

April 2022 Minutes

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Budget Committee
April 2022 Minutes

State Budget Committee Minutes
April 26, 2022 10:00 AM EDT
Indiana Statehouse
Senate Appropriations Committee Room 431
200 W. Washington Street, Indianapolis, IN 46204

Members:

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

Alternate Members:

Senator Liz Brown
Representative Bob Cherry
Representative Carey Hamilton
Joe Habig, Deputy Budget Director
Lisa Acobert, Deputy Budget Director

Chairman Ryan Mishler called the meeting to order at 10:02 AM EDT.

Chairman Mishler introduced the minutes from the February 2022 meeting. Representative Tim Brown motioned to approve the minutes. Mr. Zachary Jackson seconded the motion. The February 2022 minutes were adopted by the Committee.

Following the Indiana Economic Development Corp (IEDC) agency presentation, Representative Gregory Porter asked if IEDC could provide a cost breakdown of the previously approved dollars for the GM Stamping Plant Site purchase. Robert Paglia, Senior Vice President and Chief Administrative Officer of IEDC, said that he would follow up with the Committee.

After the Department of Natural Resources (DNR) agency presentation, Representative Gregory Porter asked DNR to provide the data for DNR's supplier diversity participation regarding their projects. Kirsten Haney, Chief Financial Officer of DNR, said that she would follow up with the Committee.

Following the Purdue University presentation, Chairman Mishler asked for a cost analysis of building new residence halls versus leasing housing space. Alecia Nafziger, Director of Government Relations and Fiscal Policy Analysis for Purdue University, said that she would follow up with the Committee.

After the Indiana University presentation, Senator Liz Brown asked for the cost to maintain the new Morrison Hall project running after the initial investment was made. Zachary Jackson was also interested in those figures, if this space would be considered academic space, and who will be responsible for future capital investments. Brad Boswell, Executive Director of State Relations for Indiana University, said that he would follow up with the Committee.

During the Family and Social Services Administration (FSSA) review item presentation, Senator Liz Brown asked for the figure needed to right size insurance programs following the COVID public health

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emergency, regarding the American Rescue Plan Act COVID Provisions State Plan Amendment. As regarding the American Rescue Plan Act COVID Provisions State Plan Amendment, Representative Tim Brown asked what the consequence would be if the state did not cover individuals for the federally required 12-month period. Concerning the Adult Mental Health Habilitation State Plan Amendment, Senator Liz Brown asked for an estimated fiscal impact. Allision Taylor, State Medicaid Director for FSSA, and Paul Bowling, Chief Financial Officer for FSSA, said they would follow up with the Committee.

After all agency projects, university projects, and review items had been presented, Representative Tim Brown motioned to approve the April 2022 agenda. Representative Gregory Porter seconded the motion. The agenda was adopted by the Committee.

Following the Office of Management and Budget (OMB) discussion item presentation, Representative Gregory Porter asked for the details on the Health Challenge Grants and how many were awarded to minorities. Senator Eddie Melton asked what restrictions applied to the infrastructure federal funds. Cris Johnston, Director of OMB, said he would follow up with the Committee.

Following no further business, the meeting adjourned at 12:34 PM EDT.

I. Minutes

1. February 2022 Minutes

II. Agency Projects:

1. Evansville State Hospital (425) \$ 904,702
Campus Drainage Project

The Evansville State Hospital (ESH) requests additional funding to proceed with a drainage project on the ESH campus as the project cost exceeded the initial estimate. This project was previously reviewed by the Budget Committee in April 2020. Upon further review of the drainage survey conducted by an engineering firm, it was discovered that the scope needed to be expanded to include additional drains. If left incomplete, this roadway will continue to be blocked due to flooding thus causing significant access problems that impedes the community from gaining entry to the hospital and city property. This request includes contingency for unknown events that may be encountered with existing utilities, while also being mindful of the current construction/labor market.

Funding: HEA 1001: 'Previously Approved' 2019 State Construction Fund \$ 470,000
(ESH SCF R&R Fund 59950 – 2020)
HEA 1001: 2021 State Construction Fund \$ 434,702
(State Construction Fund – FSSA R&R 59970 – 2022)

2. Indiana Department of Homeland Security (385) \$ 540,000
Construction of Fire Tower Training Facility

The Indiana Department of Homeland Security (IDHS) requests funding for the construction of a fire training tower. The fire training tower will be constructed using shipping containers IDHS has already acquired at no cost. The site of the proposed training facility is a 7.05-acre plot of land adjacent to the Indiana Law Enforcement Academy and Indiana Department of Correction Plainfield site. The new training tower will provide several specialized training props and the availability for various fire departments to conduct live burn operations. The tower will meet industry standards, as previous concrete fire training towers are being phased out nationwide.

