

State Budget Committee Agenda
June 23, 2021 1:00 PM EDT
Indiana Statehouse
Senate Chamber
200 W. Washington St., Indianapolis, IN 46204

I. Minutes

1. April 2021 Minutes

II. Agency Projects

1. Adjutant General (110) \$ 3,800,000
Danville National Readiness Center Addition and Renovation

The Adjutant General’s Office (AGO) requests funding for design and construction of the addition and renovation of the Danville National Guard Readiness Center. The current facility is 13,000 sq. ft. and is 65 years old. The addition on the building will add approximately 5,000 sq. ft. The renovation and addition of the building would allow AGO to be compliant with ADA guidelines, building code requirements, and allow for additional training and recruitment to assist AGO in their operational mission.

Funding:	HEA 1001: 2021 General Fund	\$ 1,520,000
	(Public Safety Line Items 19742 – 2022)	
	FFY21 Federal Funding	\$ 2,280,000

2. Indiana Department of Revenue (90) \$ 20,300,000
Integrated Tax System (ITS)

The Indiana Department of Revenue (DOR) requests funding to conclude the modernization of its revenue business process and technology enhancement through the implementation of an Integrated Tax System (ITS). This project will replace 40+ disparate systems which are 25+ years old. The new Indiana Tax System will allow DOR to improve and automate all major state tax revenue functions including compliance, operations, finance/internal audit, information technology, and customer service. The General Assembly appropriated \$16.1M in FY 2018, \$16.9M in FY 2019, \$20.3M in FY 2020, \$21.4M in FY2021, and \$20.3M for FY2022 for the system upgrade work.

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

3. Department of Administration (061) \$ 16,712,824
Reserve & Replacement (R&R) Payments to IFA

The Department of Administration (IDOA) requests the annual appropriation for the Reserve & Replacement (R&R) payments on several facilities that are managed by the Indiana Finance Authority (IFA). The R&R was previously included in the bond payment as one lump sum, however the bonds have been defeased for these facilities under IFA. IDOA is requesting the R&R annual amount so that they may continue to disburse funds monthly to the IFA.

Indiana Government Center North	\$1,763,424
Indiana Government Center South	\$1,563,420
Government Center Parking Garages	\$1,563,420
Toxicology Lab	\$1,123,416
Indiana State Museum	\$1,683,420
Rockville Correctional Facility	\$1,143,420
Pendleton Juvenile Correctional Facility	\$1,125,936
Wabash Correctional Facility	\$1,523,424
Newcastle Correctional Facility	\$1,340,472
Logansport State Hospital	\$1,093,620
Evansville State Hospital	\$1,473,492
Madison State Hospital	\$1,317,360

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

4. Indiana Archives and Records Administration (061) \$5,000,000
State Archives Building Design Fees

The Department of Administration (IDOA), on behalf of the Indiana Archives and Records Administration (IARA) requests funding to begin design and programming work for the new State Archives building. The current location for the archives was not designed with long-term record retention in mind. Designing a new facility with record retention and accessibility as a final goal, will help ensure the Indiana Archives and Records Administration has the facility they need to complete their agency mission. These funds will go towards designing of the new archives building as well as site acquisition, if necessary.

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

5. Indiana School for the Blind and Visual Impaired, Indiana School for the Deaf \$ 13,000,000
Co-Location Programing, Design, & Site Acquisition

The Indiana Department of Administration, on behalf of the Indiana School for the Blind and Visual Impaired and the Indiana School for the Deaf, requests funding to initiate the co-location of the two campuses. The Indiana School for the Deaf and Blind and Visually Impaired Task Force, which was established by HEA 1443-2019, determined, and reported back to the Budget Committee that the best course of action for both schools was to co-locate facilities. The Task Force also recommended that the new location be no further than 10 miles outside of I-465.

