

State Budget Committee Agenda  
Monday, June 24th, 2019, 10:00 AM EST  
Indiana Statehouse  
Senate Appropriations Room 431  
Indianapolis, Indiana 46204

**I. Minutes**

1. April 17, 2019
2. May 6, 2019 - Review item independently considered by members of the State Budget Committee.
3. May 14, 2019 - Review item independently considered by members of the State Budget Committee.

**II. Agency Projects**

1. Department of Revenue (90) \$ 20,300,000  
Integrated Tax System (ITS)

The Indiana Department of Revenue (DOR) requests funding to continue modernization of its revenue business processes and technology enhancements through the implementation of an Integrated Tax System (ITS). This project will eventually replace the current Revenue Processing System (RPS) that was implemented back in 1992 and is comprised of 40+ disparate systems which are 25+ years old. The new ITS will allow DOR to improve and automate all major state tax revenue functions including Compliance, Operations, Finance/Internal Audit, Information Technology and Customer Service. The General Assembly appropriated \$16.1M in FY2018, \$16.9M in FY2019, \$20.3M in FY2020, and \$21.4M in FY2021 for the system upgrade work.

Funding: HEA 1001: 2019 General Fund  
(General Government Line Items 19721-2020)

2. Auditor of State (50) \$ 20,000,000  
Payroll/Human Resources Modernization

The Auditor of State (AOS) requests funding to conduct a combined Human Capital Management (HCM) and Payroll system modernization project. The existing payroll system has been in use since 1992 and will no longer be supported beyond 2023. The proposed solution is to expand the State's use of the PeopleSoft system by upgrading the existing PeopleSoft HCM and integrating the PeopleSoft Payroll module to support the AOS' payroll functions. A request for proposals for implementation services will be conducted through the summer and fall of 2019 with actual implementation to begin in 2020.

Funding: HEA 1001: 2019 Personal Services/Fringe Benefits Contingency Fund  
(Personal Services/Fringe Benefits Contingency Fund 59720-2020)

3. Indiana State Fair (878) \$ 2,500,000  
Architecture and Engineering Fee for Swine Barn/Fall Creek Pavilion Renovation

The Indiana State Fair Commission requests funding for architectural and engineering work, to include schematic design, design development, and construction documents, for the Swine Barn/Fall Creek Pavilion project at the Indiana State Fairgrounds. The project includes construction of a new multi-use exhibit building, with a focus on preservation of historic elements of the original structure, demolition of the Public Safety Building, relocation of maintenance and public safety departments, and renovation of the Communications Building.

Originally constructed in 1923, the open-air Swine Barn was built to exhibit swine. Single-use structures are not viable at a modern event facility, and the aging structure can no longer fulfill its intended purpose of showing livestock at the State Fair. The building is failing structurally, is not ADA accessible, and is impractical to load/unload livestock due to a significant elevation change and the proximity of the Public Safety Building. To continue the heritage of hosting world-class swine shows and continue growing as a first-class event facility, the Indiana State Fairgrounds needs a modern, multi-use facility that can host a variety of events throughout the year.

Funding            HEA 1001: 2019 General Fund  
                          (General Government Line Items 19721-2020)

4. Department of Administration (061) \$ 9,848,268  
Reserve & Replacement (R&R) Payments to IFA

The Department of Administration (IDOA) requests the annual appropriation for the Reserve & Replacement (R&R) payments for several facilities that are managed by the Indiana Finance Authority (IFA). The R&R was previously included in the bond payment as one lump sum; however, the bonds have been defeased for these facilities under IFA. IDOA requests the R&R annual amount so that they may continue to disburse funds on a monthly basis to the IFA.

Funding:            HEA 1001: 2019 General Fund  
                          (General Government R&R 19722-2020)

Indiana Government Center North	\$1,546,536
Indiana Government Center South	\$1,306,536
Government Center Parking Garages	\$1,546,536
Forensic Lab	\$1,546,536
Indiana State Museum	\$1,666,536
Rockville Correctional Facility	\$1,126,536
Pendleton Juvenile Correctional Facility	\$1,109,052

5. Family and Social Services Administration/Division of Mental Health and Addiction (410) \$ 2,300,000  
Ligature Risk Mitigation

The Division of Mental Health and Addiction (DMHA) requests funding to address ligature risks within the State Psychiatric Hospital (SPH) system. To ensure patient safety and compliance with accrediting standards for healthcare facilities, DMHA will utilize funds to plan and implement risk mitigation improvements in the physical environment across the system.

