



**MICHIGAN**  
**HOUSE OF REPRESENTATIVES**  
P.O. Box 30014  
LANSING, MICHIGAN 48909-7514

**MINUTES OF THE JOINT CAPITAL OUTLAY SUBCOMMITTEE**

Wednesday, January 28, 2015

4:00 p.m.

Room 352, State Capitol

The Joint Capital Outlay Subcommittee was called to order by the Chair, Representative Nancy Jenkins.

Members present: Representatives Jenkins, Pscholka, Bumstead, Potvin, Miller, Zemke, and Dillon. Senators Booher, Nofs, Hansen, MacGregor, and Hertel.  
Members absent/excused: Senators Schuitmaker, Gregory.

Senator Booher moved to excuse absent members. There being no objection, the motion prevailed by unanimous consent.

The Chair laid before the committee the Joint Capital Outlay Subcommittee Rules for 2015-2016.

Ben Gielczyk from the House Fiscal Agency, gave testimony to the committee regarding the rules. Questions and discussion followed.

Representative Pscholka moved that the Subcommittee Rules for 2015-2016 be adopted.

Representative Potvin seconded the motion.

**FAVORABLE ROLL CALL:**

Yeas: Representatives Jenkins, Pscholka, Bumstead, Potvin, Miller, Zemke, and Dillon.  
Senators Booher, Nofs, Hansen, MacGregor, and Hertel.

Nays: None.

Pass: None.

The motion prevailed 12-0-0.

The Chair laid the Lake Superior State University Scope and Cost Adjustment before the subcommittee:

DTMB Letter Date: Received January 26, 2015 (dated January 20, 2015)

The Lake Superior State University (LSSU) School of Business Building project received planning authorization in Public Act 329 of 2010 and construction authorization in Public Act 102 of 2013. As provided for in the construction authorization, the project involves the renovation and adaptive reuse of the abandoned South Hall that was being considered for demolition. The project involves renovation of 32,526 sq. ft. of existing space and the addition of approximately 12,600 sq. ft. of new space. The new building will provide

general-use smart classrooms and seminar rooms; project labs for business, industry, and community collaborations; student study, breakout, and collaboration spaces; community presentation space; a café and commons area; and faculty offices. As originally authorized, the total project cost was \$12.0 million with a state share of \$9.0 million and a university share of \$3.0 million.

LSSU is now requesting that the total cost of the School of Business Building project be increased by \$1.5 million to \$13.5 million to be paid entirely from university resources. LSSU has indicated that initial bids received in July 2014 came in \$2.0 million over the authorized cost. After engaging in value engineering and rebidding the project in November 2014 in an attempt to bring the project back within the authorized cost, bids again came in \$1.5 million over the authorized cost. LSSU attributes the higher than anticipated bids to a changing construction climate driven by an increase in demand and competing jobs in the area. LSSU believes it is in their best interest to move forward at the increased amount with construction to begin in the spring.

Ben Gielczyk from the House Fiscal Agency, testified before the committee regarding the Lake Superior State University Scope and Cost Adjustment. Questions and discussion followed.

Senator Booher moved that the Lake Superior State University Scope and Cost Adjustment be approved.

Senator Hansen seconded the motion.

**FAVORABLE ROLL CALL:**

Yeas: Representatives Jenkins, Pscholka, Bumstead, Potvin, Miller, Zemke, and Dillon.  
Senators Booher, Nofs, Hansen, MacGregor, and Hertel.

Nays: None.

Pass: None.

The motion prevailed 12-0-0.

The Chair laid the Michigan Natural Resources Trust Fund FY 2014-2015 Appropriation Bill before the subcommittee:

**MICHIGAN NATURAL RESOURCES TRUST FUND FY 2014-15 APPROPRIATION  
BILL**

DTMB Letter Date: January 20, 2015

On December 3, 2014, the Michigan Natural Resources Trust Fund (MNRTF) Board adopted FY 2014-15 recommendations for acquisitions and development projects pursuant to Article IX, Section 35 of the Michigan Constitution and the Natural Resources and Environmental Protection Act. The recommendations include a \$24.7 million appropriation from the MNRTF for 25 land acquisition and 44 land development projects. Matching funds

of \$9,780,000 will result in total project costs of \$34,509,500. An appropriation bill is necessary to authorize the spending recommended by the MNRTF Board. Information included in the notebooks provides details on projects recommended, including a description of the projects, location, and cost.

Ben Gielczyk from the House Fiscal Agency, testified before the committee regarding the Michigan Natural Resources Trust Fund. Questions and discussion followed.

There being no further business before the subcommittee and seeing no objection, the Chair adjourned the meeting, the time being 4:20 p.m.

**Representative Nancy Jenkins, Chairperson** \_\_\_\_\_

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