The funds being requested will go towards many of the necessary expenses to begin moving these two campuses to a single location. Funds will be used to evaluate the programming at both schools to ensure the new location will provide adequately for both schools. These funds will also go towards site selection and acquisition, pursuant to the parameters laid out by the task force. The remainder of the funds will go towards design, architectural, engineering, and utility services needed to initiate the co-location.

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

6. Indiana Law Enforcement Academy (103) \$ 7,000,000
Architectural, Engineering, and Programming Fees for Campus Renovation

The Indiana Department of Administration (IDOA), on behalf of the Indiana Law Enforcement Academy (ILEA), requests funding to initiate the design and programming phase of the campus renovation at the Indiana Law Enforcement Academy. The Academy will evaluate their current programming and campus layout to determine what building improvements need made to bring the Academy into current day standards. ILEA and IDOA will partner with consulting firms with experience in law enforcement academy space planning and programming to complete this initial phase; this will include reviewing what other states have built to accommodate the current needs of their law enforcement students. These funds will also provide a plan and estimated cost for completing the renovation at the Indiana Law Enforcement Academy.

Funding: HEA 1006: 2021 General Fund
(Public Safety Line Item 19751 – 2021)

7. Department of Correction - Indianapolis Re-entry Educational Facility (615) \$ 2,500,000
Demolition of the Indianapolis Re-entry Educational Facility

The Indiana Department of Administration (IDOA), on behalf of Department of Correction (DOC), requests funding to initiate demolition of the Former Indianapolis Re-entry Educational Facility located on New York St on the East side of Indianapolis. DOC most recently used the facility for the operations of PEN Products but have since moved those services to other DOC locations. Currently, the campus is completely vacated with limited staff on site to maintain power and to monitor the grounds. Once demolished, these employees would be relocated to other DOC facilities. These funds will go towards any necessary abatement, demolition, removing debris, and re-grading the grounds. Once demolition is completed, IDOA will maintain ownership of the property until a suitable use is determined.

Funding: HEA 1001: 2019 General Fund
(General Government Line Items 19721 – 2020)

8. Department of Correction (650) \$ 1,230,919
Putnamville Correctional Facility Doors and Locks Replacement

The Department of Correction (DOC) is requesting funding for the replacement of the doors, door frames, and locks on the Putnamville Correctional Facility housing units. The housing units were constructed between 1988 and 1993 and have been continuously occupied since their construction. The current condition of the doors is causing security risks from intermittent failure to lock or unlock and increasing maintenance costs.

Funding: HEA 1001: 2019 State Construction Fund
(Public Safety R&R 59911 – 2021)

9. Department of Correction (623) \$ 270,000
Heritage Trails Correctional Facility Food Services Building Masonry Repair

The Department of Correction (DOC) is requesting funding for the repair of the exterior masonry at the Heritage Trails Correctional Facility Food Services Building. The building was constructed in the 1970s for coolers, freezers, ware washing, and all food preparation for the facility. Due to natural weathering, the building has damage to the limestone and brick exterior. Prolonging the repair of the exterior will expose the building to potential moisture related damage.

Funding: HEA 1001: 2019 State Construction Fund
(Public Safety R&R 59911 – 2021)

10. Department of Correction (615) \$ 12,000,000
Architectural and Engineering Services for the Westville Correctional Facility

The Department of Correction (IDOC) requests funding to begin design work for the Westville Correctional Facility. The current facility is one million sq. ft. and houses 3,700 medium security offenders. The 76-year-old facility was originally designed to serve as a state mental health facility and does not meet the operational needs of both staff and offenders alike. Due to age and weathering of the facility, renovation of the existing structure is not feasible.

Funding: HEA 1001: 2021 General Fund
(Public Safety Line Items 19740 – 2022)

11. Indiana State Police (100) \$ 25,500,000
Construction of Lowell State Police Facility

The Indiana State Police (ISP) requests funding to build a new State Police facility in Lowell (District 13). Results of the completed design study identified operating deficiencies and lack of proper capacity to meet the current and future caseload demands. The new combined lab and post building will meet energy-efficient industry standards, provide necessary space for both staff and lab processing, and ensure operational functionality.

