by the constitution not to impinge on the autonomy of the institutions--an ambiguous provision at very

⁹ Norman J. Schlafmann, "An Examination of the State Legislature on the Educational Policies of the Constitutionally Incorporated Colleges and Universities of Michigan Through Enactment of Public Acts From 1851 Through 1970" (Ph.D. dissertation, Michigan State University, 1971), pp. 125-33.

¹⁰ Madison Kuhn, Michigan State: The First Hundred Years 1855-1955 (Chicago: Lakeside Press, 1955), p. 277.

best.¹¹ The latest Michigan Constitution defines the duties of the State Board of Education in the following manner:

Leadership and general supervision over all public education, including adult education and instructional programs in state institutions, except as to institutions of higher education granting baccalaureate degrees, is vested in a state board of education. It shall serve as the general planning and coordinating body for all public education, including higher education, and shall advise the legislature as to the financial requirements in connection therewith.¹²

History of Enabling Legislation and
Methodologies for Funding

As Michigan's "new style" 73rd Legislature paused to reflect on the accomplishments of the year 1965, little attention (in fact none) was devoted to its first capital outlay planning act for higher education. The 73rd Legislature, the first run by Democrats in 30 years, found itself "awash with a \$120 million-plus general fund surplus" and a "What's the hurry?" attitude with regard to long-term economic forecasts.¹³ Significant legislation passed that year included: 13 new circuit judges, senior citizen tax relief, overhaul of

¹¹Albert L. Sturm, Constitution-Making in Michigan 1961-1962 (Ann Arbor: Institute of Public Administration, University of Michigan, 1963), p. 234.

¹²1963 Michigan Constitution, Article 8, Section 3.

¹³Detroit Free Press, June 27, 1965, p. C1.

the workmen's compensation laws, air pollution control, jobless pay increases, tightened stream pollution control and protection against uninsured drivers.¹⁴

The reasons leading to, or the need for, capital outlay legislation can be attributed to concerns of long-standing and to others of recent issue. College buildings and the need for campus planning can be traced at the national level to pre-Colonial America. The earliest evidence of any premeditated planning--arranging college buildings on the basis of site conditions, an overall design intention, or program relationship--appears in the drawings for William and Mary College (1699), Williamsburg, Virginia.¹⁵ Williamsburg, the fourth planned town in America, was established on Theodorick Bland's series of reciprocating axis with the Colonial capital at the east end of the axis and the College at the west end.¹⁶

In Michigan, higher education antedates the state's admission to the Union in 1837. In part, the existence of a strong system of public baccalaureate institutions in the very early days of the state may

¹⁴Ibid.

¹⁵Richard P. Dober, Campus Planning (New York: Reinhold Publishing Co., 1963), p. 4.

¹⁶Ibid.

account for some of the grappling that has occurred in the higher education arena. Kent Sagendorph sagely observes that in 1834 (seventeen years after the founding of the "Catholepistemiad" or University of Michigania) Michigan was in the embarrassing position nationally of being an "illegitimate child in the Sisterhood of States."¹⁷ While the conditions for statehood had been met or exceeded, the power and influence of Ohio thwarted Michigan's formal admission to the Union until 1837.

The Michigan State Normal School at Ypsilanti (now Eastern Michigan University) also traces its roots to the early history of Michigan. The seventy-fifth anniversary publication of the Normal School piously concluded:

The establishment of the Michigan State Normal School by the legislature in 1848 and its opening in 1852 were notable events. In 1849 Michigan was not yet 25 years old, but she had established a state university and was the third state in the Union--divided honors with Connecticut--to establish an institute for the training of teachers.¹⁸

The founding of the Michigan Agricultural College in "Middle Lansing" occurred only 18 years after

¹⁷W. Kent Sagendorph, Michigan: The Story of the University (New York: E. P. Dutton, Inc., 1948), p. 51.

¹⁸Michigan State Normal College: Seventy-Fifth Anniversary (Ypsilanti: Michigan State Normal College, 1928), p. 3.

the admission to statehood, and again represented a significant departure from past practices in higher education. While the M.A.C. connection with the Morrill Act of 1862 is well known, the uniqueness of the institution conceived for the development and encouragement of agriculture and the mechanic arts is often misunderstood. Charles M. Grigg underscores the fundamental difference of institutions conceived under the aegis of Morrill legislation:

. . . division between the proponents of the German-school concept of graduate training and those who found support in the enactment of the Morrill Act of 1862, which have emphasis and impetus to the more practical technologically oriented research within the university.¹⁹

The importance of several prominent baccalaureate institutions can in no way diminish the State's progressive support for higher education--particularly during its early history. Willis Dunbar, one of the recognized experts in the history of higher education in Michigan, maintains that the State was a pioneer in fixing minimum rather than maximum amounts of property that officers of an educational corporation could maintain. It is Dunbar's perception that the Michigan posture may have been drafted to closely model a New

¹⁹Charles M. Grigg, Graduate Education (New York: The Center for Applied Research in Education, Inc., 1975), p. 15.

York law (1811) which required "before a college would be recognized it must have suitable buildings, a capital fund of at least \$50,000 and an annual income of at least \$3,500."²⁰ The minimum amount was later increased (1836) to \$100,000 in funds, with buildings and grounds worth at least \$30,000. Dunbar notes:

Up to 1836 and for many years afterward, the fear of large corporate organizations generally caused state legislatures of other states to fix maximum rather than minimum amounts of property and income which trustees of an educational corporation might hold.²¹

Donald Leu maintains that capital outlay projects have traditionally been financed by (1) pay-as-you-go methods (current revenues), (2) savings or capital reserves, (3) borrowed money or revenue bonds, or (4) any combination of the other three methods.²² Michigan, it seems, has been considerably more expansive in its means of generating capital outlay support for its public baccalaureate institutions.

Noteworthy during Michigan's early higher education history was the endorsement or enactment of

²⁰ Willis F. Dunbar, The Michigan Record in Higher Education (Detroit: Wayne State University Press, 1963), p. 15.

²¹ Ibid.

²² Donald J. Leu, Planning Educational Facilities (New York: The Center for Applied Research in Education, 1965), p. 78.

legislation that provided building monies by the sale of or proceeds from the sale of land. The early leaders of Michigan recognized that the sale of land for higher education served a dual purpose; it aided the new institution (the University of Michigania) and served to populate the territory so that it could defend and supply itself. An increase in population could be secured, therefore, only if public lands were open to purchase and settlement.

It is difficult to assess the full impact of saline or swamp land legislation on the capital outlay efforts of the three institutions that existed at the time. The State conferred disproportionate amounts of land to the three institutions and the market climate and ultimate sales price of the land varied widely. Of the three institutions, the University of Michigan may have benefited from land sales to the most significant extent.

Willis Dunbar notes that the Michigan Agricultural College was conferred with twenty-two sections of saline lands; the Michigan Normal School received twenty-five sections of land, and asylums for the deaf and dumb, blind and insane also received twenty-five sections.²³ Dunbar further notes that the M.A.C. share

²³Dunbar, p. 91.

of the saline lands was judged to be so deficient that Congress was petitioned for a grant of 350,000 acres of public land to support the institution in 1856.²⁴

Research by Herbert A. Berg indicates that swamp lands initially conferred to M.A.C. totaled 6,799.38 acres.²⁵ Income accruing from the sale of saline and swamp land totaled less than \$40,000 during the period 1861 through 1904, inclusive.²⁶ The proceeds from the sale of land were used for such essential building purposes as the erection of a sheep barn, cattle barn, bridge over the Cedar River, a horse barn and a piggery. Berg describes the vital relationship of the capital outlay efforts at the fledgling institution and land sales:

But the appropriations lately made by the Legislature (1867) have been only sufficient to defray current expenses, leaving no funds for the erection of buildings or for other improvements except what may have been derived from the sale of swamp lands; and though something has been realized from this source, it has chiefly been applied to relieving the more pressing wants of the institution in regard to the shelter of livestock, etc.²⁷

²⁴ Ibid.

²⁵ Herbert A. Berg, Financial Support of Michigan Agricultural College During Its Formative Years With Emphasis on the College Swamp Lands (East Lansing: Michigan State University Press, 1966), p. 28.

²⁶ Ibid.

²⁷ Ibid., p. 31.

The State of Michigan was conferred by an 1826 Act of Congress with seventy-two sections of land, the equivalent of two full townships.²⁸ The University of Michigan, it seems, enjoyed considerably less success in the administration of its swamp lands, although the Board of Regents can be faulted for only part of the difficulty. The bulk of the University of Michigan swamp lands were located (in 1827) in an area near the confluence of the Swan Creek and the Maumee River--an area that is now Toledo, Ohio. Although the lands would ultimately turn out to be valuable, the Regents authorized an exchange of acreage that was not in the University's best interests. Andrew TenBrook underscores this luckless transaction: "The Toledo lands which might have brought the University some millions altogether, brought about \$17,000."²⁹

Several other factors denied the University the bounty it anticipated for general operations and capital outlays from the sale of swamp and saline lands. The Panic of 1837 which was late arriving in the west, had driven final sales prices on the land considerably below

²⁸Floyd R. Dain, Education in the Wilderness (Lansing: Michigan Historical Commission, 1968), p. 210.

²⁹Andrew TenBrook, American State Universities: Their Origin and Progress (Cincinnati: Robert Clarke & Co., 1875), p. 109.

the \$22.85 that was established by the Superintendent of Public Instruction.³⁰ "Squatters" and other persons who had legally inhabited the University lands prior to the 1837 legislation caused a considerable problem. In April 1839, the Legislature passed a bill for the relief of such people occupying these lands, an action that reduced considerably the sales revenue that could have been generated at prevailing rates. Burke Hinsdale observes:

The later history shows no other act of mingled incompetence and dishonesty on the part of the Legislature equal to the Bill of 1839 The time of deferred payments granted to the purchaser was lengthened and the price of the lands reduced.³¹

Several historians have established that the State anticipated sales receipts of \$921,000 and an annual interest of nearly \$65,000.³² The exact level of reimbursement awarded the University of Michigan for the sale of land has never been accurately established; however, it is safe to conclude it fell considerably short of the State's projections.

³⁰Burke A. Hinsdale, History of the University of Michigan (Cambridge: University Press, 1906), p. 22.

³¹Ibid.

³²Richard R. Price, The Financial Support of the University of Michigan: Its Origin and Development (Cambridge: Harvard University Press, 1923), p. 37.

Cynthia Link estimates that the "disbursements from the State treasury in payment of interest on trust funds (saline and swamp lands) amounted to \$514,797 for the University of Michigan, \$38,524 for Michigan State Normal College and \$19,674 for Michigan Agricultural College."³³ Interest from the part-paid land certificates may have amounted to \$392,437 for the University of Michigan, \$50,556 for M.S.N.C. and \$16,991 for M.A.C.³⁴

The grand hopes that the University of Michigan could prosper from the bounty of land legislation for both its general operations and necessary capital outlay needs had not vanished by 1838, but they had become considerably deadened. In order to sustain the physical development of the University it became necessary to petition the State for the sum of \$100,000. Public Act 118 of 1838 drew note to the conditions of the loan: "The sum of one hundred thousand dollars, reimbursable after twenty years, in equal annual installments, bearing an interest of six percent."³⁵

³³Cynthia K. Link, State Appropriations for Public Higher Education in Michigan 1855-1957, Papers in Public Administration No. 28 (Ann Arbor: Institute of Public Administration, University of Michigan, 1959), p. 14.

³⁴Ibid.

³⁵Michigan Public Acts 1838, Act No. 118, Section 1.

Andrew McLaughlin underscores the vital relationship between the loan and capital outlay efforts: "In 1838, the board of regents, desiring to proceed rapidly with the buildings, and relying upon the large funds still confidently expected, obtained from the legislature a loan of \$100,000."³⁶

The history of the whole transaction is a curious one, and a rare example of the effects of governmental and administrative disorganization. The Legislature, it appears, soon exhibited its interest in the University by relieving the Board of Regents from the direct payment of interest. Although records on the release of the University from its capital outlay loan are sketchy, McLaughlin concludes that as much as \$20,000 of the principle (excluding the nonpayment of interest) may have remained because: "For some years following there was discussion of the matter, and it [the debt] has resolved itself into a question of book-keeping on which different experts have different opinions."³⁷

In keeping with the uniqueness of capital outlay planning in its early history, the State authorized the

³⁶Andrew C. McLaughlin, History of Higher Education in Michigan (Washington, D.C.: Government Printing Office, 1891), p. 27.

³⁷*Ibid.*, p. 38.

University of Michigan at its inception (1817) to conduct lotteries for building purposes. The Treasurer of the Michigan Territory was advised:

The catholepistemiad or university may prepare and draw four successive lotteries, deducting from the prizes in the same fifteen percent for the benefit of the institution. The proceeds of the preceding sources of revenue, and of all subsequent, shall be applied . . . to the acquisition of suitable lands and buildings, and books, libraries and apparatus.³⁸

Capital outlay efforts in support of the public baccalaureate institutions were occasionally assumed (in total or in part) by the local community. The first building at the Michigan State Normal School at Ypsilanti was financed by local support and saline legislation:

Cost of the building was \$15,200. Twelve thousand of this amount was to be paid from the proceeds of subscriptions by the citizens of Ypsilanti and vicinity. The remaining \$3,500 and the cost of furnishings was to be paid from the fund derived from the sale of salt spring lands. The amount drawn from this fund was \$8,096.64.³⁹

Some people have erroneously concluded the Morrill Land-Grant College Act signed July 2, 1862, resulted in a substantial capital outlay increase for the charter institutions. Although 240,000 acres of

³⁸Michigan 1817 Territorial Law L.V., Section 5.

³⁹Daniel Putnam, A History of the Michigan State Normal School (Ypsilanti: Scharf Tag, Label & Box Co., 1899), p. 22.

public domain were deeded to Michigan, and funds from the sale of these lands retained and administered by the State totaled \$1,059,378 through 1960, not one cent was used for building purposes at the Michigan Agricultural College:

The only restriction placed by the Act of Congress July 2, 1862 upon the expenditures of the income derived from the sale of public lands granted for the endowment of colleges of agriculture and the mechanic arts and the investment of the purchase money is that no part of such income may be expended for the purchase, erection, preservation or repair of any buildings, nor may this income be used for the purchase of land.⁴⁰

It had become readily apparent by the mid-1860s that the State would be unable to sustain its public baccalaureate institutions--both in general operations and capital outlay needs--via land legislation or ad hoc measures such as the loan of 1838 to the University of Michigan.

In 1867, the Legislature granted the University of Michigan the proceeds of a tax of one-twentieth of a mill on the dollar of all taxable property of the State.⁴¹ Price estimates that this source of funding generated \$115-116,000 per year through 1899.⁴² In 1899

⁴⁰Herbert A. Berg, The State of Michigan and the Morrill Land Grant College Act of 1862 (East Lansing: Michigan State University Press, 1965), p. 33.

⁴¹Price, p. 36.

⁴²Ibid., p. 34.

the rate of the mill tax was increased to one-fourth of a unit, in 1907 to 3/8 of a mill, and in 1921 to 6/10 of a mill.⁴³ The University of Michigan was maintained in this fashion (both general operations and capital outlay needs) from 1867 through 1947 and the Michigan Agricultural College (now Michigan State University) operated with the mill tax support from 1901 to 1947.

Whereas the mill tax was the basis for both general operations and capital outlay projects at Michigan Agricultural College and the University of Michigan, it is difficult, although not impossible, to determine the amount of money diverted for structures, land, equipment or repairs. Cynthia Link draws the problem into perspective:

Distinctions between general operations and capital outlay were most difficult to make in early years. Even in later years, especially--for University of Michigan and Michigan State University, no distinction could be made between general operations and capital outlay because their appropriations were derived from mill taxes. Only in rare cases did the legislature grant additional amounts to cover extraordinary expenditures for new buildings, etc.⁴⁴

This research would endorse the contention that the mill tax support for capital outlays is difficult to trace at the two institutions noted; however, the

⁴³Ibid., p. 36.

⁴⁴Link, p. 3.

observation that additional support for building projects was "rare" does not seem to be valid. Using the definition of "capital outlay" provided for in this research project, the State has provided some form of funding for at least one of its public baccalaureate institutions (see Appendix B) during nearly every scheduled legislative session from 1869 through the present.

Price has established that the University of Michigan expended slightly over \$1.6 million (\$1,685,007) for building purposes from mill tax savings during the period 1901 through 1920.⁴⁵

In addition to the other types of appropriation mechanisms for capital outlay projects, the State also used cash gifts for the establishment of public baccalaureate institutions. Western State Teachers College was the last of the pedagogy-related institutions established (1903) in Michigan. The formal establishment of Western State had been a highly political issue. The State Board of Education mandated as one condition (of several) of formal acceptance that the Kalamazoo Board of Education would need to furnish a \$40,000 cash gift

⁴⁵Price, p. 39.

for "building purposes and for ornamentation of the grounds."⁴⁶

The State also funded or supported the emergency replacement of buildings at the public baccalaureate institutions. Public Act 191 of 1905 is representative of several.

An act making an appropriation for the purpose of erecting and equipping a dormitory at the Michigan Agricultural College to replace the building formerly known as Wells Hall recently destroyed by fire, and providing a tax therefor.⁴⁷

The State in addition to assuming portions of the University of Michigan \$100,000 capital outlay loan also assumed support costs for building projects at the public baccalaureate institutions that had gone sour. Kuhn notes that M.A.C.'s efforts to underwrite the cost of its \$650,000 Student Union Building had fallen at least \$300,000 short by 1923.⁴⁸ Legislator A. C. MacKinnon persuaded Governor Alex J. Groesbeck to use the State Sinking Fund in the stated amount to shore up the ailing project.⁴⁹

⁴⁶ Avis L. Sebaly, "Michigan State Normal Schools and Teacher Colleges in Transition, With Special Reference to Western Michigan College of Education" (Ph.D. dissertation, University of Michigan, 1967), pp. 148-64.

⁴⁷ Michigan Public Acts 1905, Act No. 191.

⁴⁸ Kuhn, p. 265.

⁴⁹ Ibid.

The role of the governor in the funding of capital outlay needs for Michigan's public baccalaureate institutions--both past and present--simply cannot be dismissed. The chief executive armed with the power of the item veto has exercised his prerogative on nine separate occasions, either eliminating certain capital outlay needs or reducing the size and scope of expenditures. The total capital outlay appropriation (P.A. 324) of 1932 was stricken, owing to the unstable nature of the Michigan economy during the heights of the depression. John Perkins underscores the contention:

It is in the matter of appropriation of funds that the governor has been given his broadest powers in connection with the legislative process. The executive budget and the item veto have enlarged the governor's legal authority in this area of legislation. In Michigan the veto has been buttressed at times by giving the executive the additional authority to cut appropriations. The governor has become so involved in the legislative process of appropriation in Michigan that he is often held politically responsible for the entire financial condition of the state.⁵⁰

It has been identified previously that the superintendent of public instruction and the governor have been associated with past capital outlay issues. The legislature, too, has been criticized frequently

⁵⁰ John A. Perkins, The Role of the Governor of Michigan in the Enactment of Appropriations, Michigan Governmental Studies No. 11 (Ann Arbor: University of Michigan Press, 1943), p. 7.

for lack of sensitivity in certain building needs by the public baccalaureate institutions. Principal Lewis Henry Jones of the Michigan Normal School at Ypsilanti typifies the lament of many college leaders when he noted (1906):

. . . that this new building be made of some architectural value rather than a makeshift, as have heretofore been all buildings erected on campus. With the single exception of the little chapel which was a gift of Mrs. Starkweather . . . no building on the campus has been completed according to the plans or wishes of the educational authorities; but modifications have always been brought about on account of the small appropriations by the legislature.⁵¹

Capital outlay projects at the public baccalaureate institutions clearly did not enjoy the level of State support that had been conferred during the 1920s. Enrollments in Michigan's colleges and universities declined in the early thirties, but had reached record levels again by 1939.⁵² Revenues, it seems, did not keep pace with enrollment trends and rigid economies were effected at all the baccalaureate institutions well into the 1940s. A change in the traditional State appropriation for capital outlay needs was clearly needed. Dunbar draws attention to the new revenue vehicle: "The device of issuing self-liquidating or

⁵¹Egbert R. Isbell, A History of Eastern Michigan University 1849-1865 (Ypsilanti: Eastern Michigan University Press, 1971), p. 162.

⁵²Dunbar, p. 301.

revenue bonds to finance certain types of buildings on college campuses was one of the important by-products of the depression years."⁵³

Self-liquidating projects, it seems, have been both an asset and a nagging liability for the State, particularly in relation to the public baccalaureate institutions. When first endorsed as an operational concept (the 1930s), self-liquidating projects apparently accomplished their objectives--to provide capital outlay monies in a time of expanded enrollments but restricted State support. The public baccalaureate institutions were quick to realize the value of such projects and undeniable abuses in the capital outlay sector have occurred since the inception of self-liquidating projects.

One of the significant violations of the "self-liquidating" concept has centered on the use of student fees for capital improvements including acquisition of sites, buildings and equipment. In most cases principle and interest are paid through charging the user, generally students, a fee. Dormitories, dining halls, student service buildings, and parking lots are prime examples of "self-liquidating" facilities. Alexander Kern draws the problem into perspective: "The fundamental

⁵³Dunbar, p. 309.

question is, of course, how far can the public institution go in this direction before it assumes the vestiges of a private enterprise and, in fact, becomes fiscally quasi-public or private."⁵⁴

The use and perceived abuse of student fees by the public baccalaureate institutions has surfaced several times since the formal enactment of P.A. 124. In August 1977, Michigan Auditor General Albert Lee charged Michigan State University with thirty-three complaints on capital outlay practices (during the period July 1, 1967, through June 30, 1976), including payment for building projects with out-of-state student fees.⁵⁵

Federal Influences on Capital Outlay Planning

Although admittedly not the focus of this research, Federal support for the building of capital outlay projects at Michigan's public baccalaureate institutions--particularly in the years following World War II--must be recognized. The enrollment of veterans at colleges and universities taxed the less flexible part of institutional facilities--its physical plant.

⁵⁴Alexander Kern and Erwin S. Solomon, College and University Law (Charlottesville, Va.: The Michie Company, 1972), p. 308.

⁵⁵(Michigan State University) State News, August 17, 1977, p. 1.

In many cases, particularly at the regional teacher colleges, facilities were inadequate even for prewar enrollments. Michigan public baccalaureate institutions benefited from Federal assistance in the following areas: (1) disposition of surplus Federal property by War Assets Administration; (2) transferral of surplus housing by Public Housing Administration; (3) building monies administered through the Veterans Education Facilities Program of the U.S. Office of Education and the Bureau of Community Facilities of the Federal Works Agency.⁵⁶

Richard Axt estimates that surplus property conferred (at the national level) to colleges and universities had a cost of \$1.5 million, but had a sale value of \$43 million and may have actually been worth at least double that figure.⁵⁷

Value of the Physical Plant at the
Public Baccalaureate Institutions

The end product of Michigan's support for its public baccalaureate institutions is best illustrated by recent data provided by the Michigan Department of

⁵⁶ Richard G. Axt, The Federal Government and Financing Higher Education (New York: Commission on Financing Higher Education, Columbia University Press, 1952), p. 135.

⁵⁷ Ibid., p. 136.

Education. The book value of the physical plant (including land, buildings and equipment) currently stands at \$1,877,768,022.⁵⁸ It must be emphasized that the book value includes funding from all sources, both State and Federal, and any projects developed by private endowments, etc. It would be fair to state, however, that the State has provided the very vast majority of funds in this 1.8 billion dollar compilation. The book value of the physical plant at Michigan State University, the University of Michigan (including branch campuses) and Wayne State University currently totals \$1,264,550,553, a figure that exceeds the remaining value of the other public baccalaureate institutions in the state, all of the Michigan community and junior colleges and at least 75 percent of the private and independent institutions in the state.⁵⁹

The rate of growth in the book value of some of the public baccalaureate institutions has reached astounding levels. The 1970s have reflected a constant escalation of building costs and funding commitments at the state level. At Michigan State University the book value of the physical plant increased nearly 11

⁵⁸Michigan Department of Education, 1976-1977 Fact Book on Higher Education in Michigan (Lansing: Higher Education Management Services, August 1977).

⁵⁹Ibid., pp. 69-72.

million dollars during FY 1976-1977, to a record sum of \$469,283,365.⁶⁰

Review of Funding Methods

Research indicates that capital outlay controls as expressed by the State have traditionally focused on three issues: (1) technical--or construction related, (2) financial--or budget related, and (3) programmatic--or enrollment related. Moreover, this researcher is of the opinion that the wording or intent of capital outlay controls for the public baccalaureate institutions has varied perceptibly with the passing of the years.

It must be recognized additionally that capital outlay appropriations were distributed on a lump-sum, institution-by-institution basis from 1817 to 1853. From 1855 to 1931, capital outlay needs were contained (with few exceptions) in the general appropriations of each institution. Subsequent sections of each allocation described the individual building projects to be undertaken. The period 1933-1952 reveals that capital outlay projects at the public baccalaureate institutions were administered as one budget element, although supplemental building appropriations were occasionally conferred to

⁶⁰Michigan State University 1976-1977 Financial Report (East Lansing: Michigan State University, 1977), p. 26.

individual institutions. From 1953 to the present, capital outlay projects have been administered exclusively as one budget element; however, the funding for the individual building projects has taken on a multi-year dimension with appropriations conferred in two or more years for the same activity.

As noted previously, capital outlay procedures or building controls have been present in the appropriations acts for Michigan's public baccalaureate institutions almost from their inception. The founding of the University of Michigan carried a very specific proviso (Michigan 1817 Territorial Law L.V.) relative to building finance:

As soon as the state shall provide funds for that purpose, the board of regents shall proceed with the erection of the necessary buildings for the university on the ground to be designated by the legislature, and in such manner as shall be prescribed by law.⁶¹

If one accepts the notion that capital outlay provisions were fairly specific at the very birth of Michigan's first public baccalaureate institutions, the proviso carried in an 1871 building project at the University of Michigan seemingly indicates that controls had become considerably more comprehensive:

Which said moneys shall be expended under the direction of the Board of Regents . . . and shall be drawn from the treasury on the

⁶¹Michigan 1817 Territorial Law L.V., Section 16.

presentation of the proper voucher of the treasurer of said board to the Auditor General, and on his warrant to the State Treasurer. And no moneys shall be drawn by virtue of this act by such Regents, unless they have first filed with the Auditor General an estimate and statement, showing the purpose for which such money is required, and none shall be drawn further than is required to pay for labor done or materials furnished.⁶²

A building appropriation of 1907 (typical of all appropriations of that year) at the Western State Normal School--now Western Michigan University--evidences perhaps the zenith of capital outlay control as established by State decree. A \$60,000 (new construction) allocation for a new training school intoned:

Sect. 4. . . . if the several amounts designated in sections two and three of this act, for any of the purposes stated, be insufficient to complete the work . . . any surplus remaining after the completion of other work or purchase specified in said sections may by obtaining consent in writing of the State Board of Corrections and Charities and the Auditor General, before any expense in excess of the specified appropriation is incurred . . . , the intent of this proviso being to make the entire sum available for the purposes stated in said sections⁶³

By 1919, the layers of clauses and conditions in capital outlay projects had decreased rather markedly. A \$750,000 capital outlay appropriation (multi-project

⁶²Michigan Public Acts 1871, Act No. 30, Section 2.

⁶³Michigan Public Acts 1907, Act No. 206, Sections 3 and 4.

nature) at the Michigan Agricultural College carried far fewer restrictions than the 1907 act cited previously, yet its dollar value of State commitment was at least twelve and one-half times as great: "Each of said amounts shall be used solely for the specific purposes herein stated" ⁶⁴

The tenor or intent of capital outlay controls changed very little, in the opinion of the researcher, into the 1940s. A perfunctory accounting for project expenses was still listed and an accommodation was made to the "general supervisory board" to which all public baccalaureate institutions (the University of Michigan and Michigan State College excepted) were now accountable. It should be noted that capital outlay expenditures were included as one budget element by 1942, when the capital outlay act of that year (\$2,482,000 total) cautioned:

The amounts hereby appropriated shall be paid out of the state treasury and the expenditure thereof shall be accounted for at such time and in such manner as prescribed by law The amounts hereby appropriated shall be used solely for the respective purposes herein . . . subject to the general supervisory control of the board or commission having jurisdiction in respect to each department, motivation. ⁶⁵

⁶⁴ Michigan Public Acts 1919, Act No. 201, Section 2.

⁶⁵ Michigan Public Acts 1942, Act No. 22, Section 2.

Public Act 307 of 1957 stands as an interesting aside to the renewed vigor in capital outlay controls. Established eight years prior to the enactment of P.A. 124, the act outlined some rather rigid capital outlay controls, although, curiously, the mandate was tied to the general operating allocations of the public baccalaureate institutions and not to specific construction or maintenance projects. Section 12 of the act notes the continuing dilemma of the "self-liquidating" project:

In view of the fact that state appropriations have been used for certain expenses in connection with self-liquidating projects, no contract shall be let for construction as to any self-liquidating project at any of the state supported institutions of higher education without prior approval therefor by the legislature.⁶⁶

Capital outlay provisos attached to the appropriation acts of those institutions (University of Michigan and Michigan State University) that used the "mill tax" at some time in their respective histories also seem to reflect administrative inconsistencies. An early appropriations act (1923) via the mill tax method noted:

Provided, that the board of regents shall not authorize the building or the commencement of any additional building or buildings, or other

⁶⁶Michigan Public Acts 1957, Act No. 307, Section 12.

extraordinary repairs until the accumulation of savings from this fund shall be sufficient to complete such building or other extraordinary expense.⁶⁷

By 1941 (one of the last years of the mill tax, war years excluded), the control factor for these types of capital outlays had become considerably lessened:

"The regents of the University of Michigan shall make an annual report to the governor of the state setting forth all receipts and expenditures of the university."⁶⁸

There may have been legitimate reasons for the progressively lessened capital outlay controls expressed via the mill tax. Robert Ebel observes that until the early 1930s, Michigan, as did most states, relied primarily on property and miscellaneous excise and selective tax levies for revenue. In 1932, more than 80 percent of the State's tax money was derived from highway user and property taxes.⁶⁹ Ebel notes:

At the same time, property values and personal incomes began to fall sharply, and there was political pressure to reduce the personal taxation burden. Consequently, in 1932 Michigan

⁶⁷ Michigan Public Acts 1923, Act No. 252, Section 1.

⁶⁸ Michigan Public Acts 1941, Act No. 255, Section 1.

⁶⁹ Robert D. Ebel, The Michigan Business Activities Tax: Value-Added Taxation in the Subnational Economy (East Lansing: Graduate School of Business Administration, Michigan State University, 1972), p. 21.

adopted a constitutional amendment which limited the property tax rate. In addition, the state government withdrew completely from the general property tax field in favor of local governmental units. In order to meet and finance demands for state services during the Great Depression, Michigan, along with a dozen other states, enacted a retail sales tax as an emergency revenue measure. The sales tax immediately became the major revenue producer for the state's General Fund.⁷⁰

Midway through the 1960s, the State again seemed to exert tighter capital outlay controls over the public baccalaureate institutions as evidenced by the wording of the appropriation acts. Conditions were established on nearly every project: ". . . cost not to exceed . . . , state share not to exceed" Interviews with Lane, Beers, and Endriss (Appendix C) substantiate the fact that the public baccalaureate institutions were in a period of unprecedented enrollment growth and a number of building projects had clearly exceeded base funding commitments. A new "plant for utility services" at Michigan State University reflected the new measure of growing legislative concern:

Plant for utility services to be specified by subsequent concurrent resolution of the legislature. No part of the above appropriation shall be committed or spent and no sums shall be paid out of the state treasury except pursuant to

⁷⁰Ibid., p. 21.

the terms and conditions of a subsequent concurrent resolution of the legislature adopted by a majority of the membership of each House.⁷¹

It is intriguing to note that the national arena of capital outlay legislation had begun to experience difficulties for support of public higher education at about the same time that Michigan had evidenced its first signs of renewed concern. In his report on the various categories of state legislation for 1964, S. V. Martorana noted that specific capital outlays for public higher education and specific construction and building programs reflected the most significant decrease in passage in the various state legislatures (from 93% - 58% and 58% - 9%, respectively) in the one-year period studied.⁷²

Michigan's original (formal) capital outlay act (July 8, 1965) outlined several notable "firsts" in the area of construction, remodeling, land acquisition and overall project finance. Section 2 of the act authorized expenditures through a priority system as authorized by the Joint Capital Outlay Subcommittee of the

⁷¹Michigan Public Acts 1963, Act No. 243, Section 6.

⁷²S. V. Martorana and Jeanne D. Brandt, State Legislation Relating to Higher Education (Washington, D.C.: Office of Education U.S. Department of Health, Education and Welfare, 1966), p. 120.

Senate Appropriations and the House Ways and Means Committees.⁷³

The Controller of the Department of Administration was vested with the power to award contracts for capital projects.⁷⁴

Sections 4 and 5 of the new act dealt with finance. Unobligated balances in capital outlay appropriations were no longer left in the project account but instead were moved under control of the legislature. Section 5 of the act introduced a totally new concept that capital appropriations for project studies or project planning did not commit the State to the ultimate construction of the particular activity. Section 6 of the act also provided important new procedures that the public baccalaureate institutions would have to follow to continue construction on approved projects:

The purpose of this act is to provide funds for the professional and other services that are necessary to compile the statistics and other information required to define and justify the need for projects and to prepare scale drawings which will delineate the different areas involved, the use and capacity of each, a comparison of existing areas to those proposed, and an estimate of the cost of the facility, complete and ready for use, with statements as to added funds, if any, that will be required to

⁷³Michigan Public Acts 1965, Act No. 124, Section 2.

⁷⁴Ibid., Section 3.

operate the facility if construction is authorized, and the use to which the areas to be vacated will be put, together with the cost of renovation thereof. The statistics, drawings, cost estimates and other information developed pursuant to this act are limited to the use of the legislature and to the preparation of budgets for submission to the legislature. It shall be the responsibility of the department of administration to assemble and submit for consideration of the joint capital outlay subcommittee of the senate appropriations and house ways and means committees the data and drawings for each of the projects listed herein, as the studies and plans are completed.⁷⁵

Public Act 122 of 1971 seemingly represents one of the points in Michigan history in which the public baccalaureate institutions, primarily the University of Michigan, Wayne State University and Michigan State University, cast aside institutional jealousies and attacked the issue of capital outlay controls as expressed by the State. The issue of "conditioned appropriations" was brought to the Michigan Supreme Court on May 7, 1974, with Section 20 being one of three areas in litigation:

It is a condition of this appropriation that none of the appropriations contained in this act shall be used for the construction of buildings or operation of institutions of higher education not expressly authorized in Sect. 1. No contract shall be let for construction of any self-liquidating project at any of the state-supported institutions of higher education without first submitting to the appropriate legislative committees, schedules for the

⁷⁵Ibid., Section 6.

liquidation of the debt for the construction and operation of such project. Funds appropriated herein to each institution . . . may not be used to pay for the construction, maintenance or operation of any self-liquidating projects.⁷⁶

Michigan's first capital outlay act seems to have traveled a long and winding path with respect to administrative controls as expressed by the Legislature. The 1965 legislation exists at one end of the continuum when taken in relation to appropriations acts in the more reserved period of the 1930s through the late 1950s. It is altogether possible that P.A. 124 is no more restrictive, however, than its 1871 or 1907 counterparts cited previously.

It must be recognized additionally that P.A. 124 was restricted solely (on the surface at least) to financial and administrative concerns (e.g., statistics, drawings, cost estimates, etc.). John Vasconcellos adheres to the belief that State administrative strategy exists at two levels, the "substantive" and the "procedural." Substantive policy is viewed to be broad in scope, typified by such issues as statewide educational goals, patterns of higher education finance, etc.

Capital outlay planning as initiated in 1965 more appropriately falls into the latter category:

⁷⁶Michigan Public Acts 1971, Act No. 122, Section 20.

The second strategy is procedural reform. Rather than dealing with the actual content or substance of policy, it is concerned with the processes by which decisions are made and institutions and systems of education are managed.⁷⁷

The most important point according to Hughes is the fact that procedural reforms often result in, or bring about changes in substantive policy. Although the point may seem finely drawn, this research will propose that "procedural policies" are recognized to be within the administrative purview of the Legislature. Any expansion of the capital outlay process beyond its original intentions may broach on unconstitutional involvement in the overall conduct of Michigan's system of public baccalaureate instruction.

History of Campus Building Efforts

Some of the first building efforts on the part of Michigan's public baccalaureate institutions were less than conspicuous successes. Burke Hinsdale notes that members of University of Michigan's Board of Regents commissioned the noted architect Alexander Davis of New Haven to design an imposing all-purpose classroom building at the unprecedented cost of \$500,000.⁷⁸

⁷⁷John F. Hughes, ed., Education and the State (Washington, D.C.: American Council on Education, 1975), p. 113.

⁷⁸Hinsdale, p. 30.

John D. Pierce, one of the cofounders of Michigan's educational system, and its first Superintendent of Public Instruction, rejected the grandiose building plans with the observation: "[Davis] drew a truly magnificent design, unfortunately the expenditure of a half a million dollars is twice the sum realized from the land grant."⁷⁹

Pierce's objections were later sustained by the Board of Regents and a simple rectangular structure, 110 feet long and 40 feet wide, was built at the more acceptable cost of \$16,000.⁸⁰ It should be recognized that the action by Superintendent Pierce may have violated the charter for the University of 1837, however, fiscal realities were apparent even in that early age.

One of the first buildings at the Michigan Agricultural College (College Hall) was so poorly designed that its completion, in 1856, left "some doors that wouldn't open, others that wouldn't close." The flooring of soft pine was so poor and shrunken that it did not even reach the walls.⁸¹

⁷⁹Ibid.

⁸⁰Ruth Bordin, The University of Michigan: A Pictorial History (Ann Arbor: University of Michigan Press, 1967), p. 14.

⁸¹W. J. Beal, History of the Michigan Agricultural College (East Lansing: Michigan Agricultural College, 1915), pp. 265-66.

Mildred Schmertz maintains that most campus buildings even into the 1950s were "constructed over a great number of years on a piece-meal, building by building basis."⁸² Adding testament perhaps to the Schmertz position was W. J. Beal's observation that buildings and barns at Michigan Agricultural College had been "erected during many years, by many different persons, were a miscellaneous lot, not arranged with much system."⁸³

Inflation was a scourge of the building efforts of Michigan's public baccalaureate institutions at an early date, also. James Knauss lamented that an early (1915) capital outlay program at Western State Teachers College was ruined because:

The building program so splendidly provided by the 1915 legislature was almost completely ruined by the rising costs of construction materials during the war period. The project was revived by the legislature which appropriated \$240,000 for building purposes for each of the two years 1922-1923.⁸⁴

This research does not wish to convey the impression that all building efforts on the part of the

⁸²Mildred F. Schmertz, Campus Planning and Design (New York: McGraw-Hill Book Co., 1972), pp. vii.

⁸³Beal, p. 283.

