

# Higher Education Capital Projects Report

Indiana Commission for Higher Education  
October 9, 2009



INDIANA COMMISSION  
for  
HIGHER EDUCATION

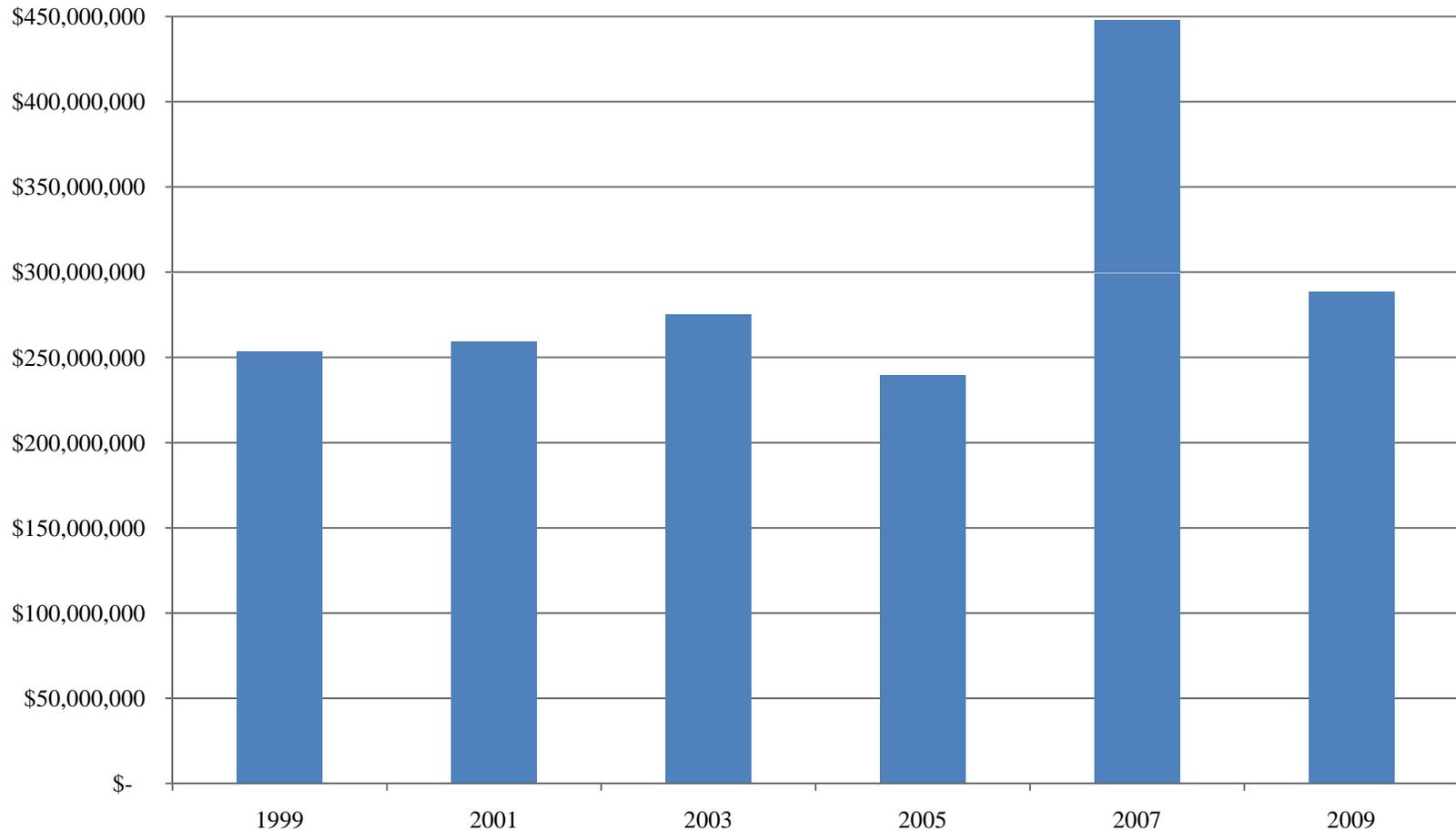
## FY 2007 through FY 2011 State Funded Higher Education Capital Projects Either Appropriated or Authorized by the General Assembly

| 2008-09 Biennium | \$447,620,000        |
|------------------|----------------------|
| 2010-11 Biennium | <u>\$288,350,000</u> |
| <b>TOTAL</b>     | <b>\$735,970,000</b> |

