

State Budget Committee
Meeting Minutes
July 10, 2013

Members:

Senator Luke Kenley, Chairman
Representative Tim Brown
Representative Terry Goodin
Senator Karen Tallian
Chris Atkins, State Budget Director

Alternate Members:

Representative Sheila Klinker
Senator Ryan Mishler

Senator Kenley called the meeting to order at 2:00 PM in the Corporate College Culinary Center at Indianapolis Ivy Tech Community College. Following introductory remarks, Senator Kenley turned it over to Chris Atkins to introduce Brian Bailey as the new Budget Agency Director. After an introduction of all members, Senator Kenley introduced the May Budget Committee minutes. After committee discussion, Senator Kenley made a motion to adopt the proposed minutes, Representative Brown seconded. The motion to adopt the minutes was taken by consent.

After each agenda item was presented and discussed Senator Kenley asked if there were any objections to any of the projects on the agenda. Senator Tallian raised reservations towards the University Project for Indiana State University - Downtown Terre Haute Student Housing Lease. After a brief discussion among the members, Senator Tallian made a motion to remove that item from the agenda. Representative Goodin seconded the motion. The motion to remove University Project #5 was taken on consent from the committee.

Senator Kenley again made a motion to adopt the agenda, with University Project #5 removed. Representative Goodin seconded the motion and the agenda was adopted on consent by the committee.

I. Minutes

1. May 29, 2013

II. Agency Projects

1. Department of Corrections (650) \$361,607
Putnamville Fire Alarm Replacement

The Department of Corrections requests approval to replace the fire alarm controls at the Putnamville Correctional Facility. The systems range in age from 20-30 years old and are starting to experience failures. Finding manufacturers to make replacement parts is becoming increasingly difficult. This project will update the alarm systems in nine occupied buildings and will use readily available components.

Funding: 2013 Post War Construction Fund

2. Department of Corrections (650) \$473,000
Putnamville High Voltage Switch Gear Replacement

The Department of Corrections requests approval to replace the high voltage distribution switch gear system at the Putnamville Correctional Facility. The current system was installed in the 1950's and the large high voltage switches have been obsolete for twenty years. Replacement parts must be refurbished and then reinstalled, causing long delays and the use of diesel generators as a stop-gap measure. The new system will allow for effective emergency power transfer, easily accessible replacement parts, and provide better safety for the staff that oversees the powerhouse.

Funding: 2013 Post War Construction Fund

3. Department of Corrections (650) \$410,000
Putnamville Repair of Masonry on Chapel

The Department of Corrections requests approval to make repairs to the masonry at the Chapel of the Putnamville Correctional Facility. The Chapel was built in the 1930's and is suffering from water infiltration in the masonry joints and bricks. This condition requires immediate repair and stabilization to reduce further deterioration.

Funding: 2013 Post War Construction Fund

4. Department of Corrections (630) \$526,500
Pendleton Admin and Tower 8 Refurbishment (Phase I)

The Department of Corrections requests approval to begin masonry repairs to the Pendleton Administration Building and perimeter wall. This initial request includes repairing masonry and steel supports to the Administration Building which was built in 1923. The masonry and steel work has been infiltrated by moisture and weather exposure. This request also includes funds to purchase a JLG Boom Platform which will be used for maintenance and repairs to the perimeter wall in future phases of this project.

Funding: 2013 Post War Construction Fund

5. Department of Corrections (614) \$283,791
Chain O'Lakes Correctional Facility Lagoon Closure

The Department of Correction is requesting approval to remediate the former waste water lagoons on the Chain O'Lakes property as required by the Indiana Department of Environmental Management (IDEM). The waste water lagoons became abandoned after the consolidation of the Chain O'Lakes Correctional Facility sanitary sewer system with the Department of Natural Resources' Chain O'Lakes State Park. This consolidation eliminated redundant staffing needs and saved costs associated with maintaining two separate state owned systems. If the remediation is not completed as required by IDEM, it will likely result in IDEM enforcement action.

