

**STATE BUDGET COMMITTEE  
MEETING MINUTES  
DECEMBER 13, 2007**

**MEMBERS:**

Representative Jeffrey K. Espich, Chair  
Representative William C. Cochran  
Senator Robert L. Meeks  
Senator Frank Mrvan  
Christopher A. Ruhl, State Budget Director

**ALTERNATE MEMBERS:**

Representative Lawrence Buell  
Representative Dennis Avery  
Senator Lindel Hume  
Senator Thomas Weatherwax

Rep. Espich called the meeting to order at 8:40am in the House Ways and Means Committee Room of the State House. After presentation and discussion of each agenda item, Rep. Cochran made a motion to adopt the agenda. Sen. Meeks seconded. Motion carried 5-0. Agenda adopted.

**I. Agency Projects**

- |    |   |              |
|----|---|--------------|
| 1. | <u>Indiana Department of Administration (061)</u>   | \$ 1,000,000 |
|    | Relocation of State Agencies within<br>the Government Center Complex<br>Project No. 023-08-02 |              |

This is a continuation of the Department's Master Plan to reorganize and relocate state agencies within the Government Center Complex. The appropriation for this project is \$3,000,000, of which \$500,000 has been previously released. The funds have been used for construction and infrastructure changes.

Funding Source: 2007 General Fund  
IDOA Repair & Rehabilitation

2. Indiana Department of Administration (061) \$ 1,100,000  
Flooring in Government Center North and South  
Project No. 023-08-01

This is a continuation of the program to replace the flooring in the North and South buildings. The flooring is more than 15 years old and has outlived its useful life. Replacement of the flooring is being done in conjunction with the agency moves described in Project No. 023-08-02.

Funding Source: 2007 General Fund  
IDOA Repair & Rehabilitation

3. Pendleton Correctional Facility (630) \$950,000  
Roof Replacement  
Project No. B2-703

This project represents roof replacement on three structures located within the walls of the Pendleton Correctional Facility. The roofs are 30 years old. Water has infiltrated the roof fabric and done extensive damage to the insulation and membrane.

Funding Source: 2007 Post War Construction Fund

4. Putnamville Correctional Facility (650) \$512,000  
Replace Housing Unit Water Softeners  
Project No. B3-703

The water chemistry at this facility is exceptionally hard. This severely damages plumbing pipes and fixtures reducing their serviceable life. In each of the housing units (4) and the maximum security unit the water softeners have become unreliable, prone to failure and need to be replaced with modern units with electronic controls that forecast this failure. The current units are not repairable due to age and design. The possibility of one large unit, centrally located, will be explored during this project development.

Funding Source:  
2003 Post War Construction Fund \$212,000  
2007 Post War Construction Fund \$300,000

5. Indiana State Prison (620) \$2,631,210  
Roof Replacement  
Project No. B1-710

Cell houses A and C were constructed in 1930 and 1931 and still retain their original concrete shingle roofs. These roofs have degraded from exposure to the elements to the point that replacement is warranted. Dorms E and F are cast concrete dormitories built in 1980 and they also have the original roof membranes and are need of replacement.

Funding Source:

2003 Post War Construction Fund	\$2,211,210
2007 Post War Construction Fund	\$ 420,000

6. Indiana State Police (100) \$240,000  
District Telephone Rehabilitation  
Project No. A2-8-004

Telephone systems at six State Police districts – Pendleton, Redkey, Lowell, Ft. Wayne, Evansville and Lafayette – have been identified as 12-17 years old, outdated and in need of new technology. The difficulty of finding replacement parts has resulted in longer delays for repairs and increased interruptions of service. ISP will work with the Indiana Office of Technology to identify and create a statewide phone system that will support the public's contact with ISP for emergencies and requests for assistance, and allow for the transfer of calls between locations and integration into future applications such as computer-aided dispatch and different radio systems.