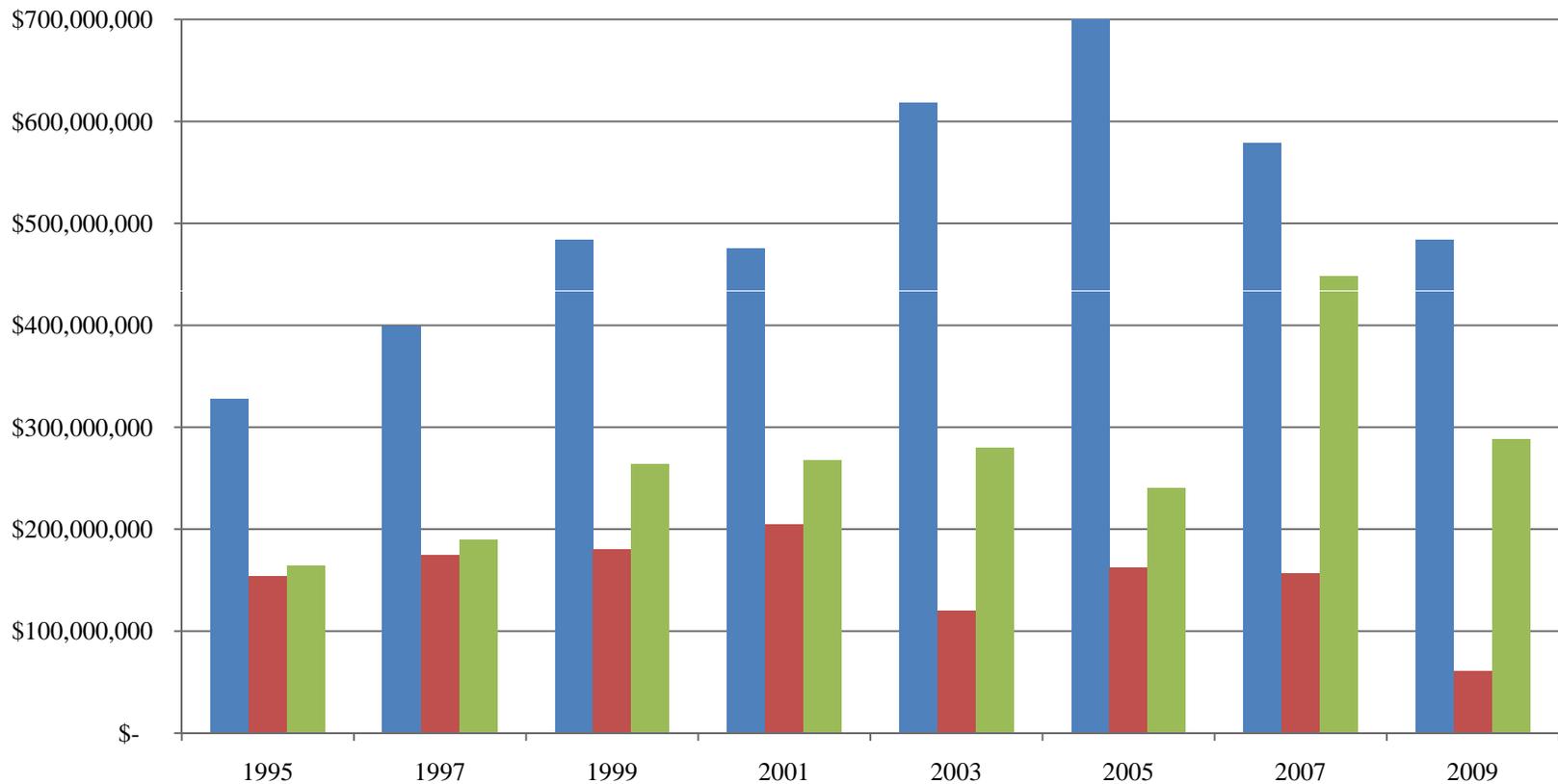
Requires approximately \$61,600,000 per year in Debt Service



# State Funded Higher Education Capital Projects 1999-2011



# Historical Cap Projects requests, CHE recommendations and GA Passed



■ H.E. Requested ■ CHE Recommended ■ GA Approved



INDIANA COMMISSION  
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Note: GA approvals have exceeded CHE recommendations by \$930M

