

State Budget Committee Agenda
Friday, April 13, 2012, 9:00 A.M.
Business Conference Center
Madison, Indiana

I. December Minutes

II. Agency Projects

1. Westville Correctional Facility (680) \$197,000
Elevator Replacement and Repair project

The Department of Correction has experienced failures with two (2) elevators located in the Administration Building which houses the facilities medical unit on the second floor. Both elevators were installed in approximately 1962 and have come to the end of their service life. All attempts to locate repair parts for these units have failed. This request includes complete replacement of one (1) elevator while salvaging parts for use to restore the second elevator. Funding for this request is derived from previously approved projects completed with excess balances.

Funding: Post War Construction Fund "Previously Approved"
Repair and Rehabilitation

2. Indiana Veterans' Home (570) \$285,000
Replacement of Dewey Hall Elevators #6 and #7

The Indiana Veterans' Home (IVH) proposes to replace Elevators #6 and #7 at Dewey Hall. The two elevators are unreliable and have been down for weeks at a time. IVH indicates that these elevators are critical to the operations of the facility and the care of the IVH residents as many residents and guests are unable to use the stairs. Furthermore, the elevators were built in 1971, and the respective wear and tear is high. Currently, the elevators lack a feature that automatically sends them to the first floor in an emergency, which is a feature that the new elevators will have.

Funding: 2011 IVH Building Fund
Repair and Rehabilitation

3. Division of Mental Health and Addiction (410) \$1,700,438
Medication Management System

The Division of Mental Health and Addiction is requesting \$1,700,438 to purchase a fully developed and trusted Medication Management System for the State Operated Facilities (SOFs). The new Medication Management System developed by Netsmart will provide an integrated closed loop system that supports medication management processes to reduce medication errors, decrease drug to drug interaction, and comply with State and Federal regulations for the SOFs. The new system will also include a standardized workflow which will accommodate a practitioner to order the medication, the pharmacist to review, and a nurse to document the activity.

Currently, the SOFs use the QuadraMed Medication Management System, but the contract for this system expires on June 31, 2013, and the company will no longer support the existing system without the purchase of their entire suite of software. The cost to extend the QuadraMed contract and continue use of the existing system with enhancements after June 2013 would be roughly \$5M. Furthermore, the QuadraMed Medication Management System has the following concerns that will be resolved by the new system: not a closed loop medication management system, focuses on acute rather than long-term care, loses medication orders, does not provide counter signatures and verifications, not HIPAA compliant, does not have date/time stamp verification, not web-based, lack of role-based security, lack of a centralized database, and lack of standardized reporting ability. In addition, the QuadraMed contract has ongoing costs of roughly \$500,000 annually, while the new system has ongoing annual costs of roughly \$200,000.

The new system will fully integrate with the State's current Electronic Medical Record system within the SOFs. Logansport State Hospital will serve as a pilot site for this project, followed by Richmond State Hospital, Larue Carter Memorial Hospital, Evansville State Hospital, Evansville Psychiatric Children's Hospital, and Madison State Hospital.

Funding: 2011 Post War Construction Fund
Repair and Rehabilitation

4. Richmond State Hospital (440) \$157,574
Tunnel Repair

Richmond State Hospital is requesting \$157,574 to rebuild utility tunnels at the powerhouse connector and electrical vault locations. The powerhouse connector has concrete cracking on both the outside and inside of the tunnel area. Temporary floor jacks are currently being used to support the sagging ceiling. The tunnel contains utilities, including high and low pressure steam, condensate return, domestic hot water supply and return, potable soft water, compressed air, high and low voltage electrical service and fiber optic communications. A collapse in this tunnel could result in a major disruption of multiple services and potentially catastrophic side effects when electricity, water, and steam are mixed. Additionally, the utilities are in need of better structural support.