Funding: 2009 "Previously Approved" Postwar Construction Fund

6. Department of Natural Resources (300) \$301,000
Fort Harrison Garrison and Officer Homes Roofing

The Division of State Parks and Reservoirs requests funding to repair and replace the roofs on several structures at Fort Harrison State Park. The majority of the Garrison roof is covered with shingles that are prematurely aging, causing the shingles to lift away from the structure. The second largest portion of the roof is the Westside flat roof made of a Thermoplastic polyolefin (TPO) membrane. This section of the roof has suffered from water damage. The project would repair this damage, replace the TPO membrane roof and repair and reseal all perimeter flashing. The third and smallest section of the Garrison roof that needs to be replaced is the flat copper roof. This section of the roof was last replaced in 1944. Finally, there are four officer homes with original slate roofs that have damaged and falling tiles causing safety concerns for staff and patrons. The shingles, copper and slate tile roofs are considered historically significant to the structure and need to be replaced with historically accurate material.

Funding: 2013 General Fund

7. Department of Natural Resources (300) \$292,000
Monroe Paynetown Dock Replacement

The Division of State Parks and Reservoirs request funding to replace a 40 slip floating dock at Paynetown Marina at Monroe Lake. The dock's skeletal structure has deteriorated, creating serious safety concerns and rendered the slips unusable. This is the third of three docks at Paynetown Maria to be replaced. The first two were completed in 2008.

Funding: 2013 General Fund

8. Logansport State Hospital (435) \$385,000
Chiller/Cooling Tower Replacement

Logansport State Hospital is requesting funds for the replacement of their current York chiller and two undersized cooling towers. Logansport State Hospital's current chiller that provides service for three occupied buildings is approximately 21 years old. Signs of refrigerant leaking and metal contamination in the compressor oil are evidence of its deterioration. Undersized cooling towers have required fire hydrant water dumps in the summer months to keep the chiller operational. It has been determined that it is more cost-effective to replace the current chiller rather than repair it.

Funding: 2013 Post War Construction Fund

9. House of Representatives (003) \$750,000
House Chamber and Office Renovation

The agency is requesting funds to complete several renovation, repair, and rehabilitation projects in the House Chambers and offices. The projects will include painting, carpet replacement and repairing and replacing equipment and furniture.

Funding: 2013 General Fund

10. Department of Administration (061) \$10,575,756
Reserve & Replacement (R&R) Payments to IFA

IDOA is requesting the annual appropriation for the Reserve & Replacement (R&R) payments on several facilities that are managed by the IFA. Now that the bonds have been defeased for these facilities under the IFA umbrella they still need funding for R&R, which was previously included within the bond payment as one lump sum. IDOA is requesting the annual amount so that they may disperse those funds on a monthly basis to the IFA.

Funding: 2013 General Fund:
State Museum General R&R - \$1,395,180
IGCS General R&R - \$2,596,080
IGCN General R&R- \$2,476,080
Parking Garages General R&R - \$813,540

Forensic Lab General R&R - \$848,364
2013 Postwar Construction Fund:
Rockville Correctional General R&R - \$1,368,024
Pendleton Juvenile Correctional General R&R - \$1,078,488

III. University Projects

1. Ball State University (780) \$4,600,000
New Planetarium
Project No. D-1-13-1-01

The trustees of Ball State University request authorization to construct a new planetarium. The existing planetarium opened in the basement of the Cooper Science Complex in 1967, and due to growth in astronomy class enrollments and the expansion of community outreach programs, the facility no longer meets the demand placed upon it. The equipment, much of it original, is outdated and needs frequent repair.

The proposed new Ball State Planetarium will have a larger dome and increased seating capacity, allowing the facility to better accommodate classes and public programs. The more modern equipment will allow the Planetarium to expand on the type of instruction and programming offered.

This 6,500 GSF/4,680 ASF project is estimated to cost \$4,600,000 and will be funded from private gifts received by the Ball State University Foundation.

Funding: Private Donations to Ball State University Foundation
CHE Review: 6/13/2013

2. Ball State University (780) \$1,350,000
Construction of New Greenhouse
Project No. D-1-12-1-01 REVISED

The trustees of Ball State University request authorization to increase the project budget for the New Greenhouse project from \$1,000,000 to \$1,350,000 after public bid amounts for construction exceeded original cost estimates and additional private donations were secured. The entire \$1,350,000 will be financed by private donations received by the Ball State University Foundation. The additional private funds allow the scope of the project to continue to meet both the donors' and the department's intended purpose and design.

