

State Budget Committee
Meeting Minutes
Wednesday, September 8, 2010

Members:

Senator Luke Kenley, Chairman
Senator John Broden
Representative Jeffrey K. Espich
Representative Peggy Welch
Adam M. Horst, State Budget Director

Alternate Members:

Senator Brandt Hershman
Senator Karen Tallian

Senator Kenley called the meeting to order at 9:00 A.M. in State House Room 431.

Prior to proceeding with the agenda action items, Senator Kenley requested motions to amend the agenda.

Representative Welch expressed her interest in hearing a presentation from the Family and Social Services Administration concerning the status of the Chassman contract, which relates to federal TANF funds. Following her remarks, Representative Welch offered a motion to add the Chassman contract as a discussion item. The motion to amend the agenda was seconded by Senator Broden.

Prior to voting, Senator Kenley recommended this item be considered for the agenda in the October meeting. Representative Welch's motion to add the Chassman contract as a discussion item failed 2-3.

Following Representative Welch's motion, Senator Broden offered a motion to add the following projects to the Budget Committee agenda:

- Bloomington Ivy Tech Community College
- Anderson Ivy Tech Community College
- Gary Ivy Tech Community College
- University of Southern Indiana Teacher Theatre
- Indiana University Southeast Education and Tech Building

The motion to amend the agenda was seconded by Representative Welch.

Prior to voting, it was noted that the projects had not been reviewed by the Commission for Higher Education. Furthermore, several members of the committee raised concerns that they did not have supporting information detailing these projects which would cost the state an estimated \$8 million in debt service annually. Senator Broden's motion to add the aforementioned projects failed 2-3.

During the presentation of Indiana State University's (ISU) renovation of the former Terre Haute post office and federal building project, it was noted that the cost to demolish the current location of the Business College (Statesman Towers), estimated to be \$3.5 million, was not included in the total cost of the project and is not being requested within ISU's 2011 biennial budget. Furthermore, ISU will not request additional repair and rehabilitation funds for the Statesman Towers, upon completion of the renovation in fall 2012, due to future plans to demolish the towers.

After each item on the agenda was presented and discussed, Representative Espich made a motion to adopt the proposed agenda. Representative Welch seconded. The motion to adopt the proposed agenda carried with five ayes.

I. July Minutes

II. Agency Projects

1. Kankakee River Basin Commission (322) \$384,000
Sediment Trap Cleaning

The Kankakee River Basin Commission requests funding for sediment trap cleaning along the Kankakee and Yellow Rivers. There are currently five sediment traps filled with sand that are impeding water flow and causing sediment to be deposited in State owned wetlands. The five sediment traps in total represent roughly 46,000 cubic yards in size and are currently filled to capacity. This proposed project will fund the cleaning of three traps along the Kankakee River and two traps along the Yellow River.

Funding: 2009 General Fund:
Repair and Rehabilitation

2. Logansport State Hospital (435) \$130,000
Administration Building Roof Replacement

Logansport State Hospital's Administration building suffered wind damage last winter which severely damaged the existing shingled and flat roofs. Due to the wind damage and missing shingles, the roofs are now leaking and causing damage to the internal finishes of the building. The present roof is approximately 20 years old and is at the end of its useful lifecycle. The project consists of repairing damaged decking and replacing both roofs. The new shingles have a 50-year manufacturer's warranty.

Funding: 2001 General Fund "Previously Approved":
Repair and Replace Tunnels

3. Indiana Veterans' Home (570) \$1,201,459
Various Repair and Replacement Projects

The Indiana Veterans' Home requests approval to proceed with various projects on campus including roof repairs or replacement, emergency backup power repairs, chiller repairs, soil erosion repairs, window repairs, mold remediation, and various energy efficiency upgrades. In addition to stimulus funds, the Indiana Veterans' Home is the recipient of a Federal matching grant in the amount of \$380,232 which will be used to supplement the various construction projects. Since the Veterans' Home has funds remaining from their original approved proposal and is the recipient of a Federal matching grant, the Veterans' Home requests approval to use previously approved ARRA (b) funds to complete necessary campus repairs.