⁸⁴James O. Knauss, History of Western State Teachers College 1904-1929 (Kalamazoo: Western State Teachers College, 1929), p. 32.

public baccalaureate institutions were unsuccessful. Bordin and Kuhn extensively detail the solid growth of the physical plant at the University of Michigan and Michigan State University, respectively. All of the public baccalaureate institutions including the regional universities developed sound building programs coupled with site acquisitions in the 1950s and 1960s. James Zumberge draws attention to the fact that Grand Valley State College's (known at the time as Grand Valley College) capital outlay program, fueled by extensive State support, was cited by Fortune magazine (1964) as one of the five best new campuses in the United States.⁸⁵

In summary, Michigan has exhibited a solid, although sometimes inconsistent, pattern of capital outlay support for its public baccalaureate institutions. An unusually high number of mechanisms have provided construction and maintenance support for institutions in the research group including:

- direct grants of land for building purposes
- capital outlay support from land legislation and/or the sale of land (both State and Federal)
- lotteries

⁸⁵James H. Zumberge, Grand Valley State College: Its Developmental Years 1964-1968 (Allendale: Grand Valley State College, 1969), p. 91.

- mill taxes (primarily for Michigan Agricultural College and the University of Michigan)
- direct state appropriations for building, site acquisition and maintenance
- cash mandates
- partial community subscription for new construction
- use of State Sinking Fund to bolster deficient building projects
- replacement of fire-damaged buildings
- self-liquidating projects

Although funding has been provided for capital outlays in nearly every scheduled legislative session, this research concludes that the support has been largely disproportionate--the book value of the physical plant at the University of Michigan, Michigan State University and Wayne State University dwarfs the value of the other public baccalaureate institutions.

This research will also propose that capital outlay controls have been expressed by the State in nearly every appropriation act although the spirit and intensity of the wording has clearly changed from decade to decade. The controls as expressed by the State for capital outlay projects at the public baccalaureate institutions have only recently grown more comprehensive and this change has been met with some

degree of institutional resentment. J. Victor Baldridge perhaps sums up this mood as he notes:

. . . as a result of pressures from outside sources, particularly from state building agencies which have been trying to reduce the need for additional construction by getting better utilization of existing space . . . Top level decisions of this kind must still be made in terms of some rather imprecise judgment of relative need, or, as is often the case, in terms of the relative pressure which rival claimants for additional space can exert.⁸⁶

⁸⁶J. Victor Baldridge, Academic Governance (Berkeley: McCutchan Publishing Corp., 1971), pp. 184-85.

CHAPTER III

LEGAL CHALLENGES TO APPROPRIATION ACTS AND CAPITAL OUTLAY FUNDING

The capital outlay process, both directly and indirectly, has been the focus of a surprising number of court tests in Michigan legal history. As has been identified previously, the constitutional autonomy conferred originally to the University of Michigan and expanded by 1963 to include all of the public baccalaureate institutions, has resulted in the State and its colleges and universities assuming adversarial roles on some appropriations issues. Although Faverman maintains "there has been a lack of vituperation, or the politics of the grudge fight," in the relations between higher education and the State, the capital outlay sector has witnessed surprisingly bitter battles in the last decade.¹ The exceptional number of court challenges in Michigan leads Glenny to observe: "Once again Michigan,

¹Gerald A. Faverman, "Higher Education in Michigan 1958 to 1970," Vol. 1 (Ph.D. dissertation, Michigan State University, 1975), p. 44.

with by far the greatest amount of litigation on the subject of constitutional status, set the pace."²

History of Appropriations Challenges

The issue of capital budgets has received three court challenges arising from 1971 P.A. 122 (cited previously) alone. It would appear that the spirit of the recent challenges can be traced to some of the earlier court tests concerning the capital outlay process. F. W. Hicks maintains that many of the past legal battles have dealt with "conditioned appropriations," that is, funding with strings attached.³ Michigan Supreme Court challenges that have included capital outlay issues either directly or in a peripheral sense have included:

- Regents of the University of Michigan v. Board of Education of City of Detroit (1856) 4 Mich. 212 (university lands)
- Sterling v. Regents of University of Michigan, 110 Mich. 369 NW 253 (1896)
- Weinberg v. Regents of the University of Michigan (1893) 97 Mich. 246, 56 N.W. 605 (conditioned appropriation)
- Bauer v. State Board of Agriculture (1911) 164 Mich. 415, 129 N.W. 713 (lease of university property)

²Glenny, p. 19.

³F. W. Hicks, "Constitutional Independence and the State University" (Ph.D. dissertation, University of Michigan, 1963), pp. 37-39.

- State Board of Agriculture v. Fuller (1914) 180 Mich. 349, 147 N.W. 529 (conditioned appropriation)
- State Board of Agriculture v. State Administrative Board (1924) 226 Mich. 417, 197 N.W. 160 (conditioned appropriation)
- The Regents of the University of Michigan v. State of Michigan (1975) 395 Mich. 52
- Regents of the University of Michigan v. State of Michigan and Michigan State Board of Education (1973) Mich. Ct. of Appeals (May 16, 1973) No. 13422 (conditioned appropriation)
- Op. Atty. Gen. No. 2127 (May 11, 1955) (conditioned appropriation)
- Op. Atty. Gen. No. 4420 (April 15, 1965) (conditioned appropriation)

Although the judgment was issued long before the ratification of the 1963 Constitution, State Board of Agriculture v. Auditor General, 226 Mich. 417; 197 N.W. 160 (1924) addressed the problem of what (if any) conditions could be imposed by the Legislature on appropriations to constitutionally recognized institutions. 226 Mich. 417 also established the authority of the University of Michigan, Michigan Agricultural College and the Michigan State Normal School as per terms of the 1908 constitution.⁴

The case (State Board of Agriculture v. Auditor General) substantially limited Weinberg v. Regents of

⁴State Board of Agriculture v. Auditor General, 226 Mich. 417; 197 N.W. 160 (1924), p. 426.

the University of Michigan, 97 Mich. 246; 56 N.W. 605 (1893) which had ruled that the Legislature could attach to an appropriation "any conditions it may deem expedient and wise." Weinberg v. Regents of the University of Michigan was called to determine whether a statute requiring sufficient security by bond for the payment of labor and materials claims would be necessary when public buildings were built or otherwise improved at state expense. The case intoned:

These institutions are the creations of the Legislature. They are under the exclusive control and management of the State. The State, which created them, may at any time repeal the laws by which they were established, and sell the property.⁵

The case Bauer v. State Board of Agriculture (1911) 264 Mich. 415; 129 N.W. 713 found the Supreme Court modifying once again the posture of Weinberg v. Regents. This case ruled that an appropriation could be based on a condition that the money be used for a specific purpose but within certain limits. The Supreme Court noted in its 1911 decision: "We do hold that as to the general purposes of the agricultural college, the board [State Board of Agriculture] has the exclusive control and direction."⁶

⁵Weinberg v. Regents of the University of Michigan (1893) 97 Mich. 246; 56 N.W. 605, p. 252.

⁶Bauer v. State Board of Agriculture (1911) 164 Mich. 415; 129 N.W. 713, p. 419.

Most legal scholars attribute Bauer v. State Board of Agriculture as the case that granted the constitutionally independent universities the exclusive control over general funds appropriated by the State.

Paul Dressel best underscores the tenor of the two cases cited previously when he notes:

Acquiring resources and the freedom to use them are the two central objectives of the game. Round one begins with the institutions' request for funds, Universities exhibit complete confidence in their essential worth and aspirations, and expect that this confidence will be accepted as sufficient evidence for full support.⁷

Citations previously listed have underscored the centrality of the self-liquidating issue in capital outlay controls and in several of the previous court tests. It must be recognized that the public baccalaureate institutions had either consciously or unknowingly violated the good graces of the Legislature in a series of poorly planned capital outlay ventures in the late 1950s and early 1960s. The Hon. Garland Lane maintains (see Appendix C, interview 4) that the building projects developed by the public baccalaureate institutions were, at best, poorly reflective of true institutional capital outlay needs. There is considerable reason to believe

⁷Paul L. Dressel, Craig F. Johnson and Philip M. Marcus, The Confidence Crisis (San Francisco: Jossey-Bass, Inc., 1971), p. 138.

that Lane's comments while representing an admittedly partisan vantage point are largely correct. Overdrafting of new construction projects was commonplace in the 1960s in particular. Additional interviews with Beers and Endriss (Appendix C, interviews 1 and 2) substantiate the overdraft contention, but again, the agency perspective is reflected. Project overdrafting usually involved appropriated State funds as opposed to self-liquidating monies.

The construction overdrafts generated by the public baccalaureate institutions were apparently produced not by a spirit of malice but, instead, by a series of planning errors that necessitated requests for supplemental capital outlay funds from the State to complete projects already undertaken.

Records on the level or frequency of project overdrafts at the public institutions prior to 1965 P.A. 124 (and the creation of the Joint Capital Outlay Subcommittee which produced records of their meetings) are admittedly sketchy; however, a substantial number of building projects continued to need supplemental appropriations even after creation of the planning act. Minutes of the August 22, 1966, Joint Capital Outlay Subcommittee (JCOS) indicate that the proposed chemistry and biological science building at Michigan Tech would need additional appropriations because:

Bids received August 18 totalled \$5,314,835 for architecture, mechanical, electrical work and elevators and special equipment. This (now) indicates a cost of \$6,900,000 (or \$1,585,165 above quotes) to construct the building. The unit cost rose from \$29.02 per sq. ft. to \$35.34 per sq. ft. Mr. Rosa (State of Michigan, Building Division) stated that he could find no special reason for the increased cost except the (building) estimate was too low.⁸

The proposed new administration building at Michigan State University drew criticism from the JCOS when it noted:

Mr. Breslin reviewed the history and status of the administration building. He stated that Messrs. Simons and Anderson had contacted the low bidders to determine why low bids were \$800,000 above the budget. Mr. (Philip) May said that the contractors claim that the normal 4-5% cost increase per year that has prevailed over the past few years is not valid since wages have just gone up 20-25%.⁹

It is intriguing to note that the JCOS originally disapproved funding for the stated administration building at Michigan State because it was felt university officials had misrepresented certain building provisions. The report continues:

In answer to the committees' questions, it developed that the gross area of this facility (i.e., the administration building) was increased by 9,000 sq. ft. when the air conditioning

⁸Michigan Joint Capital Outlay Subcommittee, Minutes, Lansing, August 22, 1966, p. 4.

⁹Michigan Joint Capital Outlay Subcommittee, Minutes, East Lansing, July 12, 1966, p. 3.

absorption units were moved from the basement to the penthouse. This change in scope constitutes a 6% increase.¹⁰

University and college presidents were not above pleading the case for supplemental funds for putative projects to the Joint Capital Outlay Subcommittee. President [Harold] Spathelf of Ferris State College appeared before the JCOS in October 1969 requesting supplemental capital outlay appropriations in the amount of a quarter million dollars for the new pharmacy building that had increased in cost from \$2.2 million to \$2.45 million in a one-year period.¹¹

Michigan State University officials were noted in July 1968 as appealing to the JCOS for additional monies for the life science building which had gone considerably over building cost projections. The minutes note: "He [Mr. Breslin] stated the gross building area is now 183,375 sq. ft., the change being caused by an error in calculation."¹²

In the public baccalaureate institutions' defense, it must be conceded that the 1960s evidenced

¹⁰ Ibid., p. 4.

¹¹ Michigan Joint Capital Outlay Subcommittee, Minutes, Big Rapids, October 8, 1969, p. 2.

¹² Michigan Joint Capital Outlay Subcommittee, Minutes, Lansing, July 29, 1968, p. 4.

some rather remarkable increases in construction costs, which made capital outlay planning hazardous. In large measure the increased costs were attributable to higher salary demands established by the construction trade unions, and the escalating cost of building materials. By example, the cost of non-housing construction jumped 10% in 1968-69 alone.¹³

Michigan's public baccalaureate institutions, it appears, were not alone in the preparation of unrealistic projections of building costs and space utilization. At the national level, a 1956 inquiry on space utilization and physical plant planning (mailed to 1,400 institutions) generated 961 responses, which indicated that only 25 percent of these colleges had undertaken meaningful planning studies.¹⁴

It must be remembered additionally that the 1960s were a time of rapidly escalating enrollments in higher education and it is safe to assume that the physical plant at all institutions was taxed up to or beyond capacity. Faverman notes that Michigan higher education enrollments (in all sectors) increased

¹³"Scandal of Building Costs," Time, May 23, 1969, p. 104.

¹⁴Seymour E. Harris, Higher Education: Resources and Finance (New York: McGraw-Hill Book Co., 1962), p. 617.

500 percent during the period 1958-1970.¹⁵ Some degree of poor capital outlay planning, however, must be shouldered by the public institutions during this time period. Raymond Hughes underscores the vital need for long-range capital outlay planning: "Not only should there be a campus plan worked out . . . but building plans should be prepared in advance of needs, or at least in advance of funds for building" ¹⁶

The cited instances of project overdrafting are rather overt case studies. The perceptual violation of building projects financed via "self-liquidating" methods are somewhat more subtle. The tack assumed by the Legislature relative to self-liquidating projects was obviously generated from the realities of financing general fund (as opposed to capital outlay monies) operations at the several public institutions. While the college or university can many times satisfy revenue bond provisions (via fees collected, etc.) to remain technically "self-sustaining," the State (in many cases) has been left to assume, in a fait accompli manner, the heat, lights and cost of maintenance at a new facility.

¹⁵Faverman, p. 1a.

¹⁶Raymond M. Hughes, A Manual for Trustees of Colleges and Universities (Ames: Iowa State College Press, 1951), p. 75.

The cost of heating, lighting and routine maintenance have largely been assumed by the general fund appropriations conferred by the State. It is small wonder that most members of the Legislature have been openly skeptical of the signs in front of many campus construction projects stating that the project was developed "without cost to the taxpayer."

There seems to be little doubt that Michigan State College (now M.S.U.) was one of the cardinal violators in capital outlay planning from the 1940s onward. It is reasonable to assume that M.S.C.'s spectacular growth could not have occurred without some stretching of capital outlay requirements. In describing the hectic "forties" at M.S.C., Jan Brydon and Phil Stoffan recount:

"Watching Hannah used to scare me," remembered the late James Denison, assistant to the president. "He would announce that we would build such-and-such building, and sometimes would even say who would build it, before we'd even talked to the Legislature about funding."¹⁷

395 Mich. 52: The Landmark

The 1974 case Regents of the University of Michigan v. State of Michigan (1974) 395 Mich. 52 is in itself something of a misnomer, for the Trustees of Michigan

¹⁷ Jan Bryon and Phil Stoffan, "The Forties at Michigan State," Michigan State University Alumni Association Magazine, Sept./Oct. 1977, p. 10.

State University and the Board of Governors of Wayne State University were represented as plaintiffs, also. The plaintiffs brought action for declaratory judgment against the State, the State Treasurer, and the Budget Director, questioning the constitutionality of Sections 13, 20, and 26 of 1971 P.A. 122. More popularly known as the "Big Three Case," the State Board of Education intervened also, seeking an interpretation of its function under the 1963 Constitution (Articles 3 and 8). The basic constitutionality of 1971 P.A. 122 had been tried in Ingham Circuit Court and the Court of Appeals [47 Mich. App. 23; 208 NW 2d 871 (1973)] prior to 395 Mich. 52.

In 1971 Judge Marvin J. Salmon of the Ingham Circuit Court held that there "was no shred of authority in the constitution for the board's asserted mandatory program review over the universities."¹⁸ Merritt Chambers observes the vital nature of the Circuit Court decision when he notes:

This was a much greater victory for the universities than would be superficially indicated . . . the real significance of the decision is in the declaration that six of the "riders" on the 1971 appropriation bill were unconstitutional and void.¹⁹

¹⁸Merritt M. Chambers, Higher Education and State Governments (Danville, Ill.: Interstate Printers & Publishers, 1974), p. 129.

¹⁹*Ibid.*, p. 131.

The Court of Appeals decision relative to 1971 P.A. 122 (Sections 13, 20, and 26) also found the act unconstitutional. It further stated 1963 Const. Articles 8 and 3 did not require the universities to obtain prior approval of the Board to "expand or establish programs or departments or expand branch campuses."²⁰ The Court of Appeals verdict also noted the State Board of Education's authority was "limited to recommending to, and advising the legislature as to the desirability of the plaintiff's plans and requests for funds."²¹

395 Mich. 52 found the plaintiffs once again maintaining that 1971 P.A. 122 (Section 20) served as an infringement upon institutional autonomy by "unduly restricting the construction of buildings." In analyzing Section 20, the Michigan Supreme Court noted a significant change in the first sentence of the capital outlay planning provision: "In the recent higher education appropriation acts, this language also has been changed from 'it is a condition of this appropriation' to 'it is legislative intent.'"²²

The observation of the court serves to substantiate a position reached earlier in this research--the

²⁰Court of Appeals, 47 Mich. App 23; 208 NW 2d 871 (1973), p. 38.

²¹Ibid.

²²395 Mich. 52, p. 67.

wording and intent of capital outlay controls have changed periodically although perceptibly with the passing of the years.

The second sentence of Section 20, requiring that the public institutions "submit to the appropriate legislative committees schedules for the liquidation of the debt for construction and operation of a self-liquidating project," was viewed by the Michigan Supreme Court to be a mere corollary of supervision or control on the part of the committees receiving the information.²³ The court further observes:

Although it is [the second sentence, Section 20] as the plaintiffs claim, a pre-audit rather than a post-audit provision, such reporting is merely an attempt to give the Legislature information which should be public knowledge. Universities may still enter into construction contracts for self-liquidating projects without prior legislative approval.²⁴

The third and last sentence of 1971 P.A. 122, Section 20, was a moot issue, in the eyes of the Court, as it noted, "the parties argue in a vacuum . . . there are no facts in which we can breathe life, so we perceive danger in conjuring possible instances in which a university might defy legislative interdiction."²⁵

²³ Ibid., p. 68.

²⁴ Ibid.

²⁵ Ibid., p. 69.

The Court did view the third sentence of Section 20 to be a perfectly proper hortatory clause that expressed the Legislature's desire to set up an orderly division between general operations support and capital outlay funding. In leaving room for a future shift of interpretative policy the Court admonished: "The universities would be wise to comply, and in all probability would disregard this legislative expression only to suffer understandable legislative reaction."²⁶

Surprising, perhaps, when one considers the number of court tests over appropriations issues and capital outlay funding, is the fact that the State and its public baccalaureate institutions have never made an issue of tax exemptions, and the institutional ownership of property. Exemption from taxes and the ownership of property by a college or university, however, is not a constitutional but instead a statutory provision.

Michigan Comp. Law 211 (1948) notes:

Section 4. The following shall be exempt from taxation Such real estate as shall be owned and occupied by . . . educational or scientific institutions . . . incorporated under the laws of this state, with the buildings and other property thereon while occupied by them solely for the purposes for which they were incorporated.²⁷

²⁶Ibid., p. 70.

²⁷Thomas E. Blackwell, College Law: A Guide for Administrators (Washington, D.C.: American Council on Education, 1961), p. 291.

The position of the State Board of Education in the capital outlay planning litigation (1971 P.A. 122) is of interest. As noted earlier, the plaintiffs sought judgment against the State, the State Treasurer, and the State Budget Director. The Board of Education, therefore, was not enjoined in the original court proceedings. While one might logically question the need for another body (i.e., the State Board) to become involved in the fray, the high cost of capital projects and their relatively political nature seem to have enveloped a number of governmental agencies. James A. Perkins and Barbara B. Israel portray this fact best as they note:

The significant point about planning is that, as the cost and importance of educational matters increase, decision-making moves up the hierarchial scale, and away from the educational institutions toward political structures.²⁸

It has been noted that the Superintendent of Public Instruction had intervened in certain capital outlay projects (e.g., reduction in project plans at the University of Michigan in 1838, etc.) at the public baccalaureate institutions prior to the Constitutional Convention of 1961. The Superintendent of Public Instruction was not conferred with a Board of Education until 1963.

²⁸James A. Perkins and Barbara B. Israel, Higher Education: From Autonomy to Systems (New York: International Council for Educational Development, 1972), p. 11.

Influences of the 1963 Michigan Constitution

Records from the Constitutional Convention seemingly indicate that the delegates intended the Board to be a unifying and coordinating force, with the specific intention of maintaining the public higher education structure in the same manner as before (i.e., 1908 Constitution). The 1961 Constitutional Convention Records indicate:

As to the powers of the Universities, there was a consistent effort to retain the language of the prior constitution because the Universities had flourished under it so well in the past. For instance, Mr. Bentley in fighting off an unsuccessful attempt to amend said, "We have adopted insofar as possible the language of the existing constitution. This system has worked out historically, and I urge our retention of the original language that the chairman has supported."²⁹

Delegates to the 1961 Constitutional Convention apparently recognized that a lack of sufficient budget controls specifically conferred to the State Board of Education would present problems:

A second alternative, if both responsibility and authority for providing higher education are to be vested in one body, would be to give the legislature the constitutional responsibility

²⁹Austin C. Knapp, ed., Official Record, 1961 Constitutional Convention (Lansing: State of Michigan, 1961), p. 1152.

for determining the higher education program (which the legislature could vest by law in a university board or president).³⁰

The net impact of this proposed action would have been the collapsing of constitutional status for Wayne State University, the University of Michigan and Michigan State University. The institutions would then have been presented with the lesser statutory (law) status.

Whether the inclusion of the State Board of Education in the 1973 court action disturbed the Con-Con delegates in the higher education sector can only be of speculation. It seems rather evident that the new board was clearly on the offensive--its "unifying and coordinating" posture had given way to a need to control aspects of the capital outlay process for the public baccalaureate institutions. In 395 Mich. 52 the Supreme Court notes: "The Board contends that its prior approval is necessary to any new program or construction."³¹

It is perhaps not surprising that the Supreme Court upheld the Court of Appeals verdict relative to the

³⁰ A Comparative Analysis of the Michigan Constitution, Vol. 11, Article XVII (Lansing: Citizens Research Council of Michigan, October 1961), p. xi 32.

³¹ 395 Mich. 52, p. 72.

control function of the State Board of Education in capital outlay planning. The Supreme Court ruled:

We agree with the Court of Appeals that the authority claimed by the State Board of Education is not granted them by the Constitution. . . . We interpret "approval" as meaning only advice to the Legislature and to the universities. This advice relates to the overall planning and coordinating function of the Board and in no way carries with it the power to veto the proposed programs.³²

The 1973 ruling by the Supreme Court relative to 1971 P.A. 122 should not be construed as the only time that the universities have risen in opposition to the State Superintendent (or more recently the State Board of Education). In his book College Control in Michigan, John E. Kirkpatrick observes that the public baccalaureate institutions called for a movement to reorganize the state's higher education system in 1928. The governing boards and administrative staffs of the several institutions did meet with Governor Fred W. Green on February 14, 1928, to discuss a system of centralized responsibility for higher education. While painfully little seems to have occurred as a result of the meeting, the concerns that the institutions expressed in 1928 and those expressed in the 395 Mich. 52 litigation are surprisingly similar:

³²Ibid., p. 75.

Much more important are the functions of the state superintendent to be found in connection with the state's seven institutions for higher learning. He (the superintendent) has general supervision of general instruction in the university, the state college, the four normal schools and the college of mining and technology. This office, apparently, is meant to serve as a coordinating and centralizing agency for all publicly supported educational institutions in the state.³³

It is apparent that the State Board of Education has recently changed its tack somewhat in the area of capital outlay planning. To what degree this change can be attributed to the rulings in 395 Mich. 52 is, again, of considerable speculation, but it may be safe to conclude that it is substantial. The recent "State Plan" for Michigan higher education still expresses a good deal of legitimate concern over long- and short-term capital expenditures for the public baccalaureate institutions, however, the restrictions on the Board are clearly evident as it now observes:

[Goal 38] The projected cost of facilities in terms of future enrollments and programs is an important undertaking if sufficient student spaces are to be available. The State Board of Education will submit updated annual capital outlay projections to the Legislature, consistent with the constitutional mandate to advise concerning the financial requirements of higher education.³⁴

³³ Ibid., p. 9.

³⁴ Michigan Department of Education, The State Plan for Higher Education in Michigan, A Report (Lansing, 1976), p. IV 64.

While the State Board of Education probably recognizes the length of its constitutional leash in the area of capital outlay planning, it has not lost the spirit or enthusiasm to question, and in fact to recommend nonsupport for certain building projects. A recent issuance by the Michigan Department of Education outlines this contention:

In view of declining enrollments already experienced at many public baccalaureate and community colleges, and projected into the 1980's, additional capital outlay expenditures are not recommended at this time. However, remodeling of some existing facilities might be justified for support.³⁵

The FY 1977-1978 recommendations (or, more appropriately, the lack of recommendation) by the Department of Education and the State Board of Education may be the first storm warning in a renewed series of clashes in the area of capital outlay planning.

It is the observation of the researcher that capital outlay controls exist in the realms of technical, financial and programmatic management. Research indicates that past tests of capital outlay controls (including 395 Mich. 52) have been restricted to technical and financial issues. The wedding of building needs to enrollments or

³⁵ Michigan Department of Education, Advising on Financial Requirements--Public Baccalaureate and Community Colleges: Policy Recommendations for Fiscal Year 1977-78, A Report (Lansing, 1977), p. 12.

a lack thereof at the public baccalaureate institutions can only serve to engender future difficulties and tests in the latter area of control. It is obvious that the Board of Education and the Superintendent of Public Instruction (see Porter interview, Appendix C) are acutely aware of declining enrollments, changes in the marketplace need for college credit and several other factors that will impact directly on the building needs of the public institutions. The Board and the Superintendent, for the present, seem reluctant to exert any significant challenges in the area of programmatic capital outlay controls.

Leadership provided by a board that is heavy with regulation and low on leadership qualities is generally not a successful governing entity according to Roald F. Campbell, former Dean of the Graduate School at the University of Chicago.³⁶ It is Campbell's observation that the most effective governing boards demonstrate more leadership than regulatory efforts. With the constitutional stature of Michigan's public baccalaureate institutions, an effective State Board of Education may need to depend on leadership skills, for regulatory

³⁶Roald F. Campbell, Gerald E. Sroufe, and Ronald H. Layton, Strengthening State Departments of Education (Chicago: Midwest Administrative Center, The University of Chicago, 1967), p. 82.

controls have been all but eliminated by the recent court rulings.

It is the position of this researcher that the capital outlay controls as expressed by the State will probably be recognized as valid and legitimate by the public baccalaureate institutions only if cost differentials for academic projects are taken into consideration. Any attempt to relate costs at one type of State building project (e.g., State office complex) with offices or classrooms on a college or university campus would seem to be unconscionable. Recent memoranda produced by the Superintendent of Public Instruction reveal a growing interest in budget by formulae. A December 22, 1977, memo from the Superintendent of Public Instruction to the State Board of Education outlines one policy recommended for adoption:

2. The Legislature should appropriate funds to adequately support upper division programs of instruction at the 15 public baccalaureate campuses consistent with the taxonomy of programs adopted by the U.S. Office of Education.³⁷

A clear-cut danger would seemingly exist if capital outlay funding were to be provided on a formula or model basis. Malcolm Moos underlines the very

³⁷John W. Porter, Memo to State Board of Education, "Goal VI of State Plan for Postsecondary Education," December 22, 1977, p. 2.

fundamental difference between the building needs of the campus and the State:

Unlike much ordinary state construction, campus building has developed to meet the need for a quiet, self-sufficient community geared to creative learning--a need which is antithetical to mass-production involved in some (office) construction. Yet partly because of this difference, economy-minded state officials are quick to criticize higher education for unorthodox building procedures. Some of the criticism has led to increased control³⁸

Some states have moved to formula-based appropriations which include capital outlay needs. Merritt Chambers notes that Oklahoma has appropriated funds for its publicly supported institutions according to a formula that includes:

Administration and General Expenses	18%
Research (Departmental)	3%
PLANT OPERATION AND MAINTENANCE	27%
Extension and Public Service	10%
Library	8%

Chambers concedes that slight modifications of the formula are necessary for schools of human medicine and veterinary medicine and the technical branch of one university.³⁹

Ohio also has rigid ratios or formulae for capital outlay expenditures. Dr. John X. Jamrich presents

³⁸Malcolm Moos and Francis E. Rourke, The Campus and the State (Baltimore: The Johns Hopkins Press, 1959), p. 132.

³⁹Merritt M. Chambers, Financing Higher Education (Washington, D.C.: Center for Applied Research, 1963), p. 96.

at least 18 (developed) ratios that the State uses to assess capital outlay requests.⁴⁰ Ohio's capital outlays, it appears, are influenced by such diverse considerations as the "survival rate"--academic percentages of students intending to enroll in public higher education and those (percentages) that have tended to graduate.⁴¹ Percentage formulae for in-and-out educational migrations are also used.

Although the Oklahoma and Ohio capital outlay measures seem almost harsh by Michigan standards, it must be recognized that public higher education in those states does not have the strong legacy and the equally strong constitutional status enjoyed by institutions in the Wolverine State.

The court tests and court rulings on capital outlay planning and appropriations have the appearance of being significant victories for the public baccalaureate institutions. It is entirely conceivable that the court rulings in favor of the public baccalaureate institutions have been a series of Pyrrhic victories--for the State still holds the "power of the purse."

⁴¹John X. Jamrich and Harold L. Dahnke, Ten Year Building Needs for Higher Education in Ohio 1962-1972 (East Lansing: Michigan State University, 1963), p. 29.

⁴²Ibid.

Former Governor William L. Guy emphasizes the reality of state government funding as he observes: "True power is held by the branch of government which exerts the 'most influence over the budget process'-- this is where destinies are shaped."⁴³

Serving perhaps to underscore this contention, and certainly representing one of the few punitive actions on the part of the State in capital outlay history, is Faverman's contention (Appendix C) that building monies were disallowed for University of Michigan projects when 1971 P.A. 122 was being reviewed in the courts. Surprisingly, research (see Appendix A) reveals that State support for planning, new construction and continuance of construction to the University of Michigan was considerably more modest than it had been up to 1970 or after 1973 when the litigation concluded.

In summary, the legal tests of capital outlay planning and funding reveal shifting postures on the part of the courts. Conditioned appropriations viewed to be proper in the early 1900s have yielded to the operational autonomy of public baccalaureate

⁴³Gene A. Budig, ed., Perceptions in Public Higher Education (Lincoln: University of Nebraska Press, 1970), p. 107.

institutions in the 1960s, although the potential for further changes or retrenchment is a clear possibility.

The public baccalaureate institutions clearly exhibited capital outlay planning errors, prior to and even after the formal enactment of 1965 P.A. 124. The planning errors resulted in the application of tighter capital outlay controls by the State, resulting in the litigation of the 1970s. The spirit of this litigation can seemingly be traced to previous appropriations tests in Michigan legal history.

CHAPTER IV

PREVIOUS ASSESSMENTS OF CAPITAL OUTLAY PLANNING

It has been demonstrated previously that certain aspects of capital outlay planning and funding have deep legal and historical roots. Support for capital outlay projects antedates Michigan's admission to statehood. Legal tests of capital outlay-related projects can be traced to 1856. Studies or assessments of Michigan's capital outlay needs for the public baccalaureate institutions reflect no such long-standing traditions, in fact, the oldest survey was performed just two decades ago. It should be recognized that "survey" for purposes of this research will include comprehensive capital outlay assessments involving several or all of the public baccalaureate institutions. It is safe to assume that most of these institutions possessed some form of campus "master plan" for capital outlay needs from the 1950s onward, however, very little cooperative or interinstitutional determination of building needs seems to have occurred at the initiative of the public universities.

Studies or reviews of capital outlay planning and funding for the Michigan public baccalaureate institutions have included:

- Staff Study No. 4 (a precursor to the John Dale Russell report), 1958;¹
- Staff Study No. 9 (a preliminary report to the John Dale Russell report), 1958;²
- John Dale Russell's final report, 1958;³
- Report of the Citizens Committee on Higher Education in Michigan, March 1965;⁴
- Analysis of utilization of instructional facilities and inventory of the physical plant by John X. Jamrich, 1961;⁵

¹Earl W. Anderson and Elden B. Sessions, eds., Physical Plant Needs in the State-Controlled Institutions of Higher Education in Michigan (Lansing: Legislative Study Committee on Higher Education, 1958), hereinafter cited as Staff Study No. 4.

²John Dale Russell and John X. Jamrich, eds., Space Utilization and Value of Physical Plants in Michigan Institutions of Higher Education (Lansing: Legislative Study Committee on Higher Education, 1958), hereinafter cited as Staff Study No. 9.

³John Dale Russell, The Final Report of the Survey of Higher Education in Michigan (Lansing: Legislative Study Committee on Higher Education, 1958), hereinafter cited as the Russell Report.

⁴The Citizens Committee on Higher Education, The Physical Plant: Report No. 4 (Lansing: Citizens Research Council of Michigan, 1965), hereinafter cited as the Citizens Committee Report.

⁵John X. Jamrich, Inventory of Physical Plant and an Analysis of the Utilization of Instructional Facilities in Michigan's State Controlled Colleges and Universities (East Lansing: Michigan State University, 1961), hereinafter cited as the Jamrich Report.

--Report of the Governor's Special Commission
on Architecture, 1972.⁶

Staff Studies No. 4 and No. 9, in addition to the Russell Report, were convened at legislative request. The state building process report was called, of course, at the behest of Governor William G. Milliken. The Jamrich and Citizens Research Committee studies were private efforts, certainly much less publicized than the other assessments. It should be recognized that Dr. John X. Jamrich served as a committee member of Staff Report No. 9 in addition to producing his own analysis of the physical plant in Michigan.

It would appear that the Jamrich and Citizens Committee studies restricted their efforts to plant assessment, while the two staff studies and the Russell Report seemingly developed their analyses to encompass capital outlay as one significant variable in a totality of higher education concerns.

Not surprising, perhaps, when one considers past disagreements over capital outlay planning and funding, is the fact that experts disagree on which strategy is best for the statewide development of campus physical

⁶The State Building Process: Analysis and Recommendations of the Governor's Special Commission on Architecture (Lansing: The Executive Office, 1972), hereinafter cited as the Special Commission Report.

plants. Aaron S. Gurwitz views capital outlay planning to be vital and dynamic:

The objectives of a system of capital outlays . . . are very simply the goals of education for the State. Unfortunately there is no simple relationship between facilities and the quality of educational output.⁷

A report issued by the Western Interstate Commission for Higher Education (WICHE) holds capital outlay planning to be dynamic, but not terribly flexible because "building facilities are not readily flexible resources. They can be converted to meet changing program requirements only with the expenditure of time and money for renovation."⁸

Staff Study No. 4

Earl W. Anderson and Elden B. Sessions, faculty members (at the time) at Ohio State University co-chaired the development of Staff Study No. 4. The study attempted to assess the condition of physical facilities at the various public baccalaureate institutions. The analysis was developed in a building-by-building fashion with descriptions given on the construction date of each

⁷ Aaron S. Gurwitz, Toward Thorough and Efficient Capital Outlays (Report) (Palo Alto: Stanford University, 1969), p. 15.

⁸ WICHE Management Information Systems Program: Higher Education Facilities Planning and Management Manuals Project (Report) (Boulder: Western Interstate Commission for Higher Education, 1969), p. 3.

unit and any significant modifications undertaken with the passing of the years. Individual campus buildings were graded on a scale ranging from "unsuitable" or "poor" through "excellent."

The staff study team was impressed by the capital outlay planning efforts that the institutions had undertaken:

It is the definite impression of the survey team that careful study of building needs was going on in each institution visited, and that good judgment was being exercised in the development of future building plans.⁹

The perception of the staff study team is quite obviously different than the view provided by agency personnel interviewed, on the quality of capital outlay planning efforts by the public baccalaureate institutions.

It would appear that the definition of "planning" must be brought into closer focus, for the public institutions very definitely incurred (substantial) budget overdrafts on capital projects which heightened the State need for building controls. In his definition of planning, Harry J. Hartley includes the recognition that planning should include the "formulation of rationally feasible courses of action through a systematic

⁹Staff Study No. 4, p. 2.

consideration of alternatives."¹⁰ In speaking to the importance of "alternative planning," Alan C. Filley observes: "Frequently, then, a problem of successful planning, is one of generating alternatives."¹¹

It appears that the public baccalaureate institutions clearly had some basic awareness that enrollments in higher education would escalate and new demands would be placed on the physical plant of the respective institutions. Institutional planning to this degree may have been recognized by the Staff Report team in its basically favorable posture. It does not, however, appear that these same institutions carried this planning to the consideration of alternatives, particularly in the construction of self-liquidating projects. The substantial amount of litigation surrounding capital outlay projects would serve to underscore this contention.

Staff Study No. 4 also concluded that "office space is insufficient on all campuses Michigan State University has the poorest office situation."¹² The study concluded with the observation that:

¹⁰ Harry J. Hartley, Educational Planning-Programming-Budgeting: A Systems Approach (Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1968), p. 256.

¹¹ Alan C. Filley, Robert J. House, and Steven Kerr, Managerial Process and Organizational Behavior (Dallas: Scott, Foresman and Company, 1976), p. 431.

¹² Staff Study No. 4, p. 3.

As the huge numbers of present Michigan high-school and elementary school students become of college age, tremendous increases in new buildings must be provided somewhere in the State for their education.¹³

There can be little doubt that both the state and the public baccalaureate institutions moved forward from Staff Study Report No. 4 committed to an aggressive plan of new construction to meet the projected enrollment increase. Public Acts awarding new construction funds (see Appendix B) reflected progressive increases including \$6.7 million during 1960, \$13.1 million in 1961, \$12.9 million in 1962, \$20.4 million in 1963, \$28.7 million in 1964, and \$28.9 million in 1965.

Staff Study No. 9

Staff Study No. 9 (space utilization and physical plants) was co-chaired by Dr. John Dale Russell, on leave as Chancellor and Executive Secretary of the Board of Educational Finance (New Mexico) and Dr. John X. Jamrich who was serving as Dean of Doane College (Crete, Nebraska).

The committee was impressed by the urgency of the increasing enrollments (143,000 in 1957 and estimated to be three times larger by 1975) in the higher education sector and the demands it would place on Michigan

¹³Ibid., p. 4.

college and university physical plants.¹⁴ The Staff Study No. 9 report notes:

If plant facilities are to be provided at the present rate of value per student, and if enrollments are to triple in the next eighteen years, the requirements for new capital outlay during that period . . . would be in excess of one billion dollars.¹⁵

In a realistic vein, Staff Study No. 9 conceded that capital outlay expenditures of nearly \$600,000,000 per year to meet the demands of the enrollment increase would be, at best, unobtainable:

No one with a realistic view of the economic situation in Michigan could possibly conclude that next year the tax appropriating bodies and the philanthropic donors are going to embark immediately on a continuing program of annual support . . . to the extent of \$60,000,000 a year.¹⁶

In a larger perspective, all states and all institutions were facing the higher education enrollment onslaught of the 1950s and 1960s. To accommodate building needs and to alleviate some capital outlay pressures on its public baccalaureate institutions, the State of Maryland (1965) went to the unusual stance of conferring monies to private institutions. The question of public support of sectarian higher education immediately

¹⁴Staff Study No. 9, p. 1.

¹⁵Ibid., p. 2.

¹⁶Ibid., p. 3.

produced a court test in Horace Mann League v. Board of Public Works (242 md 645-220 A. 2nd 15, 1965).¹⁷ In this case the State of Maryland had appropriated \$2.5 million for the erection of buildings on the campuses of four church-related colleges within the state. The court approved one allocation but ultimately denied the three others noting:

If they are to continue to do their part and bear the new load of increased enrollments, they must have new facilities and, since private colleges traditionally have financial problems which limit their expansion, most of the cost of new facilities must come from the government.¹⁸

In this respect, Michigan with its large number of public baccalaureate institutions and history of strong institutional autonomy was never pressured to expand its physical plant needs in the manner of Maryland.