# Ball State University

|  | 2007-09      |                          | 2009-11      |
|--|--------------|--------------------------|--------------|
| BSU Central Campus Academic Project, Phase I & Utilities | \$33,000,000 | BSU Central Campus Rehab | \$19,700,000 |



# Indiana State University

|  | 2007-09      |                  | 2009-11      |
|--|--------------|------------------|--------------|
| ISU Life Sciences/Chemistry Lab Renovation | \$14,800,000 | ISU Federal Bldg | \$10,000,000 |

# University of Southern Indiana

|  | 2007-09      |                                 | 2009-11      |
|--|--------------|---------------------------------|--------------|
| USI College of Business/General Classroom Building | \$29,900,000 | USI Teacher Theatre Replacement | \$15,000,000 |

# Ivy Tech Community College of Indiana

|   | 2007-09      |  | 2009-11      |
|---|--------------|--|--------------|
| ITCCI Bloomington Phase II A&E                              | \$350,000    | ITCCI Anderson Campus                  | \$20,000,000 |
| ITCCI Elkhart Phase I                                       | \$16,000,000 | ITCCI Bloomington Campus               | \$20,000,000 |
| ITCCI Fort Wayne Technology Center & Demolition Costs       | \$26,700,000 | ITCCI Elkhart Additional Authorization | \$4,000,000  |
| ITCCI Greencastle   | \$8,000,000  | ITCCI Gary Campus                      | \$20,000,000 |
| ITCCI Indianapolis Fall Creek Expansion Project*            | \$69,370,000 | ITCCI Warsaw                           | \$10,100,000 |
| ITCCI Lamkin Ctr for Instructional Leadership & Development | \$1,000,000  |  |              |
| ITCCI Logansport  | \$16,000,000 |  |              |
| ITCCI Muncie/Anderson A&E                                   | \$4,800,000  |  |              |
| ITCCI Sellersburg   | \$20,000,000 |  |              |
| ITCCI Warsaw A&E  | \$1,000,000  |  |              |

\* Partial review

Note: Projects in RED have been reviewed by CHE



# Indiana University

|   | 2007-09      |                                       | 2009-11      |
|---|--------------|---------------------------------------|--------------|
| IU School of Medicine South Bend<br>Cancer Research Institute | \$10,000,000 | IUB Life Science Lab<br>Renovations   | \$10,000,000 |
| IU South Bend Arts Building<br>Renovation                     | \$27,000,000 | IUB CyberInfrastructure<br>Building   | \$16,000,000 |
| IU Southeast Medical Education<br>Center A&E                  | \$1,000,000  | IUNW Tamarack Hall                    | \$33,000,000 |
| IUB Cyber Infrastructure Building<br>Data Center              | \$18,300,000 | IUPUI Life Science Lab<br>Renovations | \$10,000,000 |
| IUPUI Neurosciences Research<br>Building                      | \$20,000,000 | IUPUI Neurosciences Bldg              | \$23,000,000 |
|   |              | IUS Ed & Tech Bldg                    | \$22,000,000 |



# Purdue University

|   | 2007-09             |  | 2009-11      |
|---|---------------------|--|--------------|
| PU Calumet Gyte Building A&E                                  | \$2,400,000         | PUNC Student Srvcs Complex             | \$23,700,000 |
| PU North Central Student Services & Recreation Center A&E     | \$1,000,000         | PUWL Life Sciences Lab Renovations     | \$10,000,000 |
| PUWL ADDL BSL3 Laboratory Bldg                                | \$30,000,000        | PUWL Med School Renovations            | \$6,000,000  |
| <b>PUWL Boiler #6</b>   | <b>\$53,000,000</b> | IPFW Northeast Ind. Innovation Center. | \$10,000,000 |
| <b>IUPU Fort Wayne NE Indiana Innovation Center</b>           | <b>\$5,000,000</b>  |  |              |
| <b>IUPU Fort Wayne Student Services &amp; Library Complex</b> | <b>\$24,000,000</b> |  |              |



