

State Budget Committee  
Meeting Minutes  
Wednesday, October 10, 2012

**Members:**

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

**Alternate Members:**

Senator Karen Tallian  
Representative Eric Turner

Representative Espich called the meeting to order at 10:45 AM in the Stewart Center on the campus of Purdue University.

Following introductory remarks, Representative Espich introduced the September Budget Committee minutes. After committee discussion, Senator Kenley made a motion to adopt the proposed minutes. Representative Welch seconded. The motion to adopt the minutes carried.

Dan Repay, Director of the Little Calumet River Basin Development Commission (LCRBDC), presented the *Flood Control Project – Draw 3* request (Agency Project #11). Following questioning from members, Mr. Repay discussed the authority granted during the 2012 session that allows the LCRBDC to levy a special assessment on parcels of land within the Little Calumet River and Burns Waterway Watershed. The revenue from this assessment will be collected starting in 2013 and is estimated to generate approximately \$6.2 million per year. Mr. Repay explained that the special assessment will provide enough resources to repair and maintain all sections of the flood protection system, including reimbursement of a loan from the Northwest Indiana Regional Development Authority. Mr. Repay assured members that the LCRBDC would not need future State appropriations to support the flood protection system due to the enactment of this legislation. In fact, Mr. Repay stated that within 3-4 years, the Commission anticipated requesting legislation to allow the assessment to be reduced.

Prior to voting on the adoption of the agenda, Budget Director Horst indicated his need to abstain from voting on the agenda to avoid a possible conflict of interest related to potential outside employment following his service to the State.

After each agenda item was presented and discussed, Representative Welch motioned to adopt the proposed agenda. Senator Broden seconded. The motion to adopt the proposed agenda carried (with Budget Director Horst abstaining).

*Budget Committee*  
*October 2012*

Following adoption of the proposed agenda, Representative Espich nominated Senator Kenley to the position of Interim Chairman effective after Election Day and until a new Chairman is named by House Leadership. Budget Director Horst seconded the motion, and the motion was accepted unanimously.

I. Minutes

1. September 10, 2012

II. Agency Projects

1. Department of Correction (615) \$416,000  
Replacement of Water Softeners

The Department of Correction requests approval to replace water softeners at the Plainfield Correctional Facility, the Reception and Diagnostic Center, and the Short Term Offender Replacement Facility (STOP). Many of these units are not repairable and are out of service. In addition, damage from hard water has caused several copper pipe failures, and this request includes replacement of the failed copper piping.

Funding: 2011 Post War Construction Fund  
Repair and Rehabilitation

2. Department of Correction (615) \$550,000  
Cottage #10 Demolition

The Department of Correction is requesting approval to demolish Cottage #10 at the Plainfield Short Term Offender Placement Facility (STOP). Originally constructed in 1954, the design and construction of this building does not meet the basic quality of life standards to house offenders in a correctional environment. The cells are extremely undersized, there is no access to natural light, and the sanitary facilities are non-functional. This building has been abandoned since 1985. Currently, the structure must be heated in the winter to provide for the major steam and water lines that pass through its basement level and deliver services to the remainder of the facility. This structure costs approximately \$54,000 a year in unneeded utility costs. Phase I of this project will re-route all utilities from underneath the structure and Phase II will be the actual demolition of the structure.

Funding: 2011 Post War Construction Fund  
Repair and Rehabilitation

3. Westville Correctional Facility (680) \$809,653  
Water System Replacement

The Department of Correction is requesting approval to replace the water systems at the Westville Correctional Facility housing units B, C, D, and E. The original plumbing from the early 1950's has deteriorated to a point that warrants replacement. Chemical and physical degradation has led to numerous leaks that extend past the point of cost-effective repair.

Funding: 2011 Post War Construction Fund  
Repair and Rehabilitation

4. Department of Correction (615) \$544,440  
Lighting Retrofit

The Department of Correction is requesting approval to conduct lighting retrofit energy conservation projects at Wabash Valley Correctional Facility, Indiana State Prison, Pendleton Correctional Facility and the Correctional Industrial Facility. These locations were selected based on their current failure rate, service life and efficiency savings opportunity. The plasma lighting fixtures that will be used provide a higher quality light with less energy and have a projected bulb life of twenty years. In addition to the energy savings, the plasma lights will also greatly increase the effectiveness of the video surveillance systems.

