

**STATE BUDGET COMMITTEE MEETING MINUTES
March 28, 2006**

MEMBERS:

Senator Robert Meeks, Chairperson
Representative Jeffrey K. Espich
Senator Vi Simpson
Representative William C. Cochran
Charles E. Schalliol, State Budget Director

ALTERNATE MEMBERS:

Senator Tom Wyss
Representative Lawrence Buell
Senator Lindel O. Hume
Representative Dennis Avery

The business meeting was held at 1:00 PM on March 28, 2006 in the Senate Appropriations Committee Room (Room 431) of the State House in Indianapolis. Fifteen projects and eight review items were on the agenda. Senator Meeks called the meeting to order. Senator Simpson made a motion to amend the agenda by adding Amendment 1, removing review item number 3 from the agenda. Representative Cochran seconded the motion. The motion failed 2-3. Representative Espich made a motion to accept the agenda as it was originally proposed. Director Schalliol seconded the motion. The motion passed 3 -2. After discussion of the projects the committee then discussed the five review items.

State Agency Projects

3260 304900	<u>Indiana State Police (100)</u>	\$140,000
700001	Microwave Tower Painting - Statewide Project No. A2-7-5667	

This project request is for funding to paint microwave towers. This project is needed to protect the towers from the elements and to comply with Federal Aviation Administration requirements. These towers provide the ISP with statewide microwave communications between the central office (Indianapolis) and the district offices. Repainting is required approximately every 5 years.
(2005 State Police Building Fund – R&R Indiana State Police)

1000 376810	<u>Department of Natural Resources (300)</u>	\$3,000,000
700001	DNR Equipment Project No. 035012	

This project request is for funding to purchase vehicles and equipment. Two DNR divisions, State Parks and Reservoirs and the Central Pool Fleet, have equipment that is so aged that establishing a regular refresh cycle will take years to accomplish. These purchases will go a long way towards bringing the divisions into compliance with the planned refresh cycle of five years for cars and ten years for pickup trucks. The purchases will replace the oldest and most heavily used vehicles and further reduce the burden on vehicle repairs and maintenance costs.
(2005 General Fund – R&R Department of Natural Resources- General Administration)

1000 390050 War Memorials Commission (315) \$500,000
700001 Roof Replacement
Project No. A66-7-0084

This project request is for funding to remove the existing roof on the American Legion Auxiliary & State Headquarters and install a new roof. The existing roof has many leaks, causing interior damage and mold growth. The roof is no longer repairable and is in need of replacement. Further delay may create health and safety issues.
(2001 General Fund – Health & Safety Compliance Contingency Fund)

1000 379280 Evansville State Hospital (425) \$1,418,000
700001 Asbestos Removal and Demolition of Buildings – Phase II
Project No. B8-401A

This project request is for funding to proceed with Phase II of the demolition and asbestos removal project at Evansville State Hospital (ESH). Phase II of the project will consist of demolishing, removing hazardous material, and razing six of the remaining buildings at ESH. The remaining buildings to be demolished and razed are 1, 2, 12, 15, 17, and 18; which comprises 260,000 square feet of space. The six buildings are currently unoccupied and pose a major liability to the state and FSSA based on their physical condition as well as individuals breaking into the buildings and roaming freely.
(2005 General Fund– R&R Family & Social Services Administration Construction)

1000 379300 Richmond State Hospital (440) \$300,000
700001 Telephone System Upgrade – Phase II

This project request is for funding to proceed with Phase II of the Telephone Upgrade Project at Richmond State Hospital (RSH). Phase II of the project will consist of the final stages concerning the telephone switch replacement, phone upgrade and the installation of a communication management system. A fire suppression system in the RSH IT building will also be installed. The Indiana Office of Technology (IOT) will be assisting RSH with Phase II of the project with engineering and design plans related to the project.
(2005 General Fund – R&R Richmond State Hospital)

3910 300600 Indiana Soldiers' and Sailors' Children's Home (580) \$250,000
700001 Administrative Building Roof Replacement
Project No. B18-502

This project request is for funding to replace the roof on the administration building. The roof has been patched in the past, however, that did not resolve the problem. Some of the asphalt shingles have come off and there is currently a serious water infiltration problem which has caused damage to the upper two floors.
(2005 General Fund – R&R Indiana Soldiers' and Sailors' Children's Home)
(2005 Vocational Construction Fund – R&R Indiana Soldiers' and Sailors' Children's Home)

3800 342470 Putnamville Correctional Facility (650) \$377,915
 700001 Security System
 Project No. B3-307

This project request is for funding to expand the scope on the base bid to modernize the security system. The project is currently under construction, and the base bid was initially placed in order to determine the amount of work needed to complete the project. The alternate bid has been placed and includes: furnishing and installing touch screen controls; installing retrofit devices in corridor doors; placing new entry door controls in cell blocks A, B, C and D; and all work previously specified in the base to be performed in Cell Block D. The additional work will allow for a completely modernized system with upgrade possibilities.