Funding: HEA 1001: 2019 State Construction Fund \$ 1,000,000  
(Health and Human Services Construction 59915-2020)  
HEA 1001: 2017 Postwar Construction Fund \$ 1,288,000  
(Health and Human Services Construction 70509-2019)  
HEA 1001: 2013 'Change of Use' Postwar Construction Fund \$ 12,000  
(Richmond State Hospital Construction 70531)

6. Department of Correction (680) \$ 575,800  
Westville Correctional Facility Maximum Control Complex Door Replacement

The Indiana Department of Correction (DOC) requests funding to replace 54 doors in the high security restrictive housing unit located on the grounds of the Westville Correctional Facility. The housing unit was built in 1990 and houses 220 of Indiana's most dangerous long-term segregation offenders. Hundreds of thousands of cycles on the doors, locks, and hardware have caused extreme wear and repair parts are no longer available from any source as the system is obsolete. Salvageable components from the doors that are being replaced will be retained by the DOC to repair the remaining original doors as necessary until they are replaced. The replacement of these doors will ensure the safety of both staff and offenders alike.

Funding: HEA 1001: 2015 'Change of Use' Postwar Construction Fund  
(WCF Postwar Construction Fund 70568)

7. Department of Correction (690) \$ 900,000  
Plainfield Correctional Facility West and Central Dorm Door Replacement

The Indiana Department of Correction (IDOC) requests funding to replace 172 doors in the Plainfield Correctional Facility's West and Central dormitories. The facility is medium security and houses 1,800 adult males in both, single cell and open dormitory environments. The West and Central dormitories were constructed in 1964, and the cell and building entry doors are from the original construction. Hundreds of thousands of cycles on the doors, locks, and hardware have caused extreme wear, and the replacement of these doors are critical to providing security for this unit. This project includes all materials and labor necessary to replace and install all new entry, compartmentalization, and cell doors and locks.

Funding: HEA 1001: 2017 Postwar Construction Fund  
(Public Safety R&R 70508-2018 & 2019)

8. Department of Correction (650) \$ 750,000  
Putnamville Correctional Facility Segregation Unit and Recreation Building Roof Replacement

The Indiana Department of Correction (IDOC) requests funding to replace the roofs on the segregation unit and the recreation building at the Putnamville Correctional Facility. This facility was constructed in 1915 and occupies a fenced 95-acre campus in Putnam County. The facility is medium security and houses 2,510 adult males in open dormitories with a few disciplinary cells in an onsite secure housing unit. The maximum security segregation unit was constructed in 1988 and has a 13,530 square foot roof, and the recreation building was constructed in 1998 and has a 27,683 square foot roof. The roofs on both buildings are from their original construction. They have been well maintained and repaired on several occasions over the years; however, they have come to the end of their service lives and need to be replaced.

Funding: HEA 1001: 2017 Postwar Construction Fund  
(Public Safety R&R 70508-2019)

9. Department of Correction (690) \$ 1,169,000  
Correctional Industrial Facility HVAC Replacement

The Indiana Department of Correction (IDOC) requests funding to replace the HVAC components and associated infrastructure at the Correctional Industrial Facility (CIF). The medium security facility was constructed in 1987 as an industry-based facility and houses 1,400 security level 2 and 3 offenders. The HVAC units and associated infrastructure are of original construction. The system has been well maintained and repaired on several occasions over the years; however, the system is at the end of its service life and needs to be replaced. This project includes all labor, programming, controllers, panels, and electric installation for the new controls.

Funding: HEA 1001: 2017 Postwar Construction Fund  
(Public Safety R&R 70508-2019)

10. School for the Deaf (560) \$ 314,499  
Visual Communication System

The Indiana School for the Deaf requests additional funding to proceed with the Visual Communications System project on the School's campus. The project was originally approved by the State Budget Agency in July of 2018 for a total of \$230,173.64. During that time, the scope of work consisted of the replacement and addition of indoor signage as well as the addition of 15 outdoor signs.

However, during the procurement process the scope of work was altered to include backup batteries, two more outdoor signs, and an upgraded network/software package totaling an additional \$84,325.36. Currently, the School has no communication method for students and staff not physically in a campus building. Existing marquees and servers are not all-encompassing on the campus and are not always sufficient to notify people in case of emergencies

Funding: HEA 1001: 2017 'Previously Approved' Postwar Construction Fund \$ 230,173.64  
(Deaf & Blind Construction 70511-2018)  
HEA 1001: 2017 Postwar Construction Fund \$ 84,325.36  
(Deaf and Blind Construction 70511-2018)

11. Indiana Department of Transportation (800) \$ 1,704,650  
Roof Repair and Replacement – Various Locations

The Indiana Department of Transportation (INDOT) requests funding to repair and replace several roof defects to address structural, environmental, and operational needs at various INDOT locations. The 24 locations include both salt dome and ethylene propylene diene terpolymer (EPDM) roofs. While INDOT has patched many of these roofs to extend the life cycle, annual roof assessments have identified defects beyond the routine preventive maintenance and necessitate additional repair and replacement.

