

State Budget Committee
Meeting Minutes
December 15th, 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
Representative Sheila Klinker
Senator Ryan Mishler
Senator Greg Taylor

Chairman Brown called the meeting to order at 11:00 AM in the Ways and Means Committee Room within the Indiana State House. Following introductory remarks, Chairman Brown advised the committee that the October minutes were previously approved and no action was needed at this time.

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

The December Budget Committee Agenda is as follows:

I. Minutes

1. October 27th 2016

II. Agency Projects

1. Indiana Department of Transportation (800) \$116,000
Materials & Testing Hot Mix Asphalt Center (HMA) Engineering Fee

The Indiana department of Transportation is requesting funding for the Materials and Test building engineering fee. In order to use the existing facility and create the new Hot Mix Asphalt Center (HMA) the buildings mechanical, electrical, and plumbing systems will need to be replaced in FY 17. The existing systems are 49 years old and at the end of their life expectancy. The new HMA will allow for a centralized laboratory which we will be more efficient and reduce overall operating costs for INDOT by \$500,000. Better testing and quality acceptance will improve asphalt pavements throughout Indiana.

Funding: 2015 INDOT Building and Grounds
(Transportation Project 30515-2017)

2. Indiana Department of Transportation (800) \$1,735,000
Preventative Maintenance Projects

The Indiana Department of Transportation is requesting a change of use for Buildings and Grounds funds. These funds are needed for preventative maintenance projects. During the fiscal year, each district will have multiple emergency projects, small preventative maintenance or repair projects that are necessary. These funds will allow for each district to perform these tasks in order to maintain and extend the life of their facilities. This request will fund projects such as HVAC, lighting, secondary containment, roofing and other smaller projects.

Funding: 2015 INDOT Building and Grounds
(Transportation Project 30515-2017)

3. Indiana State Fair Commission (878) \$1,000,000
Operating Expenditures

The Indiana State Fair Commission is requesting a Change of Use for funds already released. The original request of \$2,000,000 was presented during the July 2015 Budget Committee Meeting. Approval for various construction projects were granted. Indiana State Fair now requests the unspent portion of that money for a new purpose. The funds will be used to assist with debt service payments. The need is due to the impact of significantly reduced funding that has traditionally been received from the Riverboat Admission Tax. Long term solutions are being developed for the SFY18-19 biennium.

Funding: 2015 'Previously Approved' General Fund
(General Government R&R 19022-2016)

4. Indiana State Museum and Historic Sites (303) \$428,000
Whitewater Canal Aqueduct Repairs

The Indiana State Museum and Historic Sites is requesting funds to restore the Duck Creek Aqueduct. This aqueduct is the only covered wooden aqueduct in the United States. Built in 1838 to carry the Whitewater Canal, and its associated canal traffic, over the Duck Creek in Metamora, it is a remnant of the vast national improvements movement that occurred in the early to mid-nineteenth century, and it illustrated the widespread application of timber bridge technology to nineteenth century transportation systems. On September 19, 2016, staff discovered a structural failure that necessitated the removal of all water from the canal. Operations cannot resume until restoration work is completed.

Funding: 2015 General Fund
(Conservation & Environment 19610-2016/2017)

III. University Projects

1. Indiana University – Bloomington \$30,000,000
Eskenazi Museum of Art Renovations
Project No. A-1-17-2-06

The Trustees of Indiana University request approval to enter into a lease agreement between Indiana University and the Indiana University Building Corporation (IUBC). Under the terms of the agreement, IU will lease land to IUBC which will issue certificates of participation and use the proceeds to renovate the Sidney and Lois Eskenazi Museum of Art located on the Bloomington campus. This 119,318 GSF/ 75,822 ASF project will renovate all heating, cooling, and ventilation systems, modernize the building through integration of technology into the galleries, convert the existing Fine Arts library space to museum-focused programs, construct a new entry, and renovate the atrium.

The IUBC will finance the renovations with an estimated cost of \$30 million through certificates of participation to be retired through annual lease payments by IU to the IUBC. IU will reacquire the facilities at the end of the lease term. Funding for the lease payments will be through Campus Funds and gifts through the IU Foundation.