The Staff Study No. 9 committee assumed the tack that new construction funding of the magnitude necessary to accommodate the projected new enrollments would not soon come to pass, and as a consequence, a more efficient use of existing facilities would become imperative.

¹⁷John S. Brubacher, The Courts and Higher Education (San Francisco: Jossey-Bass, Inc., 1971), p. 85.

¹⁸Ibid., p. 86.

Even with an improved utilization of plant facilities, the report team injected a "Catch 22" proposition relative to capital outlay funding:

It should be pointed out that a more intensive utilization of plant facilities is not a permanent solution to the problem of providing plant-facilities in the institutions of higher education. Once the utilization of facilities is increased to the maximum possible, the provision of additional plant space will then be required in continually larger amounts as the enrollments continue to increase.¹⁹

In the utilization of classroom space, the Staff Study No. 9 team found the public baccalaureate institutions maximizing every available foot of floor space. The larger institutions in particular had developed exceedingly tight provisions for classroom space: "It is clear that Michigan State University, the University of Michigan, and Wayne State University have seated their classrooms so as to provide only a minimum of floor space per student station."²⁰

It should be recognized that nearly all of the definitions and room use scales outlined in Staff Study No. 9 had been developed by Russell and Doi in their publication Manual for Studies of Space Utilization in Colleges and Universities. Addressing the subject of "student-station-period use" the manual notes:

¹⁹ Staff Study No. 9, p. 4.

²⁰ Ibid.

Student-station-period use is the number of hours that student stations are occupied. For example, if during the week a room is occupied for 22 room periods by classes averaging 45 students each, its student-station-period use for the week would be 990.²¹

An assessment of laboratory-related utilization by the Staff Study No. 9 team found the public baccalaureate institutions again leading the way. The 1957 average number of square feet per student station in instructional laboratories in the public institutions was 44.7 (range of 27.7 at Northern Michigan College to 54.3 at Ferris Institute) as compared to 33.1 for the private institutions and 43.5 for the community colleges.²²

Laboratory utilization was a gnawing problem for the study team in 1957 and its proper accounting remains of concern even today. Staff Study No. 9 observed: "A general classroom is seldom, if ever, constructed so as to preclude other than classes in one subject, but this is often not true of laboratories."²³

²¹John Dale Russell and James I. Doi, Manual for Studies of Space Utilization in Colleges and Universities (Athens: Committee on Enrollment Trends and Space Utilization of the American Association of Collegiate Registrars and Admissions Officers, University of Ohio Press, 1957), p. 21.

²²Staff Study No. 9, p. 33.

²³*Ibid.*, p. 34.

Jane Lord observes the modern manifestation of accounting for laboratory usage: "One endemic problem . . . is the lack of college level science labs. Institutions balk for fear their facilities will be misused."²⁴

The Staff Study No. 9 team found the public baccalaureate institutions to have, on the main, high "room-period" utilization of their classrooms as compared with other institutions throughout the country. Again, the term "room-period" seems to have been extracted from the Russell and Doi Manual that suggests:

Room period use is the number of hours that a room (or the average for a group of rooms) is occupied by a class. A room is considered to be in use whenever a class meeting is held in it, regardless of the size of the class.²⁵

The principal exception to the high rate of room utilization was judged to be the Sault Ste. Marie branch of the Michigan College of Mining and Technology (now Lake Superior State College).

The computation of "student-station" utilization was of particular concern to the members of Staff Study No. 9. The Report indicated the public baccalaureate institutions used instructional facilities (classrooms,

²⁴Stephen A. Kliment and Jane Lord, "Build if You Must But Consider . . .," Planning for Higher Education 3 (April 1974): 2.

²⁵Russell and Doi, p. 21.

labs, tutorials, etc.) on an average of 13.8 hours per week.²⁶ This average was judged to be less than one-third of the hours that would be theoretically possible in a 44 period week. Again, the Russell and Doi Manual must be consulted for interpretation of the data:

The student-station period use may also be expressed as the percentage of possible periods during the week that student stations are occupied. For example, on a 44-hour weekly schedule, a room containing 60 student stations would have a total of 2,640 possible student station periods. If during the week this group of student stations were occupied for a total of 990 periods, the percentage of possible student-station-period use for the room would be 37.5. The formula is:

$$\left(\frac{\text{average student hours per station}}{\text{weekly schedule}} \right)$$

100 = percentage of possible student-station-period use.²⁷

The Staff Study No. 9 committee observed that student classroom stations (at the public baccalaureate institutions) were typically used much more intensively on Mondays and Wednesdays than other days of the week. The most heavily used hours of classroom and laboratory use were deemed to be 9:00 A.M. to 12:00 noon and 1:00 to 2:00 P.M.²⁸

Facilities surveys conducted nationally have also tended to reflect surprising data on the utilization

²⁶Staff Study No. 9, p. 112.

²⁷Russell and Doi, p. 22.

²⁸Staff Study No. 9, p. 128.

of space in higher education. A survey completed some ten years after the Russell Report by the National Center for Educational Statistics, Department of Health, Education and Welfare (DHEW), reveals that less than 9 percent of the 1.5 billion square feet of gross assignable space in higher education institutions was used for classrooms.²⁹ Public higher education institutions were reported to use less than 6 percent of their assignable space for classrooms.³⁰

The Russell Report (Michigan Legislative
Study Committee on Higher Education)

One of the specific charges by the Legislature (Senate Concurrent Resolution 30 of 1955) to the John Dale Russell committee was to establish "the amount of property owned and operated by the schools of higher education and the value of this property."³¹ The Russell study was financed by a \$77,500 appropriation from the Legislature and an \$88,500 grant from the W. K. Kellogg Foundation.³²

²⁹ Harold L. Dahnke and Paul F. Mertins, Inventory of Physical Facilities in Institutions of Higher Education (Washington, D.C.: National Center for Educational Statistics, DHEW, 1970), pp. 1-2.

³⁰ Ibid.

³¹ Russell Report, p. 50.

³² Dunbar, p. 378.

The Committee noted that standard accounting procedures used at the time (and apparently still in use) called for a continuous compilation of the money put into the provision of physical plant needs and equipment. The records were maintained in a cumulative fashion, and the "book value" of the physical plant represented (and still represents) investments since the beginning of the record system, less any deductions due to the closing or demolition of buildings, etc.

The Russell Report notes:

But the figure for the "book value" has many shortcomings. It cannot be interpreted in the same manner as the figure for plant assets in a business In most older institutions the accounting records do not extend back far enough to show the actual cost of some buildings still in use, so at some time in the history of the accounts, probably when the modern system was installed, an estimated value was entered for these old buildings.³³

Studies of capital outlay projects undertaken in other states were reaching the same conclusion as the Russell Report concerning the "book value" of the physical plant. A survey in Illinois reported:

The State's investment in physical facilities in the public universities is somewhat understated in terms of actual capital investment, particularly in the case of older universities . . . still using facilities constructed at the turn

³³ Russell Report, p. 51.

of the century for actual capital investments between \$200,000 and \$600,000. Replacement of any of these facilities in today's construction market would cost several million dollars.³⁴

The Russell Report listed land holdings for all Michigan institutions (both public and private) as slightly in excess of 30,000 acres.³⁵ Of this total, more than one-half was deemed to be in the "other purposes" category, such as experimental farms, camps and forests. The State-controlled institutions were portrayed as possessing 82 percent of the land used for campus purposes in Michigan; the privately controlled institutions, 16 percent; and the community colleges, 2 percent. Again, the Russell Report observes:

The conclusion must not be drawn from the data that the campuses of the State-controlled institutions are overly extensive in comparison with those of the privately controlled colleges. The relatively extensive campuses at the State-controlled institutions probably result, in part, from the use of considerable land areas for research projects and other services that have no relation to the number of students attending. Services of this sort are not a part of the programs of community colleges or most of the privately controlled institutions.³⁶

³⁴J. W. Huther, A Review of Higher Education Capital Construction Needs and Commitments: A Staff Report for Use in Developing the Illinois Master Plan--Phase IV (Springfield, Ill., June 1975), p. 4.

³⁵Russell Report, p. 52.

³⁶Ibid., p. 53.

A survey of facilities at North Dakota institutions of higher education recently revealed data that is quite similar to the Russell Report in terms of acreage utilized by the campus proper. Of the 10,714.12 acres of land managed by North Dakota institutions of higher education, only 33 percent was devoted to campus uses.³⁷

The Russell Report found the square feet of floor area in buildings at Michigan institutions to be surprisingly similar to statistics on land holdings. The State-controlled institutions were cited as possessing 83 percent of the total floor area in college buildings, the privately controlled institutions had 14 percent, and the community colleges, 3 percent.³⁸ The Report further observed that on the basis of FY 1956-57 enrollments, the square feet of floor space per full-time equivalent student was almost twice as high (156.3) for the private institutions as for the community colleges (80.8). It must be recognized, however, that most plant development activities for Michigan community and junior colleges had not yet begun when the Russell

³⁷ Charles Johnson, Physical Facilities at North Dakota Institutions of Higher Education--Fall Semester 1974 (Wahpeton, N.D.: North Dakota Higher Education Facilities Commission, 1975), p. 10.

³⁸ Russell Report, p. 53.

Report was issued (1958). The Report also noted that the public institutions possessed almost twice as much floor space per student (328.9) as the privately controlled institutions. Again, the Russell Report injected a conditioned observation:

Again, great caution must be used in interpreting the data on floor area. The State-controlled institutions have large scale research programs, extensive hospital and clinical services, and other activities that bear no relationship whatever to the number of students enrolled.³⁹

The concern over interpretative data on floor area can be witnessed in the Report by the John Dale Russell Committee. In large measure, the debate over cost per foot of building space rages on unchecked even today. James L. Miller notes that square footage costs for buildings in the Kentucky higher education complex vary between a range of \$10.00-\$22.00, while in Texas, "an appraisal chart published by a commercial firm is the basis for estimating replacement costs."⁴⁰

A recent study by Dr. Herman E. Koenig of Michigan State University has developed some distinctions on building floor space that may serve to reduce some of

³⁹Ibid.

⁴⁰James L. Miller, State Budgeting for Higher Education: Use of Formulas and Cost Analysis, Michigan Governmental Studies No. 45 (Ann Arbor: Institute of Public Administration, 1965), p. 128.

the past frictions. Koenig suggests that the physical resources of a university can be separated into primary facilities and secondary facilities. The "systems model" suggests:

Primary facilities are considered to be utilized directly for academic and non-academic production, or for personnel, while secondary facilities, such as power plants, or storage space are required for support of primary facilities.⁴¹

The Russell Report was critical of the public baccalaureate institutions in one particular area--the use of temporary buildings and temporary floor space. This research has identified that temporary campus facilities, many of them provided at modest cost from emergency Federal sources, were necessary to stem the tide of post-World War II enrollees. Many of these facilities had outlived their usefulness by 1958. The Report indicated that as of June 30, 1957, the public institutions possessed 1,483,582 square feet of temporary floor space.⁴² The Report was particularly concerned over the large number of temporary facilities at Michigan State University:

⁴¹Herman E. Koenig, M. G. Keeney, and R. Zemach, A Systems Model for Management, Planning, and Resource Allocation in Institutions of Higher Education, Final Report Project C-518 (East Lansing: Michigan State University, 1968), pp. 50-51.

⁴²Russell Report, p. 54.

At Michigan State University, the temporary buildings are mostly war-surplus structures of the quonset-hut or barracks type, and are used very largely for instructional rooms and laboratories and for student housing. As was pointed out in Staff Study No. 4, the replacement of the temporary buildings for instructional purposes at Michigan State University should have a high priority on the State's building program for the institutions of higher education.⁴³

Michigan State University developed an unquestionably aggressive capital outlay plan in the 1960s to replace temporary facilities. The elimination of the quonset facilities in particular, however, had not been accomplished some two decades later. A recent article in the Michigan State News detailed: "Today only 26 of the 104 original quonsets remain. According to James M. Peters, Director of Space Utilization, plans are underway to gradually raze the remaining quonsets."⁴⁴

The Russell Report concluded its section on capital outlay planning efforts with the observation that "there is nothing in the statistics to cause concern about the situation in the publicly controlled institutions of Michigan . . . in which the only indebtedness is for self-liquidating projects."⁴⁵

⁴³Ibid.

⁴⁴The State News (Michigan State University), January 18, 1978, p. 7.

⁴⁵Russell Report, p. 55.

The confidence exuded by the Russell Report on the ability of the public institutions to administer self-liquidating projects would, of course, never come to fruition.

It is rather intriguing that the Russell Report did not reflect any of the standard formulas or thinking on the subject of building costs that the author (i.e., John Dale Russell) had developed prior to the Michigan Legislative Study on Higher Education. Russell apparently had long been an advocate of determining the "terminal cost" of a building. It was Russell's perception that the direct outlay for construction often is not the final cost of a building. Russell's The Finance of Higher Education observes: "The true or ultimate cost includes the initial cost, plus the maintenance and protection charges during the life of the building, plus the total interest on the investment during the life of the building."⁴⁶

Russell, it seems, had developed several useful estimates to determine whether cheaper or less substantial buildings were a better investment than relatively substantial but more costly units. It was Russell's observation that the more costly, but generally better

⁴⁶ John Dale Russell, The Finance of Higher Education (Chicago: University of Chicago Press, 1954), p. 374.

constructed building was a superior capital outlay investment. Russell proposed the following formula for use in making a comparison between two projected plans for a building, if reasonable estimates on the life of the building and the maintenance costs could be established:

$$(Rc) (Cc) + Mc + I (Cc) = (Re) (Ce) + Me + I (Ce) + D^{47}$$

where R = rate of depreciation; C = cost of building construction; M = annual maintenance cost; I = rate of interest; c = cheap building; e = expensive building; and D = difference.

The Russell Report, without question, had a marked impact on capital outlay planning in Michigan. Both the State and the public baccalaureate institutions were quick to provide new facilities for the predictably larger enrollments. The greatest impact on capital outlay planning in the Report was probably the result of a general policy recommendation--that of conferring the other State public institutions with operational autonomy. Merritt Chambers observes: "The Russell Report embodied many other recommendations most of which were implemented immediately by the State.

⁴⁷Ibid., p. 148.

Whether rightly or wrongly . . . it [the Report] was accused of a tendency towards a level of mediocrity."⁴⁸

Interviews with Roege, Beers, Endriss and Lane (Appendix C) underscore the notion that once all of the institutions were conferred with autonomy, it became considerably more difficult for the State to control building efforts in the public higher education sector. Roege, Endriss, and Lane, in particular, contend that some of the offices and classrooms built in the decade after the release of the Russell Report were impractical and, very possibly, operational liabilities from their inceptions. It is entirely possible that some of those new construction projects, born out of anxiety, stand today as brick and mortar white elephants.

Caws, Ripley and Ritterbush have recently released a series of architectural analyses that partially substantiate the perceptions of the interviewees noted above:

Unpredictability and rapid change are the hallmarks of progress in all areas of scientific research, and these in turn place great demands on facilities--often resulting in the obsolescence of once modern but unacceptable buildings.⁴⁹

⁴⁸Merritt M. Chambers, Higher Education in the Fifty States (Danville, Ill.: Interstate Printers & Publishers, Inc., 1970), p. 194.

⁴⁹Peter Caws, S. Dillon Ripley, and Philip C. Ritterbush, The Bankruptcy of Academic Policy (Washington, D.C.: Acropolis Books, Ltd., 1972), p. 97.

The Citizens Committee on
Higher Education

The Citizens Committee Report on the physical plant issued its findings in November 1964, approximately six and a half years after the conclusion of the John Dale Russell review. The committee, perhaps owing to its more independent composition, issued findings that were considerably more pointed than past analyses.

The Citizens Committee noted that the eleven public baccalaureate institutions (Lake Superior State, Oakland, and Saginaw Valley had not yet been established) possessed some 17.7 million gross square feet of non-residential building space.⁵⁰ The Citizens Committee chose to draw a distinction between "gross" square footage and "assignable" (a/k/a net) space, noting that only 10.4 million feet of the stated total were usable in a practical sense.⁵¹ Assignable space was defined as:

Building space computed on the basis of the dimensions between the principal wall surfaces of each room excluding corridors, stairs, elevators and other general circulation areas, custodial, mechanical and other building service areas such as public toilets.⁵²

The Citizens Committee observed a growing tendency for the ratio of "net" square footage to decline.

⁵⁰Citizens Committee Report, p. 2.

⁵¹Ibid.

⁵²Ibid.

The decline was attributed in large measure to modern construction techniques including:

- multi-story building construction
- increase in size of buildings with more emphasis on hallways, elevators, etc.
- building codes that mandate wider halls, stairways, etc.
- fire resistant construction materials
- more space for mechanical services such as air conditioning, etc.

The Committee did concede that "non-residential building space at Michigan public campuses exhibits a proportion of usable floor area that is in consonance with results found elsewhere."⁵³

Evidence provided by the Citizens Research Committee on new construction projects in part substantiates claims made by the interviewees cited earlier. Of the 27 buildings constructed primarily with state appropriations on nine campuses between 1956 and 1964, the median ratio of usable floor footage was judged to be only 61 percent.⁵⁴ Seventeen of the 27 buildings fell between 50 percent and 70 percent with a range of 44-85 percent.⁵⁵

⁵³Ibid., p. 3.

⁵⁴Ibid.

⁵⁵Ibid.

In analyzing the utilization of facilities at the Michigan public baccalaureate institutions, the Citizens Committee effected a curious index for comparative purposes. Instead of using data generated by the John Dale Russell Report, the Citizens Committee chose to use a 1955 study technique developed by the University of California. The use of comparative methodologies from a much larger state with considerably more junior colleges, differing higher education problems, seemingly possessed with different funding mechanisms, and, most assuredly, a different history of operational autonomy, certainly serves to weaken some of the observations carried in the Citizens Committee Report. The "California Study" did attempt to take new construction techniques into account that possibly had not been addressed in the Russell Report:

. . . in recent years the establishment and revision of building codes, as well as changing architectural and structural design standards, have had a similar effect, despite the development of better building materials and construction techniques. More and wider stairs, more and larger elevators, and more space for mechanical and other services . . . entail the construction of increasingly greater gross floor areas to secure a given amount of space. It is important that this circumstance be recognized, for the care which must be added to a proposed assignable floor area in calculating the corresponding gross floor area is a very significant element of the construction cost estimates.⁵⁶

⁵⁶ California and Western Conference Cost and Statistical Study (Berkeley: University of California, 1955), p. 51.

The Citizens Committee Report found 1964 utilization of instructional rooms to account for as little as 14 percent and in no case more than 38 percent of the assignable square feet of nonresidential building space at the public institutions.⁵⁷ These data reflect (on the surface at least) very little deviation from previous statistics published in Staff Report No. 9 and the Russell Report.

Some room utilization figures had changed quite appreciably in the view of the Citizens Research Committee. Room utilization figures at the University of Michigan, Michigan State University and Wayne State University reflected relatively lower usage (it must be borne in mind that considerable amounts of gross and net floor footage had been added to these institutions from the conclusion of the Russell Report in 1958 through 1964). The Citizens Committee Report notes:

While Michigan compares favorably on this score, it is deemed significant that the three lowest percentages (with the exception of Grand Valley State College, an atypical situation in this respect) were reported by the three largest institutions, all of which, with full-time staffs and "offices of institutional research," may be assumed to be in a more advantageous situation with respect to the availability and reliability of these sorts of data than most, if not all, of the other institutions.⁵⁸

⁵⁷Citizens Committee Report, p. 3.

⁵⁸Ibid.

The proper accounting of room usage, even by internal review mechanisms (e.g., Offices of Institutional Research), is by no means an easy or economical undertaking. In discussing facilities inventory capabilities at the University of California, Charles W. Acridge noted that the system was redesigned in 1971 to include such hardware components as an IBM 360/65 computer. The system can monitor (1) room utilization analysis, (2) space adequacy analysis, and (3) equipment unit cost standards. The system was installed at the cost of \$38,000 with annual update and production costs estimated at \$10,000.⁵⁹

The Citizens Committee found long- and short-range capital outlay and physical planning offices to be vested within the confines of the Office of the Vice President for Business and Finance at most of the public baccalaureate institutions. Citizens Research Committee data revealed:

<u>Responsibility for Long-Range Capital Outlay Planning and Information</u>	<u>University Replies</u>
1. Vice President for Business and Finance (or similar type of official)	7

⁵⁹ National Forum on New Planning and Management Practices in Higher Education, Planning and Management Practices in Higher Education: Promise or Dilemma? (Denver, 1972), p. 180.

⁶⁰ Citizens Committee Report, p. 11.

	<u>Responsibility for Long-Range Capital Outlay Planning and Information</u>	<u>University Replies</u>
2.	Top Level Administrative Committee	1
3.	Secretary--Board of Control	1
4.	University Committee--Administration and Faculty	1
5.	Varies	1

An interview with Robert L. Seifert, University Architect at Michigan State University (see Appendix C), seemingly indicates that the capital outlay planning function at the public baccalaureate institutions has advanced somewhat in a professional sense since the issuance of the Citizens Committee Report. Each of the public institutions now has a capital outlay officer (or at least someone with working knowledge of the process). These representatives have organized themselves into the Association of Capital Programs Administrators (formerly Michigan State College and University Capital Officers) which meets quarterly to discuss new developments in capital outlay planning and budgeting.

The two final observations on the capital outlay process by the Citizens Committee are particularly noteworthy. The State's traditional pay-as-you-go method of underwriting capital outlay improvements (via appropriations) was deemed to be inappropriate to meet

the burgeoning needs of the public baccalaureate institutions. The recommendation noted:

It appears to the Committee that the state may be able to finance out of current revenue such facilities as are now planned and can be constructed for the immediate future, but that the capital requirements of the existing public institutions of higher education . . . are going to be so substantial in the years ahead that alternative methods of financing are sure to be required.⁶¹

Some twelve years after the issuance of the Citizens Committee recommendation, the State (beginning with FY 1976-77) initiated the funding of capital outlay projects via revenue bonds in the place of the 125-year-old tradition of appropriations based on pay-as-you-go methods.

The Citizens Committee made one final recommendation relative to capital outlay planning for the public baccalaureate institutions in Michigan. The Committee strongly favored the coordination of all capital outlay needs through the State Board of Education. In part, the recommendation made by the Citizens Committee may have been a motivating factor in the Board of Education becoming enjoined in litigation surrounding 1971 P.A. 122 cited previously. The recommendation stated:

It follows that reliable projections of overall needs for capital outlays must await at least the beginning of a state plan for higher

⁶¹Ibid., p. 52.

education. There needs to be known what new public institutions . . . are likely to be established in the state in the years immediately ahead; what special programs--undergraduate, graduate, or graduate-professional--are most likely to develop; and where the students are likely to be enrolled. Coordinating capital outlay, therefore, is an integral part of coordinating responsibilities allocated by the Constitution to the State Board of Education must include the coordination of capital outlay with the educational programs.⁶²

It is the impression of this researcher that the Citizens Committee Report represents the earliest instance of a recommendation for programmatic (as opposed to technical or financial) controls over the capital outlay process. The State Board of Education, as pointed out, continues to adhere to the desirability of such a coordinating mechanism even in the issuance of the 1976 State Plan.

It should be noted for the record, that other analyses published at about the same time as the Citizens Committee Report also recommended capital outlay needs based on superior coordination with strict attention given to enrollments in the higher education sector. A 1969 facilities survey in Vermont recommended: "A prerequisite for long-range comprehensive planning for higher education is an analysis of actual and

⁶²Ibid., p. 50.

projected enrollments, in order to determine what additional physical facilities will be needed"63

The Jamrich Report

The Physical Plant Inventory developed by Dr. John X. Jamrich was concluded in May 1966. Although the Jamrich Report seems to be the most recent of the comprehensive physical plant reviews, very little deviation is reflected from past assessments, and few meaningful alternatives to capital outlay planning seem to have been included.

The Jamrich Report observed that the gross square footage of building space had grown to 43,003,363 by 1964.⁶⁴ Of this total, 13,557,050 were at the University of Michigan and 12,545,362 at Michigan State University.⁶⁵ Reflecting the markedly higher new construction at the public baccalaureate institutions since the release of the Russell Report, Jamrich noted that 28 percent of the gross square feet total had been built since 1960 and 59 percent of the same 43,003,363 total

⁶³ Institute for Educational Development, Higher Education in Vermont: Its Resources and Needs, A Report to the Vermont Commission on Higher Education Facilities (New York, 1969), p. 5.

⁶⁴ Jamrich Report, p. 4.

⁶⁵ Ibid., p. 5.

since 1950.⁶⁶ Jamrich was of the opinion that 8,000,000 square feet (about 19 percent) of the gross square footage at the public institutions were considered unsuitable for present purposes.⁶⁷

The replacement of dated facilities has and will continue to be of significant concern to those persons charged with capital outlay planning. When a building has had the course, it generally shows in one or more ways: structural, functional, and economic. Structural disrepair generally implies that a building has worn out one or more of its systems, while functional disrepair is more closely associated with geographic location-- sites that are too small, etc.⁶⁸ Economic dysfunctioning is primarily associated with the loss or waste of square footage in outmoded buildings with the repair or replacement cost being uncomfortably high.⁶⁹

Ben E. Graves suggests that "if the estimated cost of modernizing a building (assuming you want to add 20 to 30 years of life to the facility) is more than

⁶⁶Ibid.

⁶⁷Ibid.

⁶⁸Ben E. Graves, "Repair or Replace: Here's How to Decide," American School Board Journal (April 1972): 26.

⁶⁹Ibid.

50 percent of the estimated cost of replacing it, replace it."⁷⁰

The Jamrich Report did attempt to identify the sources of capital improvements at the public baccalaureate institutions--a methodology not introduced in other reviews. Jamrich noted:⁷¹

--67 percent of instructional facilities had been funded with State appropriations,

--49 percent of research facilities had been funded with State monies,

--64 percent of library facilities were attributable to State funding,

--57 percent of plant operating facilities were funded by State appropriations.

The Jamrich Report observed the continuing dilemma of office spaces at the public baccalaureate institutions. The Report reflected data suggesting that a total of 9,631 offices and 1,956,990 square feet of space were available to the 21,844 occupants at the public institutions.⁷² The average was computed to be just over 90 square feet per occupant.⁷³ The institutions had reported (1964) that 1,100 of these same offices

⁷⁰Ibid.

⁷¹Jamrich Report, p. 9.

⁷²Ibid.

⁷³Ibid., p. 10.

were overcrowded and 513 spaces were being used as temporary office facilities.⁷⁴

Interviews with Lane and Siefert in particular indicate (Appendix C) that the State has maintained an extremely rigid formula or allowance of approximately 110 square feet for single faculty offices regardless of need. This formula seems to have existed at least five years prior to the formalization of 1965 P.A. 124 and remains unchanged at present. The maintenance of the 110 square foot office space allowance is indicative, perhaps, that funding dollars speak louder than institutional priorities, even if they are expressed by state officials with little actual governing power. W. John Minter underscores just this type of problem as he notes:

Viewed from a management perspective alone, it violates the canons of sound administration for a college or governing board to be vested with legal and public responsibility for the conduct of educational affairs, while the real decision-making power resides at some remote spot in the state bureaucracy.⁷⁵

Space utilization findings published in the Jamrich Report deviated slightly from those of the Citizens Research Committee. Jamrich did observe:

⁷⁴ Ibid.

⁷⁵ W. John Minter, Campus and Capital (Boulder: Western Interstate Commission for Higher Education, 1966), pp. 94-95.

With the general high levels of utilization by the institutions and the relatively even distributions of use by days of the week and hours of the day, it does not appear that any significant savings of facilities needs can be achieved by trying for increased use.⁷⁶

The Citizens Research Committee, it should be remembered, issued certain recommendations implying that slightly better utilization of facilities at the public baccalaureate institutions could probably be achieved with better management.

Governor's Special Commission
on Architecture

The creation of the Governor's Special Commission on Architecture (Executive Order 1971-9) is something of a misnomer, in that its scope extended to building and capital outlay planning at all state agencies and public institutions (including community colleges). The Governor's Commission was composed of prominent Michigan citizens (e.g., Mrs. Clifton R. Wharton, Jr., and Mrs. William G. Milliken) in addition to ten practicing architects and/or mortgage bankers. Dr. J. Arthur Miller, a principal in J. Arthur Miller Associates of Milford, served as chairperson.

Specifically, the Commission was charged to survey existing capital outlay procedures and

⁷⁶Jamrich Report, p. 13.

facilities in Michigan, and to compare these with other states.

Several of the recommendations carried in the Governor's Special Commission Report seem to have direct roots to a similar study initiated by the Chief Executive of California in 1967. The Michigan plan recommended the establishment of a five-year-plan for projection, planning and construction of capital improvements at the various campuses. The California report had issued the following:

Recommendation 3: Follow review of the University's five-year capital outlay program for planning purposes by the Department of Finance with preparation of a five-year projection indicating to the University the estimated funding available.⁷⁷

Other recommendations by the Governor's Special Commission, including the establishment of a centralized information center on capital outlay facilities and incentives for increasing the design efficiency of architects, closely follow the California plan.⁷⁸

It was the observation of the Governor's Committee:

⁷⁷ Governor's Survey on Efficiency and Cost Control (Sacramento: State of California, November 1967), p. 13.

⁷⁸ Ibid., p. 15.

. . . that, compared to the private sector, the process of state building is slow, complicated, costly, and only partially understood by many of the agencies it is intended to serve. The tasks and performance expected of both user-agencies and professional consultants are not clearly defined, nor are they evaluated upon completion of a project. The Commission found, further, that there is little internal incentive to improve either the process or the product of state building.⁷⁹

It must be remembered that the recommendations of the Governor's Special Commission were issued some six years after the formal establishment of Michigan's first (1965 P.A. 124) capital outlay planning act.

The Governor's Special Commission reinforced the contention first issued by the Citizen's Research Committee that the State's resources (via pay-as-you-go appropriations) were short of meeting the demonstrated need for capital improvements. The Commission suggested two capital outlay alternatives:

1. Increase that portion of the total annual budget which is allocated to capital outlay. Because such an increase would mean reduction in some other program or services, it is unlikely that either state government or Michigan's citizenry would approve this strategy, no matter how urgently the capital facilities may be needed.
2. Consider other, perhaps less costly, options (e.g., lease-option, revenue bonds, sale-leaseback, etc.).⁸⁰

⁷⁹Special Commission Report, p. iii.

⁸⁰Ibid.

Enrollments in higher education, of course, had increased even into the 1970s when the Governor's Special Commission issued its recommendations. It would appear that the demonstrably powerful application of new construction appropriations were simply being outstripped by the progressive enrollment increases. The forces of reaction had begun to present their views (at least nationally) relative to capital outlay funding during this period, also. Instead of suggesting ever increasing amounts of capital outlay support, this new minority suggested decreasing or tightening budget controls. Harold Wolman is perhaps reflective of this school of thought:

The increased enrollments will exacerbate the financial crisis already facing many colleges and universities. Costs of instruction and operating costs will continue to rise faster than tuition receipts. Additions of buildings and facilities will also be needed Currently about 60 per cent of federal institutional support is in the form of construction grants or loans and 40 per cent is in grants for general operating purposes. We recommend that these proportions be reversed All federal higher education construction assistance should incorporate incentives for improved utilization of facilities.⁸¹

The Governor's Special Commission was not without specifics for the improved utilization of facilities. One of the dominant recommendations centered on the need

⁸¹Robert S. Benson and Harold Wolman, Counter Budget: A Blueprint for Changing National Priorities 1971-1976 (New York: Praeger Publishers, 1971), p. 111.

for a complete inventory of state lands and facilities to avoid needless expense of land acquisition and to provide a check against the duplication of facilities.

Michigan clearly was not a leader in the establishment of comprehensive facilities management systems, although this fact should not be surprising in light of its strong history of institutional autonomy for the public baccalaureate institutions. Charles F. Thomas notes that the National Center for Educational Statistics had published a Higher Education Facilities and Inventory Procedures Manual by early 1968.⁸² A Data Element (Facilities) Dictionary produced by WICHE in 1970 was extremely comprehensive, including such data as:

- student related elements
- staff related elements
- course related elements
- total facilities management elements.⁸³

The Special Commission was optimistic that the Governor's creation of a State Planning Division (with a program budgeting emphasis) coupled with the merging of the (previous) Building and Property Management Division and the Department of Administration into a new

⁸²Charles F. Thomas, Data Element Dictionary: Facilities, A Technical Report Concerning Facilities Related Data Elements in the WICHE Management Information Systems Program (Boulder: Western Interstate Commission on Higher Education, 1970), p. 1.

⁸³Ibid.

Bureau of Facilities Management would aid in regularizing the capital outlay process.

Concomitant with the creation of the new Bureau of Facilities Management was the recommendation for the initiation of a program planning process with standardized forms for capital outlay requests. It should be noted that 1965 P.A. 124 had never developed or mandated a set of standardized forms for use in capital outlay planning. The Governor's Special Commission noted:

The Commission recommends that annual agency program budget requests should include much more information regarding the type and extent of facilities requested, and the manner in which the proposed facilities will support their respective programs. In the past, the initial request for, say, a science laboratory was typically a one-paragraph description of the building and a lump-sum estimate of its probable cost.⁸⁴

The Special Commission further observed: "What is Michigan's present facilities-development process, and how does it work? Surprisingly, no overall description of the process existed prior to this study."⁸⁵

The history of building overdrafts, capital outlay abuses, perceived abuses, and extensive litigation in conjunction with building projects was attributed by the Governor's Special Commission (and perhaps

⁸⁴Special Commission Report, p. 10.

⁸⁵Ibid., p. 23.

rightfully so) to a lack of regularity in the request procedure. A further observation was issued:

The problem here is that both the Governor's office and the Legislature have had to make their decisions in the past based only upon the testimony of the very parties who would appear to have vested interests in the projects proposed, rather than upon objective data which has been evaluated on a statewide basis. Thus, there is a tendency for suspicions to develop during the annual budgeting procedure: the agency may suspect the Budget Bureau of playing favorites or succumbing to influences on the part of well heeled agencies; the Budget Bureau and the Legislature suspect the agencies of padding their requests; the Executive branch may feel the Legislators favor provincial interests, etc. In general there is a feeling that each special interest is determined to get the biggest slice of the pie.⁸⁶

The public baccalaureate institutions in Michigan can probably be absolved of some of the blame created by inefficient capital outlay planning cited in the Governor's Special Commission Report. It appears that serious discrepancies existed between State and Federal standards in regard to building construction. An article in the Engineering News Record observed:

Surprisingly C.F.A. (College Facilities Administration) a subset of the Housing and Home Finance Agency imposes no criteria and no fixed standards on the college or on the architect in planning a project. Within the limits of the law, the applicant sets the pattern for the loan and the building on which it is based.⁸⁷

⁸⁶ Ibid., p. 81.

⁸⁷ "Building Boom Goes to College," Engineering News Record, September 27, 1956, p. 22.

The Governor's Special Commission recommended an unprecedented list of fifteen program requisites that should be contained in a new capital outlay manual. The compilation included:

- A standard information form for the facilities part of the annual program budget request.
- A comprehensive inventory of all state-owned buildings and building sites.
- Guidelines for programming facilities.
- Guidelines for program analysis.
- Diagram or other description of the entire state facilities development process.
- A form for certification to the Legislature of a project's compliance with the authorized program budget.
- A standard measure of current construction costs to be used in adjusting project budgets to escalation in prices.
- Standard measures for comparing state construction costs and operating costs among projects on a performance-per-dollar-invested basis.
- A complete list of considerations to be used in selecting professional services contractors.
- A complete file of information on every firm wishing to provide professional services to the state.
- A procedure for selecting such professionals.
- Guidelines for architectural and developer competitions.
- A uniform and thorough procedure for selecting building sites for state projects.
- A complete list of considerations to be used in site selection.
- Guidelines for site analysis by professional services contractors.⁸⁸

Although the Governor's Special Commission was chartered ostensibly to issue specific recommendations on architecture, surprisingly few alternatives were proposed in the area of superior facilities utilization.

⁸⁸Special Commission Report, p. 82.

The Commission did not mention or recommend the use of "flexible" classroom space in higher education, a concept that had blossomed in the 1970s. An issuance by the Joint Economic Committee of the U.S. Congress noted:

There is at present a study (at the University of California) underway to design so called flexible classrooms which by use of partitions can be changed from large lecture rooms to small seminars. Preliminary results from the study show that this new flexible construction costs only five per cent more than conventional buildings.⁸⁹

The Governor's Special Commission, in endorsing funding by methods other than pay-as-you-go, and in strongly recommending the creation of a capital outlay manual, may rank as the dominant, or surely one of the more important forces in this aspect of higher education administration in Michigan history.

If the Governor's Special Commission Report did have an observable weakness, it would be in the modest attention paid to its (seeming) end product: the improvement of higher education through better and more efficient capital outlay planning. It has been identified previously that some of the prior capital outlay assessments had included building efforts and plant

⁸⁹ U.S. Congress, Joint Economic Committee, The Economics and Financing of Higher Education in the United States: A Compendium of Papers (Washington, D.C.: U.S. Government Printing Office 32-663, 1969), p. 301.

maintenance as one of a set of interrelated higher education components--other studies had consciously or unconsciously omitted this vital relationship. Basil Castaldi underscores just this contention: "The writer has observed on several occasions that such a group may admirably account for lighting, for acoustics, for safety, and for health, but rarely does it plan for education as a prime objective."⁹⁰

Although Federal influences are admittedly not the focus of this research, one national assessment, the College and University Facilities Survey published in 1964 by the U.S. Department of Health, Education, and Welfare, is worthy of mention. Highlights of the survey largely substantiate the observations made by the Michigan assessment teams.

The DHEW study found, for example, that public colleges and universities were planning instructional facilities to accommodate an increase in (full-time) enrollments of 45 percent (slightly below Michigan projections) with graduate students expected to be the dominant category.⁹¹

⁹⁰Basil Castaldi, Creative Planning of Educational Facilities (Chicago: Rand, McNally & Company, 1969), p. 67.

⁹¹Leslie F. Robbins and W. Robert Bokelman, College and University Facilities Survey, Part 4, College and University Enrollment and Facilities Survey

The DHEW study viewed residential facilities (dormitories, student housing complexes) to still be overcrowded despite accelerated construction of these types of buildings. Colleges and universities were anticipating furnishing residential accommodations to 429,000 more single students and 18,800 more married couples by 1965-66 than they did in 1960-61.⁹²

New construction and rehabilitation comprising 8,000 separate projects, according to the DHEW study, were being planned for the five years following the issuance of the report (at an estimated cost of \$7.5 billion).⁹³

The report further observed that the public institutions were anticipating that 60 percent of their funds for expansion of facilities would come from governmental sources (appropriations, direct tax levies, and general obligation bonds) and over 20 percent from revenue bonds; while the source of the remaining 20 percent was largely undetermined.⁹⁴

1961-65, U.S. Department of Health, Education, and Welfare (Washington, D.C.: U.S. Government Printing Office 51006-65, 1964), pp. 6-8.

⁹²Ibid., pp. 32-33.

⁹³Ibid., pp. 34-35.

⁹⁴Ibid., p. 37.

