

State Budget Committee
Meeting Minutes
August 18, 2017

Members:

Senator Luke Kenley, Chairman
Senator Karen Tallian
Representative Tim Brown
Representative Terry Goodin
Jason D. Dudich, State Budget Director

Alternate Members:

Representative Bob Cherry
Senator Ryan Mishler

Following introductory remarks, Chairman, Senator Luke Kenley called the meeting to order at 9:00 AM at Purdue University in Westville, Indiana. Senator Kenley then introduced the July Budget Committee minutes. Representative Tim Brown made a motion to adopt the July minutes, Senator Karen Tallian seconded the motion. The minutes were adopted by consent of the committee.

The August Agenda was presented and pertinent comments from the agenda are noted as follows:

Mr. Jody Melton presented the Kankakee and Yellow Rivers Maintenance project. Senator Tallian asked how many counties the Kankakee River Commission serves and whether or not all projects that are presented will be finished in calendar year 2017. Mr. Melton stated that the commission serves eight counties and they will be able to complete these projects before the year is over. Senator Kenley referred to an article that was written in the DNR magazine about the history of the Kankakee River basin. Mr. Melton acknowledged comments that were discussed during the legislative session about not depending on the state for all of its funding.

Mr. Roger Rhodes presented the Indiana Public Broadcasting Stations Disbursement request. Senator Tallian began her remarks by stating that she does serve on the board of Lakeshore Public Broadcasting in NW Indiana. The senator mentioned that it might be interesting to take another look at the distribution formula. Senator Tallian also wanted to understand why the State is holding a 3% reserve on the public broadcasting appropriation, which is essentially a gift. Director Dudich mentioned that the State Budget Agency will look at the next distribution to determine if a 3% reserve should apply to this appropriation. Director Dudich also noted that all state agencies have been asked to participate in a management reserve if there is a situation in which state revenue does not materialize as projected with the forecast. Senator Tallian asked if any reserves had been released for last fiscal year. Director Dudich mentioned that there were a few cases in which reserves were released in fiscal year 2017 to cover critical

expenses. Senator Kenley asked how the other statewide office holders are treated in the reserve process. Director Dudich stated that the State Budget Agency asks the separately elected officials to participate in the spending plan and reserve process, but our office understands that we do not have the authority to mandate participation. Senator Kenley mentioned that it might be helpful to give members of the State Budget Committee a list of those offices that have elected to participate in the reserve process. Senator Mishler asked if the PBS distribution is based upon the size of the media market. Mr. Rhodes stated that he will have to follow-up with the rationale set for the distribution. Senator Tallian asked if Director Dudich could explain how the reserve release process works going forward.

After the agenda was presented and discussed Representative Tim Brown motioned to adopt the proposed agenda, Representative Terry Goodin seconded the motion. The motion to adopt the proposed agenda was taken by consent.

The August Budget Committee Agenda is as follows:

I. Minutes

1. July 6, 2017

II. Agency Projects

1. Indiana Department of Administration (061) \$ 8,180,688
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). The R&R was previously included in the bond payment as one lump sum, however the bonds have been defeased for these facilities under IFA. IDOA is requesting the R&R annual amount so that they may continue to disburse funds on a monthly basis to the IFA.

Funding:	HEA 1001: 2017 General Fund (General Government R&R 19703-2018)	
	Indiana Government Center North	\$1,546,380
	Indiana Government Center South	\$1,306,380
	Government Center Parking Garages (General Government R&R 19706-2018)	\$1,546,380
	Forensic Lab	\$1,546,380
	HEA 1001: 2017 Post War Construction Fund (Public Safety R&R 70508-2018)	
	Rockville Correctional Facility	\$1,126,380
	Pendleton Juvenile Correctional Facility	\$1,108,788

2. Indiana Department of Administration (061)/Indiana War Memorial Commission (315) \$ 2,940,000
Indiana War Memorial Roof Repair

The Indiana War Memorial Commission requests funding to replace the 40,000 square foot roof on the War Memorial building located at the south end of the War Memorial Plaza in Indianapolis. The roof on the Memorial is a stair-step design which consists of lead-coated copper treads and limestone risers. The copper treads and welded joints are significantly deteriorated which has led to water leaks within the Shrine Room of the Memorial. The requested funds will replace the original 1930s copper treads with coated steel which has a lifespan of approximately fifty years. The project will also include any necessary tuck pointing on the limestone risers. Design fees in the amount of \$1M, were approved during the August 2016 Budget Committee meeting.

