

2024 Budget Committee Hearing Schedule

Monday, December 16, 2024

9:00 - 9:45 AM	Family and Social Services Administration (FSSA)
9:45 - 10:30 AM	Department of Child Services (DCS)
10:30 - 11:15 AM	Department of Health (DOH)
11:15 - 12:00 PM	Department of Education (DOE)
12:00 - 1:00 PM	Recess/Lunch
1:00 - 1:45 PM	Department of Transportation (INDOT)
1:45 - 2:30 PM	Department of Correction (DOC)
2:30 - 3:15 PM	Department of Natural Resources (DNR)
3:15 - 4:00 PM	Department of Workforce Development (DWD)
4:00 - 4:45 PM	Attorney General

December 16, 2024 Minutes

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State Budget Committee Minutes
December 16th, 2024 9:00 AM EST
Indiana Statehouse
Senate Appropriations Room 431
200 West Washington Street, Indianapolis, IN 46204

Members:

Representative Jeff Thompson, Chair
Senator David Niezgodski
Representative Gregory Porter
Senator Ryan Mishler
Joe Habig, Acting State Budget Director

Alternate Members:

Representative Craig Snow
Senator Fady Qaddoura
Representative Ed DeLaney
Senator Chris Garten
Lisa Acobert, Deputy State Budget Director

Chairman Thompson called the meeting to order at 9:00 AM. Chairman Thompson introduced the agenda.

Family and Social Services Administration

Following the presentation by Dan Rusyniak, Senator Qaddoura asked if the \$2.5 billion under DFR included only dedicated funds. They responded that most of that funding is federal dollars, but that it is a mix of both federal and state funding. Senator Qaddoura asked if they had a cost estimate for eliminating the pathways waiver. Mr. Rusyniak stated that FSSA could get the Committee an estimate across the board of waiver service cost. Senator Qaddoura reiterated that he has requested that information multiple times and has not received it. Senator Qaddoura asked for a report of where funding is going and how it is split up. Representative Porter asked how much the State match was for CCDF. Mr. Rusyniak responded that he could provide a report of what the State contributes to the CCDF program. Representative Porter asked if the FSSA was utilizing all available federal funding for the Vocational Rehab program. Mr. Rusyniak responded that he did not have the information for that, but Mr. Rusyniak responded that the FSSA currently is not able to leverage that full grant amount based on what the State appropriates to FSSA. Representative DeLaney stated that he was concerned about Governor Pence's program to expand Medicaid, and he asked if it was fair to say the program has helped rural hospitals. Mr. Rusyniak responded that he believes it has helped all hospitals. Representative DeLaney asked how many rural hospitals were in danger of closing if the State does not continue Governor Pence's Medicaid expansion. Mr. Rusyniak stated that he did not have an answer but the DOH may have an answer. Senator Mishler asked that if we had not changed the eligibility in 2023 would we still be short today? Mr. Rusyniak confirmed. Porter stated that he is concerned about available resources for rural hospitals.

Department of Child Services

Following the presentation by Jasmine Williams and Sarah Sailors, Senator Mishler asked why the agency was coming up short on their budget. Ms. Williams responded that higher costs across the board and a higher utilization factor accounted for higher spending for the agency. Senator Mishler stated that, according to the presentation, there were numerous efficiencies put in place that would cause cases to go down but instead they are going up. Ms. Sailors responded that there is a higher level of need causing unavoidable increases. Representative DeLaney asked how our abuse call rate compares to other states. Ms. Williams responded that they take a higher number of calls. Representative DeLaney asked how the committee and General Assembly can help with the turnover issue at DCS. Both Ms. Williams and Ms. Sailors responded the importance of working on partnerships with schools of social work to instill a passion for this line of work in interested students. Representative Porter asked if children were sleeping at DCS offices. Ms. Sailors responded that was correct due to placement issues.