Although the size and scope of building efforts at the Michigan public baccalaureate institutions during the period 1961-65 seemed (and in reality was) impressive, capital outlay efforts in other states were even more astounding. The DHEW report observes:

California led in the number and estimated cost of planned additional facilities of all functional groups, with 825 projects costing nearly \$964 million. Following in order were New York with \$591 million, Illinois with \$579 million, and Pennsylvania with \$534 million. These four States accounted for more than 35 per cent of the dollar total. The next six States accounted for another 23 per cent, namely: Michigan \$398 million"⁹⁵

In summary, assessments of capital outlay planning for the public baccalaureate institutions in Michigan are of relatively recent origin. The intent and composition of the assessment teams have varied widely, although the data issued, particularly in the area of facilities usage, has been quite consistent.

On the main, the assessment teams were correct in their projections of higher education enrollment increases and the strain that would be placed on the respective institutional physical plants. Two main themes seem to be woven into the fabric of most of the assessments; more facilities would be needed and better

⁹⁵Ibid., p. 47.

utilization of existing buildings would also be necessary.

The needs of the capital outlay planning process seem to have changed perceptibly at the Legislative and agency level--controls and funding mechanisms that were noted in passing with the earliest survey (i.e., John Dale Russell Report, 1958) were viewed to be urgent at the time of the last study (Governor's Special Commission on Architecture, 1971). In short, the only certainty associated with capital outlay planning is the uncertainty:

The conclusion is inescapable: nothing is certain about the shape of college facilities except the probability that what happens in them today will not be happening in them a decade from now. The educational process is changing, and college buildings must be designed to change with it.⁹⁶

⁹⁶Bricks and Mortarboards (New York: Educational Facilities Laboratories, Inc., 1958), p. 8.

CHAPTER V

THE CAPITAL OUTLAY PLANNING PROCESS DESCRIBED

The Joint Capital Outlay Subcommittee

A description of the capital outlay planning process used by the public baccalaureate institutions would be misdirected without a review of its most pivotal function, the Joint Capital Outlay Subcommittee (JCOS). The JCOS, as its name partially implies, is composed of legislators from the Michigan Senate and State House of Representatives. Prior to 1965 P.A. 124, capital outlay needs (in fact, most budget items) had been taken under study in a separate fashion by the House Fiscal Agency and the Senate Fiscal Agency. Interviews with agency personnel seem to indicate that both bodies, while sharing the same information and enjoying some sharing of staff assistance, reached divergent stances more than occasionally on capital outlay needs. The constantly rising cost of capital outlay projects at the public baccalaureate institutions further necessitated a closer review process between the House and Senate.

The JCOS was composed of eight members from 1965 through and including 1976. With the advent of the 1976-77 fiscal year and the change from pay-as-you-go capital outlays to revenue bonding, the composition of the committee was increased to twelve members.

The change from pay-as-you-go capital appropriations seems to have occurred in large part because of the unstable nature of Michigan's economy. Capital outlay appropriations to the public baccalaureate institutions decreased from previous record levels during 1975 and 1976 (see Appendix B) despite an enrollment increase at Michigan colleges and universities. The decrease in capital outlay appropriations can be traced most accurately to the "downturn" in auto sales in the stated years--a revenue source to which Michigan has been most beholden.

"Pay-as-you-go" appropriations, of course, have always been a source of concern to state legislatures. James A. Maxwell observes: "Ordinary items that are consumed currently should be financed 'pay-as-you-go' by annual taxes, but items that are used over a considerable time period should be financed 'pay-as-you-use.'"¹

¹James A. Maxwell, Financing State and Local Governments (Washington, D.C.: The Brookings Institution, 1969), p. 222.

The public baccalaureate institutions have the ability to request, the Department of Management and Budget has the capability to review and recommend, the Governor can suggest, but only the Legislature (in the person of the JCOS) has the ability to appropriate. Thus, the JCOS has that crucial ability to link political values to program decisions in the form of budget dollars. The relationship of values, decisions, and dollars is a very significant but tenuous charge according to Charles L. Schultze:

In a sense we work "downward" from general values by specifying in operationally meaningful terms the particular outputs that are called for by those values. We work "upward" from program inputs by determining the outputs they produce. Outputs are the link between values at one end of the spectrum and detailed program specifications or inputs at the other. Values cannot be directly connected with inputs. Consequently, participants in the decision process must have some knowledge of the social functions that translate program specifications (inputs) into program consequences (outputs). Otherwise the advocacy and bargaining process cannot produce a meaningful translation of political values into specific decisions.²

Members of the Joint Capital Outlay Subcommittee have infrequently been accused of not assuming advocacy positions relative to capital outlay needs for the public baccalaureate institutions. In fact, the converse

²Charles L. Schultze, The Politics and Economics of Public Spending (Washington, D.C.: The Brookings Institution, 1968), pp. 55-56.

seems to be the case in Michigan. Interviews with Hellman and Breslin (Appendix C) underscore the sensitivities associated with "pork-chopping," or the delivering of impressive new capital outlay projects to constituent institutions.

The exercise of politics in an essentially education-oriented planning process cannot and should not be dismissed.

The enormity of the project costs coupled with the political pressures that the institutions are capable of generating clearly create conditions in which members of the Legislature or JCOS must act with considerable sagaciousness. Harmon Zeigler seems to underscore just this dilemma as he notes: "It seems plausible to suggest that the greater the political incompatibility between a legislator and his constituents, the less likely he would be to support measures increasing their control over education."³

The Joint Capital Outlay Subcommittee, an admittedly political arena, seems to be an effective component in the total building process. In fact, the entire capital outlay process in Michigan seems almost simplistic compared to the California model.

³Harmon Zeigler and Karl F. Johnson, The Politics of Education in the States (Indianapolis: Bobbs-Merrill Co., 1972), p. 131.

James W. Duke observes that capital outlay needs for the public institutions must be reviewed by the Facility Planning Section of the Office of the Chancellor of California State Colleges, the Academic Planning Section of the Office of the Chancellor, the State Department of Finance, the Legislative Analyst's Office, the Campus Planning, Building and Grounds Committee of the Trustees of the California State Colleges, the State Department of Public Works and, ultimately, the California Legislature.⁴ Even with this extensive review progression, that legislative body may need additional information to make its decision(s): "The legislature holds appropriate committee hearings on the entire budget and may request additional information concerning any particular item. Upon approval by the legislature and signing by the governor, the budget becomes law."⁵

The Development of a Capital Outlay Manual

It has been demonstrated previously that Michigan's first (formal) capital outlay planning mechanism was created with the enactment of 1965 P.A. 124. This

⁴James W. Duke, "Capital Outlay Approval Procedures for Public Institutions of Higher Learning" (Ph.D. dissertation, University of Southern California, Los Angeles, 1962), pp. 77-81.

⁵Ibid., p. 82.

act, it was noted, established a priority ranking of capital outlay needs for the public baccalaureate institutions by use of a Joint Capital Outlay Subcommittee. The Department of Administration (later the Department of Management and Budget) was also empowered by P.A. 124 with specific financial and construction controls.

The first formal evidence of the issuance of a manual to accompany the impressive new dictates in P.A. 124 cannot be established until June 14, 1974, when the Department of Management and Budget issued a 39-page compilation intended to "provide information regarding the state capital outlay process. It is intended that the format can provide a universal instruction which will not vary in substance from year to year."⁶

It is altogether fascinating that the issuance of formal capital outlay planning instructions occurred nearly nine years after the creation of the act which mandated tighter controls. Roeger maintains (see Appendix C, interview 2) that loosely aggregated (mimeographed) planning sheets had been distributed to the public baccalaureate institutions for several years prior to the development of the Manual, however, such a system

⁶Michigan Department of Management and Budget, Capital Outlay Manual, p. 1, hereinafter cited as the Manual.

hardly bespeaks an administrative palingenesis on the part of the State.

It now seems apparent that the State (through the Department of the Budget and possibly the JCOS) had expectations on the brevity or depth of replies that the public baccalaureate institutions were unwilling or unable to provide. It has been previously demonstrated that an extensive amount of litigation on capital outlay planning occurred during the years 1965-1973. The strong tradition of institutional autonomy for Michigan State University and the University of Michigan no doubt had a bearing, also. The Carnegie Commission on Higher Education (1974) noted:

Examining the relationships between states and institutions during the 1950's and 1960's presents a picture of legislative frustration. Legislatures have increased appropriations only to see institutions emphasize programs and activities they did not envision. Michigan State University and the University of Michigan have conducted their affairs almost regardless of legislative intent.⁷

The matter of faulty organizational communications appears to have had a bearing on the time lag in developing the Capital Outlay Manual for Michigan, also.

⁷ Lewis B. Mayhew, The Carnegie Commission on Higher Education (San Francisco: Jossey-Bass Publishers, 1974), p. 57.

David Berlo notes that systems are possessed with at least three sets of communication behaviors:⁸

Role prescriptions: the formal explicit statement of what behaviors should be performed by persons in a given role.

Role descriptions: a report of the behaviors that actually are performed by persons in a given role.

Role expectations: the images that people have about the behaviors that are performed by persons in a given role.

It appears that the JCOS and the Department of Management and Budget clearly had performance expectations for the public baccalaureate institutions during the years between 1965 P.A. 124 and the issuance of the Manual; however, the lack of precise written directives clearly prevented the colleges and universities from benefiting by a prescribed status (if, indeed, they would have heeded such a proposition).

Underscoring, perhaps, this central lack of prescribed expectations during the stated period is a 1974 memo (to state college presidents) on a capital outlay "Use and Financing Statement" from Garland Lane, Chairman of the JCOS. The memo concedes:

I believe the development of a detailed information bank for self-supporting programs will be of mutual benefit to all parties Furthermore, a detailed report will help to clean up

⁸David K. Berlo, The Process of Communication: An Introduction to Theory and Practice (New York: Holt, Rinehart and Winston, Inc., 1960), p. 153.

some of the past misunderstandings between colleges and the Legislature in funding and operating various types of instructional facilities.⁹

Berlo outlines the consequences of ineffective communications:

A basic principle of communication in administration is that role-behavior prescriptions . . . should be closely related to each other. People should (a) be told what they are to do, (b) be given an accurate prescription, and (c) be led to expect what will happen--before it happens. When prescriptions, descriptions, and expectations differ significantly, communication breaks down.¹⁰

The lack of clear, written directives and the resultant impact are perhaps best underscored by an introductory statement in the Manual:

These steps are not unique, they have been an integral part of phasing building projects for years. What is significant is that these steps have been formalized as a part of the appropriations process.¹¹

Thomas Mason and Herbert Heldman contend that the procedures manual is one of the central concerns of capital outlay planning in the public sector. Mason observes:

The burden of the procedures manual is to provide a basis for systematically programming the requirements for physical plant and land to

⁹Garland Lane, Chairman, Senate Appropriations Committee, Michigan Senate, memorandum regarding "Use of Financing Statement," March 28, 1964, p. 1.

¹⁰Berlo, p. 155.

¹¹Manual, p. 3.

accommodate the needs of an institution under a specified constellation of circumstances. As such, programming is distinct from design. . . . The Higher Education Facilities Act of 1963 gives renewed emphasis to the significance of adequate programming and the establishment of criteria for determining requirements and priority of needs.¹²

If the State and the Department of Management and Budget were slow in the production of a clearly defined Manual, the colleges and universities have been equally slow on the uptake of precise written directives from the State, however unappealing the missives may be. Roger W. Heyns outlines this concern:

What are the organizational capacities of higher education to absorb these new and demanding stresses? In many respects it is miraculous that institutions of higher education have been able to continue to do their jobs as effectively as they have, given what has been asked of them. They have readily opened their doors to a flood of new students, expanded their facilities, and contributed as best they could to the increasing demands emanating from business, government, and the professions. I do not want to minimize this accomplishment. Yet a number of sources of resistance and sluggishness in academic institutions operate to retard efforts to reform as rapidly as necessary in times of stress.¹³

¹²Thomas R. Mason and Herbert Heldman, Manual of Procedures and Criteria for Campus Development and Capital Outlay Planning (Boulder: Association of State Institutions of Higher Education in Colorado), 1964, pp. 4-5.

¹³G. Kerry Smith, ed., Stress and Campus Response: Current Issues in Higher Education 1968 (San Francisco: Jossey-Bass, Inc., 1968), pp. 165-66.

Michigan, it should be noted, was not the first state to provide organizational controls as expressed by a central facilities agency. New York established the first such agency, the "Dormitory Authority," to provide funds via tax-exempt bonds in 1955.¹⁴ In 1959, New York expanded the concept to include financing for new academic facilities and in 1970 to include major remodeling, restoration and modernization of educational buildings.¹⁵

The new Capital Outlay Manual provided the basic precaution that all capital outlay needs would be reviewed as to their "purpose, scope, relative priority, and cost."¹⁶ The measurement or evaluation of capital outlay needs, particularly in the public sector, is a very difficult proposition according to James Boness. Boness points out the fact that most capital needs in the public sector have limited "actuarial" benefits as opposed to the "social benefits" side of the ledger: "Actuarial measurements designate all elements of costs and benefits which may be assigned dollar values. The

¹⁴The National Commission on the Financing of Post-Secondary Education, Financing Post-Secondary Education in the United States (Washington, D.C.: U.S. Government Printing Office, 1973), p. 93.

¹⁵Ibid.

¹⁶Manual, p. 4.

social dimension principally measures benefits that cannot be explicitly stated in terms of dollars."¹⁷

Taken from an institutional perspective, a facility such as a music practice building may have a disproportionately high cost for special needs such as lighting, stages, acoustics, etc. The social benefits potentially realized from such capital outlays (e.g., better performing arts groups, less distraction to surrounding campus buildings) are most difficult to establish both within and without the campus confines.

Boness also observes another significant weakness in capital expenditures in the public sector:

A further difficulty in evaluating public expenditures . . . is referred to by economists as the problem of "intergenerational effects." In the terms of direct economics . . . no tangible benefits are likely to accrue members of the generation which, through taxation, is financing the development of enabling technology. However, it is not unlikely that economic benefits will be derived . . . by succeeding generations.¹⁸

While "social benefits" and the "intergenerational" effect of some types of capital outlay projects are difficult to assess or account for in the development of guidelines or planning manuals, the relationship

¹⁷A. James Boness, Capital Budgeting: The Public and Private Sectors (New York: Praeger Publishers, 1972), p. 75.

¹⁸Ibid., p. 74.

between supplemental data such as enrollments, student credit hours, etc., is oftentimes more difficult to enumerate. Capital outlay needs often have little relationship to campus size or the depth of the curriculum offered. D. Kent Halstead observes:

Certain physical facilities have basic capabilities that serve a wide range of student enrollments. The size of the gymnasium, theatre, auditorium, and student center that usually exist on every campus is only partially related to total enrollment. In many instances, the percent of the student body which the library can seat is inversely related to campus size.¹⁹

Complicating Factors in the Development
of the Capital Outlay Manual

It is probable that special maintenance exigencies slowed the development of the Michigan Capital Outlay Manual. The University of Michigan and Michigan State University, in particular, had assumed a very aggressive posture relative to special maintenance needs. A JCOS staff memorandum of April 22, 1974 (approximately two months prior to the formal issuance of the Manual), noted the pressure that had been applied relative to "special maintenance" projects:

Funds to support special maintenance and renovation projects, which are estimated to cost between \$20,000 and \$75,000, shall be appropriated

¹⁹ D. Kent Halstead, Statewide Planning in Higher Education (Washington, D.C.: U.S. Department of Health, Education and Welfare, Government Printing Office 73-20200, 1974), p. 275.

by the Capital Outlay bill, to the Director of the Department of Management and Budget in a lump sum. These funds shall be released on priority need by the Director with an annual report March 1st to the Joint Capital Outlay Subcommittee. The University of Michigan and Michigan State University are not to be considered in the special maintenance lump sum.²⁰

The Michigan State University/University of Michigan rider to the Manual was approved (Representative Copeland moved, supported by Representative Jowett) at a meeting of the Joint Capital Outlay Subcommittee on April 25, 1974.²¹ Senator (Charles) Zollar went on record to suggest that the rider would be approved with the understanding that "a definition of a project should be clarified to prevent the unauthorized completion of a series of separate work items under \$25,000 in a single building."²²

Chronology of the Capital Outlay Process

The Capital Outlay Manual as developed in 1974 observed that six milestones were contained within the guidelines: (1) program development; (2) program

²⁰ Thomas G. Ford, Legislative Audit Coordinator, Michigan Joint Capital Outlay Subcommittee, staff memo regarding "Written Policy Regarding Higher Education Capital Outlay Resulting From Audit Findings," April 22, 1974, p. 4.

²¹ Joint Capital Outlay Subcommittee, Minutes, Lansing, April 25, 1974, p. 3.

²² Ibid.

analysis (schematics); (3) conceptual design; (4) definitive documents (preliminaries); (5) contract documents, bids and bid analysis; and (6) construction administration.²³

A closer analysis of the capital outlay process in Michigan reveals considerably more than six milestones. This research will propose that at least 22 separate steps are contained in the capital outlay process as expressed by the 1974 Manual.

It has been identified previously that three organizational subsets are involved in capital outlay planning in Michigan: the "users" (in this case, the public baccalaureate institutions), the "executive" (represented by the Department of Management and Budget and the Facilities Management Bureau), and the "Legislature" (represented by the Joint Capital Outlay Subcommittee).

The capital outlay process in Michigan can be graphically demonstrated in the following manner:

Step	Action	Action Initiated by		
		Users	Executive	Legislature
1	Request funding of projects--prioritized at institution.	X		
2	Compile all institutional requests. Establish priority rankings.		X	

²³Manual, p. 20.

Step	Action	Action Initiated by		
		Users	Execu- tive	Legis- lature
3	Enact "Planning Bill."			X
4	Develop Program Development Statement (at respective institutions) after receipt of planning bill approval.	X		
5	Review Program Development Statement from respective institutions (Form BOF-B)		X	
6	Select architectural firm.	X		
7	Review architectural firm recommendations from institutions, concur or recommend alternatives.		X	
8	Allocate planning funds.			X
9	Issue purchase order for planning funds.		X	
10	Prepare planning studies of approved projects.	X		
11	Review and recommend planning study documents.		X	
12	Preliminary plans reviewed by JCOS.			X
13	Institutions initiate preliminary plans to DMB.	X		
14	Additional review of preliminary plans--institutional visitations may be enacted.		X	
15	**Preliminary plans submitted to Legislature--appropriations bill formed and approved.			X
16	Contract let with architectural firm.	X		
17	Budget monies for individual projects released.		X	

Step	Action	Action Initiated by		
		Users	Execu- tive	Legis- lature
18	Construction documents prepared.	X		
19	Facilities Management Bureau reviews construction documents for appropriateness.		X	
20	Institutions submit bids for construction of individual projects.	X		
21	Bids are reviewed by DMB and FMB, certified and funding released.		X	
22	Building or project constructed.	X		

**Building need becomes part of a yearly public act at this stage.

The chronology of capital outlay planning events was intended to assist both the State and the public baccalaureate institutions to more adequately project future campus building needs. The Manual observes:

The practical effect of this phasing means that for a project to begin construction in any given fiscal year, adequate lead time must be provided by the agencies and the institutions for the project to advance through programming.²⁴

The provision of "lead time" for building projects and for educational needs in general had become a central concern to educators in the Midwest. Robert L. William's plea for more planning time seems almost

²⁴Manual, p. 5.

synchronic with the stated objectives of the capital outlay planning process noted above:

It would be most helpful to university efficiency if the legislature could allow more time between the actual passage of the appropriations bill and the opening of the new university fiscal year. The provision of inadequate time for this tooling up process inevitably slows down the educational process.²⁵

A Review of the Steps Involved in the Chronology

As noted previously, the first (formal) step in the capital outlay process begins with the request for and the priority ranking of building or remodeling needs at the respective institutions. The Department of Management and Budget initiated standardized forms (BOF-A and PRR) to assist the institutions in describing and summarizing capital outlay needs. Form BOF-A is generally known as the "Construction Program Summary." The form displays and estimates the cost and five-year phasing of all line item projects requested by the institutions.

Narrative backup for the form generally accompanies the "Construction Program Summary" including

²⁵Robert L. Williams, The Preparation of Requests for Legislative Appropriations for Operations in Midwestern State Universities (Chicago: Midwestern Advisory Committee on Higher Education, 1965), p. 34.

requested data relative to the size of the proposed facility, capacity (e.g., number of student stations, etc.), and function and/or purpose of construction.

The capital outlay planning process for the public baccalaureate institutions generally begins in late September or early October with the submission of BOF-A forms. In addition to the information described previously, the institutions summarize their capital outlay needs according to four or five primary construction categories. The categories include:

1. Programming and planning: Included in this capital outlay grouping are projects intended for authorization of program studies, feasibility studies, and master planning. The stated purpose of programming and planning is "to provide funds for the professional services necessary after program statement approval to prepare scale drawings delineating project areas, and their use and capacity, to estimate the cost of the facility, and the cost of renovation, if any."²⁶

It must be emphasized that the preparation, priority ranking and submission of institutional requests for "programming and planning" projects does not insure approval. In most fiscal years only a minority of institutional "programming and planning" projects are

²⁶Manual, p. 10.

approved by the Department of Management and Budget. The "program and planning" projects approved by the DMB are then included in the Governor's (a/k/a "Executive") Budget Message for a given fiscal year. Inclusion in the Governor's Budget Message (a form of recommendation) still does not guarantee "program and planning" projects of funding or continuance. The Joint Capital Outlay Subcommittee holds the ultimate approval of program and planning projects.

Approval by the JCOS, while not a binding guarantee of success, as previously noted, does inject the first breath of life into a proposed project submitted by the respective institutions. It should be recognized additionally that projects at the program and planning stage as compiled by the DMB and submitted to the Joint Capital Outlay Subcommittee (Steps 2-3) in a prioritized fashion may be rearranged. By way of example, the number one program and planning project submitted by the DMB to the JCOS may be a new science and astronomy lab at institution A. The JCOS has the option to place a new optometry building at institution C ahead of the DMB submission if it desires, and so on.

The Joint Capital Outlay Subcommittee commanding the "power of the purse strings" in Michigan also has the power of inserting whole new projects at the "program

and planning" stage into the construction arena. While such an action is admittedly rare, projects have been conceived without DMB sanction. The insertion of new projects without DMB approval or the rearrangement of construction priorities probably represents the raw exercise of political power by the public baccalaureate institutions. JCOS personnel, it must be remembered, are still Legislators and each one has a home district which may or may not include one or more of the public baccalaureate institutions. Interviews with personnel from all three research subsets have unanimously agreed upon only one thing relative to capital outlay planning in Michigan--the process works but it is highly political.

In addition to "program and planning" needs, the institutions also submit (on the same BOF-A forms) evidences of:

2. Complete plans/or begin construction: All projects which had secured prior programming-planning authorizations, but for which funds were not previously authorized, are generally included in this category. The Manual offers a further definition and restriction to this category:

Requests "to complete plans" and construction for smaller "one time" routine projects which may not have prior programming and planning authorization should be classified here or if

appropriate under the respective remodeling-additions, special maintenance, etc., classifications. Such projects should not exceed \$500,000. Projects over \$500,000 which are expected to significantly affect operational programs, their effectiveness, and delivery of services to the public, should initially be requested for programming and planning.²⁷

3. Major remodeling and additions: Projects which enlarge and thereby increase the capital value of a structure or alter its present use (internal or external) are classified as "remodeling and additions." The DMB generally adheres to the financing of "remodeling and addition" projects in one fiscal year with costs not to exceed \$500,000.

4. Continuance and/or completion: In addition to the three categories outlined previously, the public baccalaureate institutions were required by the issuance of the Manual to provide information relative to projects for which funds had previously been authorized to begin construction.

5. Self-liquidating projects: An addendum to the Capital Outlay Manual was issued on June 6, 1975, expanding the report categories to include "self-liquidating" projects. The addendum, it should be noted, was formed approximately one year after judgment was issued on 395 Mich. 52. Although certain authors (as

²⁷ Manual, p. 11.

cited previously) maintain that the Supreme Court case basically favored the public baccalaureate institutions, this research concludes that the decision was a Pyrrhic victory--for the State clearly has the power to fund general operational budgets upon which self-liquidating projects are largely dependent.

It is possible that the conditions of the addendum could be perceived in a different manner by different persons, however, the stated requirements are more than functionally specific and seem to be even more comprehensive than 1971 P.A. 122, from which the court test on self-liquidating projects originated. The new insert required the following:

The request for authorization shall contain the following information: the formal name or designation of the project; the program use statement as defined by legislative requirement; total estimated project cost; including utilities and furnishings; amount and source of all funds to be applied to the project; other than those for which self-liquidating authority is requested; funds which will be used to operate the project when completed; area of land required for the project and the specific method by which the institution acquired, or plans to acquire the land; and the gross area and volume of the proposed buildings.²⁸

It seems evident that the Capital Outlay Manual had attempted to deal with the nagging problem of "furnishings and fixed equipment," long a problem of

²⁸Ibid., p. 12.

interpretation with the public baccalaureate institutions. Interviews with Breslin, Siefert, and Lane, in particular, emphasize the notion that the institutions had in some cases omitted the cost of fixed equipment such as air conditioning, etc., on certain building projects, fearing perhaps that the additional cost would imperil the prospects for funding.

A new term or concept seems to have been forged in the minds of capital outlay planners at the institutional level--the State would prefer "turn-key" costs for building projects, even if they are high. Turn-key costs for purposes of this research will be considered to contain all conditions stated in the "self-liquidating" definition, excluding only the use of funds from outside sources.

Michigan, it appears, was not the only state struggling with the problem of furnishings and fixed equipment and the impact that such factors had on new construction or remodeling costs. A study by the California State Department of Education noted:

Fixed equipment is usually included in construction contracts and installed within a space where the removal of such equipment will essentially render either the equipment or space unusable without the reconstruction of either the space or the equipment.²⁹

²⁹ Archie L. McPherran, Project Planning Guide, Explanations and Procedures (Sacramento: California State Department of Education, 1967), p. 14.

The California study recommended the use of the Engineering News Record's Construction Cost Index as a reference for fixed equipment installation.³⁰

The most vivid hypothetical illustration of the California and/or Michigan concern over fixed equipment might be developed around the new construction of a classroom without air conditioning for two million dollars (when perhaps another \$200,000 could have provided such an item). Five or ten years later, the condition of the classroom may have become intolerable and campus officials are pressured to submit a capital outlay request for extensive renovations for air conditioning. The cost of air conditioning may have risen in the interim period to \$500,000 and another \$300,000 will be necessary for repairs and alterations to the building to accommodate the project. In the final analysis, an additional \$200,000 cost at the outset has risen by a factor of four.

In summary, capital outlay needs as expressed yearly by the public institutions include: (1) programming and planning, (2) complete plans and/or begin construction, (3) continuance and completion, (4) major remodeling and additions, (5) special maintenance (cited previously), and (6) self-liquidating items.

³⁰ Ibid., p. 16.

The capital outlay needs as noted previously are projected over five fiscal years by project category.

Interpretation of Gross Square
Footage in the Manual

While most of the definitions in the Manual have tended to leave very little room for misinterpretation, the meaning assigned to "gross square footage" seems rather open-ended: "Enter known or anticipated gross square feet of the project. Round to the nearest thousand square feet, i.e., 75,892 would be shown as 76.0."³¹

The definitions and problems surrounding gross square footage have been extensively detailed, particularly in the review of the Citizens Committee Report.

One of the apparent aims of the Manual is to determine or avert planning, programming, and construction breakdowns at the earliest possible time in the capital outlay process. Harlan Bareither and Jerry Schillinger inject the caution that even in the early stages of planning, close surveillance must be given to the relationship of net assignable square feet to gross square footage. It is the opinion of Bareither and Schillinger that if a low ratio of net assignable square feet to gross square feet is not discovered until the final phase of working drawings, only two alternatives

³¹Manual, p. 13.

are available--either continue the drawings or spend time and expense on redesign.³² Review of gross square footage considerations could occur no earlier than step 5 on the proposed capital outlay progression, but in all probability such factors are addressed at about step 7.

Bareither and Schillinger have developed a curious "add factor" that does not seem to have been taken into consideration in the Michigan capital outlay process. The authors conclude:

Basically, there are two ways of referring to the relationship of net assignable square feet to gross square feet. They are building efficiency and add factor. Both are interrelated, and in determining either one of the relationships, the other will automatically result. Building efficiency is the ratio of net assignable area to gross area expressed as a percentage. The add factor is the amount of nonassignable space (circulation, construction, mechanical, restrooms, etc.) which must be included in a building in addition to the net assignable area, and it is expressed as a percentage of the net assignable square feet.

Thus, if it is stated that the add factor is 60 per cent, the building efficiency is 62.5 per cent; and if the add factor is 40 per cent, the building efficiency is 71.4 per cent. An illustration of these relationships is shown for a building having 50,000 net assignable square feet with an add factor of 40 per cent.

³²Harlan D. Bareither and Jerry L. Schillinger, University Space Planning: Translating the Educational Program of a University into a Physical Facility Requirement (Urbana: University of Illinois Press, 1968), p. 94.

Net Assignable Square Feet	50,000
Add factor, 40 per cent (40 per cent of 50,000)	20,000
Gross Square Feet	<u>70,000</u>
Building efficiency	$\frac{50,000}{70,000} = 71.4 \text{ per cent}$ ³³

It was noted previously that several of the assessments of capital outlay planning in Michigan had expressed concern over the loss of gross floor space at the public baccalaureate institutions, particularly in the 1960s and 1970s.

The treatment of net floor (as opposed to gross space) footage has a considerably more comprehensive prescription in the Manual, although it falls somewhat short in comparison to the Bareither and Schillinger definition. The Manual observes:

. . . components relating to "agency space" requirements are: workload space, workload support space, personnel support space, and general support space. These components represent the space used by the agency to accomplish its objectives; this is called net assignable area. "Building space" refers to the mechanical, circulation, custodial, and structural areas, and falls into a non-assignable classification.³⁴

Interpretations of space utilization and building use assignments have been categorized in the following manner by the Manual:

³³ Ibid.

³⁴ Manual, p. 24.

<u>Component</u>	<u>Space Classification</u>	<u>Examples of Room Use Categories</u>
Agency Space	Workload Space	Classrooms, laboratories, surgery rooms, etc.
Agency Space	Workload Support Space	Adjacent rooms absolutely essential for workload space to function properly--e.g., file rooms, special storage
Agency Space	Personnel Support Space	Offices, lounges, etc.
Agency Space	General Agency Requirements	Assembly rooms, food facilities, lounge, data processing, copy center ³⁵

While the rationale for or the definitions of most capital outlay plans for the public baccalaureate institutions may or may not have been developed from past operating experiences, the formula used for the funding of maximum room sizes (as reflected in the Manual) clearly has roots that extend beyond Michigan. Guidelines for assignable space in "academic programs," "research and graduate training facilities" and "office and conference facilities" seem to have been extracted from a 1971 WICHE planning manual.³⁶

The guidelines and formulae contained in the Michigan Capital Outlay Manual suggest:

³⁵Ibid., p. 25.

³⁶Western Interstate Council on Higher Education, "Program Planning and Analysis: The Basis for Institutional and Systemwide Facilities Planning," Higher Education Facilities Planning and Management Manual (Boulder: WICHE, 1971), pp. 77-91.

Classrooms: Assignable square feet per station

Approximately 21 assignable square feet per station for
classrooms averaging 20 stations
Approximately 17 assignable square feet per station for
classrooms averaging 30 stations
Approximately 15 assignable square feet per station for
classrooms averaging 40 stations
Approximately 12 assignable square feet per station for
classrooms averaging 80 stations
Approximately 11 assignable square feet per station for
classrooms averaging 120 stations

Class Laboratories

	<u>Assignable Square Feet per Station</u>	
	<u>Lower Division</u>	<u>Upper Division & Graduate</u>
<u>Academic Programs</u>		
Agriculture & Natural Resources	60-70	60-70
Engineering	50-90	75-125
Architecture & Environmental Design		
Biological Sciences		
Fine and Applied Arts		
Home Economics		
Physical Sciences	55-65	85-95
Psychology		
"Lab" Social Sciences (typically Geography, Archeology, Criminology, Anthropology)		
Communications	35-45	55-65
Education (excluding Physical Educ.)	30-50	30-50
Area Studies		
Business & Management		
Computer & Information Services		
Foreign Languages		
Letters		
Library Science		
Mathematics	25-35	25-35
Military Science		
Public Affairs & Services		
"Nonlab" Social Sciences (typically History, Economics, Sociology, Inter- national Relations, Demography, Urban Studies, Black Cultural Studies, Mexican-American Studies)		
Interdisciplinary		

Class Laboratories, Cont'd.Technical-VocationalAssignable Square
Feet per Station

Business & Commerce Technologies	25-35
Printing, Photography, & Graphic Arts	55-65
Hotel & Restaurant Management	55-65
Transportation & Public Utilities	125-175
Data Processing Technologies	50-80
Health Services & Paramedical (except Physical Therapy)	40-60
Physical Therapy	90-110
Mechanical & Engineering Technologies (except Graphics & Drafting)	120-160
Graphics & Drafting	55-65
Natural Science Technologies	40-60

Research and Graduate Training FacilitiesAssignable Sq. Ft.*
per Faculty Member
Engaged in ResearchAcademic Program

(Agriculture & Natural Resources Engineering Biological Sciences Physical Sciences)	900-1,300
(Architectural Design Fine & Applied Arts Home Economics Psychology Communications)	600-900
(Education Area Studies Business & Management Computer & Information Sciences Foreign Languages Letters Library Science Mathematics Public Affairs & Services Law Theology)	150-200

*Includes service (workload support) space.

Office and Conference Facilities

<u>Organizational Unit</u>	<u>Type of Institution</u>	<u>Assignable Square Feet per FTE Staff Requiring Space</u>
Academic units	University	140-170 ASF/FTE Staff
	4-year	125-150-ASF/FTE Staff
	2 year	110-130-ASF/FTE Staff
Nonacademic units	All institu- tions	140-170 ASF/FTE Staff

The formulas for space assignment by discipline and by educational level in the Manual seem fairly generous and the ratios cited are in keeping with compilations from other states, particularly those of California, Colorado and Illinois. If any rigidity is contained in the Michigan Manual, it exists in the amount of space allocated for new construction of academic offices. Interviews with both institutional representatives and Bureau of Management and Budget personnel seemingly indicate that the State has and continues to adhere to a very tight formula for office space and no deviations have been approved by the JCOS for several years. The ratios currently in effect for offices include:

Single faculty member or equivalent,
110 ± 10 net square feet

Double faculty or equivalent,
165 ± 15 net square feet

Department Chairperson or equivalent
165 ± 15 net square feet

Deans or equivalent
200 ± 20 net square feet³⁷

One might conclude that a description of the capital outlay planning process would be incomplete without a portrayal of the manner in which bids are let to architectural firms, the process of construction document preparation, and the on-site administration of building projects. These details (approximately steps 16-22 in the capital outlay chronology) have not been described because they are not cited in the Michigan Manual. Studies of similar capital outlay plans in Colorado and Illinois reflect the same lack of description in this domain. It is entirely probable that such activities belong more appropriately in the realm of "construction administration" than "higher education planning." As such, this research will continue to restrict its focus to capital outlay planning as it impacts on the public baccalaureate institutions.

Master Planning As Encouraged in
the Capital Outlay Manual

The Capital Outlay Manual clearly encouraged (although it did not mandate) the development of

³⁷Manual, p. 36.

long-range building plans, the so-called campus "master plan." The Manual observes:

An eligible project's tie-in with a master plan which is both current and comprehensive is important. An outdated or poorly prepared master plan can result in capital decisions which are inappropriate, irreversible, and uneconomical. The program should direct adequate attention and description to this factor, emphasizing the project's relationship to the plan, the currency and comprehensiveness of the plan.³⁸

Concomitant with the need to "master plan" was the suggestion (again a suggestion, not a mandate) that projections should be based upon reasonable and firm programmatic outputs which could be documented. The Manual observes: "Esoteric and subjective conclusions designed to 'state a case' based upon what is desired rather than what is required will jeopardize the approval of the program statement."³⁹

It is the opinion of this researcher that one of the better campus master plans that exists in a printed, published state belongs to Central Michigan University. This institution seems to have made a conscious effort to project student enrollments, curriculum needs, student housing and even parking into a central, but flexible "master plan."⁴⁰ In speaking to the

³⁸ Ibid., p. 30.

³⁹ Ibid.

⁴⁰ Master Planning Report for Central Michigan University (Grand Rapids: Daverman Assoc., Inc., 1966), pp. 3-29.

relationship between building needs and curriculum, the Master Planning Report indicates:

Such a master plan must have flexibility. The following is a summary of allowances made for variation from the proposed Master Plan It is not expected that the academic core should have to expand prior to 1985. At that point, it could expand into the Washington Court area, still maintaining the compactness of the campus core.⁴¹

When compared to other capital outlay plans (particularly for use in dealing with public institutions), the Michigan capital outlay process seems to have only one apparent weakness: no central control or building inventory is available. Interviews with Roege, Endriss and Siefert underscore the continued lack of a central inventory system. It has been noted previously that the Governor's Special Commission on Architecture (and several other national studies) had recommended the use of a central building inventory system.

Donald A. Jones observes that such inventory systems should allow:

Every building should be assigned a permanent number. This number should be placed on an operating map. The numbering system will be different in each individual institution but it should follow these principles:

1. It should be simple and provide an easy way to locate buildings.

⁴¹Ibid., p. 30.

2. It should be permanent. There should be no need for revision or changing of numbers.
3. The numbers must be usable not only for building analysis but for insurance purposes and for dollar accounting.⁴²

The use of a central building inventory control (a function that would probably be best administered by the Bureau of Facilities Management) would seemingly provide the State with an additional instrument that could be used to better assess the needs expressed by the public baccalaureate institutions.

The capital outlay planning process outlined in the Manual is by far not a static treatment of needs for the public baccalaureate institutions. Definitions, in particular, are in a constant state of change or interpretation. A recent memo from the Honorable Russell Hellman, Chairman of the JCOS, notes:

I have used the term "major projects" which obviously calls for a definition in dollars. In the interest of saving everyone some valuable time, the Subcommittee has agreed not to require legislative approval for any nonstate funded project costing less than \$100,000.⁴³

⁴²Donald A. Jones, Physical Facilities Analysis for Colleges and Universities: A Handbook of Techniques (Oneonta, N.Y.: Subcommittee on Physical Facilities, American Association of Colleges for Teacher Education, 1958), p. 9.

⁴³Russell Hellman, Chairman, Joint Capital Outlay Subcommittee, Michigan Senate, Memo regarding "Non-state Funded Capital Projects," Lansing, December, 4, 1975, p. 2.

The institutions, it appears, are also capable of influencing changes in capital outlay planning in very subtle ways. The same memo notes:

Finally, there is some good news for you. Due to the rather limited response, the Subcommittee has agreed to generally release the colleges and universities from the Auditor General's recommendation to request Use and Financing Statements covering certain types of existing facilities. If, however, the Auditors discover any highly irregular accounting problems with a particular existing self-liquidating and/or self-supporting facility, they are authorized to request a Use and Financing Statement on an individual audit basis.⁴⁴

In summary, the capital outlay planning process in Michigan was late in evolving--at least in a formal sense. The development of the capital outlay planning Manual followed formal enactment of 1965 P.A. 124 by at least nine years, and this interim period seems to have been characterized by several role discrepancies as perceived by the executive branch of government.

