

STATE BUDGET COMMITTEE MEETING MINUTES
September 29, 2006

MEMBERS:

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

ALTERNATE MEMBERS:

Representative Lawrence Buell
Senator Lindel O. Hume
Representative Dennis Avery

Senator Meeks called the business meeting to order at 9:30am at the Clifty Inn in Madison, Indiana. The members of the Committee and support staff were introduced. Senator Meeks called for a motion to accept the agenda. Representative Espich made a motion to delete the Department of Administration Statehouse Grounds project on the proposed agenda, the Department of Administration Statehouse Grounds project. Senator Simpson seconded. Motion carried. Representative Cochran made a motion to accept the agenda with Rep. Espich's deletion. Budget Director Schalliol seconded. Motion carried.

I. State Agency Projects

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| 1. | <u>Indiana Women's Prison (640)</u>
Construction of a Security Building
Project No. | \$2,000,000 |
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This project is for the construction of a security building for the Indiana Women's Prison, a maximum security facility, that all staff and visitors are processed through. The metal detector and package scanner shall be incorporated into this space as well as adequate "queue" space for those individuals waiting to go through the security screening process. This project shall maximize staff efficiency and allow adequate physical space to conduct personal searches and associated security practices.

Funding Source: 2003 Post War Construction Fund \$2,000,000

2. Department of Natural Resources (300) \$300,000
Invasive Species
Project No. 045001

This request will pay for treatments of newly discovered and newly established pests or pathogens and other exotic species in Indiana, and is critical to protecting state resources from further establishment of these organisms. Examples of such organisms include kudzu, roman snails, gypsy moth and emerald ash borer. Funds expended to combat these pests and to conduct preliminary or delimiting surveys may serve as match for acquiring federal survey funds when federal funds are available.

(2005 General Fund – Entomology –
Exotic Species Control) \$ 300,000

3. Department of Natural Resources (300) \$595,000
F&W – Structural Integrity
Project No. 025002

The Division of Fish & Wildlife (DFW) must maintain upkeep of existing offices, hatcheries, service buildings, residences and public facilities used by their employees and the public in order to sustain or increase their utility. All structures must meet DNR standards in design and construction. This request will fund repair of damages to the property manager's residence at Hovey Lake, repairs to the residence at Pigeon River, construction of an equipment storage building at Kankakee, floor and wall repairs at East Fork, design for restroom rehab at Fawn River and Mixsawbah, and other structural integrity projects.

(2005 General Fund – R&R Fish & Wildlife) \$ 595,000

4. Department of Natural Resources (300) \$233,100
Public Access
Project No. 25004

Funding for this request will allow the DNR to pay for maintenance, development, and equipment for the public access program. Obtaining land from willing sellers for public access to fishing is one of the Division's highest priorities. The public access program has paid for assessments, acquisition, rehab and development public access sites, fisheries management facilities, public fishing areas, and lake feasibility studies.

(2005 General Fund – F&W – Public Access
Land Acquisition) \$233,100

5. Department of Natural Resources (300) \$2,267,300
Rehab of Sewer and Water Lines
Forestry Facility Resource Management
Project No. 095001, 095002, 095003

This request includes funding for rehabilitation of septic systems and water and sewer lines on state forests and recreation areas, purchase of safety equipment, replacement of recreation equipment, rehab of trails, service buildings, comfort stations, road projects, beach rehab, timber stand improvement and survey work, certification, and technology upgrades for state forests. Details of specific projects are provided in the attachment.

(2005 General Fund – R&R Forestry) \$2,267,300

6. Department of Natural Resources (300) \$300,000
Museum Rehab – Change of Scope/Use
Project No. 300MU4145512

This request will pay for the replacement of oak flooring in the south Gallery exhibit area, and repairs to the treasure cases that are used to store artifacts and other museum valuables. The Museum is asking for a change of use in the project description, which was initially approved to rehab the kiosk information system and install hanging points. After further evaluation, it was determined that repairing the flooring and the treasure cases would ensure the safety of visitors and secure valuable artifacts.

(2005 General Fund – State Museum –
Kiosk Info. System Rehab.) \$ 300,000

7. Department of Natural Resources (300) \$3,250,000
Pool and Campground Rehab
Project No. 035010 and 035011

Funding for this request will pay for the construction of splash water features, water slides and deck replacement at Ouabache, Harmonie, Spring Mill, Brown Co., and Turkey Run state parks, replacement of comfort stations at several state parks, and reduction of group showers to provide more privacy. The pool repairs will allow for visitors to enjoy a high quality water facility, which could generate increased revenue for the parks. Money for pool repairs will allow construction to be complete by the 2007 recreation season. Comfort stations at parks and reservoir campground sites are old, and in need of repairs and upgrades. The repairs and upgrades to these facilities will improve the visitor's overall experience.