# Vincennes University

|   | 2007-09     |                      | 2009-11     |
|---|-------------|----------------------|-------------|
| VU Gibson County Ctr. for Advanced Manufacturing              | \$5,000,000 | VU P.E. Bldg Renov.  | \$5,000,000 |
| VU Jasper - Advanced Manufacturing and Applied Technology Ctr | \$8,000,000 | VU Davis Hall Renov. | \$850,000   |
| VU Special R&R (Health & Science Lab Renov)                   | \$2,000,000 |                      |             |



# Capital Projects Awaiting Review

| Name  | State Funding |
|---|---------------|
| BSU Central Campus Rehab                                    | \$19,700,000  |
| ISU Federal Bldg [Renov]                                    | \$10,000,000  |
| USI Teacher Theatre Replacement                             | \$15,000,000  |
| ITCCI Bloomington Campus                                    | \$20,000,000  |
| ITCCI Lamkin Ctr for Instructional Leadership & Development | \$1,000,000   |
| ITCCI Muncie/Anderson A&E                                   | \$4,800,000   |
| ITCCI Anderson Campus                                       | \$20,000,000  |
| ITCCI Bloomington Campus                                    | \$20,000,000  |



# Capital Projects Awaiting Review

| Name  | State Funding |
|---|---------------|
| ITCCI Gary Campus   | \$20,000,000  |
| IU Southeast Medical Education Center A&E                 | \$1,000,000   |
| IUPUI Neurosciences Research Building                     | \$20,000,000  |
| IUPUI Neurosciences Bldg                                  | \$23,000,000  |
| IUNW Tamarack Hall  | \$33,000,000  |
| IUS Ed & Tech Bldg  | \$22,000,000  |
| PU Calumet Gyte Building A&E                              | \$2,400,000   |
| PU North Central Student Services & Recreation Center A&E | \$1,000,000   |

