

July 2021 Minutes

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State Budget Committee Minutes
July 28, 2021 10:00 AM EDT

Members:

Senator Ryan Mishler, Chair
Representative Tim Brown
Senator Eddie Melton
Representative Gregory Porter
Zachary Jackson, State Budget Director

Alternate Members:

Senator Fady Qaddoura
Representative Carey Hamilton
Joe Habig, Deputy Budget Director
Lisa Acobert, Deputy Budget Director

Chairman Ryan Mishler called the meeting to order at 10:03 AM EDT.

Chairman Mishler introduced the minutes of the June 2021 meeting. Budget Director Zachary Jackson motioned to approve the minutes. Representative Tim Brown seconded the minutes. The June 2021 minutes were adopted by consent of the Committee.

Following introductions, Chairman Mishler then introduced the July 2021 agenda.

John Pfeffenberger, Chief Financial Officer for the Indiana State Fair, requested funding for LED upgrades. Representative Gregory Porter inquired about the bid process and requested to be informed of who is awarded the bid. Mr. Pfeffenberger confirmed the most reasonable bid will be awarded the project and will inform Representative Porter of the recipient of the project.

Steve McAvoy, Statewide Facilities Director for the Indiana Department of Transportation, presented the A&E design fee for a new Cloverdale Salt Building. Budget Director Jackson asked about the benefits of repeated A&E design for salt buildings. Mr. McAvoy stated that INDOT is able to have A&E fees of 5% whereas a typical new and unique project can have design fees of 7-8%. Each building shares a very similar design, but each site has its own unique issues that the building must be altered to address.

Anne Hazlett, Senior Director of Government Relations and Public Affairs for Purdue University, presented the Secure Research Facility project being funded through Operating Reserves. Representative Brown asked where the operating reserves come from, to which Ms. Hazlett replied that they are earnings from previous investments.

Following Purdue University's project, Allison Taylor, Medicaid Director, presented the Family and Social Services Administration's State Plan Amendments. Chairman Mishler inquired on the Out-of-State Children's Hospital Reimbursement if the amount of people seeking treatment out-of-state will increase if the State will pay more. Ms. Taylor responded that they utilized numbers from 2019 for these cost estimates and that they are not expecting Hoosiers to go to new additional new locations as a result of this amendment. Senator Eddie Melton echoed that he does not foresee an increase in Hoosiers seeking out-of-state treatment, but an increase in access to care for Hoosiers. Chairman Mishler also asked for confirmation of the Fiscal Year impact provided, to which Ms. Taylor promised to follow-up.

After Allison Taylor presented, Mark Wasky, Vice-President of Innovation & Strategic Initiatives for the Indiana Economic Development Corporation (IEDC) presented the Regional Economic Acceleration and Development Initiative (READI) Grant to the State Budget Committee. Senator Melton asked about the division of funds across the State. Mr. Wasky stated there is not a set number per region but that the IEDC has communicated investing up to \$50 million per eligible region depending on need and ability to meet the 1:4 match.

After Mark Wasky's presentation, Representative Brown motioned to approve the July 2021 agenda. Representative Porter seconded the motion. The agenda was adopted by consent of the Committee.

Chairman Mishler then introduced the discussion items. Cris Johnston, Director of the Office of Management and Budget, presented the Excess Reserve Calculation item. During his presentation Director Johnston stated that due to the State's \$3.9 billion reserve at the end of Fiscal Year 2021, the statute providing a tax credit refund to Hoosier taxpayers who filed in 2020 and 2021, and who will be filing in 2022 was triggered. Chairman Mishler asked if there was an estimated amount that would be credited and how Hoosiers who use services such as TurboTax will be able to access this credit. Director Johnston gave a preliminary estimate of \$150 per Hoosier taxpayer, but the number is unconfirmed because the calculation is based on the excess amount available for this credit divided by the total number of eligible Hoosier taxpayers. The Department of Revenue will be working with vendors on the calculation of the credit.

Following his presentation on the Excess Reserve Calculation, Director Johnston presented state funding updates on CARES Act Funding (CRF) and American Rescue Plan Act (ARPA). Senator Melton inquired, following information presented on General Assembly appropriations, about who will develop the criteria around the body camera program and mentioned that if the program will require matching dollars from municipalities that some have less funding streams than others. Director Johnston stated that the Department of Homeland Security will develop the guidelines for the program and that 542 entities will be receiving \$430 million in federal assistance, which could be used to make match requirements if it is not prohibited by federal requirements.