Funding: 2011 Post War Construction Fund  
Repair and Rehabilitation

5. Department of Correction (615) \$3,387,822  
Water Conservation Devices

The Department of Correction is requesting approval to conduct a water conservation project at both the Indiana State Prison and Rockville Correctional Facility. The water conservation project consists of employing specialized detention grade fixtures and electronic control devices which physically reduce the flow of water and controls the number of times offenders can activate the flow of water in their cells. Identical water conservation systems have been installed in other IDOC facilities, and it has been shown by actual usage evaluation that savings can be achieved through use of this water system. Additional benefits include limiting the potential for offenders to cause operational disruption by flowing additional water into the cell and its structure and the security staff can electronically prohibit the offender from disposing of contraband by use of the sanitary sewer system.

Funding: 2011 Post War Construction Fund  
Repair and Rehabilitation

6. Larue Carter Memorial Hospital (450) \$284,050  
Kitchen Air Handler Replacement

Larue Carter Memorial Hospital requests approval to remove and replace the kitchen's HVAC unit and exhaust hood. The HVAC unit routinely malfunctions, resulting in food safety issues and increased food preparation costs. The unbalanced conditions between the failing HVAC unit and the exhaust hood have the potential for indoor air quality violations within the kitchen and nearby dining room. The exhaust hood does not provide the appropriate air ventilation and draws conditioned air from the space. This request will provide funding to replace the roof top unit, kitchen hood, exhaust ducts, and exhaust fan.

Funding: 2011 Post War Construction Fund  
Repair and Rehabilitation

7. Department of Natural Resources (300) \$1,000,000  
Vehicles

The Department of Natural Resources Division of State Parks and Reservoirs requests approval to replace 31 high-mileage and poor-condition vehicles and 24 Utility Trail Vehicles (UTV) located on State Park and Reservoir properties. Due to the condition and age of these vehicles, safety and cost have become a concern. The vehicles are utilized across multiple programs and areas of operation including maintenance repair, grounds maintenance, property management, and security and emergency response.

Funding: 2011 General Fund  
State Parks and Reservoir Management R&R

8. Department of Transportation (800) \$427,000  
Fowler Subdistrict Design

The existing Fowler subdistrict is an old and operationally inefficient administrative building with three maintenance bays and no washbay. This location is not environmentally compliant with IDEM and EPA stormwater regulations. The new subdistrict will be smaller than previous new subdistricts (16,000 sq ft vs 27,000 sq ft) and will consist of an administrative building with five maintenance bays and an environmentally compliant washbay. The new washbay will comply with IDEM and EPA stormwater discharge regulations, lower INDOT's operating costs, and allow for more cost-effective truck maintenance. In addition, the existing building (built in 1936) is not compliant with the American with Disabilities Act (ADA), and the new building will provide for this compliance.

Funding: 2011 State Highway Fund  
Buildings and Grounds

9. Department of Transportation (800) \$656,200  
Indianapolis Subdistrict Parking Lot

Due to the consolidation of the Tibbs Unit into the Indianapolis Subdistrict operations prior to the 2012/2013 winter operations, a large scale paving project is necessary at the Indianapolis Subdistrict. This consolidation will enable INDOT to take advantage of operational efficiencies, reduce operating costs, and avoid substantial repair and rehabilitation costs. The consolidation will significantly increase the passenger and dump truck parking, and equipment storage capabilities at the Indianapolis Subdistrict location. Thirty-nine (39) additional passenger parking spaces, ten (10) additional crew cab parking spaces, and fifty-one (51) dump truck parking spaces with block heaters will be necessary due to this consolidation. The breakdown of project costs includes \$522,000 for general construction, excavation, and paving and \$134,200 for electrical including lighting and block heaters.

Funding: 2011 State Highway Fund  
Buildings and Grounds

10. Department of Transportation (800) \$1,765,075  
Various Repair Projects

The Department of Transportation (INDOT) requests approval to proceed with various preventative maintenance and repair and rehabilitation projects across their 400 facilities. This request will fund projects such as roofing, HVAC, lighting, concrete, and generator repairs and replacements each costing less than \$250,000.

