

October 2021 Minutes

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**State Budget Committee Minutes
October 27, 2021, 10:00 AM EDT**

Members:

Senator Ryan Mishler, Chair
Representative Tim Brown
Senator Eddie Melton
Representative Gregory Porter
Joe Habig, Deputy Budget Director (Alternate Member in lieu of Budget Director, Zachary Jackson)

Alternate Members:

Senator Liz Brown
Representative Bob Cherry
Lisa Acobert, Deputy Budget Director

Chairman Ryan Mishler called the meeting to order at 10:05 AM EDT.

Chairman Mishler introduced the minutes of the September 2021 meeting. Chairman Mishler motioned to approve the minutes. Representative Gregory Porter seconded the motion. The September 2021 minutes were adopted by consent of the Committee.

Chairman Mishler introduced the October 2021 agenda.

Following the presentation of agency and university projects, the Committee reviewed the federal economic stimulus items.

Ms. Elaine Bedel, Secretary and CEO for the Indiana Destination Development Corporation (IDDC), requested American Rescue Plan Act funding to promote the leisure, travel, and hospitality industries by creating a marketing campaign to advertise Indiana as a great place for visiting, learning, and earning. Chairman Mishler stated that Indiana needs a tagline like "Pure Michigan" to ensure tourism leads to permanent Indiana residents. Ms. Bedel explained that IDDC is partnering with a creative firm to develop in 2022.

Senator Liz Brown emphasized that IDDC should make sure to focus on all areas of the state for tourism opportunities. Ms. Bedel gave an example of encouraging college students, who may not hail from Indiana, to experience all Indiana has to offer throughout the state.

Senator Eddie Melton inquired if IDDC was communicating with regional or local tourism groups. Ms. Bedel explained that IDDC is keeping regional and local tourism groups engaged. IDDC is also planning to create a focus group. Ms. Bedel emphasized the importance of consistent messaging across the state. IDDC also plans to create a statewide website that can connect regional and local websites and ensure that all areas of the state are showcased.

Further, Ms. Heidi Babkowski, Chief Financial Officer for the Indiana Bureau of Motor Vehicles Commission (BMVC), requested Federal Coronavirus Relief Fund funding to reimburse the BMVC for ongoing COVID-19 pandemic related expenses incurred by the Commission in its branches.

Chairman Mishler inquired if the closing of branches during the start of the COVID-19 pandemic yielded savings. Ms. Babkowski explained that while there were in fact savings in personnel costs in the first quarter of the fiscal year, those savings were not as a result of the closures, rather the staff shortages created the need for the closures. Ms. Babkowski noted that the BMV also waived fees during FY 2020 in order to assist the public during the pandemic. Ms. Babkowski further noted that that in order to attract and retain employees and compete in the market, the BMV went through a process to increase minimum pay for those frontline employees in October 2021. Thus, the financial impact of those increases will negate any savings experienced fiscal year-to-date at this point. Chairman Mishler asked Ms. Babkowski to follow up with the amount saved by closing branches temporarily.

Senator Liz Brown asked that in the future the BMV should endeavor to inform the public and members of the General Assembly if branches will be closed due to short staffing situations. Ms. Babkowski stated that she would pass along that comment to the Marketing and Communications Team.

Lastly, Representative Tim Brown motioned to approve the October 2021 agenda. Representative Gregory Porter seconded the motion. The October 2021 agenda was approved by consent of the Committee.

Following no further business, the meeting adjourned at 11:32 AM EDT.

I. Minutes

1. September 2021 Minutes

II. Agency Projects

1. Indiana State Museum and Historic Sites (303) \$ 1,000,000
State Match and Various Repair and Rehabilitation Projects

The Indiana State Museum and Historic Sites (ISMHS) requests funding for various repair and rehabilitation projects as a match to private funds that have been raised by ISMHS for the FY22 state match capital appropriation. These projects include repainting and staining the Limberlost State Historic Site visitor center, purchasing archaeology equipment necessary to survey landscapes and localities, purchasing maintenance equipment for several sites, repairing and restoring the cemetery wall at New Harmony State Historic Site, performing upgrades to the Indiana State Museum with additional infrastructure to school group areas, and replacing the waterwheel at the Whitewater Canal State Historic Site.

