

State Budget Committee
Meeting Minutes
June 20, 2014

Members:

Senator Luke Kenley, Chairman
Representative Tim Brown
Representative Terry Goodin
Senator Karen Tallian
Brian Bailey, State Budget Director

Alternate Members:

Representative Sheila Klinker
Senator Tim Skinner

Senator Kenley called the meeting to order at 10:00 AM in the Richard K. Stem Concert Hall located on the campus of Indiana Southeast. Following introductory remarks, Senator Kenley introduced the April Budget Committee minutes. After brief committee discussion Senator Tallian made a motion to adopt the proposed minutes, Representative Brown seconded the motion. The motion to adopt the April Budget Committee minutes was taken by consent.

The June Agenda was presented and the pertinent comments for the agenda and review items are noted as follows:

Department of Natural Resource - Falls of the Ohio Interpretive Center Roof Replacement

Senator Tallian asked if the Falls of the Ohio Center was a state owned facility. Cameron Clark, from the Department of Natural Resource, confirmed that the facility is owned by the state.

Indiana University – Wishard/Dunlap Building Renovation

Representative Brown asked if there was a plan for the 60% of old Wishard that would not be demolished. Tom Morrison from Indiana University stated they were working on a master plan for the grounds and that the space could be used as laboratories or other medical related space.

Indiana University – IU School of Medicine Academic Health Science and Research Center

Senator Tallian asked for the overall estimate of how much this project was going to cost. Tom Morrison noted the estimate was around \$69.5 million, \$34.5 million would come from the city of Evansville and the remaining balance would be requested from the General Assembly.

Purdue University - Shreve Hall Academic Support Center

Representative Brown wanted to know how Purdue was planning to pay for ongoing maintenance to this building. Kevin Green, from Purdue, stated that the funding would come from the Housing and Food Services Department Fund.

HIP 2.0 - FSSA

Representative Goodin asked if the program would be implemented in 2015. Joe Moser, from FSSA, stated that there is no date set as of yet. Representative Brown asked at what point we will have the full scope/impact of the ACA and its subsidy. Joe Moser stated that data is typically available one year after implementation. Senator Tallian asked if the POWER account was part of the 'defined contribution' and if it was considered taxable income. Joe Moser noted that it was part of the defined contribution but that the fund is state owned, therefore not taxable income for the individual. Senator Kenley asked how much the state would be contributing per person. Joe Moser answered that each person is responsible for a monthly contribution based on their income, and the state would pay the difference up to \$2,500.

Senator Tallian asked about the percent increase that hospitals will be paying on assessment fees. Joe Moser stated that it would go from its current amount of 4.5% to 5.5%.

David C Ford Technology Program

Representative Brown asked if the \$250K in administrative costs were consistent with previous years. Candice Dodson noted that these expenses are consistent with the last three years.

After the agenda and review items were presented and discussed, Senator Kenley asked for a motion to adopt the proposed agenda. Representative Brown motioned to adopt the agenda and Senator Tallian seconded the motion. The proposed agenda was taken on consent.

I. Agency Projects

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| 1. | <u>Indiana War Memorial Commission (315)</u>
Elevator Maintenance & Lift Installation | \$300,000 |
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The Indiana War Memorial requests funding to begin construction and maintenance on several elevators and lifts. These funds will be directed at repairs and upgrades for the elevator at the Soldiers and Sailors Monument. Currently, this elevator routinely experiences issues and outages due to the humid environment and the increased passenger loads during the spring and summer seasons. The funds will also be used for lifts within the Memorial, specifically at the Helicopter, and Shrine Room. These rooms are currently inaccessible for disabled visitors.

Funding: 2013 General Fund – Conservation and Environment

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| 2. | <u>Department of Natural Resources (300)</u>
Falls of the Ohio Interpretive Center Roof Replacement | \$175,343 |
|----|--|-----------|

The Department of Natural Resources Division of State Parks and Reservoirs requests funding to replace the existing roofs over the entrance, lobby, offices, river observation room and temporary exhibits. These roofs have reached the end of their lifespan and have started leaking causing water damage to the ceilings, walls and floors. A new roofing system will replace the current roof. Limestone repair, flashing and termination bar replacement at equipment curbs and parapets are also included in the repair.

