

State Budget Committee Agenda
Wednesday, July 25, 2012, 11:00 A.M.
Manchester College Pharmacy School, Room 148
Fort Wayne, Indiana

I. Minutes

1. June 4, 2012

II. Agency Projects

1. Department of Natural Resources (300) \$363,150
Recreation Equipment

The Department of Natural Resources requests approval to replace picnic tables, fire rings, and grills at various State Parks and Reservoir properties. This request will fund the replacement of recreational equipment that is beyond the expected useful life. The equipment will be purchased from the Indiana Prison Enterprises Network (PEN Products).

Funding:	2011 General Fund	\$136,708
	Repair and Rehabilitation	
	2005 General Fund "Previously Approved"	\$24,388
	Repair and Rehabilitation	
	2001 General Fund "Previously Approved"	\$202,054
	Repair and Rehabilitation	

2. Department of Natural Resources (300) \$420,000
Webster Lake Dam Rehabilitation

The Department of Natural Resources requests approval to proceed with construction and repair of the Webster Lake dam. Due to downstream development and homes built into the embankment, this structure presents a significant risk in the event of a catastrophic failure. The structure is showing extensive signs of deterioration which includes exposed rebar, concrete degradation, swelling and spalling, and failing gates. This request will provide funding to reconstruct the spillways, replace the gated superstructure, stabilize existing retaining walls, and line the east stilling basin for energy dissipation.

Funding:	2009 General Fund "Previously Approved"	\$210,000
	Repair and Rehabilitation	
	2007 and Prior General Fund "Previously Approved"	\$210,000
	Repair and Rehabilitation	

3. Department of Natural Resources (300) \$1,230,000
Radio and Communications

The Department of Natural Resources requests approval to upgrade its radio communication system to comply with the January 1, 2013 narrowbanding deadline imposed by the Federal Communications Commission. The request includes converting to the 800mhz system for emergency communication with support for VHF radios with narrowbanding capabilities. Conversion of the system includes annual inspection, maintenance repairs, and replacement of antenna equipment affixed to the communication towers. The request will fund the purchase of 703 800mhz radios and maintenance of approximately 60 communication towers.

Funding: 2011 General Fund
Repair and Rehabilitation

4. Indiana State Prison (620) \$1,444,000
Rehabilitation of Hot Water Delivery and Generation System

The Department of Correction is requesting to rehabilitate the hot water delivery and generation system at Indiana State Prison. The system was originally installed in the 1960's and is currently operating at half of the functional capacity due to system component failures. The cost of traditional parts replacement for the existing boilers is cost prohibitive due to failed components that are obsolete and no longer manufactured. This proposal includes replacing the existing system with modern on-demand steam water heaters and insulated supply and return lines.

Funding: 2011 Post War Construction Fund
Repair and Rehabilitation

5. Indiana School for the Deaf (560) \$259,785
Update Student Library

The Indiana School for the Deaf requests authorization to proceed with an upgrade to the student library. This project consists of the installation of a new branch distribution panel, which will allow for normal, dedicated, and isolated electrical supply, along with installation of new lighting, electrical distribution, and receptacles for normal and critical electrical supply, data lines, and terminals. The new lighting will eliminate the need for hanging wires and reduce low-level lighting, making it easier for students and staff to communicate.

Funding: 2011 Post War Construction Fund
Repair and Rehabilitation

6. Department of Transportation (800) \$600,000
Falls City Subdistrict Salt Building Construction

The Department of Transportation requests approval to proceed with the construction of a new Falls City Subdistrict salt building. The new building will provide enough salt storage to satisfy the current 5-year average and will allow for loading and off-loading of salt under roof, which will significantly reduce the amount of stormwater runoff.

Funding: 2011 State Highway Fund
Buildings and Grounds

7. Department of Transportation (800) \$1,900,000
Westfield Unit Construction

The Department of Transportation requests approval to proceed with the construction of a new Westfield Unit building. The existing Westfield Unit consists of an old, operationally inefficient, single maintenance bay, metal building without an environmentally compliant washbay. The new washbay will provide for environmental compliance with IDEM and EPA stormwater discharge regulations, lower operating costs, and allow for more cost-effective truck maintenance. In addition, the existing unit building is not compliant with the Americans with Disabilities Act (ADA), whereas the new building will provide for this compliance.

Funding: 2011 State Highway Fund
Buildings and Grounds

III. University Projects

1. Ball State University (780) \$500,000
Land Acquisition – 506 N. McKinley Avenue
Project No. D-1-12-3-01

The trustees of Ball State University request authorization to obtain the real estate located at 506 North McKinley Avenue. Based on an analysis of the real estate's value under Indiana law, the University is of the opinion that the fair market value exceeds \$250,000 and is no more than \$500,000. The property used in the "McKinley Commons" development will be a new immersive learning laboratory specifically related to the hospitality (dormitory and lodging), food, and events management program. The University will follow statutory land procurement and purchasing requirements, designed to arrive at the property's fair market value as determined by real estate appraisals from credentialed appraisers.

