

Fiscal Analysis
Washtenaw Community College
Project Cost Increase



Bill/Sponsor **HCR 27, Rep. Warren**

House Committee **Appropriations**

Analysis **Summary**

Washtenaw Community College requests Legislative approval of HCR 27 to increase the total authorized cost of the partially State funded project entitled the Technical and Industrial Building Renovations Project. The increase amounts to \$3.3 million and will be completely financed by Washtenaw. It represents an increase of nearly 31%.

Washtenaw attributes several factors which caused the higher cost; continued occupancy of the facility during renovations, labor premiums for extensive third shift work, a compressed construction schedule, higher than anticipated material costs, and additional asbestos abatement costs.

This project entails the renovation of 75,500 sq. ft. of instructional space to support academic programs such as Culinary Arts, Communications, and Art. It will allow for the re-location of the CAD and mechanical drafting programs from off-campus leased space. A new demonstration kitchen will also be built. It also provides for the expansion and re-location of a computer laboratory.

This project was given cost and construction authorizations under PA 297 of 2005. Additionally, SCR 63 was passed by the Legislature in December 2006 which authorized project cost and scope increases. That additional project cost increase of \$3.5 million was also completely financed by the institution.

The Joint Capital Outlay Subcommittee (JCOS) approved this resolution, with recommendation. The Department of Management and Budget also recommends approval.

State Fiscal Impact

None

Local Fiscal Impact

Washtenaw Community College will finance the entire cost increase.

Washtenaw Community College – Technical and Industrial Building Renovation Project			
Fund Source	Current Authorized Project Cost	Requested Change	Revised Authorized Project Cost
State Building Authority	\$2,999,800	\$0	\$2,999,800
State GF/GP	\$200	\$0	\$200
Washtenaw CC	\$7,685,000	\$3,300,000	\$10,985,000
Totals	\$10,685,000	\$3,300,000	\$13,985,000

Analyst(s)
Al Valenzio