

State Budget Committee  
Meeting Minutes  
October 16, 2015

**Members:**

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

**Alternate Members:**

Representative Bob Cherry  
Senator Ryan Mishler  
Senator John Broden  
Representative Sheila Klinker

Chairman Brown called the meeting to order at 9:00 AM (EDT) in the Solarium within the Indiana Memorial Union on the campus of Indiana University. Following introductory remarks, Chairman Brown introduced the August Budget Committee minutes. After brief committee discussion Senator Kenley made a motion to adopt the proposed minutes, Senator Tallian seconded the motion. The motion to adopt the August Budget Committee minutes was taken by consent.

Prior to the agency projects being presented, the Review Item concerning the repayment of the Federal Unemployment Insurance Trust Fund loan was discussed. This discussion resulted in the agreement that the intent is for the state to loan the needed funds to the Department of Workforce Development (DWD) to repay the federal loan. Indiana unemployment insurance premiums remitted to DWD would repay the loan from the State General Fund in May 2016. It was also agreed upon that DWD would reestablish a reserve in the Unemployment Trust Fund, with a target range in excess of the federal recommended balances by the year 2019.

The Evansville Multi-Institutional Health and Sciences Center University project was also discussed at length by the Committee. It was agreed upon by Indiana University and the University of Southern Indiana that the land and building would revert to Universities upon completion of the financing.

After each agenda item was presented and discussed Senator Kenley motioned to adopt the amended agenda, Senator Tallian seconded. The motion to adopt the proposed agenda was taken by consent.

The October Budget Committee Agenda is as follows:

**I. Agency Projects**

1. Department of Correction/Family and Social Services/Indiana Finance Authority \$600,000  
 Water Line Replacement – Madison Facility

The Department of Correction, Family and Social Services, and the Indiana Finance Authority requests funding to replace the main water line at the Madison Facility. The current water line services three facilities; Madison State Hospital, Department of Corrections Women’s Facility, and a Department of Corrections Female Juvenile Facility. The current line is over 50 years old and has experienced several failures in recent years. This replacement will ensure that these facilities can maintain control of their water supply as opposed to the more costly option of purchasing water from the local supplier.

Funding:	2015 Postwar Construction Fund – DOC	\$200,000
	2015 Postwar Construction Fund – HHS	\$200,000
	IFA R&R Funds	\$200,000

2. Department of Correction (640) \$794,000  
 Masonry Restoration – Indiana Women’s Prison

The Department of Correction is requesting approval to restore the masonry on the chapel exterior at the Women’s Prison. This 12,000 sq. ft. building was constructed in 1939 and is currently used for religious services, offender re-entry programming, and family reintegration and preservation programs. Over the years, weathering has caused cracking, spaulding, and degradation throughout the entire masonry facade. These repairs will eliminate the potential for water infiltration into the chapel structure and reduce annual preventive maintenance expenses.

Funding:	2015 Postwar Construction Fund	\$675,000
	2015 ‘Previously Approved’ Postwar Construction Fund	\$119,000

3. Department of Correction (675) \$866,827  
 Communications Infrastructure – Branchville

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, will no longer be compatible with other state agency radios. This funding provides for 198 radios, radio hardware, site antennas and the supporting infrastructure, labor, and licenses.

Funding:	2015 Postwar Construction Fund	\$760,000
	2015 DOC Technology Fund	\$106,827

4. Department of Natural Resources (300) \$200,000  
Lincoln State Park Water Main Replacement

Division of State Parks and Reservoirs requests funding to replace the water lines throughout Lincoln State Park. The breaks and repairs in the 40 year old lines cause disruptions to customers and allow for potential Department of Health and Department of Environmental Management violations. The water disruptions often result in camp ground refunds thereby impacting overall revenue within Lincoln State Park. The affected area includes water service to 150 camp sites, 3 bath houses, youth tent area, 10 family cabins, group camp area, beach house, and the 1500-seat Amphitheatre. Lincoln State Park is situated in Lincoln City on 2,026 acres with multiple lakes, historic sites related to Abraham Lincoln's youth, and the Lincoln Amphitheatre.

