

State Budget Committee Minutes
October 12, 2007

MEMBERS:

Representative Jeffrey K. Espich, Chairman
Senator Robert L. Meeks
Representative William C. Cochran
Senator Frank Mrvan Jr.
Christopher A. Ruhl, State Budget Director

ALTERNATE MEMBERS:

Representative Lawrence L. Buell
Representative Dennis Avery
Senator Lindel Hume

Rep. Espich called the meeting to order at 9:30am in the conference room of the Cyclotron facility on the Indiana University campus.

Rep. Cochran made a motion to consider the agenda for discussion. Rep. Espich seconded. Motion carried 5-0.

After discussion of each agenda item, Rep. Cochran made a motion to adopt the agenda; Sen. Mrvan seconded. Motion carried 5-0. Agenda adopted.

I. Agency Projects

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|----|---|-------------|
| 1. | <u>Logansport State Hospital</u> (435)
Wall Hardenings in Buildings 105,106 and 107
Project No. B09-801 | \$1,400,000 |
|----|---|-------------|

The treatment centers at Logansport State Hospital are 20 years old and house patients who are difficult to control and at times, destructive. The facility was not designed for such patients, therefore necessitating a need to remove drywall from ceilings and walls and replace with a more durable, resistant material. Security windows will also be installed, as well as electronic locks at all entrances and duct work will be insulated.

Funding Source: 2008 General Fund
Repair and Rehabilitation

2. Logansport State Hospital (435) \$550,000
Upgrade CCTV in Buildings 105, 106, 107
Project No. B09-802

Installation of closed-circuit television cameras are needed at various areas of the facility to provide a record of events and allow staff to quickly respond to problems before they escalate. This safety measure protects staff and patients alike. Existing cameras are non-functional, and spare and replacements parts are difficult to find.

Funding Source: 2008 General Fund
Repair and Rehabilitation

3. Logansport State Hospital (435) \$363,000
Phase III Carpet Replacement Buildings 105, 106 and 107
Project No. B09-803

Original carpet was installed in 1992 and now has many rips and tears, posing a safety threat to staff and patients. Existing carpet will be removed and replaced with floor tile, which is more durable and has a longer usable life cycle.

Funding Source: 2008 General Fund
Repair and Rehabilitation

4. Logansport State Hospital (435) \$590,000
Roof Replacement on Buildings 9, 105, 106 and 107
Project No. B09-804

The roofs on these buildings are original to the 1993 construction. Roof shingles are curling and water damage is expected to occur within a short period of time.

Funding Source: 2008 General Fund
Repair and Rehabilitation

5. Department of Correction (615) \$150,000
Environmental Response
Project No. D12-707

The Department of Correction has identified environmental issues to be resolved, such as asbestos remediation, leaking fuel tank remediation and air emission surveys. This project gives the Department flexibility to

respond in a timely fashion and provide prompt resolution to these issues and to reduce delays in other projects, most importantly in a cost-effective manner. Additionally, the Department employs an internal environmentalist who manages these matters, whose professional licensure eliminates the need for the Department to hire outside consulting firms to identify, respond and resolve the issues.

Funding Source: 2008-2009 Post War Construction

6. Department of Correction, Correctional Units (617) \$560,000
Chain O' Lakes Wastewater System Improvements
Project No. D12-708

The current wastewater facility at the Chain O' Lakes Correctional Facility is not large enough to effectively manage the effluent. Working cooperatively with the Division of Public Works and the Department of Natural Resources, the Department has developed a cost-effective and permanent solution, whereby the COL Correctional Facility will be connected to the newly renovated Chain O' Lakes State Park wastewater plant, owned by DNR. This project provides support for all engineering and construction costs to build required lift stations and underground piping system to connect the two facilities, which are 1.4 miles apart. Cooperation between the Department and DNR, under the guidance of DPW, will lead to maximum operational efficiency for both facilities and operational costs will be reduced. The preliminary engineering has been accomplished for this project and allows for the eventual expansion of the correctional facility from a capacity of 150 offenders to 300.