(2005 General Fund – R&R State Parks
and Reservoirs) \$3,250,000

8. Department of Natural Resources (300) \$182,000
Falls of the Ohio Lease Payment
Project No. 035013

The annual lease-purchase payment to the Clarksville Riverfront Foundation to retire the bond is \$182,000 and is payable each January until the final payment is complete in 2014. The Falls Interpretive Center was constructed by means of this bond payment.

(2005 General Fund – R&R State Parks
and Reservoirs) \$ 182,000

9. Department of Natural Resources (300) \$300,000
Versailles Facility – Change of Use/Scope
Project No. 300EL4115001

This request will pay for the construction of District Nine Operational headquarters. The current building is not centrally located in the district and is not suitable for rehab, as it has significant structural flaws, including not being ADA accessible, and also has a corroding foundation. The original project, which consisted of repairing a REMC building in district two, is complete, so the division is asking that the remaining appropriation pay for construction of district nine headquarters.

(2005 General Fund – R&R Enforcement) \$ 300,000

10. Department of Natural Resources (300) \$3,800,000
Engineering – Dam Upgrades
Project No. 015001

Funding for this request will pay for upgrades and repair safety deficiencies on DNR dams. Priorities for repairs include: Jimmerson Lake, Williams Dam, Koontz Lake, and White Oak Lakes #1 and #2. Previous studies have indicated deficiencies on these dams.

(2005 General Fund – Water – Dam Repair
and Rehabilitation) \$ 3,800,000

II. University Projects

1. Ivy Tech State College (710) \$2,500,000
Fort Wayne Technology Center Planning
Project No. F-0-02-1-11

Ivy Tech State College requests authorization to proceed with architectural planning for a new Technology Center building to be constructed on a site donated to the College by the State at the Fort Wayne Development Center and architectural planning for the renovation of the existing building on the Ivy Tech Fort Wayne Campus and an existing building at the Fort Wayne State development Center. Ivy Tech originally projected the cost of the project to be \$35,802,000 with an annual plant expansion of \$984,500 however; Ivy Tech has requested \$49,000,000 for the 2007 – 2009 biennium (\$29,000,000 new construction, \$9,400,000 renovation of existing ITCC building, \$8,000,000 renovation of FWSDC building, \$2,600,000 demolition of FWSDC building) with an annual plant expansion of \$1,685,700. Estimated student fee replacement is \$3,058,332 annually over 20 years. Recommendation and/or approval of this project and its financing by the Budget Committee do not constitute a commitment to plant expansion.

Funding: 2005 General Fund \$2,500,000
Ft. Wayne Tech Center A&E

CHE Review: August 11, 2006

2. Ivy Tech State College (710) \$300,000
Logansport New Campus Planning
Project No. F-0-04-1-10

Ivy Tech State College requests authorization to proceed with architectural planning for a new campus in Logansport. A portion of the site is to be donated to the College by its owners with the remaining portion to be purchased by the College with funds provided by the City of Logansport. Ivy Tech originally proposed to build a 73,500 GSF building at an estimated cost of \$14,000,000 with an annual plant expansion of \$407,900. However; in the 2007-2009 biennial request Ivy Tech proposes building a 80,200 GSF building at a cost of \$17,750,000 with an annual plant expansion of \$519,800. Estimated student fee replacement is \$1,195,929 annually over 20 years. Recommendation and/or approval of this project and its financing by the Budget Committee do not constitute a commitment to plant expansion.

Funding: 2005 General Fund (HEA 1120) \$300,000
CHE Review: August 11, 2006

3. Purdue University-West Lafayette (760) \$5,500,000
Printing Services Facility and Grounds Maintenance Facility Relocation
Project No. B-1-06-1-15

The Board of Trustees for Purdue University request authorization to proceed with the planning, financing, and construction of the Printing Services Facility and Grounds Maintenance Facility relocation. The project will construct new pre-engineered structures to relocate current operations of the Grounds Department and Printing Services. These relocations are necessary for the development of new academic buildings. Estimated cost of the project is \$5,500,000 and will be funded from F&A Recovery (\$3,000,000) and Unrestricted Endowment Income (\$2,500,000). This project is not eligible for plant expansion.

Funding: Facility and Administration Cost Recovery \$3,000,000
Unrestricted Endowment Income \$2,500,000
CHE Review: August 11, 2006

4. Purdue University-West Lafayette (760) \$3,000,000
Child Care Center
Project No. B-1-06-1-17

The Board of Trustees for Purdue University request authorization to proceed with the financing and construction of a Child Care Center. This project will construct a new, stand alone child care center located off of Nimitz Drive, near the intersection with Marshall Drive. This new facility would serve approximately 98 children from the ages of six weeks through preschool. Estimated cost of the project is \$3,000,000, to be funded from the Capital Reserve for Buildings. This project is not eligible for plant expansion.