Funding: HEA 1001: 2021 Regional Public Safety Training Fund
(Regional Public Safety Training 53210 – 2022)

3. Adjutant General's Office (110) \$ 430,000
Stout Field Building #9 Lead Abatement

The Adjutant General's Office requests funding to abate lead paint on the rafters of the hangar portion of the building. The building was originally constructed in 1941 as an airplane hangar, and the administrative wings were renovated in 2015. The building is currently used daily by Stout Field administrative staff and other Indiana National Guard personnel. Recently, it was discovered that lead paint was used on the overhead structural steel of the building after it began chipping and falling. This project will include pre-cleaning of the areas, use of filtration units, removal of all loose lead containing paint from the steel, application of lead block paint, and disposal of the hazardous waste. Due to an agreement between Indiana and the Federal Government, the cost of this project is shared between both parties.

Funding:	HEA 1001: 'Change of Use' 2021 General Fund (Adj Gen GF PM 19061 – 2021)	\$ 129,000
	Federal Funds	\$ 301,000

4. Adjutant General's Office (110) \$ 478,000
Knightstown Building #2 Roof

The Adjutant General's Office requests additional funding to replace the 17,000 square foot flat roof on the dining hall building located at the Hoosier Youth Challenge Academy (HYCA) campus in Knightstown due to higher-than-expected project bids. This project was previously reviewed by the Budget Committee in September 2021. The current roofing system is over 30 years old and has exceeded its useful life with numerous leaks occurring. This project will include demolition and disposal of the existing roofing system, replacement of any deteriorated decking material, and installation of a new ethylene propylene diene terpolymer (EPDM) roofing system. Due to an agreement between Indiana and the Federal Government, the cost of these projects is shared between both parties.

Funding:	HEA 1001: 'Change of Use' 2015 General Fund (Adj Gen GF Construction Fund 19060 – 2022)	\$ 40,702
	Federal Funds	\$ 122,104
	HEA 1001: 'Previously Approved' 2021 State Construction Fund (Adj Gen SCF Construction 59924 – 2022)	\$ 78,798
	'Previously Approved' Federal Funds	\$ 236,396

5. Indiana Economic Development Corp (260) \$ 76,264,813
GM Stamping Plant Redevelopment

The Indiana Economic Development Corporation (IEDC) requests funding to proceed with the redevelopment of the old General Motors (GM) Stamping Plant location, located on the west side of Indianapolis, and the relocation of Elanco’s global headquarters. The site was previously vacated by GM back in the early 2000’s and hasn’t been redeveloped since due to significant challenges with the site, particularly related to legacy environmental contamination. In 2020, the IEDC identified an opportunity to retain the global headquarters of Elanco, a leader in farm animal and pet health solutions, and solidify Indiana’s position as a world leader in animal health research & development. Upon purchasing the site, the IEDC committed 39 acres of the land for what will be the first phase of a new headquarters development for Elanco. Of the total \$76.2 million cost, \$26 million will be used to facilitate Elanco’s relocation through site work including utility maintenance and relocation, pad removal, and upgrades to underground structures. The remaining \$50.2 million will be used for additional site redevelopment, environmental remediation and monitoring, fees, and several other sub-projects to serve the White River State Park.

Funding: HEA 1001: 2021 General Fund
(General Government Line Items 19737 – 2022)

6. Maumee River Basin Commission (325) \$ 499,200
City of Decatur Pre-Disaster Mitigation Flood Acquisitions

The Maumee River Basin Commission (MRBC) requests funding to acquire and demolish properties in the City of Decatur. The City of Decatur has experienced multiple flood events in the last twenty years to the point that six of the top ten peak floods have occurred in the last twenty years. The MRBC will acquire and demolish four (4) structures in Decatur to be reverted to open green space, which will provide additional storage for future floodwaters. A FEMA grant will cover 75% of the project costs and the remaining 25% will be split between MRBC and the City of Decatur.

Funding: HEA 1001: 2017 Build Indiana Fund \$ 62,400
(Build Indiana Fund Construction 30304 – 2018)
Federal Funds \$ 374,400
Local Funds \$ 62,400

7. Maumee River Basin Commission (325) \$ 638,760
City of Fort Wayne Pre-Disaster Mitigation Flood Acquisitions

The Maumee River Basin Commission (MRBC) requests funding to acquire and demolish properties in the City of Fort Wayne. The City of Fort Wayne has experienced multiple flood events in the last twenty years to the point that seven of the top ten peak floods have occurred in the last fifteen years. The MRBC will acquire and demolish six (6) structures in Fort Wayne to be reverted to open green space, which will provide additional storage for future floodwaters. A FEMA grant will cover 75% of the project costs and the remaining 25% will be split between MRBC and the City of Fort Wayne.