Funding Source: 2003-2005 Post War Construction \$460,000
2007-2009 Post War Construction \$100,000

7. Department of Natural Resources (300) \$275,000
Kankakee Flood Control Gates
Project No. 300FW027002

The Yellow River flood control gates at Kankakee Fish and Wildlife are in need of repair. The gates, constructed in 1982, are used to flood the marshes at Kankakee to allow waterfowl hunters to hunt from blinds during waterfowl season. In 2005 the gates were damaged by a significant storm surge and have not been operating at capacity since that time. Attempts at minor repairs have proven unsuccessful.

Funding Source: 2007 General Fund
DNR –State Parks and Reservoir Management
Campground Rehabilitation

8. Department of Natural Resources (300) \$182,000
Falls of the Ohio Lease Payment
Project No. 300SP4037004

The annual lease-purchase payment to the Clarksville Riverfront Foundation is payable in January. The purchase will be complete in 2014.

Funding Source: 2007 General Fund
DNR – State Parks and Reservoirs
Campground Rehab

II. University Projects

1. Indiana University – Bloomington (750) \$32,700,000
Cyber Infrastructure Facility – Data Center
A-1-07-1-03

The trustees of Indiana University request authorization to proceed with the financing and construction of the Cyber Infrastructure Facility-Data Center on the Bloomington campus. The project will construct a separate hardened structure that will accommodate the data center and machine room for the Cyber Infrastructure Facility project. It will house network routers, switches, and computers that support research, teaching, and administration of all Indiana University campuses. It will also house computers for administrative and academic departments. The facility will be built to withstand natural disasters and other scenarios such as sabotage. The cooling and power systems within the building will have the flexibility to change over time if more cooling or power is needed. The project is estimated to cost \$32,700,000 and will be funded through a combination of Academic Facilities Bonds, Infrastructure Reserves, and Capital Projects/Land Acquisition Reserves.

The project has a preliminary financing plan drafted that does not include capitalized interest. The project is considered the top priority of Indiana University and was recommended by CHE to the General Assembly and Governor for authorization in the 2007 Budget. The bonding authorization by the General Assembly is at the same funding level as was recommended by the CHE. Of the funding for the project, 44% (\$14.4 million) is derived from non-state sources. Indiana University's ratio of debt service to operating and debt service appropriations is 12.9% for FY 08 and 13% for FY 09.

Recommendation and/or approval of this project and its financing by the Budget Committee do not constitute a commitment to plant expansion. The permanent financing package is subject to approval by the State Budget Director.

Funding:	2007 Bonding Authority	\$18,300,000
	Infrastructure Reserves	\$ 8,400,000
	Cap Proj/Land Acq Resrves	\$ 6,000,000

CHE Review: September 14, 2007

2. Indiana University-Bloomington (750) \$3,000,000
Optometry Clinic - Design Build
A-1-07-2-05

The trustees of Indiana University request authorization to proceed with the construction of a new two-story building to accommodate the Optometry Clinic program. The Margrave Apartment Building on East Third Street will be razed and the clinic constructed on the site. The Budget Committee approved the renovation of the Margrave Apartment Building in February of 2007; however, engineering and architectural analyses have indicated that the renovation was not feasible for this purpose. The project will provide space in the current optometry building for researchers. The existing Margrave building will be completely renovated to create space for a clinical facility. A new entrance and reception area will be built on the east side of the building. The project will include new mechanical, electrical, and technology/communications systems, and installation of an elevator. The site will be improved to include ramps, walks, and paved parking areas. The project will be funded with gift funds from the Indiana University Foundation and the Capital Projects/Land Acquisition Reserves. This project is not eligible for plant expansion.

Funding:	IU Foundation gifts	\$1,396,000
	Capital Proj/Land Acq	\$1,604,000

CHE Review: September 14, 2007

3. Purdue University – West Lafayette (760) \$28,550,000
Lilly Hall West Wing Laboratory Renovations
B-1-07-2-15

The trustees of Purdue University request authorization to proceed with the Lilly Hall West Wing Laboratory Renovations project on the West Lafayette campus. This project is the fifth phase of an ongoing project to renovate Lilly Hall. Approximately 58,400 gross square feet will be

renovated. This phased project will renovate the remainder of the west wing, including the labs and offices, corridors, restrooms, and stairwells. Supply air and exhaust air systems also will be upgraded with each phase. The project will be funded using Repair and Rehabilitation-bond proceeds. The permanent financing package is subject to approval by the State Budget Director. This project is not eligible for student fee replacement funding.

