

State Budget Committee
Meeting Minutes
Friday, December 15, 2009

Members:

Senator Luke Kenley, Chairman
Senator John Broden
Representative Jeffrey K. Espich
Representative Dennis T. Avery
Christopher A. Ruhl, State Budget Director

Alternate Members:

Representative Randy Borrer
Representative Peggy Welch

Senator Kenley called the meeting to order at 1:00 P.M. in the Senate Appropriations room of the Statehouse.

The committee received the revenue forecast update and the Medicaid forecast update.

Senator Kenley introduced and discussed the proposed October Budget Committee minutes. After committee discussion, Senator Broden made a motion to adopt the proposed minutes. Representative Borrer seconded. The motion to adopt the proposed minutes carried with five ayes.

During the I-Light Network Operations review item discussion, I-Light Network requested that the Budget Committee approve \$1,471,833 of their \$2 million appropriation for the purpose of continuing operations. I-Light noted that this portion of their appropriation will be sufficient to cover their operating costs for the remainder of the fiscal year.

The Committee reviewed two rainy day fund loan requests from Howard County: \$1,450,000 for Kokomo Center School Corporation and \$1,700,000 for Northwest School Corporation. These loans will be issued at an interest rate of two percent and a term of sixty months. These terms were determined by the Board of Finance at the December 15, 2009 meeting, contingent upon favorable Budget Committee approval.

After reviewing the community development matching grant award issued to The Campaign for a Kroc Center in Northern Indiana, Director Ruhl requested that the committee's approval be contingent upon the community raising \$10 million of matching funds prior to June 30, 2011. If unsuccessful, the \$2 million state contribution shall be returned to the state general fund. Budget Director Ruhl noted that the State Budget Agency will distribute the grant award in four equal installments throughout the biennium. Senator Broden concurred with the payment terms and the contingent nature of the state funds.

Senator Kenley motioned to remove the Virtual Charter School report review item from the agenda due to copies not being provided to the committee. Representative Avery seconded. The motion to amend the agenda carried with five ayes.

Following committee discussion of each agenda item, Director Ruhl made a motion to adopt the agenda. Senator Broden seconded. The motion to adopt the agenda carried with five ayes.

I. October Minutes

II. Agency Projects

1. Indiana State Police (100) \$4,822,681
Regional Dispatch Initiative

Through the American Recovery and Reinvestment Act (ARRA) and the Byrne-JAG federal grant process, the Indiana Criminal Justice Institute's Board of Trustees awarded the Integrated Public Safety Commission (IPSC) \$4,005,476 to develop the Computer Aided Dispatch (CAD) system that will be utilized in the Indiana State Police's regional dispatch centers. The Indiana State Police would like to begin transitioning to regionalized dispatch centers to capture the availability of ARRA funding.

The Indiana State Police requests Budget Committee approval to proceed with the capital investment required for the regional dispatch initiative. This request would allow the Indiana State Police to begin the build-out of six regional dispatch centers: Bloomington, Versailles, Ft. Wayne, Lowell, Indianapolis, and the Toll Road. This initiative, which is several years in the planning process, will reduce the number of dispatch centers from the current 18 to 6 regional centers. In anticipation of the reduction in staffing required to operate the six regional dispatch centers, the Indiana State Police have not filled a number of dispatcher positions that have come open due to attrition over the previous several years. The number of dispatchers is down from a previous high of 117 to the current number of 85. These actions, when paired with reduced maintenance and utility costs once the regional dispatch initiative is fully implemented, will result in an estimated annual cost savings of \$1,100,000.

Funding:	2009 American Recovery and Reinvestment Act-	
	Byrne-JAG Grant	\$4,005,476
	State Police Building Fund	\$817,205

2. Indiana Finance Authority (261)/Department of Natural Resources (300) \$7,000,000
Charlestown State Park Water System

The State's Department of Natural Resources owns and operates a drinking water aquifer and distribution system within and adjacent to its Charlestown State Park in Clark County. The distribution system is in need of improvements that include a new well field, treatment facilities, transmission lines and a storage tank. The Indiana Finance Authority will use up to \$7,000,000 of American Recovery and Reinvestment Act (ARRA) funds awarded to the State Revolving Fund (SRF) Loan Program to construct the needed infrastructure improvements for the Department of

Natural Resources. Once construction has been completed, the infrastructure improvements will be transferred to the Department of Natural Resources.