The New Greenhouse project will replace the existing Orchid Greenhouse, constructed in 1965, and will house the Wheeler Orchid Collection and Species Bank. This 3,461 GSF/3,117 ASF project originally received approval from the State Budget Committee in June 2012.

Funding: Private Donations to Ball State University Foundation
CHE Review: 6/13/2013

3. Ball State University (780) \$12,200,000
Central Campus Academic Renovation & Utility Improvements Project–Phase 2B
Project No. D-1-09-2-01R

The trustees of Ball State University request authorization to proceed with Phase 2B of the Central Campus Academic Renovation & Utility Improvements Project. Previous phases addressed the North Quadrangle and Teachers College. Phase 2B will involve the renovation of the Applied Technology Building to upgrade laboratories and related infrastructure; replacement of lighting systems; improvements of HVAC and plumbing systems; installation of new electrical and communication systems; and replacement of original floor, wall, and ceiling materials. To accommodate growing programs in the College of Applied Sciences and Technology, expansion into the nearby West Quadrangle Building will require the renovation of two floors in that building. This project will provide a safer and more modern learning environment for students and will provide total building access for people with disabilities.

This 93,274 GSF/62,703 ASF project will be funded using 2013 bonding authority. The permanent financing package is subject to approval by the State Budget Director.

Funding: HEA 1001-2009 (ss) Bonding Authority
CHE Review: 6/13/2013

4. Ball State University (780) \$3,100,000
Boiler Replacement and Geothermal Plant Renovations
Project No. D-1-05-1-02 REVISED

The trustees of Ball State University request authorization to proceed with the boiler replacement and geothermal plant renovations. This \$48,000,000 campus-wide geothermal project began with Phase I, which served the northern portion of campus and consisted of approximately 1,800 vertical boreholes, a district energy station with two heat pump chillers, pump controls, miles of horizontal piping for hot and cold water, and modifications to building systems. Phase II addresses the southern portion of campus and included the same components. The initial components of Phase II are underway, with completion dependent on release of the final \$3,100,000 in funding.

The 2005 General Assembly authorized \$48,000,000 in bonding authority for this project. The State Budget Committee on March 28, 2006, and June 8, 2007, approved subsets of this project in the amounts of \$3,100,000 and \$41,800,000, respectively. The University requests approval for the release of the remaining \$3,100,000, to be financed from the issuance of student fee bonds. The permanent financing package is subject to approval by the State Budget Director.

Funding: HEA 1001-2005 Bonding Authority
CHE Review: 6/13/2013

6. Indiana State University (770) \$4,500,000
Renovation of Life Science/Chemistry Laboratories
Project No. C-1-07-2-01

The trustees of Indiana State University request authorization to renovate the life science/chemistry instructional laboratories located in the Science Building. The Science Building was constructed in two phases (1958 and 1965) with no significant upgrades to the laboratory teaching areas since initial construction.

This 266,768 GSF/129,579 ASF project consists of a major renovation of the remaining non-renovated laboratories to create instructional spaces that meet contemporary safety and access standards mandated by federal law. The project will also enable the use of current instructional technologies and facilitate the use of new pedagogies in these spaces.

The project will be funded using 2007 bonding authority. The permanent financing package is subject to approval by the State Budget Director.

Funding: HEA 1001-2007 Bonding Authority
CHE Review: 6/13/2013

7. Indiana University–Northwest/Ivy Tech Community College \$45,000,000
Tamarack Hall Replacement & Ivy Tech Northwest
Project No. A-7-09-1-09

The trustees of Indiana University request authorization to replace Tamarack Hall with a new facility. The new building will incorporate programs from both Tamarack Hall at Indiana University Northwest and Ivy Tech Community College Northwest. The existing building was damaged in a 2008 flood that rendered it unusable for academic instruction. The joint venture will serve as an integral piece for both institutions' students, faculty, staff, and the surrounding counties. The joint facility will offer improved efficiencies and cost savings by constructing one facility versus two. The venture will also provide the necessary seamless transition for students completing their degrees to transfer between institutions.