Department of Health

Following the presentation by DOH, Representative DeLaney asked about the increase of taxation of cigarettes and if it has had an impact on usage. Dr. Weaver responded that there is evidence that shows a direct impact on reducing cigarette usage. Representative DeLaney asked if any hospitals were at risk of closure. Dr. Weaver stated that some hospitals across the State may be in jeopardy of closing. Representative DeLaney asked about obesity rates in the State and how to best utilize available resources to fight obesity. Dr. Weaver responded that there is never one solution and the DOH's goal is to minimize obesity through childhood prevention resources. Representative Porter asked how the State can respond to higher infant mortality rates in the Black community. Dr. Weaver responded that the DOH is working to connect local communities directly with available resources. Representative Porter asked what needs to be done regarding the shortage of OB/GYNs in rural hospitals. Dr. Weaver stated that the DOH will not be moving forward with the same approach they have used before. Senator Qaddoura stated that the suicide rate has increased and asked what the driving factor was. Dr. Weaver stated that it depends on the county, but rural areas are hit harder. Senator Garten stated that, regarding OB/GYN's, it is important for those specialists to have sufficient experience, making it harder to always increase the number of specialists. Dr. Weaver responded saying that the DOH recognizes that in some facilities, there is not enough experience available for young professionals in the medical field to complete training to be a specialist.

Department of Education

Following the presentation by Dr. Jenner, Senator Mishler asked to clarify the spending breakdown for the reading category to better understand how DOE is spending. Dr. Jenner stated that more spending isn't necessary, but being more efficient with available funding and having clear priorities is necessary. Dr. Jenner stated that flexibility from the General Assembly will be necessary to get education priorities in order. Senator Qaddoura asked why the distribution for tuition support flatlined. Dr. Jenner stated that the presentation she gave was focused on past expenditures due to not having the revenue forecast. Senator Qaddoura stated that he was concerned there was no policy discussion happening at this budget hearing regarding the DOE's policy priorities.

Indiana Department of Transportation

Following the presentation by INDOT, Representative DeLaney asked if high speeds had an impact on highway fatalities. Commissioner Mike Smith confirmed that and stated that cameras are having a real-world impact. Senator Qaddoura stated that, according to a study done by Purdue University, if the State was to maintain current roads and keep them operational it would cost the State \$2.4 billion over the next decade.

Department of Correction

Following the presentation by DOC, Representative DeLaney asked to clarify the meaning of "F6 Diversion" and Commissioner Reagle clarified that it meant the offender was sentenced as an F6 but sentenced to jail and not prison. Representative DeLaney asked if the jail population had increased or decreased in recent years. Commissioner Reagle stated that jail populations have increased. Representative DeLaney asked what the starting pay was for a correctional officer. Mr. Anderson responded that starting pay was \$22 an hour. Representative DeLaney reiterated the importance of paying a fair wage to get good employees across the state.

Department of Natural Resources

Following the presentation by Dan Bortner and Michael Smith, Senator Garten asked Mr. Bortner why a trail mile costs more to create than a mile of I-69. Mr. Bortner responded that the land for the interstate already exists, and the trail mile must be created. Senator Garten also noted a few recent projects in the next level conservation trust costing more than previous projects. Mr. Bortner referred to Chris Smith and Mr. Smith cited increased land costs in the Lebanon area.

Department of Workforce Development

Following the presentation by Richard Paulk and Mike Smith, Representative Porter asked if the State was at the recommended level for the unemployment trust fund. Mr. Smith responded that the State is currently below the solvency ratio, but the State manages its own approach to the issue.

Attorney General

Following the presentation by Attorney General Rokita, Representative DeLaney asked who the Attorney General's client is and who gives the Attorney General direction. Attorney General Rokita responded that, through the election process, he was given discretion and authority by the people. Attorney General Rokita also responded that his clients are the citizens of Indiana. Representative DeLaney asked if the Attorney General conferred with the Governor's office before pursuing litigation against the Federal Government. Attorney General responded that his office confers with the Governor's office weekly or biweekly. Representative DeLaney asked if Attorney General Rokita would oppose legislation that requires the Attorney General to seek approval from the Governor before pursuing litigation for various causes. Attorney General Rokita responded that he would oppose that because he believes it intervenes with the role of the Attorney General. Representative DeLaney asked if Attorney General Rokita would spend less on various litigation against the Federal Government once President Trump is back in office. Attorney General Rokita responded that he does not know the answer to that question.