Funding: 2009 American Recovery and Reinvestment Act-
State Revolving Fund (SRF) Loan

III. University Projects

1. Indiana State University (770) \$776,612
ARRA R&R Project – Draw 3
C-1-10-2-03

Indiana State University requests approval to proceed with the Phase I project to be funded by state appropriated ARRA funds. The project would create a pedestrian walkway in a portion of Chestnut Street between 7th and 8th streets by closure of the area to vehicular traffic. The university has already received approval from the City of Terre Haute to close this area.

This project is above the \$750,000 individual project threshold and therefore requires Budget Committee approval, and represents 25% of their available FY2009 ARRA funds. This brings the university's cumulative draws to 100% of their available FY2009 ARRA funds.

Funding: FY2009 ARRA Restoration Funds
CHE Review: November 25, 2009

2. Indiana University (750) \$4,985,188
ARRA R&R Projects – Draw 3
A-0-10-2-12

Indiana University requests approval to proceed with twenty-one small projects to be funded by state appropriated ARRA funds. The projects are spread over seven IU campuses. All projects are repair, rehabilitation, and infrastructure projects and cost under the \$750,000 individual project threshold. This is the university's third draw from the FY2009 ARRA restoration appropriation. This draw represents 28% of their total FY2009 ARRA funds and brings the university's cumulative draws to 100% of their available FY2009 ARRA funds.

Funding: FY2009 ARRA Restoration Funds
CHE Review: December 1, 2009

3. Indiana University Purdue University – Indianapolis (750) \$5,500,000
Dental School – Clinical Simulation Laboratory
A-2-10-2-07

Indiana University requests approval to proceed with the Dental School Clinical Simulation Laboratory renovation project. The project consists of renovating approximately 15,452 square feet of space in the lower level and third floor of the School of Dentistry located on the IUPUI

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campus. Renovation starts with Phase I which includes the demolition of the existing locker rooms and restrooms, and replacement with a new 104 student station-bench lab, a supporting wet lab, a mechanical room, and ADA-compliant restrooms. Phase II includes having the existing bench/simulation/wet lab removed and replaced with a new 104 seat clinical simulation lab used for state-of-the-art dental simulation manikins, a new grading area, and a new locker room. Work includes mechanical and electrical upgrades to bring the area up to current building codes.

The project is expected to cost \$5,500,000 and is to be funded by Dental School Reserves and Gifts through the Indiana University Foundation.

Funding:	Dental School Reserves	\$4,349,760
	Gift Funds	\$1,150,240
CHE Review:	November 24, 2009	

4. Ivy Tech Community College (710) \$172,324 annually
Liberty Drive II Lease Renewal in Bloomington
F-0-10-5-01

Ivy Tech Community College requests approval to proceed with a two year renewal of the Liberty Drive II building lease. The Liberty Drive II building is one of three off campus sites that are being leased due to a shortage of instructional space at the main campus. The space used by the college consists of 17,602 gross square feet and 11,825 assignable square feet. The renewal is over \$150,000 and therefore requires Budget Committee approval. The cost of the lease is to be funded by Ivy Tech general operating funds.

Funding:	Ivy Tech General Operating Funds
CHE Review:	November 25, 2009

5. Ivy Tech Community College (710) \$11,395,100
Indianapolis Multi-Modal Parking Facility
F-0-10-1-03

Ivy Tech Community College requests approval to proceed with the construction of a multi-modal parking facility located at the Fall Creek Campus in Indianapolis. This project will help alleviate the parking congestion while providing a safer parking environment that will enhance the on-campus experience for students who attend the North Meridian Center campus. The facility will be a four story structure with 466 parking spaces. This facility will also provide space for the main library, a computer lab, and an assessment center for an additional 22,200 square feet of finished space. There will be an IndyGo Bus Transfer Center and community space located in this facility as well.

The project is expected to cost \$11,395,100, to be funded by federal grant funds, Fairbanks Foundation grant funds, and Central Indiana Region earned revenue. No state funds or student fees are being used in this project. The project is expected to increase the college's annual operating budget by \$269,533.

Funding:	Federal Grant Funds	\$6,600,024
	Fairbanks Foundation Grant Funds	\$3,800,000

Central Indiana Region Earned Revenue \$995,076
CHE Review: November 13, 2009

6. Ivy Tech Community College (710) \$3,000,396
ARRA R&R Projects – Draw 2
F-0-10-6-04

Ivy Tech Community College requests approval to proceed with twenty-two small projects to be funded by state appropriated ARRA funds. The projects are spread over 10 ITCC regions. All projects are repair, rehabilitation, and infrastructure projects and cost under the \$750,000 individual project threshold. This is the university's second draw from the FY2009 ARRA restoration appropriation, and represents 54% of their available FY2009 ARRA funds. This brings the college's cumulative draws to 100% of their available FY2009 ARRA funds.

