**Use and Finance Bi-Annual Reporting Form**

**Reporting Period (check one): 🞎 January 1, 2018 through June 30, 2018**

 **⌧ July 1, 2018 through December 31, 2018**

**University/College: Lake Superior State University**

**Number of Projects to Report: 1**

**Estimated Impact on Tuition and Fee Rates:[[1]](#footnote-1) $0.00**

|  | **Project Description** | **Project Timeline** | **Project Costs** | **Funding Sources** |
| --- | --- | --- | --- | --- |
|  | Lake Superior State University and Milwaukee-based Johnson Controls have begun a $23.6 million infrastructure upgrade that will improve safety, security and sustainability, and install a more robust wireless IT network across LSSU’s 115-acre campus. The project includes lighting and water retrofits, building wide systems integration, modernized heating and cooling controls, improved building envelopes, and integrated fire, safety, and security solutions.University and corporate officials formally kicked off the project in a campus-wide ceremony on July 25th. The 30-year performance contract will address many needs on campus. We are taking a very progressive, proactive approach toward our deferred maintenance issues.With the performance contract in place, LSSU will be able to realize energy savings over many years and have the ability to track these savings. In addition, these kinds of sustainability efforts have the potential to make a positive impact on the development of curriculum at the university, student projects, and the contribution to environmental sustainability overall throughout the region.Through a long-term performance contract, the project is expected to generate $71 million in energy and operational savings over the course of 30 years. Savings generated by the project are expected to provide the revenue for the bond payments. Upgrades throughout the 41-building campus are expected to be completed by January 2020.Building on a 30-year partnership between Johnson Controls and the university, including a $5.3 million project in 2001, this initiative will help LSSU engage current and prospective students and faculty with modernized infrastructure while upgrading critical facilities and addressing deferred maintenance across the campus. | Start Date: August 2018Completion: January 2020 | Property Acquisition $ 0Remodeling $ 0Additions $ 0Landscaping/Roads $ 0Equipment $ 0Energy Savings Upgrades $ 23,600,000Total: $ 23,600,000 | Tuition $ 0Millage $ 0Bond Proceeds $ 23,600,000Donations $ 0Federal $ 0Other (specify) $ 0Total: $ 23,600,000 |

Instructions:

1. Projects shall be reported on this standard form and submitted to the Joint Capital Outlay Subcommittee, the fiscal agencies, and the State Budget Office ***on or before June 30 and December 31 of each year***. Submission to the above parties shall be accomplished by posting the reports on the institution's website under the "Budget and Performance Transparency Reporting" section.If an institution has no projects to report for a six-month period, enter "None" next to "Number of Projects to Report" located on the top of the form.
2. Reports shall include all contracts entered into for new construction of ***self-funded projects costing in excess of $1,000,000.00***. Projects funded by State capital outlay appropriations are not to be included in these reports. Once submitted, a project does not have to be listed in any subsequent report, unless a change in project cost has occurred. In such case, the subsequent use and finance report shall clearly state that the project cost has changed, listing the dollar amount of the change, and including reasons for the cost change.
3. New construction includes land or property acquisition, remodeling and additions, maintenance projects, roads, landscaping, equipment, telecommunications, utilities, and parking lots and structures.
4. Project Description should include a basic overview of the project including the purpose and justification for the project.
5. Reports shall detail by amount the funding sources that are supporting a project (e.g. tuition, fees, bond funds, millage, donations, etc.).
6. ***Penalties:***  Statutory language in the appropriation act for Universities and Community Colleges provides that institutions shall comply with the current use and finance requirements of the Joint Capital Outlay Subcommittee and provides for a 1.0% reduction in State appropriations for each violation.

Statutory References

Management and Budget Act, 1984 PA 431, Section 238, MCL 18.1238

State School Aid Act, 1979 PA 94, Section 208, MCL 388.1808

State School Aid Act, 1979 PA 94, Section 275a, MCL 388.1875a

1. This amount shall be calculated by dividing the amount of tuition revenue that is annually budgeted for the institution's share of a project's cost by the most recent fiscal year equated student count for the institution. [↑](#footnote-ref-1)