Funding: HEA 1001: 2021 General Fund \$ 8,500,000
(Public Safety Line Items 19740 – 2022)

HEA 1001: 2019 General Fund \$ 12,000,000
(Public Safety Line Items 19724 – 2021)

HEA 1001: 'Change of Use' 2017 General Fund \$ 5,000,000
(Public Safety R&R 19707 – 2018)

12. Indiana State Fair Commission (878) \$ 50,000,000
Fall Creek Pavilion

The State Fair Commission has utilized the previously approved funding for A&E on the Fall Creek Pavilion project and is ready to proceed with requesting the release of the funding to construct the Fall Creek Pavilion at the Indiana State Fairgrounds. Originally constructed in 1923, the 147,000 sq ft open-air Swine Barn was built as a single-use structure to exhibit swine and the aging structure can no longer fulfill its intended purpose. The building is failing structurally, is not ADA accessible, and is impractical to load/unload livestock due to significant elevation change and the proximity of the Public Safety Building. To continue the heritage of hosting world class swine shows and continue growing as a first-class event facility, the Indiana State Fairgrounds will be constructing a modern 197,000 sq ft, multi-use facility that can host a variety of events throughout the year. Other work completed as part of this project will be stormwater drainage issues, upgrades to Gate 6 off Fall Creek Parkway and parking lots around the Fall Creek Pavilion, and relocation of the public safety and maintenance departments.

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

13. Richmond State Hospital (440) \$ 1,650,000
Steam Plant Decommissioning

Richmond State Hospital (RSH) requests additional funding to decommission and decentralize its 15,800 square foot steam plant constructed in 1957 that houses three boilers that range from 16 to 35 years old. This steam plant currently serves heat and hot water to the 24 campus buildings. The State Budget Committee approved the steam plant decommissioning project in October 2017. Upon conclusion of the design development phase, the estimated cost opinion exceeded the original budget estimate of \$4,868,000 by approximately \$5,700,000. In consultation with IDOA, the design firm recommends a hybrid approach that will transition the steam plant from high pressure to low pressure steam and add two new standalone boilers. This approach mitigates the need for significant upgrades to electrical services while still providing nominal operating savings and other efficiencies. The RSH recommends moving \$1,650,000 from the Logansport State Hospital (LSH) steam plant decommissioning project to accommodate this project's additional cost. The Logansport steam plant project will be deferred until the next biennium.

Funding: HEA 1001: 2017 'Change of Use' Postwar Construction Fund
(Logansport State Hospital Postwar Construction Fund 70530)

14. Indiana Department of Transportation (800) \$ 2,213,508
Roof, HVAC, and Miscellaneous Repair and Replacement Projects – Various Locations

The Indiana Department of Transportation (INDOT) requests funding to address various repair and replacement projects throughout all six INDOT districts. This request is an accumulation of 35 rehabilitation projects deemed a high priority by their respective districts. Projects include roof replacements, HVAC replacements, upgrading brine makers, siding and concrete wall repair, installation of fences and gates, vehicle lift replacements, as well as addressing secondary containment issues.

Funding: HEA 1001: 2021 State Highway Fund \$ 1,872,362
(State Highway Fund R&R 30509 – 2022)

HEA 1001: 2021 State Highway Fund \$ 341,146
(State Highway Fund PM 30508 – 2022)

15. Indiana Department of Transportation (800) \$ 1,206,570
Construction of the Waterloo Unit and Salt Building

The Indiana Department of Transportation (INDOT) requests additional funding for the construction of the Waterloo Unit Building and the Waterloo Salt Building. The project was previously approved at the September 2020 Budget Committee meeting. The amount approved was \$4,725,000. The bid that INDOT received is for \$5,931,570. The costs overruns are due to the market increases in construction materials.

