

State Budget Committee
Meeting Minutes
June 12, 2015

Members:

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

Alternate Members:

Senator Ryan Mishler
Representative Bob Cherry
Representative Sheila Klinker

Senator Kenley called the meeting to order at 10:00 AM in the Ways and Means Committee room located in the Indiana State House. Following introductory remarks, Senator Kenley introduced the April Budget Committee minutes. After brief committee discussion Representative Brown made a motion to adopt the proposed minutes, Budget Director Brian Bailey seconded the motion. The motion to adopt the April Budget Committee minutes was taken by consent.

After each agenda item was presented and discussed Representative Brown motioned to adopt the proposed agenda, Budget Director Brian Bailey seconded. The motion to adopt the proposed agenda was taken by consent. Representative Goodin also made a motion to elect Representative Brown as the new Chairman of the Budget Committee; this was seconded by Budget Director Brian Bailey and taken on consent by the committee.

The June Budget Committee Agenda is as follows:

I. Minutes

1. April 16, 2015

II. Agency Projects

1. Department of Correction (685) \$850,000
Westville Electrified Perimeter

The Department of Correction is requesting approval to renovate the electrified perimeter of Westville Correctional Facility. The current system is highly proprietary and repair parts are no longer obtainable, which has prohibited repair on 24 out of 26 electrified zones on the perimeter. As a result of non-functional zones along the perimeter, physical security has increased in the form of armed towers and armed motor patrols which costs the IDOC \$250,000 annually. This project will replace the entire non-lethal electrified perimeter system, and reduce operational costs that were put in place to compensate for non-functional electrified zones along the perimeter.

Funding: 2013 Postwar Construction Fund

2. Department of Natural Resources (300)/White River State Park (310) \$1,970,893
DNR/White River State Park Land Acquisition of GM Stamping Plant

White River State Park requests funding for the purchase of 35 acres of the General Motors Stamping Plant. The former Stamping Plant is located in downtown Indianapolis and is bordered by Washington Street to the north, and the White River to the East. The plant is no longer in use and White River State Park will explore re-use options consistent with RACER Trust redevelopment criteria. In order to acquire the land, a transfer of prior year capital dollars from the Department of Natural Resources to the White River State Park will be presented for consideration at a future Board of Finance meeting.

Funding: 2011 General Fund – Conservation and Environment

3. Department of Natural Resources (300) \$5,000,000
Bicentennial Nature Trust

The Department of Natural Resources requests funding to deposit \$5,000,000 in the Bicentennial Nature Trust. The Bicentennial Nature Trust was created to preserve and protect important conservation and recreation areas throughout Indiana by matching donations of land or dollars. Property acquired with this fund will become part of the public trust to ensure that the land is protected for future generations of Hoosiers to use and enjoy.

Funding: 2011 General Fund – Conservation and Environment

4. Department of Natural Resources (300) \$268,350
Brown County Nature Center

The Division of State Parks is requesting funding to modify an existing structure at Brown County State Park to comply with Accessibility Guidelines in the Americans with Disabilities Act. The Nature Center project will include an expansion of 552 square feet to facilitate a renovation of the restrooms, main entrance modifications, and accessible installations such as ramps, handrails, and concrete repairs for mobility chairs. Brown County is the largest and one of the most profitable State Parks in Indiana. The Nature Center building alone hosts approximately 16,000 direct visitors each year, mostly school groups, that experience a range of naturalist talks and activities.

Funding: 2013 General Fund –Parks R&R

5. Department of Natural Resources (300) \$599,200
Lake Manitou Dam

The Division of Water is requesting funding for structural corrections to the dam on Lake Manitou upstream of the City of Rochester. The corrections will mitigate issues caused from erosion, overtopping, and an ineffective spillway concrete slab. These structural changes will

bring the Lake Manitou dam up to the current standards of other similar sized dams within the Department of Natural Resources. Funding for the assessment and design of this project was approved during the December 2014 Budget Meeting.

Funding: 2013 General Fund – Division of Water-Dams General R&R

6. Department of Natural Resources (300) \$607,141
Spring Mill Dredging – Phase II

The Division of State Parks and Reservoirs requests funds to begin the second, and final phase, of dredging Spring Mill Lake at Spring Mill State Park. The size of open water areas has been significantly reduced over time due to ongoing sediment accumulation originating from suspended solids in the flow from the three tributaries. The lake has historically been utilized for recreational fishing and swimming, but neither is taking place due to water levels as low as 2ft. in some areas. The dredging project will reopen Spring Mill Lake to swimming and fishing by the patrons of Spring Mill State Park. This final phase will include the construction of a sediment basin to prevent future or major dredging projects.

