

December 2023 Agenda

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State Budget Committee Agenda
December 19th, 2023, 09:00 AM EST
Indiana Statehouse
House Ways and Means Committee Room 404
200 W. Washington St., Indianapolis, IN 46204

I. Minutes

1. October 2023 Minutes
2. November 2023 Minutes

II. Discussion Items

1. Medicaid Forecast
2. Economic Forecast
3. Revenue Forecast

III. Agency Projects

1. **Indiana Department of Administration (061)** \$ 6,901,000
IGC Campus Safety Modernization

The Department of Administration (IDOA) requests additional funds to expand the camera security network to additional government agencies. The project, which was previously reviewed by Budget Committee in September 2023 for \$2,901,000, allowed for cameras and servers to be upgraded on the centrally located government campus. As the work with the Indiana Office of Technology began, other off-site agencies and quasi-agencies requested to be brought onto the system. These additional funds will go towards servers and cameras at several locations: the Indiana War Memorial, including the American Legion Mall and Soldiers and Sailor’s Monument, the DHS location at Five Points, the McCarty Street warehouse, the 30th Street warehouse, and an offsite Department of Revenue location. These systems will all be brought on to the larger security network that will then be monitored at the Emergency Operations Center (EOC), located in the Government Center South.

Funding:	HEA 1001: ‘Previously Approved’ 2023 SCF (General Government R&R State Construction Fund 59972 – 2024)	\$ 2,901,000
	HEA 1001: 2019 General Fund (General Government Line Items 19721 – 2020)	\$ 4,000,000

2. **Indiana Department of Transportation (800)/State Budget Agency (57)** \$ 9,820,000
Airport Improvement – Gary/Chicago International Airport

The Indiana Department of Transportation (INDOT) and State Budget Agency (SBA) request the release of funding to the airport for the construction of a cargo area capable of supporting 8 wide-body cargo aircraft at the Gary/Chicago International Airport. The current cargo airplanes are operating out of terminals designed for passenger airplanes. The buildout will include: the construction of approximately 92,200 square yards of concrete apron, employee parking, truck parking, sorting facilities, road improvements, utility improvements and a fuel pipeline connected to expanded storage tanks. The Gary Airport is working with UPS, FedEx and other freight forwarding companies to develop this project. In addition to the state funding, this project will also include local, federal, and private funding.

Funding: HEA 1001: 2023 General Fund
(General Government Line Items 19757 – 2024)

3. **Indiana Department of Transportation (800)/State Budget Agency (57)** \$ 2,000,000
Airport Improvement – Warsaw Municipal Airport

The Indiana Department of Transportation (INDOT) and State Budget Agency (SBA) request the release of funding to the airport for work to be conducted on Taxilane E1 at the Warsaw Municipal Airport. Taxilane E1 extends from Taxiway A north approximately 1,500 ft. with a 40 ft width, covering a total of around 60,000 square feet. Despite continuous efforts to maintain the hot-mix asphalt pavement by Airport Management, Taxilane E1 pavement continues to deteriorate. A study is being finalized on the character, definition, and extent of the work needed for Taxilane E1. The project is intended to go to bid in 2024, following the results of the testing and study results.

Funding: HEA 1001: 2023 General Fund
(General Government Line Items 19757 – 2024)

4. **Indiana Department of Transportation (800)** \$ 9,800,000
Roselawn Unit & Salt Building

The Indiana Department of Transportation (INDOT) requests funding for the construction of a new Roselawn Unit Building and Salt Building. The architectural and engineering fees were previously reviewed by Budget Committee in December 2022. The existing Roselawn Unit Building was built in 1964 and the existing Roselawn Salt Building was built in 1979, both have various structural and operational deficiencies that negatively impacts INDOT's operations and its management of environmental risks. The new unit building will be a 6,907 sq. ft. facility and the new salt building will be 15,475 sq. ft. The new buildings will be constructed on the existing site.

Funding: HEA 1001: 2023 State Highway Fund
(State Highway Fund 30534 – 2024)

5. **Indiana Department of Transportation (800)** \$ 500,000
Architecture & Engineering Fee

The Indiana Department of Transportation (INDOT) requests funding for the Architecture & Engineering fee for the two-phase renovation of the 58,000 sq ft. Indianapolis Traffic Management Center (TMC) constructed in 2004. The mechanical systems are near the end of their useful life and the building's envelope needs to be repaired. Phase one will consist of replacing the roof and coping, chiller, boilers, exhaust fans, five air handling units, garage heaters, and carpet. The windows glass and glazing will either be repaired or replaced depending on the result of the design of the work to be conducted. Phase two will consist of replacing pavers, concrete, HVAC controls, and variable air volume boxes. Phase two will also repair wall damage, painting, and caulking.