Funding Source: 2007 State Police Building Commission

7. Department of Natural Resources (300) \$1,800,000  
Parks General Rehabilitation  
Project No. 300SP4037002

General rehabilitation projects for 33 State Park and Reservoir properties across the state include repairs to restrooms, comfort stations, campgrounds, gatehouses, group camps and trail structures. These projects ensure that facilities receive time sensitive repairs and prompt compliance with health and safety codes.

Funding Source: 2007 General Fund  
DNR – State Parks and Reservoir Management R&R

8. Department of Natural Resources (300) \$360,000  
Campground Group Purchase  
Project No. 300SP4037004

The Department is consolidating the purchase of picnic tables, grills and fire rings for the upcoming 2008 recreation season for 33 State Park and Reservoir properties across the state. Picnic tables will be purchased from PEN Products.

Funding Source: 2007 General Fund  
DNR – State Parks and Reservoirs  
Campground Rehabilitation

9. Department of Natural Resources (300) \$500,000  
Invasive and Exotic Species Suppression  
Project No. 300EP407001

The Department continues to manage gypsy moth and kudzu suppression. These species negatively impact and threaten the State's rural and urban forests and kudzu threatens the State's soybean crop. Should an invasive species emergency arise, a portion of the kudzu funds would be utilized for suppression of that invasive species. The funds will be utilized as follows:

Funding Source: 2007 General Fund  
DNR – Entomology – Invasive Species  
Gypsy Moth \$350,000  
Kudzu \$150,000

10. Department of Natural Resources (300) \$395,000  
Nature Preserves General Rehabilitation  
Project No. 300NP4167003

General rehabilitation at Nature Preserves across the state will include invasive species removal at Conrad Savanna, Hoosier Prairie, Moraine and Twin Swamps, as well as boardwalk and trail repairs at Hemmer Woods, Bryan Woods, Olin Lake and Shrader Weaver Woods. Equipment will also be purchased for the care of the preserves and preserve structures throughout Indiana.

Funding Source: 2007 General Fund  
DNR – Nature Preserves – R&R

11. Department of Natural Resources (300) \$1,200,000  
Historic Sites Repair and Rehabilitation  
Project No.300MU4147472

Several historic sites throughout the state are included in this repair and rehabilitation project. They include:

Repair&Rehab/Exhibit Development, New Harmony	\$250,000
Carriage House Roof, Culbertson Mansion	\$350,000
Painting Projects, Culbertson and Lanier Mansions	\$200,000
Lanier-Madison Visitor Center	\$200,000
Perimeter Fence, Angel Mounds	\$200,000

Funding Source: 2007 General Fund  
DNR – Museums and Historic Sites – R&R

12. Department of Natural Resources (300) \$822,000  
Forestry Preservation of Facilities  
Project No. 300FR4097002

Grounds and facilities maintenance and rehabilitation will provide maintenance for several Division of Forestry residences. Residential projects include roof and floor replacements, drainage improvements, termite control, installation of insulation, maintenance of cooling, heating, electrical and plumbing fixtures and painting. Ten mowers and 10 tractors will be replaced.

Funding Source: 2007 General Fund  
DNR – Forestry – R&R

13. Department of Natural Resources (300) \$908,000  
Resource Management  
Project No. 300FR4097003

Continuous improvements and monitoring will be provided to maintain third party certification for both classified forests (600,000 acres) and state-owned forest land (155,000 acres). Timber stand improvements will be made at 10 state-owned forests.

Funding Source: 2007 General Fund  
DNR – Forestry – R&R

14. Department of Natural Resources (300) \$300,000  
Fish Hatcheries Health and Safety  
Project No. 300FW4027001

Design services for improvements at four fish hatcheries are required to prevent Viral Hemorrhagic Septicemia (VHS), a deadly fish virus. VHS can cause catastrophic losses at facilities, lakes and streams, and outbreaks of VHS have been reported in several Great Lakes States. The biofilter at the Mixsawbah hatchery is not working properly and design services are required to determine needed improvements to the system. Biofilters remove solid and chemical wastes from fish production water, allowing it to be reused at the hatchery.

