

State Budget Committee  
Meeting Minutes  
July 29, 2016

**Members:**

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

**Alternate Members:**

Representative Bob Cherry  
Senator Ryan Mishler  
Representative Sheila Klinker

Chairman Brown called the meeting to order at 9:00 AM in the Kelly Student Center on the Indiana University Kokomo campus in Kokomo. Chancellor Susan Sciame-Giesecke welcomed the Budget Committee to Indiana University Kokomo. Following introductory remarks, Representative Brown advised that the April minutes were previously approved and no action was needed at this time.

During the Department of Correction's agenda item presentation, Senator Kenley commented that there is some confusion about how money gets back to the locals for HEA 1006 and he would like to hear DOC's perspective to ensure that HEA 1006 is working.

Representative Goodin expressed concerns to DNR regarding Emerald Ash Borer and how many trees they have lost in Scott County. Rep Goodin asked what steps are legally possible to prevent individuals from bringing firewood from another state into a DNR state park. Director Clark mentioned that DNR does prohibit out of state firewood and provides firewood for purchase in the state parks. Director Clark also stated that the Emerald Ash Borer has already made its way through the state.

During the Indiana State Fair agenda item discussion, Senator Kenley asked how much longer they have on their bond. Cindy Hoye of the Indiana State Fair responded that there is one stop gap in 2017 and will be able to do the early call due to fundraising efforts which will decrease the bond payments but bonds go until 2039. Senator Kenley remarked that they will need a long term solution.

Director Bailey provided a presentation on the state's excess reserves for fiscal year 2016. There were a few changes in the excess reserve calculation for 2016: 1) the reserve amount was reduced from 12.5% to 11.5% and; 2) the tuition reserve account is included in the calculation of total reserve. Closeout reserves for fiscal 2016 were \$2.245 billion, which means that the excess reserve distribution was calculated as \$428 million. The \$428 million is the amount available for

INDOT (55% of \$428M) and local governments (45% of \$428M) for road and bridge projects. Senator Tallian asked how the rainy day fund transfer was calculated. Director Bailey explained the rainy day fund formula as outlined in Indiana Code. Senator Tallian also asked why the State uses personal income growth as opposed to state revenue growth, or some other indicator to calculate the rainy day fund transfer. Director Bailey commented that the rainy day formula has been in statute for several years. Senator Tallian asked why the state transferred \$160 million to the rainy day fund, when the state was below revenue estimates for the recent forecast. Director Bailey acknowledged that the General Assembly may want to consider reviewing the rainy day fund formula as outlined in the Indiana Code in the next legislative session. Senator Kenley asked about the timeframe that INDOT and the locals have to spend the \$428M. Director Bailey stated that there is no known deadline to spend down/utilize the \$428M.

Chairman Brown asked Diana Moers during the Indiana Board Depositories Report review item presentation if they have numbers compared to where they were a year ago. Moers said they have added one more depository compared to last year.

After the Review Items were discussed, Senator Kenley moved to adopt the July agenda, Senator Tallian seconded the motion. The motion to adopt the proposed agenda was taken by consent of the committee.

The July Budget Committee Agenda is as follows:

I. Agency Projects

1. Department of Correction (680) \$200,000  
Master Plan Review at Westville Correctional Facility

The Department of Correction is requesting approval to fund a third party consultant to develop a redesign of Westville Correctional Facility. The facility is 66 years old and the current design is inefficient for the management of offenders as the housing units are long linear former hospital wards. The current housing units are in need of costly renovations to address repairs, maintenance, and security. The facility spends approximately a million dollars every year on gas and electricity costs. A new design will allow cost savings to the Department in staffing, operations, and maintenance costs.

Funding: 2015 Postwar Construction  
(Public Safety R&R 70505-2017)

2. Department of Correction (650) \$161,700  
Replace damaged roof on Putnamville Correctional Facility

The Department of Correction is requesting approval to replace the Chapel Roof at Putnamville Correctional Facility. The existing 25 year old, 7,700 square foot roof has sustained storm damage and needs replacement in order to prevent structural damage from water infiltration. The replacement will consist of new roof decking and new shingles, at a cost of \$21.00 per

square foot due to the 12/12 pitch, eight story height of the roof. The Chapel is used for religious services, meetings, and offender programs.

Funding: 2015 Postwar Construction  
(Public Safety R&R 70505-2017)

3. Department of Correction (630) \$150,000  
Repair Custody Hall Gable End Walls at Pendleton Correctional Facility

The Department of Correction is requesting approval to repair the end walls of the Custody Hall at Pendleton Correctional Facility. These custody hall buildings were built in 1925 and the end walls were previously repaired in the late 1960's but that repair failed to stabilize the water infiltration. Currently, the walls are experiencing water infiltration and masonry deterioration. The repair proposal will stabilize the existing masonry and cover it with steel wall panels.