Funding: HEA 1001: 2023 'Change of Use' State Highway Fund
(State Highway Fund R&R 30528 – 2023)

6. **Department of Natural Resources / Department of Administration (61)** \$ 1,900,000
Deferred Maintenance – Spring Mill Inn Parking Garage

The Department of Natural Resources (DNR) requests to reprioritize already released \$1,200,000 of deferred maintenance funding to address the parking garage at Spring Mill State Park, which reviewed at Budget Committee in October 2022. The Parking Garage will need extensive caulking and expansion joint repair to prevent water damage to the underground portion. Additional damage to the structural steel was discovered after correcting drainage. The limestone on the garage has been professionally evaluated to ensure proper adhesion and to extend the useful life of the building.

Funding: HEA 1001: 'Previously Approved' 2019 General Fund \$ 700,000
(General Government Line Items 19721 – 2020)
HEA 1001: 'Change of Use' 2019 General Fund \$ 1,200,000
(IDOA-DNR Deferred Maintenance Fund 19042 – 2022)

7. **Department of Natural Resources / Department of Administration (61)** \$27,000,000
Deferred Maintenance – Spring Mill Inn Renovation

The Department of Natural Resources (DNR) and Department of Administration (IDOA) presented a revised Deferred Maintenance – Inn Rehabilitation project for \$21,000,000 at the March 2023 State Budget Committee meeting. DNR and IDOA used these funds to initiate a renovation of Spring Mill Inn. As work has progressed on this project, the scope has needed to be modified as moisture and mold infiltration has been identified in the dining room and the ADA elevator will require replacement. In addition, materials costs have continued to increase since the project began. DNR/IDOA are requesting that \$6,000,000 of funding from other Deferred Maintenance projects be reprioritized for this project. Work to be completed on the Inn includes installing new generators and load switches, demolishing select sections of wall, rehabbing and mitigating additional mold infiltration in the dining room, repairing elevators, removing old HVAC and plumbing

systems and installing new systems, various other mechanical upgrades, general repairs such as painting, windows, and flooring, and renovating 73 guest rooms. DNR will continue to partner with the Department of Administration Public Works to complete the project.

Funding:	HEA 1001: 'Previously Approved' 2019 General Fund (IDOA-DNR Deferred Maintenance Fund 19042 – 2022)	\$ 21,000,000
	HEA 1001: 'Change of Use' 2019 General Fund (IDOA-DNR Deferred Maintenance Fund 19042 – 2022)	\$ 6,000,000

8. **Department of Natural Resources / Department of Administration (61)** \$ 2,043,873
 Deferred Maintenance – Spring Mill State Park’s Historic Mill

The Department of Natural Resources (DNR) requests to reprioritize deferred maintenance funding to rehabilitate the historic Grist Mill at Spring Mill State Park. The project has seen a cost increase due to material prices. The project will include renovation of the waterwheel, shaft, inside main gear, and related hardware components including gudgeons and bearing plate. The scope includes removal and replacement of the windows and approximately 550-feet of owner supplied flume boards.

Funding:	HEA 1001: 'Previously Approved' 2019 General Fund (General Government Line Items 19721 – 2020)	\$ 1,300,000
	HEA 1001: 'Change of Use' 2019 General Fund (IDOA-DNR Deferred Maintenance Fund 19042 – 2022)	\$ 743,873

9. **Department of Natural Resources (300)** \$ 1,737,376
 Lift Stations

The Department of Natural Resources requests funding to rehabilitate lift stations and wastewater treatment plants at Deam Lake, Hardy Lake, Mississinewa, O’Bannon Woods, Ouabache, Pokagon, Patoka, Raccoon Lake, Salamonie, Spring Mill, Starve Hollow, Turkey Run, and Versailles State Parks. Components at various locations have aged past their expected life and maintenance costs are increasing. The rehabilitation will include replacement blowers at 4 state parks, replacement sludge, lift, or grinder pumps at 12 state parks, and the entire lift station at Hardy Lake State Park. Failure to complete these repairs will result in increased repair costs and loss of revenue.