Following the final presentation, Chairman Thompson adjourned the meeting.

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State Budget Committee Agenda
December 17th, 2024 9:00 AM EST
Indiana Statehouse
Senate Appropriations Room 431
200 W. Washington St., Indianapolis, IN 46204

I. Minutes

- I. October 2024 Minutes
- II. November 2024 Minutes

II. Agency Projects

- 1. **Department of Transportation (800)** \$ 11,600,000
Construction of the Gary Unit and Salt Building

The Department of Transportation (INDOT) requests funding for the construction of a new Gary Unit Building and Salt Building. The existing unit building was built in 1965, and existing salt building was built in 1979. The existing unit building does not allow for OSHA approved work clearances or proper ventilation within the garage spaces. The age and condition of the structures has led to operational issues and concerns with ADA compliance. Trucks that deliver salt to the sites off-load the salt on the ground, leading to salt contamination. Construction of both new buildings will mitigate those concerns and keep the unit within industry standards.

Funding: HEA 1001: 2023 State Highway Fund
(State Highway Fund Line Items 30534 - 2025)

- 2. **Department of Transportation (800)** \$ 2,500,000
Demolition of the Wolcott Rest Area

The Department of Transportation (INDOT) requests funding for the demolition of the Wolcott rest areas. These properties were permanently closed in Fiscal Year 2024 due to their proximity to the Kankakee and Lebanon rest areas. The buildings are not connected to water or sanitary services and bringing them up to code would be too expensive. The Lebanon and Kankakee rest areas provide the additional space necessary to make up for the loss of space at Wolcott.

Funding: HEA 1001: 2023 State Highway Fund
(Maintenance Work Program 30520 - 2025)

3. **Department of Transportation (800)** \$ 1,200,000
Evansville Land Purchase

The Department of Transportation (INDOT) requests a change of use and additional funds to purchase land for the consolidation of the Evansville and Chandler Units. The existing Evansville Unit was built in 1920, and the Chandler Unit was built in 1989. The existing buildings do not allow for OSHA approved work clearances or proper ventilation in garage spaces. Trucks that deliver salt to the sites off-load the salt on the ground, leading to salt contamination. The site has access to municipal water and sewer and will allow for the construction of a unit that meets operational expectations and mitigates environmental concerns.

Funding: HEA 1001: 2023 State Highway Fund
(State Highway Fund Line Items 30534 - 2025)

4. **Department of Transportation (800)** \$ 805,000
Evansville Unit and Salt Building

The Department of Transportation (INDOT) requests a change of use and additional funding for the design of the Evansville Unit and Salt Building. The Evansville Unit will be consolidated with the Chandler Unit. The existing Evansville Unit was built in 1920, and the Chandler Unit was built in 1989. The existing buildings do not allow for OSHA approved work clearances or proper ventilation in garage spaces. Trucks that deliver salt to the sites off-load the salt on the ground, leading to salt contamination. The site has access to municipal water and sewer allowing for the construction of a unit that meets operational expectations and mitigates environmental concerns.

Funding: HEA 1001: 2023 State Highway Fund
(State Highway Fund Line Items 30534 - 2025)

5. **Indiana Economic Development Corporation (260)** \$ 27,000,000
IEDC Deal Closing Fund Performance Initiative

The Indiana Economic Development Corporation (IEDC) requests Budget Committee approval of \$27 million for property acquisition of approximately 307 acres, as well as deposits, and option payments for additional land in Boone County west of I-65 to support two projects within the LEAP District. These two projects involve companies engaged in advanced computing, information technology, and biopharmaceutical manufacturing. The two projects supported by these acquisitions have been fully or partially announced. They include Project Matrix, a new center for advanced manufacturing and drug development, in which the IEDC incentivized \$2.614+ billion of investment and hiring of 239 FTE's is one of the projects, and Project Domino, an advanced computing, hosting and processing campus development. The land, once acquired, will be sold with proceeds of these land sales being returned to the General Fund.

