

State Budget Committee
Meeting Minutes
Tuesday, October 19, 2010

Members:

Senator Luke Kenley, Chairman
Senator John Broden
Representative Jeffrey K. Espich
Representative Peggy Welch
Adam M. Horst, State Budget Director

Alternate Members:

Senator Brandt Hershman
Senator Karen Tallian

Senator Kenley called the meeting to order at 9:30 A.M. in State House Room 431.

Susan Williams, President of the Indiana Sports Corporation, presented her request for \$150,000 of the \$500,000 annual appropriation. Susan advised the Committee that the requested funds would be utilized for the purpose of attracting sporting events for various communities around the State of Indiana.

After each item on the agenda was presented and discussed, Representative Welch motioned to adopt the proposed agenda. Representative Broden seconded. The motion to adopt the proposed agenda carried with five ayes.

I. September Minutes

II. Agency Projects

- | | | |
|----|--|-----------|
| 1. | <u>Department of Natural Resources (300)</u> | \$182,000 |
| | Falls of the Ohio Lease Payment | |

The Department of Natural Resources is requesting \$182,000 to pay the annual bond payment to the Clarksville Riverfront Foundation. This bond supported the construction of the Falls Interpretive Center and is scheduled for final payment in 2014.

Funding: 2007 General Fund "Previously Approved":
Repair and Rehabilitation

- 2. Indiana State Police (100) \$565,000
Regional Dispatch Initiative-Phase II

Through the American Recovery and Reinvestment Act (ARRA) and the Byrne-JAG federal grant process, the Indiana Criminal Justice Institute's Board of Trustees awarded the Integrated Public Safety Commission (IPSC) \$4,005,476 to develop the Computer Aided Dispatch (CAD) system that will be utilized in the Indiana State Police's regional dispatch centers.

The Indiana State Police requests Budget Committee approval to proceed with Phase II of the capital investment required for the regional dispatch initiative. This request would allow the Indiana State Police to complete the build-out of six regional dispatch centers: Bloomington, Versailles, Ft. Wayne, Lowell, Indianapolis, and the Toll Road. This initiative will reduce the number of dispatch centers from 18 to 6 regional centers. This second and final request for approval will allow the regional dispatch center build-out project to be completed; Phase I of the regional dispatch build-out was approved by the Budget Committee in December of 2009 at a cost of \$817,205. When fully implemented, the regional dispatch initiative will result in an estimated annual cost savings of \$1,100,000 due to a reduction in staffing levels and the associated maintenance and utility costs.

Funding: 2009 State Police Building Fund

III. University Projects

- 1. Ball State University (780) \$3,356,442
FY10 ARRA(a) Restoration R&R – Draw 1
Project No. D-1-11-2-03

Ball State University requests authorization to proceed with nine R&R projects on the Muncie campus. Each project is less than \$750,000. This represents Draw 1 of the ARRA(a) restoration funds and is approximately 92% of the FY10 restoration funds available to the University.

Funding: FY10 ARRA(a) Restoration R&R – Draw 1
CHE Review: September 30, 2010

- 2. Indiana University-Purdue University Indianapolis (750) \$8,500,000
Riley Hospital – Wells Research Center for a Pediatric Phenotyping Core Renovation
Project No. A-2-11-2-03

The trustees of Indiana University request approval to proceed with the renovation of a former research floor of Riley Hospital. This project will provide a state-of-the-art facility for conducting pediatric clinical research on the IUPUI campus. The 18,560 square foot center will house laboratory space, lab support space, exam rooms, bio-storage, administrative offices and other research-related space. It also includes high-tech video conferencing facilities/laboratories and replaces two traction elevators. The facility will significantly enhance Indiana University's ability to conduct clinical research trials and test the safety and effectiveness of potential new

treatments that emerge from scientific discoveries developed on campus. This project is not eligible for plant expansion funding.

Funding: Federal Grant Funds
CHE Review: October 8, 2010

3. Indiana University-Purdue University Indianapolis (750) \$163,530/year
Lease of Space – 2039 North Capitol Avenue
Project No. A-2-11-5-01

The trustees of Indiana University request approval to enter into a five-year lease with one five-year renewal on behalf of and for the use of the Indiana University School of Health and Rehabilitation Sciences. The premises consist of 8,810 square feet which, when renovated, will house office, exam and classroom space. The space will support the Physician Assistant Studies Program. Annual rent is \$114,530, with cost of renovations not to exceed \$245,000 spread over the initial five-year term. This project is not eligible for plant expansion funding.