Funding: 2015 Postwar Construction  
(Public Safety R&R 70505-2017)

4. Department of Correction (615) \$425,500  
Chiller and Transformer Replacement

The Indiana Law Enforcement Academy requests approval to proceed with a 300 ton chiller replacement project. Along with the new chiller, the project includes replacement of a transformer, which will provide sustained and reliable power to both the chiller and the rest of the facility. The current 300 ton, 20 year old chiller has surpassed its cost effective life, has begun requiring extensive repairs, and risks terminal failure. In addition to reducing preventative maintenance costs, the new chiller will save an estimated \$800 per month in electrical costs. The academy's construction, with no opening windows or other ventilation mechanisms, requires an operational cooling system for a conducive learning atmosphere for officers. The transformer replacement cost is \$70,500 and the chiller replacement cost \$355,000.

Funding: 2013 Law Enforcement Training Construction  
(Public Safety R&R 70412-2014)

5. Indiana State Museum and Historic Sites (303) \$143,260  
Public Address System Upgrade

The Indiana State Museum is requesting \$143,260 to upgrade the public address system in the 270,000 square foot facility located in White River State Park in downtown Indianapolis. The public address system is 15 years old and does not function in many areas of the facility, limiting the ability of ISM staff to convey announcements, including those for emergencies. A comprehensive reworking of the system is needed due to limitations of the original design, the addition of new public spaces, and the repurposing certain areas for different uses.

Funding: 2015 General Fund  
(Conservation and Environment R&R 19610-2016)

6. Department of Administration R&R Payments (061) \$8,158,332  
Reserve & Replacement (R&R) Payments to IFA

The Department of Administration (IDOA) requests the annual appropriation for the Reserve & Replacement (R&R) payments on several facilities that are managed by the Indiana Finance Authority (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 in the bond payment as one lump sum. IDOA is requesting the annual amount so that they may disburse funds on a monthly basis to the IFA.

Funding: 2015 General Fund

Indiana Government Center North	\$2,013,720
Indiana Government Center South	\$1,293,720
Government Center Parking Garages	\$1,347,324
Forensic Lab	\$1,293,720
2015 Post War Construction Fund	
Rockville Correctional Facility	\$1,113,720
Pendleton Juvenile Correctional Facility	\$1,096,128

7. Department of Natural Resources (300) \$3,594,477  
State Parks General Rehab

The Department of Natural Resources requests their annual State Parks General Rehab funding. Indiana State Parks & Reservoirs maintains over 180,000 acres of land, over 2,300 permanent buildings covering 2 million square feet of space, seven lodges with 612 guest rooms, 7,400 campsites, 800 trail structures, 400 miles of trails, 700 miles of roads, 152 rental cabins, 400 water/wastewater plants, and numerous other facilities for approximately 16 million visitors annually. The General Rehab funds allow State Parks, State Recreation Areas, and Reservoirs a means of addressing health and safety and code compliance issues throughout the state park system. This request is an accumulation of 67 projects deemed a high priority by the respective properties.

Funding: 2015 General Fund  
(Conservation and Environment R&R 19610-2016) \$866,000  
(Conservation and Environment R&R 19610-2017) \$2,728,477

8. Department of Natural Resources (300) \$1,219,084  
State Parks Cabin Rehab

The Department of Natural Resources requests State Parks Cabin Rehab funding. Indiana State Parks & Reservoirs maintains 152 rental cabins, 7 large group camps, and related structures for

approximately 257,272 visitors annually. The eight cabin operations included in this request have generated \$2,441,321.97 this past year. The Cabin Rehab funds allow State Parks to address a number of immediate needs including, but not limited to, roofing, exterior painting and resurfacing, insect treatment, ADA accessibility, ventilation, deck and porch repair, and various interior projects. This request covers rental cabins at Chain O'Lakes, Harmonie, Lincoln, McCormick's Creek, Pokagon, Potato Creek, Shakamak, and Tippecanoe River State Park properties.

Funding: 2015 General Fund  
(Conservation and Environment R&R 19610 – 2017)

9. Department of Natural Resources (300) \$406,364  
Resource Management

The Department of Natural Resources is requesting funding for resource management throughout the Divisions of Entomology and Nature Preserves. Resource management addresses invasive species and environmental diseases impacting our natural environments. Entomology will allocate \$137,500 on Gypsy Moth control, Kudzu eradication, and Thousand Cankers Disease. Nature Preserves will allocate \$268,864 on reduction of invasive plant species and wildfire mitigation.