Funding: Capital Reserve for Buildings \$3,000,000
CHE Review: August 11, 2006

5. Purdue University-West Lafayette (760) \$4,100,000
Beck Agricultural Center
Project No. B-1-06-1-18

The Board of Trustees for Purdue University request authorization to proceed with the financing and construction the Beck Agricultural Center. This facility at the Purdue Agronomy Center for Research and Education (ACRE) will provide educational space for hands-on training using modern teaching technologies. This facility will provide modern space for faculty to share research and offer educational activities to individuals from business, government and academics. Estimated cost of the project is \$4,100,000, to be funded from Gift Funds (\$3,500,000) and Endowment Income (\$600,000). This project is not eligible for plant expansion.

Funding: Gift Funds \$ 3,500,000
Endowment Income \$ 600,000
CHE Review: August 11, 2006

6. Purdue University-West Lafayette (760) \$3,820,000
Purdue Village Community Center
Project No. B-1-06-1-19

The Board of Trustees for Purdue University request authorization to proceed with financing and construction of the Purdue Village Community Center. The center is intended as a social hub of Purdue Village, which is a residential community for married students and their families. This project will construct a building to house the Purdue Village Community Center, which is currently located in buildings TC31, TC33, TC35, and

TC37. These four small buildings are on the site of the future Discovery Learning Center. The proposed location is off of Nimitz Drive next to Squirrel Park. The style and type of construction will correspond to the existing Purdue Village buildings, rather than the Discovery Park buildings that are to the east, and will be designed to complement the proposed Child Care Center nearby. Estimated Cost of the project is \$3,820,000, to be funded from the Capital Reserve for Buildings (\$1,800,000) and University Residences Capital Funds (\$2,020,000). This project is not eligible for plant expansion.

Funding: Capital Reserve for Buildings \$1,800,000
 University Residences Capital Funds \$2,020,000

CHE Review: August 11, 2006

7. Purdue University-West Lafayette (760) \$2,200,000
 University Hall Accessibility Upgrade
 Project No. B-1-06-2-20

The Board of Trustees for Purdue University request authorization to proceed with the financing and construction of the University Hall Accessibility Upgrade on the West Lafayette campus. This project will make University Hall accessible by installing an elevator, an updated fire alarm system, a ramp down into the building, and by reworking existing restrooms and drinking fountains for ADA compliance. The estimated cost of this project is \$2,200,000 and will be funded from University General funds reserved for renewals. Recommendation and/or approval of this project and its financing by the Budget Committee do not constitute a commitment to plant expansion.

Funding: University General Funds \$2,200,000

CHE Review: August 11, 2006

8. Indiana University-Bloomington (750) \$3,000,000
 Hutton Honors College
 Project No. A-1-06-1-15

The Trustees of Indiana University request authorization to proceed with the construction of a new building to house the Hutton Honors College. The building will be located at the northwest corner of Woodlawn and Seventh Streets on the Bloomington campus. This facility will include a dedicated seminar classroom, library/resource room, student study lounges, event spaces and offices for faculty, advisors, and administrators. Estimated cost of the project is \$3,000,000 and will be

funded through a gift to the Indiana University Foundation specifically for this purpose. This project is not eligible for plant expansion.

Funding: Gift funds \$3,000,000
No Plant Expansion Requested
CHE Review: August 11, 2006

9. Indiana University-Bloomington (750) \$10,946,000
Henderson/Atwater Parking Garage
Project No. A1-06-1-16

The Trustees of Indiana University request authorization to proceed with the construction of a new five and a half level open parking garage located at the corner of Atwater and Fess Avenue. The structure will provide offices for Parking Operations on the first level and spaces for approximately 560 vehicles. The project is estimated to cost \$10,946,000 and will be funded by bonds that will be repaid from Parking Operations revenues. The Trustees of Indiana University also request authorization to issue and sell its Facility Revenue bonds in a principal amount equal to the sum of:

- \$10, 946,000 for costs of construction, renovation, equipment, and other related project components of the Henderson/Atwater Parking Garage,
- Any amounts required to fund a reserve fund for such bonds,
- Cost of issuance of the bonds and such other expenses as may be necessary or incidental to such financing and,
- Underwriters' or original issue discount within the limits prescribed by law.

This project is not eligible for plant expansion. The permanent financing package is subject to approval by the State Budget Director.