Funding: HEA 1001: 2023 General Fund
(Capital Section 292 19780 - 2025)

6. **Indiana Economic Development Corporation (260)** \$ 33,000,000
IEDC Deal Closing Fund Performance Initiative

The Indiana Economic Development Corporation (IEDC) requests Budget Committee approval for \$33 million from the Deal Closing Fund created in the 2023 biennial budget for ongoing infrastructure development within the LEAP district which will support Project Matrix, and Project Domino, an advanced computing, hosting and processing campus development which will be located within a 1,415+ acre site north of State Road 32. Improvements funded through this allocation will include certain road enhancements in and around the developments, and the expansion of necessary water and wastewater infrastructure around the project sites.

Funding: HEA 1001: 2023 General Fund
(Capital Section 292 19780 - 2025)

7. **Indiana Economic Development Corporation (260)** \$ 25,000,000
IEDC Deal Closing Fund Performance Initiative

The Indiana Economic Development Corporation (IEDC) requests Budget Committee approval for \$25 million from the Deal Closing Fund created in the 2023 biennial budget that will be transferred to the Indiana Finance Authority and deposited in a debt service reserve fund that is required for IFA to secure bond financing to expand wastewater infrastructure with capacity to treat 25 million gallons per day in the City of Lebanon. The local utility requires additional water treatment capacity to serve these new tenants and sustain the community's continued growth.

Funding: HEA 1001: 2023 General Fund
(Capital Section 292 19780 - 2025)

8. **Adjutant General’s Office (110)** \$ 8,878,000
 LaPorte Readiness Center Modernization

The Adjutant General’s Office (AGO) requests additional funding for the LaPorte Readiness Center Modernization. The additional funding is due to increased construction costs seen across Northern Indiana. Completion of the project will allow the AGO to divest from the Michigan City Readiness Center and save on backlog maintenance. Not investing in the LaPorte Readiness Center will cause further maintenance costs and recruiting difficulties.

Funding:	HEA 1001: 2023 ‘Previously Approved’ State Construction Fund (Public Safety Line Items 59974 - 2024)	\$ 2,373,500
	‘Previously Approved’ Federal Funds	\$ 3,812,500
	HEA 1001: 2023 ‘Change of Use’ State Construction Fund (Public Safety Line Items 59974 - 2024)	\$ 1,355,260
	Federal Funds	\$ 1,336,740

9. **Indiana School for the Deaf (560)** \$ 320,150
 Track Resurface and String Track Facility

The Indiana School for the Deaf (ISD) requests a change of use of funds for the resurfacing of the school’s track and the addition of a string track. The Indiana School for the Deaf athletic facilities will be shared by the Indiana School for the Blind and Visually Impaired for the next five years until they are co-located in a new campus. The track needs to accommodate all students using the facility and needs to be eligible for IHSAA events. Failure to address these problems will prevent some students from being able to use the track facilities in athletic events.

Funding:	HEA 1001: 2017 ‘Change of Use’ Postwar Construction Fund (Deaf & Blind R&R 70541 - 2019)
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10. **Indiana Department of Workforce Development (510)** \$ 4,000,000
 Applied Workforce Data Initiative (AWDI)

The Indiana Department of Workforce Development (DWD) requests approval to receive \$4,000,000 in state capital appropriation funding for the Applied Workforce Data Initiative (AWDI). The capital funding will enable DWD to continue to assess, prioritize, and enhance workforce (WF) and unemployment insurance (UI) information systems with the goal of simplifying and improving the user experience of both job seekers and employers. The capital funding will be applied to continue to modify and enhance existing systems; and to address supporting costs related to project management, user journey mapping, requirements gathering, cybersecurity, and data privacy.

Funding:	HEA 1001: 2023 General Fund (Economic & Work Line 19770 - 2025)
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11. **State Budget Agency (057)** \$ 5,000,000
Judicial Building

The State Budget Agency (SBA) and Department of Administration (IDOA) intend to use appropriated funding for pre-design consulting work for a new judicial building. Programming will help determine who will occupy the building, the needs of those tenants, how the different entities will interact, and what special considerations are needed. That information will then inform building lay out, square footage, number of floors etc. This will entail all “pre-design work” for the building.