Funding: 2011 Post War Construction Fund
Repair and Rehabilitation

5. Richmond State Hospital (440) \$140,000
Powerhouse Roof

Richmond State Hospital is requesting \$140,000 to replace the Powerhouse (BLD #308) roof. The twenty-two year old Powerhouse roof shows significant areas of wet insulation, failed flashing, and membrane punctures that have contributed to leaks and other weather infiltration issues. The Powerhouse roof replacement would include removing all existing roofing, insulation, and flashings down to the existing deck, repairing the deck as necessary, installing rigid roof insulation, and installing a new modified rubber roof.

Funding: 2011 Post War Construction Fund
Repair and Rehabilitation

6. Evansville Psychiatric Children's Hospital (415) \$165,000
Roof Repair

Evansville Psychiatric Children's Hospital requests approval to remove and replace the shakes and shingles on the Administration (BLD #1), Residential (BLD #2), and Recreation (BLD #3) buildings. The shingles are the original cedar shingles installed in 1967 and are well past their life expectancy. The shingles frequently blow off during storms which causes a potential safety hazard to both patients and staff. Additionally, areas on the roofs where the plywood decking has rotted from weather exposure have caused leaks into the buildings. The shakes and shingles will be replaced with dimensional asphaltic shingles that have a thirty-year life expectancy.

Funding: 2011 Post War Construction Fund
Repair and Rehabilitation

7. Department of Natural Resources (300) \$305,000
Forest Recertification

The Department of Natural Resources - Division of Forestry requests approval to proceed with an annual forest recertification project. This project will provide recertification, annual auditing, and address corrective action requests for 150,000 acres of State forest land and 700,000 acres of classified forest land. The Division of Forestry currently sells 100% of their timber harvest as certified lumber which is harvested in accordance with sustainable forestry management practices.

Funding: 2011 General Fund
Repair and Rehabilitation

8. Department of Natural Resources (300) \$312,500
Forest Restoration

The Department of Natural Resources - Division of Forestry requests approval to address forest restoration activities within the resource management program. The restoration project concentrates on areas of recent or planned timber harvests and areas with significant invasive species problems to maintain healthy native forest species and habitats. This project provides necessary funding to accomplish sustainable forestry management practices that meet forest sustainability certification criteria.

Funding: 2011 General Fund
Repair and Rehabilitation

9. Department of Natural Resources (300) \$200,000
Forestry Shelter House Rehabilitation

The Department of Natural Resources (DNR) - Division of Forestry requests \$200,000 for the repair and rehabilitation of several State forest shelter houses. DNR's Division of Engineering has identified several shelter houses that pose health and safety concerns due to structural deterioration and deficiencies. The renovation of identified structures will also address concerns related to the historical integrity of the shelter houses.

Funding: 2011 General Fund
Repair and Rehabilitation

10. Department of Natural Resources (300) \$200,000
Mounds Water Tower Rehabilitation

The Department of Natural Resources - Division of State Parks and Reservoirs requests \$200,000 for the maintenance of the Mounds State Recreation Area water tower. The thirty-eight year old structure has significant rusting on internal and external surfaces, as well as mechanical and structural issues. Inspection of welds, pitted areas, roof vents, and paint indicated the tower was out of compliance with water tower standards.

Funding: 2009 General Fund "Previously Approved"
Repair and Rehabilitation

11. Department of Transportation (800) \$3,370,000
Aurora Subdistrict Design and Construction

The Department of Transportation (INDOT) requests approval to proceed with the architectural and engineering design (\$370,000) and construction (\$3,000,000) of a new Aurora Subdistrict building. The current Aurora Subdistrict building, constructed in 1964, is undersized and operationally inefficient, and it does not meet INDOT's current and future needs. The current building also does not comply with the American with Disabilities Act (ADA) requirements, and the wash bay does not comply with current environmental standards.