Representative Porter asked for an update on the InvestEd Career Accelerator and when it will be rolled out to the public. Director Johnston indicated that InvestEd, the Department of Workforce Development, and the Commission for Higher Education have been meeting to develop the program and the rollout is tentatively planned for the Fall once the structure and operation of the program have been established.

At the end of the presentation, Senator Fady Qaddoura asked which entity determines how InvestEd can use the \$75 million and how can it be used to help with processing FAFSA applications. Director Johnston replied that the funds have to be used for the Career Accelerator Fund. Senator Qaddoura also asked if ARPA dollars will be distributed to localities or will the State have a role in utilizing funding. Director Johnston stated that the IFA has received over \$800 million in applications for this money, but Jim McGoff, Director of Environmental Programs for the Indiana Finance Authority, will probably speak before the Taskforce to discuss the matter further.

The meeting was adjourned at 11:52 AM EDT.

I. Minutes

1. June 2021 Minutes

II. Agency Projects

1. Indiana State Police (100) \$ 980,186
Roof Repair-Various Locations

The Indiana State Police (ISP) requests funding to replace the deteriorating roofs of the Fort Wayne, Evansville, and Logistics facility posts. An engineering evaluation was conducted to assess the lifespan of each of the facility's roof structures. The results yielded that the continuous deterioration of the roof will lead to leaks that are unable to be addressed through routine repairs. The average age of the roofs are 24 years and total approximately 63,229 square feet. The replacement will be a combination of rubber and asphalt roofs with a life expectancy of 30 years. Delay in replacement could lead to damage of lab equipment, evidence, and other critical supplies necessary for daily operations.

Funding: HEA 1001: 2021 General Fund \$ 906,900
(Public Safety R&R 19741 – 2022)

State Police Building Account \$ 73,286
(2015 State Police Building Fund 70323 – 2016)

2. Indiana War Memorial Commission (315) \$ 334,660
IWM Elevator Modernization

The Indiana War Memorial Commission requests funding to repair and update the historic elevator constructed in the 1930s. The current mechanical structure and technology of the elevator are out-of-date, and some parts are not produced anymore, which leads to expensive repairs and intermittent operation. This project will update the mechanical structure of the elevator and its fire and safety systems but will leave the historic interior intact. Leaving the elevator as-is will increase costly repairs and will diminish the ability of visitors who are disabled to be able to fully experience the museum.

Funding: HEA 1001: 2021 General Fund
(Conservation & Environment R&R 19745 – 2022)

3. Indiana State Fair (878) \$ 286,000
Champions Pavilion RTU Replacements

The Indiana State Fair Commission (ISFC) requests funding to replace two 70-ton roof top units (RTUs) on the Champions Pavilion. The 66,500 square-foot Champions Pavilion was constructed in 1922 and received a full facility renovation in 2003. The Champions Pavilion is used year-round as commercial and exhibition space and during the State Fair for livestock exhibitions. Two of the four 70-ton RTUs were replaced in 2020, and this project will replace the remaining two. The average lifespan of an RTU is 15-years, and the remaining units are 24-years old, which is causing an increasing amount of emergency repairs, maintenance to operate, and inefficiencies.

Funding: HEA 1001: 2021 General Fund
(General Government R&R 19738 – 2022)

4. Indiana State Fair (878) \$ 539,000
LED Lighting Upgrades

The Indiana State Fair Commission (ISFC) requests funding to upgrade its lighting systems from fluorescent bulbs to LED lighting, install occupancy sensors, and connect the LED lights to lighting controls. The project will upgrade light fixtures in the West Pavilion, South Pavilion, and Exposition Hall, which have a combined 352,800 square feet. This is expected to reduce annual maintenance costs as well as yield high energy efficiency savings.

Funding: HEA 1001: 2021 General Fund
(General Government R&R 19738 – 2022)

5. Indiana State Fair (878) \$ 686,552
Fire Alarm and Electrical Upgrades

The Indiana State Fair Commission (ISFC) requests funding to perform fire panel installations and electrical upgrades in 7 buildings constructed from 1919 – 2003 across the State Fair Campus. In addition, this work will also include replacing electrical wiring and panels in the Indiana Arts Building. Work will be completed in the Pioneer Village Building, DNR Building, Indiana Arts Building, Harvest Pavilion, Northwest Pavilion, Communications Building, and Southwest Pavilion.