Funding: HEA 1001: 2023 General Fund
(Gen Gov Line Items 19757 - 2025)

III. University Projects

1. **Ball State University (780)** \$ 45,000,000
The Village Lease and Lease Purchase Obligations
D-1-25-5-01

The Ball State University Board of Trustees requests authorization to proceed with entering into lease and lease purchase agreements between Ball State University and the Ball State Innovation Corporation that will allow for a portion of the Performing Arts Center and the Center for Innovation to be financed through the issuance of Lease Purchase Obligations (LPO), Series 2024. The University will lease to BSIC for a period of no more than 20 years. The University will lease to BSIC the land on which the projects will occur and will terminate upon the final repayment of the LPO. Upon fully paying off the LPO, the leases will expire, and the project will be fully owned by the University.

CHE Review: October 10, 2024
Funding: Operating Reserves

2. **Indiana University (750)** \$ 2,800,000
Bradford Woods Pool Replacement
A-1-25-2-07

The Indiana University Board of Trustees requests authorization to proceed with the renovation and replacement of the Bradford Woods – Lilly Pool on the Bloomington Campus. The project includes the removal of the 12,000 gross square foot 1970s aluminum pool and installation of a new zero-entry pool to offer an accessible option rather than traditional ramp. The project will also include the replacement of the existing bathhouse with two new single occupancy accessible restrooms.

CHE Review: October 10, 2024
Funding: Private Grant

3. **Purdue University (760)** \$ 2,112,069
Regional Deferred Maintenance
B-025-2-10

The Purdue University Board of Trustees requests authorization to proceed with six priority deferred maintenance projects on the Fort Wayne Campus. The projects include the repair or replacement of multiple building chillers, air handling units, hydronic heating replacement, metal panel wall reconstruction, and HVAC controls.

CHE Review: October 10, 2024
Funding: HEA 1001: 2023 General Fund
(Education Line Items 19779 - 2025)

4. **Purdue University (760)** \$ 1,010,000
Laboratory Information Management System

A new Laboratory Information Management System (LIMS) with improved client interface is needed to meet client expectations. The selected commercial LIMS will provide modern IT infrastructure to allow customization and updates while maintaining continuity of business. Day to day functionality for diagnostics, retrospective search functions to support research, and business intelligence tools far exceed what is available in the current home-grown LIMS. Switching to a new LIMS creates the need for a new Quality Management Software package. The commercial QMS will provide enhanced document control features and superior searchability. A functional QMS is essential for maintaining accreditation by the American Association of Veterinary Laboratory Diagnosticians.

Funding: HEA 1001: 2023 General Fund \$ 1,000,000
(Capital Section 292 19780 - 2025)
Operating Reserves \$ 10,000

Cost Summary

2023 General Fund	\$ 97,112,069
2023 State Highway Fund	\$ 16,105,000
2023 'Previously Approved' State Construction Fund	\$ 2,373,500
2023 'Change of Use' State Construction Fund	\$ 1,355,260
2017 'Change of Use' Postwar Construction Fund	\$ 320,150
'Previously Approved' Federal Funds	\$ 3,812,500
Federal Funds	\$ 1,336,740
Operating Reserves	\$ 45,010,000
Private Grant	\$ 2,800,000
Total	\$ 170,225,219

IV. Review Items

- I. Deal Closing Fund Augmentation - *Indiana Economic Development Corporation*
- II. 21 Fund Investment Policies - *Indiana Economic Development Corporation*
- III. Hospital Price Benchmarking - *Department of Insurance*
- IV. Local Public Health Funding - *Department of Health*
- V. Primary Care Scholarship - *Marian University*
- VI. Frank O'Bannon Schedule of Awards - *Commission for Higher Education*
- VII. Fees, Fines, and Penalties
 - a. Indiana Department of Transportation
 - i. *Oversized, Overweight Fees*
 - b. Secretary of State
 - i. *Fees for Online Bulk Data Orders*
 - ii. *Indiana Trademark Act Payment Processing Fees*
 - iii. *Notary Fees for Use of Shared IT Infrastructure and Payment*
- VIII. Medicaid State Plan and Waiver Amendment - *Family and Social Services Administration*
 - i. *Applied Behavior Analysis (ABA) Benefit Limits*