Funding: 2009 ARRA (b) "Previously Approved" \$821,227
Federal Grant \$380,232

4. Adjutant General (110) \$150,000
Hoosier Youth Challenge Academy Renovation Project

The Adjutant General requests approval to proceed with gutter, downspout, roof, and water system repairs or replacements on the campus of the Hoosier Youth Challenge Academy. The project includes repairing piping between two well houses and replacing pumps for the water distribution system. In addition, the project will include replacing a portion of the Chapel's slate roof and repairing damaged gutters and downspouts. This request will be funded by remaining ARRA (b) monies from the Muscatatuck Urban Training Center Infrastructure project.

Funding: 2009 ARRA (b) "Previously Approved"
Muscatatuck Urban Training Center Infrastructure

5. Department of Natural Resources (300) \$350,000
Kudzu Invasive Species Control

The Division of Entomology and Plant Pathology requests funding to match a Federal Grant for Kudzu eradication. Kudzu is an invasive plant that threatens soybeans due to the plant hosting soybean rust disease and, in addition, causes an increase in surface ozone pollution. Funding this request will allow the Division to match a \$200,000 USDA Forest Service matching grant and allow the division to begin eradicating the 127 known sites containing Kudzu.

Funding: 2007 General Fund "Previously Approved":
Entomology-Repair and Rehabilitation \$16,426
2009 General Fund:
Entomology-Repair and Rehabilitation \$133,574
Federal Grant \$200,000

6. Department of Transportation (800) \$2,250,000
Buildings and Grounds

The Department of Transportation received a 2009 biennial capital appropriation in the amount of \$25,000,000. In fiscal year 2010, the Department of Transportation requested \$18,207,714 of their biennial capital appropriation to fund nine capital projects and various maintenance projects. Of the approved \$18,207,714, only \$12,323,397 has been obligated, leaving a balance of \$5,884,317. The Department of Transportation is requesting that \$2,250,000 of the fiscal year 2010 balance be reallocated for the construction of a new Lebanon Unit Building. The new Lebanon Unit Building will replace the current structure, which is undersized, operationally inefficient, and not in compliance with ADA and OSHA standards.

Funding: 2009 State Highway Fund "Previously Approved":
Buildings and Grounds

III. University Projects

1. Indiana State University (770) \$20,000,000
Renovation of former Terre Haute Post Office & Federal Building
C-1-10-2-04

The trustees of Indiana State University request approval to proceed with the renovation of the former Terre Haute Post Office and Federal Building project. The renovation will convert the building into the new home for the Donald W. Scott College of Business on the Indiana State University campus. Originally constructed in 1932, this historically significant structure is slated for renovation to provide an appropriate learning environment for business students. The renovation will provide for replacement of substandard space as well as outdated heating, cooling, ventilation, and electrical systems. Renovations will also bring the building to full compliance with ADA and OSHA standards. Upon completion of the renovation and relocation of the Business College, Statesman Towers will be demolished, thereby reducing the total assignable square footage by 150,539 ASF. Demolishing Statesman Towers is not included in the \$20,000,000 total cost of this project, and is expected to cost an additional \$3,000,000.

Funding for the \$20,000,000 total cost of this project includes \$10,000,000 of bonding authorization approved by the 2009 General Assembly. The Commission for Higher Education recommended that no more than \$9,000,000 of State fee replaced bonding authority be used for this project and that the balance of the funds come from private donor support. Indiana State University currently has \$6,500,000 in signed pledge support for this project from private donors. The debt service to operating ratio for Indiana State University is 11.7% for fiscal year 2011. This project is not eligible for plant expansion funding. The interim and permanent financing package is subject to approval by the State Budget Director.

Funding:	HEA 1001 – 2009(ss) Bonding Authority	\$ 9,000,000
	Private Donor Funds	\$11,000,000
CHE Review:	May 14, 2010	

2. Indiana State University (770) \$1,627,985
Research Laboratory Renovations
C-1-10-2-08

Indiana State University requests authorization to proceed with the renovation of seven science research laboratories. The seven laboratories that comprise this project predominately support the research activities of the junior faculty members in biology, chemistry, and geology. The majority of these laboratories have not been renovated since their original construction over 50 years ago. The project would renovate laboratory space in organic chemistry, organic biochemistry, geochemistry, paleoceanography, molecular ecology, and physiology.

