

State Budget Committee
Meeting Minutes
December 17, 2014

Members:

Senator Luke Kenley, Chairman
Representative Tim Brown
Representative Terry Goodin
Senator Karen Tallian
Brian Bailey, State Budget Director

Alternate Members:

Senator Ryan Mishler
Representative Sheila Klinker
Representative Bob Cherry

Senator Kenley called the meeting to order at 11:00 AM in the Ways and Means Committee room located in the Indiana State House. Following introductory remarks, Senator Kenley introduced the October Budget Committee minutes. After brief committee discussion Representative Brown made a motion to adopt the proposed minutes, Senator Tallian seconded the motion. The motion to adopt the October Budget Committee minutes was taken by consent.

The December Agenda was presented and the pertinent comments for the agenda, review, and discussions items are noted as follows:

IFA - Indianapolis Motorsports Investment District

Senator Kenley asked for clarification regarding the investment in the Motorsports District is not an appropriation from the state; rather, the Motorsports District is using the State's financing structure to facilitate a loan. Kendra York, from IFA, verified that this was correct; and the IFA estimates that the state will recover the money loaned to the district within 17 years. The Motorsports District will repay the loan partly from an Admission's fee added onto the price of tickets, which the IMS voluntarily agreed to on an up-front basis.

Senator Kenley also asked when the deal would close. Mark Miles, from IMS, stated that they hoped to have it closed in May 2016.

IFA - Ohio River Bridges

Senator Kenley asked if the TIFIA loan can be paid off at any time in the future, without pre-payment penalties. Kendra York verified that was correct and that if toll revenue comes in as expected, they anticipated paying the TIFIA loan off early. Representative Brown asked if the 2.47% interest rate was locked in, Kendra York verified that it was.

FSSA – State Plan Amendments (SPAs)

Representative Brown asked if the six SPAs that the Budget Committee is reviewing today remain on the State Plan if Hip 2.0 was not approved federally. Joe Moser stated that the six SPA's being discussed will be removed from the State Plan if Hip 2.0 is not approved by the Federal government.

Senator Tallian asked if the new Medicaid forecast assumes that Hip 2.0 will be approved. Senator Kenley stated that it did, and the Medicaid forecast being presented later would go into further detail on this issue.

After the agenda and review items were presented and discussed, Senator Kenley asked for a motion to adopt the proposed agenda. Representative Goodin motioned to adopt the agenda and Representative Brown seconded the motion. The proposed agenda was taken on consent.

I. Agency Projects

1. Department of Natural Resources (300) \$166,936
Nature Preserves Visitor Safety/Public Access & Wildfire Risk Reduction

The Division of Nature Preserves is requesting funding for the annual visitor safety/public access and wildfire risk reduction done at various Nature Preserve locations across the state. There are 67 trail structures (bridges, stair systems, boardwalks) identified that require mitigation of risks including repairing broken structures, addressing storm damage concerns, erosion, and trail aging.

Prescribed burns (wildfire risk reduction) are also necessary to continue the health of natural habitats like prairies, oak savannas, and barrens. Without these occasional fires, these habitats can change into other kinds of habitats that do not reflect the natural history of Indiana. Another reason for this prescribed burn is that it prevents out-breaks of more intense and dangerous wildfires. This request will fund labor to do the work across the state.

Funding: 2013 General Fund – Nature Preserves General R&R

2. Department of Natural Resources (300) \$4,000,000
Deer Creek and Willow Slough Shooting Ranges

The Division of Fish and Wildlife is requesting funding to construct two new shooting ranges at Deer Creek Fish and Wildlife Area and Willow Slough Fish and Wildlife Area. The Deer Creek location will be located in Greencastle, and the Willow Slough range will be located near Morocco. There is a lack of public shooting ranges in these areas and the demand for recreational and personal protection activity is on the rise. These sites would provide the proper locations to facilitate firearm proficiency. These shooting ranges would be outdoors and would be open to rifles and pistols. There will also be space for basic shotgun and archery practice. No skeet or trap facilities are planned for these facilities.