Funding: 2009 "Previously Approved" General R&R

3. Department of Natural Resources (300) \$263,000

Little Turkey Lake Control Structure Rehabilitation

The Department of Natural Resources Division of Water requests funding to repair the Little Turkey Lake control structure. Little Turkey Lake is located just west of Elmira in LaGrange County, Indiana. The control structure was built in 1980 and has reached the end of its lifespan. The steel sheet piling is corroded and is starting to fail. If the structure were to fail completely, the lake level would drop which would have a dramatic adverse impact on wetlands and residential properties around the lake. The scope of work includes replacing the current sheet piling with longer lasting concrete.

Funding: 2013 General Fund – Dams General R&R

4. Department of Natural Resources (300) \$1,672,500

State Parks and Reservoirs General Rehabilitation

The Department of Natural Resources Division of State Parks & Reservoirs requests funding to proceed with 74 repair and rehabilitation projects. These projects will address compliance requirements and health and safety concerns at several of its park, recreation, and reservoir properties. The general repair and rehabilitation projects include minor structure repair, trail maintenance and construction, ADA and equipment replacement.

Funding: 2013 General Fund – State Parks & Reservoirs General R&R

5. Department of Natural Resources (300) \$332,716
Law Enforcement Trucks

The Department of Natural Resources Division of Law Enforcement requests funding to purchase 13 pickup trucks to replace current vehicles that have become more expensive to repair than replace. All Indiana conservation officers require four-wheel-drive vehicles for use in the execution of their duties. They face rough weather and terrain conditions and often haul various types of large heavy equipment. These vehicles are essential to conservation officers who are subject to 24-hour callout.

Funding: 2011 General Fund – Enforcement General R&R

II. University Projects

1. Indiana State University \$2,725,770
Science Building Roof
Project No. C-1-14-2-02

The Trustees of Indiana State University request authorization to proceed with the replacement of the Science Building roof. This 260,192 GSF project will replace the existing roofing system, which currently has core cuts showing the roof to be fully water saturated. The project will also include replacement of transite panels, damaged duct work, obsolete roof curbs, flashing, and roof penetrations for exhaust.

Funding: HEA 2013 – Repair and Rehabilitation Appropriation
CHE Review: May 12, 2014

2. Indiana University \$14,580,000
Regional Campus Projects – Multi-Campus Special R&R for Deferred Maintenance
Project No. A-0-11-2-16

The trustees of Indiana University request authorization to proceed with the remaining renovation and rehabilitation regional campus projects on the East, South Bend, and Southeast campuses.

The East campus project will replace the Whitewater Hall rubber membrane roof for a total cost of \$940,000.

The South Bend campus will receive mechanical and electrical system upgrades and replacement for a total of \$3,272,000, while the Northside hall will receive a \$1,000,000 restroom renovation to meet current design and accessibility standards and codes. The Administration Building will also receive repairs to the exterior of the building including tuckpointing and selected window replacement for \$1,000,000. Finally, Riverside Hall will receive an emergency alarm, public address system upgrades, door repairs, and other exterior and interior repairs at a cost of \$715,000.

The Southeast Campus will replace the mechanical systems within Hillside Hall, Crestview Hall, and Activities Building at a cost of \$2,400,000, \$1,900,000, and \$1,000,000 respectively. This will include complete replacement of original (approximately 40 year old) heating, ventilation and air-conditioning systems to meet current design standards and codes.

Funding: HEA 1001-2013 Cash Funded
CHE Review: August 8, 2013

3. Indiana University – Indianapolis \$25,000,000
IU School of Medicine – Center for Drug Discovery – Wishard/Dunlap Building Lab
Renovation
Project No. A-2-12-1-15

The Trustees of Indiana University request authorization to proceed with the renovation of the Wishard/Dunlap Building located on the IU School of Medicine campus. This 135,000 GSF/90,338 ASF project is tied to the recent acquisition of the former Wishard property and will renovate the 5-story facility once housing the Clinical/Burn Unit as part of the Wishard Memorial Hospital.

This project consists of renovating and transforming five floors of space into a state-of-the-art facility with new lab space and support/administration/collaboration space for the IU School of Medicine-Center for Drug Discovery.