This project is expected to cost \$1,627,985, funded by NSF-ARI-R grant funds and University matching funds. This project is not eligible for fee replacement appropriations or plant expansion funding. The permanent financing package is subject to approval by the State Budget Director.

Funding:	NSF-ARI-R grant funds	\$1,560,518
	University Funds	\$67,467
CHE Review:	July 30, 2010	

3. Indiana University (750) \$865,000
FY10 ARRA(a) Restoration R&R – Draw 1
A-1-11-2-05

Indiana University requests authorization to proceed with the replacement of approximately 200 feet of utility systems from Mechanical Building 100 (M100) to the Musical Arts Center (MAC) located on the Bloomington Campus. The existing utility systems are over 30 years old and run under the parking lot between M100 and the MAC. These systems have experienced multiple failures during the last 10 to 15 years. These systems are the only means of service directed to the MAC as well as to the other buildings in that particular sector of campus. These utility systems include steam, condensate return, heating hot water supply and return, chilled water supply and return, and hot/cold domestic water. This represents Draw 1 of the FY 10 ARRA(a) restoration funds. This draw represents 6.7% of the total FY10 funds available.

Funding: FY10 ARRA(a) Restoration R&R – Draw 1
CHE Review: July 30, 2010

4. Indiana University (750) \$1,250,000
FY10 ARRA(a) Restoration R&R – Draw 2
A-1-11-2-06

Indiana University requests authorization to proceed with the roof replacement of the Wildermuth Center located on the Bloomington campus. This project removes the existing roofs down to the decking and replaces them with new roofing materials. It also includes minor steel repairs to the structural supports of the roof decking. The Wildermuth Center was completed almost a century ago. During this period, the roof has been repaired many times and has now become worn and dilapidated and must be replaced. Several areas are damaged throughout the building due to water infiltration. This represents Draw 2 of the ARRA(a) restoration funds and is approximately 9.7% of the FY10 restoration funds available to the university. This draw cumulatively represents approximately 16.4% of the total FY10 funds available.

Funding: FY10 ARRA(a) Restoration R&R – Draw 2
CHE Review: July 30, 2010

5. Indiana University (750) \$8,770,527
FY10 ARRA(a) Restoration R&R – Draw 3
A-0-11-2-04

Indiana University requests authorization to proceed with 46 R&R projects on various Indiana University campuses. Each project is less than \$750,000. This represents Draw 3 of the ARRA(a) restoration funds and is approximately 68% of the FY10 restoration funds available to the university. This draw cumulatively represents approximately 84.4% of the total FY10 funds available.

Funding: FY10 ARRA(a) Restoration R&R – Draw 3
CHE Review: July 30, 2010

6. Indiana University Purdue University-Indianapolis (750) \$5,600,000
School of Nursing – Renovation of Fourth Floor
A-2-10-2-23

Indiana University requests authorization to proceed with the renovation of the fourth floor in the School of Nursing located on the IUPUI campus. The focus of this project is to improve the efficiency of space and simplicity of its layout for the faculty/staff while incorporating the concepts, finishes, and look initiated by the Learning Resource Center project of 2007. It incorporates a contemporary design and a centralized plan that provides for shared spaces, shared support, and a more efficient workflow. With this project, the School of Nursing will improve its efficiencies by combining shared spaces, work areas, and administrative support by de-emphasizing departmental segregation and utilizing shared support space among the departments.

This project consists of 28,800 square feet of space which will be completely demolished except for four stair towers and two elevators. It will incorporate a centralized plan including shared administrative support, conference rooms with audio/visual capability, and lounge space for academic departments. It will also provide private offices for full-time faculty and professional staff as well as shared offices for part-time faculty. Installation of a wet-pipe fire suppression system, light fixtures, power/telephone/data locations, and a mechanical/electrical upgrade will be included.