Funding: 2013 General Fund – Fish and Wildlife General R&R \$1,000,000
2014 Federal Funds – Wildlife Restoration Act \$3,000,000

3. Department of Natural Resources (300) \$120,000
Lake Manitou Dam and Spillway Design

The Division of Water is requesting funding for consultant services to provide the design to repair the Lake Manitou dam. The embankment contains sandy soils which are very erodible, the spillway system is undersized, and some sections of concrete are in failing condition. Corrections need to be made to prevent a structural failure that could impact residential and business properties in the City of Rochester.

Funding: 2013 General Fund – Division of Water-Dams General R&R

4. Indiana State Museum and Historic Sites (303) \$2,000,000
Bicentennial Match

This request is part of ISM's larger capital campaign for the Museum and State Historic Sites Bicentennial project. The total project will cost \$15,769,000, and includes upgrading the museum's core exhibition galleries, expanding and renovating the core cultural history galleries, upgrading infrastructure and technological changes to improve the visitor experience. The project will also improve accessibility, upgrade the collections maintenance and research capabilities, and improve historic sites around the state. Including this request, ISM will have raised \$12,500,000 or nearly 79% of the total project costs.

Funding: 2013 General Fund – Bicentennial Match

5. Kankakee River Basin Commission (322) \$430,000
Kankakee River Levee Repairs

The Kankakee River Basin Commission is requesting funding for two projects addressing issues with the Kankakee Levees. The first is in Newton County where planned work on the DeHaan Ditch and Kankakee River will change the nature of the flow through the wetlands surrounding the area creating a need for a mitigation plan. A section of the river levee also needs to be strengthened to protect cropland and I-65. Jasper County needs to strengthen 10 miles of the Kankakee River bank between U.S. 231 and S.R. 49. The levee bank will be cleared of dead and falling trees, a 20 foot path will be created for maintenance access, and riprap will be added in particularly steep eroded levees. Another section of the river will be covered in this project just west of U.S. 231.

Funding: 2013 Build Indiana Fund

6. Kankakee River Basin Commission (322) \$175,000
Bank Stabilization and Sediment Control

The Kankakee River Basin Commission is requesting funding for various bank stabilization and sediment control projects on the Kankakee and Yellow Rivers. These projects include 3 sentry gauges to measure height, volume, and sediment load; over ten miles of bank stabilization work on the Kankakee River; and log jams clogging the river in LaPorte, Starke, Jasper, and Porter Counties.

Funding: 2013 Build Indiana Fund

7. Adjutant General (110) \$4,199,940
Various Capital Projects

The Adjutant General is requesting \$1,999,970 of 2013 General Fund Construction funding to proceed with several projects throughout their statewide system of facilities. These funds will be matched with federal dollars of \$2,199,970. The breakout of the total expenditures will be as follows: roofing: \$1,187,686; HVAC/boiler work: \$1,748,778; security doors/fencing: \$1,000,000; parking: \$90,396; brickwork: \$173,080. The roofing funds will go towards 6 full-scale replacements at various Armories and numerous other roofing repairs at other facilities. The HVAC/boiler funds will go towards replacing 7 separate boilers; all of which are at least 30 years old.

Funding:	2013 General Fund – Public Safety	\$1,999,970
	Federal Funding Match	\$2,199,970

8. Indiana War Memorial Commission (315) \$550,000
Soldiers and Sailors Monument Repairs

The Indiana War Memorial Commission requests a change of use to funds previously approved at the 2014 October Budget Committee. During a recent inspection it was discovered that the Soldiers and Sailors Monument has experienced some unexpected structural issues that attached the bronze statues to the limestone monument. It is expected that this same condition exists on all four sides of the monument. This project request includes scaffolding, inspection, and repair of the entire structure to address the concerns of the structural integrity of the monument's statues.

Funding: 'Previously Approved' 2013 General Fund – Conservation & Environmental

9. Department of Correction (615) \$1,372,399
Communication Infrastructure Upgrades

The Department of Correction is requesting approval to enhance and modernize infrastructure and communications equipment following the migration to the P25 digital network led by the Integrated Public Safety Commission. The existing Department of Correction's radio system is still analog and upon migration, the IDOC system will no longer function as an effective system. This funding provides for all of the radio hardware and infrastructure for the facilities located in the central region.