Funding: 2015 General Fund – Conservation and Environment

5. Department of Natural Resources (300) \$1,300,000  
Brookville Lake and Whitewater Memorial State Parks Rehab

Division of State Parks and Reservoirs requests funding to renovate and repair various projects at Brookville Lake and Whitewater Memorial State Park; DNR's most visited location with approximately 1,680,495 visitors each year. Funds will be used to renovate 4 comfort stations in the campgrounds, replace damaged sidewalks, replace 44 boat docks, repair and replace the buoy field at Fairfield marina, re-deck the sail-boat dock at Hanna Creek, refurbish several courtesy docks and fishing piers, renovate 20 family cabins, restore or resurface multiple playgrounds, repair a water tower level control system, and repair a primary water lift station.

Funding: 2015 General Fund – Conservation and Environment

6. Department of Natural Resources (300) \$1,048,040  
Campground Electric Repair

Division of State Parks and Reservoirs requests funding for campground electrical repairs to be made at five separate State Park campgrounds. This project will replace wires and pedestals of 280 campsites at Brown County State Park (83 sites), Summit Lake State Park (55 sites), Raccoon State Recreation Area (42 sites), Lincoln State Park (50 sites), and Mounds State Park (50 sites). Currently these campgrounds are experiencing electrical failures due to age, obsolete wiring, heavy visitation, and additional usage with today's large campers. The old aluminum wiring at these campsites will be replaced with more durable copper wiring.

Funding: 2015 General Fund – Conservation and Environment

7. Department of Natural Resources (300) \$1,100,000  
Wyandotte Caves

Division of State Parks and Reservoirs requests funding to reopen The Wyandotte Caves. The caves were designated a National Natural Landmark in 1972 but were closed in 2009 as a part of a collaborative effort with U.S. Fish and Wildlife to protect the endangered Indiana Bat. The small cave can operate year-round; however, the large cave can only be opened from May 1<sup>st</sup> to August 31<sup>st</sup> to accommodate the bat hibernation season. This request includes allocations of

\$106,000 for safety and security upgrades within the caves, \$142,000 for structural and electrical consulting/design services, \$670,000 for construction related expenses including electric, railing systems, \$60,000 for septic repairs, and \$122,000 for ADA compliance which includes a new restroom.

Funding: 2015 General Fund – Conservation and Environment

8. Larue Carter Memorial Hospital (450) \$150,000  
Building Management System Replacement

The Larue Carter Memorial Hospital requests funding to replace their 25 years old building management system; this system controls their HVAC. The current system operates on a Windows 3.1 work station which has not been supported since the early 2000's. Because the system is unsupported and has no backup system, a system failure would directly affect the hospital's heating and cooling capability and possibly require the relocation of the hospital's patient population. The project will focus on replacing 5 building management controller units and connecting the system to the existing server located at the Indiana Government Center. This system will give hospital maintenance the ability to monitor for alerts, issues, trends and cost savings.

Funding: 2015 Post War Construction Fund – Health & Human Services

9. Indiana Veterans' Home (570) \$101,375  
Dewey Hall Roof Replacement

The Indiana Veterans' Home requests funding to replace the 9,280 square foot roof at Dewey Hall. The roof is original to the building, which was constructed in 1971. Currently, the roof is experiencing failures and water has begun leaking onto the walls and floor of the building's fourth story. The project calls for the original roof to be replaced with a single-ply membrane roof which includes a 20-year material and labor warranty. This project was originally approved at a lower dollar amount; however, after beginning the project, additional water damage was discovered within the building's decking and insulation. The additional repairs have increased the total project cost thereby requiring Budget Committee approval.

Funding: 2015 Indiana Veterans' Home Building Fund

10. Indiana State Police (100) /Indiana Office of Technology (67) \$1,269,656  
Live Scan Machine Replacement

Indiana State Police requests the funding to replace 107 Live Scan fingerprinting machines. These machines are used for electronic fingerprinting and are a vital resource in allowing the State Police to maintain Indiana's Automated Fingerprint Identification Program and Criminal History Repository. The Live Scan machines are located at booking locations and allow for fingerprints to be submitted at the time of booking. The current Live Scan machines are at the end of their usable life and need replaced to allow all Indiana Law Enforcement Agencies to utilize this much needed database when processing arrests.

Funding: 2015 General Fund – General Government

II. University Projects

1. Indiana University Purdue University – Indianapolis \$3,400,000  
Vermont Street Parking Garage Façade Repair and Replacement  
Project No. A-2-15-2-23

The Trustees of Indiana University request authorization to proceed with repair and replacement work to the façade of the Vermont Street Parking Garage on the IUPUI campus. This project will repair screening forming the façade of the Vermont Street Parking Garage on the IUPUI campus. The Vermont Street Parking Garage was constructed in 1979 and expanded in 1985. A system of 2-foot X 6-foot vertical redwood slats provides screening for the exterior elevations. Over the last thirty-five years, the redwood screens have failed and fallen off the garages, creating a safety hazard. This project will replace the existing vertical redwood slats with aluminum extrusions.