Funding: FY2009 ARRA Restoration Funds \$1,500,198
ITCC Reserves \$1,500,198
CHE Review: November 20, 2009

7. Purdue University (760) \$1,034,600
Heavy Equipment Storage Building and Salt Storage Building
B-1-10-1-08

The trustees of Purdue University request approval to proceed with the Heavy Equipment Storage Building and Salt Storage Building project. Due to land acquisition related to US 231 highway construction, two university facilities require relocation. A new heavy equipment storage building will be constructed to house heavy equipment for the Grounds and Utilities Departments. This facility will require a fire protection sprinkler system, general lighting, power, and heating. Electrical, water, gas, and telecomm utilities will be needed to service the new facility. A new salt storage facility will also be constructed to house salt and sand for the Grounds Department.

The estimated cost of the project is \$1,034,600 to be funded by INDOT right-of-way acquisition funds.

Funding: INDOT Right-of-Way Acquisition funds
CHE Review: November 24, 2009

8. Purdue University (760) \$13,574,165
ARRA R&R Projects – Draw 1
B-0-10-2-09

Purdue University requests approval to proceed with fifty-nine small projects to be funded by state appropriated ARRA funds. The projects are spread over four Purdue campuses. All projects are repair, rehabilitation, and infrastructure projects and cost under the \$750,000 individual project threshold. This is the university's first draw from the FY2009 ARRA restoration appropriation, and represents 100% of their available FY2009 ARRA funds.

Funding: FY2009 ARRA Restoration Funds
CHE Review: November 24, 2009

9. Purdue University – West Lafayette (760) \$98,000,000
 Student Fitness and Wellness Center Renovation and Addition
 B-1-10-1-07

The trustees of Purdue University request approval to proceed with the Student Fitness and Wellness Center Renovation and Addition project on the West Lafayette campus. This project will enhance the 1957 Recreational Sports Center, including the cardiovascular fitness space, free weight, indoor jogging/walking and group exercise/multipurpose space as a first priority. In addition, there will be upgrades to the existing racquetball courts, gym space, and other venues. Additional support space such as locker rooms, common space, and food and snack areas will also be part of the project as well as enhancements to the existing electric and mechanical systems.

The estimated cost of the project is \$98,000,000 to be funded entirely by Student Fee 2009 Bonding Authority. This project is expected to increase Purdue's annual operating budget by \$530,292. The permanent financing package is subject to approval by the State Budget Director. This project is not eligible for fee replacement or plant expansion funding.

Funding: 2009 Student Fee Bonding Authority
 CHE Review: November 13, 2009

Cost Summary

December 15, 2009	
State Police Building Fund	\$817,205
2009 American Recovery and Reinvestment Act- Byrne-JAG Grant	\$4,005,476
2009 American Recovery and Reinvestment Act- State Revolving Fund (SRF) Loan	\$7,000,000
2009 American Recovery and Reinvestment Act Section 14002(a)	\$20,836,163
University Funds	\$9,029,874
Grant Funds	\$10,400,024
2009 Student Fee Bonding Authority	\$98,000,000
Total	\$150,088,742

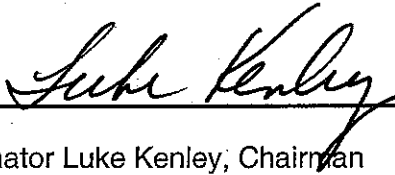
IV. Review Items

1. 21st Century Research and Technology Grants
2. I-Light Network Operations
3. IHETS
4. Workforce Centers
5. South Central Indiana Educational Association
6. College Cooperative Southeast
7. Degree Link
8. Help America Vote Act Distribution
9. Howard County – Loan Request
 - a. Northwestern School Corporation
 - b. Kokomo-Center Township Consolidated School Corporation
10. Indiana Sports Corporation
11. Community Development Matching Grants
12. Virtual Charter School Report – Department of Education

V. Discussion Item

1. Revenue Forecast
2. Medicaid Forecast
3. FSSA Eligibility Modernization Review

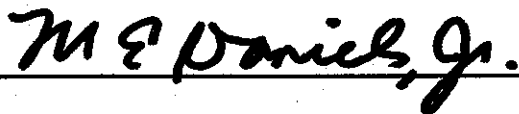
Pursuant to the provisions of IC 4-12-1, the State Budget Committee recommends approval of these projects.



Senator Luke Kenley, Chairman



Christopher A. Ruhl, State Budget Director



Mitchell E. Daniels, Jr., Governor, State of Indiana