

August 2022 Minutes

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State Budget Committee Minutes
August 31st, 2022 10:30 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
Senator Fady Qaddoura
Representative Bob Cherry
Representative Carey Hamilton
Joe Habig, Deputy State Budget Director
Lisa Acobert, Deputy State Budget Director

Chairman Ryan Mishler called the meeting to order at 10:35 AM EDT.

Following introductions, Chairman Mishler introduced the minutes of the June 2022 meeting.

Representative Gregory Porter expressed his dissatisfaction with the June 2022 minutes. Representative Tim Brown motioned to adopt the minutes. Mr. Zachary Jackson seconded the motion. The Committee voted 3-2 in favor of adopting the June 2022 minutes.

The Chairman introduced the August 2022 agenda.

Agency Projects

During the Indiana Finance Authority's (IFA) agency presentation by Mr. Jim McGoff, Senator Liz Brown asked about how residents not part or connected to an existing municipality can obtain funding. Director McGoff stated that the IFA can help residents obtain funding, even if they are not able to be connected to an existing municipality.

After the Indiana School for the Blind and Visually Impaired's (ISBVI) presentation by Mr. Harold Clark and Mr. Jim Durst, questions were asked by the committee about how the tunnel repair would affect the relocation of the schools, the location of the ISBVI relocation, and bid status of the co-location project. Mr. Durst confirmed that the tunnel renovation project will not adversely impact the co-location project, that the ISBVI relocation will be located on the current campus of the School for the Blind, and that the bids were ongoing.

Following the Department of Correction (DOC) agency presentation by Kevin Orme, Representative Porter asked about the cost for the Westville Correctional Facility upgrade, which Kevin confirmed that the updated figure has been submitted to the State Budget Agency (SBA). Senator Fady Qaddoura asked about roles of for-profit prison and the role of gangs in offender re-integration. Director Orme answered

that the role of for-profit personal was not related to capital in anyway and that DOC has strict policies and procedures regarding gang activities and affiliations, including keeping up to date on all current prisoner tattoos and providing ample education opportunities so that offenders have methods to re-integrate into society as civilians.

During the Indiana Economic Development Corporation (IEDC) agency presentation by Mr. Wasky and Mr. Kerr, several questions were raised by the committee regarding concrete employment plans, future traffic plans, contract bidding, and how the funds will be distributed upon release by the Budget Committee. Mr. Wasky and Mr. Kerr confirmed that the jobs that will be created will be closer to 1,700 and that the funds released will be used for capital infrastructure and maintaining a certain number of employees.

University Projects

Following the Ivy Tech Community College presentation by Ms. Mary Jane Michalak, Senator Brown asked about the projected student growth in the new facility. Ms. Michalak confirmed that this new addition will be for up to 1,700 new students with many of the students obtaining tuition assistance from the companies that will be a part of the facility.

During the Purdue University presentation by Ms. Alecia Nafziger, the committee members asked about future expansion plans for the Purdue University Indianapolis site, which Ms. Nafziger responded that it is still in the planning stages.

Review Items

Following all Agency and University presentations, Ms. Sherri Ziller and Mr. Aaron Kowalski, presented on the new Transit Development Districts (TDD) in Northwest Indiana. Senator Eddie Melton and Chairman Mishler asked for clarification about how the growth was going to be captured and how it was going to be re-invested into the TDD districts. Mr. David Reynolds responded that the incremental growth from some counties will go back to the RDA, which will then re-distribute the growth back to the appropriate local districts.

During the Family and Social Services Administration (FSSA) State Plan Amendments and Waivers presentation by Ms. Allison Taylor, Representative Brown asked about the possibility of double-billing for vaccine counseling visits, in which Allison confirmed that there will not be double-billing. Senator Brown then asked about the possibility of increased TBI rate re-imburement and the progress of the long-term service provider study. Ms. Taylor mentioned that TBI rate was part of an on-going study and that both studies are anticipated to be completed around November/December. Senator Brown requested for a report on all Medicare Reimbursement to see which programs were increased reimbursement and which had decreased/non-existent reimbursement. Ms. Taylor committed to providing that by the December forecast.

After all Agency projects and Review items had been presented, Representative Brown moved the motion to adopt the agenda and Rep. Porter seconded the motion. The agenda was adopted by the Committee.