Funding Source: 2007 General Fund  
DNR – Fish and Wildlife  
Health and Safety Projects

15. Department of Natural Resources (300) \$790,000  
Forestry Health and Safety  
Project No. 300FR4097001

The Division of Forestry manages 12 state forests and 19 primitive campgrounds across the state. Health and safety projects include repairs to dump stations, septic systems, water treatment plants and modifications to bring comfort stations and vault toilets into ADA compliance.

Funding Source: 2007 General Fund  
DNR – Forestry – R&R

16. Department of Natural Resources (300) \$650,000  
Versailles State Park Visitors Center/District Office  
Project No. 300SP4035003

The construction of this project will create a new Visitors' Center at Versailles State Park, and allow for administrative space for park personnel and a district office for 22 conservation officers. The current location of the Division of Law Enforcement is at Brookville Lake and is in very poor condition. The park office at Versailles is not ADA compliant and is not serviceable for the visiting public. The new office will allow for a

greater law enforcement presence and one-stop-shopping for the public near the entrance to Versailles State Park.

Funding Source:	Cyclical Maintenance	\$300,000
	Parks and Reservoirs –	
	Water-Wastewater	\$150,000
	Gift Funds	\$200,000

## II. University Projects

1. Purdue University – West Lafayette (760) \$53,000,000  
New Boiler No. 6  
Project No. B-1-07-1-01

The Trustees of Purdue University request approval to proceed with the financing and construction of a new Boiler No. 6 on the West Lafayette campus. The project will construct a new 250 to 300 klb/hr circulated fluidized bed boiler, associated material storage silos, and boiler support systems in a building addition to the Wade Utility Plant. An existing warehouse on the proposed site will be razed and a replacement facility constructed nearby. The new boiler is necessary to meet the heating demands of new facilities constructed in the last ten years and for the plant to remain in compliance with environmental regulations. The project is estimated to cost \$53,000,000 and will be funded from 2007 Bonding Authority.

The project has a preliminary financing plan drafted that does not include capitalized interest. The project is considered the top priority of Purdue University and was recommended by CHE to the General Assembly and Governor for authorization in the 2007 Budget. The bonding authorization by the General Assembly is at the same funding level as was recommended by the CHE. Of the funding for the project, 0% is derived from non-state sources. Purdue University's ratio of debt service to operating and debt service appropriations is 8.4% for FY 08 and 8.9% for FY 09.

This project is eligible for fee replacement. 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:	2007 Bonding Authority
CHE Review:	November 9, 2007

2. Purdue University – West Lafayette (760) \$7,800,000  
Niswonger Aviation Technology Building  
Project No. B-1-08-1-01

The Trustees of Purdue University request approval to proceed with the financing and construction of the Niswonger Aviation Technology Building project on the West Lafayette campus. The project will construct an 18,200 GSF addition to the existing Aviation Technology Building and include some renovation to the existing facilities. The addition will accommodate a lobby, offices, conference rooms, student lounge, classrooms, lecture rooms, and computer laboratory. Renovation of the existing building will be limited to the core restrooms on the first and second floors in the north wing of the existing building and compliance with safety codes. Extensive relocation of utilities also must be completed as part of this project. The estimated cost of the project is \$7,800,000 and will be funded from Gift Funds. This project is not eligible for plant expansion.

Funding: Gift Funds  
CHE Review: October 12, 2007  
December 11, 2007

3. Purdue University-IPFW (760) \$5,000,000  
Northeast Indiana Innovation Center  
Project No. B-3-08-1-04

Purdue University requests authorization to proceed with the transfer of funds to the Northeast Indiana Innovation Center for the construction of the Emerging Growth Center. The project will construct a 31,000 square foot wing on the east side of the existing building. The Emerging Growth Center will accommodate larger technology/growth companies. The Northeast Indiana Innovation Center will be responsible for the construction of the facility and expenditure of funds. Purdue University's role is to ensure that the funds are used properly. The project will be funded using state appropriations. This project is not eligible for plant expansion.