Funding: 2006 R&R Student Fee Bonding Authority
CHE Review: September 14, 2007

4. Purdue University – West Lafayette (760) \$6,000,000
Young Hall Exterior Re-cladding
B-1-07-1-20

The trustees of Purdue University request authorization to proceed with the Young Hall Exterior Re-cladding project on the West Lafayette campus. The project will replace the failed curtain wall system on the east and west elevations of Young Hall. The current façade has a long history of leaks and attempts to correct the problem have had only a short-lived impact. The leaks have allowed water to migrate to other areas and cause additional damage. The estimated cost of the project is \$6,000,000 and will be funded from Repair and Rehabilitation-Bond Proceeds. The permanent financing package is subject to approval by the State Budget Director. This project is not eligible for student fee replacement funding.

Funding: 2006 R&R Student Fee Bonding Authority
CHE Review: September 14, 2007

5. Purdue University – West Lafayette (760) \$3,000,000
Increased Authorization for Brown Hall Sprinkler System Installation
B-1-07-2-05R

The trustees of Purdue University request an increase in authorization and scope for the Brown Hall Fire Alarm and Sprinkler System Installation project. The original project, which would have replaced only the fire sprinkler system in Brown Hall, was approved at the December 14, 2006 Budget Committee. The increased authorization would allow Purdue to also replace the fire alarm system in all rooms and spaces of Brown Hall. The original project cost was estimated at \$965,500 and was funded from Repair and Rehabilitation appropriations. The increased authorization requested is \$2,034,500 to be funded from Repair and Rehabilitation – Bond Proceeds. The increase brings the total cost of the project to

\$3,000,000. The permanent financing package is subject to approval by the State Budget Director. This project is not eligible for student fee replacement funding.

Funding: 2006 R&R Appropriations \$ 965,500
2006 R&R Student Fee Bonding Authority \$2,034,500
CHE Review: September 14, 2007

6. Purdue University – West Lafayette (760) \$855,000
Civil Engineering Masonry Restoration
B-1-08-2-03

The trustees of Purdue University request approval to proceed with the financing and construction of the Civil Engineering Masonry Restoration project on the West Lafayette campus. The project will address the existing masonry and limestone on the Civil Engineering Building. It will be repaired, tuck-pointed, caulked, and cleaned. The gutter system on the north portion of the building will be repaired and an alternate bid will be taken to remove the asbestos-containing siding on a rooftop structure. The estimated cost of the project is \$855,000 and will be funded from Repair and Rehabilitation – Bond Proceeds. The permanent financing package is subject to approval by the State Budget Director. This project is not eligible for student fee replacement funding.

Funding: 2006 R&R Student Fee Bonding Authority
CHE Review: September 10, 2007

7. Purdue University – West Lafayette (760) \$1.00/year
Life Sciences Plant and Soils Laboratory, Room 217
B-1-07-5-21

The trustees of Purdue University request authorization to proceed with a lease amendment to the lease of room 217 of the Life Science Plant and Soils Laboratory on the West Lafayette campus with the United States Department of Agriculture (USDA). The original lease was commenced in September of 2004. The 800 square feet of leased space is used for joint research between the USDA and Purdue as part of the university's land grant mission. The lease amendment would extend the lease for the period beginning September 22, 2008 through September 21, 2014. The cost of the lease is \$1 per year.

CHE Review: September 10, 2007

8. Purdue University – West Lafayette (760) \$0.00/year
FAA Lease
B-1-07-0-13

The trustees of Purdue University request authorization to lease land for navigation, communications and weather facilities at the Purdue University Airport to support Air Traffic Operations. The lease is a twenty –year lease at no cost to FAA.