Funding: 2013 Postwar Construction Fund

II. University Projects

1. Purdue University – West Lafayette \$4,800,000
McCutcheon Hall – University Residences Bathroom Renovation – Phase IV
Project No. B-1-15-2-16

The Trustees of Purdue University request approval to proceed with the financing and construction of McCutcheon Hall. This 8,696 GSF project, which is in the fourth of nine planned

phases, consists of reconfiguration and renovation of the bathroom on floors 1-8 of the north tower of McCutcheon Hall. The reconfiguration and renovation will provide new electrical, plumbing and exhaust to serve a larger restroom with more showers and greater privacy for residents while also meeting current requirements for accessibility.

The estimated cost of this project is \$4,800,000 and will be funded from the Departmental Funds – Housing and Food Services (HFS) Reserves derived from room and board fees. The reported balance of the Departmental Funds – HFS Reserves is \$36,000,000 as of 10/10/14.

Funding: Departmental Funds – HFS Reserves
CHE Review: November 13, 2014

2. Purdue University – West Lafayette \$11,245,000
Purdue Airport Long Runway 10/28 Rehabilitation
Project No. B-1-15-2-08

The Trustees of Purdue University request approval to proceed with the financing and construction of the Purdue Airport Long Runway 10/28 rehabilitation. This project will strengthen runway 10/28 by adding a bituminous overlay, rehabilitate the 10/28 and 5/23 intersection, and replace the distance remaining signs, taxiway guidance signs, and airfield guidance signs.

The estimated cost of this project is \$11,245,000 and will be funded from Federal Aviation Administration (FAA) Grant Funds, Indiana Department of Transportation (INDOT) Grant Funds, and Purdue Departmental Funds. FAA and INDOT will reimburse the expenses on a monthly basis. The reported balance of the Purdue Departmental Funds is \$603,793 as of 10/1/14.

Funding: FAA Grant Funds \$10,120,500
INDOT Airport Development Funds \$562,250
Purdue Departmental Funds \$562,250
CHE Review: November 13, 2014

3. Purdue University – West Lafayette \$2,500,000
Wade Utility Plant Boiler 5 Dry Sorbent Injection System Installation
Project No. B-1-15-2-17

The Trustees of Purdue University request approval to proceed with the financing and construction of the Wade Utility Plant Boiler 5 Dry Sorbent Injection System Installation. This project will provide a retrofit of the existing Boiler 5 with a Dry Sorbent Injection System to comply with the upcoming Environmental Protection Agency Boiler MACT rule.

The estimated cost of this project is \$2,500,000 and will be funded from University Funds – Infrastructure Reserves. The reported balance of the University Funds – Infrastructure Reserves is \$13,707,563 as of 10/10/14.

Funding: University Funds – Infrastructure Reserves
CHE Review: November 13, 2014

4. Purdue University – West Lafayette \$6,820,000
Forney Hall East Wing Renovation
Project No. B-1-15-2-15

The Trustees of Purdue University request approval to proceed with the financing and construction of Forney Hall. This 23,000 GSF/13,800 ASF project will renovate lab space for the College of Engineering in the east wing for Forney Hall, which is a three-story building with a basement and ground floor structure. The renovation will include casework modifications and additions, replacement of existing fume hoods, installation of new fume hoods, and upgrades to room finishes. Installation of new snorkel exhaust systems, electrical and lighting upgrades, HVAC upgrades, and installation of new make-up air units with a manifold exhaust will also be included in the renovation.

The estimated cost of this project is \$6,820,000 and will be funded from the Repair and Rehabilitation – ARRA Funds – Facilities & Administration (F&A) and Departmental Gift Funds – Chemical Engineering. The reported balance of the Repair and Rehabilitation – ARRA Funds – F&A is \$6,020,000 as of 8/20/14. The reported balance of the Departmental Gift Funds – Chemical Engineering is \$800,000 as of 8/20/14.