Funding for both institutions was passed by the 2009 General Assembly at \$53,000,000 pursuant to IC 21-28-4 and IC 21-34. Due to improved efficiencies, the current total cost of the project is now an estimated \$45,000,000. The permanent financing package is subject to approval by the State Budget Director.

Funding: HEA 1001-2009 (ss) Bonding Authority
CHE Review: 6/13/2013

8. Ivy Tech Community College (710) \$24,000,000
Anderson Campus
Project No. F-0-08-1-02

Ivy Tech Community College requests approval to proceed with the construction of a new building in Anderson. The new building will create a full service site, alleviate the heavy reliance on leased space, alleviate the current and projected shortages in space, and provide for growth of degree programs. The College proposes a \$24,000,000 76,360 GSF/49,415 ASF stand-alone building on 38 acres of land donated by the City in Anderson along Interstate 69. The donated land has an appraised value of approximately \$855,000.

The new building will house programs from four of the College's academic schools, with the addition of classroom and lab space. Support spaces will include faculty offices, a student lounge, and a library. The construction of the new building will permit the existing facility in Anderson to be dedicated to the School of Health Science and allow for expansion of its programs.

The project will be funded through the issuance of one or more series of bonds equal to the sum of (1) \$20,000,000 for costs of planning, renovation, construction, and equipping, (2) any amounts required to fund a reserve for such bonds, (3) costs of issuance of the bonds and such other expenses as may be necessary or incidental to such financing, and (4) underwriter's or original issue discount within the limits prescribed by law.

This project will be funded using 2009 bonding authority and private donations. The permanent financing package is subject to approval by the State Budget Director.

Funding: HEA 1001-2009 (ss) Bonding Authority – \$20,000,000
Private Donations – \$4,000,000

CHE Review: 11/12/2010

9. Ivy Tech Community College (710) \$24,000,000
Bloomington Phase II
Project No. F-0-08-1-03

Ivy Tech Community College requests approval to proceed with a new construction project to expand the Bloomington campus. This 85,000 GSF/59,100 ASF project will construct an attached addition to the existing building with general classrooms, science labs, faculty offices, open computer labs, student gathering area, auditorium, wellness center, and other support spaces. The new facility will help the College meet increased enrollment and program growth demands.

The project will be funded through the issuance of one or more series of bonds equal to the sum of (1) \$20,000,000 for costs of planning, renovation, construction, and equipping, (2) any amounts required to fund a reserve for such bonds, (3) costs of issuance of the bonds and such other expenses as may be necessary or incidental to such financing, and (4) underwriter's or original issue discount within the limits prescribed by law.

This project will be funded using 2009 bonding authority and private donations. The permanent financing package is subject to approval by the State Budget Director.

Funding: HEA1001-2009 (ss) Bonding Authority - \$20,000,000
Private Donations - \$4,000,000

CHE Review: 6/13/2013

10. Ivy Tech Community College (710) \$27,698,100
Indianapolis Fall Creek Expansion Project, Final Phase
Project No. F-0-12-1-02

Ivy Tech Community College requests approval to proceed with the final phase of infrastructure renovation, build out, and construction of the Fall Creek Expansion Project. This 405,060 GSF/227,026 ASF project will expand the full service, main campus in Indianapolis, alleviate the current and projected shortages in space, and provide for growth of degree programs. The project will enhance the campus by serving as a resource for life-long acquisition and improvement of simple through complex workplace applicable knowledge and skills, the placement of participants in relevant employment, the fulfillment of regional employment needs, and the initiation to further formal training at associated baccalaureate degree granting institutions.

The project will be funded through the issuance of one or more series of bonds equal to the sum of (1) \$23,098,100 for costs of planning, renovation, construction, and equipping, (2) any amounts required to fund a reserve for such bonds, (3) costs of issuance of the bonds and such other expenses as may be necessary or incidental to such financing, and (4) underwriter's or original issue discount within the limits prescribed by law.

The project will be funded using 2007 bonding authority and private donations. The permanent financing package is subject to approval by the State Budget Director.