Funding: 1927 Bonding Authority \$10,946,000
No fee replacement requested – paid with parking operations
No Plant Expansion Requested

CHE Review August 11, 2006

10. Vincennes University (790) \$1,190,030
SEA 345-2006 R&R Appropriation
Project No. E-1-07-2-01

Vincennes University requests authorization for approval and distribution of funds to proceed with several general repair and rehabilitation projects. These funds would go toward renovations in the Learning Resource Center, Humanities Building, Davis Hall, and the Business Building. The projects would be funded from the SEA 345-2006 appropriation for R&R as a partial repayment of the higher education payment delays. This is the first draw by Vincennes University against their SEA 345-2006 appropriation and represents 100% of their appropriation.

Funding: 2005-2007 R&R Appropriation \$1,190,030
CHE Review: August 2, 2006

11. University of Southern Indiana (775) \$1,225,670
SEA 345-2006 R&R Appropriation
Project No. G-0-07-2-03

The University of Southern Indiana requests authorization to proceed with several repair and rehabilitation projects. The projects would be funded from the SEA 345-2006 appropriation for R&R as a partial repayment of the higher education payment delays. This is the first draw by USI against their SEA 345-2006 appropriation and represents 100% of their appropriation.

Funding: 2005-2007 R&R Appropriation \$1,225,670
CHE Review: July 27, 2006

12. Ivy Tech State College (710) \$3,939,000
SEA 345-2006 R&R Appropriation
Project No. F-0-06-6-10

The Board of Trustees for Ivy Tech State College request an allotment of \$3,939,000 in SEA 345-2006 Repair and Rehabilitation funds to pay the costs of several projects. This is the first draw by Ivy Tech State College against their SEA 345-2006 appropriation and represents 84.8% of the appropriation.

Funding: 2005-2007 R&R Appropriation \$3,939,000
CHE Review: August 2, 2006

13. Indiana State University (770) \$29,800,000
 University Hall Renovation
 Project No. C-1-05-2-01

Indiana State University requests authorization to proceed with the renovation and addition to University Hall to accommodate the College of Education. Constructed in 1936, University hall is on the list of historic sites and structures prepared by the Indiana Division of Historic Preservation and Archaeology. The renovation will accommodate the needs of the College of Education, which is currently housed in Statesman Towers. Upon completion of the renovation and the relocation of the College of Business, Statesman Towers will be demolished (demolition costs of approximately \$3 million not included in current funding and not requested for 2007-2009 biennium). Recommendation and/or approval of this project and its financing by the This project is not eligible for plant expansion. The permanent financing package is subject to approval by the State Budget Director.

Funding:	2005 Bonding Authority	\$26,880,000
	University Reserves	\$ 2,920,000
	Estimated Fee Replacement (20 years)	\$ 2,296,184/year

No annual plant expansion requested.
 CHE Review: September 28, 2005

14. Indiana University-Southeast (750)
 \$1,902,086
 Qualified Energy Savings Project
 Project No: A-9-04-2-10

The Trustees of Indiana University request authorization to proceed with the initiation of a Qualified Energy Savings Project (QESP) at Indiana University Southeast. The project is estimated to cost \$1,902,086, and will be funded through borrowing authority for qualified energy savings projects for academic facilities as provided in the Indiana Code 20-12-5.5-7 and 20-12-6-17, which were added by the 1995 General Assembly in Senate Bill 351. The campus will repay the debt with the money derived from the energy savings. The primary objective of the project is to upgrade select electrical and mechanical systems in the buildings and in the central chilled water plant on campus. Secondary objectives of the project include reduction of maintenance costs of those systems. This project is not eligible for plant expansion. The permanent financing package is subject to approval by the State Budget Director.

Funding:	Qualified Energy Savings Debt	\$1,902,086
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CHE Review: September 8, 2006

Summary

September 29, 2006	Totals
2003 Post War Construction Fund	2,000,000
2005 General Fund	21,182,100
2005 Bonding Authority	26,880,000
1927 Bonding Authority	10,946,000
Own Funding Source	26,442,086
Total	87,450,186

III. Review Items

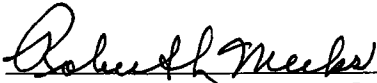
Indiana Technology Fund
Public Libraries Internet Access - \$1,200,000.00
INSPIRE - \$1,250,000.00

21st Century Research and Technology Fund

Indiana Department of Transportation
2007 State Public Mass Transportation Fund Allocation

Indiana Health and Educational Facility Financing Authority
Annual Report

Pursuant to the provisions of IC 4-12-1, IC 20-12 and IC 10-14-3-28, the State Budget Committee recommends approval of these projects.



Senator Robert Meeks, Chairman



Charles E. Schalliol, Budget Director



Mitchell E. Daniels, Governor, State of Indiana