Funding: HEA 1001: 2021 General Fund
(General Government R&R 19738 – 2022)

6. Indiana State Fair (878) \$ 264,000
ADA Compliance Upgrades

The Indiana State Fair Commission (ISFC) requests funding to perform infrastructure upgrades across the State Fair campus to be ADA compliant. The current streetscape was developed in the early 1900s and has received multiple upgrades such as new roads, sidewalks, and curbs. This project will install ADA curb ramps, detectable warning systems, handrails at stairwells and in ramps, and accessible doors.

Funding: HEA 1001: 2021 General Fund
(General Government R&R 19738 – 2022)

7. Indiana Department of Transportation (800) \$ 125,000
Architectural and Engineering Fee for Construction of the Cloverdale Unit Salt Building

The Indiana Department of Transportation (INDOT) requests funding for the architectural and engineering fee for the construction of the Cloverdale Unit Salt Building. The 36-year-old Cloverdale Unit Salt Building is 15,475 sq/ft. and is experiencing several structural and operational defects. The funding will be used to cover the topographic survey, soil borings, and building design.

Funding: HEA 1001: 2021 State Highway Fund
(State Highway Fund Line Items 30531 – 2022)

8. Indiana Department of Transportation (800) \$ 8,700,000
Construction of the LaGrange Unit and Salt Building

The Indiana Department of Transportation (INDOT) requests funding for the construction of the LaGrange Unit Building and LaGrange Salt Building. The new LaGrange Unit Building will be 11,032 sq. ft and the new Salt Building will be 17,185 sq. ft. This new construction at the LaGrange site will replace the existing Brimsfield and Shipshewana Units. The Brimsfield and Shipshewana Units are 53 years and 54 years old respectively and have several deficiencies that negatively affect the carrying out their operations and managing environmental risks. Upon completion of the new buildings the existing sites at Brimsfield and Shipshewana will be sold.

Funding: HEA 1001: 2021 State Highway Fund
(State Highway Fund Line Items 30531 – 2021)

9. Adjutant General (110) \$ 987,120
Shelbyville Water Utility Extension

The Adjutant General (AGO) requests additional funding to pay for cost overruns for connection fees, supervision and overhead costs, and engineering costs related to extending a water main at the Shelbyville Armory to meet easement requirements. Due to planned construction, inconsistent quality of water, and inadequate water pressure for firefighting requirements, the current well is insufficient for the AGO's operational needs. Upon completion, the existing water well will be demolished.

Funding:	HEA 1001: 2019 State Construction Fund (State Construction Fund - Public Safety R&R 59911 – 2021)	\$ 184,236
	Federal Funds	\$ 348,964
	HEA 1001: 'Previously Approved' 2019 State Construction Fund (State Construction Fund - Public Safety R&R 59911 – 2021)	\$ 104,402
	'Previously Approved' Federal Funds	\$ 349,518

III. University Projects

1. Indiana University – IUPUI (750) \$ 13,000,000
Dunlap Interior Reno First and Second Floors
Project No. A-2-21-2-06

The Trustees of Indiana University request authorization to proceed with the renovation of approximately 57,300 gross square feet of space on the first and second floors of the Dunlap building, as well as a small contiguous portion of the first floor of the Health Sciences building, located on the IUPUI campus. Renovations will enable the relocation of IU School of Medicine's Family Medicine Center from its current facility at Senate and 15th Avenue in Indianapolis that is owned by IU Health. This facility will be demolished to provide a site for a new IU School of Medicine education facility co-located with a new IU Health Flexible Platform of Care Hospital in this area. Proposed improvements will double the center's size and include the creation of examination rooms, procedure rooms, clinical spaces, offices, administrative workstations, and conference and classroom spaces. Also included are related medical equipment and necessary integrations with building systems such as mechanical, plumbing, electrical, security, life safety, and data to support these spaces. This project is estimated to cost \$13,000,000 and will be funded by a grant from Indiana University Health.