The Manual itself seems to provide a fairly comprehensive structure by which capital outlay needs of the public baccalaureate institutions can be addressed. Usage categories expressed in the Manual compare favorably with other state plans, and the only real shortfall in the plan seems to surround the interpretation of "academic office" space. The chronology of capital

⁴⁴Ibid.

outlay planning as described seems to provide a fairly generous time frame for the submission of needs by the institutions and the proper review by both the executive and the legislative branches.

The most prevailing characteristic of capital outlay planning in Michigan seems to be its highly political nature. The public baccalaureate institutions seem capable of exerting significant pressures to acquire or maintain physical plant improvements. The ability to use political influence to secure advantages for constituents has always been part of the American tradition, and capital outlay planning in Michigan is certainly not an exception. V. O. Key sums up this perception best as he notes:

Representation includes more than advocacy; it extends to the maintenance of close watch on the legislative process to spot threats to the interest of the constituency represented. The staffs of pressure groups perform this intelligence function, an operation that requires skill, for often hidden away in bills are clauses with the most untoward effects, at times not intended by anyone concerned.⁴⁵

⁴⁵V. O. Key, Politics, Parties and Pressure Groups (New York: Thomas Y. Crowell Co., 1964), p. 144.

CHAPTER VI

THE FUTURE FOR CAPITAL OUTLAY PLANNING

The capital outlay planning function for the Michigan public baccalaureate institutions seems to face an uncertain future. Several long-standing factors have the potential to impact upon or alter the traditionally strong pattern of capital outlay support to Michigan colleges and universities. Other recent or impending changes in the higher education arena also possess the ability to shift or alter capital outlay planning support. It was noted from the outset of this research that capital outlay planning is inexorably tied to the fabric of Michigan's political, economic, and educational governance system. It appears likely that changes in the capital planning process may occur not by a breakdown in the system itself, but instead through a combination of exterior forces, including economic, political and social changes.

The Economic Climate

It has been noted previously that the change from "pay-as-you-go" capital outlay appropriations to revenue bonding occurred in large measure because the Michigan economy (and tax generation) was unable to keep pace with construction or remodeling needs of the public baccalaureate institutions in the mid-1970s. The slumping auto sales produced far fewer dollars than were needed to meet even minimal capital outlay needs, and a substantial backlog of building projects occurred.

Haber, Spivey and Warsaw note that Michigan has traditionally possessed several disparate economic conditions. First, the state is unbalanced with respect to the spatial distribution of population and related economic wealth. For example, Michigan encompasses 83 counties, covering 50,000 square miles, yet almost 50 percent of the state's population lives within the Detroit Standard Metropolitan Statistical Area (SMSA) which consists of Wayne, Oakland, and Macomb Counties.¹ An additional 25 percent of the state's population resides in nine other metropolitan areas in the Lower

¹William Haber, W. Allen Spivey, and Martin R. Warsaw, Michigan in the 1970's: An Economic Forecast (Ann Arbor: Bureau of Business Research, University of Michigan, 1965), p. 3.

Peninsula; thus about 75 percent of the state's population resides in ten urban area clusters.²

Haber, Spivey and Warsaw also maintain that Michigan is no longer capable of generating the high volume of tax revenue dollars that have been produced in the past. The authors note:

By 1956-57 changes in the state's economic environment were sufficiently clear--and disturbing--to indicate the beginning of a new era for Michigan. Simply stated, Michigan in the 1950's had begun an economic change of life. The causes were numerous and varied in the intensity of their impact within the state. They included, among others: (1) the geographic decentralization of the automobile industry; (2) changes in the quantity and the types of goods being procured by the military, (3) the impact of technology and automation upon manpower requirements, and (4) changes in the quantitative, qualitative, and locational characteristics of the labor force.³

The imbalance between the producers of economic benefits and the recipients or consumers may be of consequence in the future. There can be little doubt that the taxpayer has become considerably more vocal in the last several years. Steven Sobotka dramatizes the problem:

Michigan's school system now absorbs a large part of state-collected revenues. The State's citizens take pride in the universities and colleges which are provided for their children. But a large part of the funds needed for

²Ibid.

³Ibid., p. 2.

these institutions is collected not from the recipients of education, or their parents, but from the working population of the State and its industry . . . it is important to recognize that the current subsidy to educational institutions may lead to great burdens on the labor force.⁴

It has been previously noted that the \$400 million revenue bonding legislation is at best an interim measure, designed largely to eliminate or at least reduce the standing backlog of capital outlay needs. Interviews with Messrs. Lane and Hellman (Appendix C) convey the impression that most legislators would favor a return to "pay-as-you-go" capital outlay funding. The possibility of a return to such a funding mechanism may be seriously weakened if Michigan experiences any of the long-range economic forecasts cited above.

It is possible that failure to respond to the capital outlay needs of the public baccalaureate institutions in the lean years of the mid-1970s may already be generating a reciprocal relationship in deteriorating physical plant conditions. A recent (November 1977) article in The Chronicle of Higher Education noted that Michigan was not alone in its position of being unable to fund all capital outlay needs as expressed by the public institutions. According to the article, as much

⁴Stephen P. Sobotka, Profile of Michigan (Chicago: University of Chicago Press, 1962), pp. 180-81.

as \$35 billion may now be needed (nationwide) to offset the cost of maintenance work that colleges and universities postponed following the building boom of the 1960s. In addition, perhaps \$15 billion (of the stated total) may be required just to cover the backlog of projects to bring facilities up to government standards and to take care of energy related repairs.⁵

The author of the article, Robert L. Jacobson, notes:

The problem is even worse because, physically and financially, it has often been hidden from view. Major maintenance needs often involve unseen equipment and materials--underground pipes, heating units, electrical wiring and the like. Those who have been studying the problem say some college officials are so sensitive about potential maintenance emergencies that they are reluctant to acknowledge that their campuses are affected.⁶

Higher Education Enrollment Trends

If long-term economic conditions act as a potential impediment to capital outlay planning needs, the decline in live births in Michigan and the decline in the school-age population looms as an even more significant force. Recent surveys by Ignatovich and Hecker

⁵ Robert L. Jacobson, "Colleges May Pay Dearly for Delaying Maintenance," The Chronicle of Higher Education, November 14, 1977, p. 7.

⁶ Ibid.

indicate that the number of children born to Michigan residents has progressively declined from the peak year of 1957 (208,488) to 130,985 in 1976. This figure represents a decrease of 77,503 births or 37.17 percent.⁷

There seems to be very little question that higher education in Michigan will soon be experiencing decreased college-age enrollees, with or without new alternatives such as lifelong education programs or the like. Ignatovich and Hecker note: "The total decrease for the 1971-81 decade--actual and projected--in Grades K-12 enrollment is estimated at 416,814 pupils or 19.46 percent of the 1971-72 enrollment of 2,141,761 pupils."⁸

It is the impression of this researcher that increases in the college-age population (the Depression years excepted) have traditionally been used as one of the significant or possibly the most significant justification for capital outlay funding support for the public baccalaureate institutions. It now appears that this solid justification for capital outlay funding increases

⁷Frederick R. Ignatovich and Stanley E. Hecker, Projections of Michigan Public School Enrollment Actual Through 1971-72 and Projections for 1977-78 Through 1981-82 (East Lansing: College of Education, Michigan State University, 1977), p. 1.

⁸Ibid., p. 2.

is only short years from weakening, if not dissolving altogether.

It has been identified on several occasions that capital outlay controls as expressed by the State have traditionally focused on financial and mechanical concerns. It seems probable that the next arena that will evidence heightened capital outlay controls for the public baccalaureate institutions will be "programmatic" or enrollment related. It has also been demonstrated that the first vestiges of programmatic capital outlay controls have been expressed in some areas already (e.g., Goal 38 of the "State Plan").

Several states have evoked new capital outlay planning options to retard the dual factors of enrollment loss and rising building costs. One of the new concepts being attempted in California (among other places) is "facilities sharing." Jerome Evans defines "facilities sharing" (a/k/a joint use of facilities) as efforts that:

encompass not only specific agreements between two or more institutions to share in the given use of a building or a portion of a building but also those formal and informal cooperative arrangements which directly or indirectly result in some form of facilities sharing.⁹

⁹Jerome Evans, An Exploratory Study of Facility Sharing Among Institutions of Higher Education in California (Sacramento: California Research Consultants, 1971), p. 2.

To a large degree, the application of a term such as "facilities sharing" may generate different emotions in states possessing strong constitutional autonomy (such as Michigan). Evans concedes that:

interinstitutional cooperation may itself be a misnomer, if one presumes that the term means institutional personnel must harbor feelings of altruistic and selfless disconcern for their institution's welfare. The historical insularity of institutions of higher education and their deliberately distinctive nature deters such a phenomenon in most collectivities, regardless of how rational and welcome such a development might at times appear to be.¹⁰

Costs of Construction in the 1970s

The cost of constructing college facilities, it has been shown, was subject to tremendous percentage increases in the 1960s and early 1970s. The increases (averaging 8 percent or more at times) made capital outlay planning by the public baccalaureate institutions a hazardous task and may have resulted in the application of tighter budget controls by the State. Joseph Froomkin observes that the cost of erecting a standard college building jumped 75 percent during the period 1964-1974.¹¹ There were, of course, large variations

¹⁰Ibid., p. 3.

¹¹Joseph H. Froomkin, The Demand for Facilities in the Post-Secondary Education Sector 1975-1990 (Washington, D.C.: Office of Education, DHEW, 1974), p. 203.

in the cost of constructing college facilities, as Froomkin notes: "In 1970-72 some classrooms were completed at a cost of \$17-22 per square foot while the average cost per assignable square foot of classrooms exceeded \$40-45."¹²

A (1971) survey by College Management revealed the fact that student housing complexes were amongst the most economical types of facilities to construct. The compilation cited recent square foot costs that included:

Married Student Apartment	\$75 per square foot
Men's Residence Halls	\$77 per square foot
Women's Residence Halls	\$68 per square foot
Coed Residence Halls	\$83 per square foot
Fieldhouse/Gymnasiums	\$76 per square foot
Educational Laboratories	\$112 per square foot
Astronomy Labs	\$131 per square foot
Medicine Facilities	\$141 per square foot
Dental Facilities	\$157 per square foot ¹³

Current information seems to indicate that (non-housing) construction is still subject to high percentage increases in cost, albeit at slightly lower rates. A recent (1976) survey by Engineering News Record indicated that construction costs had risen only 4 percent

¹²Ibid., p. 205.

¹³"1971 Campus Index: Campus Construction Costs Continue to Rise," College Management, June 1971, p. 9.

in the stated year, well under the steep escalation of recent years.¹⁴

Even with the slowing of construction costs, the future of building efforts at colleges and universities remains uncertain. Robert T. Luedeking, an Executive Vice President of Gust K. Newberg Construction Company in Chicago, cites "overbuilding" in the areas of schools, colleges and universities, and office-type facilities as one of the reasons for the downturn in the industry.¹⁵

The Revenue-Bonding Question

While it has been stated that the creation of Michigan's first formal capital outlay planning act (1965 P.A. 124) passed with little public notice, the most recent building plan enjoys no such inconspicuous status. In fact, the new planning act, 1976 P.A. 240, may be one of the most controversial pieces of budget legislation in the last several years. The act created an entirely new State Building Authority with the power to:

acquire, construct, furnish, equip, own, improve, enlarge, operate; mortgage and maintain buildings, necessary parking structures or lots and sites therefor, for the use of the state or any

¹⁴"Construction Is Still a Drag," Business Week, October 25, 1976, p. 31.

¹⁵Ibid.

of its agencies . . . to provide for the issuance of revenue bonds by the building authority . . . to authorize the appointment of a trustee for bondholders"16

It must be recognized that the new bonding authority does not (as is usually the case) replace any of the existing capital outlay management functions, particularly the JCOS, the Department of Management and Budget (DMB), or the Facilities Management Bureau. It must be emphasized additionally that "change" as it applies to this research does not imply that the State has totally eliminated "pay-as-you-go" capital outlays-- it has merely shifted emphasis (for the short term) away from this funding methodology.

While most people assume that 1976 P.A. 240 is a totally new capital outlay methodology, this research has demonstrated that a form of revenue bonding was used in 1838 (P.A. 118) to develop the physical plant at the University of Michigan during its early years.

The new act (1976 P.A. 240), while creating the bonding authority as an additional organizational entity in the capital outlay process, placed it without the administrative confines of the State. The act continues:

The state building authority is created, is made a body corporate, separate and distinct from the state, and may sue and be sued, plead and be impleaded, contract and be contracted with, have

¹⁶Michigan Public Acts 1976, Act No. 240, Section 1.

a corporate seal and enjoy and carry out all powers herein granted it. The building authority shall be governed by a board of trustees consisting of 5 members appointed by the governor, with the advice and consent of the senate¹⁷

One of the provisions carried in Section 3 of 1976 P.A. 240 seems almost certain to create interdepartmental difficulties. The stated section reads:

"(i) Employ consulting engineers, architects, superintendents, managers, and such other construction, accounting, appraisal and financial experts, attorneys, and other employees" ¹⁸

Several of the stated roles belong to or have been performed by the DMB and the Facilities Management Bureau. Interviews with personnel from these administrative subsets reveal operational uncertainties and a certain measure of resentment over the implied powers of the new building authority. At present, the JCOS is still empowered to approve, disapprove or alter capital outlay projects administered by the new agency under the "advise and consent of the senate" provisions of Section 2. The DMB and the FMB have been cooperating with the new bonding authority on technical aspects of capital outlay planning, however, just how long this relationship will remain viable is of question. The

¹⁷ Ibid., Section 2.

¹⁸ Ibid.

expansion of governing agencies, of course, is not a new phenomenon in American politics. Joyce and William Mitchell observe that "governments will revise regulations and controls more often than domestic distributive expenditure and service programs."¹⁹ The potential clearly exists for a "dual track" type of capital outlay authority in the executive arm, and such a possibility seems both unwise and uneconomical.

If 1976 P.A. 240 contains any real administrative and economic power, it seemingly exists in the level of funding permitted. The act continues:

The bonds shall be sold at public sale for not less than par after publication of notice of sale thereof The bonds shall mature not more than 20 years from their date, and in any event not more than 1 year from the due date of the last true rental pledged for payment of the bonds and shall bear interest at not more than the maximum rate of interest permitted by Act No. 202 of the Public Acts of 1943. The authority shall not issue bonds for any of its corporate purposes in a principal amount totaling more than \$400,000,000.00."²⁰

If the old adage that "money is power" holds a grain of truth, the building authority figures to be a

¹⁹ Joyce M. Mitchell and William C. Mitchell, Political Analysis and Public Policy: An Introduction to Political Science (Chicago: Rand McNally & Company, 1969), p. 75.

²⁰ Michigan Public Acts 1976, Act No. 240.

very powerful force in the executive branch for the next several years.

While \$400 million may be a modest sum by some construction standards, the practical administration of projects approved under this rubric may face a certain degree of taxpayer resentment. Roe L. Johns and Edgar L. Morphet note that many states have held referendums regarding the use of revenue bonds: "But in most states, the proposal for issuing these bonds must be approved by the voters."²¹

If the State is forced, out of economic necessity, to authorize future revenue-bonding propositions, the direct approval of the Michigan taxpayer may become necessary.

Evans provides several factors that seem unrelated to or involving only a small kindred relationship with the capital outlay planning process but which possess the ability to alter future building plans. Several of these factors, while framed in another state, bear striking resemblance to potential problems with and for the Michigan public baccalaureate institutions.

Evans cites the traditional institutional framework of higher education that focuses on the unified

²¹Roe L. Johns and Edgar L. Morphet, The Financing of Education: A Systems Approach (Englewood Cliffs, N.J.: Prentice-Hall, Inc., 1975), p. 300.

campus and which is "buttressed by all the forces aimed at building loyalty among students, administrators and faculty" as a potential deterrent to realistic capital outlay planning.²² The Michigan higher education history, rich in autonomy, may possess many of the same characteristics.

Evans further identifies the dominance of the traditional campus concept with respect to the physical form of the institution--a concept which not only encourages "one-stop shopping" but also establishes the campus as the "turf" of the institution which is to be defended against all potential interlopers. Again, the strong legal challenges in capital outlay funding exhibited by the larger of the of the public baccalaureate institutions seem to partly underscore this contention.

Evans provides one final observation that has long been a funding reality for institutions of higher education: "Interinstitutional and intersegmental rivalry for financial support etc., which breeds and feeds upon the notions of superiority or uniqueness or special favor among faculty, administrators, or students alike."²³

²²Evans, p. 44.

²³Ibid.

Future Revenue Sources for
Capital Outlays

Federal support for capital outlay planning has admittedly (and by definition) been a minor factor in this research. The future of capital outlay planning for the public baccalaureate institutions in Michigan would be incomplete, however, without recognizing the potential enormity of the Federal tax base. Many writers and researchers have stated the case for increased Federal support to higher education at the state level. This research will not propose the infusion of additional Federal tax dollars for capital outlay support at Michigan institutions--the study does recognize that additional support could be generated from this source.

Sidney Tiedt notes that the Federal government collects approximately 65 percent of the U.S. tax dollars (State government, 15 percent, and local government, 18 percent) while it returns only 4 percent for education (State governments provide 40 percent and local governments, 56 percent) as a whole.²⁴ While a wide array of higher education needs could be benefited by additional federal support, short-term changes seem improbable in the light of other social needs.

²⁴Sidney W. Tiedt, The Role of Federal Government in Education (New York: Oxford University Press, 1966), p. 36.

Federal support for capital outlays at the Michigan public baccalaureate institutions has been modest, even for the highly prized programs in the health sciences that have seen disproportionate government attention. Paul Dressel and Donald Come observe:

Between 1956 and 1965 in Michigan, emphasis in capital development was on the Life Sciences--including Medical, Agricultural, and Biological Sciences. Almost three-fifths of all the expenditures, \$29,917,000 were in Life Sciences. For the Life Sciences at all reporting universities, Institution's Own Funds including a very major expenditure at Michigan State, ranked first in support with \$10,129,000; State Funds were a close second at \$9,819,000 and Federal third at \$7,958,000.²⁵

This research would be remiss without noting one final factor concerning the future of the capital outlay planning process in Michigan. Although the matter can be neither refuted or substantiated, interviews with personnel in the executive branch (e.g., the Department of Management and Budget) indicate that some recent capital outlay requests submitted by the public baccalaureate institutions contain many items that possess only half-hearted support by the colleges and universities themselves. In other words, the DMB (and the JCOS) may be

²⁵Paul L. Dressel and Donald R. Come, Impact of Federal Support of Science on Publicly Supported Universities and Four-Year Colleges in Michigan, National Science Foundation (Contract No. NSF-C-506) (East Lansing: Michigan State University, 1969), p. 35.

placed in the position of terminating projects that the Institutional Research Staffs and Capital Outlay Planning Offices are reluctant to squelch at the institutional level (perhaps for fear of creating interdepartmental strife). This form of deceptive advocacy is well known in business circles. Jack Holder, Jr. observes that "commitment" should perhaps run deeper than some of the flowery statements carried in PRR and BOF-A forms stating capital outlay needs for the public baccalaureate institutions. Holder notes: "Ideally, the individual goal and the institutional goal should be the same, or one is achieved by the achievement of the other . . . a definite quid pro quo relationship must exist."²⁶

It appears that deceptive advocacy may be a future "mechanical" problem in capital outlay planning; however, only the institutions possess the real ability to solve this problem.

In summary, the State of Michigan has recently changed or significantly altered the method of providing capital outlay support to the public baccalaureate institutions. This change has clearly been designed to accommodate short-term pressures and the future of

²⁶James L. Gibson, John M. Ivancevich, and James H. Donnelly, Jr., eds., Readings in Organizations: Behavior Structure, Processes (Dallas: Business Publications, Inc., 1976), pp. 311-12.

capital outlay planning in Michigan is most uncertain due to a combination of social and economic factors.

The creation of a new entity, the State Building Authority, may or may not have created two separate tracks to accommodate capital outlay needs--adequate time has not passed to assess the true impact of this new function. The potential for interdepartmental divisiveness seems to exist due to the "implied powers" provision of 1976 P.A. 240 and the creation of the State Building Authority. In short, the Michigan public baccalaureate capital outlay planning function approaches the 1980s with an uncertain support base and a (potentially) unsteady mechanism.

CHAPTER VII

CONCLUSION

The research presented in the several chapters has traversed many different paths: the history and development of building and planning efforts, legal challenges, prior assessments of capital outlay needs, the current mechanics of capital outlay budgeting, and even a look toward the future. While the methodology at times may have seemed bumpy or inconsistent, several common threads have emerged in this assessment of capital outlay planning for Michigan's public baccalaureate institutions.

Without question, certain aspects of the capital outlay planning process have and continue to be unique. These singular qualities, it has been identified, are attributable to Michigan's higher education history, its economic climate and even to the spirit of Michigan politics. Other common elements found in the several chapters indicate that capital outlay planning problems in Michigan are remarkably similar to those of other states.

In keeping with the stated goals of the research, the following assessments seem now to be appropriate.

Origin, Extent and Dollar Amount of
Capital Outlay Appropriations

This research has provided, to the best of common knowledge, the first compilation of all capital outlay planning acts conferred to the public baccalaureate institutions of Michigan. During the period 1817 through and including 1976, 268 public acts were approved with funding totaling \$666,287,290.

The State has been without question both remarkably consistent and surprisingly generous in its capital outlay appropriations. During the period 1869-1976, the State delivered some form of capital outlay appropriation to one or more of its public baccalaureate institutions in every scheduled legislative session.

While capital outlay appropriations were clearly not always at the level that the institutions sought, a commitment--in fact, a very strong bond--had been developed to accommodate the building plans of the public institutions at an early date, prior even to Michigan's formal admission to Statehood.

The State, it has been shown, developed a remarkable number of capital outlay planning procedures to accommodate the needs of the public baccalaureate

institutions. This innovative spirit in capital outlay planning has continued to be present; for the State has only recently changed from the fairly traditional "pay-as-you-go" methodologies to "revenue bonding." This research has further demonstrated that the recent change to revenue bonding (considered new and innovative by many parties) in fact has a very strong kindred relationship to a public act of 1838--a circumlocution of 139 years.

It has been further identified that some of the public acts conferring capital outlay support have borne the indelible imprint of advocates or detractors, including the Governor, partisan legislators, and even the State Superintendent of Public Instruction. The Office of the Governor, while traditionally a proponent of capital outlay support for the public baccalaureate institutions, has delivered "item vetoes" to parts of at least nine public acts.

Higher Education Enrollment Trends and
Building Efforts Preceding the Formal
Enactment of 1965 P.A. 124

Interviews and primary sources outlined in the research indicate that the years immediately preceding 1965 P.A. 124 were difficult ones for executive, legislative and institutional capital outlay planners. Some sources have placed the enrollment increases in the higher

education sector from 1958-1970 at 500 percent or more. In short, the physical plant at the Michigan public institutions was strained beyond the breaking point. Progressive increases in capital outlay appropriations during these years were simply inadequate to the task. In an effort to accommodate the flood of enrollments, the universities turned to the use of temporary facilities--a move that lessened their credibility with some of the assessment teams.

The years preceding P.A. 124 were marked, it has been shown, by staggering increases in construction costs--costs that sometimes exceeded eight percent or more in a year. The inflationary spiral found the universities overdrafting the agreed-upon costs of facilities, which in turn fueled legislative and executive suspicion on the quality and quantity of capital outlay planning efforts by the institutions.

Little doubt can exist, therefore, that P.A. 124, at least at its inception, was designed as a reactionary measure, as opposed to progressive or enabling legislation.

In keeping with certain delimiting conditions of this research, no attempt has been made to place values of the quality of capital outlay planning efforts at the respective institutions. Adequate source data

does seem to exist suggesting that some of the public baccalaureate institutions were less successful in their capital outlay planning endeavors.

It appears, therefore, that P.A. 124 was significantly influenced by rising construction costs, and less-than-satisfactory capital outlay planning efforts by some institutions.

Potential Changes in Control Provisions
or Semantics of the Public Acts

It appears that the semantics or planning and control provisions of the 268 capital outlay acts have evidenced "change" although there is no absolute way to measure differences. Alvin Toffler notes: "There is no static point, no nirvana-like unchange, against which to measure change. Change is therefore necessarily relative."¹ Recognizing that time is indeed a relative condition, the wording contained in the public acts has not remained constant. Capital outlay controls or provisos, it has been demonstrated, were structured in public acts, almost from their inception as funding devices. In fact, the creation of the University of Michigan in 1817 carried with it a functionally specific capital outlay proviso.

¹Alvin Toffler, Future Shock (New York: Bantam Books, Inc., 1970), p. 20.

The unusually large number of capital outlay funding mechanisms most probably complicated the development of consistent, readily enforceable capital outlay controls. It has been demonstrated, however, that some of the public acts using similar funding methodologies changed rather markedly with the passing of the years.

It has been demonstrated also that additional accountability was demanded of the public baccalaureate institutions during one of the observable "change" cycles from 1957-1965. The institutions during this period were subject to special riders and/or legislative approval mechanisms.

The increased need for accountability during the stated period was probably symptomatic of economic and enrollment pressures that had become, at the least, troublesome. Dressel concurs that "demands for accountability arise primarily out of fiscal concerns."²

It has been identified also that the first formal capital outlay planning act, 1965 P.A. 124, had broad implied powers, but it lacked functionally specific operational guidelines--a matter that was corrected some nine years later with the issuance of the Capital Outlay Manual.

²Paul L. Dressel, Handbook of Academic Evaluation (San Francisco: Jossey-Bass, Inc., 1976), p. 75.

The Impact of Past Legal, Historical and
Research Efforts on Capital
Outlay Planning

While a potential danger exists in generalizing or describing a complex process such as capital outlay planning in Michigan, several key words or concepts have emerged in each of the chapters thus far developed. These key concepts would include (in no certain order) autonomy, commitment, growth and politics.

There seems to be little doubt that the citizens of Michigan envisioned and have maintained a state higher education setting that would be and is philosophically free from the direct control of government. The autonomy conferred originally to the University of Michigan, later to Michigan State University, and ultimately to all public baccalaureate institutions has resulted in predictable situations in which government and institution openly disagree both within and without court settings on certain appropriations issues. The long history of legal challenges bears witness to this claim.

Legal challenges notwithstanding, the State has maintained a very solid and very substantial pattern of capital outlay commitment to the public baccalaureate institutions. The continuous nature of capital outlay appropriations from 1869-1976 bespeaks this commitment.

In part, the State's commitment in the form of capital outlay support has been justified by the public baccalaureate institutions on the basis of consistent enrollment growth. It has been identified previously that, the late Depression years and early World War II years excepted, the public baccalaureate institutions could support capital outlay needs with solid enrollment (or "programs") gains.

The growth of enrollments and the resultant expansion of the physical plant at the several campuses has been somewhat disproportionate. It has been demonstrated also that the book value of the physical plant at the University of Michigan, Michigan State University and Wayne State University, taken as a collectivity, dwarfs the value of the physical plant at the other public baccalaureate institutions (and most of the private institutions in Michigan, also).

The public baccalaureate institutions, particularly the University of Michigan, Michigan State University and Wayne State University, have been extremely successful in the exercise of political influence, within the JCOS, the Legislature, and even the Governor's Office. The exercise of politics by the public baccalaureate institutions is an activity that seems indigenous to Michigan higher education.

The Specifics of Capital Outlay
Planning for the Public Bacca-
laureate Institutions

As a mechanical process, it has been demonstrated that capital outlay planning in Michigan is dynamic and subject to a continuing number of modifications. The development of the Capital Outlay Manual has given the public institutions functionally specific guidelines with which to identify and request State support. It has been further identified that several of the definitions currently used in capital outlay planning bear a direct kinship to similar data developed and distributed by the Western Interstate Commission on Higher Education.

The unique factor in capital outlay planning in Michigan is, of course, its use of a Joint Capital Outlay Subcommittee (JCOS). The JCOS, it has been pointed out, is the pivotal function of capital outlay planning in Michigan. The JCOS is an admittedly political arena in which the higher education needs as they relate to facilities are both reviewed and approved. At present, the capital outlay planning process for the public baccalaureate institutions in Michigan seems to be a suitably sensitive review mechanism. Robert O. Berdahl best describes the proper functioning of such a device:

The real issue . . . then is not whether there will be interference by the state but rather whether the inevitable interference will be confined to the proper topics and expressed through a suitably sensitive mechanism.³

Berdahl's comments also serve to draw stricture on the design of this research. Effort has been taken to portray capital outlay planning as a dynamic function that has continually evolved in Michigan's rather unique economic/socio-educational climate. The mechanism, it has been pointed out, has not always been sensitive; it occasionally has been misdirected to some improper topics--but it has existed as a process longer than most people realize. There can be no assurance that the process will continue to be "suitably sensitive," for Michigan clearly will face new challenges in the years ahead.

³Robert O. Berdahl, Statewide Coordination of Higher Education (Washington, D.C.: American Council on Education, 1971), p. 9.

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APPENDICES

APPENDIX A

1976 BOOK VALUES OF THE
PHYSICAL PLANT

1976 Book Value of Physical Plant of Michigan Public Baccalaureate Institutions.

Name of Institution	Location	Date & Act Number Established As State Institution	Institution Known Previously As ¹	Book Value of Physical Plant for FY Ending 1976 ²
Central Michigan University	Mt. Pleasant	1895 P.A. 261	Central Michigan College Central Michigan College of Education Central State Teachers College Central Michigan Normal School	\$102,191,446
Eastern Michigan University	Ypsilanti	1849 P.A. 138	Michigan State Normal College Michigan State Normal School	94,240,510
Ferris State College	Big Rapids	1949 P.A. 114 ^a	Ferris Institute	67,596,189
Grand Valley State College	Allendale	1960 P.A. 120	Grand Valley College Grand Valley State College	32,888,833
Lake Superior State Colleges	Sault Ste. Marie	1969 P.A. 26 ^b	Michigan Tech., Sault Ste. Marie Campus	21,448,293
Michigan State University	East Lansing	1855 P.A. 130	Michigan Agricultural College Michigan State College of Agriculture and Applied Science	442,112,198
Michigan Technological University	Houghton	1885 P.A. 70	Michigan College of Mining and Technology Michigan College of Mines Michigan Mining School	84,105,037
Northern Michigan University	Marquette	1899 P.A. 51	Northern Michigan College of Education Northern State Teachers College Northern State Normal School	67,182,456

1976 Book Value of Physical Plant of Michigan Public Baccalaureate Institutions, Cont'd.

Name of Institution	Location	Date & Act Number Established As State Institution	Institution Known Previously As ²	Book Value of Physical Plant for FY Ending 1976 ²
Oakland University	Rochester	1970 P.A. 35 ^c	Michigan State University, Oakland Campus	\$ 60,306,745
Saginaw Valley State College	Saginaw	1966 P.A. 14	Saginaw Bay College Saginaw Valley College	Did not report
University of Michigan	Ann Arbor	1817 Territorial Act, August 26 ^d	University of Michigania Catholepistemiad	585,164,043
University of Michigan, Dearborn	Dearborn			15,594,533
University of Michigan, Flint	Flint			4,006,394
Wayne State University	Detroit	1956 P.A. 183 ^e	Wayne University	217,673,335
Western Michigan University	Kalamazoo	1903 P.A. 150	Western Michigan College of Education	133,258,000

¹Michigan public baccalaureate institutions have been known by various names or titles in their respective histories. James Pollock notes that Article 8, Section 4, of the 1963 Constitution provides that "the legislature shall appropriate money to maintain . . . by whatever names such institutions may hereafter be known" James K. Pollock, Making Michigan's New Constitution 1961-62 (Ann Arbor: The George Wahr Publishing Co., 1962), p. 124.

²Michigan Department of Education, 1976-1977 Fact Book on Higher Education in Michigan (Lansing, August 1977), p. 69.

^aFounded in 1884 as a private institution. Received first state appropriations in 1949.

^bOperated as a branch campus of Michigan Technological University from 1946-1969.

^cOperated as a branch campus of Michigan State University from 1960-1970.

^dReorganized in Territorial Act L.V. of 1837.

^eColleges composing Wayne State University were established in varying years from 1868 onward. Control of the several colleges was assumed in 1933 by the Detroit Board of Education. During the period 1945-46 through 1955-56, the State appropriated capital outlay funds to this institution although it was not a constitutionally recognized unit.

APPENDIX B

COMPILATION OF LAWS CONFERRING
CAPITAL OUTLAY SUPPORT

APPENDIX B

COMPILATION OF LAWS CONFERRING CAPITAL OUTLAY SUPPORT

1976 P.A. 62 (Sect. 1)

Special Maintenance

Ferris State College	(1 project)	962,000
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1976 P.A. 105 (Sect. 1)

New Construction

Lake Superior State College	(1 project)	889,000
Michigan State University	(1 project)	1,000,000
Michigan Tech. University	(2 projects)	1,150,000
Northern Michigan University	(1 project)	840,000
University of Michigan-Flint	(1 project)	2,300,000
Wayne State University	(1 project)	<u>3,500,000</u>
		9,679,000

1976 P.A. 229 (Sect. 1)

Preliminary Studies & Planning

*1,000,000

Central Mich. University	(1 project)
Ferris State College	(3 projects)
Grand Valley State Colleges	(3 projects)
Lake Superior State College	(1 project)
Michigan State University	(3 projects)
Michigan Tech. University	(4 projects)
Northern Mich. University	(2 projects)
Oakland University	(1 project)
Saginaw Valley State College	(1 project)
Wayne State University	(4 projects)
University of Michigan -	
Ann Arbor	(1 project)
Western Michigan University	(3 projects)

1976 P.A. 248 (Sect. 3)

Continue Construction

Lake Superior State College	(1 project)	500,000
Michigan Tech. University	(2 projects)	700,000
Northern Mich. University	(1 project)	150,000
(Less) Item Veto		(150,000)
Oakland University	(1 project)	233,000
(Less) Item Veto		(233,000)
University of Michigan-Flint	(3 projects)	6,166,000
Wayne State University	(2 projects)	14,070,000
(Less) Item Veto		(70,000)
Western Mich. University	(1 project)	<u>300,000</u>
		21,666,000

1975 P.A. 35 (Sect. 1)

Continue Construction

Michigan Tech. University	(1 project)	2,000,000
Northern Mich. University	(1 project)	<u>1,400,000</u>
		3,400,000

1975 P.A. 246 (Sect. 2-3)

Special Maintenance & Fire Protection		*1,500,000
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1975 P.A. 246 (Sect. 4)

New Construction & Continuance

Ferris State College	(1 project)	250,000
Grand Valley State Colleges	(2 projects)	-0-
Lake Superior State College	(2 projects)	4,600,000
Michigan State University	(1 project)	5,482,000
Michigan Tech. University	(2 projects)	7,190,000
Northern Mich. University	(3 projects)	5,700,000
University of Michigan-Ann Arbor	(1 project)	261,000
University of Michigan-Flint	(3 projects)	4,500,000
Wayne State University	(2 projects)	5,181,500
Western Mich. University	(1 project)	<u>250,000</u>
		33,414,500

1975 P.A. 246 (Sect. 31-32)

Continue Projects

Northern Mich. University	(1 project)	182,000
Grand Valley State Colleges	(1 project)	<u>335,000</u>
		517,000

1974 P.A. 232 (Sect. 1-3)

Special Maintenance & Fire Protection		*4,500,000
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1974 P.A. 232 (Sect. 5)

New Construction & Continuance

Central Michigan University	(1 project)	183,000
Eastern Mich. University	(2 projects)	303,597
Ferris State College	(1 project)	90,000
Lake Superior State College	(3 projects)	1,355,000
Michigan State University	(2 projects)	6,000,000
Michigan Tech. University	(1 project)	3,500,000
Northern Mich. University	(3 projects)	2,328,000
Oakland University	(1 project)	80,000
University of Michigan - Ann Arbor	(4 projects)	4,887,500
University of Michigan - Dearborn	(2 projects)	1,200,000
University of Michigan - Flint	(3 projects)	3,500,000
Wayne State University	(1 project)	2,000,000
Western Mich. University	(1 project)	<u>845,000</u>
		26,272,097

1974 P.A. 232 (Sect. 33)

Land Acquisition

Wayne State University	(1 project)	52,000
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1974 P.A. 232 (Sect. 37)

Preliminary Studies & Planning

Michigan State University	(1 project)	*500,000
University of Michigan - Ann Arbor	(3 projects)	
University of Michigan - Dearborn	(1 project)	
University of Michigan-Flint	(2 projects)	
Wayne State University	(2 projects)	

1973 P.A. 52 (Sect. 1)

Preliminary Studies & Planning

*3,000,000

Central Michigan University	(2 projects)
Eastern Mich. University	(1 project)
Ferris State University	(1 project)
Grand Valley State Colleges	(1 project)
Lake Superior State College	(1 project)
Michigan State University	(1 project)
Michigan Tech. University	(4 projects)
Saginaw Valley College	(2 projects)
University of Michigan - Ann Arbor	(2 projects)
University of Michigan-Flint	(1 project)

1973 P.A. 90 (Sect. 1)

Remodeling and Renovation

Central Michigan University	(4 projects)	1,191,600
Eastern Michigan University	(6 projects)	2,418,785
Ferris State College	(6 projects)	2,173,700
Grand Valley State Colleges	(4 projects)	2,660,000
		8,444,085

1973 P.A. 90 (Sect. 3)

Fire Protection and Special Maintenance

*1,500,000

1973 P.A. 90 (Sect. 4)

New Construction & Continuance

Lake Superior State College	(5 projects)	3,001,109
Michigan State University	(4 projects)	8,228,000
Michigan Tech. University	(3 projects)	1,640,000
Northern Mich. University	(4 projects)	4,338,000
Oakland University	(3 projects)	1,645,000
Saginaw Valley College	(1 project)	25,000
University of Michigan - Ann Arbor	(6 projects)	10,488,000
University of Michigan - Dearborn	(3 projects)	2,700,000
University of Michigan-Flint	(2 projects)	1,800,000
Wayne State University	(5 projects)	3,678,000
Western Mich. University	(6 projects)	<u>2,926,800</u>
		40,469,909

1972 P.A. 86 (Sect. 1)

Remodeling and Complete Construction

Eastern Mich. University	(1 project)	50,000
University of Michigan - Dearborn	(1 project)	<u>200,000</u>
		250,000

1972 P.A. 208 (Sect. 1)

Preliminary Studies and Planning

*300,000

Grand Valley State College	(2 projects)
Lake Superior State College	(1 project)
Michigan State University	(1 project)
University of Michigan - Dearborn	(1 project)

1972 P.A. 259 (Sect. 1-2)

Special Maintenance and Fire Protection

*2,500,000

1972 P.A. 259 (Sect. 3)

New Construction & Continuance

Central Michigan University	(1 project)	1,913,590
Eastern Michigan University	(1 project)	1,500,000
Ferris State College	(2 projects)	550,000
Grand Valley State Colleges	(4 projects)	875,000
Lake Superior State College	(3 projects)	650,000
Michigan State University	(2 projects)	4,000,000
Michigan Tech. University	(1 project)	665,000
(Less) Item Veto		(665,000)
Northern Mich. University	(2 projects)	1,250,000
Oakland University	(3 projects)	750,000
Saginaw Valley College	(2 projects)	1,200,000
University of Michigan - Ann Arbor	(3 projects)	3,000,000
University of Michigan-Flint	(2 projects)	1,770,000
University of Michigan - Dearborn	(3 projects)	850,000
Wayne State University	(1 project)	500,000
Western Mich. University	(1 project)	600,000
		<u>19,408,590</u>