Funding: HEA 1001: 2019 State Highway Fund  
(State Highway Fund R&R 30506-2020)

### III. University Projects

1. Purdue University West Lafayette \$ 2,900,000  
University Church Purchase  
Project No. B-1-19-3-12

The Trustees of Purdue University request authorization to proceed with the purchase of a 31,964 SF multi-story building, formerly known as University Church, and the 0.86 acres of land on which it sits. The building is located at 320 North Street in West Lafayette, IN and the property is an important, strategic location in alignment with the 2018 Purdue University Giant Leaps Campus Master Plan. The location is identified as a long-term “potential new building.” In the short-term, it provides potential space for future academic and administrative projects. The estimated cost of the purchase is \$2,900,000 to be funded by Operating Funds Reserves.

Funding: Operating Funds – Reserves  
CHE Review: March 14<sup>th</sup>, 2019

2. Purdue University West Lafayette \$ 35,000,000  
Purdue Memorial Union Club Hotel Renovation  
Project No. B-1-19-2-13

The Trustees of Purdue University request authorization to proceed with the renovation of the Purdue Memorial Union Club Hotel, which was built in phases from 1929 to 1953 and has had no significant upgrades in recent years. The renovation will include 89,600 GSF of hotel guest rooms and lobby space, and a renovation of 8,500 GSF to create a new restaurant and bar. Additionally, the existing ballrooms and adjacent bathrooms will receive finish upgrades. The estimated cost of this project is \$35,000,000 to be funded by Gift Funds.

Funding: Gift Funds  
CHE Review: March 14<sup>th</sup>, 2019

3. Purdue University Fort Wayne \$ 3,850,000  
Park 3000 Building and Land Purchase  
Project No. B-3-19-3-10

The Trustees of Purdue University request authorization to proceed with the purchase of the Park 3000 building located at 3000 Coliseum Boulevard East, Fort Wayne, Indiana. The building will provide approximately 76,700 GSF for a larger, more visible space for the Doermer School of Business. It will also address the expansion and relocation of a number of other departments and student support services including the career services center, small business development center, division of continuing studies, and the student and employee health clinic. The estimated cost of the purchase is \$3,850,000 to be funded by Gift Funds.

Funding: Gift Funds  
CHE Review: March 14<sup>th</sup>, 2019

4. Purdue University West Lafayette \$ 6,500,000  
Wade Utility Plant Connection  
Project No. B-1-19-1-15

The Trustees of Purdue University request authorization to proceed with the construction of the infrastructure needed to connect the existing Wade Utility Plant to the new Duke Energy CHP Plant. This project is one portion of a larger project in which Duke Energy Indiana, LLC and Purdue University are partnering. Duke Energy will build, own, and operate a new, 16 MW combined heat and power (CHP) plant that will produce both steam and electricity. There will be a lease between Purdue and Duke Energy, which is detailed in a separate project submission.

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 coal boiler project. In April 2011, the Budget Committee reviewed Purdue's Health and Human Sciences Research Facility project that utilized \$16,000,000 of Series X bond proceeds. In June 2012, the Budget Committee reviewed Purdue's Wade Power Plant Production and Distribution Improvement project that utilized \$33,100,000 of Series X bond proceeds; however, due to changes in the scope of work and cost efficiencies realized by the University, this project utilized roughly \$22,000,000 of the authorized \$33,100,000. Currently, Purdue University reports to have \$11,000,000 of Series X proceeds remaining and requests authorization to use \$6,500,000 of the balance for the Wade Utility Plant Connection project.

Funding: HEA 1001: 2007 Fee Replacement Bonding Authority

CHE Review: May 6<sup>th</sup>, 2019

5. Purdue University West Lafayette \$ 100  
Ground Lease to Duke Energy Indiana LLC  
Project No. B-1-19-5-14

The Trustees of Purdue University request authorization to lease approximately one acre of land, located immediately west of the Wade Utility Plant on the West Lafayette Campus, to Duke Energy Indiana, LLC for a term of 35 years. This project is the other portion of a larger project in which Duke Energy Indiana, LLC and Purdue University are partnering, and is in conjunction with the aforementioned Wade Utility Plant Connection project. Duke Energy will use the leased land to build, own, and operate the new, 16 MW Duke Energy CHP Plant. Purdue will purchase the steam produced by the new Duke Energy CHP during the 35-year term agreement. The estimated total rent for the entire term is \$100 to be paid to Purdue University by Duke Energy Indiana, LLC.