V. Discussion Items

- I. HEA 1120-2024, Section 63, Personal Care Pass Through Minimums - *Family and Social Services Administration*
- II. Medicaid Forecast
- III. Economic Forecast
- IV. Revenue Forecast

VI. Reports Received

- I. State Educational Institution Status Commission Report, IC 21-49-4-2 - *Commission for Higher Education* (11.25.2024)
- II. SEA 202-2024 University Annual Reports, IC 21-49-4-3 – *State Educational Institutions* (11.25.2024)
- III. Ivy Tech Annual Report, IC 21-41-5-15- *Ivy Tech Community College* (11.25.2024)
- IV. Collective Bargaining Annual Report, IC 20-29-3-15 - *Indiana Education Employment Relations Board* (11.25.2024)
- V. 2024 Secured School Safety Board Report, IC 10-21-1-8 - *Department of Homeland Security* (11.25.2024)
- VI. University GASB 74-75, IC 5-10.5-4-6 - *Indiana Public Retirement System* (11.25.2024)
- VII. Medicare Analysts 2024 Report, IC 21-1-47.5-5 - *Department of Insurance* (11.25.2024)
- VIII. Local Board of Health Financial Reports IC 16-46-10-2.2 - *Indiana Department of Health* (12.10.2024)
- IX. Sales Data Report, IC 9-14-13-12 – *Bureau of Motor Vehicles* (12.10.2024)
- X. 2024 Federal Grants Report, IC 4-3-24-7 – *State Budget Agency* (12.10.2024)
- XI. 2024 State Educational Institution Supplier Diversity Report, IC 4-13-16.5-4.5 – *Indiana Department of Administration* (12.10.2024)
- XII. 2024 Donation Salaries Report, IC 4-12-1-21 – *State Budget Agency* (12.10.2024)

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Members:

Representative Jeff Thompson, Chair
Senator David Niezgodski
Representative Gregory Porter
Senator Ryan Mishler
Joe Habig, Acting State Budget Director

Alternate Members:

Representative Craig Snow
Senator Fady Qaddoura
Representative Ed DeLaney
Senator Chris Garten
Lisa Acobert, Deputy State Budget Director

Chairman Thompson called the meeting to order at 9:00 AM. Chairman Thompson introduced the October and November minutes. Representative Porter moved to approve the October Minutes; Senator Garten seconded the motion. Representative Porter moved to approve the November Minutes; Senator Garten seconded the motion. Chairman Thompson introduced the agenda.

Agency Projects

Department of Transportation

Following the presentation by Steve McAvoy for the Gary Unit and Salt Building, Representative Porter asked how many more salt buildings were needing to be built. Mr. McAvoy responded that INDOT has 118 active units with an average age of 32 years and plans are to keep building 1 new building per year. Representative Porter asked if INDOT would be able to project future costs including inflation. Mr. McAvoy responded that they are working to reduce the cost of each salt building and plan on building more than one per year.

Indiana Economic Development Corporation

Following the first presentation by Mark Wasky, Representative DeLaney asked if the tenant for this project was Meta. Mr. Wasky confirmed that the tenant is Meta. Representative DeLaney asked what the employment outlook for this project looked like, and Mr. Wasky replied that Meta is looking to add around 50 w-2 jobs at this location per phase and around 100 to 200 full-time contractor positions. Representative DeLaney asked if any other citizens would see increased electric bills by the additional draw on utilities in the area. The IEDC responded that they would refer to the utility company for an accurate answer. Representative DeLaney asked how much of the property for this project is already owned. Mr. Wasky replied that none of it is currently owned. Senator Qaddoura asked for the current balance in the land acquisition fund. Mr. Wasky replied that the IEDC has utilized the deal closing fund in addition to the land acquisition fund. Senator Qaddoura asked for the balance of that fund. Mr. Wasky responded that he did not know but could get that number to the committee.