Funding: School of Health and Rehabilitation Operating Funds
CHE Review: October 8, 2010

4. Indiana University – South Bend (750) \$8,000,000
Qualified Energy Savings Project
Project No. A-8-08-6-15R

This Qualified Energy Savings Project (QESP) at South Bend was originally reviewed for \$3,300,000 at the September 2008 Budget Committee meeting. Indiana University requests authorization for an additional \$4,700,000 for this project. The objective of the QESP is to reduce utility and maintenance costs by upgrading and/or replacing select electrical and mechanical systems in the building, as well as reducing water/sewer expenses. This project is necessary due to the rising prices of energy, water, and sewer services. Energy conservation measures will consist of lighting upgrades, HVAC upgrades, variable frequency drive additions, energy management system upgrades, solar hot water systems, window films and improvements, water saving fixtures and valves, and natural gas meter aggregation. The project is to be funded through the borrowing authority for qualified energy savings projects for academic facilities as provided for by Indiana Code 21-33-1-3, 6 and 7; 21-33-4; and 21-34-10-7. The campus is to repay the debt with monies from the energy savings. The interim and/or permanent financing package is subject to approval by the State Budget Director.

Funding: Bonding Authority for QESP
CHE Review: October 8, 2010 (originally reviewed August 8, 2008)

5. Purdue University – West Lafayette (760) \$25,000,000
Drug Discovery Facility
Project No. B-1-11-1-07

The trustees of Purdue University request approval to proceed with the construction of the Drug Discovery Facility on the West Lafayette campus. The proposed new facility will provide state-of-the-art chemistry research space that is safe, modular, and capable of providing the strict environmental control needed for research in biochemistry related to drug discovery. The new facility will be part of the Life and Health Sciences Quad and will partially replace existing laboratory space in Wetherill Laboratory. In addition, this authorization will support an animal imaging center with support space for animal housing, microscopy and tissue culture research. Up to \$2,000,000 of the \$25,000,000 total project budget will support renovations of the Hansen Life Science Research Building.

The project will be funded using \$20,000,000 of 2009 bonding authority authorized by the General Assembly and \$5,000,000 in Gift or Facility and Administrative Cost Recovery Funds. 100% of the funding is derived from non-state sources.

This project is not eligible for fee replacement or plant expansion funding. The permanent and interim financing package is subject to approval by the State Budget Director.

Funding: HEA 1001-2009(ss) Bonding Authority:
Non-Fee Replaced \$20,000,000
Gift or Facility and Administration Cost Recovery Funds \$ 5,000,000
CHE Review: October 8, 2010

6. Purdue University – West Lafayette (760) \$21,000,000
Northwest Athletics Complex Phase I
Project No. B-1-10-1-16

The trustees of Purdue University request approval to proceed with the construction of phase one of the Northwest Athletics Complex on the West Lafayette campus. This initial phase of development will include a new intercollegiate baseball stadium to replace the existing Lambert Field facility. The stadium will be designed to hold 1,500 spectator seats, with the ability to expand to 2,500 seats. Planning at the Northwest Athletics Complex also includes upgrades to the existing adjacent soccer facility by adding team, public and press facilities, a high definition lighting system and a new synthetic turf field. This project is not eligible for plant expansion funding.

Funding: Athletic Department Funds
CHE Review: September 10, 2010

7. Purdue University – West Lafayette (760) \$14,900,000
Bindley Bioscience Center Addition
Project No. B-1-10-6-15

The trustees of Purdue University request approval to proceed with the construction of an addition to the existing Bindley Bioscience Center in Discovery Park on the West Lafayette campus. This addition will be a disease research-focused building that will enhance the existing capabilities of Birck Nanotechnology, Center for Cancer Research, Biomedical Engineering and Structural Biology to integrate scientific expertise from the molecular level through animal disease modeling. The additional research laboratory space will be occupied primarily with trainees, at the post-graduate, graduate and undergraduate levels. These trainees will come from different departments and colleges and will be purposefully admixed in the shared research space of the facility. This project is not eligible for plant expansion funding.