Funding: 2011 State Highway Fund
Buildings and Grounds

12. Department of Transportation (800) \$950,000
Wabash Subdistrict Salt Building Construction

The Department of Transportation (INDOT) requests approval to proceed with the construction of a new Wabash Subdistrict salt building. The existing Wabash salt building has a total storage capacity of 1,800 tons. The 5-year average annual use for this location is 4,450 tons of salt. The new building will provide enough salt storage to satisfy the current 5-year average. This new building will also allow for the loading of salt to take place under a roof to greatly reduce the amount of salt runoff from the site.

Funding: 2011 State Highway Fund
 Buildings and Grounds

13. Department of Administration (061) \$195,092
 Upgrade Fire Alarm System

The Department of Administration requests approval to proceed with a fire alarm upgrade project encompassing both the State House and the State Library. The current system was installed in 1990 and is no longer being sold or serviced by the manufacturer. This represents a life safety issue since certain components will no longer be supported or available when repairs and replacement are necessary.

Funding:	2011 General Fund	
	Repair and Rehabilitation	\$75,725
	2011 General Fund "Previously Approved"	
	Repair and Rehabilitation	\$119,367

14. Office of Technology (067) \$956,000
 Data Center Project

The Office of Technology requests approval to undertake a project to provide emergency redundancy systems in their Data Center, located in the Government Center North Building. The Data Center currently houses over 95% of the State government servers and data processing equipment. Due to the State's server consolidation effort as well as adding processing for the City of Indianapolis, Ivy Tech, the Appellate Courts and others, the Data Center's backup power capacity exceeds its current systems' operational capabilities. The Data Center has two dedicated generators where both generators must be operational to sustain operations in the event of a loss of electrical power. With the insufficient redundant design where one of the generators failed, it would result in State Police, Department of Revenue, Department of Transportation, Bureau of Motor Vehicles and other agencies losing access to critical information. Funding this request will provide the Data Center with the proper systems to maintain critical server processing capabilities by integrating a third generator into the Data Center backup power system.

Funding: Indiana Office of Technology Rotary Fund

III. University Projects

1. Ball State University (780) \$3,600,000
Museum of Art Expansion - Phase I
Project No. D-1-12-2-01

The trustees of Ball State University request approval to proceed with a Phase I expansion of the Ball State University Museum of Art. The Museum's collection has been housed in the Fine Arts Building since its construction in 1935. As the collection has grown, existing gallery space has become inadequate to display the University's diverse collection to visitors. This 8,336 GSF/7,243 ASF project will enlarge the gallery into space previously used by academic departments. Currently, the Museum of Art has support facilities located in the basement and first floor levels of the Fine Arts Building, with galleries located on the second and third floors and administrative offices on the third floor. The museum lacks sufficient space for storage, exhibit preparation, and receiving of new artwork. The existing elevator cannot accommodate large works of art, which makes movement of the collection difficult. As a result of this expansion, the gallery will increase its display space by forty-four percent. Plans also include the addition of a freight elevator. At the conclusion of the project, the Museum of Art will occupy all of the Fine Arts Building with the exception of space allocated to the Geology Department and Recital Hall.

Funding: Private Gifts
CHE Review: 12/9/2011

2. Indiana State University (770) \$1,300,000
Hulman Center Roof Replacement
Project No. C-1-12-2-04

The trustees of Indiana State University request authority to proceed with the replacement of the roof at the Hulman Center. The Hulman Center, a multipurpose auxiliary facility used for athletic, cultural, and entertainment programming, was constructed in 1973. The existing roofing structure was installed in 1990 with major repairs in 2001. The existing Hulman Center roof is past its expected life, which has resulted in major water damage, ongoing leaks and interior deterioration. This 183,427 GSF/115,549 ASF project will replace the overall roof, roof drains, and air relief penthouse and includes the installation of a safety restraint system.

Indiana State University proposes using the entire \$560,000 balance of the Hulman Center Bond Fund Reserves. Hulman Center Bond Fund Reserves remain from fully defeased Hulman Center Revenue Bonds. The project will also utilize \$400,000 of the \$421,773 balance in Hulman Center Facilities Reserves. Hulman Center Facilities Reserves are derived from a facility surcharge on ticket sales. Lastly, the project will utilize \$340,000 of the \$6,632,465 general interest income balance. General interest income are funds the University earns on University investments.