The University will pay for the project from either University Housing and Dining Renewal and Replacement Funds or Gift Funds or a combination of the two. The current balance of University Housing and Dining Renewal and Replacement Funds is \$38,700,000.

Funding: University Funds
CHE Review: 7/16/2012

2. Purdue University - West Lafayette (760) \$33,100,000
Wade Power Plant Production and Distribution Improvements
Project No. B-1-12-2-18

The trustees of Purdue University request authority to proceed with the construction of the Wade Power Plant Production and Distribution Improvements. This 114,080 GSF/6,456 ASF project supports the installation of a new combined heat and power (CHP) unit, conversion of Boiler No. 2 from stoker coal to natural gas, distribution of steam on the north end of campus, and the utility infrastructure required to support this project. The existing coal boiler will be converted to burn 100% natural gas, and the project will include the removal of some of the coal and ash systems. Included in the scope is the demolition of Boiler No.1, which was a portion of the original Boiler No. 6 project, and will now be removed to install the 6.5 Megawatt CHP. In addition, the steam distribution system will be increased.

The project will be funded using \$33,100,000 of fee replaced bond proceeds from the 2005 Boiler #6 bonding authority. Purdue University's ratio of debt service to operating and debt service appropriations is 9.3% for FY 13.

Purdue University presented \$54,500,000 worth of coal boiler related projects to the State Budget Committee in December 2006 and December 2007. Purdue University sold fee replaced bonds (series X) to cover this project in April 2009. Since that time, the University has allocated \$5,400,000 of the bond proceeds for the project and in April 2011 received permission of the Budget Committee to use \$16,000,000 of the remaining bond proceeds on the Health and Human Sciences Research Facility. Purdue will use the remaining \$33,100,000 of the series X proceeds

already issued in lieu of issuing new fee replaced debt for this project.

Funding: HEA 1001-2005 Bonding Authority
CHE Review: June 8, 2012

3. Ivy Tech Community College (710) \$4,667,000
South Bend Building Addition
Project No. F-0-12-1-03

The trustees of Ivy Tech Community College of Indiana request authorization to proceed with the construction of new space at its South Bend main campus building. The project will consist of 17,215 GSF/12,945 ASF of new construction and 5,450 GSF/3,605 ASF of renovation and focuses on student support space. The addition will house an expanded bookstore, a new student lounge/conference room, a cafeteria/kitchen, and student organization meeting space. All common space will be designed to serve the functions of student support and academic instruction space. The bookstore will provide space for smaller presentations such as book discussions and author signings. The Cyber Café and cafeteria will provide conference room space for large student lectures, regional staff meetings and community meetings. The kitchen will provide an additional teaching environment for intern culinary students. The project will free up enough existing space so that the campus can add at least 100 hours per week of instructional time. The project will be funded with Bookstore reserve funds and a loan from the Ivy Tech Foundation. Bookstore reserve funds are derived from commissions on store sales on a regional basis. The current balance in the North Central Bookstore Reserve fund is \$3,038,000. The loan from the Ivy Tech Foundation will be repaid with future bookstore commissions. The loan is anticipated to be five years in length.

Funding: Bookstore Reserves \$2,500,000
Ivy Tech Foundation Loan \$2,167,000
CHE Review: June 8, 2012

Cost Summary

July 25, 2012	
2001 General Fund "Previously Approved"	\$202,054
2005 General Fund "Previously Approved"	\$24,388
2007 and Prior General Fund "Previously Approved"	\$210,000
2009 General Fund "Previously Approved"	\$210,000
2011 Post War Construction Fund	\$1,703,785
2011 General Fund	\$1,366,708
2011 State Highway Fund	\$2,500,000
Ivy Tech Foundation Loan	\$2,167,000
University Funds	\$3,000,000
HEA 1001-2005 Bonding Authority	\$33,100,000
Total	\$44,483,935

IV. Review Items

1. Southern Indiana Educational Alliance – Ivy Tech Community College
2. Workforce Centers – Ivy Tech Community College
3. David C. Ford Technology Funds – Department of Education
4. School Internet Connection – Department of Education
5. Library Internet Connection – Indiana State Library
6. INSPIRE – Indiana State Library
7. Public Television Distribution
8. Community Services Block Grants – Indiana Housing & Community Development Authority
9. 21st Century Research and Technology Grant – Indiana Economic Development Corporation
10. Annual Report – Department of Child Services

V. Discussion Items

1. Status of Department of Revenue Engagement – Deloitte