The cost of this project is estimated to be \$3,400,000 and will be funded through parking funds which are designated for renewal and replacement projects at IUPUI parking facilities. The reported balance of parking funds is \$12,615,850 as of October 1, 2015.

Funding: University Parking Funds  
CHE Review: August 13, 2015

2. Indiana University – Indianapolis \$25,000,000  
IU School of Medicine – Center for Drug Discovery – Wishard/Dunlap Lab Renovation  
Project No. A-2-12-1-15

The Trustees of Indiana University request authorization to revise the project scope of the IU School of Medicine – Center for Drug Discovery – Wishard/Dunlap Building Lab Renovation project. This project was approved by the IU Board of Trustees on February 14, 2014 and the State Budget Committee on June 20, 2014. The project cost was \$25,000,000 to be funded through State Appropriations.

Following two studies that examined both the condition of the Dunlap Building and other older research laboratories, it is now recommended that the research and financial objectives of this project would be better served by renovating other older laboratories. This 136,769 GSF/88,900 ASF project will renovate portions of the VanNuys Medical Science Building and the Medical Research and Library Building for the IU School of Medicine in Indianapolis to bring existing space up to current research standards. Renovations to VanNuys include converting approximately 6,200 ASF of Drug Discovery old “C” type anatomy lab space on the 5<sup>th</sup> floor north wing, and approximately 16,000 ASF of PharmTox lab spaces on the eastern half of the 4<sup>th</sup> floor and 5<sup>th</sup> floor south wing into labs and research support spaces. Additionally, approximately 12,700 ASF of the VanNuys south wing basement currently used as medical storage will be renovated. In the Medical Research and Library Building, renovations will convert 54,000 ASF of old “B” and “C” space labs on floors 1 – 5 of the west wing into labs and research support spaces. The future use or disposition of the Dunlap Building will be determined following further study.

Funding: ‘Previously Approved’ HEA 1001 – 2013 Cash Funded  
CHE Review: August 13, 2015

3. Indiana University \$12,500,000  
Regional Campuses – Multi-Campus Special R&R for Deferred Maintenance  
Project No. A-0-15-2-03

The Trustees of Indiana University request authorization to address major repair and rehabilitation projects on the East, Kokomo, Northwest, South Bend, and Southeast campuses. This is phase two of the deferred maintenance project across the various IU campuses. Phase one of the project was approved on two separate Budget Committee agendas. Renovations for IU Kokomo and IU Northwest were approved by Budget Committee on September 12, 2013 and renovations for IU East, IU South Bend, and IU Southeast were approved by Budget Committee on June 20, 2014.

The East campus will install new direct digital controls for HVAC systems in Tom Raper Hall, Springwood Hall, Hayes Hall, Whitewater Hall, and the Chilled Water Plant for a total cost of \$1,200,000. The existing controls in each building are antiquated and inefficient, and the new controls will allow for greater operating efficiency and enhanced system monitoring capabilities. The total cost of all requests on the East campus is \$1,200,000.

The Kokomo campus will replace boilers in the Kelley Student Center for a total cost of \$500,000. The current boilers are 27 years old, at the end of their life span, costly to operate, and inefficient. The new boilers will be higher efficiency models which will cost less to operate and to maintain. The total cost of all requests on the Kokomo campus is \$500,000.

The Northwest campus will repair windows in the Dunes Medical/Professional building for a total cost of \$300,000. Marram Hall Greenhouse will have its interior walls and floors resealed to prevent water damage to adjacent rooms for a total of \$350,000. Moraine Student Center will receive window replacements for a total of \$500,000. The Anderson library, Moraine Student Center, Raintree Hall, and Hawthorn Hall will receive fire suppression upgrades for a total of \$1,250,000. Finally, the campus will receive hardscape accessibility upgrades for a total cost of \$1,000,000. This project involves sidewalk and interior roadway repairs as well as storm water drainage improvements. The total cost of all requests on the Northwest campus is \$3,400,000.

The South Bend campus will renovate the Northside Hall for a total cost of \$6,330,000. This project includes asbestos abatement, code compliance updates, energy efficiency improvements, repairs to the exterior building's precast concrete wall panels, the exterior windows and window frames, roof replacement, and upgrades to the fire alarm system. The total cost of all requests on the South Bend campus is \$6,330,000.