Funding: Federal Grant Funds
CHE Review: September 10, 2010

8. Purdue University – West Lafayette (760) \$4,300,000
Agricultural and Biological Engineering and Central Machine Shop Facility
Project No. B-1-11-1-08

The trustees of Purdue University request approval to proceed with the construction of a new facility to replace the Agricultural and Biological Engineering (ABE) storage building and to house shop and high bay space for both ABE and the Central Machine Shop (CMS) on the West Lafayette campus. The relocation of US Highway 231 will result in the loss of the ABE machine shed. The current locations of the CMS and the single story ABE building will be needed for the Perimeter Parkway, Health and Human Sciences Research, and Drug Discovery Facility projects.

The ABE space will provide teaching labs with adjacent classroom space. The CMS space will house precision machining and fabrication service to support research in numerous departments in the Colleges of Agriculture, Engineering, Science, Veterinary Medicine and Technology. The co-location of the ABE and CMS facilities offers long term opportunities to share equipment and skills. In addition, it provides an opportunity to leverage resources and also provides unique educational opportunities for Purdue students and others with the classrooms and ability to see CMS operations.

This project is not eligible for fee replacement or plant expansion funding. The permanent and interim financing package is subject to approval by the State Budget Director.

Funding: Departmental Funds \$1,855,000
Gift Funds \$1,950,000
INDOT Right-of-Way Acquisition Funds \$495,000
CHE Review: October 8, 2010

9. Purdue University – West Lafayette (760) \$2,949,900
Math Sciences Research Data Center Renovation
Project No. B-1-10-6-17

The trustees of Purdue University request approval to proceed with the renovation of the Math Sciences Research Data Center on the West Lafayette campus. This project seeks to address the impact of the growth of cyberinfrastructure by renovating the research data center located in the Mathematical Sciences Building. The project aims to improve the reliability of the research data center and increase the electrical and cooling capacity to support the addition of two more research computing clusters scheduled for 2012 and 2013. This project will support Purdue's mission to increase research by providing the cyberinfrastructure required to accomplish the computational cycles needed in quantitative research. This project is not eligible for plant expansion funding.

Funding: Federal Grant Funds \$2,000,000
Departmental Funds \$949,900
CHE Review: October 8, 2010

10. University of Southern Indiana (775) \$989,032
FY10 ARRA(a) Restoration R&R – Draw 1
Science Center Building Renovation – Phase IV
Project No. G-0-10-2-01

The University of Southern Indiana requests authorization to proceed with the fourth phase of the renovation and rehabilitation of the Science Center building. This phase will include the second level of the building and will renovate 12,000 gross square feet of space. Included in the project is the removal of flooring material that contains asbestos, installation of new ventilation systems in chemistry laboratories, installation of new lighting systems, installation of new electrical devices and data lines, upgrading of the fire alarm system and installation of a fire suppression sprinkler system. This represents Draw 1 of the FY 10 ARRA(a) restoration funds and represents 100% of the total FY10 funds available.

Funding: FY10 ARRA(a) Restoration R&R – Draw 1 \$677,344
University Funds \$311,688
CHE Review: October 8, 2010

Cost Summary

October 19, 2010	
2007 General Fund "Previously Approved"	\$182,000
2009 American Recovery and Reinvestment Act Section 14002(a)	\$4,033,786
2009 State Police Building Fund	\$565,000
Federal Grants	\$25,400,000
HEA 1001 – 2009(ss) Bonding Authority "Non-Fee Replaced"	\$20,000,000
Qualified Energy Savings Project	\$8,000,000
University Funds	\$31,561,588
Total	\$89,742,374

IV. Review Items

1. Indiana Sports Corporation

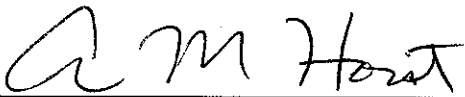
V. Discussion Items

1. Higher Education Debt Service
2. WGU Indiana

Pursuant to the provisions of IC 4-12-1, the State Budget Committee recommends approval of these projects.

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Senator Luke Kenley, Chairman

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Adam M. Horst, State Budget Director

A handwritten signature in cursive script that reads "M E Daniels, Jr.". The signature is written in black ink and is positioned above a horizontal line.

Mitchell E. Daniels, Jr., Governor, State of Indiana