

STATE BUDGET COMMITTEE MEETING MINUTES
May 19, 2005

MEMBERS:

Senator Robert Meeks, Chairperson
Representative Jeffrey K. Espich
Senator Vi Simpson
Representative William C. Cochran
Charles E. Schalliol, State Budget Director

ALTERNATE MEMBERS:

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

The business meeting was held at 1:30 PM on May 19, 2005 in the Pershing Auditorium of the Indiana War Memorial Museum in Indianapolis, Indiana. In Senator Simpson's absence, Senator Hume served as a voting member for the business meeting. Seven projects and five review items were on the agenda. Senator Meeks called the meeting to order. Representative Espich made a motion to consider the agenda. Representative Cochran seconded the motion. The motion passed with five ayes. After discussion of the projects, Director Schalliol moved to pass the agenda and Senator Hume seconded the motion. The motion passed with five ayes. The committee then discussed the five review items. Budget Committee members expressed many concerns regarding CREDs and acknowledged support for Budget Director Schalliol's moratorium on CREDs.

State Agency Projects

1000 377700 Department of Administration (061) \$140,000
700001 Restroom Rehabilitation – Government Center Complex

The project will repair and rehabilitate up to 200 restrooms and janitorial closets in the Government Center Complex. Similar repairs have not been provided since the Government Center Complex was completed over 15 years ago. The total cost of the project is \$198,700. Funds remaining from an earlier project to bring restrooms into ADA compliance will provide part of the resources.

(1999 General Fund – R&R Department of Administration)

1000 379280 FSSA – Evansville State Hospital (425) \$ 1,777,234
700001 Asbestos Removal Project

FSSA is requesting additional funds be made available for the asbestos removal project at the Evansville State Hospital to fund the remainder of the project. The Budget Committee recommended the use of \$800,000 for the removal project during its April 2004 meeting. FSSA requests that approximately \$1,800,000.00 be used from other FSSA capital projects to

fund the remaining costs associated with the asbestos removal at
 Evansville State Hospital.
 (1999 General Fund – Richmond Energy Savings Repayment)
 (1999 General Fund – Larue Carter Energy Savings Repayment)
 (2001 General Fund – Asbestos, PCB, EPA, IUSHA, ADA & Demolition)

University Projects

Indiana State University (770) \$ 8,500,000
 Renovation of Burford Hall
 Project No. C-1-05-2-05

The Trustees of Indiana State University request recommendation and approval to proceed with the renovation and reconfiguration of Burford Residence Hall. The residence hall, which was constructed in 1959, will be reconfigured to accommodate double rooms with private baths and individual heat and air conditioning controls. The project also includes a new west entrance, and renovation of the fire sprinkler system, elevator upgrades, exterior façade modifications, new windows, and remodeling of areas to support academic and residential theme programs. The project also includes a new roof for Pickerl Hall, which adjoins Burford Hall. The project will be funded from residence hall reserves (\$500,000) and revenue bonds issued under IC 20-12-8 (\$8,000,000). This project is not eligible for fee replacement or plant expansion. The permanent financing package is subject to approval by the State Budget Director.

| | | |
|-----------|---|--------------|
| Funding - | Residence Hall Reserves | \$ 500,000 |
| | (IC 20-12-8) Tax-exempt Interim Borrowing | \$ 8,000,000 |

CHE Review: pending (may 12)

University of Southern Indiana (775) \$ 1,125,000
 Kenneth P. McCutchan Art Gallery
 Project No. G-0-05-1-06

USI seeks recommendation and approval to construct the Kenneth P. McCutchan Art Gallery. The gallery would be an addition to the existing Liberal Arts Center on the campus of USI. The space would be used by students, faculty, guest artists and the community to exhibit and view art. At 6,065 gross square feet (\$186/GSF) the gallery would provide space for art exhibitions, service learning, research & study opportunities. Funding comes from private donations, the Academic Initiatives Fund, art print sales and the USI Foundation.

| | | |
|-----------|------------------------------------|------------|
| Funding - | Donation Kenneth P. McCutchan Fund | \$ 640,000 |
| | Academic Initiatives Fund | \$ 300,000 |
| | Art print Sales | \$ 50,000 |
| | USI Foundation | \$ 135,000 |

CHE review: 4/29/05

Indiana University Southeast (750) \$ 203,563
Purchase of property at 4025 Grant Line Rd, New Albany, IN
Project No. A-9-05-3-06

Indiana University seeks recommendation and approval to purchase 2.05 acres of property from the IU Foundation. The property located at 4025 Grant Line Road, New Albany, IN, is located within the IUSE master plan. Currently on the property is a 1,000 square foot house and two out buildings, which are economically and functionally obsolescent and do not contribute to the real estate value and will be razed. The site is surrounded on three sides by university land and will be used to expand the Child Care Center and for campus green space. Funding is from IU's Capital Project/Land Acquisition Reserves. IU is not requesting plant expansion for the property.