Funding: Interest Income \$340,000
Hulman Center Facilities Reserve \$400,000
Hulman Center Bond Fund Reserve \$560,000
CHE Review: 2/20/2012

3. Indiana State University (770) \$24,000,000
North Residence Hall Student Housing Construction
Project No. C-1-12-2-03

The trustees of Indiana State University request approval for the construction of North Residence Hall student housing. The proposed project will bridge the academic core of campus to the northern residential areas campus. The proposed construction is part of Indiana State University's long-term plan for the modernization of student housing facilities and is intended to maintain the current bed count and provide attractive housing options for students. This 139,010 GSF/80,008 ASF renovation will provide a total of 352 beds, including residential units ranging from double occupancy rooms for underclassmen to single occupancy rooms for seniors. The project will integrate sustainable features, such as the use of regional materials with high recycled content, energy efficient mechanical systems, and low water usage plumbing fixtures, with a target of being the first LEED certified new building on campus. This project will utilize \$3,000,000 of Residence Hall Capital Reserves. The Residence Hall Capital Reserve Fund had a \$15,708,897 balance as of March 2012. Funds are derived from student room and board fees. This project is not eligible for plant expansion funding. The permanent or interim financing package is subject to approval by the State Budget Director.

Funding:	Residence Hall Capital Reserves	\$3,000,000
	Auxiliary Revenue Bonds	\$21,000,000
CHE Review:	3/9/2012	

4. Indiana State University (770) \$10,000,000
Erickson Hall Renovation
Project No. C-1-12-2-02

The trustees of Indiana State University request approval to proceed with the renovation of Erickson Hall. The building will be renovated to serve its original purpose as a residence hall facility, while the current academic and administrative functions housed within will be relocated to other facilities on campus. The 78,690 GSF/41,463 ASF renovation will provide 260 beds, all contained in double occupancy rooms. Remaining space for Residential Life and Dining Services will be included on the first floor. Funding for this project will come from the University's Residence Hall Capital Reserves and tax-exempt borrowing to be repaid from the University's Residence Hall System Operating Budgets. The Residence Hall Capital Reserve Fund had a \$15,708,897 balance as of March 2012. Funds are derived from student room and board fees. This project is not eligible for plant expansion funding. The permanent or interim financing package is subject to approval by the State Budget Director.

Funding:	Residence Hall Capital Reserves	\$1,000,000
	Auxiliary Revenue Bonds	\$9,000,000
CHE Review:	12/9/2011	

5. Indiana State University (770)
Oil and Gas Lease
Project No. C-1-12-5-05

The trustees of Indiana State University request authorization to proceed with an oil and gas lease between the University and Pioneer Oil Company pursuant to IC 21-31-4. The University plans to enter into the lease for a term of seven hundred thirty (730) days or as long as oil or gas is produced from the land. Pioneer Oil Company is to pay the University an amount equal to \$20.00 per acre and royalties for all oil products that are produced from the premises at not less than fifteen percent (15%) of the gross sales proceeds received on barrels sold. Other lease provisions include compensation for property damage, learning opportunities or internships provided to students and faculty, and mandatory drilling reports produced for the University.

Funding: Revenue Generating Lease

6. Indiana University – Bloomington (750) \$37,000,000
Kelley School of Business Renovation and Expansion – Phase I
Project No. A-1-12-1-12