Office space construction includes 118 private faculty offices, 4 shared faculty offices, 1 large dividable conference room and 2 smaller conference rooms, 9 clerical staff open style cubicles, a workroom, a lounge, 4 restrooms, a telecommunication closet, and 5 storage rooms.

Funding: School of Nursing Funds
CHE Review: August 13, 2010

7. Indiana University Purdue University-Indianapolis (750) \$2,750,000
Campus Service Building #4 Renovation for Environmental Management Facility
A-2-10-2-24

Indiana University requests authorization to proceed with the renovation of the Campus Service Building #4 located on 16th Street on the IUPUI campus. This project consists of 10,000 square feet of space which will be renovated for the current Environmental Management Facility (EMF) which must be relocated due to the new Wishard facility. The renovation will consist of new interior/exterior walls, air conditioning system, roof, and a sprinkler system as well as specialized mechanical systems for the safe processing and storage of chemicals. Renovations will also provide Radiation Safety with facilities to process, store, and incinerate radioactive wastes.

Funding: Wishard Land Exchange Proceeds
CHE Review: August 13, 2010

8. Purdue University (760) \$10,342,227
FY10 ARRA(a) Restoration R&R – Draw 1
B-1-11-2-04

Purdue University requests authorization to proceed with 42 R&R projects on the West Lafayette Campus. Each project is less than \$750,000. This represents Draw 1 of the FY 10 ARRA(a) restoration funds and represents 100% of the total FY10 funds available.

Funding: FY10 ARRA(a) Restoration R&R – Draw 1
CHE Review: July 30, 2010

9. Purdue University – West Lafayette (760) \$1,900,000
Meredith Hall Sprinkler and Fire Alarm System Installation
B-1-10-2-21

The trustees of Purdue University request approval to proceed with the installation of a new fire suppression sprinkler system and fire detection alarm system in Meredith Residence Hall. This is the final project in the overall sprinkler system master plan that started 12 years ago. This project is not eligible for plant expansion funding.

Funding: Housing and Food Services Reserve Funds
CHE Review: July 30, 2010

10. Purdue University – West Lafayette (760) \$3,550,000
Elliott Hall of Music Sprinkler System Installation
B-1-11-2-05

The trustees of Purdue University request approval to proceed with the installation of a new fire suppression sprinkler system in Elliott Hall of Music. The installation of this system will bring the building into code compliance related to the sprinkler system installation, make for a safer environment, and enhance the overall facility. This project is not eligible for plant expansion funding.

Funding: University Repair and Rehabilitation Reserve Funds
CHE Review: August 13, 2010

Cost Summary

September 8, 2010	
2001 General Fund "Previously Approved"	\$130,000
2007 General Fund "Previously Approved"	\$16,426
2009 American Recovery and Reinvestment Act Section 14002(a)	\$21,227,754
2009 American Recovery and Reinvestment Act Section 14002(b) "Previously Approved"	\$971,227
2009 General Fund	\$517,574
2009 State Highway Fund "Previously Approved"	\$2,250,000
Federal Grants	\$580,232
Grant Funds	\$1,560,518
HEA 1001 – 2009(ss) Bonding Authority "Fee Replaced"	\$9,000,000
University Funds	\$24,867,467
Total	\$61,121,198

IV. Review Items

1. Department of Education – School Internet Connectivity
2. State Library – Library Internet Connectivity
3. Indiana Department of Transportation – PMTF Funding Formula
4. Indiana Department of Transportation – Airport Development
5. Help America Vote Act Distribution
6. Department of Child Services-Annual Report

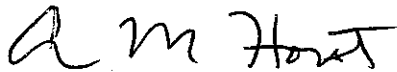
V. Discussion Items

1. SSACI Study
2. Fiscal Year 2010 Close-Out

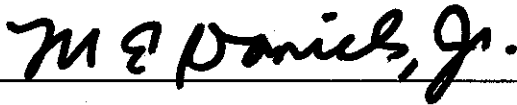
Pursuant to the provisions of IC 4-12-1, the State Budget Committee recommends approval of these projects.



Senator Luke Kenley, Chairman



Adam M. Horst, State Budget Director



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