



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL ANALYSIS



Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Concurrent Resolution 27 (as reported without amendment)

Sponsor: Representative Rebekah Warren

House Committee: Appropriations

Senate Committee: Appropriations

CONTENT

The Department of Management and Budget and Washtenaw Community College request legislative approval of House Concurrent Resolution 27 to increase the total authorized cost of the Technical and Industrial Building Renovations project by \$3.3 million, from \$10,685,000 to \$13,985,000. The project was initially authorized in Public Act 297 of 2005 with an estimated total project cost of \$7,185,000 (Washtenaw Community College share \$4,185,000, State Building Authority share \$2,999,800, and General Fund/General Purpose \$200). The Legislature subsequently increased the total authorized cost to \$10,685,000 (SCR 63 adopted in December 2006) due to the college's request to expand the scope of renovations and enhance programming for the facility. Washtenaw Community College funded the entire \$3.5 million increase; the State Building Authority share remained at \$2,999,800 and General Fund/General Purpose at \$200.

Based on competitive cost proposals for construction, Washtenaw Community College is requesting that the total cost of the Technical and Industrial Building Renovations project be increased by \$3.3 million (30.9%). Washtenaw Community College will cover the entire cost increase from college resources with State financing remaining at \$3.0 million. According to Washtenaw Community College, the cost increase is due to complexities related to continued occupancy of the facility during renovations, the need for multiple project phases, labor premiums for third shift work, and the relatively short construction schedule. Material costs related to steel and copper, and costs for asbestos abatement further contributed to cost increases of the project.

FISCAL IMPACT

The concurrent resolution would not increase the State share of funding for this project. The entire increase would be funded by Washtenaw Community College.

Fund Source	Current Authorization	Requested Change	Revised Authorization
State	\$3,000,000	\$0	\$3,000,000
Institution	7,685,000	3,300,000	10,985,000
Totals	\$10,685,000	\$3,300,000	\$13,985,000

Date Completed: 6-28-07

Fiscal Analyst: Bill Bowerman

floor\hcr27

Bill Analysis @ www.senate.michigan.gov/sfa

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.