CHE Review: May 6<sup>th</sup>, 2019

6. Purdue University West Lafayette \$ 6,701,344  
State Farm Building Purchase  
Project No. B-1-19-3-16

The Trustees of Purdue University request authorization to proceed with the purchase of the State Farm Building located at 2550 Northwestern Ave, West Lafayette, Indiana. The purchase includes 22 acres of land and an over 255,000 GSF facility. This purchase provides near-campus space for the data center currently located in the Mathematical Sciences Building, the transportation fleet currently housed at the Purdue Airport, swing space for departments that need to be temporarily relocated due to capital construction projects, administrative office space, storage space, and high bay space conditioned appropriate for academic and industrial laboratories. By moving all of these groups into a single facility, over 50,000 square feet of space on campus will be made available and over \$2,000,000 per year in rent for off-campus space will be eliminated. The estimated cost of this project is \$6,701,344 to be funded by Operating Funds Reserves.

Funding: Operating Funds – Reserves  
CHE Review: May 6<sup>th</sup>, 2019

7. Purdue University West Lafayette \$ 2,689,791  
Aspire at Discovery Park Lease  
Project No. B-1-19-5-17

The Purdue University Board of Trustees requests authorization to proceed to lease a portion of *Aspire at Discovery Park*, an apartment complex located in the Discovery Park District, from Balfour Beatty-Walsh, Housing LLC and from the Purdue Research Foundation (PRF) for nine months. For one academic year, the University will lease 86 apartments from the landlords that include 336 beds for student housing and 4 beds for residential assistants in Aspire. The lease will provide additional housing capacity to help address the increase in student enrollment on the West Lafayette campus. The estimated cost of the lease is \$2,689,791 to be funded with Auxiliary Funds – Housing.

Funding: Auxiliary Funds – Housing  
CHE Review: May 6<sup>th</sup>, 2019



8. Ball State University \$ 4,000,000  
New Multicultural Center  
Project No. D-1-19-1-02

The Ball State University Board of Trustees requests authorization to proceed with the construction of a new Multicultural Center. The University’s Multicultural Center engages around different identities and backgrounds such as gender, race, and ethnicity. The Center is currently in a former residential structure on the southeast edge of campus. At approximately 4,000 square feet, the Center is too small to serve the needs of a culturally diverse student population. The proposed 10,500 square foot new facility would be constructed in the heart of campus giving the Center the space and prominence that it deserves. The Center will also include a small coffee shop or café. The estimated cost of this project is \$4,000,000 to be funded by Operating Funds Reserves and Auxiliary Funds – Dining.

Funding:	Operating Funds – Reserves	\$ 3,000,000
	Auxiliary Funds – Dining	\$ 1,000,000
CHE Review:	February 14 <sup>th</sup> , 2019	

**Cost Summary**

2013 'Change of Use' Postwar Construction Fund	12,000
2015 'Change of Use' Postwar Construction Fund	575,800
2017 'Previously Approved' Postwar Construction Fund	230,174
2019 General Fund	32,648,268
2017 Postwar Construction Fund	4,191,325
2019 State Construction Fund	1,000,000
2019 State Highway Fund	1,704,650
2019 Personal Services/Fringe Benefits Contingency Fund	20,000,000
Gift Funds	38,850,000
Operating Funds - Reserves	12,601,344
Fee-Replaced Debt	6,500,000
Auxiliary Funds - Housing/Dining	3,689,791
<b>Total</b>	<b>122,003,352</b>

**IV. Review Items**

1. FY 2019 Airport Development Grant Fund Excise Tax Distribution – Indiana Department of Transportation
2. Medicaid State Plan Amendments and Waivers – Family and Social Services Administration
3. South Shore Projects and Funding – Indiana Finance Authority

**V. Discussion Items**

1. School Corporation Fiscal Indicators Update – Distressed Unit Appeal Board
2. Tuition and Mandatory Fees for Indiana’s Public Postsecondary Institutions for 2019-20 and 2020-21

**VI. Election of Chairman**

**VII. Report Received**

1. Non-binding Tuition and Mandatory Fee Targets for Indiana’s Public Postsecondary Institutions for 2019-20 and 2020-21 – Commission for Higher Education (6.12.19)