Funding - IUSE Capital Projects/Land Acquisition Reserve Fund \$203,563
CHE review: 2/22/05

Indiana University Kokomo (750) \$ 1,659,000
Qualified Energy Savings Project
Project No. A-6-04-2-11

IU requests recommendation and approval to issue \$1,659,000 in qualified energy savings borrowing to complete energy savings projects on the Kokomo campus. The projects will upgrade and/or replace electrical and mechanical systems in certain buildings and the central chilled water plant and include renovations to improve lighting, pump and fan drives, electrical supply, HVAC and temperature control/energy management systems. The debt shall be repaid by the energy and maintenance savings realized from the projects. The project is not eligible for fee replacement or plant expansion. The permanent financing package is subject to approval by the State Budget Director.

Funding - Qualified Energy Savings Borrowing (IC 20-12-5.5-7) \$1,659,000
CHE review: 4/13/05

Indiana University Purdue University Indianapolis (750) \$ 1,162,000
Engineering/Technology Building Basement Renovation
A-2-05-2-08

Indiana University seeks recommendation and approval to renovate the basement of the Engineering/Technology Building on the IUPUI campus. The project would renovate 28,812 gross square feet (\$40/GSF). The project would change the space layout to provide additional and appropriate laboratories, offices and infrastructure for the Department of Computer Engineering and Computer Network Center of the School of Engineering and Technology. The project will also upgrade the electrical and air handling systems. Funding comes from the Capital Projects/Land Acquisition Fund. The project is not eligible for plant expansion.

Funding - Capital Projects/Land Acquisition Fund \$ 1,162,000
CHE review: 1/5/05

Ball State University (780) \$ 36,000,000
New Residence Hall construction and Woodworth Dining Hall Renovation and
Expansion
Project No. D-1-05-1-03

The Trustees of Ball State University seek recommendation and approval to proceed with the construction of a new 512 bed student residence hall and renovation of the existing Woodworth Dining Hall to accommodate the food service needs of students living in the new residence hall. Construction of the new residence hall is part of the University's overall student residence improvement plan, which calls for the addition of two new residence halls, upgrades and facility renewal, as well as the demolition of facilities deemed to be cost prohibitive to remodel, including Lafollette Residence Hall. The intent of the overall plan is to provide new and updated housing facilities and to maintain total university student housing capacity at levels equal to the projected need for various housing types. Roughly one-third of the student population resides in campus housing and for the last five years the average residence hall occupancy rate at Ball State University has been 97%. The 194,600 GSF (145,950 ASF) building will cost \$36,000,000, (\$185/GSF) to be financed through the sale of revenue bonds (IC 20-12-8). The project is not eligible for fee replacement or plant expansion. The permanent financing package is subject to approval by the State Budget Director.

Funding- Revenue bonds (IC 20-12-8) \$36,000,000
CHE review: pending (may 12)

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

Review Items:

EDGE for Retention Agreement: Ispat Inland, Inc.

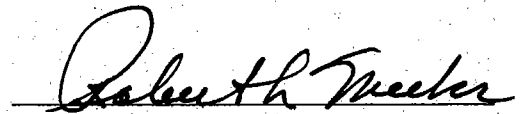
EDGE for Retention Agreement: Dover Industries, Inc. d/b/a Rotary Lift
Division

Elkhart CRED Application

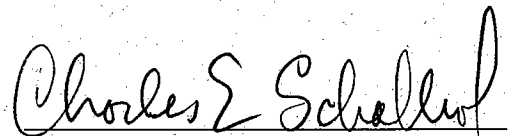
Lawrence CRED Application

ISTEP Remediation Distribution

Pursuant to the provisions of IC 6-3.1-13, IC 20-10.1-17 and IC36-7-13-12.1(e), the State Budget Committee takes the following actions: 1) recommends approval of the following review items: Ispat Inland, Inc. EDGE for Retention tax credit agreement, Dover Industries, Inc. d/b/a Rotary Lift EDGE for Retention tax credit agreement, and the ISTEP remediation distribution plan, and 2) does not recommend approval of the Elkhart CRED and Lawrence CRED applications until new criteria has been established by the State Budget Agency. Budget Director Schalliol stated his intentions to deny the Elkhart & Lawrence CRED applications and implement a moratorium on applications for additional CREDs or modifications/expansions of existing CREDs. The moratorium is necessary due to the state's fiscal condition and will remain in effect until the conditions improve and criteria are developed.



Chairperson



Budget Director



STATE OF INDIANA
OFFICE OF THE GOVERNOR
State House, Second Floor
Indianapolis, Indiana 46204

Mitchell E. Daniels, Jr.
Governor


Bond Approval Certification
For
Higher Education Projects Pursuant to IC 20-12

To: Chair, State Budget Committee
From: Governor of Indiana
Re: Approval of Bond Issuances from State Budget Committee Meetings
Minutes from: May 2005
Date: 5/19/2005

Dear Chairman Meeks:

In accordance with statute, I am required to approve the bond issuances certified to me by the State Budget Committee for certain projects related to higher education. As such, pursuant to IC 20-12, I hereby approve the bond issuances for the related university projects approved in the above referenced State Budget Committee Meeting Minutes.

Signed:


Mitchell E. Daniels, Jr.
Governor