Funding: HEA 1001: 2019 'Change of Use' State Highway Fund
(State Highway Fund Line Items 30507 – 2020)

16. Department of Natural Resources (300) \$ 5,000,000
Design Fees for New State Park Inn at Potato Creek/Prophetstown

The Department of Natural Resources (DNR) requests funding to begin conceptual and design processes for the new state park inn. The requested funds will be used to consult with a design firm to begin creating renderings and internal designs and layouts for the new Inn. Once the design phase is completed, DNR will have an estimate regarding construction costs and a timeline to complete the project.

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

17. Department of Natural Resources / Department of Administration (061) \$ 10,000,000
Deferred Maintenance – Restroom/Toilet Rehab

The Department of Natural Resources requests deferred maintenance funding to address restroom/toilet rehab at several locations within the DNR system. These funds will go towards seventy-four different projects spread across twenty-seven different sites. These projects include fourteen comfort stations and sixty vault toilets. Most of these funds will replace aged comfort stations and vault toilets at campgrounds. The Department of Natural Resources will partner with the Department of Administration/Public Works to expedite these projects through the design, management, and completion phases.

Funding: HEA 1001: 2019 General Fund
(General Government Line Items 19721 – 2020)

18. Department of Natural Resources / Department of Administration (061) \$ 5,000,000
Deferred Maintenance – Playground Renovation and Rehabilitation

The Department of Natural Resources requests deferred maintenance funding to make playground renovations and ensure ADA accessibility at 40 separate playgrounds at thirty-seven different sites. The project replaces outdated playground equipment and ensures playgrounds safety and accessibility to all DNR visitors. The Department of Natural Resources will partner with the Department of Administration/Public Works to expedite these projects through the design, management, and completion phases.

Funding: HEA 1001: 2019 General Fund
(General Government Line Items 19721 – 2020)

19. Department of Natural Resources / Department of Administration (061) \$ 4,500,000
Deferred Maintenance – Trail Rehab

The Department of Natural Resources requests deferred maintenance funding to rehab trails at several trail locations within the DNR system. These funds will go towards numerous projects spread across twenty different sites. These funds will be used to repair, replace, and rehabilitate trails in need. Six of these projects are under \$100,000 and are anticipated to be completed rather quickly. The Department of Natural Resources will partner with the Department of Administration/Public Works to expedite these projects through the design, management, and completion phases.

Funding: HEA 1001: 2019 General Fund
(General Government Line Items 19721 – 2020)

20. Department of Natural Resources / Department of Administration (061) \$ 10,000,000
Deferred Maintenance – Inn Rehabilitation

The Department of Natural Resources requests deferred maintenance funding to design, repair, and rehabilitate inns within DNR. These funds will go toward HVAC repair, guest room renovation, and other rehabilitation projects. In the last 15 years DNR's inns have only received minor preventative maintenance and general rehabilitation and needs a greater modernized update. The Department of Natural Resources will partner with the Department of Administration/Public Works to expedite these projects through the design, management, and completion phases.

Funding: HEA 1001: 2019 General Fund
(General Government Line Items 19721 – 2020)

21. Department of Natural Resources / Department of Administration (061) \$ 10,080,000
Deferred Maintenance – General Rehab

The Department of Natural Resources requests deferred maintenance funding to address general rehab and repair work at several locations within the DNR system. These funds will go towards numerous projects spread across twenty-five sites. The general rehab umbrella covers a wide array of projects including a new HVAC system, window replacement, roof replacements, target range repair and updates, and building rehabilitation. The Department of Natural Resources will partner with the Department of Administration/Public Works to expedite these projects through the design, management, and completion phases.

Funding: HEA 1001: 2019 General Fund
(General Government Line Items 19721 – 2020)

22. Department of Natural Resources / Department of Administration (061) \$ 10,000,000
Deferred Maintenance – Dam Rehabilitation

The Department of Natural Resources requests deferred maintenance funding to address dam rehabilitation at fourteen locations within the DNR system. These funds will go toward repairing erosion damage, structural integrity, capacity levels, and other necessary repairs. The Department of Natural Resources will partner with the Department of Administration/Public Works to expedite these projects through the design, management, and completion phases.