Funding:	Repair and Rehabilitation – ARRA Funds – F&A	\$6,020,000
	Departmental Gift Funds – Chemical Engineering	\$800,000
CHE Review:	November 13, 2014	

5. Purdue University – West Lafayette \$10,000,000
Agronomy Center Automated Phenotyping and Seed Processing Laboratory
Project No. B-1-15-1-05

The Trustees of Purdue University request approval to proceed with the financing and construction of the Agronomy Center Automated Phenotyping and Seed Processing Laboratory. This 20,244 ASF/25,000 GSF project will construct a new Automated Field Phenotyping Laboratory, Innovation Lab, and Plant Sample Processing facility at the Agronomy Center for Research and Education. This facility will give Purdue an opportunity to be the world leader in the new areas of automated field phenotyping and implement new efficient ways to process vegetation for research.

The estimated cost of this project is \$10,000,000 and will be funded from University Institutional Reserves – F&A Recovery. The reported balance of the University Institutional Reserves – F&A Recovery is \$9,700,000 as of 7/1/2014.

Funding:	University Institutional Reserves – F&A Recovery	
CHE Review:	October 9, 2014	

6. Purdue University – West Lafayette \$90,000,000
Honors College and Residences
Project No. B-1-13-1-05R

The Trustees of Purdue University request approval to proceed with the financing and construction of the Honors College and Residences. This 219,374 ASF/311,572 GSF project will

construct a new residence hall facility for the Honors College that will promote academic success through development of a living learning community. It will be located on the southwest corner of Russell and Third Street with more than 800 beds and approximately 40,000 square feet of academic space.

The estimated cost of this project is \$90,000,000 and will be funded from Auxiliary Revenue Bonds under Indiana Code 21-35-3 and Gift Funds. The debt service on the bonds will be repaid by the House & Food Services Funds revenue.

Funding: Auxiliary Revenue Bonds to be repaid by House & Food Services Revenue Gift Funds \$75,000,000
\$15,000,000
CHE Review: October 9, 2014

7. Purdue University – West Lafayette \$4,706,500
Krannert Building Multiple Air Handling Units Replacement
Project No. B-1-15-2-14

The Trustees of Purdue University request approval to proceed with the financing and construction of the Krannert Building Air Handling Units Replacement. This project will replace and rezone major air handling units for the entire building.

The estimated cost of this project is \$4,706,500 and will be funded from Bond Proceeds – Repair and Rehabilitation HEA 1029-2006 University General Fund. The University may utilize its existing tax-exempt commercial paper and long-term debt program to fund these expenditures. The reported balance of the Bond Proceeds – Repair and Rehabilitation HEA 1029-2006 University General Fund is \$4,706,500 as of 7/25/2014.

Funding: Bond Proceeds – Repair and Rehabilitation HEA 1029-2006
University General Fund
CHE Review: October 9, 2014

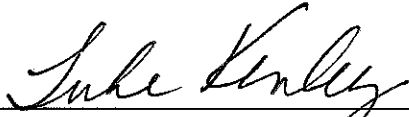
Cost Summary December 17th 2014

General Fund	\$5,286,906
Federal Funds	\$5,199,970
Build Indiana Fund	\$605,000
2013 Postwar Construction Fund	\$1,372,399
'Previously Approved' 2013 General Fund	\$550,000
University Funds	\$28,588,750
Grant Funds	\$10,120,500
Auxiliary Revenue Bonds	\$75,000,000
INDOT Airport Development Funds	\$562,250
University Gifts	\$15,800,000
Total	\$143,085,775

III. Review Items

1. IFA – Indiana Motorsports Investment District
2. IFA – Ohio River Bridges (TIFIA)
3. E 911 Commission
4. FSSA – Medicaid SPAs
5. IEDC – 21 Fund Investments
6. IEDC – Purdue Foundry projects
7. IEDC – SBIR/STTR State Matching Program

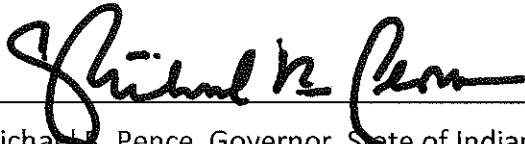
Pursuant to the provisions of IC 4-12-1, the State Budget Committee has reviewed the above items.



Senator Luke Kenley, Chairman



Brian Bailey, State Budget Director



Michael A. Pence, Governor, State of Indiana