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

2. Indiana State Museum and Historic Sites (303) \$ 402,500
Historic Sites - Moisture Infiltration Repairs

The Indiana State Museum and Historic Sites requests funding to begin addressing moisture infiltration issues at multiple state historic sites. At Angel Mounds Historic Site, the Glenn Black House windows are to be repaired or replaced and will have exterior storm windows installed to prevent future leaks. The Angel Mounds interpretive center will have damaged areas of the exterior concrete wall repaired. The Culbertson Mansion Historic Site will receive temperature controls and an updated HVAC system to control humidity conditions inside the building. The Culbertson Mansion carriage house will also receive repairs on its windows and dormers.

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

3. Indiana State Museum and Historic Sites (303) \$ 329,255
Historic Sites - Security Upgrades

The Indiana State Museum and Historic Sites requests funding to address safety and security of visitors, staff, and historic structures at the state historic sites. This project consists of finishing the installation of integrated surveillance equipment at eleven (11) sites, installing solar lights at the Limberlost State Historic Site parking lot, and updating the lock cores at all twelve (12) locations.

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

4. Indiana Department of Transportation (800) \$ 4,950,000
Bluffton Sub-District Building Renovation

The Indiana Department of Transportation (INDOT) requests funding for the renovation of the existing Bluffton Sub-district Building. The 13,785 sq. ft. building was built in 1996 and has begun to show significant structural pre-cast panel failure due to the current panels not being able to tolerate extreme temperature fluctuations. The architectural and engineering fee was approved by the State Budget Committee in October of 2020. The renovation project will replace these panels with masonry and brick veneer while retaining the existing building columns and roof deck. There will also be wash bays, a parts room, and an ADA complaint conference room added as part of the project. The renovated building will be 19,126 sq ft. The facility will remain in operation during the renovation process.

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

5. Indiana Department of Transportation (800) \$ 1,500,000
Replacing the Mechanical, Electrical, and Plumbing Systems at the Materials & Testing Building Phase 4

The Department of Transportation requests funding to replace the mechanical, electrical, and plumbing systems at the Material and Testing Lab Building located in Indianapolis. The current Materials & Testing Building has numerous defects that INDOT must address for safety and operations. The age of the supporting infrastructure dates back to the original construction in 1967. Phase 4 will take place over a 12-month period and focus on renovating the main office, installing an HVAC system and temperature controls, new lighting, and extending the fire alarm system.

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

6. Department of Natural Resources (300) \$ 2,000,000
Turkey Run State Park Inn Mold Remediation

The Department of Natural Resources (DNR) requests funding for the renovation of the second-floor guest rooms, ADA accessible rooms, and basement area that were impacted by a previous roof leak at the Turkey Run State Park Inn. Previous phases for testing and preliminary remediation have already been completed. Additional needs were identified, and the rooms are now ready for renovation. The affected rooms are currently removed from the available inventory. Mold mitigation and remediation is necessary to ensure a healthy environment for all guests and staff.

Funding: HEA 1001: 2021 State Construction Fund
(State Construction Fund – Cons & Envir R&R 59919 – 2022)

7. Department of Natural Resources (300) \$ 550,000
State Forest Water & Wastewater

The Department of Natural Resources (DNR) requests funding for dump station installation and for drilling secondary wells for campsites at State Forests. The project will install dump stations at four (4) State Forests for the disposal of waste and constructing road access to the stations. It will also replace three (3) dump stations before they begin to fail. Secondary wells will be drilled at two (2) State Forests to ensure there is proper support for the main well. The project will be completed before Spring 2022 to ensure DNR is in compliance with Indiana Department of Health regulations and ensure guests have access to camping amenities.