1971 P.A. 111 (Sect. 1)

Special Maintenance & Fire Protection		*500,000
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1971 P.A. 111 (Sect. 2)

Remodeling and Renovation

Northern Mich. University	(1 project)	200,000
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1971 P.A. 111 (Sect. 3)

New Construction

Central Michigan University	(1 project)	1,500,000
Ferris State College	(1 project)	139,300
Grand Valley State Colleges	(1 project)	278,130
Michigan State University	(1 project)	431,000
Michigan Tech. University	(2 projects)	1,116,334
University of Michigan - Ann Arbor	(1 project)	324,252
Wayne State University	(1 project)	549,464
Western Michigan University	(1 project)	590,858
		<u>4,929,338</u>

1971 P.A. 117 (Sect. 1)

Preliminary Studies & Planning

*400,000

Central Michigan University	(1 project)
Michigan Tech. University	(1 project)
University of Michigan - Ann Arbor	(3 projects)
University of Michigan - Dearborn	(1 project)
Wayne State University	(1 project)
Western Michigan University	(2 projects)

1971 P.A. 128 (Sect. 3)

Remodeling & Renovation

Central Michigan University	(1 project)	60,000
Eastern Michigan University	(2 projects)	210,000
Lake Superior State College	(1 project)	500,000
Michigan State University	(1 project)	500,000
Michigan Tech. University	(1 project)	100,000
Wayne State University	(1 project)	50,000
		<u>1,420,000</u>

1971 P.A. 128 (Sect. 4)

Continue Construction

Michigan State University	(1 project)	100,000
Saginaw Valley College	(1 project)	400,000
University of Michigan-Flint	(1 project)	300,000
		<u>800,000</u>

1970 P.A. 45 (Sect. 1)

Preliminary Studies & Planning

*368,000

Lake Superior State College	(2 projects)
Michigan State University	(1 project)
University of Michigan - Ann Arbor	(1 project)

1970 P.A. 46 (Sect. 4)

New Construction, Remodeling & Renovation

Central Michigan University	(1 project)	50,000
Eastern Michigan University	(2 projects)	370,000
Grand Valley State Colleges	(1 project)	80,000
Lake Superior State College	(1 project)	300,000
Michigan State University	(1 project)	25,000
Michigan State University - Oakland	(3 projects)	273,000
Michigan Tech. University	(2 projects)	643,000
Northern Mich. University	(1 project)	198,000
University of Michigan - Ann Arbor	(2 projects)	600,000
Wayne State University	(1 project)	40,000
Western Michigan University	(3 projects)	400,000
		<u>2,979,000</u>

1970 P.A. 46 (Sect. 5)

New Construction & Continuance

Central Michigan University	(1 project)	1,243,876
Ferris State College	(1 project)	300,000
Grand Valley State Colleges	(2 projects)	500,000
Michigan State University	(2 projects)	200,000
Michigan State University - Oakland	(2 projects)	427,827
Michigan Tech. University	(2 projects)	2,977,000
Saginaw Valley College	(2 projects)	300,000
University of Michigan - Ann Arbor	(3 projects)	2,605,845
University of Michigan-Flint	(1 project)	175,000
Wayne State University	(1 project)	2,500,000
Western Michigan University	(4 projects)	2,647,609
		<u>13,877,157</u>

1969 P.A. 225 (Sect. 1-3)

Special Maintenance & Fire Protection	*3,250,000
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1969 P.A. 36 (Sect. 1)

Preliminary Studies & Planning

*620,000

Eastern Michigan University	(1 project)
Ferris State College	(2 projects)
Michigan State University	(1 project)
Michigan Tech. University	(1 project)
Lake Superior State College	(1 project)
Northern Mich. University	(1 project)
University of Michigan - Ann Arbor	(2 projects)
University of Michigan-Flint	(2 projects)
Wayne State University	(2 projects)

1969 P.A. 225 (Sect. 4)

Complete and Continue Construction

Central Michigan University	(3 projects)	2,070,000
Eastern Michigan University	(2 projects)	3,140,000
Ferris State College	(4 projects)	3,015,000
Grand Valley State Colleges	(1 project)	350,000
Michigan State University	(1 project)	1,000,000
Michigan State University - Oakland	(2 projects)	2,265,000
Michigan Tech. University	(3 projects)	3,117,515
Michigan Tech. - Lake Superior Campus	(1 project)	951,667
Northern Mich. University	(2 projects)	640,000
Saginaw Valley College	(3 projects)	212,000
University of Michigan - Ann Arbor	(3 projects)	4,220,000
Wayne State University	(1 project)	4,000,000
Western Michigan University	(3 projects)	3,150,000
		<u>28,131,182</u>

1969 P.A. 225 (Sect. 5)

Remodeling & New Construction

Central Michigan University	(2 projects)	487,458
Eastern Michigan University	(2 projects)	575,000
Ferris State College	(1 project)	300,000
Michigan Tech. University	(1 project)	400,000
Michigan Tech. - Lake Superior Campus	(1 project)	300,000
University of Michigan - Ann Arbor	(3 projects)	720,000
Wayne State University	(1 project)	75,000
Western Michigan University	(2 projects)	971,434

3,828,892

1968 P.A. 230 (Sect. 1)

Preliminary Studies & Planning *575,000

Central Michigan University	(3 projects)
Eastern Michigan University	(2 projects)
Ferris State College	(1 project)
Grand Valley State Colleges	(1 project)
Michigan State University	(3 projects)
Michigan Tech. University	(3 projects)
Northern Mich. University	(3 projects)
Saginaw Valley College	(1 project)
Wayne State University	(1 project)
Western Michigan University	(1 project)

1968 P.A. 244 (Sect. 1-3)

Special Maintenance & Fire Protection *3,300,000

1968 P.A. 244 (Sect. 4)

Repairs and Complete Construction

Central Michigan University	(1 project)	548,439
Eastern Michigan University	(1 project)	90,000
Michigan State University - Oakland	(1 project)	250,000
Michigan Tech. University	(1 project)	85,000
University of Michigan - Ann Arbor	(2 projects)	2,000,000
Western Michigan University	(1 project)	<u>500,000</u>
		3,473,439

1968 P.A. 244 (Sect. 5)

New Construction

Central Michigan University	(4 projects)	3,543,700
Eastern Michigan University	(3 projects)	4,870,000
Ferris State College	(4 projects)	2,200,000
Grand Valley State Colleges	(2 projects)	675,000
Michigan State University	(2 projects)	2,550,000
Michigan State University - Oakland	(2 projects)	2,883,000
Michigan Tech. University	(6 projects)	4,019,853
Michigan Tech. - Lake Superior Campus	(2 projects)	1,255,000

Northern Mich. University	(3 projects)	3,310,000
Saginaw Valley College	(2 projects)	953,500
University of Michigan - Ann Arbor	(3 projects)	4,870,000
Wayne State University	(6 projects)	7,541,409
Western Michigan University	(4 projects)	<u>2,748,400</u>
		41,419,862

1967 P.A. 1 (Sect. 1)

New Construction & Continuance

Eastern Michigan University	(1 project)	500,000
Ferris State College	(1 project)	60,000
Michigan State University - Oakland	(1 project)	200,000
Michigan Tech. University	(1 project)	15,783
Saginaw Valley College	(1 project)	500,000
Wayne State University	(2 projects)	500,000
Western Michigan University	(1 project)	<u>1,100,000</u>
		2,875,783

1967 P.A. 244 (Sect. 1)

Preliminary Studies & Planning

*500,000

Central Michigan University	(1 project)
Eastern Michigan University	(2 projects)
Ferris State College	(1 project)
Michigan State University - Oakland	(3 projects)
Michigan Tech. University	(1 project)
Northern Mich. University	(1 project)
Saginaw Valley College	(1 project)
University of Michigan	(2 projects)
Wayne State University	(1 project)
Western Michigan University	(3 projects)

1967 P.A. 252 (Sect. 1-2)

Special Maintenance & Fire Protection

*1,400,000

1967 P.A. 252 (Sect. 3)

Complete and Continue Construction

Central Michigan University	(1 project)	300,000
Eastern Michigan University	(1 project)	408,000
Ferris State College	(2 projects)	139,000
Michigan State University - Oakland	(1 project)	50,000
Michigan Tech. University	(2 projects)	176,000
Northern Mich. University	(1 project)	100,000
University of Michigan - Ann Arbor	(3 projects)	3,050,000
Western Michigan University	(1 project)	<u>1,000,000</u>
		5,223,000

1967 P.A. 252 (Sect. 4)

New Construction & Improvements

Central Michigan University	(4 projects)	1,495,500
Eastern Michigan University	(4 projects)	2,275,000
Ferris State College	(3 projects)	925,000
Grand Valley State Colleges	(3 projects)	1,352,000
Michigan State University	(3 projects)	4,829,000
Michigan State University - Oakland	(3 projects)	2,445,000
Michigan Tech. University	(6 projects)	4,435,000
Northern Mich. University	(2 projects)	1,300,000
Saginaw Valley College	(1 project)	1,000,000
University of Michigan - Ann Arbor	(2 projects)	4,350,000
Wayne State University	(4 projects)	4,450,000
Western Michigan University	(4 projects)	<u>1,195,000</u>
		30,051,500

1966 P.A. 26 (Sect. 2)

Remodeling and Improvements

Central Michigan University	(2 projects)	155,000
Eastern Michigan University	(2 projects)	390,000
Ferris State College	(2 projects)	140,000
Grand Valley State Colleges	(1 project)	200,000
Wayne State University	(3 projects)	550,000
Western Michigan University	(2 projects)	<u>200,000</u>
		1,635,000

1966 P.A. 310 (Sect. 4)

Remodeling & Renovation

Central Michigan University	(2 projects)	65,000
Eastern Michigan University	(2 projects)	915,000
Michigan State University	(1 project)	480,000
Michigan State University - Oakland	(1 project)	108,000
Michigan Tech.-Lake Superior Campus	(1 project)	39,000
Northern Mich. University	(3 projects)	200,000
University of Michigan - Ann Arbor	(4 projects)	1,925,000
Wayne State University	(1 project)	100,000
Western Michigan University	(2 projects)	697,133
		<u>4,529,133</u>

1966 P.A. 310 (Sect. 5)

New Construction & Continuance

Central Michigan University	(3 projects)	747,000
Eastern Michigan University	(3 projects)	1,709,148
Ferris State College	(1 project)	1,105,000
Grand Valley State Colleges	(3 projects)	1,967,000
Michigan State University	(6 projects)	10,057,000
Michigan State University - Oakland	(1 project)	1,500,000
Michigan Tech. University	(3 projects)	1,986,838
Northern Mich. University	(5 projects)	1,820,550
Saginaw Valley College	(3 projects)	1,195,000
University of Michigan - Ann Arbor	(2 projects)	3,500,000
Wayne State University	(2 projects)	2,500,000
Western Michigan University	(3 projects)	3,505,000
		<u>31,592,536</u>

1966 P.A. 310 (Sect. 6)

Complete Construction

Central Michigan University	(2 projects)	1,500,000
Ferris State College	(1 project)	600,000
Grand Valley State Colleges	(1 project)	600,000
Michigan State University - Oakland	(1 project)	750,000
Michigan Tech. University	(2 projects)	900,000
Wayne State University	(1 project)	1,500,000
		<u>5,850,000</u>

1966 P.A. 310 (Sect. 7)

Preliminary Studies & Planning

*2,500,000

Eastern Michigan University	(1 project)
Ferris State College	(2 projects)
Grand Valley State Colleges	(2 projects)
Michigan State University	(1 project)
Michigan State University - Oakland	(2 projects)
Michigan Tech. University	(1 project)
Michigan Tech.-Lake Superior Campus	(1 project)
Saginaw Valley College	(1 project)
Wayne State University	(3 projects)

1965 P.A. 16 (Sect. 1)

New Construction

Michigan Tech. University	(1 project)	2,500
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1965 P.A. 124 (Sect. 1)

Preliminary Studies & Planning

*2,800,000

Central Michigan University	(4 projects)
Eastern Michigan University	(2 projects)
Ferris State College	(2 projects)
Grand Valley College	(3 projects)
Michigan State University	(4 projects)
Michigan State University - Oakland	(2 projects)
Michigan Tech. University	(4 projects)
Northern Mich. University	(4 projects)
University of Michigan - Ann Arbor	(7 projects)
Wayne State University	(7 projects)
Western Michigan University	(3 projects)

1965 P.A. 126 (Sect. 1-3)

Special Maintenance & Fire Protection

2,050,000

1965 P.A. 126 (Sect. 5)

Remodeling & Renovations

Central Michigan University	(3 projects)	785,000
Eastern Michigan University	(1 project)	593,000
Ferris State College	(2 projects)	335,000
Michigan State University	(1 project)	500,000
Michigan State University - Oakland	(1 project)	252,000
Michigan Tech. University	(1 project)	20,000
University of Michigan - Ann Arbor	(5 projects)	1,283,893
Western Michigan University	(2 projects)	<u>1,125,000</u>
		4,893,893

1965 P.A. 126 (Sect. 6)

New Construction & Continuance

Central Michigan University	(3 projects)	2,668,500
Eastern Michigan University	(4 projects)	1,725,800
Ferris State College	(4 projects)	2,743,500
Grand Valley State Colleges	(2 projects)	1,427,500
Michigan State University	(4 projects)	7,250,000
Michigan State University - Oakland	(1 project)	1,750,000
Michigan Tech. University	(2 projects)	836,178
Northern Mich. University	(2 projects)	2,041,000
University of Michigan - Ann Arbor	(2 projects)	3,000,000
Wayne State University	(5 projects)	2,728,500
Western Michigan University	(2 projects)	<u>2,750,000</u>
		28,920,978

1965 P.A. 126 (Sect. 7)

Supplemental Renovation

Michigan Tech. University	(1 project)	60,000
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1964 P.A. 273 (Sect. 1-3)

Special Maintenance & Fire Protection		*2,215,000
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1964 P.A. 273 (Sect. 5)

Remodeling & Renovation

Central Michigan University	(3 projects)	416,310
Eastern Michigan University	(2 projects)	12,000
Ferris State College	(1 project)	6,000
Michigan State University	(2 projects)	210,000
Michigan State University - Oakland	(2 projects)	330,000
Michigan Tech. University	(2 projects)	686,000
University of Michigan - Ann Arbor	(2 projects)	800,000
Wayne State University	(1 project)	<u>150,000</u>
		2,610,310

1964 P.A. 273 (Sect. 6)

New Construction & Continuance

Central Michigan University	(4 projects)	966,000
Eastern Michigan University	(3 projects)	2,231,000
Ferris State College	(3 projects)	2,150,000
Grand Valley State Colleges	(4 projects)	2,050,000
Michigan State University	(4 projects)	8,250,000
Michigan State University - Oakland	(1 project)	750,000
Michigan Tech. University	(2 projects)	770,000
Northern Mich. University	(3 projects)	1,450,000
University of Michigan - Ann Arbor	(4 projects)	4,955,000
Wayne State University	(6 projects)	3,730,000
Western Michigan University	(5 projects)	<u>1,400,000</u>
		28,702,000

1963 P.A. 243 (Sect. 1-3)

Special Maintenance & Fire Protection	*1,740,000
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1963 P.A. 243 (Sect. 5)

Remodeling and Improvements

Michigan State University - Oakland	(1 project)	105,000
Mich. Coll. of Mining & Tech.	(1 project)	150,000
University of Michigan - Ann Arbor	(2 projects)	<u>1,375,000</u>
		1,630,000

1963 P.A. 243 (Sect. 6)

New Construction & Continuance

Central Michigan University	(1 project)	1,500,000
Eastern Michigan University	(2 projects)	1,334,000
Ferris State College	(1 project)	985,000
Grand Valley College	(2 projects)	870,000
Michigan State University	(3 projects)	3,495,000
Mich. Coll. of Mining & Tech.	(3 projects)	1,353,780
Mich. Coll. of Mining & Tech. - Lake Superior Campus	(1 project)	500,000
Northern Mich. University	(1 project)	1,400,000
University of Michigan - Ann Arbor	(3 projects)	3,572,000
Wayne State University	(4 projects)	2,725,000
Western Michigan University	(2 projects)	<u>2,660,000</u>
		20,394,780

1963 P.A. 173 (Sect. 1)

Preliminary Planning

*1,110,500

Central Michigan University	(1 project)
Eastern Michigan University	(2 projects)
Ferris Institute	(1 project)
Grand Valley College	(1 project)
Michigan State University	(2 projects)
Michigan State University - Oakland	(1 project)
Mich. Coll. of Mining & Tech.	(2 projects)
Northern Mich. University	(2 projects)
Wayne State University	(1 project)
Western Michigan University	(1 project)

1962 P.A. 237 (Sect. 1-5)

Special Maintenance & Fire Protection

*1,559,050

1962 P.A. 237 (Sect. 5)

Remodeling & Renovation

Michigan State University - Oakland	(1 project)	65,000
Northern Mich. University	(1 project)	85,000
Western Michigan University	(1 project)	75,000
University of Michigan - Ann Arbor	(2 projects)	<u>1,100,000</u>
		1,325,000

1962 P.A. 237 (Sect. 6)

New Construction & Continuance

Central Michigan University	(1 project)	950,000
Eastern Michigan University	(1 project)	750,000
Ferris Institute	(2 projects)	1,000,000
Grand Valley College	(2 projects)	930,638
Michigan State University	(2 projects)	1,590,000
Mich. Coll. of Mining & Tech.	(1 project)	1,300,000
Mich. Coll. of Mining & Tech.- Lake Superior Campus	(1 project)	250,000
Northern Michigan College	(1 project)	1,000,000
University of Michigan - Ann Arbor	(2 projects)	2,750,000
Wayne State University	(2 projects)	1,300,000
Western Michigan University	(3 projects)	1,128,000
		<u>12,948,638</u>

1961 P.A. 111 (Sect. 3)

Remodeling & Renovation

Central Michigan University	(1 project)	80,000
Michigan State University - Oakland	(1 project)	225,000
University of Michigan - Ann Arbor	(1 project)	350,000
Western Michigan University	(1 project)	150,000
		<u>805,000</u>

1961 P.A. 145 (Sect. 1-4)

Special Maintenance & Fire Protection	*1,550,000
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1961 P.A. 145 (Sect. 5)

New Construction & Continuance

Central Michigan University	(1 project)	600,000
Ferris Institute	(1 project)	1,200,000
Michigan State University	(2 projects)	4,200,000
Michigan State University - Oakland	(1 project)	1,500,000
University of Michigan - Ann Arbor	(1 project)	2,700,000
Wayne State University	(1 project)	750,000
Western Michigan University	(1 project)	2,200,000
		<u>13,150,000</u>

1960 P.A. 160 (Sect. 1)

Special Maintenance & Fire Protection *775,000

1960 P.A. 160 (Sect. 2)

Remodeling & Renovation

Central Michigan University	(2 projects)	18,380
Eastern Michigan University	(3 projects)	30,390
Ferris Institute	(1 project)	3,641
Michigan State University - Oakland	(2 projects)	30,000
Mich. Coll. of Mining & Tech.	(5 projects)	59,770
Northern Michigan College	(3 projects)	36,000
University of Michigan	(2 projects)	500,000
Wayne State University	(3 projects)	335,000
Western Michigan University	(3 projects)	58,000
		1,071,181

1960 P.A. 160 (Sect. 3)

New Construction

Central Michigan University	(2 projects)	580,000
Eastern Michigan University	(1 project)	46,000
Ferris Institute	(1 project)	590,000
Michigan State University	(3 projects)	1,400,000
Michigan State University - Oakland	(1 project)	500,000
Mich. Coll. of Mining & Tech.	(3 projects)	245,000
University of Michigan	(1 project)	1,500,000
Wayne State University	(3 projects)	1,050,000
Western Michigan University	(1 project)	780,000
		6,691,000

1959 P.A. 72 (Sect. 1)

Continue Construction

University of Michigan	(1 project)	300,000
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1959 P.A. 269 (Sect. 3)

Continue Construction

University of Michigan	(1 project)	70,983
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1959 P.A. 269 (Sect. 4)

New Construction

University of Michigan	(1 project)	200,000
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1959 P.A. 269 (Sect. 5)

Remodeling & Renovation

Eastern Michigan College	(3 projects)	103,500
Northern Michigan College	(2 projects)	9,530
University of Michigan	(2 projects)	1,050,000
Wayne State University	(1 project)	250,000
Western Michigan University	(1 project)	40,000
		<u>1,453,030</u>

1958 P.A. 229

Complete Construction

Central Michigan College	(1 project)	67,500
Ferris Institute	(3 projects)	3,940
University of Michigan	(1 project)	1,175,000
Western Michigan University	(1 project)	15,000
		<u>1,261,440</u>

1958 P.A. 229 (Sect. 2)

Remodeling & Renovation

Ferris Institute	(1 project)	30,000
Michigan State University	(1 project)	59,000
University of Michigan	(2 projects)	340,000
		<u>429,000</u>

1958 P.A. 229 (Sect. 3)

Special Maintenance

*600,000

1957 P.A. 172 (Sect. 3)

Maintenance & Continue Construction

Eastern Michigan College	(1 project)	220,000
Mich. Coll. of Mining & Tech.	(3 projects)	401,370
University of Michigan	(1 project)	1,000,000
Western Michigan University	(1 project)	<u>195</u>
		1,621,565

1957 P.A. 309 (Sect. 1)

New Construction & Continuance

Central Michigan College	(1 project)	310,000
Michigan State University	(2 projects)	2,510,000
Mich. Coll. of Mining & Tech.	(1 project)	247,500
Northern Michigan College	(2 projects)	644,000
University of Michigan	(4 projects)	7,159,000
Western Michigan University	(1 project)	<u>540,000</u>
		11,410,500

1957 P.A. 309 (Sect. 2)

Renovation & Repairs

Central Michigan College	(2 projects)	6,052
Eastern Michigan College	(4 projects)	12,500
Ferris Institute	(1 project)	2,500
Mich. Coll. of Mining & Tech.	(4 projects)	34,500
Mich. Coll. of Mining & Tech.- Lake Superior Campus	(3 projects)	3,540
Northern Michigan College	(2 projects)	3,150
Western Michigan University	(2 projects)	<u>5,875</u>
		68,117

1957 P.A. 309 (Sect. 3)

Remodeling & Renovation

Eastern Michigan College	(1 project)	120,000
Michigan State University	(1 project)	60,000
Northern Michigan College	(1 project)	5,000
University of Michigan	(3 projects)	1,440,000
Western Michigan University	(1 project)	<u>104,300</u>
		1,729,300

1956 P.A. 226 (Sect. 1)

Remodeling & Renovation

Central Michigan College	(3 projects)	10,800
Eastern Michigan College	(8 projects)	41,680
Ferris Institute	(2 projects)	16,000
Mich. Coll. of Mining & Tech.	(9 projects)	11,525
Mich. Coll. of Mining & Tech.- Lake Superior Campus	(6 projects)	5,350
Northern Michigan College	(4 projects)	9,500
Western Michigan College	(5 projects)	17,875
		<u>112,730</u>

1956 P.A. 226 (Sect. 1)

Remodeling & Improvements

Eastern Michigan College	(1 project)	50,000
Ferris Institute	(1 project)	50,000
Michigan State University	(7 projects)	861,000
Mich. Coll. of Mining & Tech.	(1 project)	133,000
Northern Michigan College	(2 projects)	50,000
University of Michigan	(4 projects)	2,110,000
Western Michigan College	(1 project)	83,000
		<u>3,337,000</u>

1956 P.A. 226 (Sect. 3)

New Construction & Continuance

Central Michigan College	(3 projects)	683,000
Eastern Michigan College	(3 projects)	1,030,000
Ferris Institute	(7 projects)	1,276,000
Michigan State University	(5 projects)	3,830,000
Mich. Coll. of Mining & Tech.	(3 projects)	967,220
Northern Michigan College	(3 projects)	1,306,000
University of Michigan	(11 projects)	6,080,000
Western Michigan College	(3 projects)	927,500
		<u>16,099,720</u>

1955 P.A. 6 (Sect. 1)

New Construction

Michigan State Normal	(1 project)	400,000
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1955 P.A. 103 (Sect. 1)

New Construction

Michigan State College	(1 project)	750,000
Mich. Coll. of Mining & Tech.	(1 project)	123,000
Wayne University	(1 project)	<u>32,470</u>
		905,470

1955 P.A. 272 (Sect. 1)

New Construction & Continuance

Central Mich. Coll. of Educ.	(2 projects)	120,000
Michigan State Normal College	(3 projects)	350,000
Ferris Institute	(4 projects)	1,464,000
Michigan State University	(5 projects)	3,710,000
Mich. Coll. of Mining & Tech.	(3 projects)	380,000
Northern Mich. Coll. of Educ.	(4 projects)	200,000
University of Michigan	(7 projects)	3,439,460
Western Mich. Coll. of Educ.	(4 projects)	<u>925,000</u>
		10,588,460

1955 P.A. 273 (Sect. 1)

Remodeling & Renovation

Central Mich. Coll. of Educ.	(5 projects)	16,000
Michigan State Normal College	(5 projects)	9,675
Ferris Institute	(2 projects)	1,000
Mich. Coll. of Mining & Tech.	(7 projects)	9,817
Northern Mich. Coll. of Educ.	(1 project)	2,000
Western Mich. Coll. of Educ.	(6 projects)	<u>40,500</u>
		78,992

1955 P.A. 273 (Sect. 2)

New Construction & Modernization

Central Mich. Coll. of Educ.	(1 project)	256,000
Michigan State Normal College	(1 project)	9,000
Ferris Institute	(2 projects)	18,500
Mich. Coll. of Mining & Tech.	(1 project)	106,150
Mich. Coll. of Mining & Tech.- Lake Superior Campus	(1 project)	2,000
Northern Mich. Coll. of Educ.	(3 projects)	13,700
University of Michigan	(5 projects)	1,827,000
Western Mich. Coll. of Educ.	(1 project)	<u>6,500</u>
		2,238,850

1954 P.A. 150 (Sect. 1)

Remodeling & Renovation

Central Mich. Coll. of Educ.	(4 projects)	10,000
Michigan State Normal College	(5 projects)	40,000
Ferris Institute	(4 projects)	10,000
Mich. Coll. of Mining & Tech.	(9 projects)	10,000
Northern Mich. Coll. of Educ.	(2 projects)	3,500
Western Mich. Coll. of Educ.	(4 projects)	<u>12,445</u>
		85,945

1954 P.A. 196 (Sect. 1)

Special Equipment

Michigan State College	(1 project)	22,000
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1954 P.A. 213 (Sect. 1)

Modernization & New Construction

Central Mich. Coll. of Educ.	(3 projects)	470,000
Michigan State Normal College	(2 projects)	501,280
Ferris Institute	(5 projects)	719,700
Michigan State College	(3 projects)	2,350,000
Mich. Coll. of Mining & Tech.	(4 projects)	441,000
Northern Mich. Coll. of Educ.	(2 projects)	62,000
University of Michigan	(6 projects)	2,392,000
Western Mich. Coll. of Educ.	(2 projects)	<u>728,000</u>
		7,663,980

1953 P.A. 33 (Sect. 1)

New Construction

Wayne State University	(1 project)	750,000
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1953 P.A. 225 (Sect. 1)

Remodeling & Renovation

Central Mich. Coll. of Educ.	(5 projects)	50,000
Michigan State Normal College	(7 projects)	40,000
Ferris Institute	(4 projects)	14,000
Mich. Coll. of Mining & Tech.	(4 projects)	19,750
Northern Mich. Coll. of Educ.	(2 projects)	5,500
Western Mich. Coll. of Educ.	(1 project)	<u>5,200</u>
		134,450

1953 P.A. 231 (Sect. 1)

New Construction & Continuance

Central Mich. Coll. of Educ.	(1 project)	500,000
Michigan State Normal College	(2 projects)	26,682
Ferris Institute	(3 projects)	58,000
Michigan State College	(3 projects)	1,370,000
Mich. Coll. of Mining & Tech.	(3 projects)	169,200
Northern Mich. Coll. of Educ.	(3 projects)	125,000
University of Michigan	(7 projects)	1,132,000
Western Mich. Coll. of Educ.	(1 project)	100,000
		<u>3,480,882</u>

1952 P.A. 4 (Sect. 1)

Continue Construction

Wayne State University	(1 project)	200,000
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1952 P.A. 212 (Sect. 1)

New Construction & Remodeling

Central Mich. Coll. of Educ.	(2 projects)	93,400
Michigan State Normal College	(4 projects)	40,229
Ferris Institute	(2 projects)	17,800
Michigan State College	(1 project)	225,000
Mich. Coll. of Mining & Tech.	(6 projects)	35,627
Northern Mich. Coll. of Educ.	(2 projects)	8,614
University of Michigan	(4 projects)	2,376,203
Western Mich. Coll. of Educ.	(1 project)	5,666
		<u>3,802,539</u>

1951 P.A. 74 (Sect. 2)

Renovation & New Construction

Michigan State Normal College	(1 project)	43,766
Western Mich. Coll. of Educ.	(1 project)	25,000
		<u>68,766</u>

1951 P.A. 272 (Sect. 1)

New Construction & Continuance

Central Mich. Coll. of Educ.	(7 projects)	91,000
Michigan State Normal College	(9 projects)	71,530
Ferris Institute	(2 projects)	310,000
Michigan State College	(3 projects)	1,119,100
Mich. Coll. of Mining & Tech.	(5 projects)	26,974
Northern Mich. Coll. of Educ.	(3 projects)	8,850
University of Michigan	(2 projects)	3,000,000
Wayne University	(1 project)	1,000,000
Western Mich. Coll. of Educ.	(6 projects)	676,214
		<u>6,303,668</u>

1950 P.A. 32 (Sect. 1)

Remodeling & Renovation

Central Mich. Coll. of Educ.	(2 projects)	37,500
Michigan State Normal College	(2 projects)	6,000
Mich. Coll. of Mining & Tech.	(5 projects)	55,770
Northern Mich. Coll. of Educ.	(2 projects)	14,000
Western Mich. Coll. of Educ.	(1 project)	<u>1,000</u>
		114,270

1950 P.A. 32 (Sect. 2)

New Construction

Central Mich. Coll. of Educ.	(1 project)	500,000
Ferris Institute	(1 project)	500,000
Michigan State Normal College	(1 project)	500,000
Michigan State College	(1 project)	1,400,000
Mich. Coll. of Mining & Tech.	(1 project)	6,500
University of Michigan	(1 project)	1,500,000
Wayne University	(1 project)	112,000
Western Mich. Coll. of Educ.	(1 project)	<u>600,000</u>
		5,118,500

1950 P.A. 35 (Sect. 1)

New Construction

University of Michigan	(1 project)	1,500,000
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1949 P.A. 314 (Sect. 1)

New Construction & Continuance

Central Mich. Coll. of Educ.	(1 project)	682,125
Michigan State Normal College	(1 project)	500,000
Michigan State College	(1 project)	90,600
Mich. Coll. of Mining & Tech.	(1 project)	610,000
Northern Mich. Coll. of Educ.	(1 project)	460,000
University of Michigan	(1 project)	100,000
Western Mich. Coll. of Educ.	(1 project)	<u>20,000</u>
		2,462,725

1949 P.A. 314 (Sect. 2)

Remodeling & Renovation

Central Mich. Coll. of Educ.	(4 projects)	95,555
Michigan State Normal College	(2 projects)	22,650
Mich. Coll. of Mining & Tech.	(6 projects)	41,700
Northern Mich. Coll. of Educ.	(1 project)	10,500
Western Mich. Coll. of Educ.	(3 projects)	<u>14,600</u>
		185,005

1949 P.A. 316 (Sect. 1)

Special Maintenance & Remodeling

Central Mich. Coll. of Educ.	(2 projects)	10,500
Michigan State Normal College	(9 projects)	50,903
Mich. Coll. of Mining & Tech.	(6 projects)	19,210
Northern Mich. Coll. of Educ.	(3 projects)	24,500
Western Mich. Coll. of Educ.	(2 projects)	<u>3,000</u>
		108,113

1948 P.A. 22 (Sect. 1) (Extra Session)

Special Maintenance & Remodeling

Central Mich. Coll. of Educ.	(4 projects)	18,250
Michigan State Normal College	(2 projects)	13,500
Mich. Coll. of Mining & Tech.	(7 projects)	28,748
Northern Mich. Coll. of Educ.	(3 projects)	13,200
Western Mich. Coll. of Educ.	(3 projects)	<u>20,900</u>
		94,598

1948 P.A. 46 (Sect. 1) (Extra Session)

New Construction & Remodeling

Central Mich. Coll. of Educ.	(4 projects)	292,000
Michigan State Normal College	(6 projects)	119,500
Michigan State College	(7 projects)	5,210,198
Mich. Coll. of Mining & Tech.	(2 projects)	215,000
University of Michigan	(6 projects)	3,969,500
Wayne University	(2 projects)	702,000
Western Mich. Coll. of Educ.	(3 projects)	<u>439,370</u>
		10,947,568

1947 P.A. 290 (Sect. 2)

Repairs & Maintenance

Central Mich. Coll. of Educ.	(unspecified)	15,500
Michigan State Normal College	(unspecified)	20,068
Mich. Coll. of Mining & Tech.	(unspecified)	23,135
Northern Mich. Coll. of Educ.	(unspecified)	1,772
Western Mich. Coll. of Educ.	(unspecified)	<u>31,900</u>
		92,375

1947 P.A. 304 (Sect. 1)

Renovation & Maintenance

Central Mich. Coll. of Educ.	(1 project)	7,500
Northern Mich. Coll. of Educ.	(1 project)	<u>20,000</u>
		27,500

1947 P.A. 314 (Sect. 1)

New Construction

Michigan State College	(unspecified)	3,350,000
University of Michigan	(unspecified)	<u>3,200,000</u>
		6,550,000

1946 P.A. 1 (Sect. 1) (Extra Session)

New Construction

Michigan State College	(unspecified)	3,000,000
University of Michigan	(unspecified)	<u>3,300,000</u>
		6,300,000

1946 P.A. 11 (Sect. 1) (Extra Session)

New Construction & Renovation

Central Mich. Coll. of Educ.	(2 projects)	725,000
Michigan State Normal College	(3 projects)	711,000
Mich. Coll. of Mining & Tech.	(4 projects)	647,000
Northern Mich. Coll. of Educ.	(2 projects)	350,000
Wayne University	(2 projects)	2,800,000
Western Mich. Coll. of Educ.	(3 projects)	<u>625,000</u>
		5,858,000

1945 P.A. 202 (Sect. 1)

New Construction

Michigan State College	(1 project)	25,000
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1945 P.A. 342 (Sect. 1)

Maintenance & Remodeling

Central Mich. Coll. of Educ.	(2 projects)	32,600
Michigan State Normal College	(2 projects)	34,100
Michigan State College	(unspecified)	157,750
Mich. Coll. of Mining & Tech.	(unspecified)	46,000
Northern Mich. Coll. of Educ.	(2 projects)	88,850
University of Michigan	(unspecified)	256,000
Western Mich. Coll. of Educ.	(unspecified)	<u>104,200</u>
		719,500

1945 P.A. 343 (Sect. 1)

New Construction

Central Mich. Coll. of Educ.	(2 projects)	405,000
Michigan State Normal College	(1 project)	44,000
Michigan State College	(2 projects)	781,000
Northern Mich. Coll. of Educ.	(1 project)	200,000
University of Michigan	(1 project)	1,500,000
Western Mich. Coll. of Educ.	(3 projects)	<u>600,000</u>
		3,530,000

1944 P.A. 50 (Sect. 1) (Extra Session)

Land Acquisition

Michigan State Normal College	(1 project)	10,000
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1944 P.A. 58 (Sect. 2) (Extra Session)

Maintenance, Remodeling & Fire Protection

Central Mich. Coll. of Educ.	(unspecified)	73,800
Michigan State Normal College	(unspecified)	109,470
Michigan State College	(unspecified)	265,000
Mich. Coll. of Mining & Tech.	(unspecified)	71,000
Northern Mich. Coll. of Educ.	(unspecified)	72,700
University of Michigan	(unspecified)	360,000
Western Mich. Coll. of Educ.	(unspecified)	<u>95,000</u>
		1,046,970

1944 P.A. 58 (Sect. 3) (Extra Session)

New Construction

Michigan State Normal College (1 project)	450,000
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1944 P.A. 58 (Sect. 4) (Extra Session)

Preliminary Planning & Land Acquisition

Central Mich. Coll. of Educ. (unspecified)	80,000
Michigan State Normal College (unspecified)	15,200
Michigan State College (unspecified)	100,000
Mich. Coll. of Mining & Tech. (unspecified)	89,000
Northern Mich. Coll. of Educ. (unspecified)	10,000
University of Michigan (unspecified)	220,000
Western Mich. Coll. of Educ. (unspecified)	<u>104,000</u>
	618,200

1943 P.A. 221 (Sect. 1)

Land Acquisition & Remodeling

Mich. Coll. of Mining & Tech. (2 projects)	7,500
Northern Mich. Coll. of Educ. (1 project)	3,000
Western Mich. Coll. of Educ. (1 project)	<u>64,350</u>
	74,850

1942 P.A. 22 (Sect. 1) (Extra Session)

Renovation & Maintenance

Mich. Coll. of Mining & Tech. (1 project)	15,000
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1941 P.A. 382 (Sect. 2)

New Construction, Remodeling & Improvements

Central State Teachers College (3 projects)	251,400
Michigan State Normal College (2 projects)	266,400
Michigan State College (3 projects)	1,054,000
Mich. Coll. of Mining & Tech. (5 projects)	307,500
Northern State Teachers College (2 projects)	200,000
University of Michigan (2 projects)	550,000
Western State Teachers College (1 project)	<u>250,000</u>
	2,879,300

1939 P.A. 327 (Sect. 1)

New Construction, Remodeling & Land Acquisition

Central State Teachers College	(3 projects)	17,778
Michigan State Normal College	(2 projects)	68,145
Mich. Coll. of Mining & Tech.	(4 projects)	28,000
Northern State Teachers College	(4 projects)	26,500
Western State Teachers College	(1 project)	<u>10,000</u>
		150,423

1937 P.A. 156 (Sect. 1)

New Construction

Michigan State College	(unspecified)	49,000
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1937 P.A. 241 (Sect. 1)

Structures and Improvements

Central State Teachers College	(unspecified)	21,000
Michigan State Normal College	(unspecified)	26,700
Northern State Teachers College	(unspecified)	22,000
Western State Teachers College	(unspecified)	<u>33,600</u>
		103,300

1935 P.A. 196 (Sect. 1)

Structures and Improvements

Central State Teachers College	(unspecified)	8,400
Michigan State Normal College	(unspecified)	14,360
Northern State Teachers College	(unspecified)	9,000
Western State Teachers College	(unspecified)	<u>11,000</u>
		42,760

1933 P.A. 10 (Sect. 1)

*P.A. 324 of 1929 Repealed * Appropriations for
Equipment, Repairs and Land Acquisition cancelled
for the years 1932, 1933, 1934 and 1935.