Discussion Item

Following the Office of Management and Budget (OMB) discussion item presentation by OMB Director Johnston, Chairman Mishler asked about the READI assistance program application. Director Johnston clarified to keep talking with the IEDC local representation due to the specific requirements set by the federal government.

Representative Porter had asked about getting a list of all grantees of the CARES Act and the Infrastructure Investment and Jobs Act.

Senator Melton asked if there are any ARPA unallocated money left over and if there were ways to utilize these unallocated funds for new programs or initiatives. Director Johnston confirmed that there were about \$190 million left over. Senator Melton further asked about the deadline to spend the remaining ARPA funds, in which Director Johnston clarified that it had to be obligated by FY2024 and spent by FY 2026.

Following no further business, the meeting adjourned at 1:10 PM EDT.

I. Minutes

1. June 2022 Minutes

II. Agency Projects:

1. **Department of Administration (61)** \$ 1,725,000
McCarty Street Facility Roof Replacement

The Department of Administration (IDOA) requests funding to replace the roof at the IDOA McCarty Street Facility. This facility houses the state's fleet services, and operations and state and federal surplus. In addition, the IDOA grounds team also has a presence at the location. The roof is over 25 years old and has reached the end of its useful life. The 115,000 sq. ft. roof will be completely removed and replaced with an ethylene propylene diene terpolymer (EPDM) roofing system. With proper maintenance, this new roof should last for at least 25 years.

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

2. **Indiana War Memorial Commission (315)** \$ 1,200,000
Indiana War Memorial Shrine Room Plaster Repairs

The Indiana War Memorial Commission (IWMC) requests funding to commence work on the Shrine Room plaster repairs project. IWMC's Shrine Room sustained serious damage to its plaster due to roof leaks. Now that the roof leak has been remediated, repairing the plaster and restoring the shrine room has become urgent. The plaster repairs in this section of the IWM building will require specialized access due to the height of the space, the historic and ornate nature of the room, and the extent of plaster damage.

Funding: HEA 1001: 2021 General Fund
(Conservation and Environment R&R 19745 – 2023)

3. **Adjutant General's Office (110)** \$ 6,380,590
Danville National Readiness Center Addition and Renovation

The Adjutant General's Office (AGO) requests additional capital funding for the addition and renovation of the Danville National Guard Readiness Center due to higher-than-expected bids. This project was previously reviewed by the Budget Committee in June 2021 for \$3,800,000. The current facility is 12,230 sq. ft. and is 67 years old. The renovation of the building will add approximately 3,000 sq. ft to the current space. The renovation and addition of the building would allow the AGO to be compliant with ADA guidelines, building code requirements, and allow for additional training and recruitment to assist AGO in their operational mission. Due to an agreement between Indiana and the Federal Government, the cost of these projects is shared between both parties.

Funding:	HEA 1001: 2019 General Fund (General Government Line Items 19721 – 2021)	\$ 1,111,000
	Federal Funding	\$ 1,469,590
	HEA 1001: 'Previously Approved' 2021 General Fund (Public Safety R&R 19740 – 2021)	\$ 1,520,000
	'Previously Approved' Federal Funding	\$ 2,280,000

4. **Indiana Finance Authority (261)** \$ 20,000,000
Water Infrastructure Assistance

The Indiana Finance Authority (IFA) requests funding for the Water Infrastructure Assistance Program. The Program provides low interest loans and grants for utility infrastructure projects. The IFA currently manages the EPA-funded State Revolving Fund (SRF) Loan Program that provides low interest loans for utility infrastructure projects. Over 600 SRF loans totaling more than \$5 billion have been funded over the past 30+ years. The drinking water program has funded over 300 loans totaling almost \$1 billion in the past 20+ years. In total these loans have save Indiana rate payers over \$1 billion over the last 10 years. In 2018 the Water Infrastructure Task Force recommended that an appropriation should be made to fund the Program created by IC 5-1.2-14. This appropriation will enable the IFA to fund additional loans to Indiana utilities consistent with past available EPA funding.

