

STATE BUDGET COMMITTEE MINUTES
August 20, 2004

MEMBERS:

Representative William C. Cochran, Chairman
Senator Vi Simpson
Senator Robert Meeks
Representative Jeffrey K. Espich
Marilyn F. Schultz, State Budget Director

ALTERNATE MEMBER:

Senator Lindel O. Hume
Representative Dennis T. Avery
Senator Patricia Miller
Representative Lawrence L. Buell

The business meeting was held at 10:00 AM on August 20 at the University of Southern Indiana, Evansville, Indiana. Seventeen projects and three review items were considered. Representative Cochran called the meeting to order. Director Schultz made a motion to consider the agenda. Senator Simpson made a motion to amend the agenda to move the "Addition to CRED criteria" from a "Review Item" to a "Discussion Item." Senator Meeks seconded. Motion passed with five ayes. Motion to accept the agenda as amended by Senator Simpson; seconded by Senator Meeks, and passed by five ayes. After discussing the agenda, Director Schultz moved to pass the agenda and Senator Simpson seconded the motion. The motion passed with five ayes.

State Agency Projects

3260 301900 700001	<u>Indiana State Police (100)</u> Indianapolis Regional Lab (Post 52) Roof Replacement Project No. A2-4-343E	\$130,000
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The project request is to replace the 22 year old roof on the 20,480 sq. ft. facility. The building was constructed in 1982 and over the past few years has begun to experience increasing leaks and moisture buildup. The building is now and will continue to be used as one of the four regional labs so it will need ongoing maintenance to protect evidence and equipment plus the health of ISP personnel.
2003 State Police Building Fund R&R

1000 379430 700001	<u>Indiana Soldiers' and Sailors' Children's Home (580)</u> Replacement of Roof on Morton Memorial School Project No. B18-412	\$150,000
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The Morton Memorial School was constructed in the 1920's and is generally in fair condition. The School is 87,779 square feet with approximately 27,000 square feet of roof surface. 15% of the roof surface is shingled and 85% is a built-up flat roof. The current roof is in very poor condition. There are several leaks, some of which are severe causing water damage to walls, floors and ceilings. There are health and safety issues relating to the development of mold due to moisture infiltration.
2003 General Fund – Indiana Soldiers' and Sailors' Children's Home R&R

3950 304200 700001	<u>Indiana Veterans' Home (570)</u> Replacement of Existing Pipe Insulation in the Pyle Hall Project No. B17-015	\$120,000
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The project will remove and replace existing pipe insulation in the Pyle Hall facility at the Indiana Veterans' Home. The piping is located on the basement and first floor levels. The current piping insulation is approximately 28 years old. There are numerous locations where piping insulation has deteriorated allowing for condensation to form on existing pipes. The condensation is leaking and causing damage to ceiling tiles and walls. There are also health and safety issues related to development of mold and slip hazards.

1997 Dedicated Fund – Veterans Home Construction
Appropriation: \$4,603,568

3800 342480 700001	<u>Indiana State Prison (620)</u> Replace Windows in Administration Building Project No. B1-304	\$215,338
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The request is for replacement of 45 year old steel framed single pane windows in the Administration Building. A total of 65 windows are in need of replacement. Seventy percent of the windows are inoperable and in some cases they are unable to be locked, causing a security problem.

2003 Postwar Construction Fund – Indiana State Prison R&R

3800 342490 700001	<u>Putnamville Correctional Facility (650)</u> Enclose Elevated Tower Stairs Project No. B3-301	\$226,600
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The request is to enclose five towers which are exposed to outside elements. The present spiral stair treads in the towers are made of steel. Since these stairs are exposed to outside weather elements, they become a safety hazard due to slickness of rain, snow and ice.

2003 Postwar Construction Fund – Putnamville Correctional Facility R&R

3800 342500 700001	<u>Plainfield Juvenile Correctional Facility (660)</u> Tuck Pointing Three Two-Story Buildings Project No. B5-301	\$177,160
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The request is to tuck point three two-story buildings at the Plainfield Juvenile Correctional Facility. The school, chapel and administrative buildings were constructed between 1893 and 1923. The mortar on these buildings has deteriorated over time allowing moisture to enter the interior, causing damage. Attempts to make “in house” repairs have not been successful. While tuck pointing will be applied only where needed, the three buildings represent over 20,000 square feet.