1933 P.A. 137 (Sect. 1)

Repairs and Renovation

Mich. Coll. of Mining & Tech.	(1 project)	3,000
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1932 P.A. 15 (Sect. 1) (Extra Session)

New Construction

Michigan State Normal College	(1 project)	400,000
Michigan State College	(unspecified)	200,000
University of Michigan	(2 projects)	1,400,000
Western State Teachers College	(2 projects)	<u>120,000</u>
		2,120,000

1932 P.A. 42 (Sect. 6)

Building and Equipment Continuance

Central State Teachers College	(unspecified)	525
Michigan State Normal College	(unspecified)	1,500
Mich. Coll. of Mining & Tech.	(unspecified)	225
Northern State Teachers College	(unspecified)	1,125
Western State Teachers College	(unspecified)	<u>225</u>
		3,600

1931 P.A. 334 (Sect. 6)

Buildings and Equipment

Central State Teachers College	(unspecified)	6,475
Michigan State Normal College	(unspecified)	18,500
Mich. Coll. of Mining & Tech.	(unspecified)	101,275
Northern State Teachers College	(unspecified)	11,375
Western State Teachers College	(unspecified)	<u>2,275</u>
		139,900

1929 P.A. 324 (Sect. 1)

New Construction & Land Acquisition

Michigan State Normal College	(unspecified)	400,000
Michigan State College	(unspecified)	750,000
Mich. Coll. of Mining & Tech.	(unspecified)	400,000
University of Michigan	(4 projects)	2,075,000
Western State Teachers College	(unspecified)	<u>500,000</u>
		4,125,000

See P.A. 10 of 1933		(4,125,000)
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1929 P.A. 285 (Sect. 2)

Buildings & Equipment

Central Mich. Teachers Coll.	(unspecified)	2,400
Michigan State Normal College	(unspecified)	5,200
Mich. Coll. of Mining & Tech.	(unspecified)	42,500
Northern State Teachers College	(unspecified)	5,500
Western State Teachers College	(unspecified)	<u>5,000</u>
		60,600

1927 P.A. 402 (Sect. 1)

Buildings and Improvements

Michigan Agricultural College	(12 projects)	1,514,250
Less: Item veto		<u>(431,000)</u>
		1,083,250

1927 P.A. 406 (Sect. 1)

Buildings and Improvements

University of Michigan	(7 projects)	3,400,000
Less: Item veto		<u>(1,925,000)</u>
		1,475,000

1925	P.A. 119	(Sect. 1)		
	New Construction			
	Michigan Agricultural College	(1 project)	250,000	
1925	P.A. 190	(Sect. 4)		
	Establishment of "Normal School in the Northern Part of the Lower Peninsula of Michigan"			250,000
1925	P.A. 323	(Sect. 1)		
	Special Maintenance - Buildings			
	Michigan Agricultural College	(unspecified)	75,000	
1925	P.A. 324	(Sect. 1)		
	New Construction			
	Michigan Agricultural College	(2 projects)	1,041,000	
1925	P.A. 335	(Sect. 1)		
	New Construction			
	University of Michigan	(3 projects)	1,800,000	
1925	P.A. 367	(Sect. 1)		
	Maintenance & Continuance			
	Central Mich. Normal School	(7 projects)	100,700	
	Michigan State Normal College	(3 projects)	252,000	
	Michigan College of Mines	(4 projects)	93,500	
	Northern State Normal School	(3 projects)	312,000	
	Western State Normal School	(3 projects)	456,000	
			<u>1,214,200</u>	
1923	P.A. 148	(Sect. 1)		
	Special Maintenance			
	Central Michigan Normal	(1 project)	35,579	

1923	P.A. 270 (Sect. 1)		
	New Construction		
	Michigan College of Mines	(2 projects)	34,660
1923	P.A. 308 (Sect. 1)		
	New Construction		
	Michigan Agricultural College	(4 projects)	700,000
1923	P.A. 310 (Sect. 1)		
	New Construction		
	University of Michigan	(5 projects)	3,800,000
1921	P.A. 250 (Sect. 1)		
	New Construction		
	Michigan Agricultural College	(2 projects)	850,000
1921	P.A. 304 (Sect. 1)		
	New Construction & Maintenance		
	Michigan College of Mines	(4 projects)	45,175
1921	P.A. 333 (Sect. 1)		
	Maintenance & Improvement of Structures		
	Michigan State Normal College	(unspecified)	51,439
1921	P.A. 333 (Sect. 1-A)		
	Land Acquisition & New Construction		
	Michigan State Normal	(unspecified)	631,000

1921	P.A. 334	(Sect. 1)		
	Maintenance & Improvement of Structures			
	Central Michigan Normal School	(unspecified)	13,860	
1921	P.A. 334	(Sect. 1-A)		
	Land Acquisition & New Construction			
	Central Michigan Normal School	(unspecified)	280,000	
1921	P.A. 338	(Sect. 1)		
	Maintenance & Improvement of Structures			
	Western State Normal School	(unspecified)	119,034	
1921	P.A. 338	(Sect. 1-A)		
	New Construction			
	Western State Normal School	(unspecified)	581,784	
1921	P.A. 351	(Sect. 1)		
	Structures, Lands and Improvements			
	University of Michigan	(unspecified)	5,000,000	
1919	P.A. 178	(Sect. 1)		
	New Construction & Completion			
	University of Michigan	(3 projects)	1,200,000	
1919	P.A. 201	(Sect. 1)		
	Non-Structural Improvements			
	Michigan State Normal College	(4 projects)	18,500	

1919	P.A. 202	(Sect. 1)		
	Non-Structural Improvements			
	Central Michigan Normal School	(1 project)		14,050
1919	P.A. 204	(Sect. 1)		
	New Construction			
	Michigan Agricultural College	(2 projects)		570,000
1917	P.A. 96	(Sect. 1)		
	New Construction			
	University of Michigan	(1 project)		350,000
1917	P.A. 115	(Sect. 1)		
	Repairs & Maintenance			
	Michigan State Normal School	(3 projects)		15,000
1917	P.A. 374	(Sect. 1)		
	Equipment			
	Michigan College of Mines	(unspecified)		3,800
1915	P.A. 107	(Sect. 2)		
	New Construction and Land Acquisition			
	Western State Normal School	(13 projects)		480,000
1915	P.A. 167	(Sect. 3)		
	New Construction and Land Acquisition			
	Michigan State Normal College	(10 projects)		750,000

1915	P.A. 190 (Sect. 1)		
	New Construction		
	University of Michigan	(1 project)	350,000
1915	P.A. 205 (Sect. 2)		
	Remodeling & Renovation		
	Northern State Normal School	(7 projects)	15,971
1915	P.A. 253 (Sect. 2)		
	Remodeling & Completion		
	Central Michigan Normal School	(4 projects)	26,500
1915	P.A. 291 (Sect. 2)		
	Remodeling & Renovation		
	Michigan College of Mines	(10 projects)	15,300
1913	P.A. 111 (Sect. 1)		
	New Construction		
	University of Michigan	(1 project)	375,000
1913	P.A. 126 (Sect. 2)		
	Renovation		
	Michigan College of Mines	(1 project)	9,300
1913	P.A. 190 (Sect. 2)		
	New Construction & Renovation		
	Western State Normal School	(5 projects)	134,000
1913	P.A. 192 (Sect. 2)		
	New Construction & Renovation		
	Central Michigan Normal School	(5 projects)	101,000

1913 P.A. 203 (Sect. 2)

New Construction

Northern State Normal School	(1 project)	160,000
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1913 P.A. 204 (Sect. 2-3)

Land Acquisition, New Construction &
Renovation

Michigan State Normal College	(10 projects)	715,000
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1911 P.A. 100 (Sect. 1)

New Construction

University of Michigan	(1 project)	280,000
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1911 P.A. 154 (Sect. 1)

Repairs and Maintenance

Central Michigan Normal School	(1 project)	273
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1911 P.A. 192 (Sect. 1)

Non-Structural Repairs

Michigan State Normal College	(1 project)	391
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1911 P.A. 284 (Sect. 2)

Complete Construction & Renovations

Central Michigan Normal School	(2 projects)	11,500
Less: Item Veto		<u>(5,000)</u>
		6,500

1911 P.A. 286 (Sect. 2)

Renovation & Repairs

Michigan College of Mines	(2 projects)	8,500
Less: Item Veto		<u>(8,500)</u>

1911 P.A. 287 (Sect. 2)

Repairs

Northern State Normal College)	(unspecified)	500
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1911 P.A. 297 (Sect. 2-3)

New Construction

Western State Normal School	(2 projects)	70,000
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Less: Item Veto		<u>(70,000)</u>
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1911 P.A. 298 (Sect. 2-4)

New Construction, Renovation & Repairs

Michigan State Normal College	(unspecified)	158,625
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Less: Item Veto		<u>(133,650)</u>
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24,975

1909 P.A. 126 (Sect. 2-3)

New Construction

Michigan State Normal College	(2 projects)	18,000
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1909 P.A. 150 (Sect. 2-3)

New Construction

Central Michigan Normal College	(unspecified)	14,000
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1909 P.A. 156 (Sect. 2)

Repairs

Northern State Normal School	(unspecified)	2,550
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1909 P.A. 162 (Sect. 2-3)

Repairs

Western State Normal School	(unspecified)	19,500
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1909 P.A. 175 (Sect. 2)

Repairs

Michigan College of Mines	(unspecified)	500
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1907 P.A. 1 (Sect. 1) (Extra Session)

Complete Construction

Michigan State Normal School	(1 project)	57,300
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1907 P.A. 206 (Sect. 2-3)

New Construction & Structural Improvements

Western State Normal School	(8 projects)	80,800
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1907 P.A. 209 (Sect. 2)

New Construction

Northern State Normal School	(3 projects)	34,000
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1907 P.A. 219 (Sect. 2)

New Construction and Additions

Michigan Normal School	(5 projects)	56,800
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1907 P.A. 221 (Sect. 2-3)

New Construction and Renovation

Michigan College of Mines	(2 projects)	118,000
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1907 P.A. 241 (Sect. 2)

New Construction and Renovation

Michigan State Normal College	(6 projects)	41,000
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1907 P.A. 266 (Sect. 1)

New Construction

Michigan Agricultural College	(1 project)	6,000
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1905 P.A. 119 (Sect. 2)

Land Acquisition and Construction

Central Michigan Normal School (2 projects) 30,000

1905 P.A. 167 (Sect. 1)

New Construction

Michigan Agricultural College (1 project) 5,000

1905 P.A. 191 (Sect. 1)

New Construction

Michigan Agricultural College (1 project) 55,000

1905 P.A. 203 (Sect. 1)

Demolition and New Construction

Michigan Agricultural College (1 project) 10,000

1905 P.A. 240 (Sect. 2)

Land Acquisition and Repairs

Michigan College of Mines (2 projects) 40,000

1905 P.A. 286 (Sect. 2)

New Construction

Western State Normal School (3 projects) 60,000

1905 P.A. 293 (Sect. 2)

New Construction

Northern State Normal School (2 projects) 15,000

1905 P.A. 301 (Sect. 2)

Repairs

Michigan State Normal School (11 projects) 10,800

1903 P.A. 146 (Sect. 2)

New Construction and Special Equipment

Michigan College of Mines	(6 projects)	61,000
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1903 P.A. 156 (Sect. 3)

New Construction

Western State Normal School	(unspecified)	30,000
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1903 P.A. 200 (Sect. 2)

Equipment & Land Acquisition, New Construction,
Repairs & Renovation

Central Michigan Normal School	(3 projects)	11,000
Michigan State Normal College	(8 projects)	7,595
Northern State Normal School	(2 projects)	<u>13,500</u>
		32,095

1901 P.A. 117 (Sect. 2)

New Construction

Michigan College of Mines	(7 projects)	89,100
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1901 P.A. 136 (Sect. 2-3)

New Construction - Renovation & Special Equipment

Michigan State Normal College	(14 projects)	77,400
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1901 P.A. 138 (Sect. 2)

New Construction

Central Michigan Normal School	(2 projects)	50,000
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1901 P.A. 159 (Sect. 3)

New Construction

Northern State Normal School	(1 project)	35,000
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1901	P.A. 161 (Sect. 1)		
	New Construction		
	University of Michigan	(1 project)	50,000
1899	P.A. 51 (Sect. 1)		
	Establishment of Northern State Normal School & New Construction	(1 project)	25,000
1899	P.A. 108 (Sect. 1)		
	New Construction & Renovation		
	Michigan Agricultural College	(7 projects)	132,000
1899	P.A. 113 (Sect. 2)		
	New Construction & Repairs		
	Central Michigan Normal School	(2 projects)	43,000
1899	P.A. 123 (Sect. 2)		
	Land Acquisition & Renovation		
	Michigan College of Mines	(2 projects)	22,500
1899	P.A. 124 (Sect. 2)		
	New Construction & Renovation		
	Michigan State Normal College	(4 projects)	22,900
1897	P.A. 165 (Sect. 2)		
	Repairs & Renovation		
	Central Michigan Normal School	(2 projects)	5,000
1897	P.A. 168 (Sect. 1)		
	New Construction		
	University of Michigan	(1 project)	20,000

1897	P.A. 196 (Sect. 2)		
	New Construction & Repairs		
	Michigan State Normal School	(2 projects)	12,500
1897	P.A. 207 (Sect. 1)		
	Repairs & Renovation		
	Michigan Agricultural College	(3 projects)	22,200
1897	P.A. 272 (Sect. 2)		
	Renovation & Maintenance		
	Michigan College of Mines	(1 project)	5,000
1895	P.A. 165 (Sect. 1)		
	Repairs & Renovation		
	Michigan Agricultural College	(3 projects)	23,000
1895	P.A. 171 (Sect. 2)		
	New Construction		
	Michigan State Normal School	(1 project)	25,000
1893	P.A. 41 (Sect. 2)		
	New Construction		
	Michigan Mining School	(1 project)	35,000
1893	P.A. 133 (Sect. 1)		
	New Construction		
	Michigan State Normal School	(1 project)	20,000
1893	P.A. 142 (Sect. 1)		
	Repairs		
	Michigan Agricultural College	(unspecified)	33,700

1891 P.A. 25 (Sect. 1)

New Construction - Repairs, Renovation
and Land Acquisition

University of Michigan (8 projects) 84,600

1891 P.A. 142 (Sect. 1)

Renovation

Michigan State Normal School (1 project) 8,000

1891 P.A. 171 (Sect. 1)

Repairs and Renovation

Michigan Agricultural College (9 projects) 34,295

1891 P.A. 184 (Sect. 1)

Fixed Equipment

Michigan Mining School (1 project) 15,000

1889 P.A. 76 (Sect. 1-2)

Repairs and Renovation

Michigan Agricultural College (5 projects) 22,800

1889 P.A. 136 (Sect. 1)

Fitting Up and Furnishing New School

Michigan Mining School (5 projects) 60,000

1889 P.A. 145 (Sect. 1)

Repairs and Renovation - New Construction
and Land Acquisition

University of Michigan (12 projects) 113,388

1887	P.A. 134	(Sect. 1)		
	New Construction - Repairs and Renovation			
	Michigan Agricultural College	(14 projects)		29,550
1887	P.A. 194	(Sect. 1)		
	New Construction and Renovation			
	Michigan State Normal School	(3 projects)		60,000
1887	P.A. 239	(Sect. 1)		
	New Construction			
	Michigan Mining School	(unspecified)		75,000
1887	P.A. 243	(Sect. 1)		
	Repairs and Renovation - New Construction and Land Acquisition			
	University of Michigan	(8 projects)		90,400
1885	P.A. 42	(Sect. 1)		
	Repairs and Renovation			
	Michigan Agricultural College	(3 projects)		9,442
1885	P.A. 86	(Sect. 1)		
	Non-Structural Repairs			
	Michigan State Normal School	(1 project)		700
1885	P.A. 191	(Sect. 1)		
	Repairs and Renovation			
	University of Michigan	(2 projects)		34,000

1883	P.A. 96 (Sect. 1)		
	Repairs and Renovation - Fixed Equipment		
	University of Michigan	(3 projects)	18,500
1883	P.A. 103 (Sect. 2-3)		
	New Construction - Renovation and Repairs		
	Michigan Agricultural College	(5 projects)	13,267
1883	P.A. 104 (Sect. 1)		
	Renovation and New Construction		
	Michigan State Normal School	(2 projects)	7,700
1881	P.A. 21 (Sect. 2)		
	New Construction and Renovation		
	Michigan Agricultural College	(5 projects)	33,775
1881	P.A. 60 (Sect. 1)		
	New Construction		
	University of Michigan	(2 projects)	102,500
1881	P.A. 227 (Sect. 1)		
	New Construction		
	Michigan State Normal School	(1 project)	25,000
1879	P.A. 56 (Sect. 1)		
	New Construction		
	University of Michigan	(1 project)	40,000

1879 P.A. 58 (Sect. 1)

New and Continued Construction -
Renovation and Repairs

Michigan State Normal School	(7 projects)	13,375
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1879 P.A. 107 (Sect. 2)

New Construction and Repairs

Michigan Agricultural College	(3 projects)	10,290
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1879 P.A. 122 (Sect. 1)

New Construction & Continuance

University of Michigan	(4 projects)	85,000
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1877 P.A. 97 (Sect. 2)

New Construction & Repairs

Michigan Agricultural College	(4 projects)	29,351
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1877 P.A. 140 (Sect. 1)

New Construction

Michigan Normal School	(1 project)	30,000
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1877 P.A. 185 (Sect. 1)

Repairs & Renovation

University of Michigan	(2 projects)	1,500
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1875 P.A. 74 (Sect. 1)

Non-Structural Renovation

University of Michigan	(1 project)	5,000
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1875	P.A. 116 (Sect. 2)		
	Repairs & Renovation		
	Michigan Agricultural College	(5 projects)	10,950
1875	P.A. 205 (Sect. 1)		
	New Construction		
	University of Michigan	(1 project)	10,000
1875	P.A. 207 (Sect. 1)		
	New Construction		
	University of Michigan	(1 project)	5,500
1873	P.A. 7 (Sect. 1)		
	New Construction		
	University of Michigan	(1 project)	25,000
1873	P.A. 33 (Sect. 2)		
	New Construction & Repairs		
	Michigan State Agricultural College	(2 projects)	29,764
1873	P.A. 51 (Sect. 1)		
	Equipment		
	Michigan State Normal School	(3 projects)	5,000
1871	P.A. 30 (Sect. 1)		
	New Construction		
	University of Michigan	(1 project)	75,000

1871 P.A. 46 (Sect. 1)

New Construction

Michigan Agricultural College	(1 project)	10,000
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1869 P.A. 58 (Sect. 2)

New Construction

Michigan Agricultural College	(1 project)	30,000
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1869 P.A. 123 (Sect. 1)

Complete Construction

Michigan State Normal School	(1 project)	7,500
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1859 P.A. 235 (Sect. 1)

New Construction & Repairs

Michigan Agricultural College	(unspecified)	NOT STATED
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1857 P.A. 142 (Sect. 1)

New Construction

Michigan Agricultural College	(unspecified)	40,000
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1855 P.A. 130 (Sect. 2)

New Construction

Michigan Agricultural College	(unspecified)	°NOT STATED
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°Authorization for Sale of 22 Sections of
Salt Spring Lands.

1849 P.A. 139 (Sect. 15)

New Construction

Michigan State Normal School	(unspecified)	#10,000
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#Authorization for Salt Spring Lands--Not to
Exceed 10,000.

1838 P.A. 118 (Sect. 1-2)

New Construction (Loan)

University of Michigan (unspecified) (a) 100,000

(a) Reimbursable after twenty years in equal annual installments, not less than ten nor more than fifteen in number - at six per cent interest.

1817 Territorial Laws - Act of Tuesday, August 26, 1817

New Construction

University of Michigan (unspecified) 100

1817 Territorial Laws - Act of Tuesday, August 26, 1817

Land Acquisition

University of Michigan (1 project) 80

NOTE: Projects denoted with an asterisk (*) reflect gross appropriations. Special maintenance and fire protection funding has been made available to all state agencies and other public educational institutions such as Michigan School for the Blind, etc.

Capital outlay projects listed as the second or third sections of the Public Acts for a stated year are part of the general operational allocations for the respective institutions. Such capital outlay appropriation listings occurred during the period 1881 - 1915.

APPENDIX C

CAPITAL OUTLAY PLANNING

PERSONNEL INTERVIEWS

APPENDIX C

CAPITAL OUTLAY PLANNING PERSONNEL INTERVIEW

1. October 7, 1977

Mr. William C. Roege, Jr., Facilities Management Bureau,
Department of Management and Budget

A. Response - October 12, 1977

2. October 13, 1977

Mr. Robert Endriss, Budget Analyst, Department of
Management and Budget

3. October 25, 1977

Mr. Richard Beers, Administrative Officer, Department
of Management and Budget

A. Response - October 26, 1977

4. October 26, 1977

Mr. Jack Breslin, Executive Vice President, Michigan
State University

5. October 31, 1977

The Hon. Garland Lane, Consultant, Senate Fiscal Agency,
State of Michigan

A. Response - (undated)

6. November 3, 1977

Mr. Robert L. Siefert, University Architect, Michigan
State University

A. Response - November 8, 1977

7. November 7, 1977

Dr. Jerry Faverman, Acting Dean, College of Osteopathic
Medicine, Ohio University

8. November 28, 1977

Dr. John W. Porter, Superintendent of Public Instruction,
Michigan Department of Education

A. Response - December 5, 19779. February 7, 1978

Mr. Alan Durkee, Director, Bureau of Facilities

A. Response - March 8, 197810. February 9, 1978

Mr. William C. Roege

A. Response - February 22, 197811. February 20, 1978

The Hon. Russell Hellman, Chairman, Joint Capital Outlay
Subcommittee

A. Response - February 23, 1978

STATE OF MICHIGAN



WILLIAM G. MILLIKEN, Governor

DEPARTMENT OF MANAGEMENT AND BUDGET

STEVENS T. MARSH BLDG., LANSING, MICHIGAN 48913
GERALD H. MILLER, Director

October 12, 1977

Mr. Edward M. McAleer
3 Kellogg Center
East Lansing, Michigan 48824

Dear Mr. McAleer:

Thank you for your letter of October 7. I suspect, after reading it, that I may have fallen into my usual bad habit of speaking too fast, in that I may have left impressions with you which are not exactly what I intended. I believe there are several things in your letter which should be corrected and others which might give connotations which I had not intended. I'd like to discuss the items in your letter in the order set forth.

Item 1. Your reference to the "smoke-filled room" could be entirely appropriate, depending on the definition and connotation that the reader might choose to give it. I would characterize the meetings at which the Capital Outlay Program was determined prior to 1965 as being a non-public, impromptu meeting consisting of very few legislators involved in the appropriation process, who made these decisions without the advantage, or possibly the disadvantage, of any detailed staff studies, professional engineering or budgetary advice was not abundantly available, nor was long-range planning evident.

Item 2. The abuses of the Capital Outlay process, such as it was prior to Act 124, were perhaps "perceived abuses" on the part of the Legislature, which may have been regarded as justified actions on the part of the universities. Without a formalized and clear understanding of what was desired in a Capital Outlay program, it might not be valid to characterize the activities of most of the universities at that time as being abusive. A meeting of the minds between the universities and the Legislature was very difficult when discussions in depth were not being held.

Regarding the University of Michigan project, the Chairman and Vice Chairman were not graduates of U of M. In fact, to the best of my recollection, few, if any, of the members of the Capital Outlay Committee were, at that time, college graduates. To my recollection, the estimated cost of the UM Building was in the range of \$6-8 million, but the approved cost, which the Legislature thought had been agreed to by the University, as a basis for construction of the project, was \$2 million. However, the University proceeded to bid and construct a project, which I understand resulted in a \$10 million outlay. This occurred shortly before I joined the State.



MICHIGAN The Great Lake State



Mr. Edward M. McAleer
Page 2
October 12, 1977

There are no comments on Item 3.

Item 4.b. The prospectus is generally reviewed by the Bureau of the Budget, Department of Management and Budget. Upon their approval and determination that a project should be initiated in the near future, a full-scale program is developed by the university. This, too, is reviewed by the Bureau of the Budget, as well as by the staff of the Joint Capital Outlay Sub-Committee.

Item 4.c. I would point out that the limitation on the number of starts for the respective institutions is normally governed by very real budgetary constraints.

Item 4.d. I would hope that the selection process at the universities does not involve the receipt of bids from architectural firms, since, by definition, it is impossible to bid on a material or service which cannot be measured and qualified. Universities normally choose their professional contractors on a basis of interviews. Compensation for such work is generally made on the basis of a standard fee schedule.

Item 4.e. The design contract is signed by the State Budget Director after JCOS has indicated that they have no objection to the engagement of the first-ranked firm recommended by the university.

Item 4.f. The project is reviewed by JCOS at the schematic plan stage, which involves the visualization, by the architect, demonstrating the space needs as reflected in the written program. Similarly, at the preliminary plan stage, JCOS reviews and approves the plans. These plans delineate the scope and the essential design of the building, including floor plans, exterior appearance, site locations, etc. The Bureau of Facilities then reviews plans at the 50% and 100% working drawing stages to assure that the approved program and preliminary plans have not been significantly altered and that the intent of the Legislature in appropriating the money has been followed. Not until the Bureau of Facilities has approved bidding documents and 100% construction drawings is the project put out for bids. Upon award of contracts, the university or the Bureau of Facilities, as the agent of certain universities, proceeds to construct and complete the facility.

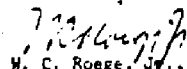
Item 5. You are correct in the P.A. 124 does not carry any punitive powers. It does, however, give JCOS complete power to suspend action on any project, at any time, through the approval of preliminary plans. The approval of the preliminary plans sets the size and scope of the project and, along with the written program, constitute the legal definition of the project. The project can subsequently be constructed, providing that the yearly appropriations are made and that an order to stop construction is not issued and appropriated funds recaptured--which has happened. It goes without saying that should a project, upon completion, be found to vary substantially from that which was approved, there can be little question of a fraud having perpetrated on the Legislature, and it seems logical that subsequent appropriations will reflect their displeasure of such an occurrence.

Mr. Edward M. McAleer
Page 3
October 12, 1977

Item 6. This paragraph substantially reflects my feelings, except that I would add that, in addition to the fact that discussions and decisions involving the Capital Outlay process being in a political arena, it is also now a public arena. I do believe that the procedures are sound. They have been working for many years, very effectively, and to the best of my knowledge and belief, are supported by all of those who have been closely involved in the Capital Outlay process. As with any manmade procedures, the competence, honesty, determination, and energy of those who administer and participate in the procedures, at all levels, are, indeed, the critical variable.

I hope our discussion has been of some value, and I would be very interested in having an opportunity to read your thesis upon its completion. Should you have any further questions, or if I can be of any further assistance, don't hesitate to call on me.

Sincerely,


W. C. Roeger, Jr., Director
Construction Division
Bureau of Facilities

WCR:jms

October 7, 1977

Mr. William C. Roeger, Jr.
Facilities Management Bureau
Management & Budget Department
Stevens T. Mason Building
Lansing, MI 48933

Dear Mr. Roeger:

I wish to take this opportunity to thank you for sharing your time with me on Thursday, September 29, 1977. It would be an understatement to say that I gained many new insights on the capital outlay planning process. As was noted in the meeting, very little (written) source material seems to be available on the capital outlay process, necessitating the use of the interview method.

In that the comments and observations carried herein will hopefully serve as the basis for a thesis at Michigan State University, I feel that it would be advisable to summarize my perceptions of our meeting. Please feel free to correct, amend or delete any of the following:

1. The most significant problems in capital outlay planning have traditionally occurred in the higher education sector. It was your perception I believe, that prior to the enactment of P.A. 124, capital outlay funds (for higher education) were distributed via the "smoke-filled room" method.
2. I believe you stated that most of the major higher education institutions had engaged in capital outlay abuses prior to the enactment of P.A. 124. The action that may have been the driving force for the enactment of capital outlay planning was the University of Michigan's construction of the Mathematics-Astronomy complex. It was noted that the Chairman and Vice-Chairman were both graduates of the U-M-- project costs estimated in the range of \$6-8 million later topped \$10 million with the State obligated to honor the differential.
3. It was your observation that the "Big Three" in Michigan higher education (U-M/MSU/WSU) consciously attempted to reject the validity of P.A. 124 for the first three or four years. The major focus of this rejection was the perceived violation of the autonomous status of those institutions. It was your observation that this matter was

resolved in court in 1968 or 1969 at the Appellate Court level. While judgments were issued in several categories, it was your view that the JCOS was vindicated and the capital outlay process was conceptually strengthened.

4. Although I may be guilty of oversimplification, it was your perception that capital outlay planning in higher education develops in the following progression:

a. The respective institutions prioritize outlay needs on one proposal form.

b. A prospectus is developed for each capital outlay request.

c. The JCOS reviews capital outlay needs and advises the respective institutions of project approvals (generally only one or two outlay needs of the respective institutions have been approved in a given year).

d. The university selects the architect for the project. (The selection process must involve bids by at least three architectural firms.)

e. The building contract is signed and approved between the firm selected and the State.

f. The project is reviewed at about the 80% completion stage to insure that costs and physical construction of the facility are according to specifications. (Actions reviewed by JCOS and the Budget Committee.)

5. I believe that you indicated that P.A. 124 does not carry any punitive powers but it is recognized that the scope and size of the various projects are reviewed both before and after construction starts on a facility so potential abuses have been lessened.

6. You concluded I believe, with the observation that it would be difficult to improve upon the capital outlay planning process. It was your perception that capital outlay needs are debated and even decided in an intensely political arena--the political realities are fact. It is your view that P.A. 124 procedures are sound but the personnel charged with the exercise of policy are the critical variable.

I realize that a good deal of information is carried in this response. Again, I thank you for the time that you shared with me.

Sincerely,

Edward M. McAlear 10/7/77

Edward M. McAlear

3 Kellogg Center
East Lansing, MI 48824

October 13, 1977

Mr. Robert Endriss, Budget Analyst
Department of Management and Budget
Bureau of the Budget
Lewis Cass Building
Lansing, MI 48909

Dear Mr. Endriss:

I wish to take this opportunity to thank you for sharing your time with me on Tuesday, October 11, 1977. Our conversation served to resolve some of the questions I had concerning the capital outlay planning process. I must admit that the capital outlay process in Michigan is far more complex than originally envisioned. As noted in the meeting, very little source material seems to be available on the history of capital outlay planning, necessitating the use of the interview method.

In that the comments and observations carried herein will hopefully serve as the basis for a thesis at Michigan State University, I feel that it would be advisable to summarize my perceptions of our meeting. Please feel free to correct, amend or delete any of the following:

1. It was your perception I believe, that the Capital Outlay Planning Act (P.A. 124) occurred as the result of certain outlay abuses in the higher education sector. The 1960's were portrayed as a period of tremendous enrollment growth in higher education--most institutions were simply inundated with enrollments and responses to new facilities or capital outlay needs were oftentimes rather hasty or ad hoc.
2. It was your perception also that the nature of most building projects in the 1950's and 1960's was growth-oriented--that is facilities to house new program efforts. The impression was given in our conversation that most capital outlay needs as expressed by the higher education institutions have now focused on the replacement of existing and outmoded facilities.
3. I believe you made the observation that the Department of Management and Budget is the first office or first recipient of the capital outlay needs as expressed by the various institutions (this generally occurs in the Fall for the subsequent FY's needs). I am

Ltr to Mr. Endriass, October 13, 1977, page 2

currently under the impression that your staff reviews the capital outlay needs that have been expressed by the various institutions in prioritized fashion--although the review process by DMB is on PROJECT BY PROJECT basis.

4. Although I am still somewhat unclear on this matter, I believe you indicated that the total aggregate of all the capital outlay requests as expressed by the institutions are contained in the Governor's Budget Message for the year. It was your observation I think, that the DMB and the JCOS (Joint Capital Outlay Subcommittee) have working "guesstimates" on how much money can be committed to capital outlay needs in any given year. It was your observation that the capital outlay planning process is something akin to "both ends against the middle" since the level of needs expressed generally outstrips allocated monies.

5. In response to my question whether capital outlay needs were subject to varying degrees of pressure, both institutional and political, I believe that you issued a qualified "yes." It was your observation that most pressure was exerted on the JCOS as opposed to DMB. I believe you indicated that certain capital outlay projects (in a higher education setting) received higher priority or greater attention from JCOS and it was not unheard of for JCOS to introduce capital outlay projects that had not cleared through the DMB.

6. It was your observation in response to a question concerning the appropriateness or ability of DMB to handle sensitive capital outlay needs, that the staff of DMB possessed adequate qualifications and was presented with enough time to thoroughly review the capital outlay requests for all of the higher education institutions. It was your perception I think, that the total submitted material relative to capital outlay needs was not as voluminous as one might imagine.

7. In response to a similar question on the qualifications of JCOS members or the ability of JCOS to adequately review these sensitive needs, it is my perception that your response centered on the fact that the JCOS did not entertain capital outlay requests on a programmatic basis. I believe that you stated you could never remember JCOS dealing with the program components of capital outlay planning.

8. From your perspective, the progression or development of capital outlay needs is expressed in the following fashion:

- a. In the fall of each year, the various institutions submit capital outlay requests for the next fiscal year.
- b. The capital outlay needs are expressed via P.R.R. forms (Program Revision Request).
- c. The institutions submit brief or general justifications to accompany the P.R.R.'s.

Ltr to Mr. Endriss, October 13, 1977, page 3

d. DMB reviews the individual requests at staff level-- makes suggestions on projects to be funded (recommendations carried or forwarded to JCOS).

e. If and when DMB and JCOS indicate that a capital outlay project has been approved, the respective institutions forward PROGRAM STATEMENTS. The program statements contain narrative and statistical data but do not contain architectural drawings.

f. JCOS reviews the program statements--may make further modifications.

g. Any project with less than \$500,000 anticipated building costs need not be cleared through JCOS and DMB.

I realize that a good deal of information is carried in this response. Again, I thank you for the time that you shared with me.

Sincerely,

Edward M. McAleer 10/14/77

Edward M. McAleer

EMM:gw

□
□
□ Memo from . . .
Richard L. Beers

10/26

Ed —

See clarifying
Marginal comments.

In general I think
you did well in
capturing my
random observations.

Good luck on
your project.

RR

3 Kellogg Center
East Lansing, MI 48824

October 25, 1977

Mr. Richard Beers, Administrative Officer
Management and Budget
Management Services
1st Floor - Stevens T. Mason Bldg.
Lansing, Michigan 48909

Dear Mr. Beers:

I wish to take this opportunity to thank you for sharing your time with me on Tuesday, October 18, 1977. It would be an understatement to say that I gained many new insights on the capital outlay planning process. As was noted in the meeting, very little (written) source material seems to be available on the capital outlay process, necessitating the use of the interview method.

In that the comments and observations carried herein will hopefully serve as the basis for a thesis at Michigan State University, I feel that it would be advisable to summarize my perceptions of our meeting. Please feel free to correct, amend or delete any of the following:

1. It was your observation, I believe, that extensive abuses in the area of capital outlay planning, particularly by the public baccalaureate institutions, lead to the development and initiation of P.A. 124. It was your observation, I feel, also that P.A. 124 was a "rather elaborate device to gain control of the planning process." I believe you cautioned that the abuses in the area of higher education capital outlay planning probably could be construed as "perceived abuses" since you represented an agency perspective on the matter. I am given to understand that the entire higher education planning process in Michigan was very awkward during the period of the 50's and early 60's, at least from the agency perspective.

2. It was your observation, I think, that the 60's were a period of dramatic enrollment growth, and the resultant pressure for new buildings at the various institutions was a rather complex matter for the legislature to understand. It is fairly important I think, to underscore your contention that P.A. 124 was enacted, wholly anticipating a legal challenge from the major institutions in the state. I believe you indicated that the Bureau of the Budget was aware of similar court cases and felt that the process could withstand legal challenge. It was your perception that MSU was one of the primary violators of the capital outlay planning process during the 1950's and 1960's.

Letter to Mr. Beers, October 25, 1977, page 2

3. I believe you indicated (prior to P.A. 124) that most of the major institutions furnished very little justification for capital outlay projects. It was not uncommon for two or three line justifications to be furnished on extensive outlay projects. At times, the various institutions had developed capital outlay projects to the extent that architects would demonstrate line drawings before the approval process had been activated.

4. I believe you indicated that the DMB and the Bureau of the Budget possessed at the time (and currently possess) the capability to thoroughly review capital outlay needs as expressed by the higher education institutions. You cautioned, "If you believe in the executive budget process then only the governor and legislature have the authority, relatively speaking, to review budgets and assign appropriate figures to the various needs." I believe you also observed that historically, the DMB had been very cost conscious but objective and realistic in its recommendations relative to capital outlay needs.

5. I believe you observed that JCOS probably possessed adequate working knowledge of the capital outlay planning process but from a different perspective than the BOB. I believe you indicated that capital outlay planning needs as expressed through JCOS probably were reviewed in a more political climate, and JCOS personnel were generally full-time politicians with other responsibilities and other interests. I believe you also indicated that aides to JCOS were quite knowledgeable, and were generally present at levels where they could be effective to JCOS members.

a. I believe you indicated at this point that members of JCOS currently seemed (from your perspective) to have expanded the charter of capital outlay planning particularly in the higher education arena. I believe you made the light-hearted observation that some members of JCOS were now debating which way restroom doors should face, etc.

6. It was your observation, I believe, that P.A. 124 is, has and probably always will be subject to varying amounts of political pressure. I believe you indicated that the JCOS has introduced certain capital outlay projects that have not cleared through the DMB, but for the most part political pressure is expressed in the Michigan legislature and to the Governor.

a. I believe you indicated that the recent high priority assigned to the Crop and Soil Science Building Project at MSU was an indication of political pressure. I drew the inference that the Governor in this case had assumed a favorable stance on the Crop and Soil Science Project in a possible attempt to gather votes from the farm block in the next election. I think you noted that it was relatively uncommon for political pressure to be exerted on the DMB and the Office of Management and Budget.

Letter to Mr. Beers, October 25, 1977, page 3

7. I believe you indicated that the capital outlay planning act does not carry formal punitive powers but it does carry with it the potential that if approval is not solicited for capital outlay planning, funding would not be issued. I believe you also indicated that reduced funding in the General Appropriations area might or might not occur if extensive capital outlay planning abuses were present. You cautioned at this point that capital outlay needs were included in 3 broad categories:

- a. Special maintenance projects.
- b. Remodeling and additions.
- c. New construction and land acquisition.

I realize that a good deal of information is carried in this response. Again, I thank you for the time that you shared with me.

Sincerely,

Edward M. McAleer

EMM:gw

3 Kellogg Center
East Lansing, MI 48824

October 26, 1977

Mr. Jack Breslin
Executive Vice President
Michigan State University
484 Administration Building
East Lansing, MI 48824

Dear Jack:

I wish to take this opportunity to thank you for sharing your time with me on Tuesday, October 25, 1977. It would be an understatement to say that I gained many new insights on the capital outlay planning process. As was noted in the meeting, very little (written) source material seems to be available on the capital outlay process, necessitating the use of the interview method.