Funding: 2015 General Fund  
(Conservation and Environment R&R 19610-2017)

10. Department of Natural Resources (300) \$400,000  
Summit Lake Algae Wheel Plant

The Department of Natural Resources is requesting funding to replace an aging and inadequate existing wastewater treatment plant at Summit Lake State Park near New Castle. Summit Lake State Park spans 2,680 acres, includes an 800 acre lake, and serves approximately 255,075 visitors each year.

Funding: 2015 General Fund  
(Conservation and Environment R&R 19610-2016)

11. Department of Natural Resources (300) \$242,242  
Redbird Trail Guardrail

The Department of Natural Resources is requesting approval to install guardrails along trails at Redbird State Recreation Area. This additional expense is related to a project approved at Budget Committee on September 2013 for railroad crossings. The railroad company required eventual installation of guardrails along the trails near the railroad crossing to prevent riders from accessing the railroad. The DNR acquired federal grant dollars to complete the project and it was decided to seek additional budget committee review.

Funding: DNR Federal Department of Transportation Fund  
Recreational Trails Grant FFY16

12. Kankakee River Basin Commission (322) \$395,000  
Kankakee and Yellow Rivers

The Kankakee River Basin Commission is requesting funding for projects in Newton, Starke, and Porter Counties to address issues related to the Kankakee and Yellow Rivers in northwestern Indiana. Newton County will use \$150,000 for designing and constructing riverbank protection from the Kankakee River in an area downstream of the I 65 river crossing. The access is limited and requires work around and near wetlands. Starke County will use \$190,000 for a project to stabilize the Yellow River upstream of the city of Knox in an area of heavy sand scour. Porter County will use \$55,000 to work on 3 different river bank sites that are in need of repair and protect thousands of acres from flooding in a high water event.

Funding: 2013 Build Indiana Fund Construction  
(Conservation and Environment R&R 30302-2015)

13. School for the Blind and Visually Impaired (550) \$534,000  
Security Cameras

The Indiana School for the Blind and Visually Impaired requests approval to install new security cameras for the safety and security of the students and staff on campus. The cameras will be installed on the exterior of all existing buildings as well as in common areas inside the school. The project consists of purchasing and installing approximately 100 new cameras, equipment, conduit, wiring, and fiber that will have to be installed throughout the campus.

Funding: 2015 Post War Construction Fund  
(Health and Human Services R&R 70502-2016)

14. School for the Blind and Visually Impaired (550) \$180,000  
Activity Building Roof Replacement

The Indiana School for the Blind and Visually Impaired requests approval to replace the roof of the Activity Building which is approximately 12,000 square feet. The roof has suffered from storm damage over the past few years and has begun to leak in several areas even after attempts to make repairs. The project consists of removing and replacing all existing shingles, paper, drip edge and gutters. The project also includes wrapping all exposed wood fascia in metal to match existing metal fascia.

Funding: 2015 Post War Construction Fund  
(Health and Human Services R&R 70502-2017)

15. Indiana School for the Deaf (560) \$575,000  
Career and Technical Education (CTE) HVAC Replacement

The Indiana School for the Deaf request \$575,000 to install six new 80 ton HVAC rooftop units on the north side of the CTE building, which has been used for student education since opening in 1966. The current HVAC units are more than 40 years old and have recently experienced breakdowns. The project will replace the existing units with new units that have digital controls that are more energy efficient.

Funding: 2015 Post War Construction Fund  
(Health and Human Services R&R 70507-2017)

16. Indiana Department of Transportation (800) \$2,700,000  
New Haven Unit Building Construction

INDOT is requesting funding for the construction of the New Haven Unit Building. The current New Haven Unit Building has several defects that INDOT must address for safety, environmental, and operational reasons. The current facility cannot be renovated to meet the current unit building requirements. The new facility will be construction on the existing site and the existing unit building will be retained for use as equipment storage. The new facility will contain two garage bays, one foreman office, standard crew room, tool room, restroom facilities, and a wash bay.

Funding: 2015 INDOT Building & Grounds  
(Transportation Line Item 30515-2017)

17. Indiana Department of Transportation (800) \$204,000  
Logansport Unit Building Design Fees

INDOT is requesting funding for the Architectural and Engineering Fees to construct the new Logansport Unit Building. The new unit building will be constructed on the existing site and the existing unit building will be demolished. The structural and environmental issues that exist at the current site make additional PM investments unjustified. The total PM cost for the Logansport Unit for FY15 and FY16 was approximately \$44,000 and is expected to increase in the future. The PM costs on a new unit building would be less than \$1,000/year and the PM costs on a new salt building would be less than \$500/year.