CHE Review: September 10, 2007

9. Ball State University (780) \$22,900,000
L.A. Pittenger Student Center Rehabilitation – scope increase
Project No. D-1-07-2-02 - revised

Ball State University requests authorization to increase the scope of the renovation of the existing L.A. Pittenger Student Center. The project was originally approved by the Budget Committee in December 2006 for \$14,500,000. The purpose of the project is to replace and upgrade building systems including windows, plumbing, mechanical and electrical equipment, elevators, sprinkler systems, selected interior finishes and ceilings, and to bring the building into compliance with current building code and ADA requirements. The project will also identify programming needs to determine the best use and location for all functions housed within the building. The increase in scope is the result of four major unforeseen changes: renovating the food court and kitchen areas (\$2.8M), more extensive work on mechanical systems (\$2.9M), creating student offices and moving building operations (\$0.6M), and eliminate structural support beams in the Tally Commons area to raise the ceiling level (\$1.4M). Construction costs have also increased from the initial estimate (\$0.7M). The requested increase of \$8,400,000 would come from the Student Center Repair and Renewal Funds which are generated from student fees. The total project cost would be \$22,900,000. This project is not eligible for plant expansion.

Funding: Dedicated Student Fees/Student Center R&R
CHE Review: September 14, 2007

10. Ball State University (780) \$46,500,000
New North Residence Hall – budget increase
Project No. D-1-07-1-01R

Ball State University requests authorization to increase the budget of the new north residence hall project. The project was originally approved by

the Budget Committee in December 2006 at a cost of \$43,500,000. The project is part of a student residence hall improvement plan which calls for the addition of new residence halls, upgrades and facility renewal, as well as the demolition of facilities deemed to be cost prohibitive to remodel. The intent of the plan is to provide new and updated housing and to maintain the university's student housing capacity at levels equal to the projected need. The north residence hall is the second new residence hall called for in the plan; the first was Park Residence Hall which has been completed for the Fall 2007 semester. The increased budget would allow for the construction of more single student rooms. The total number of beds would remain unchanged. The addition cost of the project is \$3,000,000 and raises the total project cost to \$46,500,000. The increase will be funded using housing and dining renewal and replacement funds generated by student charges. This project is not eligible for plant expansion.

Funding: Housing/Dining Renewal Replacement Fund
CHE Review: September 10, 2007

11. University of Southern Indiana (775) \$806,015
HEA 1001-2007 R&R Payment Delay Repayment – Draw 1
Project No. G-0-08-2-01

The University of Southern Indiana requests authorization to proceed with two repair and rehabilitation projects. The projects would be funded from the HEA 1001-2007 appropriation for R&R as a repayment of the higher education payment delays. This is the first draw by the University of Southern Indiana against their HEA 1001-2007 appropriation and represents 50% of their appropriation.

Funding: HEA 1001-2007
R&R Payment Delay Repayment
CHE Review: September 10, 2007

12. Ivy Tech Community College (710) \$3,062,071
HEA 1001-2007 R&R Payment Delay Repayment – Draw 1
Project No. F-0-08-6-01

Ivy Tech Community College requests authorization to proceed with several repair and rehabilitation projects. The projects would be funded from the HEA 1001-2007 appropriation for R&R as a repayment of the higher education payment delays. This is the first draw by Ivy Tech

against their HEA 1001-2007 appropriation and represents 50% of their appropriation.

Funding: HEA 1001-2007
R&R Payment Delay Repayment
CHE Review: September 10, 2007

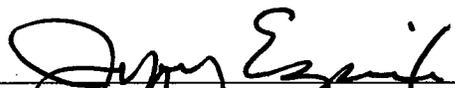
Review Items:

1. 21st Century Research and Technology Fund
2. Indiana Children's Health Insurance Program (CHIP)
2007 Annual Report (*Budget Committee review required under I.C. 12-17.6-2-7 and I.C. 12-17.6-2-12*)

Discussion Item:

1. INDOT Public Mass Transportation

Pursuant to the provisions of IC 4-12-1, IC 20-12 and IC 10-14-3-28, the State Budget Committee recommends approval of these projects.



Representative Jeffrey Espich, Chair



Christopher A. Ruhl, State Budget Director



Mitchell E. Daniels, Governor, State of Indiana