Funding: 2011 State Highway Fund  
Buildings and Grounds

11. Little Calumet River Basin Commission (885) \$1,084,294  
Flood Control Project – Draw 3

The Little Calumet River Basin Commission requests funds to perform flood control projects within the 22 miles of the Little Calumet River in Lake County, Indiana. This project is being administered by the US Army Corps of Engineers, in which the Little Calumet River Basin Development Commission serves as the local sponsor. This request will provide funds to acquire/settle property rights and repair and rehabilitate levees.

Funding: 2009 General Fund

12. Indiana School for the Deaf (560) \$275,372  
Caskey Gym Air Conditioning

The Indiana School for the Deaf requests authorization to install an air conditioning system in the Caskey Gym, which was built in 1966. The Gym is used for sports camps during the summer and for general athletic and educational use while school is in session. The space is also frequently used for school events, including student graduation. Installation of the air conditioning system, in addition to providing stabilized room temperatures, will prevent risks associated with high heat levels in the summer and security concerns related to propped doors.

Funding: 2011 Post War Construction Fund  
Repair and Rehabilitation

### III. University Projects

1. Ball State University (780) \$25,900,000  
McKinley Commons  
Project No. D-1-13-1-01

The trustees of Ball State University request authorization to proceed with the construction of McKinley Commons, a new immersive learning laboratory which will be built to further the educational mission of Ball State University through uses which include: (a) a student residence hall component, consisting of a living learning student residential community, (b) academic components, consisting of immersive learning opportunities in the fields of food and hospitality management, and (c) other related commercial activities. Ball State University's Hospitality and Food Management program ranks 20th out of 180 majors in terms of total enrollment. This 99,672 GSF/80,051 ASF project will include 51 new student housing beds, targeted at upperclassmen in the Hospitality and Food Management program. The project will also contain 112 guest rooms, with a front desk, lobby area, a food service laboratory, over 7,000 square feet of community space, two conference/meeting rooms, a classroom, two restaurants/cafés, two separate kitchen facilities, and a specialty retail sales facility.

Ball State University plans to finance the renovation through the issuance of Tax Exempt Revenue Bonds. The permanent financing package is subject to approval by the State Budget Director.

Funding: Tax Exempt Revenue Bonds

CHE Review: 9/14/2012

2. Indiana University Purdue University – Indianapolis (750) \$1,750,000 annually  
Neuroscience Clinical Office Building Lease  
Project No. A-2-12-5-17

The trustees of Indiana University request authorization to enter into a lease in the Indiana University Health, Inc. Neuroscience Clinical Office Building for use by the Indiana University School of Medicine Outpatient Psychiatry. The comprehensive neurological office building will provide the space necessary to bring all the neuroscience specialties and sub-specialties together under one roof. The space will also provide space for residents to train through clinical service rotations while providing patients advanced treatment and patient care.

The first year of the lease has an annual minimum rental limit of \$25 per rentable square foot, increasing annually to \$31.08 per rentable square foot by 2023. The lease is not to exceed 70,000 rentable square feet in total and has an estimated cost of \$27.9 million.

Lease payments will be covered through the Indiana University School of Medicine (IUSOM) operating funds, which include revenues generated by IUSOM doctors. IUSOM doctors cover a portion of lease payments in return for using the leased space for patient visits/medical services, office space, and research. The remaining portion of the lease payment is covered through operational revenues from IUSOM.

Funding: IUSOM Funds: IUSOM Doctor Payments/IUSOM Operational Revenues

CHE Review: 9/14/2012

3. Purdue University – West Lafayette (760) \$1,260,000  
Laboratory Materials Storage Building HVAC System Replacement  
Project No. B-1-13-2-09

The trustees of Purdue University request approval to replace the Laboratory Materials Storage Building (LMSB) HVAC system. This 3,950 GSF/3,950 ASF project will replace the entire mechanical system for LMSB and provide upgraded electrical service, which is required for the HVAC replacement. The LMSB is a state and federally-permitted treatment, storage, and disposal facility which manages the treatment of biological waste.