Funding: HEA 1001 - 2013 Cash Funded
CHE Review: May 8, 2014

4. Indiana University School of Medicine - Evansville \$2,000,000
IU School of Medicine Multi-Institutional Academic Health Science and Research Center
Project No. A-2-14-1-15

The Trustees of Indiana University request authorization to proceed with the planning for the IU School of Medicine Multi-Institutional Academic Health Science and Research Center. This 170,000 GSF/100,391 ASF project is to be located at the downtown Evansville site proposed by Skanska/U.S. Health Realty and the City of Evansville. It will consist of a five-story tower connected to a two-story wing totaling approximately 170,000 gross square feet. This two building/wing configuration will be utilized by all partner institutions with each having dedicated space and common shared space. The facility will house office/support space, research labs, wet/dry teaching labs, seminar/classrooms, and a simulation center/clinic.

It will also provide a dedicated facility focusing on a common inter-professional education mission while allowing each institution to advance its students and faculty. It will develop a diverse and flexible learning environment that will encompass the next generation of learning spaces that support team-based, problem-based, and experiential learning. The planning for this project will be funded by cash appropriated by the General Assembly during the 2013-15 biennium.

Funding: HEA 2013 – Cash Funded
CHE Review: May 8, 2014

5. Purdue University – West Lafayette \$3,900,000
Shreve Hall Academic Support Center
Project No. B-1-14-2-24

The Trustees of Purdue University request authorization to proceed with the Shreve Hall Academic Support Center construction on the West Lafayette campus. The 28,057 GSF/19,312 ASF Academic Support Center is located on the first floor of Shreve Hall in the two-story center portion between the two resident towers in what was originally the Food Service and Dining area.

The scope of this project is to transform the currently under-utilized area into a center

for collaborative learning, as well as to provide an area for a variety of supplementary learning and teaching styles.

This project will be funded from Housing and Food Services Department Reserves, which has a balance of \$26,606,431.

Funding: Housing and Food Services Department Reserves
CHE Review: May 8, 2014

6. Purdue University – West Lafayette \$770,000
Horticulture Building Room 201 Laboratory Renovation
Project No. B-1-14-2-25

The Trustees of Purdue University request authorization to proceed with the financing and construction of the Horticulture Building Room 201 Laboratory Renovation. This 1,413 GSF/ASF project will renovate lab space and install new air handling units.

The project was originally estimated to cost less than the \$750,000 Budget Committee approval limit, but have since received bidding in excess of the threshold. The increased bids resulted from structural issues uncovered during the demolition phase. These unforeseen conditions required additional inspection and repairs beyond the original construction scope.

The project is anticipated to cost \$770,000 and will be funded from University Repair and Rehabilitation and University Departmental Funds, which have respective balances of \$9,157,959 and \$13,133,499.

Funding: University Repair and Rehabilitation Funds \$383,000
University Departmental Funds \$387,000
CHE Review: May 15, 2014

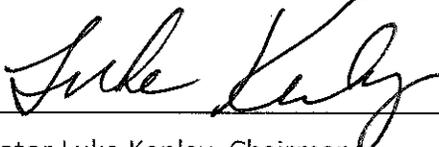
Cost Summary June 20th 2014

2009 "Previously Approved" General R&R	\$175,343
2011 General Fund – Enforcement General R&R	\$332,716
2013 General Fund – Dams General R&R	\$263,000
2013 General Fund – Conservation and Environment	\$300,000
2013 General Fund – State Parks & Reservoirs General R&R	\$1,672,500
HEA 2013 – Repair and Rehabilitation Appropriation	\$2,725,770
HEA 1001-2013 Cash Funded	\$41,580,000
University Funds	\$4,670,000
Total	\$51,719,329

III. Review Items

1. HIP 2.0 – FSSA
2. Medicaid State Plan Amendments – FSSA
3. Senator David C. Ford Education Technology Program – IDOE
4. School and Library Internet Connection – IDOE
5. PBS Distribution

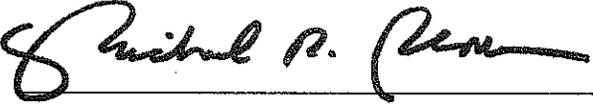
Pursuant to the provisions of IC 4-12-1, the State Budget Committee has reviewed the above items.



Senator Luke Kenley, Chairman



Brian Bailey, State Budget Director



Michael R. Pence, Governor, State of Indiana