Funding: 2013 General Fund – Division of Water - \$409,200
LARE (Lake & River Enhancement) Funds - \$150,000
NRDA Fish and Wildlife Damages Fund (GM Settlement) - \$47,941

7. Department of Natural Resources (300) \$125,000
Raccoon State Recreation Area Asphalt Trail

Department of Natural Resources request funding to asphalt a 10 foot wide trail that will span 8100 feet and run along the main road that runs between the campground, beach, and boat ramp. The primary purpose for asphaltting the trail is to provide ADA compliance and provide a means of transportation for bicyclists, hikers, and wheelchair users that will decrease vehicle usage on the main road. This will improve safety by offering pedestrians and cyclists an alternative to using the main road. Raccoon SRA is located in Rockville and is surrounded by the 2,060 acre Cecil M. Harden Lake.

Funding: 2011 General Fund – Conservation and Environment

8. Department of Natural Resources (300) \$1,172,000
Prophetstown State Park Aquatic Center

The Department of Natural Resources requests repayment for a portion of the Tippecanoe County Innkeepers tax that will be deposited into to the General Fund in fiscal years 2016 and 2017 in accordance with I.C. 6-9-7-7. The repayment will pay for projects associated with Prophetstown State Park and Aquatic Center. Beginning in FY18 and going forward, the Tippecanoe County Innkeeper's Tax will go directly to the DNR for the Prophetstown State Park Aquatic Center.

Funding: 2011 General Fund – Conservation and Environment

9. Indiana War Memorial Commission (315) \$560,824
Elevator Maintenance & Lift Installation/Fire Suppression/Windows & Doors

The Indiana War Memorial requests a change of use for previously approved funds. These funds originally were approved for three separate projects within the War Memorial campus. However, they were re-directed after approval for emergency repairs on the Soldiers and Sailors monument. The cost for repairs on the Soldiers and Sailors monument has been solidified and therefore the remainder of the funds will be transferred towards their originally intended use; Elevator Maintenance/Lift Installation, Fire Suppression, and Window/Door Replacement. These three projects previously received Budget Committee approval in June 2014 and October 2014.

The Elevator Maintenance/Lift Installation funds will be used to install lifts within the Memorial and museum, specifically at the Helicopter, and Shrine Room. These rooms are currently inaccessible for disabled visitors. The Fire Suppression project will bring the museum in compliance with current egress standards and install sprinklers above the artifact pathway.

Funding: 2013 "Previously Approved" General Fund – Conservation and Environment

10. Indiana Veterans' Home (570) \$5,013,492
Steam System and Electrical Distribution Project

The Indiana Veterans' Home is requesting \$5,013,492 from the IVH Building Fund for replacement of their centralized steam and electrical distribution systems. In 2013 Applied Engineering completed a study to identify the need for continued operation of the campus heating, domestic water, and electrical systems for the next twenty years. The results of the study indicate that replacement of the 40 year old steam system is needed and the recommended replacement is a hot water system. The centralized approach was more cost effective than de-centralizing the boilers due to lower annual maintenance costs and easier constructability. The current electrical system is 38 years old and is at the end of its life. Replacement of the Medium Voltage Two Circuit System with a Loop System is included in this project request.

Funding: 2013 IVH Building Fund Repair and Rehabilitation

11. Larue Carter State Hospital (450) \$585,000
Elevator Replacement; Buildings 1 & 8

Larue Carter Memorial Hospital is requesting funds from the 2013 Post War Construction Fund to replace two elevators in building #1 and one elevator in building #8. Building #1, which houses a majority of the hospital's patients, is served by two White Evans traction elevators installed circa 1970. Replacement parts are no longer available for these elevators. When the gear unit failed several years ago, parts had to be re-machined from out-of-state. Building #8, which houses patients and business offices, is served by an Amor elevator that also has obsolete parts and the control wiring is in poor condition. A major component failure will leave these elevators out of service for weeks while replacement parts are machined.