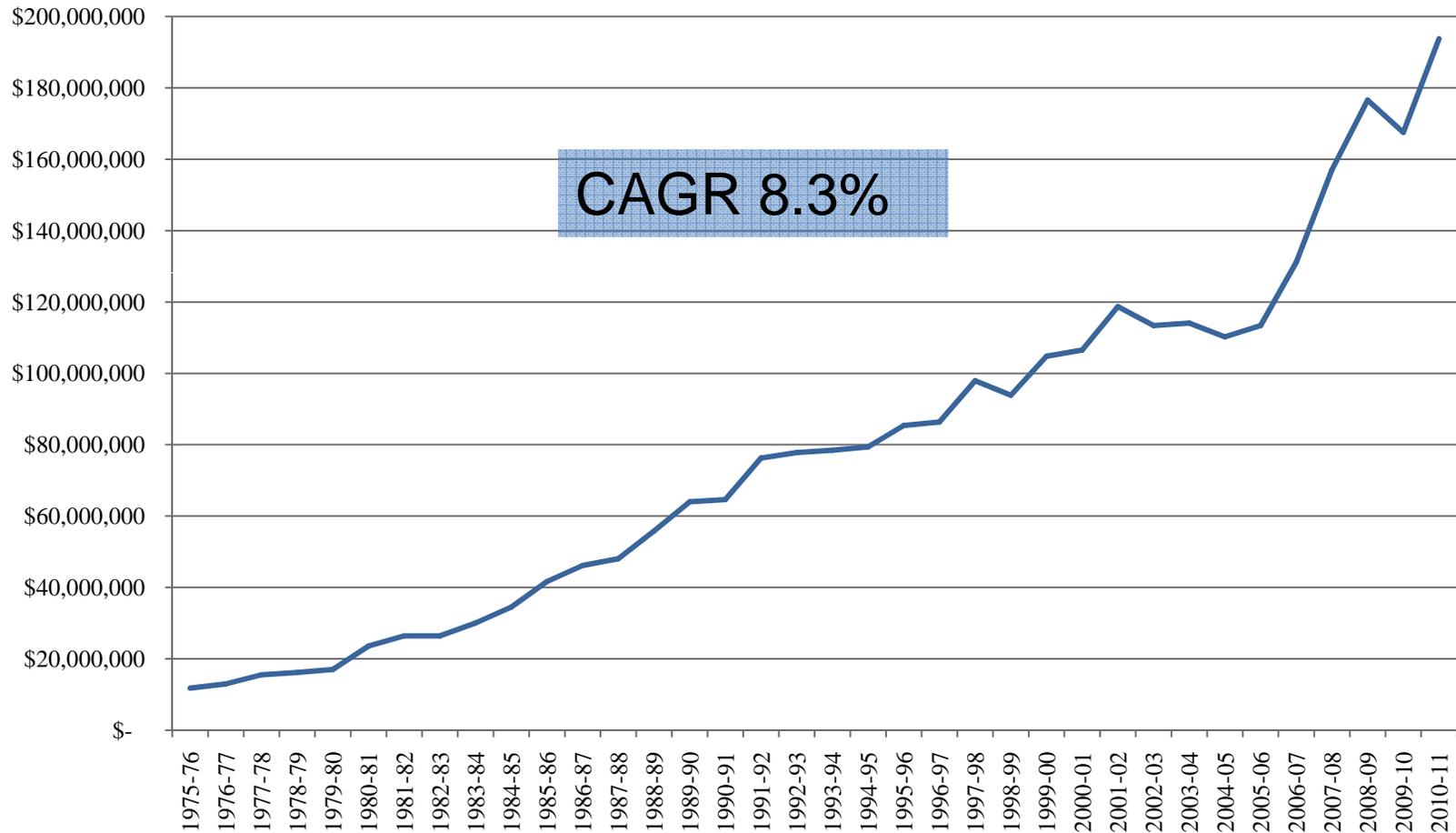


# Capital Projects Awaiting Review

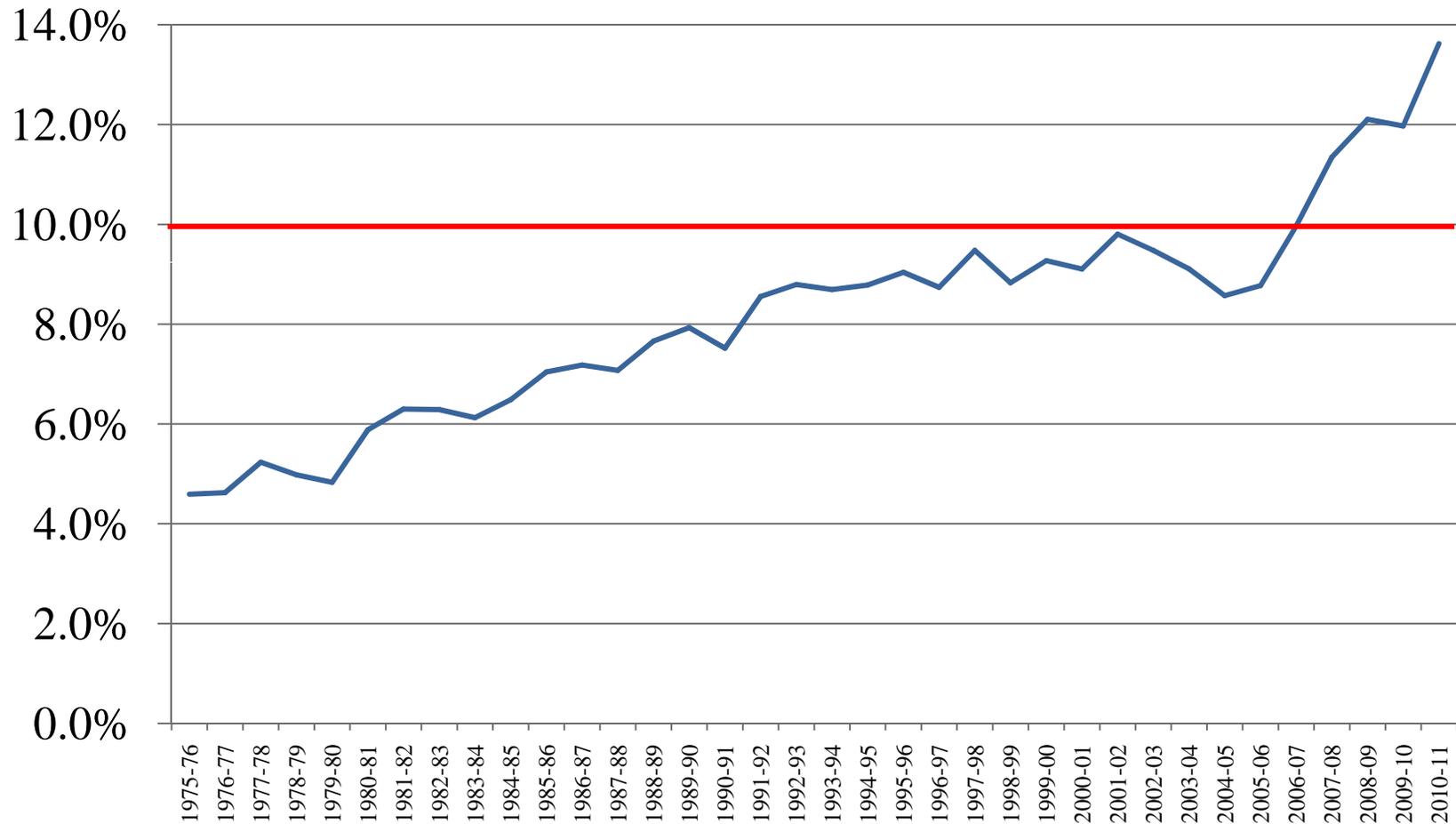
| Name  | State Funding        |
|---|----------------------|
| PUWL ADDL BSL3 Laboratory Bldg                                | \$30,000,000         |
| PUNC Student Srvcs Complex                                    | \$23,700,000         |
| PUWL Life Sciences Lab Renov                                  | \$10,000,000         |
| PUWL Med School renov   | \$6,000,000          |
| IPFW Northeast Ind. Innov. Ctr.                               | \$10,000,000         |
| VU Jasper - Advanced Manufacturing and Applied Technology Ctr | \$8,000,000          |
| <b>TOTAL</b>  | <b>\$320,600,000</b> |