The trustees of Indiana University request authorization to proceed with the renovation and expansion of the Kelley School of Business Undergraduate Building (Hodge Hall) located at the northeast corner of Tenth Street and Fee Lane on the Bloomington Campus. This 126,613 GSF/57,338 ASF upgrade and expansion will include new lighting, interior corridor renovations, new fireproofing on the existing steel structure, and a new fire suppression system, along with new finishes within renovated areas. New restroom facilities, designed to support both the existing building and the new addition, will be constructed within the existing building as well as a new information technology infrastructure backbone. The four-level addition will be located at the southwest corner of the undergraduate school. The first level of renovation will accommodate student commons, a 48-seat flat-floored classroom, 60-person classrooms, and two, 180-person tiered classrooms. The second level will house the trading room, undergraduate program offices, presentation space, new workstations, and 60-person classrooms. The third level will accommodate a 60-seat horseshoe classroom, 48 and 60-person classrooms, and office/conference space. The fourth level will have a 60-seat horseshoe classroom, a multi-purpose room and 60-person classrooms. A new accessible entrance to the east end and a new connection between the existing building and the expansion, which will create continuous circulation, will be included. This project is not eligible for plant expansion funding.

Funding:	Private Gifts	\$22,500,000
	Lilly Endowment Grant	\$14,500,000
CHE Review:	3/9/2012	

7. Indiana University – Bloomington (750) \$2,500,000
Indiana Memorial Union Alumni Hall - Renovation
Project No. A-1-12-2-03

The trustees of Indiana University request authorization to proceed with the renovation of the Indiana Memorial Union Alumni Hall and solarium on the Bloomington campus. The 23,284 GSF/16,299 ASF project will restore the interior of Alumni Hall and Solarium to its original quality and function. The renovation includes replacement of hardwood flooring, new power and data access points, and the restoration of upper wall and ceilings within the Main Hall. Other improvements include heat/air conditioning distribution improvement, house light dimming, and accessible ramp/entryways. The project will utilize \$2,500,000 of \$2,646,424 Indiana Memorial Union Repair and Renovation funds available. The source of the funds are from the auxiliary operations from hotel, food services, commercial leases and conference/rental activities associated with the Indiana Memorial Union. This project is not eligible for plant expansion funding.

Funding: Indiana Memorial Union Repair and Renovation Funds
CHE Review: 2/10/2012

8. Indiana University – Bloomington (750) \$5,362,744
McNutt Quad (Crone) and Teter Quad (Rabb) Restroom Renovation
Project No. A-1-12-2-11

The trustees of Indiana University request approval to proceed with the renovation of restrooms on all floors of Crone wing of McNutt Quad and Rabb wing of Teter Quad located on the Bloomington Campus. In this 454,047 GSF/295,347 ASF project, existing common areas/restrooms/showers will be replaced with an individual-style configuration to provide privacy for residents. The existing group-style showers and restrooms will be demolished. Installation of new piping, ventilation systems, lighting, and fire alarm strobes are included in this project. Work also includes the installation of new water supply lines. The roofs on McNutt (Crone) and Teter (Rabb) will also be replaced, along with the doors of every dorm room on all floors of the Teter Quad (Rabb). Residential Programs and Services Renewal and Repair Funds are derived from student room and board fees. The balance of Residential Programs and Services Renewal and Repair Funds for Teter Quad as of November 15, 2011 was \$9,193,456. The balance of Residential Programs and Services Renewal and Repair Funds for McNutt Quad as of November 15, 2011 was \$7,883,129.

Funding: Residential Programs and Services R&R Funds
CHE Review: 12/9/2011

9. Indiana University Purdue University – Indianapolis (750) \$10,000,000
Rotary Building Renovation
Project No. A-2-12-2-10

The trustees of Indiana University request authorization to proceed with the renovation of the Rotary Building located on the north end of Ball Gardens. This project converts 39,123 GSF/22,139 ASF of existing space into offices and support space for the School of Medicine. The area was used by the Department of Ophthalmology, which has recently moved into the Glick Eye Center. New

interior infrastructure will include energy efficient mechanical systems, new interior walls, ceilings, and floor finishes. Upgrades will be done to meet current energy and ADA standards. An elevator serving all three floors and the basement will also be installed. The exterior of the building will have new energy efficient doors/windows. This renovated space will be used for the Center for Global Health, the Office of Medical Education, and the Department of Medicine Divisions of Pulmonary, Gastroenterology and Hepatology. This project is not eligible for plant expansion funding.