Funding: HEA 1001: 2017 General Fund
(Conservation & Environment R&R 19710-2018)

3. Indiana State Police (100) \$496,561
Electronic Security Access Upgrade and Installation

The Indiana State Police (ISP) requests funding to implement a modernized electronic security system at thirteen ISP Posts and the 21st Street Complex. The current security system for ISP facilities is deficient and poses a significant risk to public safety. The increased potential for unauthorized intrusions with a lack of adequate security measures for prevention and detection has caused a substantial risk for the loss and/or damage to property and safety of ISP personnel. Security implementation will include: electronic card access on specified exterior and interior doors, electronic sensing on all external doors and windows, video monitoring capability in strategic locations of property, and off-site monitoring capabilities of each facility.

Funding: HEA 1001: 2017 General Fund
(Public Safety R&R 70324-2018)

4. Department of Natural Resources (300) \$1,200,000
Roof Repair and Replacement – Turkey Run Inn

The Division of State Parks and Reservoirs requests funding to repair and replace portions of the roof located at Turkey Run Inn in Parke County and address related masonry restoration. Turkey Run State Park, Indiana's second State Park, was established in 1916, while the Historic Turkey Run Inn was constructed in 1919 with 61 original rooms, a dining facility, and adjacent duplex cabins. The roof is roughly 38 years in age and totals approximately 36,024 square feet, consisting of two distinct roof types. Due to its current age, structure, and rapid deterioration, several areas of the roof continue to leak into guest areas creating potential public health concerns. The issues presented with the weakened roof and low/steep slope are beyond the repair capabilities of maintenance staff. A recent evaluation and testing of the roofing components resulted in the

recommendation of addressing the deficiencies through repair and replacement as well as reinforce the exterior brick walls.

Funding: HEA 1001: 2017 General Fund
(Conservation & Environment R&R 19710-2018)

5. Department of Natural Resources (300) \$2,866,000
State Parks General Rehabilitation

The Division of State Parks and Reservoirs (SPR) requests funding to meet general rehabilitations needs at various properties throughout Indiana. The SPR maintains over 180,000 acres of land, over 2,300 permanent buildings covering two 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. These funds are a means of addressing health and safety and code compliance issues throughout the state park system. The request would fund 56 prioritized projects that properties are able to complete with current staff and without outside project management or design.

Funding: HEA 1001: 2017 General Fund
(Conservation & Environment R&R 19710-2018)

6. Department of Natural Resources (300) \$228,185
Capital Repair and Rehabilitation (CRR) Project Labor

The Division of Nature Preserves requests funding for labor to assist with controlled burns to preserve unique habitats and control the risk of wildfires. Labor will also be used for projects to reduce invasive species in an effort to preserve native species of plants and wildlife. Also, projects to ensure visitor safety, such as tree removal and erosion control, will be completed using these funds. The Division of Nature Preserves now protects over 270 unique sites comprising over 50,000 acres throughout Indiana.

Funding: HEA 1001: 2017 General Fund
(Conservation & Environment R&R 19710-2018)

7. Department of Natural Resources (300) \$200,000
New Lake Dam Repair

The Division of Water requests funding to repair the spillway and embankment of the New Lake Dam located at Fort Harrison State Park in Marion County. The dam structure is vital to protecting the water quality of Delaware Lake, which is located just downstream and used as the property's sole water source for the Fort Harrison golf course and for public access. The current system has an uneven crest and has been subjected to large amounts of erosion, which

has caused the primary spillway to fail. The requested funding would assist in stabilizing the dam and meet current dam safety standards.