Funding: Certificates of Participation
CHE Review: November 10, 2016

2. Indiana University – Bloomington \$15,000,000
Forest Quadrangle Residence Hall Renovation
Project No. A-1-17-2-07

The Trustees of Indiana University request authorization to proceed with the renovation of Forest Quadrangle Residence Hall located on the Bloomington campus. This 219,060 GSF/ 156,596 ASF project will include renovations to all floors of towers A and B, to be completed in two phases. Both towers will receive new windows, remodeled core area restrooms and support areas as well as new sprinkler, mechanical, plumbing, electrical, data, and security/access systems. This project is estimated to cost \$15,000,000 and will be funded through Residential Programs and Services Funds. The reported balance of this fund is \$17.5 million as of December 1, 2016.

Funding: Residential Programs and Services Funds
CHE Review: November 10, 2016

3. Indiana University – Bloomington \$13,000,000
Auxiliary Library Facility III
Project No. A-1-17-1-08

The Trustees of Indiana University request authorization to proceed with construction of Auxiliary Library Facility III (ALF-3), an approximately 32,000 GSF/ 23,556 ASF addition to the existing Auxiliary Library Facility located on the Bloomington campus. This project will provide three to four modules of temperature/humidity controlled space for centralized long-term storage of artifacts to be gathered from a variety of collections currently located throughout the campus. Each module will include limited processing and secure study spaces appropriate for

each collection type. The addition will include a link structure to connect the addition to ALF-1 processing and office areas as well as a loading dock. The project is estimated to cost \$13,000,000 and will be funded through Campus Funds.

Funding: Campus Funds
CHE Review: November 10, 2016

4. Purdue University – West Lafayette \$5,000,000
University Residences Bathroom Renovation Phase VI: Earhart Hall
Project No. B-1-17-2-03

The Trustees of Purdue University request to proceed with the financing and construction of the renovation of the residence bathrooms of Earhart Hall on the West Lafayette campus. This 7,072 GSF project, which is phase 6 of 9 campus wide, will reconfigure and renovate the bathrooms on floors one through eight of the west tower in Earhart Residence Hall to provide ADA accessibility enhancements, new electrical, new exhaust, updated finishes, and replacement of original plumbing infrastructure. The estimated cost of the project is \$5,000,000 and will be funded through Housing and Food Service (HFS) Reserves, which have a balance of \$58.1 million as of December 6, 2016.

Funding: HFS Reserves
CHE Review: October 13, 2016

5. Purdue University – West Lafayette \$2,300,000
Feldun Agricultural Center Shop Facility
Project No. B-1-17-1-04

The Trustees of Purdue University request to proceed with the financing and construction of the Feldun Agricultural Center Shop Facility in Lawrence County. This project will provide improvements to the Feldun Purdue Agricultural Center in Bedford, Indiana. The agricultural center is located on a rural site with over 880 acres and is home to the agricultural farm and research facility that grows corn, soybeans, wheat, hay, and raises cattle. The project includes construction of a 7,249 GSF shop and office facility, construction of a 70ft. X 40 ft. hoop structure for manure storage, and improvements to the agricultural center utility infrastructure. The estimated cost of the project is \$2.3 million and will be funded through the Lynnwood Endowment. The reported market balance of the Lynnwood Endowment is \$15 million.

Funding: Endowment Funds
CHE Review: October 13, 2016

6. Purdue University – West Lafayette \$2,200,000
Owen Hall East Entrance ADA Accessibility Renovation
Project No. B-1-17-2-05

The Trustees of Purdue University request to proceed with the financing and construction of ADA accessibility renovations to the east entrance of Owen Hall on the West Lafayette campus. The proposed 2,523 GSF/ 2,001 ASF project will include construction of a grade-level entrance, creation of ADA-accessible public restrooms, and an elevator to provide access to both floors of

Owen Hall's central building. The estimated cost of the project is \$2,200,000 and will be funded through Housing and Food Service (HFS) Reserves, which have a balance of \$58.1 million as of December 6, 2016.

Funding: HFS Reserves
CHE Review: October 13, 2016

7. Purdue University – West Lafayette \$2,490,000
Wood Street Utility and Tunnel Infrastructure Repairs
Project No. B-1-17-2-06

The Trustees of Purdue University request to proceed with the financing and construction of utility and tunnel infrastructure repairs to the southeast area of the West Lafayette campus. New chilled water lines will be installed from Sheetz Street to South Grant Street and new service feeds of both chilled and domestic water will be installed to Young Hall. The steam service to Krannert Center and Rawls Hall will also be upgraded. The estimated cost of this project is \$2,490,000 and will be funded from Infrastructure Reserve funds, which have a balance of \$20.8 million as of December 6, 2016.