The architectural and engineering design for the new Logansport Unit building will begin in FY17 and the design fee is 7.5% (\$204,000.00) of the total construction costs for the unit building. The construction of the new building has been proposed for FY18.

Funding: 2015 INDOT Building & Grounds  
(Transportation Line Item 30515-2017)

18. Indiana State Fair Commission (878) \$1,800,000  
Debt Service

The Indiana State Fair Commission is requesting a change in use of these funds. This will assist with debt service payments due to the reduction in the amount it receives in hold-harmless dollars related to the Riverboat Admissions Tax. The reduction results from a change to the statutory formula made in 2013.

Funding: 2015 General Fund  
(General Government R&R 19607-2017)

19. Indiana State Fair Commission (878) \$114,000  
Masonry Repairs

The Indiana State Fair Commission is requesting funds for masonry repairs to multiple buildings on the Fairgrounds. A majority of the funds will be used for the Administrative Building, originally built in 1892, that is used for administrative offices.

Funding: 2015 General Fund  
(General Government R&R 19607-2017)

**II. University Projects**

1. Purdue University – West Lafayette \$6,250,000  
Controlled Environment Phenotyping Facility  
Project No. B-1-16-1-07

Purdue University and its Board of Trustees request to proceed with the financing and construction of the 7,300 sq. ft. Controlled Environment Phenotyping Facility on the West Lafayette campus. This project will construct a controlled-environment plant imaging facility for phenotypic analysis of field traits. The estimated cost of this project is \$6,250,000 and will be funded with University funds. The balance of these funds is \$14.5 million as of June 21, 2016.

Funding: University funds  
CHE Review: April 14, 2016

**Cost Summary  
July 29<sup>th</sup> 2016**

2013 Post War Construction	\$365,000
2015 Post War Construction	\$6,580,802
2013 Law Enforcement Training Construction	\$425,500
2015 General Fund	\$13,652,409
Federal DOT Fund	\$242,242
2013 Build Indiana Fund	\$395,000



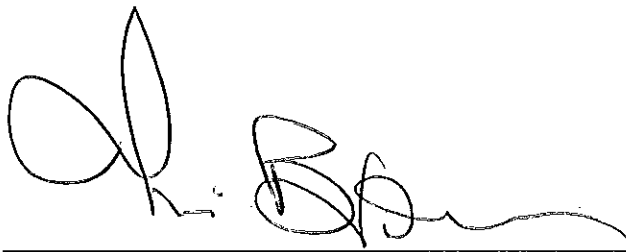
2015 INDOT Buildings and Grounds Fund	\$2,904,000
University Funds	\$6,250,000
<b>Total</b>	<b>\$30,814,953</b>

III. Review Items

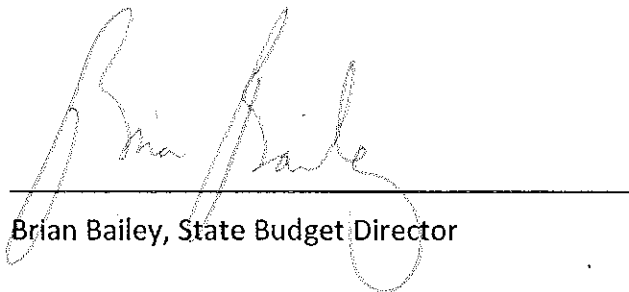
1. Excess State Reserves Presentation - SBA
2. DUAB Gary Roosevelt Grant - DLGF
3. Unemployment Insurance Fund Update - DWD
4. Library Connectivity - DOE
5. David C. Ford Scholarship - DOE
6. PBS Distribution - DOE
7. I-65 Northwest Indiana Major Moves 2020 Expansion - INDOT and IFA
8. 211 Services Account Expenditures Report - IURC
9. State Medicaid Plan and Waiver Requirements - FSSA
10. Indiana Board for Depositories Report

V. Reports Received (Sent)

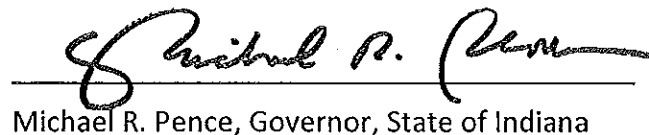
1. 21 Fund Quarterly Report- 5/2/16
2. DOC Population Report – 5/10/16
3. April 1<sup>st</sup> Special Education Counts – 5/17/16
4. DWD Occupational Demand Report – 7/14/16



Representative Tim Brown, Chairman



Brian Bailey, State Budget Director



Michael R. Pence, Governor, State of Indiana