Funding: HEA 1001: 2017 General Fund
(Conservation & Environment 19710-2018)

8. Indiana State Museum (303) \$117,283
Lanier Mansion Foundation Repair

The Indiana State Museum and Historic Sites Corporation requests funding to address the foundation needs of the Lanier Mansion located in Jefferson County. The Lanier Mansion was built in 1844 and is Indiana's first State Historic Site. A design study assessed the foundation of the unique 13,500 square foot structure, noting the weakened conditions of the foundation. The fragmented limestone and exposed blocks have contributed to the breakdown in the foundation. The requested funds would address the repair of the foundation, which is integral to the preservation of the historic mansion.

Funding: HEA 1001: 2017 General Fund
(Conservation & Environment 19710-2018)

9. Kankakee River Basin Commission (322) \$600,000
Kankakee and Yellow Rivers Maintenance

The Kankakee River Basin Commission requests funding to address maintenance and drainage needs of the Kankakee and Yellow Rivers. Projects include the installation of five river gauges (\$121,000), preliminary studies and engineering on river stabilization (\$195,000), tree debris removal, riverbank repairs (\$75,000), and funding will be set aside for addressing emergencies (\$15,000) in the eight bordering counties. Additionally, \$89,000 of funding will support bank repair in LaPorte, Porter, Jasper, and Newtown counties.

Funding: HEA 1001: 2015 Build Indiana Fund \$300,000
(Conservation & Environment 30303-2016) \$300,000
(Conservation & Environment 30303-2017)

10. Department of Correction (615) \$1,150,000
Communications Infrastructure Upgrade and Replacement

The Department of Correction (DOC) is requesting to modernize the radio communication system with Integrated Public Safety Commission's P25 project. The current system is fifteen years old and failing. Radio communication is critical for the operations and safety of staff and offenders for the DOC. The proposal includes infrastructure upgrades and replaces components over the radio towers, transmitters, and receivers of several DOC facilities. The approval of this project will allow the original time span of two biennial budgets to be completed after the approval of this phase and be fully implemented in September 2017.

Funding:	HEA 1001: 2017 Postwar Construction	
	(Public Safety R&R 70508-2018)	\$750,000
	(Public Safety R&R 70508-2019)	\$400,000

11. Department of Correction (620) \$3,900,000
Indiana State Prison Exterior Masonry Repair and Renovation

The Department of Correction (DOC) is requesting approval to repair, stabilize, and refurbish the exterior masonry for the "I" cell house, fieldhouse, and storeroom warehouse located at the Indiana State Prison. The current masonry is damaged due to the lake effect winters and repairs are needed to prevent further damage. The proposal includes stabilizing and repairing the current masonry of the aging structures, as well as covering sections with steel sidings for cost efficiency and to protect the structure from further water infiltration. The Indiana State Prison houses the maximum security population of the Department of Correction.

Funding:	HEA 1001: 2017 Postwar Construction	
	(Public Safety R&R 70508-2018)	
	"I" Cell House Repair	\$1,600,000
	Fieldhouse Repair	\$1,400,000
	Storeroom Warehouse Repair	\$900,000

12. Department of Correction (690) \$150,000
Plainfield Correctional Facility Chapel Roof

The Department of Correction (DOC) is requesting to replace the Chapel roof at Plainfield Correctional Facility. The roof of this structure is comprised of two systems, a small flat roof of approximately 2690 square feet and a shingle sloped roof of approximately 3720 square feet. The current structure has been compromised due to lack of ventilation and improper installation of the rooftop compressors. The building was constructed in 1968 and did not account for the installation of the cooling unit. The proposal includes installing two new ply membranes and bitumen shingles that will extend the life and maintainability on the building. Installation of the supported curbs will be added to elevate the cooling unit off of the roof and adds venting into the under deck space.

