

Submitted by: Bethany Gielczyk, Senior Vice President for Finance and Business Affairs; Chief Financial Officer; Treasurer.

State Hall Renovation – Fund Source Swap

Recommendation

It is recommended that the Board of Governors authorize the President, or her designee, to approve the use of up to \$4 million in 2019 Bond funds to replace 2020 Bond funds for the previously authorized renovation costs for M. Roy Wilson State Hall.

Background and Project Description

Built in 1948 and expanded in 1956, State Hall is the University’s third-largest classroom building with 75 classrooms and over 163,000 gross square feet. It is one of the most scheduled lecture buildings on campus and it supports almost every academic program offered at Wayne State. State Hall received a comprehensive renovation that was largely completed in Fall 2023.

The renovation was previously approved by the Board of Governors through three separate authorizations in 2021 and 2022 with funding from 2020 Bond funds. However, the University has an unallocated tax-exempt bond fund balance from an October 15, 2019, issuance, which is earning interest income, and on which the university will owe taxes. To reduce future tax obligations, the balance of 2019 bond funds should be expended prior to the end of this fiscal year, and the use of those funds in place of previously approved 2020 bond funds for existing expenditures allows for immediate use. The 2020 Bond funds are taxable, thus more flexible, and the funding swapped, up to \$4 million depending on the final available 2019 bond fund balance, will be reallocated to future projects.

Project Budget

Funding Source	Estimated Fund Swap
2020 Bond Funds	(\$4,000,000)
2019 Bond Funds	\$4,000,000
TOTAL Sources	\$0