Funding:	HEA 1001: 2021 General Fund (General Fund Leases Construction 19736 – 2023)
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5. **Department of Natural Resources (300)** \$ 1,361,049
Pokagon Toboggan Run Renovations

The Department of Natural Resources (DNR) requests additional funding to complete renovations on the Toboggan Run at Pokagon State Park. This project was previously reviewed by the Budget Committee in August 2018 for \$950,000. The original request would have replaced the old PVC piping with new PVC piping that form the areas of ice for sledding due to increased leaking and nearing the end of its lifecycle. The manufacturer of the replacement PVC piping indicated that contemporary PVC should not

be used as it can lead to environmental stress cracking. This request ensures that the PVC piping will now be replaced with copper piping to avoid the State assuming the full cost of any failure and any environmental or safety issues.

Funding: HEA 1001: 2021 State Construction Fund \$ 411,049
(State Construction Fund – Cons & Env 59919 – 2023)
HEA 1001: ‘Previously Approved’ 2017 General Fund \$ 950,000
(Conservation and Environment R&R 19710 – 2018)

6. **Indiana State Police (100)** \$ 625,000
Versailles Post HVAC System Upgrade

The Indiana State Police (ISP) requests funding to proceed with an HVAC upgrade at the Versailles Post. The original HVAC system was installed in 2000. The current system provides air conditioning to approximately 14,086 sq. ft. of space within the facility. The system operates with obsolete pneumatic controls and uses R-22 refrigerant that is currently being phased out nationwide. The system currently goes offline due to its age, and diagnostics and repair is extremely time consuming. The new “zoned” system will provide better technology and greater efficiency, reducing costs to maintain and operate.

Funding: HEA 1001: 2021 General Fund
(Public Safety R&R 19742 – 2023)

7. **White River State Park Development Commission (310)** \$ 549,740
Acme-Evans Building Exterior Repair and Restoration

The White River State Park Development Commission (WRSP) requests funding to address the deteriorating condition of the Acme-Evans building on the WRSP campus. The building is leased to the National Federation of State High School Associations (NFHS) and is used as their national headquarters. Several areas of the building façade have eroded mortar, cracked brick, failed sealant, and other issues that are leading to air and moisture infiltration and particulate matter impacting interior workspaces. This project will include replacing failed brickwork, sealing and caulking joints, fabricating and installing metal cap flashing, creating expansion joints, removal of metal embedment, and the repair of cracked bricks.

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

8. **Indiana School for the Blind and Visually Impaired (550)** \$717,689
Tuckpointing and Tunnel Renovation

The Indiana School for the Blind and Visually Impaired (ISBVI) requests funding to proceed with the second half of the Phase IV Tuckpointing project. This portion of the project would provide a full renovation to the service tunnel on campus which houses the 13,000-volt bus-bar. The bus-bar currently provides power, the steam supply and steam return, as well as the domestic water supply to the entire campus. Completion of this project

would address current leaks and floods, and would aid in preventing future occurrences as well.

Funding: HEA 1001: 2021 State Construction Fund
(State Construction Fund – Blind & Deaf R&R 59971 – 2023)

9. **Department of Correction (675)** \$350,000
Branchville Correctional Facility Water Tower Renovation

The Department of Correction (IDOC) requests funding for the repair of the Branchville Correctional Facility Water Tower. The 300,000-gallon water tower was constructed in 1992. The project would include metal repair, paint, intake and water level controls, and safety modifications. The tower ladder does not meet current safety standards, and the out-of-date controls for intake and water level are from the original construction. This project will include interior and exterior recoating and safety modifications to meet current regulations. Failure to complete this project will result in further deterioration and costs.

Funding: HEA 1001: 2021 State Construction Fund
(State Construction Fund – Corrections R&R 59918 – 2023)

10. **Department of Correction (635)** \$ 950,000
Correctional Industrial Facility Water Tower Renovation

The Department of Correction (IDOC) requests capital funding for the repair of the Correctional Industrial Facility (CIF) Water Tower. The water tower was constructed in 1985 and provides networked water supply to the CIF, Pendleton Correctional Facility and Pendleton Juvenile Correctional Facility. The tower is showing visible exterior corrosion, and testing has shown that the interior coating is also in poor condition. The project will include interior and exterior recoating and safety modifications to meet current regulations. Failure to complete this project will result in further deterioration and costs.