Funding: Infrastructure Reserve Funds
CHE Review: October 13, 2016

8. Purdue University – West Lafayette \$12,000,000
Hall for Discovery and Learning Research Renovation
Project No. B-1-17-2-08

The Trustees of Purdue University request approval to proceed with the renovation of the Hall for Discovery and Learning Research (DLR). This 41,806 GSF/ 26,660 ASF project will support the Pillars of Excellence in the Life Sciences initiative by providing wet lab, dry lab, office, collaboration, and administrative support spaces for the Purdue Institute for Integrative Neuroscience and the Purdue Institute of Inflammation, Immunology, and Infectious Disease in the DLR. A full renovation of the third and fourth floors of the DLR, including mechanical, electrical, plumbing, and structural upgrades is planned, while little to no renovation is expected on the first and second floors as they will primarily be organized to serve existing faculty, business office, and overflow of graduate student work space. The Pillars of Excellence in the Life Sciences Initiative is housed in Purdue's Discovery Park. The project is estimated to cost \$12 million and will be funded through Institutional Reserves, which have a balance of \$18.9 million as of October 11, 2016.

Funding: Institutional Reserves
CHE Review: November 10, 2016

9. Purdue University – Northwest \$2,400,000
Bioscience Innovation Building Planning Funds
Project No. B-2-05-1-05P

The Trustees of Purdue University request to proceed with the planning of the Calumet Bioscience Innovation Building. The Bioscience Innovation Building will be the home for the

College of Nursing, the Department of Biological Sciences, and the Center for Educational Learning and Testing, and it will also house other shared instructional spaces, address outdated laboratory facilities, and prepare students for careers in nursing and life sciences. The estimated cost of the planning is \$2.4 million and will be cash funded by state appropriations.

Funding: HEA 1001 – 2015 – Cash funded
CHE Review: October 13, 2016

10. University of Southern Indiana \$8,000,000
Classroom Renovation/Expansion – Health Professions Center
Project No. G-0-15-2-02

The University of Southern Indiana and its Board of Trustees request to proceed with the financing and renovation of the Health Professions Building. This 30,000 GSF/ 22,200 ASF project includes the renovation of the third floor of the Health Professions Building as well as the expansion of the same space for nursing and health science related offerings, which are currently operating at capacity. The Indiana University School of Medicine – Evansville currently occupies this space, but will be relocating to the new downtown Multi-Institutional Academic Health Science/Research Center. The estimated cost of the project is \$8 million and will be funded by Fee Replacement Bonding Authority per House Enrolled Act (HEA) 1001-2015. The debt service on the bonds will begin in fiscal year 2017.

Funding: HEA 1001-2015 – Fee Replacement Bonding Authority
CHE Review: November 10, 2016

Cost Summary December 15th 2016

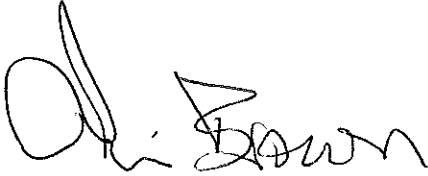
2015 Buildings and Grounds Fund	\$1,851,000
2015 'Previously Approved' General Fund	\$1,000,000
2015 General Fund	\$428,000
Fee Replacement	\$8,000,000
HEA 1001 – 2015 Cash Funded	\$2,400,000
Certificates of Participation	\$30,000,000
University Funds	\$51,990,000
Total	\$95,669,000

IV. Review Items

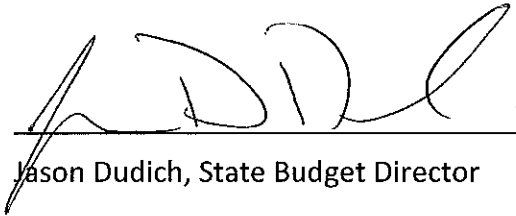
1. Indiana Sports Corp
2. Executive Summary for Alternative Education – DOE
3. Medicaid State Plan Amendment – FSSA
4. Children with Special Health Care Needs – ISDH
5. I-65 Southeast Project – IFA

V. Reports Received (Sent)

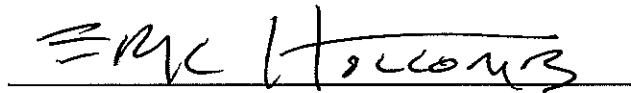
1. DOC Population Report – 11/9/16
2. 21 Fund Quarterly Report – 11/9/16
3. CHE Resident and Non Resident Tuition Rate Report – 12/1/16



Representative Tim Brown, Chairman



Jason Dudich, State Budget Director



Eric Holcomb, Governor, State of Indiana