Funding: Grant Funds
CHE Review: June 10, 2021

2. Purdue University – West Lafayette (760) \$ 41,000,000
Hypersonics and Applied Research Facility
Project No. B-1-21-1-07

The Trustees of Purdue University request authorization of the planning, financing, construction, and award of construction contracts for the Hypersonics and Applied Research Facility. This project includes the construction of an approximately 65,000 square foot facility for research and limited office space. This project is key to two of the newly announced Purdue Next Moves strategic initiatives designed to advance the university's competitive advantage among the world's top teaching and research institutions: the National Security and Technology Initiative and the Purdue Applied Research Institution. This project is estimated to cost \$41,000,000. This includes \$20,000,000 in Indirect Cost Recovery, \$16,000,000 in Operating Funds-Reserves and \$5,000,000 in Gift Funds.

Funding:	Indirect Cost Recovery	\$ 20,000,000
	Operating Funds – Reserves	\$ 16,000,000
	Gift Funds	\$ 5,000,000

CHE Review: June 10, 2021

3. Purdue University – West Lafayette (760) \$ 5,500,000
Secure Research Facility
Project No. B-1-21-2-08

Purdue University West Lafayette requests approval of the planning, financing, construction, and award of construction contracts for the Purdue Secure Research Facility. This project will create 7,000 square feet of space to support research activities on the West Lafayette campus. The facility will enable research activities that are not currently possible on the West Lafayette campus. This project is key to two of the newly announced Purdue Next Moves strategic initiatives designed to advance the university's competitive advantage among the world's top teaching and research institutions: the National Security and Technology Initiative and the Purdue Applied Research Institution. The estimated total project cost is \$5,500,000, funded by Operating Funds-Reserves.

Funding: Operating Funds – Reserves

CHE Review: June 10, 2021

Cost Summary

2021 General Fund	\$ 3,017,112
2019 State Construction Fund	\$ 184,236
Federal Funds	\$ 348,964
2019 'Previously Approved' State Construction Fund	\$104,402
'Previously Approved' Federal Funds	\$ 349,518
State Police Building Account	\$ 73,286
2021 State Highway Fund	\$ 8,825,000
Operating Funds – Reserves	\$ 21,500,000
Gift Funds	\$ 5,000,000
Grant Funds	\$ 13,000,000
Indirect Cost Recovery	\$ 20,000,000
Total	\$ 72,402,518

IV. Review Items

1. Medicaid State Plan Amendments and Waivers – Family and Social Services Administration
 - i. Out-Of-State Children’s Hospital Reimbursement
 - ii. Federal Qualified Health Centers and Rural Health Clinics COVID-19 Vaccine Administration Reimbursement
 - iii. COVID Vaccine and Treatment Administration Reimbursement
 - iv. Expansion of Provider Ordering of Diabetes Self-Management Training
2. Indiana Public Broadcasting Disbursement – Department of Education
3. Regional Economic Acceleration and Development Initiative (READI) Grant – Indiana Economic Development Corporation

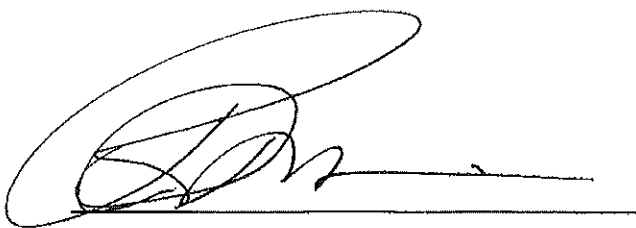
V. Discussion Items

1. Excess Reserves Calculation – Office of Management and Budget / State Budget Agency
2. CARES Act Funding (CRF) and America Rescue Plan Act (ARPA) Updates
3. Tuition and Mandatory Fees for Indiana’s Public Postsecondary Institutions for 2021-22 and 2022-23

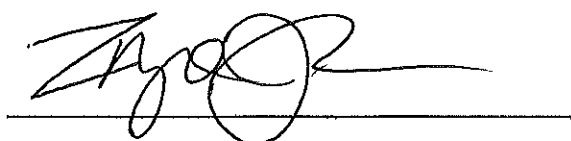
VI. Reports Received

1. Indiana State Fair Commission 2020 Annual Report – (07.07.2021)
2. Proposed Changes to the School Corporation Fiscal Indicators, IC 20-19-7-3 – (07.07.2021)
3. Tuition and Mandatory Fee Targets for Indiana’s Public Postsecondary Institutions for 2021-22 and 2022-23 – (07.14.2021)
4. Allotments from the Departmental and Institutional Emergency Contingency Fund – State Budget Agency – (07.09.2021)

State Budget Committee
Meeting Minutes
July 2021

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Senator Ryan Mishler, Chairman

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Mr. Zachary Jackson, State Budget Director