Funding: 2013 Post War Construction Fund

12. Indiana Finance Authority (261)/Indiana Motorsports Commission \$14,000,000
Lease with Indiana Finance Authority

The Indiana Motorsports Commission is requesting approval of appropriations to provide for the payment of lease rentals during the budget period commencing July 1, 2015 under a lease between it and the Indiana Finance Authority. The lease rentals will be used to provide a source of payment for the Lease Appropriation Bonds (Motorsports Improvement Project), Series 2015 C (Federally Taxable) to be issued by the Indiana Finance Authority (the "Bonds"), to finance and pay for costs of the design, development, redevelopment, acquisition, construction, installation and equipping of improvements to the Indianapolis Motor Speedway.

Funding: 2013 Indiana Motorsports Commission - \$10,000,000
2015 Indiana Motorsports Commission - \$4,000,000

III. University Projects

1. Ball State University \$40,100,000
Schmidt/Wilson Residence Hall Renovation
Project No. D-1-15-2-01

The Trustees of Ball State University request approval to proceed with the financing and construction of the Schmidt/Wilson Residence Hall Renovation. This 153,564 GSF/124,000 ASF project will include replacement of building exteriors with a more energy-efficient masonry wall assembly, roof, and windows. Lighting, plumbing, mechanical and electrical systems throughout the building will be replaced to allow for air conditioning, energy efficient equipment and lighting, as well as compatibility with the University's Geothermal System. The interior renovations will include improved residential layouts such as bathrooms with more privacy, social and student lounges, kitchenettes, meeting rooms and other student amenities while the exterior renovations will include more energy-efficient masonry, roof and windows.

The estimated cost of this project is \$40,100,000 and will be funded from the issue of Housing & Dining System Revenue Bonds, the debt service for which will come from existing renewal and replacement funds. These funds are generated by residence hall and dining student charges and have been set aside for the purpose of long-term capital repairs and renovations. The reported balance of the House & Dining System Revenue Fund is \$48,600,000 as of May 26, 2015.

Funding: Housing & Dining System Revenue Fund
CHE Review: March 12, 2015

2. Purdue University – West Lafayette \$14,600,000
Centennial Mall Sitescape and Utility Tunnel Repair
Project No. B-1-15-2-18

The Trustees of Purdue University request approval to proceed with the financing and construction of the Centennial Mall Sitescape and Utility Tunnel Repair. This project will repair and replace over 1,000 linear feet of deteriorated utility tunnel throughout Centennial Mall and

Central Drive, which have been in place since the 1920s, followed by new sitedscape and landscape of the area. New sitedscape and landscape is necessary to cover the tunnel repair work, more effectively handle high volume of student traffic flow, and improve overall campus safety and security by providing distinct pedestrian, bicycle and vehicular pathways.

The estimated cost of this project is \$14,600,000 and will be funded from University Capital Reserves, Infrastructure Reserves and Capital Reserves, Capital Planning. The reported balance of the Capital Reserves, Infrastructure Reserves is \$12,160,865 as of April 1, 2015, and the reported balance of the Capital Reserves, Capital Planning is \$65,445,696 as of April 1, 2015.

Funding:	Capital Reserves, Infrastructure Reserves	\$9,070,000
	Capital Reserves, Capital Planning	\$5,530,000
CHE Review:	May 14, 2015	

3. Purdue University – West Lafayette \$54,000,000
 Flex Lab Facility
 Project No. B-1-15-1-04

The Trustees of Purdue University request approval to proceed with the financing and construction of the Flex Lab Facility. This 75,000 GSF/60,000 ASF project will construct a new multidisciplinary research facility designed to support the growth of the College of Engineering and to meet the ever changing research needs of the University. Both wet and dry lab types will be accommodated in this facility designed to address the needs of today's diverse research portfolio and to adapt to the changing needs of the future. Infrastructure will be built-out to accommodate future expansion of this facility on this site.

The estimated cost of this project is \$54,000,000 and will be funded from Student Facilities System Revenue Bond proceeds under IC 21-35-3-7, Gift Funds and University Funds – Central Reserves. The reported balance of the Gift Fund – Lilly Endowment is \$13,500,000 as of December 31, 2014, and the reported balance of the University Funds – Central Reserves is \$10,060,926 as of February 5, 2015.