2003 Postwar Construction Fund – Plainfield Juvenile Correctional Facility R&R

1000 379440 **Department of Natural Resources (300)** \$144,000
700001 Lake Shafer Dredging
Project #013500

Hydraulic dredging is a process of removing silt that accumulates in a lake thereby increasing the depth of the lake. Lake Shafer has had no hydraulic dredging for 80 years and the dredging process is expected to bring the lake 6 feet below the existing lake water level. Should this process not be completed the water levels could possibly rise beyond the embankment causing flooding. The current funding request is expected to continue the project for an estimated 3 to 4 months covering labor, fuel, supplies and insurance but is not expected to complete the project. Shafer and Freeman Lakes Environmental Conservation Corp is the designee assigned through the Dept. of Natural Resources to perform the work. Lake Shafer depends heavily on tourism and flooding would discourage and prohibit visitors from accessing the Lake.
2003 General Fund – Lake Shafer Dredging

University Projects

Indiana University – Purdue University Indianapolis (750) \$120,218/year

IUPUI School of Medicine Lease Agreement – Pulmonary Division
Project No. A-2-04-5-08

Indiana University requests review from the Budget Committee to enter into a lease on behalf of the Indiana University – Purdue University Indianapolis Campus, in conjunction with the Indiana University School of Medicine. The lease space is located on the 6th Floor East of Building No. 1 at the Richard L. Roudebush VA Medical Center located at 1481 West Tenth Street, Indianapolis, Indiana. The space will be used by the School of Medicine’s Pulmonary Division as faculty and administrative offices and will comprise of 6,819 square feet (\$17.63 per square foot). The length of the lease is one (1) year with two (2) subsequent one (1) year extension options. The estimated annual lease cost is \$120,218, with an additional \$125,396 due upon commencement of the lease, for a total over three years of \$486,050. The space is necessary due to the enrollment growth in the School of Medicine’s various programs and the need for appropriate space. Previously, the Pulmonary Division was located at Wishard Hospital, which is currently under renovation. However, the new space at the VA Medical Center is adjacent to research laboratory space used by the Pulmonary Division, which will help enhance research and teaching programs. Funding for the lease will be paid out of the School of Medicine’s operating funds and will have no state fiscal impact.

Funding: School of Medicine Operating Funds - \$486,050 over 3 year period
CHE Review: July 2, 2004

Purdue University – West Lafayette (760) \$1,000,000

Switchgear for Northwest Main Substation
Project No. B-1-04-2-15

Purdue University requests review from the Budget Committee to install a new infrastructure and switchgear in the Northwest Main Substation on the West Lafayette Campus to support campus electrical load growth. The switchgear will have provisions for eight (8) new 12.47kV feeders and includes remote monitoring and control of the switchgear. Due to electrical load growth in the south

and west portions of the West Lafayette campus (Discovery Park), more feeders are required for greater distribution system capacity. The new feeders should improve the reliability of electrical service to this portion of campus which has a heavy reliance on electronic teaching aids and high-tech scientific equipment. This project is a planned addition to the portion of the northwest substation, which was constructed in 1999. Funding for the switchgear and other related infrastructure concerning this project will be paid through Balance Sheet Reserves. The total cost of the project is \$1,000,000. Purdue University has not requested plant expansion and the project is not eligible for fee replacement.

Funding: Balance Sheet Reserves - \$1,000,000
CHE Review: June 22, 2004

Purdue University – West Lafayette (760) \$2,000,000

Infrastructure Expansion at Stadium Mall Drive
Project No. B-1-04-1-16

Purdue University requests review from the Budget Committee to proceed with the rerouting of various utilities and piping on the West Lafayette Campus. The project calls for the rerouting of water, gas, storm sewer and high voltage lines around a future building site once the Creative Arts Buildings 1, 2, 4 and 5 are razed. In addition to the rerouting, a steam tunnel, chilled water and sanitary sewer stubs from the main infrastructure will be extended into the site. The project will provide improved utility services to future buildings constructed on the former Creative Arts Building site, as well as several existing buildings such as Civil Engineering, Physics and Chemical Engineering. The cost of the rerouting and extension of utility lines is \$2,000,000, which will be funded through the university's Infrastructure Reserve Fund. Purdue University has not requested plant expansion and the project is not eligible for fee replacement.

Funding: Infrastructure Reserves - \$2,000,000
CHE Review: June 22, 2004

Purdue University – West Lafayette (760) \$1,135,000

Satellite Plant Chiller #3 Installation
Project No. B-1-04-2-17

Purdue University requests review from the Budget Committee to proceed with the installation of a 2,000 ton electric chiller and associated equipment in the existing Satellite Chiller Plant on the West Lafayette campus. The new electric chiller will provide additional chilled water capacity to meet the need of new facilities that are planned or under construction in Discovery Park. The cost of the new electric chiller is \$1,135,000, which will be funded through the university's Balance Sheet Reserves Fund. Purdue University has not requested plant expansion and the project is not eligible for fee replacement.