Funding: HEA 1001: 2017 General Fund
(Conservation and Environment R&R 19710 – 2019)

8. Indiana School for the Blind and Visually Impaired (550) \$ 717,690
Utility Tunnel Repairs

The Indiana School for the Blind and Visually Impaired (ISBVI) requests \$717,690 for masonry restoration of the utility tunnel. The utility tunnel, which is 350 feet long, 10 feet tall, and 10 feet wide, was originally built in 1932 and provides access from the powerhouse to the main building on the ISBVI campus and houses the power and steam distribution for the entire school. The project will entail some structural repairs as well as grinding out existing mortar on brick and replacing with new mortar.

Funding: HEA 1001: 2021 State Construction Fund
(State Construction Fund – Deaf and Blind R&R 59971 – 2022)

9. Adjutant General (110) \$ 344,816
Hammond Armory Boiler Replacement

The Adjutant General's Office requests additional funding to replace the boiler at the Hammond Armory due to higher than expected project bids. The boiler system is 30 years old and has reached the end of its useful life. The project will include installation of a new boiler system, replacement of piping as necessary, and installation of new control systems. Consistent past failures have been costly and have deferred projects at other facilities. Prolonged failures require the water to be shut off to prevent additional damage and renders the facilities temporarily unusable.

Funding: HEA 1001: 2019 State Construction Fund \$ 74,520
(State Construction Fund - Public Safety R&R 59911 – 2021)
Federal Funds \$ 74,520
HEA 1001: 'Previously Approved' 2019 State Construction Fund \$ 97,888
(State Construction Fund - Public Safety R&R 59911 – 2021)
'Previously Approved' Federal Funds \$ 97,888

III. University Project

1. Purdue University (760) \$ 2,425,000
Purdue University Fort Wayne Academic Expansion

The Purdue University Board of Trustees request authorization to proceed with the Fort Wayne Academic Expansion project as part of the realignment of all academic programs between Purdue University Fort Wayne (PFW) and Indiana University Fort Wayne (IUFW). The funds will be used to hire fifteen new faculty to expand its academic programs and better serve the economic needs of Northeast Indiana. The expanded academic programs targeted include: five new faculty in Materials, Biomaterials and Bioengineering, five new faculty in Data Science, Applied Statistics, and Computer Information Systems, and five new faculty in Strategic and Risk Management, Financial Services, and Financial Information Systems. The cost of the project is \$2,425,000 and will be funded by State Appropriation.

Funding: HEA 1001: 2021 Capital Cash Appropriation
(Education Line Items 19750 – 2022)

IV. Federal Economic Stimulus Items

1. Indiana Destination Development Corporation (37) \$ 5,582,522
Travel, Tourism, and Outdoor Recreation Grant

The Indiana Destination Development Corporation (IDDC) requests review of American Rescue Plan Act funding to promote the leisure, travel, and hospitality industries by creating a marketing campaign to advertise Indiana as a great place for visiting, learning, and earning. Research shows marketing Indiana to residents of other states increases their perception of Indiana. This marketing initiative will support the state's travel, tourism, and outdoor recreation industries and workforce, and create significant economic impact for communities across the State who rely on these markets.

Funding: American Rescue Plan Act -Economic Development Administration
(U.S. Department of Commerce)

2. State Board of Accounts (80) \$21,725.79
Reimbursement for COVID-19 Related Expenses

The State Board of Accounts (SBOA) requests review of an allocation of up to \$21,725.79 from the Federal Coronavirus Relief Fund (CRF) to reimburse SBOA for ongoing COVID-19 pandemic related expenses incurred by SBOA. In an effort to fulfill its duties to Hoosiers during the pandemic, SBOA incurred a majority of its COVID-19 related expenses on personal protective equipment (PPE), remote work equipment, and personnel expenses related to the SBOA's COVID-19 Task Force support. These costs were incurred to support SBOA's functions and to ensure employee safety.