(Prior Year Post War Construction Funds previously reviewed by Budget Committee)

(Prior Year General Funds previously reviewed by Budget Committee)

3800 342650 Wabash Valley Correctional Facility (665) \$450,000
 700001 New Telephone System
 Project No. B31-502

This project request is for funding for a new telephone system. The existing phone system utilized by Wabash Valley Correctional Facility was installed in 1993. The voicemail and auto-attendant features of the system are failing, resulting in limited reliable service. Upgrading the system would involve major software and firmware upgrades which would be extremely expensive; therefore, total replacement is the best option. Safety and security to this facility is greatly enhanced by the proper operation of the phone system.

(2003 Post War Construction Fund – R&R Westville Correctional Center)

University Projects

Ivy Tech State College (710) \$20,000,000
 Valparaiso New Campus Phase 2
 Project No. F-0-04-1-06

Ivy Tech State College requests authorization to proceed with the construction of the Valparaiso New Campus Phase 2. Recommendation and/or approval of this project and its financing by the Budget Committee do not constitute a commitment to plant expansion.

The permanent financing package is subject to approval by the State Budget Director.

Funding: 2005 Bonding Authority	\$20,000,000
Estimated Fee Replacement (20 years)	\$1,708,470/year
Annual plant expansion	\$322,900/year

CHE Review: November 11, 2005

Indiana University Bloomington (750) \$7,000,000
 Central Heating Plant Phase I – Service Building Relocation Portion
 Project No. A-1-06-1-06

Indiana University requests authorization to proceed with relocation/construction of a new Service Building along Range Road on the Bloomington campus. This project will utilize the design-build process. The new building or cluster of buildings will house the functions

in the current service building at 700 North Walnut Grove; including, architect's office, administrative office, craft shops and parking for approximately 300 vehicles. The location of the current Service Building is the future site of the new Multidisciplinary Science Building II project which was reviewed by the Budget Committee on September 26, 2003. Recommendation and/or approval of this project and its financing by the Budget Committee do not constitute a commitment to plant expansion. The permanent financing package is subject to approval by the State Budget Director.

Funding: 2005 Bonding Authority	\$7,000,000
Estimated Fee Replacement (20 years)	\$597,964/year
No annual plant expansion requested	
CHE Review: January 13, 2006	

Purdue University West Lafayette (760) \$10,000,000
Discovery Learning Center
Project No. B-1-05-1-12

Purdue University requests authorization to proceed with the construction of the Discovery Learning Center in Discovery Park on the West Lafayette campus. The building will be used by faculty and students engaged in interdisciplinary instruction and research. The Learning Center research projects will make use of cutting-edge and highly sophisticated learning research laboratories to examine the process by which people learn not only information but also the problem solving and lifelong learning abilities that are crucial to the workforce of the future. The knowledge gained from this research will transform teaching and learning at all levels. Recommendation and/or approval of this project and its financing by the Budget Committee do not constitute a commitment to plant expansion.

The permanent financing package is subject to approval by the State Budget Director.

Funding: Gifts and Endowment Income	\$10,000,000
Annual plant expansion:	\$154,443/year
CHE Review: December 9, 2005	

Purdue University West Lafayette (760) \$400,000
Land Acquisition
Project No. B-1-06-3-07

Purdue University requests authorization to proceed with the acquisition of 95 acres of property in Porter County adjacent to 580 acre Pinney-Purdue Agricultural Center research farm. The property will allow Purdue to expand ongoing agronomic field studies. The current property struggles with field study rotations, given the demand for productive soil types in the area. Funds to purchase the property come from the sale in 2003 of 68 acres of non-contiguous Pinney-Purdue Agricultural Center property. Purchase price is based on recent sales of unimproved farm land in eastern Porter County and western LaPorte County, including the sale of the 68 acre Pinney Field. Purchase price includes closing costs and legal fees. No annual plant expansion is requested.