# Debt Service Appropriations FY 1976-FY2011



# Debt Service as a Percentage of Debt Service and Operating Appropriations



# Debt Service Appropriated at Time of Project Authorization

| Biennium | D.S. Required for Projects | D.S. Appropriated in Same Biennium |
|----------|----------------------------|------------------------------------|
| 2001-03  | \$21.5M                    | \$0                                |
| 2003-05  | \$22.5M                    | \$0                                |
| 2005-07  | \$19.3M                    | \$7.8M                             |
| 2007-09  | \$35.9M                    | \$20.0M                            |
| 2009-11  | \$24.1M                    | \$16.5M                            |

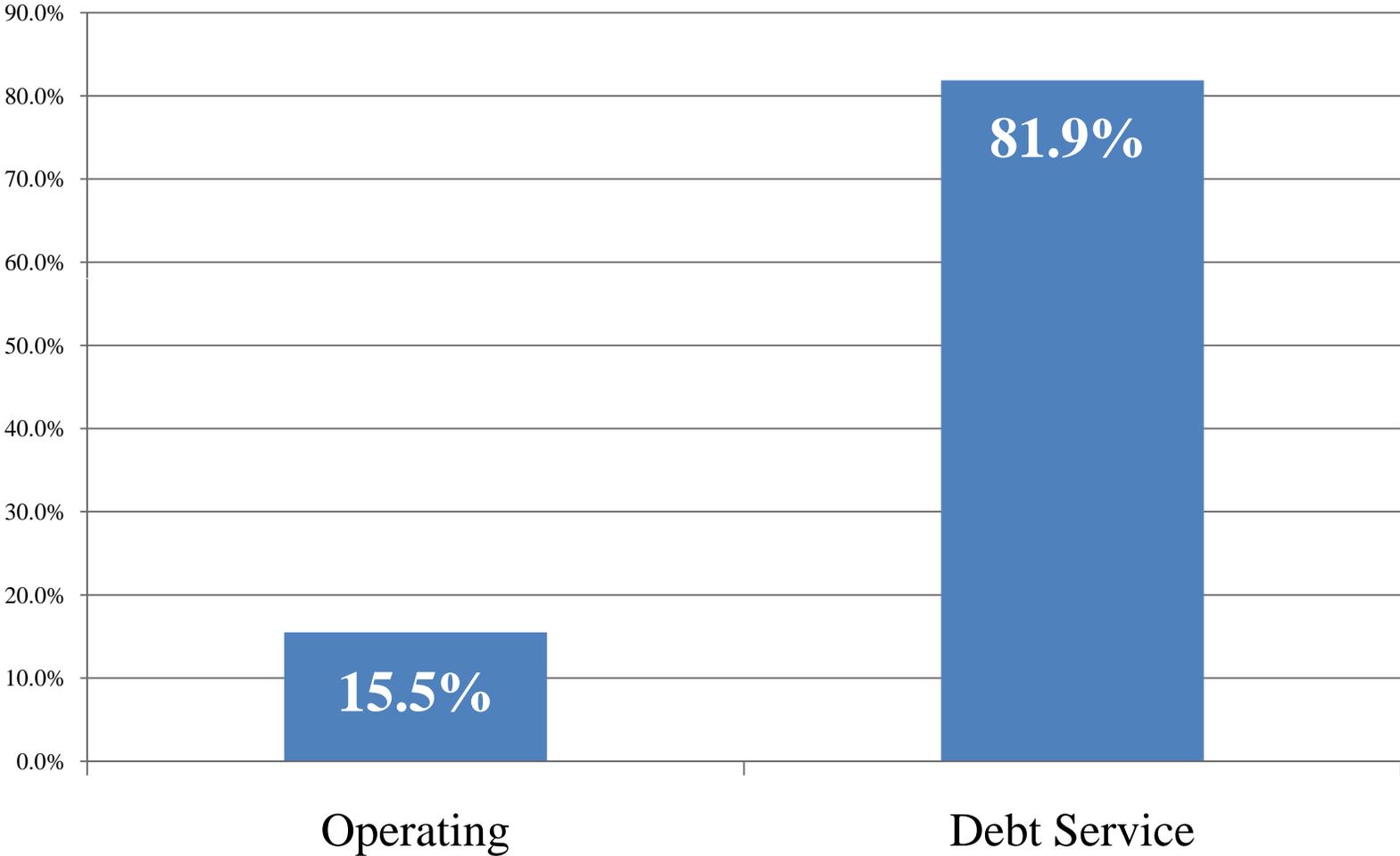


# Debt Service Requirements

- \$320.6M in Authorized Capital Projects Awaiting Review/Approval
- \$26.8M – annual debt service requirements for \$320.6M of capital debt
- \$6.3M – “unclaimed” debt service appropriations in FY11
- FY 12 may require \$20.1M in debt service appropriation increase



# Cumulative Increases in Campus Operating and Debt Service Appropriations FY 01-FY11



# Capital Project Review Process

- Review process is statutory
- Review is triggered based on:
  - Type of project (e.g., new construction, R&R, lease)
  - Cost of project
  - Source of funds for project
- Most statutes require:
  - reviewed by CHE, and
  - approval by the governor upon recommendation of the budget agency



# Capital Project Review Process

- “Typical” Review Process (in practice)
  - CHE “review”
  - State Budget Committee “review”
  - “Recommendation” by the State Budget Agency
  - [Recommendation by Indiana Finance Authority]
  - “Approval” by Governor



# CHE Review

- **IC 21-33-3-3**
- **Approved or authorized projects not subject to review by the commission**
- Sec. 3. (a) Except as provided in subsection (b), a project that has been approved or authorized by the general assembly is not subject to review by the commission for higher education.
- (b) The commission for higher education shall review a project approved or authorized by the general assembly if the review is requested by the budget agency or the budget committee.