In that the comments and observations carried herein will hopefully serve as the basis for a thesis at Michigan State University, I feel that it would be advisable to summarize my perceptions of our meeting. Please feel free to correct, amend or delete any of the following:

1. It was your perception I believe, that the capital outlay planning process (for institutions of higher education) had changed relatively little with the passing of the years. My notes indicate that you felt capital outlay needs were addressed in about the same fashion both before and after the enactment of P.A. 124 (1965). I believe you said that the Department of Management and Budget (DMB) had always been advised of MSU's capital outlay needs--although you did interject the caution that dormitories (as opposed to classroom facilities) generally did not have the strong supporting data since they were viewed to be self-liquidating projects. You also indicated I believe, that "Program Statements" were not necessary in the 1950's.

2. In response to my question whether capital outlay needs were developed by the institutions in an orderly fashion and followed legitimate academic needs, I perceived that you issued a qualified "yes." I believe that you pointed out the fact that capital outlay needs which had been carefully prioritized internally, had been, could be, and should be reflective of current political-economic trends. I believe you said that the Communication Arts and Sciences Building at MSU which had received priority consideration as a

Letter to Mr. Breslin, October 26, 1977, page 2

"planning need" had been downgraded a number of times to accommodate immediate capital outlay needs--such as the Life Sciences Building, the Clinical Center and Power Plant '65'. I think you indicated that the downgrading helped to achieve funding for the other projects mentioned.

a. At this point my notes indicate that MSU's accommodation and support of the D.O. (Osteopathic) movement in the 1960's was indicative of a new academic need that was both politically expedient and carried with it considerable potential for capital outlay support.

3. In response to the question whether political intervention (as expressed by the institutions of higher education) could be exercised to change capital outlay priorities assigned by JCOS, I am of the opinion that you issued a very definite affirmative response ("absolutely true"). It is my impression that you view the exercise of political and institutional pressure to be appropriate in the capital outlay sector. I think you indicated that most members of JCOS (and the legislature as well) didn't want or need to be "bought off," they just desire factual and honest responses from the institutions. I believe you indicated that MSU had been particularly successful in its working relationship with the legislature relative to the funding of capital outlay needs. I also believe you gave the qualification that the institutions could be even more effective in this particular arena if the presidents would take a more active role in working with the legislature.

a. You indicated, I think, that the proposed Plant and Soil Science Building at MSU was indicative of the type of sound institutional pressure that could be applied in the legislative arena and with the Governor to secure necessary capital outlay funds. I believe you indicated that the Cooperative Extension Service at MSU and other agriculture-related parties had been very aggressive in bringing the issue both to the legislature and to Governor Milliken. I believe you indicated that Governor Milliken had told you that this issue was very definitely political.

4. In response to my question whether P.A. 124 was an operationally sound mechanism, I think you issued a rather reserved "yes" ("it is a pretty good system"). You did issue the qualification that the institutions as a whole would probably always have capital outlay needs that exceeded the State's ability to fund them. You also indicated that some members (how many or what percentage I really couldn't tell) of the DMB and JCOS could just not understand the special or sensitive needs of certain capital outlay projects.

a. I believe you indicated also that the new switch to a bonding basis for certain capital outlay needs would serve to weaken P.A. 124. You indicated I believe, that P.A. 124 (via Gar Lane in particular) was designed to provide the State with an accurate

Letter to Mr. Breslin, October 26, 1977, page 3

"turn-key" (i.e. all costs both actual and anticipated) portrayal of capital outlay needs. The new language in capital outlay projects (via bonding) now separates or eliminates consideration of immovable equipment--a very significant cost generating factor in most projects.

5. I believe you concluded with the observation that most capital outlay needs of the future (both at MSU and other institutions) would center on the renovation or replacement of old buildings, accommodations for new legislation in the area of the environment, access for handicappers, and overall safety improvements. I believe you indicated that the potential exists for funding in these areas from funds other than capital outlay monies.

I realize that a good deal of information is carried in this response. Again, I thank you for the time you shared with me.

Sincerely,

Edward M. McAleer 10/26/77

Edward M. McAleer

EMM:gw

From the desk of . . .

GARLAND LANE

Edward M. Mc. Aleer

Thank you for the letter of
statements regarding P. A. 124.

It is quite correct, except in
#3, on the year stated.

There was no Democrat on the
committee from 1938 to 1952, further
from 1952 to 1964 the caucus set
the total amount for spending,
by the JCOC.

gl

3 Kellogg Center
East Lansing, MI 48824

October 31, 1977

The Honorable Garland Lane
Consultant
Senate Fiscal Agency
P.O. Box 30036
Lansing, MI 48909

Dear Gar:

I wish to take this opportunity to thank you for sharing your time with me on Monday, October 24, 1977. It would be an understatement to say that I gained many new insights on the capital outlay planning process. As was noted in the meeting, very little (written) source material seems to be available on the capital outlay process, necessitating the use of the interview method.

In that the comments and observations carried herein will hopefully serve as the basis for a thesis at Michigan State University, I feel that it would be advisable to summarize my perceptions of our meeting. Please feel free to correct, amend or delete any of the following:

1. It was your observation I believe, that little documentation is available on the historical genesis of P.A. 124, in that the entire language and most of the actual concept was developed in two consecutive evening meetings (early 1965 as I recall) of the House and Senate Finance Subcommittee.

2. You exerted the caution I believe, that P.A. 124 was not as harsh or arbitrary as some people at the institutional level may have felt. I believe it was your perception that the institutions of higher education in Michigan were "not really running wild," but they may have made (in your mind) certain errors in planning capital outlay needs in the 1950's and 1960's. It was your observation I believe, that the most significant capital outlay planning error made by the higher education institutions was the chronic under-estimation of actual building costs (including inflation and delayed starting dates, etc.).

Letter to Mr. Lane, October 31, 1977, page 2

3. It was your perception that the inception of P.A. 124 involved or revolved around the use of political power. I believe you indicated that capital outlay planning in Michigan had been a "caucus" type of proposition from 1938 through about 1952. I gained the impression that certain institutions (MSU in particular) may have been able to secure a competitive advantage in the funding of capital outlay projects if their high-ranking officials were of the same political conviction (Republican in this case) and could exercise political power in a caucus setting. I drew the inference that P.A. 124 helped to draw capital outlay planning into the "sunshine" and away from the old "closed door" setting.

4. Conceptually, I believe, you viewed P.A. 124 to be a "sifting process," that is one where the "users" (i.e. the institutions) should state their capital outlay needs in the clearest terms possible. The "filters" on the sifter were portrayed I think, as the BOB, JCOS and the legislature as a whole. It is my impression that you viewed each agency as possessing the ability to make clearer and more finite judgements relative to the needs expressed by the institutions.

5. It was your observation I think, that the Governor's Executive Budget for capital outlays is ostensibly the one prepared by the BOB (Bureau of the Budget). I think you issued a corollary observation that the BOB and the Governor had the liberty (or ability) to propose any level they chose for capital outlays, however, the JCOS (via the legislature) possessed the real power to carry the issue-- "MONEY BUILDS BUILDINGS." It would appear that the bottom line on this matter (from your perspective) is that the legislature still has the power to vote on capital appropriations.

6. I believe you issued an observation that P.A. 124 was developed fully anticipating a legal challenge from the institutions of higher education in the state. I believe you indicated that you (personally) had made a call to the Michigan Supreme Court on the matter. I believe you also indicated that the Supreme Court had certain misgivings (initially) on P.A. 124, particularly over the sensitive issue of institutional autonomy.

7. It is my impression that Michigan's Constitutional Convention of 1963 also had a bearing on the enactment of P.A. 124. My notes indicate that you had mixed emotions whether the State would have moved to curb certain "perceived" building abuses by U-M/MSU/WSU; but when all institutions were conferred with autonomous operating status (higher education sector) the need to tighten capital outlay planning became vital. I believe you indicated that in the 1960's you made a personal inspection of the Michigan State University campus and found seven (7) new buildings (I think you said classroom buildings as opposed to dormitories or self-liquidating projects) that were not included on capital outlay planning documents.

Letter to Mr. Lane, October 31, 1977, page 3

8. It was your perception I think, that not all new buildings or capital outlay expenditures were good investments. I think you indicated that many classroom buildings in the early 1960's were designed so poorly that maintenance, heating or repair budgets at the various institutions often were overdraughted. I think you also indicated that certain architectural firms designed the same dull "brick and mortar jobs" on some campuses in such abundance that the state was compelled to step in and forbid (I think you said forbid) the awarding of bids to these concerns.

9. It is my impression that you feel (and have felt) that P.A. 124 has made the institutions of higher education better capital outlay planners. I believe you felt that new provisions in the capital outlay planning process "acted as a guide." By example, you indicated that if an institution desired to build an administrative office for faculty members, they could be governed by the standing recognition that each member should encumber approximately 100 sq. feet of space (I think you did allow that the institutions could appeal for exceptions to such rules).

I realize that a good deal of information is carried in this response. for the time you shared with me.

Edward M. McAleer 11/1/77

Edward M. McAleer 11/1/77

Edward M. McAleer

EMM:gw

MICHIGAN STATE UNIVERSITY

UNIVERSITY ARCHITECT - ADMINISTRATION BUILDING

EAST LANSING - MICHIGAN - 48824

November 8, 1977

Mr. Edward M. McAleer
 3 Kellogg Center, MSU
 East Lansing, MI 48824

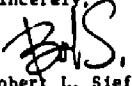
Dear Ed:

I would like to suggest the following regarding your comments and observations of November 3, 1977.

1. The capital outlay is developed under the direction of Jack Breslin with assistance from Jim Peters and me. I wouldn't refer to the Space Utilization Committee as there is no Committee; use the Space Utilization Office or Director.
2. OK except for "Committee".
3. I would prefer to say that the University's capital outlay priorities always remain flexible. In other words, if our number one priority is a Communication Arts Building but funding becomes available for an Engineering Addition, even though that is five or six on our list, we'll take it.
4. I would prefer you not use "horse racing" and Vet Medicine in print even though it is hypothetical. Use agricultural interests and a Plant and Soil Science Building, or the foundry industry and an Engineering Addition.
5. I probably should not have commented on the difficulty of reaching a quorum or attendance, as I do not attend that many of the meetings. I think a more pertinent point is the expansion of membership from 8 to 12 members and the renewed interest in subcommittee membership after the 400 M in Bonding was approved.
6. No comments.
7. No comments.
8. No comments.
9. I did not intend to say the capital outlay building "categories" are confusing. My objection is the inclusion of highly sophisticated and expensive movable equipment as a capital cost, particularly if the project will be financed by bonding. The major point is the long time span between programing and occupancy of a building (almost five years in the case of Communication Arts).

Mr. Edward M. McAleer
Page 2
November 8, 1977

It is impossible at the early stages of a project to determine what existing movable equipment will be usable at occupancy and the cost of new equipment that may or may not even be on the market now.

Sincerely,

Robert L. Siefert
University Architect

RLS:ies

3 Kellogg Center, MSU
East Lansing, MI 48824

November 3, 1977

Mr. Robert L. Siefert
University Architect
Executive Vice President's Office
496 Administration Building
East Lansing, Michigan 48824

Dear Bob,

I wish to take this opportunity to thank you for sharing your time with me on Wednesday, November 2, 1977. Our conversation served to fill in several of the "voids" that I have acquired regarding the capital outlay planning process. I also wish to thank you for sharing the "Capital Outlay Manual" and other important documents with me--they are simply invaluable.

In that the comments and observations carried herein will hopefully serve as the basis for a thesis at Michigan State University, I feel that it would be advisable to summarize my perceptions of our meeting. Please feel free to correct, amend or delete any of the following:

1. It was your observation I believe, that each of the public baccalaureate institutions in Michigan have some form of capital outlay planning office, or personnel designated to handle such tasks. It is my impression that Michigan State University develops its capital outlay plans with input from at least three sources; the Space Utilization Committee (Jim Peters), the Executive Vice President's Office (Jack Breslin) and the University Architect (yourself).

2. It was your impression I think, that the MSU Space Utilization Committee, while a small group (two people), is highly efficient and possesses a computer retrieval capability on the working status of all campus buildings. I believe you indicated also that the Space Utilization Committee at MSU restricted its efforts to the use of buildings while your office was generally concerned with planning. It is your observation also, I believe, that the Michigan Bureau of Facilities apparently doesn't maintain a list or compilation of facilities at the various institutions. I think you did indicate that the State may possess the capability of monitoring all parcels of land owned by the various (State) agencies.

Letter to Mr. Siefert, November 3, 1977, page 3

8. I think you indicated that the square foot formulae recommended by the State for various building categories (e.g. science classrooms, music practice labs, etc.) were fairly flexible and that BOB and JCOS representatives would consider capital outlay requests that deviated from the norm. You seemed to indicate that the State is very inflexible about the space needs for faculty offices ("non-negotiable" at 110 sq. ft.). I think you indicated that this bias is of long standing, and at MSU no attempts had been made to reflect or recommend faculty office space at an increased level.

9. I believe you indicated also that certain categories within the capital outlay building categories were confusing. I think it was your observation that large hardware items (such as television monitoring equipment, etc.) ought to be removed from the projected cost of a building since they were very expensive, subject to technical obsolescence, and often could be procured from Federal sources. I think you indicated that these types of fixed equipment needs had detracted from the chance of the Communication Arts and Sciences Building (MSU) receiving earlier (State) approval.

I realize that a good deal of information is carried in this response. Again, I thank you for the time that you shared with me.

Sincerely,

Edward M. McAleer 7/4/77

Edward M. McAleer

EMM:gw

Letter to Mr. Siefert, November 3, 1977, page 2

3. My notes indicate you feel that despite the rather precise approval process listed in the "Capital Outlay Manual," the issue of capital outlay needs and facilities construction is, has, and probably will continue to be highly political. I think that you made the observation that the University arranges its capital outlay needs (on PRR forms) in great measure on how it perceives the State's willingness to fund the projects.

4. I think you gave the hypothetical case that if the horse racing interests in Michigan had appealed to the University for a large animal care facility at the Vet Medicine complex, the institution might place this need higher than certain other long-standing capital outlay requests. I believe you observed that the racing interests would probably be capable of mounting considerable political pressure to induce such capital outlay expenditures.

5. In response to the question whether the JCOS or Bureau of the Budget was perceived as having the capability of adequately assessing capital outlay needs in the higher education sector, I think you issued a qualified "yes." It was your perception I think, that JCOS members in particular were bound by time constraints. You did exert the caution that aides to the JCOS were very knowledgeable and helped the members to understand the realities of most capital outlay needs. I think you also issued the observation that attendance at JCOS sessions was a variable, often dependent on the amount of capital outlay funds available. I think you noted that the JCOS had difficulty reaching a quorum for its eight members for the last several years because the total budget had been "tight" and very little funding was available for capital outlay projects. With the advent of the new revenue bonding format for capital outlays, attendance at JCOS sessions had picked up considerably in your estimation.

6. You indicated that capital outlay planners from the various institutions have organized themselves into the "Association of Capital Programs Administrators" (formerly the Michigan State College and University Capital Officers). This group is not officially connected with the Michigan Association of State College Presidents; it meets approximately four times a year at member institutions to discuss new capital outlay developments.

7. It was your perception I think, that on the main the Capital Outlay Planning Process in Michigan was "quite adequate." You observed once again that the arena in which capital outlay needs are debated is highly political but that the institutions recognize this and do the best job possible of outlining viable expressions of building needs.

3 Kellogg Center, MSU
East Lansing, MI 48824

November 7, 1977

Dr. Jerry Faverman, Acting Dean
College of Osteopathic Medicine
Ohio University
Grosvenor Hall
Athens, Ohio 45701

Dear Jerry:

I wish to thank you for the suggestions you issued in our conversation of Thursday, November 3, 1977. I shall attempt to contact those individuals you mentioned, particularly Allan Smith, Chuck Sturtz and Vic Spadoff. As I mentioned, my interest in capital outlay planning is directly connected to the pursuit of the doctorate at MSU.

I believe I indicated also that little documentation seems to be available on the enactment of P.A. 124; the people that should have the files claim they have been misplaced or that they never existed. I'm attaching a copy of my dissertation proposal (however poorly developed it may seem) which outlines some of the central concerns. Several parties have informed me that you would be an excellent source for Questions A.1 and A.3.

I am most aware of the demands of your new job, but perhaps you could reflect or respond to the following:

1. I believe it was your perception that P.A. 124 was very definitely a "coercive measure." It was your observation, I believe, that this contention could be born out in an empirical manner. You observed I think, that the University of Michigan was singled out as the institution that refused to conform to the capital outlay legislation first enacted in 1965. I believe you indicated that a test of the legality of capital outlay budgeting had been taken to at least the Appellate Court level and as a result of this test (the period 1965-1969), the University of Michigan did not receive one dollar in capital outlay funding.

2. I believe you indicated that in late 1968 or 1969, the capital outlay process became "less political." I believe you indicated that the wording and/or the intent of capital outlay planning (at that time) was changed to at least embrace or consider academic needs at the various institutions.

Letter to Dr. Faverman, November 7, 1977, page 2

3. Dr. Faverman, I have also attached Bill Roeger's comments which do not perfectly conform to your observations. All parties I have talked to suggest that you and Bill are the two most significant persons involved in the history of capital outlay planning, and I would be in your debt for any insights you could provide, particularly on Questions A.1 and A.3.

I realize that a good deal of information is carried in this response. Again, I thank you for the time that you shared with me.

Sincerely,

Edward M McAleer 11/7/77.

Edward M. McAleer

EMM:gw
Attachments



JOHN W. PORTER
Superintendent of
Public Instruction

STATE OF MICHIGAN
DEPARTMENT OF EDUCATION

Lansing, Michigan 48909

December 5, 1977

Mr. Edward M. McAleer
3 Kellogg Center
Michigan State University
East Lansing, Michigan 48824

Dear Mr. McAleer:

I am in receipt of your letter of November 28 and would concur in your summary except for the emphasis which your summary places on some of my remarks.

For example, I think the state should exert more control over the capital outlay planning process, but I did not say that that should necessarily be exclusively the responsibility of the State Board of Education. Furthermore, the example that I gave relative to the schools of forestry was not intended to be an area where I thought there should be some change. I gave that example because it has both geographical as well as political implications. As far as I am concerned, it is conceivable that all three of the forestry schools should exist and can be justified. I did not, therefore, wish to use that little portrayal as something upon which I had some documented research.

Finally, my remarks were made within the context of the history of strong institutional governance and administration which I think has contributed significantly to the quality of our higher education enterprise. Therefore, you should realize that if there were ever an extensive review of our capital outlay planning, such a review may conclude that through the individual goals and objectives of institutions the capital outlay process has achieved its current level of stability possibly better than if we had had a coordinating system. I make this point because I want to emphasize that I do not have any data that would at this point argue for a separate system.

I look forward to reviewing a copy of your final report.

Sincerely,


John W. Porter

JWP:SG



EQUAL OPPORTUNITY EMPLOYER

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Governor
WILLIAM G. MILLIKEN
Ex-Officio



3 Kellogg Center
East Lansing, MI 48824

November 28, 1977

Dr. John W. Porter
Superintendent of Public Instruction
Michigan Department of Education
Michigan National Tower
Lansing, MI 48933

Dear Dr. Porter:

I wish to take this opportunity to thank you for sharing your time with me on Friday, November 25, 1977. It would be an understatement to say that I gained many new insights on the capital outlay planning process. As was noted in the meeting, very little (written) source material seems to be available on the capital outlay process, necessitating the use of the interview method.

In that the comments and observations carried herein will hopefully serve as the basis for a thesis at Michigan State University, I feel that it would be advisable to summarize my perceptions of our meeting. Please feel free to correct, amend or delete any of the following:

1. It was your observation that both the language and the intent of capital outlay planning have become more comprehensive in the last decade. You took the posture that the State of Michigan should exert more control over the capital outlay planning process (via the State Board of Education) for its public baccalaureate institutions both now and in the years to come.

2. It was your observation that capital outlay planning, particularly at the public baccalaureate level, is subject to several delimiting factors. These would include:

- a. Without a comprehensive State Plan for Capital Outlays, certain institutions have and will continue to exert undue pressure and receive disproportionate capital outlay funds because "key" members of the legislature are in their districts or sphere of influence.

Letter to Dr. Porter, November 28, 1977, page 2

b. It was your perception that there (currently) is very little relationship between facilities requested and the strength, depth or quality of programs at the various institutions.

1) It was at this point that you gave the portrayal of Schools of Forestry or forestry-related programs in Michigan. I believe you feel that there are simply not enough enrollments or program potential to justify three (separate) Departments of Forestry at U-M, MSU and Michigan Tech. You gave the observation, "Tech's got the trees; State's got the faculty and U-M has the money."

c. It was your contention also that current capital outlay planning does not seem to be tied to a legitimate "need" process.

3. You were of the opinion that the various institutions did a fairly good job of meshing program needs with facilities but that this type of capital outlay planning did not seem to extend beyond the campus. It was your perception that Michigan's history of institutional autonomy (at least since 1963) has done little to foster a spirit of realistic capital outlay planning among the public baccalaureate institutions.

4. It was your position that several factors are speeding the need for better capital outlay planning. The population factor coupled with the declining birth rate will probably result in far fewer students attending the public baccalaureate institutions--beginning in the 1980's. In addition, it is possible that current vocational and job-related trends may continue, resulting in reduced enrollments at the public baccalaureate institutions.

5. It was your observation that 50% of the population of Michigan resides in the Wayne County area and this will have a marked impact on capital outlay planning (and higher education planning in general). It was your observation that potential social and economic factors such as the energy crisis may mean that students will be increasingly reluctant to attend the public baccalaureate institutions (most of which are outside Wayne County).

6. You indicated that "the system must change with regards to capital outlay planning--the question seems to be whether the change will occur within the existing framework (provided by the Con-Con in 1963)."

Letter to Dr. Porter, November 28, 1977, page 3

7. I believe you concluded the interview by stating that capital outlay planning will impact most directly on the former regional colleges of the state. I believe you quoted the statistics that approximately 55% of all graduate enrollments in higher education are teacher-related and at present 78% of all teachers in Michigan have completed MA requirements. I believe you made the observation that capital outlay planning for the regional institutions should be taken under scrutiny at the earliest possible time.

I realize that a good deal of information is carried in this response. Again, I thank you for the time that you shared with me.

Sincerely,

Edward M. McAleer 11/29/77

Edward M. McAleer

EMM:gw

STATE OF MICHIGAN



WILLIAM G. MILLIKEN Governor

DEPARTMENT OF MANAGEMENT AND BUDGET

STEVENS T. MASON BLDG
P.O. BOX 30026 LANSING, MICHIGAN 48909
GERALD H. MILLER Director

March 8, 1978

Mr. Edward M. McAleer
3 Kellogg Center
East Lansing, Michigan 48824

Dear Mr. McAleer:

I have very carefully reviewed your February 7, 1978 letter, which summarized our February 6 telephone conversation. As suggested in the second paragraph of your letter, you will note that I have altered the letter to some extent.

I am very pleased you found our conversation helpful. Best of luck to you in your educational pursuits.

Sincerely,


Simon J. Turner
State Architect
Director, Bureau of Facilities

AJD:cb

Enclosure



CORRECTED COPY

3 Kellogg Center
East Lansing, Michigan 48824

February 7, 1978

Mr. Almon J. Durkee
Director, Bureau of Facilities
Department of Management and Budget
P. O. Box 30026
Lansing, Michigan 48909

Dear Mr. Durkee:

I wish to take this opportunity to thank you for sharing your time with me on Monday, February 6, 1978. It would be an understatement to say that I gained many new insights on the capital outlay planning process. As was noted in our telephone conversation, very little (written) source material seems to be available on the capital outlay process, necessitating the use of the interview method.

In that the comments and observations carried herein will hopefully serve as the basis for a thesis at Michigan State University, I feel that it would be advisable to summarize my perceptions of our conversation. Please feel free to correct, amend or delete any of the following:

1. It was your observation, I believe, that capital outlay planning in Michigan currently is an effective process with some political flavoring. The increase in size of the JCOS (Joint Capital Outlay Subcommittee) from 8 to 12 members during FY 1976-77 may be reflective of the political nature of the process. It was your view, I believe, that the increase in the size of the JCOS may have been enacted to dilute some of the appropriations power held by geographic interests, and disperse the building activity accordingly.
2. It was your view, I believe, that the power exerted by certain key legislators for capital outlay interests in their own areas was not a violation or a conflict of interest situation, but it does serve to underscore the fact that certain regional interests are better organized than other regions.
3. It was your contention also that the current capital outlay appropriations process is "quite successful," and seemingly is being well monitored by both sides of government. You injected the caution, however, that your comments apply only to the period 1972 to the present.
4. It was your further observation, I think, that the current \$400 million revenue bonding proposition for capital outlay needs was a response to an immediate need (i.e. a backlog of building projects) and the continuance of such a concept was difficult to forecast at present. I believe you indicated that certain other states that had evoked the revenue-bonding concept had encountered only modest success.

CORRECTED COPY

Letter to Mr. Durkee, February 7, 1978, page 2

5. It was your (personal) hope that, after reducing the large backlog of desperately needed facilities that have accumulated during the 1960's and 1970's, the state would return to the pay-as-you-go method since this was a fiscally sound device. I believe you indicated that the recent enactment of a "rainy day fund" might enable Michigan to return to this concept.

I realize that a good deal of information is carried in this response. Again, I thank you for the time that you shared with me.

Sincerely,

Edward M. McAleer
EMM:gw

3 Kellogg Center
East Lansing, MI 48824

February 7, 1978

Mr. Alan Durkee
Director of the Bureau of Facilities
Department of Management and Budget
Stevens T. Mason Building
P.O. Box 30026
Lansing, Michigan 48909

Dear Mr. Durkee:

I wish to take this opportunity to thank you for sharing your time with me on Monday, February 6, 1978. It would be an understatement to say that I gained many new insights on the capital outlay planning process. As was noted in our telephone conversation, very little (written) source material seems to be available on the capital outlay process, necessitating the use of the interview method.

In that the comments and observations carried herein will hopefully serve as the basis for a thesis at Michigan State University, I feel that it would be advisable to summarize my perceptions of our conversation. Please feel free to correct, amend or delete any of the following:

1. It was your observation I believe, that capital outlay planning in Michigan currently is an effective but highly political process. The increase in the size of the JCOS (Joint Capital Outlay Subcommittee) from 8 to 12 members during FY 1976-77 may be reflective of the political nature of the process. It was your view I believe, that the increase in the size of the JCOS may have been enacted to dilute some of the appropriations power held by geographic interests, such as the Upper Peninsula.

2. It was your view I believe, that the power exerted by key Upper Peninsula legislators for capital outlay interests in their own areas was not a violation or a conflict of interest situation, but it does serve to underscore the fact that the U.P. interests are better organized than their downstate counterparts. It was your view I believe, that building monies conferred to Michigan Technological University are indicative of this disproportionately strong geographic support.

Letter to Mr. Durkee, February 7, 1978, page 2

3. It was your contention also that the current capital outlay appropriations process (for higher education) is "quite successful" and seemingly is being well monitored by the "executive side" of government. You injected the caution, however, that your comments apply only to the period 1972 to the present.

4. It was your further observation I think, that the current \$400 million revenue bonding proposition for capital outlay needs was a response to an immediate need (i.e. a backlog of building projects) and the continuance of such a concept was difficult to forecast at present. I believe you indicated that certain other states that had evoked the revenue-bonding concept had encountered only modest success.

5. It was your (personal) hope that the State would return to the pay-as-you-go method which was fiscally a sound device. I believe you indicated that the recent surplus in the State Treasury might enable Michigan to return to this concept.

I realize that a good deal of information is carried in this response. Again, I thank you for the time that you shared with me.

Sincerely,

Edward M. McAleer
EMM:gw

STATE OF MICHIGAN



WILLIAM G. MILLIKEN Governor

DEPARTMENT OF MANAGEMENT AND BUDGET

STEVENS T. MASON BLDG
P.O. BOX 30075 LANSING, MICHIGAN 48909
GERALD H. MILLER Director

February 22, 1978

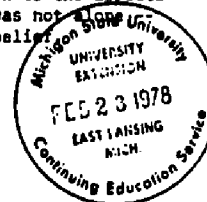
Mr. Edward M. McAleer
3 Kellogg Center
East Lansing, Michigan 48824

Dear Mr. McAleer:

I have reviewed your letter of February 9, 1978, detailing your understanding of my statements to you on February 7 concerning capital outlay planning. The statements contained in the four major paragraphs of your letter are basically correct, however, I would like to take the opportunity to elaborate slightly on each as a matter of record.

I am listing my remarks in the order of the paragraphs in your February 9 letter.

1. Memoranda was issued by JCOS from 1965 through 1974 consisting primarily of administrative instructions for the preparation and processing of material to be submitted to the Joint Capital Outlay Subcommittee. Uniform procedures were obviously necessary to allow efficient review of the large number of projects. Some programming guidance was included in these memos.
2. My references to the Legislature refer to the body as a whole. There may well have been exceptions to the rule. There is no question in my mind that the Legislature did oppose the concept of the Special Commission on Architecture to the extent that it focussed on it. I am sure there are a large number of Legislators who were not even aware of the Commission or of its purpose. It should be emphasized that the Legislature, during those years, was an extremely busy body and that the members, who served on numerous committees, seldom had the leisure to focus their attention on other matters beyond those with which they were personally involved. Members of the JCOS were quite satisfied with the procedures which had been developed by themselves and their staff and were aware that these processes actually constituted the basic source of material for the report.
3. I am unsure of your intent in using the word "mollified" or what its connotation is in this context. I feel that the Commission reflected the special interests in architecture and the arts which had long been expressed by the Governor, as well as a great many others in the State. I am sure the Governor did feel that the JCOS had been too preoccupied with the mechanics and costs of the capital outlay program and had not paid enough attention to the aspects of the architecture involving artistic quality. In this, he was not alone. In fact, at that time and today, I to some extent share that belief.



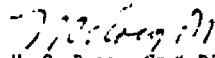
Mr. Edward M. McAlear
3 Kellogg Center
East Lansing, Michigan 48824

4. This is basically correct. The nature of the personal difficulties between some members of the JCOS and the Commission appeared to be varied in nature, but they certainly did have some influence on the lack of regard accorded to the report.

You have clearly understood as shown by your use of the term "perceptions" regarding my views on these events, these are my personal opinions and I freely admit that, in some cases, I might well have been wrong.

Good luck with your dissertation. I am looking forward to the opportunity of reviewing it.

Very truly yours,


W. C. Roese, Jr., Director
Construction Division
Bureau of Facilities

WCR:blm

3 Kellogg Center
East Lansing, MI 48824

February 9, 1978

Mr. William C. Roege, Jr.
Facilities Management Bureau
Management and Budget Department
Stevens T. Mason Building
Lansing, Michigan 48933

Dear Mr. Roege:

I wish to thank you once again for the time you shared with me on Tuesday, February 7, 1978 concerning certain capital outlay planning perceptions. As you will recall, our conversation centered on the time differential between the formal establishment of 1965 P.A. 124 and the first evidences of a Capital Outlay Manual in 1974.

In that the comments and observations outlined herein will hopefully serve as the basis for a thesis at Michigan State University, I feel that it would be advisable to summarize my perceptions of our conversation. Please feel free to correct, amend or delete any of the following:

1. It was your perception, I believe, that work sheets had been distributed for college use from about 1965 through 1974. These work sheets, other staff papers, and some general capital outlay procedures have "evolved continuously with the passing of the years."
2. It was your perception, I believe, that the Legislature was "violently" opposed to the Governor's Special Commission on Architecture, and you personally doubted whether any member of the JCOS or the Legislature read the report or at least read it in depth. It was your perception, I believe, that there was no respect for the concept of the Special Commission in the Legislature, and most JCOS members felt that the capital outlay planning process was sufficient and had been described adequately prior to the suggestions made in the Special Commission Report.
3. It was also your perception that the Governor's Special Commission may have mollified the special interests in architecture and the arts--interests that Governor and Mrs. Milliken have been consistently patronizing of in past years. I believe you indicated the Governor may have felt that the Legislature and the JCOS had

Letter to Mr. Roeger, February 9, 1978, page 2

become too interested in capital outlay program mechanics and less interested in the quality aspects of architecture, although this point was open for conjecture.

4. You also indicated that the Governor's Special Commission had "personal problems" with certain members of the JCOS and this did nothing to endear or inculcate respect for the ideas expressed in the report.

Sincerely,

Edward M. McAleer

EMM:gw

HOUSE OF REPRESENTATIVES
LANSING, MICHIGAN



116TH DISTRICT
RUSSELL HELLMAN
LANSING, MICHIGAN 48906

CHAIRMAN
JOINT CAPITAL OUTLAY SUBCOMMITTEE
MEMBER
HOUSE APPROPRIATIONS COMMITTEE
CHAIRMAN
SUBCOMMITTEE ON NATURAL RESOURCES
& AGRICULTURE
MEMBER
SUBCOMMITTEE CORRECTIONS
COMMITTEE STATE FEDERAL, LOCAL
GOVERNMENT RELATIONS COMMITTEE
SUPPLEMENTAL TRANSFER, FISCAL BILLS
AND FEDERAL BILLS
REGULATORY

February 23, 1978
dictated 2-22-78

Mr. Edward M. McAleer
3 Kellogg Center
East Lansing, MI 48824

Dear Mr. McAleer:

Thank you very much for sharing with me your thoughts as to what was discussed and the conclusions and statements made when you interviewed me regarding the Joint Capital Outlay Committee in my office recently. I would like to make some corrections.

In Item 1, you stated that I was unable to provide documentation on the matter of the creation of the Joint Capital Outlay Committee. I am sending you herewith a copy of Senate Bill No. 1471, which became Act No. 242 of the Public Acts of 1976 and which gives permanent status to the Joint Capital Outlay Committee. This bill was prepared as a companion bill to the one creating the bonding authority. One was for the implementation of the Joint Capital Outlay Committee, making it a statute, the other implemented the bonding authority.

In Item 2, Paragraph C, you state: "I believe you indicated that the Joint Capital Outlay Committee has been working without staff help (with the exception of one secretary)." Might you change "without staff" to working with limited staff, because I do have access to some service from the Fiscal Agency. However, it is very, very limited. In addition I do have one Committee Clerk, who is not specifically a secretary.

In Item 5 you stated, "it was your observation further that a number of states including Wisconsin, New York, Minnesota and Ohio had sent study teams to Michigan to observe the Joint Capital Outlay Subcommittee

Mr. Edward M. McAleer

-2-

February 23, 1978

process during your tenure as Chairman." I would scratch "your tenure as Chairman" and add "during the last several years."

Otherwise, I think you are very, very close to the meat of the discussion and the statements made at our meeting as I recall them.

Sincerely,



RUSSELL HELMAN
State Representative
110th District

RH:ta

Enclosures (2)

Letter to Mr. Hellman, February 20, 1978, page 2

a. Meetings are conducted in the mornings as opposed to late hour, after-dinner sessions.

b. A formal agenda of the Joint Capital Outlay Subcommittee meetings is made and distributed, and minutes of these sessions are a matter of public record.

c. The Joint Capital Outlay Subcommittee was expanded during FY 1976-77 from eight to 12 members. The increase was necessary in your mind due to the substantially larger budget (i.e. 400 million dollars). The workload and the responsibility for monitoring 400 million dollars worth of capital outlay needs placed a great deal of strain on JCOS members. I believe you indicated that the JCOS group had been working without staff help (with the exception of one secretary) for the last four years, and this fact placed an additional burden on all members.

3. It was your observation, I believe, that the increase in size in the JCOS committee was not a political maneuver designed to dilute or diminish the appropriations power for legislators from certain geographic areas. It was your perception that "pork-chopping" projects would be most difficult to hammer through the capital outlay process, but I believe you did concede that legislators would naturally do everything possible to assist the public baccalaureate institutions within their given districts.

4. I believe you further indicated that the public baccalaureate institutions had always possessed the liberty to express their feelings on capital outlay needs to JCOS members or to their legislative representatives. I think you did concur with the observation that Michigan State, the University of Michigan, and Wayne State University had been particularly successful in their capital outlay development plans. You did take issue with my suggestion that Michigan Technological University had shown conspicuous growth in new capital outlays. I believe you indicated that Michigan Technological University in particular, did not receive favorable considerations in its first 30-35 years of operations, and even the substantial outlays in the 1960's left the institution somewhat below desired new building needs.

5. It was your perception, I believe, that the Joint Capital Outlay Subcommittee concept is unique when compared to most state legislative arenas. I believe you used the word "forerunner" for the JCOS concept in Michigan. It was your observation further that a number of states including Wisconsin, New York, Minnesota and Ohio had sent study teams to Michigan to observe the Joint Capital Outlay Subcommittee process during your tenure as chairman.

3 Kellogg Center
East Lansing, MI 48824

February 20, 1978

The Honorable Russell Hellman
Representative, 10th District
Michigan House of Representatives
Chairman, Joint Capital Outlay Subcommittee
Capital Building - North Wing
Lansing, Michigan 48933

Dear Mr. Hellman:

I wish to take this opportunity to thank you for sharing your time with me on Tuesday, February 14, 1978. It would be an understatement to say that I gained many new insights on the capital planning processes in Michigan. As was noted in the meeting, very little (written) source material seems to be available on the capital outlay processes, necessitating the use of the interview method.

In that the comments and observations carried herein will hopefully serve as a basis for a thesis at Michigan State University, I feel it would be advisable to summarize my perceptions of our meeting. Please feel free to correct, amend or delete any of the following.

1. It was your observation, I believe, that while 1965 P.A. 124 may have been the genesis for capital outlay planning in Michigan, as it is currently conducted, the language was tied to the appropriations act of that year (i.e. 1965), and as such died in June of that year. I believe it was your observation that the formal recognition of capital outlay planning occurred during FY 1976-77, and while you were unable to provide documentation on the matter, you felt these conditions would be stated in the same general area as new language on revenue bonding for capital outlays. The JCOS is now a legal entity, something that had been clearly lacking for a number of years.

2. In response to my question as to whether the Joint Capital Outlay Subcommittee had changed in an operational sense since 1965, I believe you indicated that at least three mechanisms are in place that were not effected in earlier years:

Letter to Mr. Hellman, February 20, 1978, page 3

6. It was your observation that the new 400 million dollar revenue bonding proposal was necessary to meet current needs, but you hoped the State would be able to return to a "pay-as-you-go basis" within the next few years. It was your observation, I think, that most states that enacted revenue bonding propositions had found them less than desirable, and the standing balance in the Treasury during FY 1976-77 may make such a return possible.

I realize that a good deal of information is carried in this response. Again, I thank you for the time you shared with me.

Sincerely,

Edward M. McAlleer 2/21/78
Edward M. McAlleer

EMM:gw

APPENDIX D

CURRENT MEMBERS OF THE JOINT CAPITAL
OUTLAY SUBCOMMITTEE

APPENDIX D

CURRENT MEMBERS OF THE JOINT CAPITAL OUTLAY SUBCOMMITTEE

Senator Alvin J. DeGrow (R) Pigeon

Senator John F. Toepp (R) Cadillac

Senator David S. Holmes, Jr. (D) Detroit

Senator Thomas Guastello (D) Sterling Heights

Senator Bill S. Huffman (D) Madison Heights

Senator Jerome T. Hart (D) Saginaw - Vice Chairman

Representative James E. O'Neill, Jr. (D) Saginaw

Representative Melvin L. Larsen (R) Oxford

Representative Gary M. Owen (D) Ypsilanti

Representative Richard A. Young (D) Dearborn Heights

Representative William A. Jowett (R) Port Huron

Representative Russell Hellman (D) Dollar Bay - Chairman