State Budget Agency

Following the presentation by Matt Kent, Representative Porter asked if the \$5 million appropriation was too much for surveys and other planning costs associated with the Judicial Building. Mr. Kent responded that a lot of work would need to be done due to several entities coming together on this project. Representative Porter stated that there needs to be more detail for this proposal for clarification purposes. Acting Budget Director Joe Habig responded that yes, \$5 million was a lot, but the State Budget Agency does not anticipate the study taking the entire \$5 million.

Review Items

Indiana Economic Development Corporation

Following the presentation by Mark Wasky, Representative Porter asked how the augmentation works for this set of projects and asked for clarification for the public to understand how the IEDC is funding these projects. Acting Budget Director Joe Habig responded that the augmentation is how the IEDC is funding the three projects listed on the agenda. Senator Qaddoura asked when the previous \$101 million augmentation would be returned to the general fund. Mr. Wasky responded that Meta would close on the property by the end of the year, so the full amount will likely be returned to the state by the end of the calendar year. Senator Qaddoura clarified that the money would go back to the general fund. Acting Director Habig confirmed.

Department of Insurance

Following the presentation by Grant Lindman and David Lewis, Representative DeLaney asked where the 285% of Medicare rates number came from and what it means. Mr. Lewis responded that he did not know why the regulation shows that number. Representative DeLaney asked what he was supposed to do with that number. Mr. Lewis responded that the State must look at what they have right now. Senator Garten asked if he could take data provided in the presentation regarding hospital pricing and compare it to any other State in the nation. Mr. Lewis responded that the State could do that, but that anytime Medicare is used as a basis for comparison it must be defined due to hospital specific adjustments. Senator Garten stated that every hospital stated that they were over the 285% benchmark. Mr. Lewis responded that Medicare is different in every state, so it causes confusion in measuring the right benchmark in Indiana.

Department of Health

Following the presentation by Dr. Lindsay Weaver, Representative Porter asked if the current funding the DOH receives is enough to continue making the State healthier. Dr. Weaver responded that communities are seeing the effects of the State's investments in the DOH. Representative DeLaney asked for clarifications on the charts in the presentation and if these programs are done through the DOH and not private providers. Dr. Weaver stated that there are partnerships with local community-based organizations included in these reports.

Marian University

Following the presentation by Kyle Hattenburg, Senator Mishler asked to clarify confusion with the number of students enrolled and the number of scholarships given. Mr. Hattenburg responded that students could receive multiple scholarships while enrolled so scholarships granted will not reflect the number of students enrolled.

Commission for Higher Education

Following the presentation by Seth Hinshaw and Joshua Garrison, Senator Mishler asked what happens if the CHE does not come to Budget Committee to lower a grant when the fund is running low. Mr. Garrison responded that the CHE would have to reduce awards and overspend the fund. Senator Mishler stated that schools can change the award now and the grant amount will be a little higher. Mr. Garrison confirmed that was true. Senator Qaddoura asked what the consequence would be in the event a student's award amount is changed. Mr. Garrison stated that, based on the FAFSA, students see a fluctuation in awards based on need. Mr. Garrison responded that in this scenario there would be a reduction to their awards. Representative Porter stated that he was frustrated that the CHE did not mention this shortfall in the November budget hearings. Representative Porter stated that it was disrespectful to the rest of the committee to provide all information available when the CHE is able. Representative Porter stated that there are minority students that rely on these awards across the State, and that funding should stay the same and not fluctuate as much as it has. Representative DeLaney stated that it looks as if the CHE is seeking approval for a reduction. Mr. Hinshaw responded that the CHE committed to living within their appropriation once the fund is spent down.