The balance of the Repair and Rehabilitation – University General Funds as of September 17, 2012 is \$19,110,395. University General Funds are derived from State Appropriations and Student Tuition and Fees.

Funding: R&R – University General Funds  
CHE Review: 8/29/2012

4. Purdue University – West Lafayette (760) \$875,000  
Physics Building Classroom 223 Renovation  
Project No. B-1-13-2-10

The trustees of Purdue University request approval to proceed with the renovation of the Physics Building Classroom 223 on the West Lafayette campus. This 2,033 GSF renovation of the 115-seat classroom includes lighting, ceiling, seating, a new air handling unit, and improved handicap accessibility. The plan also includes replacement of steam radiators, ceiling diffusers, and minor modifications to the existing sprinkler system. Upon renovation, the University plans to continue using the space as a lecture hall.

The balance of the Repair and Rehabilitation – University General Funds as of September 17, 2012 is \$19,110,395. University General Funds are derived from State Appropriations and Student Tuition and Fees.

Funding: R&R – University General Funds  
CHE Review: 8/29/2012

5. Purdue University – West Lafayette (760) \$4,100,000  
Stewart Center Fire Alarm and Sprinkler System Installation  
Project No. B-1-13-2-11

The trustees of Purdue University request approval to proceed with the installation of the Stewart Center fire alarm and sprinkler system. The 484,279 GSF/311,231 ASF project will install a fire sprinkler system where none exists and update the fire alarm system.

The balance of the Repair and Rehabilitation – University General Funds as of September 17, 2012 is \$19,110,395. University General Funds are derived from State Appropriations and Student



Tuition and Fees.

Funding: R&R – University General Funds  
CHE Review: 9/14/2012

6. Purdue University – West Lafayette (760) \$5,500,000  
Zucrow Building Complex Electrical Systems Replacement  
Project No. B-1-13-2-12

The trustees of Purdue University request approval to replace the Zucrow Building Complex electrical systems. This project will replace the outdoor 12.47kV primary high voltage system due to safety and code issues. The project will also replace existing building transformer banks with pad-mounted transformers with no exposed live parts, replace secondary distribution equipment that has reached capacity, consolidate distribution equipment to switchboards and panelboards, and remove the existing 2400V compressor. In addition to the primary upgrade, the system will reduce "arc flash" hazard and exposure issues within the complex.

The balance of the Repair and Rehabilitation – University General Funds as of September 17, 2012 is \$19,110,395. University General Funds are derived from State Appropriations and Student Tuition and Fees.

Funding: R&R – University General Funds  
CHE Review: 9/14/2012

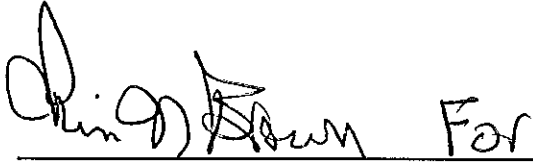
**Cost Summary**

October 10, 2012	
2009 General Fund	\$1,084,294
2011 General Fund	\$1,000,000
2011 Post War Construction Fund	\$6,267,337
2011 State Highway Fund	\$2,848,275
Auxiliary Revenue Bonds	\$25,900,000
University Funds	\$11,735,000
<b>Total</b>	<b>\$48,834,906</b>

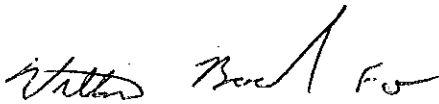
**IV. Review Items**

1. 21<sup>st</sup> Century Research and Technology Grant – Indiana Economic Development Corporation
2. Student Mobility Report (HEA 1189) – Department of Education
3. Senate Enrolled Act 501 – State Budget Agency

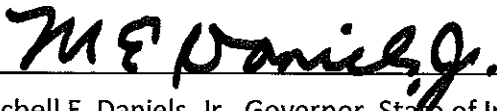
Pursuant to the provisions of IC 4-12-1, the State Budget Committee has reviewed the above items.

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Representative Jeffrey K. Espich, Chairman

Handwritten signature of Adam M. Horst in black ink, written over a horizontal line.

Adam M. Horst, State Budget Director

Handwritten signature of Mitchell E. Daniels, Jr. in black ink, written over a horizontal line.

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