Funding:	HEA 1001: 2021 State Construction Fund (Conservation and Environment R&R 59919 – 2021)
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10. **Department of Natural Resources (300)** \$ 5,567,366
 Jasper-Pulaski Shooting Range

The Department of Natural Resources requests a 10% funding match to a federal grant for upgrades at the Jasper-Pulaski shooting range. This funding will help bring the shooting range up to ADA standards and increase safety and functionality systems. These

upgrades would include reconfiguring the range, constructing ADA compliant structures, and replacing safety items like bullet catchers. Without these upgrades the building will not fully conform to ADA standards and risks further degradation of safety and the facility.

Funding	HEA 1001: 2019 State Construction Fund (Conservation & Environment R&R 59913 – 2021)	\$ 556,737
	Federal Funds	\$ 5,010,629

11. **Criminal Justice Institute (032)** \$ 800,000
 Victim’s Compensation System Upgrade

The Indiana Criminal Justice Institute (ICJI) requests funding to initiate the modernization of the victim's compensation system. The current system, which was deployed in 2012, is limited in functionality and cannot provide the current needs of the victim’s compensation program. In FY23, the system received 1,218 Violent Crime applications and 2,013 Sexual Crime applications, a total of 3,231 claim requests. In the current fiscal year, the system has received 431 Violent Crime applications and 960 Sexual Assault applications to date, a total of 1,391 applications, with the expectation of an additional 2,500 applications before the end of FY24. The Indiana Office of Technology (IOT) recommended migrating to a reliable cloud-based system, that can be utilized by both ICJI employees and service providers. Without a reliable cloud-based solution, system efficiencies will continue to degrade, which could result in delayed payments to victims of violent crime.

Funding: HEA 1001: 2023 General Fund
 (Public Safety Line Item 19760 – 2024)

12. **Indiana Department of Environmental Management (495)** \$ 4,359,388
 Government Center Office Renovation

The Department of Environmental Management (IDEM) requests funding to renovate its offices in the Indiana Government Center North (IGCN). Currently, IDEM occupies half of the 10th floor and the entire 11th, 12th and 13th floors in the IGCN, which is approximately 145,200 sq ft. of existing office space. During this project, IDEM will reduce its footprint by 34,600 sq ft. to free up space in IGCN that will allow other agencies to recognize savings by moving onto the IGC campus. The current offices have not been updated since IDEM moved into the IGCN in 1993 and existing footprint does not utilize the space to its full potential. This renovation and consolidation will allow IDEM to meet future needs of the agency while increasing operational efficiencies and reducing its footprint.

Funding: HEA 1001: 2023 Environmental Management Special Fund
 (Environmental Management Special Fund 38730 – 2024)

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

The Indiana Economic Development Corporation (IEDC) requests funding to release performance-based grants from the deal closing fund for an advanced manufacturing project. The Company plans to invest approximately \$4.1 billion in a new state-of-the-art facility while creating over 2,700 new jobs. The IEDC's distribution of funds for the project will be made over a multi-year period. This will be based on project performance, compliance with established investment, job creation, and wage metrics that will be included in the IEDC's final agreement for public financial resources.

Funding: HEA 1001: 2023 General Fund
(General Government R&R 19780 – 2023)

14. **Indiana Economic Development Corporation (260)** \$ 80,000,000
IEDC Performance Incentive

The Indiana Economic Development Corporation (IEDC) requests funding to release performance-based grants from the deal closing fund established in for an advanced manufacturing project. The Company plans to invest approximately \$3.1 billion in a new state-of-the-art facility while creating 800 new jobs. The IEDC's distribution of funds for the project will be made over a multi-year period. This will be based on project performance, compliance with established investment, job creation, and wage metrics that will be included in the IEDC's final agreement for public financial resources.

Funding: HEA 1001: 2023 General Fund
(General Government R&R 19780 – 2023)

15. **Indiana Economic Development Corporation (260)** \$ 26,000,000
IEDC Site Strategies

The Indiana Economic Development Corporation (IEDC) requests funding to continue investing in infrastructure required to support multi-billion-dollar investments in Boone County and to advance the development of the LEAP Lebanon Innovation District. This includes roadway construction and improvements, fiber extension, and other critical utility needs.

Funding: HEA 1001: 2023 General Fund
(Economic & Work Line Item 19770 – 2023)

16. **Indiana Economic Development Corporation (260)** \$ 26,700,000
IEDC Site Strategies

The Indiana Economic Development Corporation (IEDC) requests funding to acquire approximately 330 acres of property in Boone County. This includes funding the extension of option contracts and land escrow payments to continue the acquisition of the property

required to support an estimated \$800 million investment in the first phase of the Company's multi-billion-dollar information technology center project at the site currently under consideration. Once the IEDC receives a commitment from the Company to make its investment at the project site, the IEDC will sell the property to the Company.