Funding: HEA 1001: 2021 State Construction Fund
(State Construction Fund – Corrections R&R 59918 – 2023)

11. **Department of Correction (623)** \$ 300,000
Heritage Trail Correctional Facility Fire Alarm System Upgrade

The Department of Correction (IDOC) requests funding for the replacement of the fire alarm systems at the Heritage Trail Correctional Facility. The current systems which are over 20 years old, contain proprietary software and can only be maintained by one company. Numerous faults have occurred, and the communication between the systems does not consistently communicate with the main panel. This upgrade will ensure that

4,100 fire alarm devices will be updated throughout 15 buildings across the facility and the fire alarm system will become compliant with all applicable fire codes.

Funding: HEA 1001: 2021 State Construction Fund
(State Construction Fund Corrections R/R 59918 – 2023)

12. **Indiana State Fair Commission (878)** \$3,134,688
West Pavilion Roof Replacement

The Indiana State Fair Commission (ISFC) requests funding to replace the roof on the West Pavilion at the Indiana State Fairgrounds. The current roof was installed in 1997 with a 20 year life expectancy, and the roof has surpassed its useful life. This project will replace the roof, fascia trim and flashing on the West Pavilion at a total cost of \$3,134,688. The Commission is asking for its appropriation of \$3,085,500 to fund the project. The ISFC will fund the shortfall from other available funds within its budget to cover the full cost of the project.

Funding: HEA 1001: 2021 General Fund \$ 3,085,500
(General Government R&R 19738 – 2023)
State Fair Commission’s Internal Operating Fund \$ 49,188

13. **Indiana Economic Development Corporation (260)** \$ 100,000,000
IEDC Performance Incentive

The Indiana Economic Development Corporation (IEDC) requests funding to provide incentives to an electric vehicle component manufacturer seeking to invest approximately \$2.5 billion in new manufacturing facilities and equipment in North-Central Indiana. This new operation will result in the hiring of approximately 1,773 new employees with wages exceeding the county average wage. The incentive will be performance-based and tied to the electric vehicle component manufacturer reaching certain capital investment, employment, and wage goals.

Funding: HEA 1001: 2021 General Fund
(General Government Line Items 19737 – 2023)

II. University Projects:

1. **Purdue University – West Lafayette (760)** \$ 6,700,000
Mackey Arena Locker Rooms Renovation
Project No. B-1-22-2-11

The Trustees of Purdue University request authorization to proceed with the renovation of the Mackey Arena on the West Lafayette Campus. The renovation will cover approximately 11,800 square foot in Mackey Arena to update and modernize men’s and women’s locker rooms and the John Wooden Club. Technology, finishings, furnishings, and layouts will be improved as part of this project. As a result, the existing space will be used more efficiently, and new student athlete amenities will be added to both locker rooms. The project is estimated to cost \$6,700,000 and will be funded with Gift Funds.

Funding: Gift Funds
CHE Review: June 9th, 2022

2. **Purdue University – West Lafayette (760)** \$ 45,400,000
Ross-Ade Stadium Renovation
Project No. B-1-22-2-12

The Trustees of Purdue University request authorization to proceed with the renovation of Ross-Ade Stadium located on the West Lafayette Campus. This project will renovate approximately 9,300 GSF of existing space and add over 18,000 GSF of space in and adjacent to Ross-Ade Stadium. Included in the scope is the conversion of the team store into student athlete dining space, construction of a 400-foot pedestrian tunnel from Kozuch Football Performance Complex to Rohrman Field, and the construction of a concourse connector and additional seating in the south end zone. The estimated cost of this project is \$45,400,000 and will be funded through gift funds.

Funding: Gift Funds
CHE Review: June 9th, 2022

3. **Purdue University – West Lafayette (760)** \$ 73,000,000
Zucrow High Speed Propulsion Lab
Project No. B-1-22-1-09

The Trustees of Purdue University request authorization to proceed with the construction of the Zucrow High Speed Propulsion Lab, a new 54,500 square foot research facility on the West Lafayette Campus. The new facility will contain propulsion test cells, a high-pressure air plant, control rooms, laser labs, and office space. The project will enable significant new research and testing capabilities that will support federal agencies and other organizations and contribute to the creation of new jobs. This project directly

supports Purdue’s Next Moves National Security and Technology initiative. The estimated cost of this project is \$73,000,000 and will be funded with Operating Fund reserves.