Funding: HEA 1001-2007 Bonding Authority - \$23,098,100
Private Donations - \$4,600,000
CHE Review: 6/13/2013

11. Purdue University – West Lafayette (760) \$40
Land Lease for Softball Stadium and Related Facilities at Northwest Athletics Site
Project No. B-1-13-5-24

Pursuant to IC 21-31-4-2, Purdue University requests approval to proceed with a lease of land to the Ross-Ade Foundation (RAF). RAF is an affiliated organization created in 1924 through gifts from alumni. The Foundation serves as the entity through which construction and renovation of athletic facilities and most parking garages have been accomplished. The lease provides RAF the use of the specified land for development of a new intercollegiate varsity softball stadium described below. The cost of this lease is a nominal sum of \$1.00 per year and includes the provision the University retains the right to make additional improvements to the land and buildings, as needed, through the term of the lease. This 40-year lease will run concurrently with the separate sublease agreement between the University and the Ross-Ade Foundation, both of which can be terminated by the University with the satisfaction of all sublease payments.

A new intercollegiate varsity softball stadium will be constructed on land owned by Purdue. The facility will include a playing field, bleachers, press box, locker rooms, meeting rooms, and other necessary home and visiting team facilities. Also included are public restrooms and concessions, scoring system, sound system competition field lights, parking and related site work and infrastructure. The stadium will be designed to hold 800-1000 spectators with the ability to expand to the minimum capacity needed to host NCAA post-season competitions. This is the final component of the Mackey Complex/NWAS master plan developed in 2006-07 which is a continuation of Intercollegiate Athletics' 25-year facility master plan.

The Foundation will be responsible for both the project construction and financing under the lease agreement with the University, and the University will acquire the Softball Stadium and associated improvements at the end of the lease term. The cost of this lease is \$1/year and includes the provision that the University retains the right to make additional improvements to the land and buildings as needed throughout the term of the lease. This lease will be funded from Athletic Department revenues. The current balance of the Athletic Department Fund is \$5,263,987

Funding: Athletic Department Funds
CHE Review: 6/13/2013

12. Purdue University – West Lafayette (760) \$21,250,000
Sublease of Softball Stadium and Related Facilities at Northwest Athletics Site
Project No. B-1-13-5-25

In conjunction with the lease of Purdue University land to construct the intercollegiate varsity softball complex, Purdue University requests approval, pursuant to IC 21-33-3-7, to sub-lease the land and improvements from Ross-Ade Foundation (RAF). This 40-year sublease enables the Foundation to finance the construction of the improvements at the northwest athletics site. Payments for the financing will be made through this sublease between the University and the Ross-Ade Foundation. At the time of financing, the term of financing will be set at 20 or 25 years, and the rate will be finalized. Current estimates are approximately \$1 million per year for a 20-year financing or \$850,000 per year for a 25-year financing. The sublease allows the University to terminate early with the satisfaction of all outstanding payments.

A new intercollegiate varsity softball stadium will be constructed on land owned by Purdue. The facility will include a playing field, bleachers, press box, locker rooms, meeting rooms and other necessary home and visiting team facilities. Also included are public restrooms and concessions, scoring system, sound system competition field lights, parking and related site work and infrastructure. The stadium will be designed to hold 800-1000 spectators with the ability to expand to the minimum capacity needed to host NCAA post-season competitions. This is the final component of the Mackey Complex/NWAS master plan developed in 2006-06 which is a continuation of Intercollegiate Athletics' 25-year facility master plan.

The Foundation will be responsible for both the project construction and financing under the lease agreement with the University, and the University will acquire the Softball Stadium and related facilities at the Northwest Athletics Site at the end of the sublease term, not to exceed 25 years. The annual sublease payment is estimated to be \$1,000,000 and will be funded from Athletic Department revenues. The current balance of the Athletic Department Fund is \$5,263,987.

Funding: Athletic Department Fund
CHE Review: 6/13/2013

13. Purdue University – West Lafayette (760) \$1,100,000
Wade Utility Plant High Voltage Substations E and F Replacements
Project No. B-1-13-2-26

The trustees of Purdue University request authorization to proceed with demolition and replacement of obsolete and unreliable electrical switch gear located in the basement of Wade Utility Plant on the West Lafayette campus. The continuing operation and use of this gear presents significant reliability and safety concerns to the central utility plants operating systems and personnel. This project will ensure that essential utility services are provided to the entire campus.