Funding:	HEA 1001: 2017 Build Indiana Fund (Build Indiana Fund Construction 30304 – 2018)	\$ 79,845
	Federal Funds	\$ 479,070
	Local Funds	\$ 79,845

8. Department of Natural Resources (300) \$ 750,000
DNR Building – State Fairgrounds

The Department of Natural Resources (DNR) requests to repurpose Deferred Maintenance funding to be utilized for deferred maintenance needs at the Indiana State Fairgrounds DNR building. These dollars were previously reviewed by the Budget Committee in September 2019 for various DNR deferred maintenance projects. The DNR Building was constructed in 1950 and has only received minor repairs, except for a major renovation of the Fishing Pond area in 2006 that excluded the main building. The project will include replacing roofing areas last replaced in 1990, replacing gutters and downspouts, repointing limestone joints, addressing miscellaneous masonry repairs, cleaning stained limestone, repairing windows and glass, and renovating the public restrooms.

Funding:	HEA 1001: 'Change of Use' 2019 General Fund (IDOA-DNR Deferred Maintenance Fund 19042 – 2020)
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9. Department of Natural Resources (300) \$ 1,940,599
Prophetstown State Park - Powerline Relocation

The Department of Natural Resources (DNR) requests funding to relocate Duke Energy powerlines. The powerlines are being relocated in order to fulfill a mining contract for the future development of a lake at Prophetstown State Park. Funding will be used remove 5,600 feet of powerlines and install 7,600 feet of powerlines to go around the planned lake development area and mining permit area. Leaving the powerlines in their current location limits the development of Prophetstown State Park and prohibits the mining company from completing their contract with the DNR.

Funding:	HEA 1001: 2021 State Parks and Reservoirs Special Fund
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(State Parks Division Memorials 39310 – 2022)

10. Department of Natural Resources (300) \$ 1,911,791
Campground Rehabilitation

The Department of Natural Resources (DNR) requests funding to rehabilitate campgrounds at Ferdinand State Forest and Clark State Forest. The combined State Forests total 34,000 acres with 117 primitive campsites and have received recent renovations such as dump station replacements, playground installations, and modern comfort station installations. Recent feedback on comment cards and declining occupancy rates have indicated electric campsites and modern restroom facilities are desired by visitors. The project will electrify 90 campsites and 10 equestrian campsites, construct 12 camping cabins, and improve campground roads and camping pads throughout both State Forests. A new comfort station will also be constructed at Ferdinand State Forest.

Funding:	HEA 1001: 2019 State Construction Fund (State Construction Fund – Cons & Env R&R 59913 – 2021)	\$ 955,895.50
	Federal Funds	\$ 955,895.50

11. Department of Natural Resources (300) \$ 250,000
Charlestown Water Expansion

The Department of Natural Resources (DNR) requests funding to conduct a preliminary engineering report for the next phase of the Charlestown Water Treatment Plant and Well Field expansion. This plant supplies water to the River Ridge Commerce Center (RRCC) and Charlestown State Park. The water treatment plant is operated and maintained by the River Ridge Development Authority through a 50-year revenue generating contract with the DNR. The second expansion for the plant is to be completed in July 2022 with a 4.5 million gallons/day (MGD) firm capacity and a 6 MGD peak day capacity. Projected growth of the RRCC is resulting in increased demand for water, approaching the capacity limits of the existing supply system. The engineering report would provide infrastructure, cost estimates, and alternatives to provide an additional 15 – 20 MGD to the RRCC and Southern Indiana region. The report is estimated to be completed and submitted for proposals within 6 months following vendor selection.

Funding:	HEA 1001: 'Change of Use' 2017 General Fund (DNR GF Construction Fund 19100 – 2018)	\$ 26,190
	HEA 1001: 'Change of Use' 2017 General Fund (DNR GF Construction Fund 19100 – 2019)	\$ 223,810

III. University Projects

1. Purdue University – West Lafayette \$ 20,000,000
Life Sciences Ranges Phenotyping Greenhouse Building
Project No. B-1-22-08

The Purdue University Board of Trustees requests authorization to proceed with the construction of the Life Sciences Ranges Phenotyping Greenhouse Building on the West Lafayette campus. This project includes the construction of a new 20,000 square foot research grade greenhouse facility, which will be connected to the existing Ag Alumni Seed Controlled Environment Phenotyping Facility (AAPF), and demolition of two 1950s era Life Science Ranges immediately south of AAPF. In addition, the project directly supports Purdue's Next Moves Plant Sciences 2.0 initiative, which aims to bring value driven innovation and disruption to the agriculture and food ecosystem. The estimated cost of this project is \$20,000,000 and will be funded with Operating Fund reserves.