Funding: 2007 General Fund Appropriations  
CHE Review: November 9, 2007

4. Purdue University – Calumet (760) \$21,100,000  
Calumet Student Housing Phase II  
Project No. B-2-07-1-18

The trustees of Purdue University request authorization to proceed with the financing and construction of the Calumet Student Housing Phase II project on the Calumet campus. Phase I of the project consisted of three student housing buildings with a total of 360 beds in 90 apartments. The character and detailing of the building exterior will be similar to the Phase I structure, but will be arranged in an “L” shape rather than a “T” to preserve space for recreational fields. Phase II will provide 369 beds in 99 fully-furnished units. Occupancy is planned for the fall 2009 semester. The project is estimated to cost \$21,100,000 and will be funded from Student Facilities System revenue bonds. The permanent financing package is subject to approval by the State Budget Director.

Funding: 1927 Bonding Authority  
CHE Review: September 14, 2007

5. Purdue University – Fort Wayne (760) \$2,454,136  
Fort Wayne Energy Management Performance Contract  
Project No. B-3-08-2-06

Purdue University requests approval pursuant to IC 21-33-4-1 and IC 21-34-10-7 to proceed with the Fort Wayne Energy Management Performance Contract on the Indiana University – Purdue University Fort Wayne campus. The contract will be between the university and the Honeywell Corporation. The contract will retro-commission four existing buildings, Kettler Hall, Neff Hall, and the Engineering Technology and Science buildings, in an effort to conserve energy and reduce energy costs. The retro-commission will involve the replacement of worn and broken HVAC terminal boxes and balancing and calibrating the HAVAC systems to achieve the original design intent. New sensors and controls will be installed in most areas. The project has a projected simple payback of just over seven years. The contract includes provisions for stipulated guaranteed savings once the field work has been completed. The project will be funded using Qualified Energy Savings Bond proceeds.

Funding: Qualified Energy Savings Bond Proceeds  
CHE Review: November 9, 2007

6. Purdue University – West Lafayette (760) \$2,500,000  
Harrison Street Aerial Line Relocation  
Project No. B-1-08-2-05

Purdue University requests approval to proceed with the Harrison Street Aerial Line Relocation project on the West Lafayette campus. The project will relocate four 2.4 Kv Purdue overhead power lines to an underground duct bank from the South Campus Substation to the junction of Nimitz and Arnold Drives. Associated telecommunication and television cables sharing these same poles also will be relocated. The project will be funded using funds from the Capital Reserve for Buildings.

Funding: Capital Reserve for Buildings  
CHE Review: November 9, 2007

7. Purdue University – West Lafayette (760) \$8,594,536  
R&R Repayment – Draw 1  
Project No. B-0-08-6-09

Purdue University requests approval to proceed with several repair and rehabilitation projects, none of which exceeds \$750,000. This project represents the first draw of Purdue University's 2007 Repair and Rehabilitation Payment Delay Repayment appropriation and is 50% of the biennial appropriation.

Funding: 2007 General Fund R&R Repayment  
CHE Review: November 30, 2007

8. Purdue University – West Lafayette (760) \$900,000  
Krannert Building Ground Floor Classroom Renovations  
Project No. B-1-08-2-07

Purdue University request approval to proceed with renovations to the ground floor classrooms of the Krannert Building on the West Lafayette campus. The project will renovate six classrooms in the Krannert Building. The purpose is to provide new lighting and lighting controls, seating, work surfaces, and speaker systems. Infrastructure for overhead data/video projectors and other classroom technology as well as power to seat/table locations will be installed. All wall carpet and acoustical treatments will be replaced. The project is scheduled for the summer of 2008. The project will be funded using 2007 Repair and Rehabilitation appropriations. This

project represents approximately 7% of Purdue University's fiscal year 2008 appropriation.