Funding: Balance Sheet Reserves - \$1,135,000
CHE Review: June 22, 2004

Purdue University – West Lafayette (760)

\$1,400,000

Radiation Therapy Facility
Project No. B-1-05-1-09

Purdue University requests review from the Budget Committee to proceed with the construction of a new radiation therapy facility to be located at the southeast corner of Lynn Hall on the West Lafayette campus. The proposed construction will consist of a 2,340 GSF building at a cost of \$1,400,000 (\$598.29 per GSF). The purpose of the facility is to provide students and faculty in the area of veterinary medicine with the opportunity to study cancer in small animals and understand the use of radiation as a type of treatment. The building will offer interdepartmental research and education opportunities as well as regional and national treatment opportunities. Currently, the West Lafayette campus does not provide a radiation therapy treatment option, therefore seriously hampering the ability to investigate and develop new integrated approaches to treatment. In addition, three academic programs are currently involved in the radiation therapy planning. The new facility will house a medical linear accelerator, rooms for equipment operation and the preparation and treatment of small animals. Funding for the construction of the new radiation therapy facility comes from a combination of Gift Funds, Veterinary Teaching Hospital Fund Balance monies and Sponsored Program Funds. Purdue University has requested plant expansion, which is estimated at \$13,727. This project is not eligible for fee replacement and any review by the Budget Committee does not constitute a commitment to future funding for plant expansion.

Funding: Gift Funds	\$900,000
Veterinary Teaching Hospital Fund Balance	\$300,000
Sponsored Program Funds	\$200,000

CHE Review: July 15, 2004

Indiana State University (770)

\$750,000

Hulman Center Mechanical Theatre Wedge System
Project No. BC-1-05-2-02

Indiana State University requests review from the Budget Committee to proceed with expenditures for the replacement of various pieces of equipment at the Hulman Center at Indiana State University in Terre Haute. The request includes the replacement of existing lift equipment and curtains for the theatre wedge system at the Hulman Center. The Hulman Center is a multipurpose auxiliary facility which is used for athletic, cultural and entertainment programming. Currently, the wedge system is inoperable and presents a risk and safety hazards to those working around the system. Funding for the replacement equipment will be through the school's Student Service Facility Reserves Fund, in the amount of \$750,000. Indiana State University has not requested plant expansion and the project is not eligible for fee replacement.

Funding: Student Service Facility Reserves Fund - \$750,000
CHE Review: August 5, 2004

Indiana State University (770)

\$482,400

Stalker Hall Renovation (Revision#2)
Project No. C-1-99-2-01

Indiana State University requests review by Budget Committee to increase expenditure authority for the renovation of Stalker Hall, located on the campus of Indiana State University by \$482,400. Previously, the State Budget Committee approved funding for the renovation of the hall on February 4, 2003, granting ISU approval to spend \$4,500,000 to fund the renovation. After revisions to the estimated cost of construction, primarily electrical and mechanical by the Architect’s office, ISU requested an additional \$567,600 to complete the renovation, which was approved by the Budget Committee in its March 16th meeting. The total cost of the project at that time was \$5,067,600. ISU’s second revision request will increase the cost to \$5,550,000, an increase of \$482,400 over the March 16th approved amount. The new revision request is due to an increase in construction costs due to higher costs in steel, copper and masonry contractors that are associated with the construction. Again, ISU will use university reserves to cover the new additional costs associated with Stalker Hall. Renovations to Stalker Hall include the addition of a new entrance that is ADA compliant as well as ADA accessible restrooms and an elevator. In addition, an upgrade to the buildings HVAC and electrical systems as well as various aesthetic changes to the outside of the building to be properly integrated into the current campus architectural design are included in the renovation. The new total cost of the project is estimated at \$5,550,000, which is \$1,050,000 over the original approved amount. The project will be funded through the issuance of bonds and the use of university reserves. This project is eligible for fee replacement beginning no sooner than state fiscal year 2006.