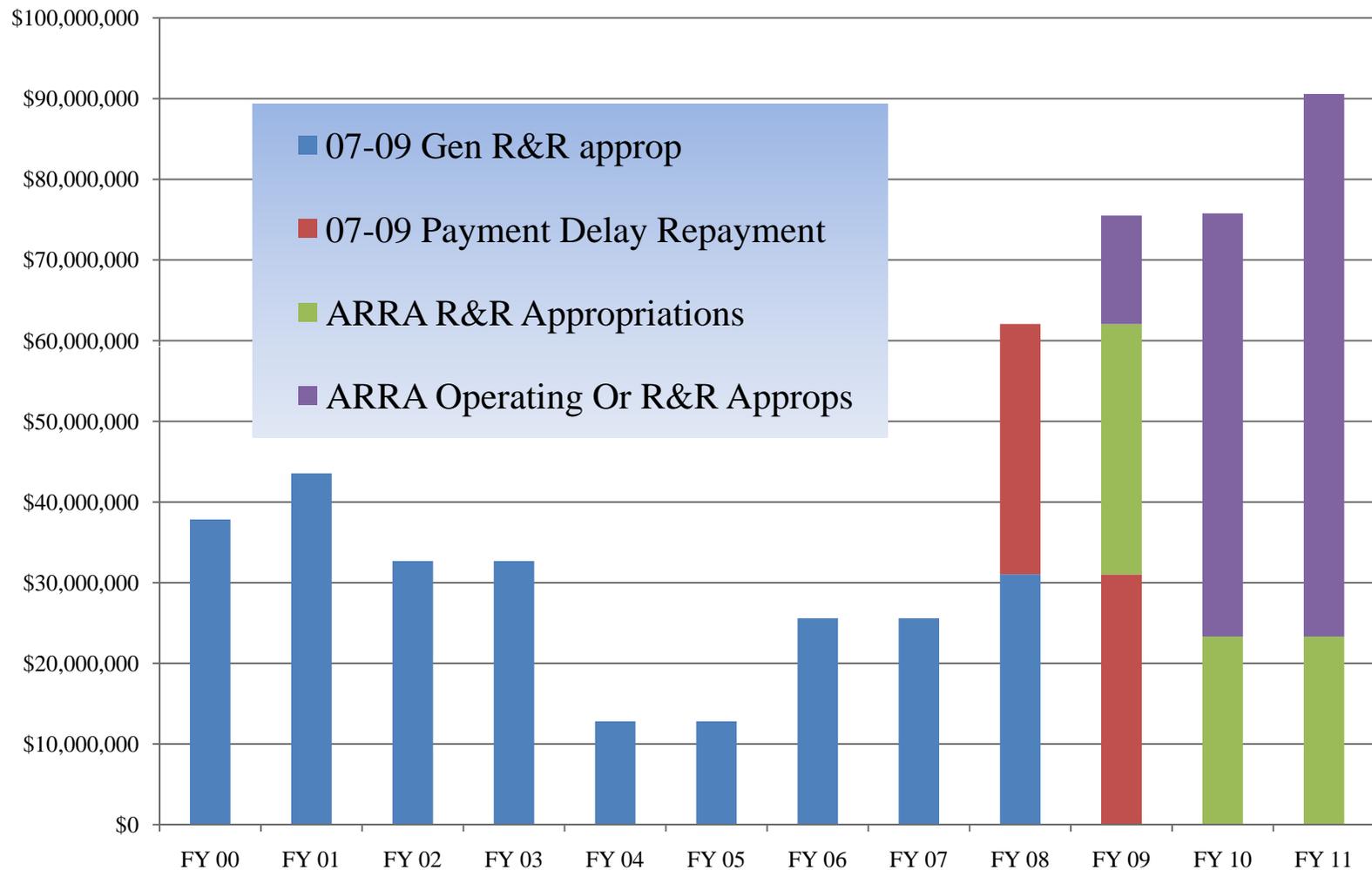


# Budget Committee Review

- **IC 21-33-3-4**
- **Advisory recommendation**
- Sec. 4. (a) The budget agency may refer to the budget committee budgetary and fiscal matters under this chapter for which it would like an advisory recommendation.
- (b) If a matter is referred to the budget committee, the budget committee:
  - (1) shall hold hearings;
  - (2) may exercise any powers under IC 4-12-1-11; and
  - (3) shall make an advisory recommendation to the budget agency.
- The advisory recommendation may recommend that the matter as referred be approved, disapproved, referred to the general assembly, or resolved in another way.



# R&R Appropriations



# Energy Savings Contracts Bonding Authority

- **IC 21-34-10-7**
- Bonds may be issued by the board of trustees of a state educational institution without the approval of the general assembly to finance a qualified energy savings project if annual operating savings to the state educational institution arising from the implementation of a qualified energy savings project are reasonably expected to be at least equal to annual debt service requirements on bonds issued for this purpose in each fiscal year.
- **However, the amount of bonds outstanding for the state educational institution other than Ivy Tech Community College at any time for qualified energy savings projects, other than refunding bonds and exclusive of costs described in sections 3 and 4 of this chapter, may not exceed fifteen million dollars (\$15,000,000) for each campus of the state educational institution.**
- **Any annual operating savings realized by Purdue University and Indiana University in excess of the annual debt service requirements on bonds issued shall be used to fund basic research for the Indiana Innovation Alliance.**
- **The amount of bonds outstanding for Ivy Tech Community College at any time for qualified energy savings projects, other than refunding bonds and exclusive of costs described in sections 3 and 4 of this chapter, may not exceed forty-five million dollars (\$45,000,000). Bonds issued under this section are not eligible for fee replacement.**