Funding: Indirect Cost Recovery \$5,000,000
School of Medicine Gifts through the IU Foundation \$5,000,000
CHE Review: 12/9/2012

10. University of Southern Indiana (775) \$5,900,000
Student Housing Apartment Rehabilitation
Project No. G-0-12-2-02

The trustees of the University of Southern Indiana request approval to proceed with the Student Housing Apartment Rehabilitation project. This 143,280 GSF/120,575 ASF project includes the rehabilitation of 15 of the University's 43 student housing apartment buildings. There are 16 units per building. The project includes updating kitchen cabinets and bathroom fixtures, installing new windows, and replacing the carpet and drywall.

The University of Southern Indiana proposes \$5,900,000 of the \$9,151,149 balance in Housing Reserves be used to fund the project. Housing Reserves are derived from student fees paid for University housing.

Funding: Housing Reserves
CHE Review: 2/10/2012

11. University of Southern Indiana (775) \$2,500,000
University Center "Loft" Renovation
Project No. G-0-12-2-01

The University of Southern Indiana trustees request approval to proceed with the University Center "Loft" Renovation project. This 101,483 GSF/63,262 ASF project will renovate the "Loft" dining room on the upper level of the University Center West building. The renovation will expand the current seating area, wall materials, paint flooring signage, and trim. Other work includes new furnishings, floor coverings, ceiling systems, lighting, HVAC systems, wall finishes, rearranged food serving areas, and a new dishwasher.

The estimated cost of this project is \$2,500,000, which will be funded from University Center dining reserves. The balance in the dining reserves fund is \$3,089,813. Dining reserves are derived from student fees for dining plans, including \$800,000 from Sodexo restricted for this project.

Funding: University Center dining reserves
CHE Review: 2/10/2012

12. Ivy Tech Community College of Indiana (710) \$15,120,000
 Refunding Student Fee Series G Bonds
 Project No. F-0-12-6-04

The trustees of Ivy Tech Community College request approval to proceed with the issuance of student fee bonds to refund up to a par amount of \$15,120,000 currently outstanding for student fee bonds comprising all or a portion of Series G. The refunding transaction will not extend the maturity dates of the bonds being refunded. Bonds will be selected for the refunding transaction in a manner consistent with guidelines contained in the Indiana Finance Authority refunding policy and only if such bonds produce a positive net present value savings. At current market conditions, ITCC expects to realize approximately 8% savings valued at \$1.3 million over the remaining five years of the bonds. ITCC intends to offer the refinanced bonds in a private placement/direct purchase option should it be economically beneficial. The permanent financing package is subject to approval by the State Budget Director.

Cost Summary

April 13, 2012	
2009 General Fund "Previously Approved"	\$200,000
2011 General Fund	\$893,225
2011 General Fund "Previously Approved"	\$119,367
2011 IVH Building Fund	\$285,000
2011 Post War Construction Fund	\$2,163,012
2011 State Highway Fund	\$4,320,000
Auxiliary Revenue Bonds	\$30,000,000
Grant Funds	\$14,500,000
Indiana Office of Technology Rotary Fund	\$956,000
Post War Construction Fund "Previously Approved"	\$197,000
University Funds	\$57,662,744
Total	\$111,296,348

IV. Review Items

1. Excellence in Performance Awards – Indiana Department of Education
2. Choice Savings Distribution – Indiana Department of Education
3. Remediation Distribution – Indiana Department of Education
4. 21st Century Research and Technology Grants – Indiana Economic Development Corporation
5. I-Light Network Operations
6. Contingency Fund – Department of Homeland Security
7. Energy Savings Projects – Department of Correction
8. Financing of State Park Improvements – Department of Natural Resources

V. Discussion Items

1. Follow-up on E-Check revenues from corporate estimated payments
2. Local Option Income Tax Distributions