Funding: Operating Funds – Reserves
CHE Review: March 10, 2022

2. Purdue University – West Lafayette \$ 1,257,576
Fuse West Lafayette
Project No. B-1-22-5-07

The Purdue University Board of Trustees requests authorization to proceed to lease a portion of the Fuse West Lafayette building, which is located adjacent to campus. For one academic year, the University will lease 32 apartments from Madison Loft LLC that include 124 beds for student housing and 2 beds for residential assistants. The lease will provide additional temporary housing capacity to help address the increase in student enrollment on the West Lafayette campus for the 2022-2023 academic year. The estimated cost of this project is \$1,257,576 and will be funded with Auxiliary Funds – Housing/Dining.

Funding: Auxiliary Funds – Housing/Dining
CHE Review: February 10, 2022

3. Purdue University – West Lafayette \$ 5,040,000
Aspire at Discovery Park
Project No. B-1-22-5-06

The Purdue University Board of Trustees requests authorization to proceed to lease a portion of Aspire at Discovery Park in the Discovery Park District. For one academic year, the University will lease 140 apartments that include 396 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 for the 2022-2023 academic year. The estimated cost of this project is \$5,040,000 and will be funded with Auxiliary Funds – Housing/Dining.

Funding: Auxiliary Funds – Housing/Dining
CHE Review: February 10, 2022

4. Indiana University – Bloomington Campus \$ 3,000,000
Renovation of Morrison Hall Second and Third Floors for the Irsay Family Research Institute
Project No. A-1-22-2-04

The Indiana University Board of Trustees requests authorization to proceed with the renovation of the second and third floors of Morrison Hall. Renovation of the approximately 17,415 gross square feet will provide the necessary improvements to house the newly established Irsay Family Research Institute, as well as provide research offices, conference rooms, hoteling space, and a data center. The Irsay Family Research Institute will provide direct support and development of research in health and health care, focusing on the stigma that pervades many health challenges. The data center will be constructed to meet federal physical and data security standards for housing a Federal Statistical Research Data Center, which was awarded to IU Bloomington by the U.S. Census Bureau. The data center will provide secure access to federal census data and protected data from the Centers for Disease Control and the National Center for Health Statistics. The project is estimated to cost \$3,000,000 and will be funded by a gift funds.

Funding: Gift Funds
CHE Review: February 10, 2022

Cost Summary

2015 'Change of Use' General Fund	\$ 40,702
2017 Build Indiana Fund	\$ 142,245
2017 'Change of Use' General Fund	\$ 250,000
2019 'Change of Use' General Fund	\$ 750,000
2019 'Previously Approved' State Construction Fund	\$ 470,000
2019 State Construction Fund	\$ 955,895.50
2021 'Change of Use' General Fund	\$ 129,000
2021 'Previously Approved' State Construction Fund	\$ 78,798
2021 General Fund	\$ 76,264,813
2021 Regional Public Safety Training Fund	\$ 540,000
2021 State Construction Fund	\$ 434,702
2021 State Parks Reservoirs Special Fund	\$ 1,940,599
Auxiliary Funds – Housing/Dining	\$ 6,297,576
Federal Funds	\$ 2,232,469.50
Gift Funds	\$ 3,000,000
Local Funds	\$ 142,245
Operating Funds – Reserves	\$ 20,000,000
'Previously Approved' Federal Funds	\$ 236,396
Total	\$ 113,905,441

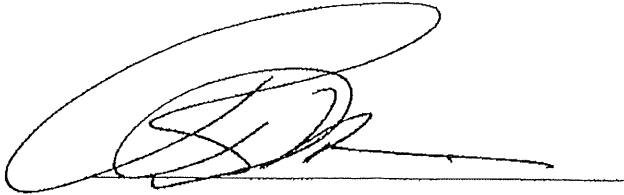
IV. Review Item

1. Medicaid State Plan Amendments (SPA) and Waivers – Family and Social Services Administration
 - i. Out-of-State Children’s Hospital Outlier Cost Reimbursement Methodology SPA
 - ii. American Rescue Plan Act COVID Mandatory Provisions SPAs
 - iii. Clinical Trial Coverage SPA
 - iv. Adult Mental Health Habilitation (AMHH) SPA

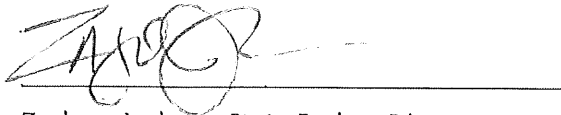
V. Discussion Item

1. CARES Act Funding (CRF) and American Rescue Plan Act (ARPA) Updates – Office of Management and Budget

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Senator Ryan Mishler, Chairman

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Zachary Jackson, State Budget Director