

COMMISSION FOR HIGHER EDUCATION

Friday, October 8, 2010

DECISION ITEM B-8: Health and Human Sciences Research Facility at the Purdue University West Lafayette Campus

Staff Recommendation

That the Commission for Higher Education recommend approval to the State Budget Agency and the State Budget Committee of the project *Health and Human Sciences Research Facility at the Purdue University West Lafayette Campus*, as described in the project description and staff analysis October 8, 2010.

Background

By statute, the Commission for Higher Education must review all projects to construct buildings or facilities costing more than \$500,000, regardless of the source of funding. Each repair and rehabilitation project must be reviewed by the Commission for Higher Education and approved by the Governor, on recommendation of the Budget Agency, if the cost of the project exceeds seven hundred fifty thousand dollars (\$750,000) and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. Such review is required if no part of the project is paid by state appropriated funds or by mandatory student fees and the project cost exceeds one million dollars (\$1,000,000). A project that has been approved or authorized by the General Assembly is not subject to review by the Commission for Higher Education. However, the Commission for Higher Education shall review a project approved or authorized by the General Assembly if the review is requested by the Budget Agency or the Budget Committee. This project was not authorized by the General Assembly.

At its meeting on May 28, 2010, the Purdue University Board of Trustees approved the project, "Health and Human Sciences Research Facility" on the Purdue University West Lafayette Campus." A new facility will be constructed to combine the departments of Speech Language and Hearing Sciences, Clinical Facilities, and Medical Education (IU School of Medicine – Lafayette). The building will provide a collegial atmosphere that supports the education and research goals of the participating entities. The estimated cost of this total project is \$54,000,000, to be funded from combined Bond Proceeds (\$38,000,000) from the 2009 General Assembly and Gift Funds (\$16,000,000).

Supporting Document

Health and Human Sciences Research Facility at the Purdue University West Lafayette Campus, October 8, 2010.

HEALTH AND HUMAN SCIENCES RESEARCH FACILITY AT THE PURDUE UNIVERSITY WEST LAFAYETTE CAMPUS

Project Description and Staff Analysis

SUMMARY

A new facility will be constructed to combine the departments of Speech Language and Hearing Sciences, Clinical Facilities, and Medical Education (IU School of Medicine - Lafayette). The building will provide a collegial atmosphere that supports the education and research goals of the participating entities. Further, it will be designed to preserve the image and culture associated with existing academic units while expanding opportunities for cross-disciplinary learning and engagement. A parking garage to accommodate approximately 850 vehicles is included in the scope of this project. The facility will be part of the Life and Health Sciences Quad.

DESCRIPTION OF THE PROJECT

The building will bring together multiple clinical training facilities into a new Purdue Clinics facility, including the Speech-Language and Hearing Clinics, Psychology, Nursing, Foods and Nutrition, Health and Kinesiology and the IUSM-L Objective Structured Clinical Exam facilities. As health care continues to progress toward interdisciplinary medicine, this facility will provide a forward-thinking venue for inter-professional learning and clinical education. A parking garage to accommodate approximately 850 vehicles is included within the scope of this project to enhance the success of the Purdue Clinics and their accessibility to the Purdue and the Greater Lafayette communities, as well as to provide needed parking for the Purdue campus.

RELATIONSHIP TO MISSION AND LONG-RANGE PLANNING

This facility is a vanguard opportunity to advance the mission of the new College of Health and Human Sciences at Purdue University – a unique blend of academic disciplines promoting discovery, learning, and engagement scholarship that addresses matters affecting the health, behavior and quality of life of people. It will create a dynamic institutional environment responsive to evolving aspirations and opportunities in health and human sciences; attract and retain the highest caliber researchers, educators and clinical staff; develop and deliver educational programs that attract and prepare students for professions in health and human sciences; and in many other ways support the missions and visions of the new College of Health and Human Sciences, the Speech, Language, and Hearing Sciences Department and the IU School of Medicine-Lafayette.

NEED AND EXPECTED CONTRIBUTION TO EDUCATIONAL SERVICES

The facility will provide the Department of Speech, Language, and Hearing Sciences a venue to fulfill their mission with regard to the study of human communication sciences and disorders, from basic clinical science to the delivery of clinical services and community engagement. This 75 year old program has excelled, despite its challenging location in the basement of Heavilon Hall on the Purdue campus. The facility will support the mission of the IU School of Medicine-Lafayette to advance the health of the people of the State of Indiana and beyond by promoting innovation and excellence in education, research,

and service to the community. Half of the students admitted to IUSM are assigned to one of eight regional IUSM centers for the first two years of school. IUSM-L is one of these centers, and has succeeded despite being located for 35 years in the basement of Lynn Hall on the Purdue campus. The facility will provide unique interdisciplinary clinical training and partnering opportunities for the participating Purdue Clinics; translating didactic and research knowledge into the delivery of clinical services and community engagement through service learning in multiple clinical degree programs.

ALTERNATIVES CONSIDERED

None

RELATIONSHIP TO LONG-RANGE FACILITY PLANS

This project is consistent with Purdue's Master Plan.

HISTORICAL SIGNIFICANCE

N/A

STAFF ANALYSIS

Purdue University is requesting approval to construct a new Health and Human Sciences Research Facility in the new Life and Health Sciences Quad on the West Lafayette Campus. The project will combine various departments into one facility, which is estimated to cost \$54 million. The project cost is broken down into the following funding sources: \$16 million in gifts/donations, \$16 million in parking revenue bonds, \$16 million in fee replacement bonds and \$6 million in indirect cost recovery funds. In total, the state will cover approximately 30% of the cost of this new structure and 70% will come from other funding sources.

The new facility will house the Speech Language and Hearing Services program, the Clinical Facilities program and the Medical Education program (IU School of Medicine – Lafayette). These programs will vacate space on campus and will be moved into the new facility; however, vacated space will be used for other purposes campus wide and will not generate operational savings to Purdue. The cost to operate the new facility will be approximately \$435,000 annually and will be paid for through Purdue's general fund.

The Health and Human Sciences facility is the number one priority for capital projects that have fee replacement associated with the project. The project is a major part of the evolving Life and Health Sciences Quad that will include the Drug Discovery Lab, the Agriculture & Biological Engineering Facility and the Central Machine Shop Facility. By combine the abovementioned programs into one facility, Purdue will be able to co-locate the programs related to the College of Health and Human Sciences into one main facility versus throughout campus in different buildings.

Financially, Purdue has secured the \$16 million of gift money and will use parking revenue to fund the \$16 million parking garage that will support the new facility's staff, patients and faculty. Of the \$6 million that will funded through indirect cost recovery, Purdue University notes that adequate funding is available through this allocation program to cover a portion of the cost of this facility and understands that if indirect cost funds were to decrease, other funding options would need to be identified. For 2011 Purdue's overall debt ratio is estimated at 9.9% and is projected to be 12% by 2012 based on Commission calculations.