Funding: University Reserves: \$482,400
2001 Bonding Authority \$4,500,000 (previously approved)
University Reserves: \$567,600 (previously approved)
Estimated Fee Replacement Request: \$384,406/year
CHE Review: August 5, 2004

Ivy Tech State College - Madison (710)

\$826,000

Architectural Planning for ITSC Madison
Project No. F-0-96-1-06

Ivy Tech State College requests approval from the Budget Committee to approve the financing and architectural planning and engineering for a new construction project located at the school’s current campus site in the city of Madison, Indiana. The new building will be a V shaped facility that will house various classrooms, labs, computer labs, a 175 seat auditorium, student services amenities, a library, a Business Conference Center and administrative offices. The new campus facility will meet the needs of steadily increasing enrollment growth in the Madison area as well as address the loss of the Technology building, which was demolished due to environmental issues. The 2003 General Assembly approved bonding authority in the amount of \$826,000 for the architectural planning associated with ITSC Madison. The project is eligible for fee replacement at an estimated cost of \$66,280 and will begin no sooner than fiscal year 2008. The permanent financing package is subject to the approval of the State Budget Director.

Funding: 2003 Bonding - \$826,000
Estimated Fee Replacement - \$66,280
CHE Review: August 16, 2004

Ivy Tech State College - Portage (710)

\$275,000

Architectural Planning for ITSC Portage
Project No. F-0-04-1-05

Ivy Tech State College requests approval from the Budget Committee to approve the financing and architectural planning for a new construction project located at a site in the city of Portage, Indiana east of City Hall on Central Avenue. The new building will be constructed by the City of Portage and then leased to Ivy Tech, sometime in fiscal year 2006 or 2007, with an option to purchase in the future. The new campus facility will meet the needs of steadily increasing enrollment growth in the Portage area, it will reduce the number of leased spaces currently being used by ITSC Portage and eventually provide degree programs. The 2003 General Assembly approved bonding authority in the amount of \$275,000 for the architectural planning and engineering associated with ITSC Portage. The project is eligible for fee replacement at an estimated cost of \$22,067 and will begin no sooner than fiscal year 2008. The permanent financing package is subject to the approval of the State Budget Director.

Funding: 2003 Bonding - \$275,000
Estimated Fee Replacement - \$22,067
CHE Review: August 16, 2004

Ivy Tech State College - Evansville (710)

\$18,158,000

Main Campus Expansion & Renovation – Phase II Evansville
Project No. F-0-02-1-07

Ivy Tech State College requests approval from the Budget Committee to proceed with the construction and renovation of the Evansville Construction and Renovation Project, Phase II in Evansville, Indiana. Phase II of the project calls for an addition to and the renovation of the current Main Campus Building. Phase II will include the demolition of an existing one story building and the construction of a 68,250 square foot three story building. The new building will expand the library and various student support areas as well as provide facilities for distance education, classrooms, offices, wellness and fitness room and a student lounge. Renovation improvements to the Main Campus Building include the replacement and upgrade of mechanical and electrical systems, installation of sprinkler and fire protection systems, new carpeting and painting and access for disabled persons. In addition to the construction and renovation, the project cost also includes funds to purchase property currently being leased by Ivy Tech, from the Ivy Tech Foundation, located at the First Avenue Office Building, 3455 First Avenue in Evansville. Phase I of the Evansville project was approved by the Budget Committee during the February 4, 2003 meeting. Phase I included planning and design for the project to construct an addition to the Main Campus Building and renovate part of the main campus building. Due to large increases in enrollment over the last 8 years in the Evansville area, the construction and renovation associated with the Main Campus Building will address current enrollment increases and projected enrollment for the next ten years. The cost of the construction and renovation for Phase II is \$18,158,000 funded through bonding authority given by the 2003 General Assembly. Fee replacement is estimated at \$1,457,045 and will begin no sooner than fiscal year 2008. Ivy Tech is requesting plant

expansion for Phase II of the project cost and is estimated at \$339,000. The permanent financing package is subject to the approval of the State Budget Director. Review by the Budget Committee does not constitute a commitment to future funding for plant expansion.

Funding: 2003 Bonding - \$18,158,000
Estimated Fee Replacement - \$1,457,045
Estimated Plant Expansion - \$339,000
CHE Review: August 16, 2004

Review Items

1. Use and Occupancy Agreements for Logansport regional health facility (Isaac Ray Treatment Center), Madison/Southeast regional health facility, and State laboratories
2. 21st Century Research & Technology Fund – Round 6 Awards
3. 21st Century Research & Technology Fund – Small Business Innovative Research Program for matching federal funds for \$3,000,000

Discussion Items

Department of Local Government Finance Report on continuing studies of personal and real property tax deductions, abatements, and exemptions.

Addition to CRED criteria.

Pursuant to the provisions of IC 4-12-1 and IC 20-12, the State Budget Committee recommends approval of the foregoing projects.

Chairperson

Governor

Budget Director