Funding: HEA 1001: 2019 General Fund
(General Government Line Items 19721 – 2020)

23. Department of Natural Resources (300)/ Department of Administration (061) \$ 2,600,000
Deferred Maintenance – Underground Tank Removal Remediation

The Department of Natural Resources requests deferred maintenance funding to address the ongoing monitoring and remediation at 13 DNR properties to obtain no further action with the Indiana Department of Environmental Management for previously removed underground fuel storage tanks. The deferred maintenance project would then complete the final phase of removal, remediation, and above ground tank installation of the remaining 19 underground storage tank sites across DNR.

Funding: HEA 1001: 2019 General Fund
(General Government Line Items 19721 – 2020)

III. Federal Economic Stimulus Items

1. State Board of Accounts (80) \$ 6,242,803
Federal Audits of Local Units

The State Board of Accounts (SBOA) requests review of Coronavirus Relief Fund (CRF) funding to contract with CPA firms to perform audits on local units of government. Recent disbursements of federal funding to local units has increased the annual number of federal single audits from 240 to nearly 340. Due to SBOA's current staffing levels and the federal deadline required for the audits, SBOA needs assistance from outside CPA firms in order for the audits to be completed timely.

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

2. State Budget Agency (057) \$ 65,000
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 2021 and FY 2022 monitoring of its subrecipients as defined in federal guidance. 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 of its subrecipients. Noncompliance may result in a finding in the Agency's Single Audit.

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

3. Department of Education (700) \$ 84,377,436
Elementary and Secondary School Emergency Relief II

The Indiana Department of Education (DOE) requests review of the Elementary and Secondary School Emergency Relief II funds to address the impact of COVID-19 on schools. These funds will be used for the following purposes: 1) Improving learning outcomes; 2) Promoting and pursuing equity within Indiana's K-12 system; and 3) Analyzing educational opportunities for Hoosier students. If unable to utilize these funds, DOE risks not addressing the unprecedented learning loss that many vulnerable students have endured as a result of the pandemic.

Funding: Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, 2021

4. Department of Education (700) \$ 26,529,708
Governor's Emergency Education Relief Fund II

The Indiana Department of Education (DOE) requests review of the Governor's Emergency Education Relief II funds to address the impact of COVID-19 on schools. These funds will be used for the following purposes: 1) Improving learning outcomes; 2) Promoting and pursuing equity within Indiana's K-12 system; and 3) Analyzing educational opportunities for Hoosier students. If unable to utilize these funds, DOE risks not addressing the unprecedented learning loss that many vulnerable students have endured as a result of the pandemic.

IDOE has invested \$11 million in a partnership with Ivy Tech and Vincennes University to assist students to earn the Indiana College Core, short and long term credentials and to assist students to stay on track to achieve postsecondary goals. Additionally, DOE invested \$1.5 million in an outreach program to educate schools on the Indiana College Core and to assist students to earn the College core before graduating from high school. An Additional \$500,00 has been invested in new programs focusing on summer tutoring and pre-college preparation.

Funding: Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, 2021

5. Family and Social Services Administration (501) \$ 337,757,561
Child Care Development Fund Supplemental Discretionary Funds

The Office of Early Childhood and Out of School Learning (OECOSL) requests review of supplemental federal Child Care Development Funds. OECOSL proposes to use the funding to: investigate and model employer-supported child care; advance comprehensive workforce development strategies around compensation, accelerated preparation models, and other workforce investments; consider restructuring the licensing system; explore alternative, sustainable funding streams used in other states; systems building and investment in rural child care infrastructure; study benefit programs for child care workers; and financial incentives to increase availability of infant and toddler care.