Family and Social Services Administration

Following the presentation by Cora Steinmetz, Senator Qaddoura asked what licensing requirements currently were for ABA therapy centers and what changes are the FSSA seeking for provider education. Ms. Steinmetz responded that certain changes have been noted in a Medicaid provider bulletin including additional background check activity and licensure changes recommended by the Office of the Inspector General (OIG). Senator Qaddoura asked what is causing the 20% increase in spending and what is driving cost savings. Ms. Steinmetz responded that the reduction in hours for individuals receiving up to 40 hours is now capped at 30 hours and the duration with which individuals receive ABA services is decreasing, both causing significant cost savings. Representative Porter asked if the budget was cut last year for the ABA. Ms. Steinmetz stated that the FSSA set a rate that caused a decrease in expenditures. Ms. Steinmetz stated that, prior to January 1, 2024, there were no rates for ABA services.

After presentations, Representative Porter motioned to remove Indiana Economic Development Corporation's projects 5, 6, and 7 as well as the Commission for Higher Education's review item 6 and the Family and Social Services Administration's review item 8. Senator Niezgodski seconded the motion and added that a tough legislative session was ahead making the job of the Budget Committee even more important. Chairman Thompson called a vote for the motion. The motion failed 2-3. Senator Mishler motioned to approve the agenda. Acting Director Habig seconded the motion. Chairman Thompson called a vote for the motion. The motion passed 4-0 with Representative Porter abstaining.

Family and Social Services Administration - Medicaid Forecast

Following the presentation by Cora Steinmetz and Jeremy Palmer, Senator Mishler noted sharp increases as opposed to other States and asked if that indicated Indiana did not get back to normal as quick as other states. Mr. Palmer responded that Indiana retained more individuals than other states. Ms. Steinmetz added that Indiana's unwind took a full 12 months. Representative DeLaney asked why the net reduction in Indiana was less than other states. Ms. Steinmetz responded that states were struggling to anticipate how many individuals would need the services after the pandemic, and Indiana had the same struggle. Representative DeLaney asked why Indiana did not get the same result as other states. Ms. Steinmetz responded that Indiana has a high number of individuals using other data sources to return their information. She also stated that higher stakeholder outreach caused a lower net reduction in enrolled members. Representative DeLaney asked if the FSSA and Milliman were saying that the forecast was wrong but not erroneous. Mr. Palmer stated that was correct. Representative DeLaney asked how much the forecast cost Indiana, and Mr. Palmer stated he was guessing around \$1 million. Representative Porter asked if Indiana was an outlier regarding the missed forecast. Mr. Palmer responded no. Senator Qaddoura asked if the forecast included the request for additional appropriation for new pathways for 2026 and 2027. Ms. Steinmetz responded no and that the FSSA is assuming the number of slots would remain steady in the next biennium.

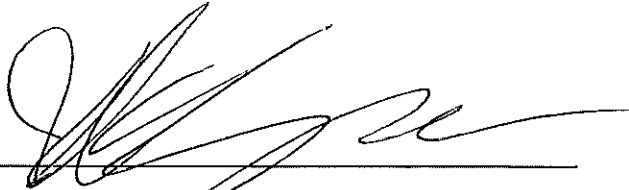
Economic Forecast

Following the presentation by Tom Jackson, Senator Qaddoura asked if Mr. Jackson had seen programs in any other states come to fruition regarding housing issues across the country. Mr. Jackson responded that part of the issue is that housing initiatives sound good if it is done somewhere else. Mr. Jackson responded that financing is only part of the issue.

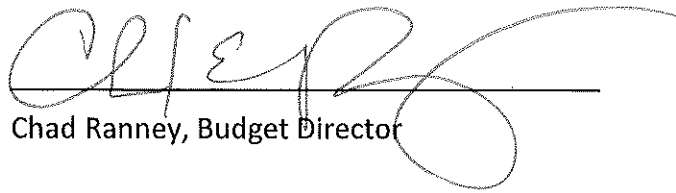
Revenue Forecast

The revenue forecast was presented by Ben Tooley, Director of Fiscal Policy for the House Republican Caucus, and Harimanda Razafindramanana, Chief Economist at the Indiana State Budget Agency.

State Budget Committee
Meeting Minutes
December 2024



Representative Jeff Thompson, Chairman



Chad Ranney, Budget Director