Funding: Coronavirus Aid, Relief and Economic Security (CARES) Act -Coronavirus Relief Fund

3. Bureau of Motor Vehicles Commission (340) \$ 2,514,495.92
Reimbursement for COVID-19 Related Expenses

The Bureau of Motor Vehicles Commission (BMVC) requests review of an allocation of up to \$2,514,495.92 from the Federal Coronavirus Relief Fund (CRF) to reimburse the Commission for ongoing COVID-19 pandemic related expenses incurred by the Commission in its branches. In an effort to fulfill its duties to Hoosiers during the Pandemic, the BMVC incurred a majority of its COVID-19 related expenses for supplies, cleaning and security; which were all used to ensure employee and customer safety. As it relates to supplies, the BMVC incurred one-time costs primarily associated with plexiglass barriers to ensure appropriate social distancing for employees and customers as well as ongoing supply costs for cleaning in between customers and PPE-like masks provided to customers and employees, as well as protective coverings for cars for drive exams. As to cleaning, the costs incurred consist of additional cleaning within the license branches to ensure all branches were deep cleaned and disinfected every day as most branches were previously only cleaned once or twice per week. Additionally, the BMVC increased security in branches to maintain the safety of customers and employees and to help de-escalate situations when needed.

Funding: Coronavirus Aid, Relief and Economic Security (CARES) Act -Coronavirus Relief Fund

4. Indiana Board for Depositories (8010) \$ 23,972.67
Reimbursement for COVID-19 Related Expenses

The Indiana Board for Depositories (BFD) requests review of an allocation of up to \$23,972.67 from the Federal Coronavirus Relief Fund (CRF) to reimburse the Board for COVID-19 pandemic related expenses incurred by the BFD. In an effort to fulfill its duties to Hoosiers during the Pandemic, the BFD incurred a majority of its COVID-19 related expenses on supplies and technology; which were all used to ensure employee and customer safety. As it relates to supplies, the BFD incurred one-time costs primarily associated with plexiglass barriers, masks, and gloves to ensure appropriate social distancing for employees and customers. As to technology, the BFD incurred costs to create remote working options and system upgrades to ensure that necessary work could continue while protecting employees and other related staff from the pandemic.

Funding: Coronavirus Aid, Relief and Economic Security (CARES) Act -Coronavirus Relief Fund

5. State Budget Agency (057) \$ 300,000
Subrecipient Monitoring

The Indiana State Budget Agency requests review of Federal Coronavirus Relief Fund (CRF) funding to contract with a vendor to assist the agency with FY 2022 monitoring of its subrecipients and substate agencies. The U.S. Department of Treasury CRF program provides that CRF funds are subject to the Single Audit Act and 2 C.F.R 200.330 through 2 C.F.R 200.332 regarding subrecipient monitoring and management, and subpart F regarding audit requirements. The vendor will assist Budget Agency staff in completing the required monitoring. Noncompliance may result in a finding in the Agency's Single Audit.

Funding: Coronavirus Aid, Relief and Economic Security (CARES) Act -Coronavirus Relief Fund

Cost Summary

2021 General Fund	\$ 1,731,755
2021 State Highway Fund	\$ 6,450,000
2021 State Construction Fund	\$ 2,717,690
2017 General Fund	\$ 550,000
2019 State Construction Fund	\$ 74,520
Federal Funds	\$ 74,520
'Previously Approved' 2019 State Construction Fund	\$ 97,888
'Previously Approved' Federal Funds	\$ 97,888
2021 Capital Cash Appropriation	\$ 2,425,000
American Rescue Plan Act	\$ 5,582,522
Coronavirus Relief Fund, CARES Act	\$ 2,860,194.38
Total	\$ 22,661,977.38

V. Review Item

1. Medicaid State Plan Amendments and Waivers – Family and Social Services Administration
 - i. Family Supports Waiver and Community Integration and Habilitation Waiver Amendments
 - ii. Postpartum Coverage State Plan Amendment
 - iii. Third Party Liability Cost Avoidance State Plan Amendment
 - iv. MRO Services in the ASAM 3.1 Substance Abuse Use Disorder Residential Setting

VI. Discussion Item

1. CARES Act Funding (CRF) and America Rescue Plan Act (ARPA) Updates

VII. Report Received

1. FY2021 Next Level Connections Expenditures, IC 8-14-14.3-4 – October 1, 2021

State Budget Committee
Meeting Minutes
October 2021

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Senator Ryan Mishler, Chairman

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Zachary Jackson, State Budget Director