The Southeast campus will install accessible elevators at Hillside Hall for \$495,000 and repair the Hillside Hall Bridge for \$275,000. The Library will receive mechanical system replacements for a total of \$200,000. The campus will also receive hardscape road repairs for a total of \$100,000. The total cost of all requests on the Southeast campus is \$1,070,000.

Funding: HEA 1001 – 2015 – Cash funded  
CHE Review: August 13, 2015

4. Indiana University – Bloomington \$48,500,000  
Old Crescent Renovation Phase II  
Project No. A-1-15-2-02

The Trustees of Indiana University request authorization to proceed with the renovation of Kirkwood Hall, Swain West, and Ernie Pyle Hall as the second phase of the Old Crescent Renovation on the Bloomington campus.

This 264,953 GSF/ 152,009 ASF project will renovate Kirkwood Hall, Ernie Pyle Hall, and Swain Hall on the IU Bloomington campus. Kirkwood Hall was constructed in 1894, Ernie Pyle Hall was constructed in 1937, Swain East was constructed in 1910, and Swain West was constructed in 1940. Due to the age of these buildings, each are in need of renovations including new building systems such as heating/air conditioning, electrical, plumbing, computer data, and fire suppression. Also included will be improvements to building roofs and windows as well as accessibility upgrades. Swain West in particular contains lab space for the Department of Physics that is in need of renovation to create the best and safest learning environment for students and faculty. Classrooms will be refurbished with the latest technologies and seating arrangements to be as effective as possible.

The estimated cost of this project is \$48,500,000 and will be funded by fee-replaced Student Fee Bonds under Indiana Code 21-34. The debt service on the bonds will begin in fiscal year 2017.

Funding: Student Fee Bonds  
CHE Review: August 13, 2015

5. Indiana University – Bloomington \$3,500,000  
Harper Hall Foster Quadrangle  
Project No. A-1-15-2-22

The Trustees of Indiana University respectfully request authorization to proceed with limestone façade repair at Harper Hall in Foster Quadrangle on the Bloomington campus. Harper Hall as constructed in 1962 and repairs were made to the façade in the late 1970s. The façade was examined in 2013 and again in 2015 after two stacked stone panels fell from the building in January 2015. The resulting report recommended that approximately 75% of the limestone panels be removed and reset. A safety issue will occur if steps are not taken to prevent future failure of the exterior. Additionally, all joints between the limestone panels will be replaced as well as the soffit overhangs.

This project is estimated to cost \$3,500,000 and will be funded through Foster Quadrangle Renewal and Replacement Funds designated for renewal and repair projects at Foster Quadrangle. Housing fees are the source of these funds and the cash balance as of October 1, 2015 is \$11,310,960. This project will not impact future room and board rates beyond normal inflationary increases.

Funding: Foster Quadrangle Renewal and Replacement Funds  
CHE Review: August 13, 2015

6. Indiana University / University of Southern Indiana \$55,200,000  
 Evansville Multi-Institutional Health and Sciences Center  
 Project No. A-2-14-1-15/ G-0-15-1-01

The Trustees of Indiana University and the Board of Trustees of the University of Southern Indiana request authorization to proceed with the construction of a multi-institutional Academic Health Science and Research Center at the downtown Evansville site proposed by Skanska/U.S. HealthRealty and the City of Evansville. This facility will be shared by the Indiana University School of Medicine, University of Southern Indiana, and University of Evansville. Total new space required for institutional and research activities will be approximately 145,000 GSF. IU's portion of the facility will be approximately 87,000 GSF and USI's portion will be approximately 26,300 GSF. The remaining space will be utilized by the University of Evansville through a lease agreement with the developer. The four story tower will house office/support space, research labs, wet/dry teaching labs, seminar/classrooms, and a simulation center/clinic.

IU and USI's portions of the project are estimated at \$25,200,000 to be funded by cash from state appropriations. An additional \$30,000,000 will be provided by local funding through the City of Evansville.

Funding:	Tobacco Master Settlement Agreement Fund (IU)	\$19,200,000
	Tobacco Master Settlement Agreement Fund (USI)	\$6,000,000
	Local funding	\$30,000,000
CHE Review:	August 10, 2015	

7. University of Southern Indiana \$2,500,000  
 Welcome Center  
 Project No. G-0-15-1-04

The Board of Trustees of the University of Southern Indiana requests to proceed with the construction of a Welcome Center on campus. There is a growing need on campus for dedicated space to welcome students and visitors. The proposed 19,500 GSF/ 14,625 ASF free-standing structure will include a large meeting room where staff can show videos and make presentations to visitors and smaller meeting rooms to allow guests to receive more personalized attention. The University plans to construct the Welcome Center in a highly visible, easily accessible location on campus.

