

January 2023 Minutes

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State Budget Committee Minutes
January 05, 2023, 10:00 AM EST
Indiana Statehouse
Senate Appropriations Committee Room 431
200 W. Washington Street, Indianapolis, IN 46204

Members:

Senator Ryan Mishler, Chair
Representative Jeff Thompson
Senator Eddie Melton
Representative Gregory Porter
Zachary Jackson, State Budget Director

Alternate Members:

Senator Chris Garten
Senator Fady Qaddoura
Representative Bob Cherry
Representative Edward Delaney
Joe Habig, Deputy State Budget Director
Lisa Acobert, Deputy State Budget Director

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

Chairman Mishler introduced minutes of the December 2022 meeting. Representative Jeff Thompson moved to adopt the minutes; Mr. Zachary Jackson seconded the motion. The December 2022 Minutes were adopted by the Committee.

Representative Gregory Porter moved to adopt the agenda; Representative Thompson seconded the motion. The agenda was adopted by the Committee.

Following introductions of the Committee members, Mr. Cris Johnston, Director of the Office of Management and Budget (OMB) and Mr. Jackson, State Budget Director, presented the Governor's 2023-2024 Governor's Budget.

Members of the Budget Committee were given the opportunity to ask clarifying questions on the governor's recommended budget.

Senator Eddie Melton had question on what types of facilities the State Demolition Fund could be used for, in which Mr. Jackson replied that it would be used for State run facilities only, like state hospitals and state prisons.

Senator Melton and Senator Chris Garten then asked about the READI grant; specifically about changes to program requirements, the project approval process, and the allotment/disbursement of funds from the first round of funding. Mr. Johnston confirmed that the program would assess all project recipients from the first round of funding to see that certain requirements were made by communities using the READI grant and that the communities would not change, as many communities across the state were approved in the first round of funding.

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Mr. Johnston also confirmed all projects from the first READI grant will be allotted by March 2023; however, due to the strict federal funding provisions it was not known how much of the funding has been dispersed. The currently proposed READI funding in this biennium will be easier to disperse as the state will have separate provisions than the federal provisions. Chairman Mishler also confirmed that the legislature can put in additional parameters for READI grants.

Additionally, Senator Melton had questions on what sites would be chosen for the regional training for firefighters, in which Mr. Jackson would provide that information to the Budget Committee once the State Budget Agency received that information.

Representative Gregory Porter and Representative Edward Delaney had concerns about the Indiana Economic Development Corporation (IEDC) land acquisitions, the augmentation for increased funding for land acquisitions, the locations that the IEDC grants were used for, and possible constraints on providing additional funding for IEDC. Mr. Johnston confirmed that all project acquisitions must be approved by the Budget Committee and the funds can be used throughout Indiana, and not just for specific areas. Chairman Mishler stated that previous projects that IEDC used the additional funding included the Indianapolis Stamping Plant, the Boone County/West Lebanon Project, and the St. Joseph County projects. To get the additional funding needed for these projects, there was a compromise made between IEDC and the Budget Committee that IEDC reimburse and replenish the capital reserve account from the land deals. Chairman Mishler also confirmed the legislature increase restraints placed on projects by IEDC, possible reimbursement for land acquisition, and that the increased funding for IEDC is to help provide additional job opportunities for college graduates. The increased career opportunities will help Indiana college graduates stay in Indiana, rather than leave the state to search for other opportunities.

Senator Fady Qaddoura had concerns of the lack of availability of affordable housing, in which Mr. Johnston replied that this would be better addressed by the Indiana Housing and Community Authority.

Representative Delaney also had concerns about the declining post-secondary graduate enrollment and the governor's office opinions on lowering tuition fees. Mr. Johnston replied that the Commission for Higher Education (CHE) had a new program for the increase funding for public universities and that one of the metrics included graduation rates and retention of students within the state of Indiana. Additionally, CHE would work with public universities across Indiana on appropriate tuition rates.

Senator Garten had questions on changes in the distribution of the Opioid Settlement Fund, in which Mr. Jackson confirmed there were no changes in the distribution of the funds. Chairman Mishler clarified that the changes in the funding sources were done so that there is better oversight and transparency on how the funds are received and distributed, as Mr. Jackson stated that the current funding distribution is very convoluted.

Senator Qaddoura had concerns about the lack of funding increase for early childhood education and childcare for parents. Mr. Jackson stated that there were two programs that had increases, early childcare learning appropriation increased by \$5.8 million in fiscal year 2024 and \$11.2 million in fiscal year 2025 while the early pre-K increased by \$5.5 million in each fiscal year. Mr. Johnston also clarified that the Family and Social Services Administration (FSSA) would be applying for an additional \$25 million in federal grants to help with increased innovative early child-care services and learning.

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Senator Qaddoura also had questions about the local infrastructure increases from INDOT, like the community crossing and other programs; in which Mr. Johnson replied that they will provide that data to Senator Qaddoura at a later time, since these programs are not funded by the general fund.

Additionally, Senator Qaddoura and Representative Bob Cherry had concerns that the behavioral health commission was not being fully funded, in which Mr. Johnston said he would follow up at a later date.

Finally, Chairman Mishler and the Budget Committee would like to thank Olusola Egunyomi for all his hard work in arranging smooth and successful state-wide trips for the Budget Committee.

Following no other business, the meeting adjourned at 11:40 AM EST.


I. Minutes

1. December 2022 Minutes


II. Review Items

1. Governor's Recommended Budget 2024-2025

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Senator Ryan Mishler, Chairman



Zachary Jackson, State Budget Director