Funding: American Rescue Plan Act

6. Family and Social Services Administration (501) \$ 540,209,308
Child Care Stabilization Grants

The Office of Early Childhood and Out of School Learning (OECOSL) requests review of federal child care stabilization grant funds. 90% of the funds are required to be disbursed as grants to qualified child care providers on the basis of current operating expenses. OECOSL plans to issue stabilization grants at 6-month intervals until the funds are expended. The remaining 10% may not be used for grants and are planned to be used for the following: start-up resources, administrative costs, facility improvement grants, staffed family child care networks, technical assistance, strategic planning, expanding shared services models, and improvements to data systems.

Funding: American Rescue Plan Act

7. Family and Social Services Administration (410) \$ 51,679,837
Supplemental Mental Health Grants

The Division of Mental Health and Addiction (DMHA) requests review of supplemental Mental Health (MHBG) and Substance Abuse Prevention and Treatment (SAPT) Block Grants.

The supplemental \$25,576,844 in MHBG funding is planned to support the following initiatives: expansion of First Episode Psychosis programming (10% required set-aside); crisis response (5% required set-aside); respite and support for families of children with serious emotional disturbances; development and standardization of the Child Mental Health Wraparound access program; supportive services for people experiencing homelessness; clinical leadership training; expansion of access for K-12 school based mental health services; development of a screening tool; and continued support of the BeWell Crisis Helpline.

The supplemental \$26,102,993 in SAPT BG funding are planned to support the following initiatives: primary prevention activities (20% required set-aside); recovery supports activities; treatment activities (including a required minimum 5% set-aside to increase access to treatment of women); and expansion of the Naloxone/Naloxbox initiative.

Additionally, significant funding from both the MH and SAPT Block Grants will be made available through competitive grant processes to communities and organizations for locally driven initiatives.

Funding: American Rescue Plan Act

8. Family and Social Services Administration (503) \$ 670,000,000 - \$ 877,000,000
Home and Community Based Enhanced FMAP Funding

The Office of Medicaid Policy and Planning requests review of the Home and Community Based Services (HCBS) enhanced FMAP funding. States must use the federal funds attributable to the increased FMAP to supplement, not supplant, existing state funds expended for Medicaid HCBS in effect as of April 1, 2021. States must use state funds equivalent to the amount of federal funds attributable to the increased FMAP to implement or supplement the implementation of one or more activities to enhance, expand, or strengthen HCBS under the Medicaid program.

The enhanced FMAP funding is planned to help support the following initiatives: develop, expand, and support the workforce; build provider capacity; caregiver training and support; and enhance HCBS.

Funding: American Rescue Plan Act

Cost Summary

2017 'Change of Use' General Fund	\$ 5,000,000
2019 General Fund	\$ 70,180,000
2021 General Fund	\$ 141,532,824
2019 State Construction Fund	\$ 1,500,919
2017' Change of Use' Postwar Construction Fund	\$ 1,650,000
2019 'Change of Use' State Highway Fund	\$ 1,206,570
2021 State Highway Fund	\$ 2,213,508
FFY21 Federal Funding	\$ 2,280,000
Coronavirus Relief Fund, CARES Act	\$ 6,307,803
Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, 2021	\$ 110,907,144
American Rescue Plan Act	\$ 1,599,646,706
Total	\$ 1,942,425,474

IV. Review Items

1. Medicaid State Plan Amendments and Waivers – Family and Social Services Administration
 - i. Emergency Treatment without Transportation
 - ii. Inclusion of Electronic Visit Verification Assurance Language
 - iii. Long Term Care Insurance Program
 - iv. Telehealth
2. HEA 1004-2021 Small Business Restart Grant Parameters– Indiana Economic Development Corporation

V. Discussion Item

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

VI. Election of Chairperson

VII. Reports Received

1. 2019-2020 Formative Assessment Remediation Grant Report, HEA 1001-2019 pg.79 – Department of Education – (5.26.2021)
2. Non-Binding Tuition and Mandatory Fee Targets for Indiana's Public Postsecondary Institutions FY21-22 – Commission for Higher Education – (6.7.2021)