Funding: HEA 1001: 2017 Postwar Construction
(Public Safety R&R 70508-2018)

13. Indiana Department of Transportation (800) \$108,000
HVAC Replacement – Greenfield, Vincennes, and Indianapolis

The Indiana Department of Transportation (INDOT) requests to replace the heating, ventilation, and air condition (HVAC) systems at three of the INDOT districts. The units at Greenfield and Vincennes District complex have exceeded its life expectancy of 20 years and repairs are not cost effective to extend the life cycle. The Indianapolis Subdistrict complex HVAC unit is 12 years in age, but experienced extensive hail damage to the coils rendering the unit unrepairable. INDOT requested approval for the Vincennes HVAC unit to be released \$56,027 through an Administrative Action in July 2017 as a result of a complete unit failure to offset the cost prohibitive measures of rental units.

Funding: HEA 1001: 2017 INDOT Building and Grounds
(Transportation R&R 30528-2018)

14. Indiana Department of Transportation (800) \$579,612
Roof Repair and Replacement – Various Locations

The Indiana Department of Transportation (INDOT) requests to repair and replace several roof defects to address structural, environmental, and operational needs at various INDOT locations. The average roof age for the eleven locations are 22 years old and reflect both Salt Dome and ethylene propylene diene terpolymer (EPDM) roofs. While INDOT has patched many of these roofs in an effort to extend the life cycle, annual roof assessments have identified defects beyond the routine preventive maintenance and necessitate additional repair and replacement.

Funding: HEA 1001: 2017 INDOT Building and Grounds
(Transportation R&R 30528-2018)

15. Indiana Department of Transportation (800) \$2,750,000
Logansport Unit Building Construction

The Indiana Department of Transportation (INDOT) requests funding for the new construction of a 5,822 square foot Unit Building in Logansport, Indiana. While the existing building was built in 1966 and totals 3,162 square feet, the existing garages do not allow for the Occupational Safety and Health Administration (OSHA) approved work clearances or ventilation requirements. The age and design of the structure has also led to several deficiencies that contribute to environmental issues, such as storm water runoff and lead and asbestos contaminants being present. Construction of the new unit will mitigate these concerns and current operational issues, such as electrical and comply with the standards of the 1990 Americans with Disabilities Act (ADA), while keeping in line with the current industry standards of pricing for comparable INDOT units.

Funding: HEA 1001: 2017 INDOT Building and Grounds
(Transportation B&G 30515-2018)

16. Indiana Department of Transportation (800) \$140,000
Materials and Testing Storage Building Construction

The Indiana Department of Transportation (INDOT) requests funding for the new construction of a 1,200 square foot Materials and Testing Equipment Storage Building in Indianapolis, Indiana. The existing 6,072 square foot equipment storage building is being repurposed as a new Hot Mix Asphalt Lab, as a result, there is a need for a new equipment storage building to maintain current assets. The current construction estimate of \$116 per square foot for the heated building is comparable to similar INDOT structures.

Funding: HEA 1001: 2017 INDOT Building and Grounds
(Transportation B&G 30515-2018)

17. Indiana State Fair Commission (878) \$2,000,000
Fairgrounds Repair and Rehabilitation

The Indiana State Fair Commission (ISFC) requests funding to address HVAC, electrical, masonry, roof, and ADA accessibility needs. HVAC improvements will include new control systems at five buildings. Electrical repairs include panel and exit signage repairs and upgrades to LED lighting. Masonry work will include tuck-pointing, glass block insulation, and window repairs. The roofing needs address four buildings that has surpassed life expectancy or require repairs beyond routine maintenance, totaling 225,000 square feet of roof. Accessibility improvements will include repairing damaged handrails, reworking entrances, and installing plumbing fixtures to meet and maintain compliance with the American Disability Act standards.