Funding: Proceeds from 2003 Sale of Farm Land	\$362,720
Internal Central Admin. Farm Fund	\$37,280
CHE Review: January 4, 2006	

Purdue University West Lafayette (760) \$53,000,000
Windsor Residence Halls Renovation
Project No. B-1-06-2-06

Purdue University requests authorization to proceed with the renovation of five separate buildings in the Windsor Halls complex over a five year period. Windsor was built in phases from 1934 to 1949. Renovations include: potential for student suites; converting some unused attic space to student rooms; community bathroom modifications; fire protection and accessibility; upgrading, restoring and replacing architectural finishes; repairing historical architectural elements such as decorative plaster, woodwork and ceramic tile; replacing all five passenger elevators; replacing existing electrical and mechanical systems in each building as required to meet current building codes; and installing air conditioning to the entire complex. The project will be funded from 1927 bonding authority funds. Recommendation and/or approval of this project and its financing by the Budget Committee do not constitute a commitment to plant expansion. The permanent financing package is subject to approval by the State Budget Director.

Funding: 1927 Bonding Authority \$53,000,000
No fee replacement requested – paid with student housing fees
CHE Review: January 13, 2006

Purdue University Fort Wayne (760) \$10,500,000
Student Housing Phase II
B-3-06-1-10

Purdue University requests authorization to proceed with the construction of two new student housing buildings containing a total of 208 beds in a mix of one-bedroom, two-bedroom and four bedroom apartments. The demand for student housing has resulted in 100% occupancy of existing student housing with 160 applications on a waiting list.

Funding: 1927 Bonding Authority \$10,500,000
No fee replacement requested - paid with student housing fees
CHE Review: February 10, 2006

Ball State University (780) \$3,100,000
Boiler Plant Replacement and Chilled Water Plant Improvements
Project No. D-1-05-1-02

Ball State University requests authorization to proceed with the planning and design phase of the Boiler Plant Replacement and Chilled Water Plant Improvements projects. Ball State University and the Government Efficiency and Financial Planning group have not yet come to agreement on the final cost of the project and it is expected that the final cost of the project will become more clear through the planning and design process. Ball State plans to secure \$3.1 million in tax exempt interim financing for the projects which would subsequently be refinanced as part of the Student Fee Bond issue when the entire project moves forward.

Funding: Tax Exempt Interim Financing to be converted to 2005 Bonding Authority at a future date \$3,100,000
Estimated Fee Replacement (20) years \$248,752/year
No annual plant expansion requested
CHE Review: January 13, 2006

Review Items

Department of Correction – Energy Savings Project

- Pendleton Correctional Facility
- Westville Correctional Facility
- Plainfield Correctional Facility
- Indiana State Prison

Indiana Bond Bank

- East Chicago Facilities Building Corporation
- New Castle Municipal Sewage Works
- Bloomington Municipal Sewage Works and Stormwater Utility

Review of Indiana Finance Authority's determination of Toll Road operator and moral obligation provisions within the Toll Road lease agreement

21st Century Fund

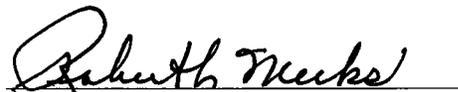
Department of Child Services – Quarterly Report

Help America Vote Act reimbursements

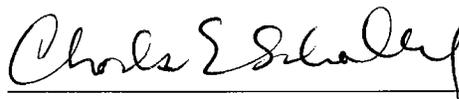
Indiana Educational Facilities Authority – Annual Report

Howard County Rainy Day Fund Loan

Pursuant to the provisions of IC 4-12-1 and IC 20-12, the State Budget Committee recommends approval of the forgoing projects.



Chairperson



Budget Director



STATE OF INDIANA
OFFICE OF THE GOVERNOR
State House, Second Floor
Indianapolis, Indiana 46204

Mitchell E. Daniels, Jr.
Governor

Bond Approval Certification
For
Higher Education Projects Pursuant to IC 20-12

To: Chair, State Budget Committee
From: Governor of Indiana
Re: Approval of Bond Issuances from State Budget Committee Meetings
Minutes from: March 2006
Date: 3/28/06

Dear Chairman Meeks:

In accordance with statute, I am required to approve the bond issuances certified to me by the State Budget Committee for certain projects related to higher education. As such, pursuant to IC 20-12, I hereby approve the bond issuances for the related university projects approved in the above referenced State Budget Committee Meeting Minutes.

Signed:


Mitchell E. Daniels, Jr.
Governor