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

Senate Concurrent Resolutions 43, 44, and 45 (as reported without amendment)
Sponsor: Senator Tom George, M.D. (S.C.R. 43)
Senator Ron Jelinek (S.C.R. 44)
Senator Michelle A. McManus (S.C.R. 45)
Committee: Appropriations

CONTENT

Senate Concurrent Resolutions 43, 44, and 45 would approve the conveyance of property and approve leases between the State, the State Building Authority (SBA), and various educational institutions for construction projects that the Legislature has previously approved for planning and construction. Approval of the resolutions would enable the SBA to issue bonds to finance the State's share of construction costs.

The projects have met all of the planning approval requirements of the Joint Capital Outlay Subcommittee and the Management and Budget Act. Approval of the resolutions would create a contractual obligation between the State and the SBA, requiring the State to make annual rental payments to the SBA. The SBA will use the rental payments to pay off the bonds sold to finance construction. Once the debt obligations are satisfied, the SBA will transfer title back to the institutions.

Kalamazoo Valley Community College (KVCC) - Texas Township Campus Expansion. The project includes a new 33,007-square-foot addition that will house a student services area (Student Success Center, Admissions, Records, Registration, Financial Aid, Transfer students, Central Receiving, and a 150-seat Lecture Hall/Orientation Room). Existing geology and physics labs will be remodeled and upgraded. The project also includes the expansion of faculty offices, creation of student waiting areas, additional conference room space, a multipurpose science lab, additional classroom space, and the expansion of existing parking areas. The estimated completion date is December 31, 2010.

Southwestern Michigan College (SMC) - Technology Building Renovation and Expansion. The project involves the renovation of 8,780 square feet of the classroom section of the Kairis Technology Building and a 2,304-square-foot addition that will provide additional automotive repair bays. The renovated classroom space will include a flexible area that can be transformed into two classrooms. In addition, a large vocational technology lab will be created, providing flexible instructional space. A physics/math classroom, faculty offices, and meeting area are also part of the project. Infrastructure improvements include computer technology enhancements, resurfacing the parking lot and driveway, HVAC and utility upgrades, and ADA compliance issues. The estimated completion date is June 30, 2010.

Ferris State University (FSU) - Center for Collaborative Health Education. The proposed new 87,245-gross-square-foot modern health-care facility includes academic, laboratory, and clinical areas to support teaching, research, and patient care for the Michigan College of Optometry. The estimated completion date is January 31, 2011.

FISCAL IMPACT

The projects represent new bond debt obligations of $27.8 million. Annual rental payments to the SBA are estimated at $1.9 million to $2.5 million until the bonds are retired (approximately 15 to 17 years). Annual rental (debt service) payments to the SBA appropriated in the FY 2009-10 General Government appropriation bill total $235.4 million.

SCR	Project	Total Cost	State Share	Institution Share	Rental Range
43	KVCC – Texas Township Campus Expansion	$11,988,000	$5,994,000	$5,994,000	$411,000 to $537,000
44	SMC - Technology Building Renovation and Expansion	$3,200,000	$1,600,000	$1,600,000	$110,000 to $143,000
45	FSU - Center for Collaborative Health Education	$26,900,000	$20,175,000	$6,725,000	$1,383,000 to $1,809,000
	TOTALS:	$42,088,000	$27,769,000	$14,319,000	$1,904,000 to $2,489,000

Date Completed: 6-21-10

Fiscal Analyst: Bill Bowerman

floor\scr43