The estimated cost of the project is \$2,500,000 and will be funded through private gifts from the University of Southern Indiana Foundation (\$2,000,000) and Special Projects Reserves (\$500,000). As of October 2, the Special Project Reserves balance is \$3,500,000.

Funding:	Private Gifts	\$2,000,000
	University funds	\$500,000
CHE Review:	August 2015	

8. Purdue University – West Lafayette \$4,800,000  
 South Tower McCutcheon Hall Residences Bathroom Renovation, Phase V  
 Project No. B-1-16-2-01

The Board of Trustees of Purdue University requests to proceed with the renovation of the fifth of nine planned phases of renovation of the University Residences H-Hall bathrooms. This phase will renovate floors 1 – 8 of the South Tower of McCutcheon Hall University Residences. The 8,696 GSF renovation will provide the new electrical, plumbing, and exhaust to serve a larger restroom, with more showers, greater privacy for residents, and updated finishes. In total, this project will renovate eight existing bathrooms, one on each floor of the South Tower, and expand the bathrooms by encompassing one student room on each floor. Bathrooms will be made into eight private shower rooms with toilets included per floor, which will double the number of showers that are currently available.

The estimated cost is \$4,800,000 and will be paid using Housing and Food Services (HFS) reserves, which are funded through student housing and meal fees. The cash balance of the HFS reserves as of September 30 is \$31,839,027.

Funding: HFS Reserves  
 CHE Review: August 2015

### Cost Summary October 16<sup>th</sup> 2015

2015 Postwar Construction Funds	\$1,985,000
2015 General Fund	\$4,917,696
2015 Indiana Veterans' Home Building Fund	\$101,375
2015 DOC Technology Fund	\$106,827
IFA R&R Funds	\$200,000
'Previously Approved' 2015 Postwar Construction Funds	\$119,000
'Previously Approved' HEA 1001 – 2013 Cash Funded	\$25,000,000
University Funds	\$60,700,000
HEA 1001 – 2015 Cash Funded	\$12,500,000
Private Funds	\$2,000,000
Tobacco Master Settlement Agreement Fund	\$25,200,000
Local Funding	\$30,000,000
<b>Total</b>	<b>\$162,829,898</b>

### III. Review Items

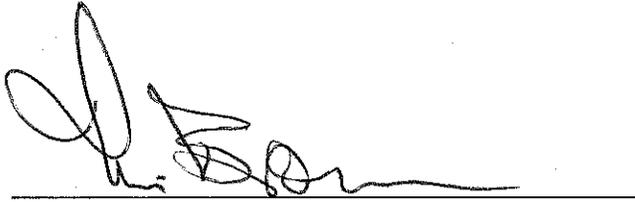
1. ISP Salary Study – SBA
2. Unemployment Insurance Trust Fund – DWD
3. Medicaid State Plan Amendments – FSSA
4. 211 Spending Plan – IURC
5. Airport Development – INDOT

6. Retiree Medical Benefits Accounts – SBA
7. IC 4-2-6-15 Advisory Recommendation – SOS
8. 21 Fund Investments – IEDC
9. 21 Fund, SBIR/STTR Program – IEDC
10. Purdue Foundry Program – Elevate Ventures
11. Regional Cities – IEDC

**IV. Reports Received (Sent)**

1. Regional Cities Initiative Report – IEDC (9/1/2015)
2. 21<sup>st</sup> Century Research & Technology Fund Report – IEDC (9/1/2015)
3. Department of Correction Population Report – DOC (9/9/2015)
4. First Steps – FSSA (9/23/2015)

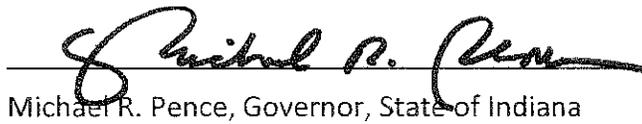
Pursuant to the provisions of IC 4-12-1, the State Budget Committee has reviewed the above items.



Representative Tim Brown, Chairman



Brian Bailey, State Budget Director



Michael R. Pence, Governor, State of Indiana