Funding: HEA 1001: 2017 General Fund
(General Government R&R 19703-2018)

HVAC Improvements	\$584,000
Electrical Lighting Upgrade Improvements	\$462,500
Building Masonry Repair	\$447,400
Roof Repair and Rehabilitation	\$351,100
Accessibility Access Upgrades	\$155,000

III. University Projects

1. Indiana University – Bloomington \$17,000,000
Volleyball/Wrestling Indoor Arena
Project No. A-1-17-1-11

Indiana University and its Board of Trustees 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 construct a new 45,000 GSF Volleyball/Wrestling Indoor Arena on the Bloomington campus. The arena will have between 2,500 and 3,000 seats to host both volleyball and wrestling events, while doubling as a practice court for the volleyball program. The project also includes new spectator amenities, player locker rooms, and visitor locker rooms. The completed facility will bring the volleyball and wrestling programs onto the existing athletics campus for better access to student athlete and campus services.

The IUBC will finance the renovations with an estimated cost of \$17 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 gifts or other Athletics revenues.

Funding: Certificates of Participation

CHE Review: June 8, 2017

2. Indiana University – Bloomington \$7,000,000
Metz Carillon Renovation and Relocation
Project No. A-1-17-2-12

Indiana University and its Board of Trustees request to proceed with the renovation and relocation of the Metz Carillon bells and related musical facilities to a new carillon structure on the Bloomington campus. The project will consist of refurbishing and reusing key elements of the 47 year old Metz Carillon while adding four more bells to bring the total to 65 bells, making it a grand carillon. The project also consists of moving the structure to the Arboretum, a more centrally-located, audience-friendly location. The new carillon will provide students in the

Jacobs School of Music with an upgraded, high-quality instrument for education activities and performances. The estimated cost of the project is \$7 million and will be funded through gifts from the Indiana University Foundation.

Funding: Gifts
CHE Review: June 8, 2017

3. Purdue University – West Lafayette \$5,050,000
Hampton Hall Ground Floor and Basement Renovation
Project No. B-1-17-2-09

Purdue University and its Board of Trustees request to proceed with the renovation of Hampton Hall on the West Lafayette campus. This 15,643 GSF/ 11,400 ASF project will consist of a renovation to portions of the ground and basement floors of the building; including the reconfiguration of space to provide a new ADA compliant entry into the building and the construction of new teaching labs. The new teaching labs for the School of Civil Engineering will provide students with hands-on, experimental learning experiences and will support teamwork and collaboration. The estimated cost of this project is \$5,050,000 and will be funded through private gifts and ADA funds, which are recurring allocations from the campus' general fund budget.

Funding: Gifts \$4,920,000
ADA Funds \$130,000

CHE Review: May 11, 2017

Cost Summary August 18th 2017

2015 Build Indiana Fund	\$600,000
2017 General Fund	\$15,993,549
2017 Postwar Construction Fund	\$7,435,168
2017 Building and Grounds Fund	\$3,577,612
Certificates of Participation	\$17,000,000
University Funds	\$12,050,000
Total	\$56,656,329

IV. Review Items

1. Medicaid State Plan Amendment – Family and Social Services Administration
2. Indiana Public Broadcasting Stations Disbursement – Department of Education
3. Public Mass Transit Fund – Indiana Department of Transportation

4. Tuition and Fees – University of Southern Indiana
5. Public Deposit Insurance Fund Summary - Indiana Board for Depositories

V. Reports Received (Sent)

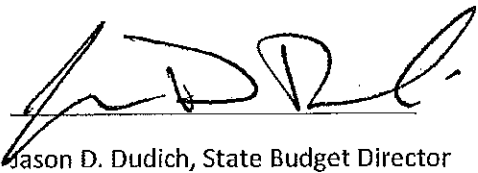
1. EDGE Tax Credit Report – Indiana Economic Development Corporation – July 28, 2017

Budget Committee

August 2017

A handwritten signature in black ink, appearing to read "Ryan Mishler", written over a horizontal line.

Senator Ryan Mishler, Chairman

A handwritten signature in black ink, appearing to read "Jason D. Dudich", written over a horizontal line.

Jason D. Dudich, State Budget Director

A handwritten signature in black ink, appearing to read "Eric Holcomb", written over a horizontal line.

Eric Holcomb, Governor, State of Indiana