Funding: 2007 General Fund R&R  
CHE Review: November 30, 2007

9. Purdue University – West Lafayette (760) \$900,000  
Civil Engineering Sprinkler System Installation  
Project No. B-1-08-2-11

Purdue University requests approval to proceed with the installation of an automatic sprinkler system for fire protection within an area of the Civil Engineering Building. This project will be funded using 2007 General Repair and Rehabilitation appropriations.

Funding: 2007 General Fund R&R  
CHE Review: November 30, 2007

10. Purdue University – West Lafayette (760) \$1,000,000  
Math Sciences Building Window Replacement  
Project No. B-1-08-2-12

Purdue University requests approval to proceed with the replacement of windows in the Mathematical Sciences Building. This project will be funded using 2007 General Repair and Rehabilitation appropriations.

Funding: 2007 General Fund R&R  
CHE Review: November 30, 2007

11. Ball State University (780) \$30,000,000  
DeHority Residence Halls Renovation  
Project No. D-1-08-2-01

The Trustees of Ball State University request authorization to proceed with the renovation of the DeHority Residence Hall. The project includes major exterior and interior renovation of the 155,286 GSF facility, which was constructed in 1960 and currently houses 600 students. The exterior renovation would consist of masonry restoration, façade improvements, and new peaked roofs on each wing of the structure. The interior renovation will include improved residential layouts, as well as the addition of eighty-nine beds made possible by the conversion of open sorority suites into bedrooms. New building components will include plumbing, HVAC, security system, and fire suppression systems. In addition, the

building will be updated with various building core enhancements and improved connectivity for residents. The renovation is funded through BSU Housing and Dining Renewal and Replacement funds, generated through student resident user fees. The renovation is part of the overall student residence hall improvement plan. This project is not eligible for plant expansion.

Funding: Housing/Dining Renewal Replacement Fund  
CHE Review: October 12, 2007

12. Ball State University – (780) \$1,200,000  
Renovation of Edmund F. and Virginia B. Ball Honors House  
Project No. D-1-08-2-05

Ball State University requests approval to proceed with the financing and renovation of the Edmund F. and Virginia B. Ball Honors House on the Muncie campus. The Honors College is currently located in a portion of the lower level of Carmichael Hall at the north edge of the campus. This location is remote and lacks space for program expansion or increased interaction between students and faculty. This project will relocate the Honors College to the Ed and Virginia Ball House and will place the College in a central visible location on the campus increasing access for students, faculty, and visitors. The new location is also in closer proximity to the newly designated DeHority Residence Hall for honors students. The renovation will include modifications to make the Ball House compliant with building code and Americans with Disabilities Act (ADA) requirements. The project will be funded using private gifts received by the Ball State Foundation.

Funding: Gifts  
CHE Review: November 30, 2007

13. Ball State University (780) \$39,000,000  
Student Recreation and Wellness Facilities  
Expansion and Improvement  
Project No. D-1-08-1-02

Ball State University requests authorization to proceed with the expansion and improvement of the universities student recreation and wellness facilities. The current recreational facilities are not adequate to meet the demand required by the many uses: instruction, athletics, and student, faculty, and staff recreation. The project will address/construct public and circulation space, gymnasiums, a multipurpose sports forum, a suspended running track, cardio fitness area, climbing wall, performance rooms, and

other support spaces. The project will be funded using identified private funds and revenue bonds. This project is not eligible for plant expansion.

Funding:	2006 Bonding Authority	\$29,000,000
	Gifts	\$10,000,000

CHE Review: November 9, 2007

14. Ball State University (780) \$3,339,405  
R&R Repayment – Draw 1  
Project No. D-1-08-2-06

Ball State University requests approval to proceed with several repair and rehabilitation projects, none of which exceeds \$750,000. This project represents the first draw of Ball State University's 2007 Repair and Rehabilitation Payment Delay Repayment appropriation and is 50% of the biennial appropriation.