Funding: Operating Funds – Reserves
 CHE Review: June 9th, 2022

4. **Indiana University – South Bend (750)** \$ 8,200,000
 Parkside Hall Renovation
 Project No. A-8-22-2-05

The Trustees of Indiana University request authorization to proceed with the renovation of Parkside Hall on the South Bend campus. This project includes the renovation of approximately 20,400 gross square feet on the first and second floors of Parkside Hall and will provide additional space for the Nursing Simulation and Health Sciences Education Center. The renovation will also create classrooms, a career center, and an informal learning area to serve the nursing and radiology programs. The buildings aging mechanical system, including installation of a new air handler, will be addressed as a part of the project as well. Additional planned spaces are a nursing skills lab, simulation rooms, energized x-ray labs, a non-energized lab, and a sonography room. The project is estimated to cost \$8,200,000 and will be funded with Gift Funds, Operating Funds - Reserves, and Repair and Rehabilitation Funds.

Funding: Gift Funds \$ 5,350,000
 Operating Funds – Reserves \$ 2,250,000
 HEA 1001: 2021 General Fund R/R Appropriation \$ 600,000
 CHE Review: June 9th, 2022

5. **Ivy Tech Community College (710)** \$ 12,249,371
 East Chicago Campus Renovation
 Project No. F-0-22-2-01

The Trustees of Ivy Tech Community request authorization to proceed with the renovation and improvement of the East Chicago campus building totaling 106,740 GSF. The project will include renovation of instructional and lab space related to the Technology and Manufacturing Center, robotics, welding, and student collaboration. Additional improvements to be made under this project include updates to lighting, windows, the fire suppression system, and the remaining HVAC system. This project will also expand student enrollment capacity for several workforce-aligned programs within Lake County. The estimated cost of this project is \$12,249,371 and will be funded with Gift Funds and Operating Reserves.

Funding: Gift Funds: \$ 5,000,000
 Operating Funds – Reserves \$ 7,249,371
 CHE Review: June 9th, 2022

Cost Summary

2017 'Previously Approved' General Fund	\$950,000
2019 General Fund	\$1,660,740
2021 'Previously Approved' General Fund	\$1,520,000
2021 General Fund	\$126,635,500
2021 State Construction Fund	\$2,728,738
'Previously Approved Federal Fund'	\$2,280,000
Federal Fund	\$1,469,590
Agency Internal Operating Fund	\$49,188
2021 General Fund (University Appropriation)	\$600,000
Gift Funds	\$62,450,000
Operating Funds – Reserves	\$82,499,371
TOTAL	\$282,843,127

I. Review Items

1. Indiana Public Broadcasting Stations Disbursement – *Department of Education*
2. Transit Development Districts – *NW Indiana Regional Development Authority (RDA)*
3. Medicaid State Plan Amendments (SPA) and Waivers – *Family and Social Services Administration*
 - i. *EMS Reimbursement Rate State Plan Amendment*
 - ii. *EPSDT General Vaccine Counseling State Plan Amendment*
 - iii. *TBI Waiver Renewal State Plan Amendment*
4. EDGE Retention – *Indiana Economic Development Corporation*
5. Excess Reserves Calculation – *Office of Management and Budget / State Budget Agency*

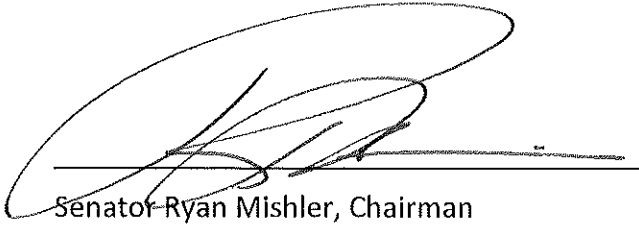
III. Discussion Item

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

IV. Report Received

1. Indiana State Fair Commission 2021 Annual Report – (07.12.2022)

State Budget Committee
Meeting Minutes
August 2022



Senator Ryan Mishler, Chairman



Zachary Jackson, State Budget Director