Funding:	Student Facilities System Revenue Bonds	\$38,000,000
	Gift Funds – Lilly Endowment	\$13,500,000
	University Funds – Central Reserves	\$2,500,000
CHE Review:	March 12, 2015	

4. Purdue University – West Lafayette \$18,500,000
 Innovation Design Center – Student Projects Facility
 Project No. B 1-15-1-06

The Trustees of Purdue University request approval to proceed with the financing and construction of the Innovation Design Center – Student Projects Facility. This 28,000 GSF/17,300 ASF project will construct a multidisciplinary, curricular and extracurricular facility for undergraduate student projects. The facility will support students from the College of Engineering and the College of Technology by providing spaces for short-term to multi-year, collaborative, design-build projects.

The estimated cost of this project is \$18,500,000 and will be funded from Industrial Grant Funds and Gift Funds. The reported balance of the Industrial Grant Funds – Lilly Endowment is \$13,000,000 as of May 28, 2015, and the reported balance of the Gift Funds is \$5,500,000 as of May 28, 2015.

Funding:	Gift Funds – Lilly Endowment	\$13,000,000
	Gift Funds	\$5,500,000
CHE Review:	May 14, 2015	

5. Purdue University – West Lafayette \$8,200,000

Zucrow High Pressure Research Lab Test Cells Construction and Control Center Renovation Addition
Project No. B-1-15-1-09

The Trustees of Purdue University request approval to proceed with the financing and construction of the Zucrow High Pressure Research Lab Test Cells Construction and Control Center Renovation Addition. This 14,600 GSF/8,500 ASF project will consist of a new building containing five test cells, a laser lab and associated preparation space for research. It will also include renovation and expansion of the existing High Pressure Research Laboratory control center, research office and a new parking lot.

The estimated cost of this project is \$8,200,000 and will be funded from Gift Funds – Lilly Endowment, Gift Funds and Repair and Rehabilitation – ARRA Funds – F&A. The reported balance of the Gift Funds – Lilly Endowment is \$5,000,000, and the reported balance of the Repair and Rehabilitation – ARRA Funds – F&A is \$21,341,091 as of 1/31/15. The reported balance of the Gift Funds is \$2,437,829 as of 1/31/15. The Gift Funds are estimated to receive an additional \$550,000 before the end of the fiscal year. If not, the remaining \$12,171 will be paid by the Repair and Rehabilitation – ARRA Funds – F&A.

Funding:	Gift Funds – Lilly Endowment	\$5,000,000
	Gift Funds	\$2,450,000
	Repair and Rehabilitation – ARRA Funds – F&A	\$750,000
CHE Review:	March 12, 2015	

6. University of Southern Indiana \$16,000,000

Physical Activities Center (PAC) Renovation and Expansion Project
Project No. G-0-11-2-04

The Trustees of the University of Southern Indiana request approval to proceed with the financing and construction of the Physical Activities Renovation and Expansion. This 147,022 GSF/115,038 ASF project will include renovation of two classrooms, a large exercise classroom, a weight training room, a sports medicine training room, the natatorium, locker rooms, main lobbies and corridor and faculty offices, as well as an expansion of the building to support the Kinesiology and Sport Department. The estimated cost of this project is \$16,000,000 and will be cash funded per House Enrolled Act (HEA) 1001-2013.

Funding:	HEA 1001-2013 Cash Funded
CHE Review:	March 12, 2015

**Cost Summary
June 12th 2015**

2013 Postwar Construction	\$1,435,000
2011 General Fund	\$8,267,893
2013 General Fund	\$27,276,750
2015 General Fund	\$4,000,000
LARE Funds	\$150,000
NRDA Fish and Wildlife Damages Fund (GM Settlement)	\$47,941
2013 "Previously Approved" General Fund	\$560,824
2013 IVH Building Fund	\$5,013,492
University Funds	\$57,950,000
University Revenue Bonds	\$38,000,000
University Gift Funds	\$39,450,000
Total	\$182,151,900

IV. Review Items

1. Medicaid SPAs/Waivers - FSSA
2. 21 Fund Investments – IEDC
3. 21 Fund, SBIR/STTR Program – IEDC
4. HEA 1006 Quarterly Report Forms – DOC
5. Indiana Motorsports Investment District – IFA

V. Election of Chairman

VI. Reports Received

1. First Steps – FSSA
2. Special Education Student Counts – IDOE

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

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Representative Tim Brown, Chairman

Handwritten signature of Brian Bailey in black ink.

Brian Bailey, State Budget Director

Handwritten signature of Michael R. Pence in black ink.

Michael R. Pence, Governor, State of Indiana