Funding:	2007 General Fund R&R Repayment
CHE Review:	December 3, 2007

15. Ball State University (780)  
Refunding of Outstanding Student Fee Bonds: Series I and Series K

Ball State University requests approval to proceed with the refunding of up to \$23,330,000 of the eligible portion of the outstanding Student Fee Bonds for both Series I and Series K. Current market rates indicate that a refund of these bonds would yield significant interest savings to the State. At present the total savings is estimated between \$900,000 and \$1,000,000. The refunding of these bonds is contingent upon favorable market conditions at the time of the refinancing.

16. Indiana University – Bloomington (750) \$3,347,763  
McNutt and Teter Quad – Restroom Renovation  
Project No. A-1-08-2-02

Indiana University requests approval to renovate the restrooms on all floors of the Delgado Wing of McNutt Quadrangle and the Boisen Wing of Teter Quadrangle located on the Bloomington campus. This is the second phase of a project to renovate the restrooms in McNutt and Teter; Phase I was completed during the summer of 2007. The project will replace the existing common restrooms/showers with a series of private bathrooms, each with its own sink, shower, toilet, and locking door. New piping,

ventilation systems, lighting, and fire-alarms strobes will be installed as well. The project will be funded by the Department of Residential Programs and Services.

Funding: Residential Programs Services  
R&R reserve funds  
CHE Review: November 9, 2007

17. Indiana University – Bloomington (750) \$1,748,756  
R&R Repayment – Draw 1  
Herman B Wells Library Re-Roof  
Project No. A-1-08-2-01

Indiana University requests approval to proceed with the full re-roofing of and other exterior work to the Herman B. Wells Library on the Bloomington campus. The project will install new roofing systems on the second, third, and fourth floor roofs as well as the east and west tower roofs. In addition, a new lighting system will be installed on the second floor roof and stone restoration to the limestone coping on all roof levels excluding the east and west tower roofs. The project is necessitated by the normal wear and tear associated with the age of the roof. The project will be funded using 2007 Repair and Rehabilitation – payment delay repayment funds. This project represents approximately 14% of Indiana University's fiscal year 2008 appropriation.

Funding: 2007 R&R-Repayment Approp  
CHE Review: November 30, 2007

18. Vincennes University – Vincennes (790) \$902,111  
R&R Repayment – Draw 1  
Project No. E-1-07-2-01

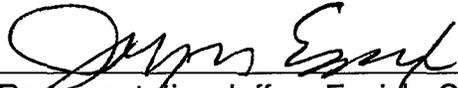
Vincennes University requests approval to proceed with the renovation of certain areas in the Health Occupation Building and Nursing Labs on the Vincennes campus and renovations of labs and computer rooms in the Administration Building and Ruxer Center on the Jasper campus. This project represents the first draw of Vincennes University's 2007 Repair and Rehabilitation Payment Delay Repayment appropriation and is 50% of the biennial appropriation.

Funding: 2007 General Fund R&R Repayment  
CHE Review: October 31, 2007

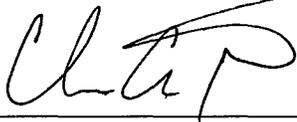
**Review Items:**

1. 21<sup>st</sup> Century Research and Technology Fund
2. South Central Educational Alliance – Bedford Service Area
3. Southeast Indiana Education Services
4. Degree Link
5. Department of Education – School Internet Connectivity
6. Indiana Check Up Plan
7. Help America Vote Distribution
8. Department of Child Services Quarterly Report
9. INDOT Public Mass Transportation

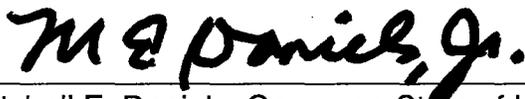
Pursuant to the provisions of IC 4-12-1, IC 20-12 and IC 10-14-3-28, the State Budget Committee recommends approval of these projects.



Representative Jeffrey Espich, Chair



Christopher A. Ruhl, State Budget Director



Mitchell E. Daniels, Governor, State of Indiana