The estimated cost of this project is \$1,100,000 and will be funded from Repair and Rehabilitation – University General Funds. The current balance of the fund is \$9,587,491.

Funding: Repair and Rehabilitation – University General Funds
CHE Review: 6/19/2013

14. Purdue University – North Central Campus(760) \$1,000,000
Student Services Center Architecture & Engineering Planning
Project No. B-4-09-1-21

The trustees of Purdue University request approval to begin planning for a new Student Services and Activities Complex. The multi-function complex will accommodate student life activities, services learning and leadership centers, wellness programs, collegiate sports and intramural and recreational offerings. Instructional space will be provided for auditorium size classes. Conference facilities with flexible break-out rooms for academic classes, professional seminars and continuing education programs are also included. The new complex will also be used for university assemblies, convocations, exhibitions and community outreach events. It will advance economic development efforts in LaPorte, Porter, and Starke counties by serving as a meeting and convention center for business and civic organizations.

The estimated cost to begin planning this project is \$1,000,000 to be funded by state fee replacement appropriations approved in the 2013 legislative session. The University intends to utilize its existing tax-exempt commercial paper program to fund these expenditures on an interim basis until such time as a permanent debt financing can be issued. The permanent financing package is subject to approval by the State Budget Director.

Funding: HEA 1001-2009 (ss) Bonding Authority
CHE Review: 6/13/2013

15. Vincennes University (790) \$4,200,000
Phase I Infrastructure Improvements
Project No. E-1-13-2-02

The trustees of Vincennes University request approval to proceed with Phase I of the Infrastructure Upgrade Project. The overall project, which includes the installation of a new electrical substation/backbone and the replacement of the remaining campus steam line not previously replaced, has a total estimated cost of \$10,200,000. This project is time-sensitive, as the University wishes to complete the campus steam line work prior to the winter months.

The Campus Steam Line Replacement project will replace 6,930 lineal feet of decayed and corroded underground steam line infrastructure, which includes the west artery that runs from the Boiler Plant to the Health Occupation Building and the east line that runs from the Boiler Plant to the Learning Resources Center and the Technology Building. The project will replace all of the old slip joint steam line piping with a new thermal pipe system for main and condensate returns that includes precast concrete manholes and concrete anchor thrust blocks. The University has incurred increased operational costs due to water leakage from the system and extra natural gas needed to compensate for the inefficiency of the decaying infrastructure.

Phase I of the project is anticipated to cost \$4,200,000 and will be funded from University R&R Reserves, which has a current balance of \$8,000,000.

Funding: University R&R Reserves
CHE Review: 6/2/2013

Cost Summary

July 10, 2013	
2013 General Fund	\$9,472,244
2013 Post War Construction Fund	\$4,602,619
2009 Post War Construction Fund "Previously Approved"	\$283,791
University Private Donations	\$18,550,000
HEA 1001-2005 Bonding Authority	\$3,100,000
HEA 1001-2007 Bonding Authority	\$27,598,100
HEA 1001-2009 (ss) Bonding Authority	\$98,200,000
University Funds	\$26,550,040
Total	\$188,356,794

IV. Review Items

1. PBS Distribution
2. Indiana State Library - INSPIRE
3. Indiana State Library - Internet Connectivity
4. Tuition and Fee Target Report – Indiana Commission for Higher Education

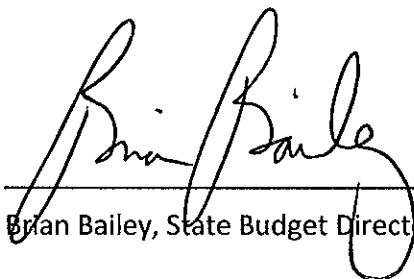
IV. Discussion Items

1. Ivy Tech Update - Tom Snyder

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

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Senator Luke Kenley, Chairman

A handwritten signature in cursive script, reading "Brian Bailey", written above a horizontal line.

Brian Bailey, State Budget Director

A handwritten signature in cursive script, reading "Michael R. Pence", written above a horizontal line.

Michael R. Pence, Governor, State of Indiana