Funding: HEA 1001: 2023 General Fund
(Economic & Work Line Item 19770 – 2023)

17. **Indiana Economic Development Corporation (260)** \$ 45,000,000
IEDC Site Strategies

The Indiana Economic Development Corporation (IEDC) requests funding to acquire approximately 415 acres of property in Boone County. This continues the acquisition of property required to support an estimated \$800 million investment in the first phase of the Company's planned multi-billion-dollar information technology center project. Once the IEDC receives a commitment from the Company to make its investment at the project site, the IEDC will sell the property to the Company.

Funding: HEA 1001: 2023 General Fund
(Economic & Work Line Item 19770 – 2023)

18. **Indiana Economic Development Corporation (260)** \$ 15,800,000
IEDC Site Strategies

The Indiana Economic Development Corporation (IEDC) requests funding in acquire approximately 257 acres in Howard County to complete the acquisition of property required to accommodate multi-billion-dollar investments in advanced manufacturing facilities. Along with the significant capital investment in new facilities and equipment, these land purchases will enable projects that will directly support over 4,000 jobs.

Funding: HEA 1001: 2023 General Fund
(Economic & Work Line Item 19770 – 2023)

IV. **University Projects**

1. **Indiana University (750)** \$ 30,000,000
Medical Education and Research Build-Out
No. A-2-24-2-02

The Indiana University Board of Trustees requests authorization to proceed with the build out of approximately 51,000 square feet within two IU School of Medicine facilities: 48,000 square feet inside the Medical Education and Research Building and 3,000 square feet inside the Neurosciences Research Building. This project includes transitioning shell space on the 8, 9, and 10 floors of the under construction Medical Education and Research Building into research labs, support space, faculty and staff offices, conference space, and needed mechanical, electrical, and plumbing systems and equipment. Additionally, the

basement of the Neurosciences Research Building will be renovated to support additional research space directly next to the tunnel connecting the two buildings

Funding: Operating Fund Reserves \$ 20,000,000
 Gift Funds \$ 10,000,000
 CHE Review: September 14, 2023

2. **Indiana University (750)**
 Poplars Site Redevelopment
 A-1-24-5-03

The Indiana University Board of Trustees requests authorization to proceed with a sixty-year ground lease of approximately 1.14 acres of university owned real estate located on the site of the former Poplars Building on the Bloomington Campus to BPIU Partners, LLC. The tenant shall design, construct, and finance a six story, 158-unit university affiliated apartment housing project of approximately 193,000 gross square feet. The project will prioritize housing for IU graduate students, to offset recent demolitions of retired housing facilities. IU will receive revenue from this lease in the form of annual ground lease payments estimated to be approximately \$500,000 that will escalate per a periodic inflation index along with rent revenue above certain occupancy goals.

Funding: Revenue Generating Lease
 CHE Review: September 14, 2023

Cost Summary

2019 'Change of Use' General Fund	\$ 7,943,873
2019 'Previously Approved' General Fund	\$ 23,000,000
2019 General Fund	\$ 4,000,000
2019 State Construction Fund	\$ 556,737
2021 State Construction Fund	\$ 1,737,376
2023 State Highway Fund	\$ 9,800,000
2023 'Change of Use' State Highway Fund	\$ 500,000
2023 General Fund	\$ 306,120,000
2023 'Previously Approved' State Construction Fund	\$ 2,901,000
Federal Funds	\$ 5,010,629
2023 Environmental Management Special Fund	\$ 4,359,388
Gift Funds	\$ 10,000,000
Operating Fund Reserves	\$ 20,000,000
TOTAL	\$ 395,929,003

V. **Review Items**

1. Health Care Plan and Other Post-Employment Benefits Modifications for Conservation and Excise Officers, IC 5-10-8-6 – *Department of Natural Resources and Alcohol and Tobacco Commission*
2. INvestED Grant – *Commission for Higher Education*
3. Pay Plan Modifications – *State Personnel Department*
4. Special Education Funds Review – *Department of Education*
5. Fees, Fines, and Penalties
 - i. Indiana Gaming Commission
 - I) *MMA and Boxing Fine*
 - II) *Investigative Fee*
 - III) *Paid Fantasy Sports Fine*
 - IV) *Administrative Disciplinary Action Fine (Charity Gaming Commission)*
 - V) *Civil Penalty for Violations of the child support arrears delinquency program (CSADR)*
 - VI) *Civil Penalty for Violations involving a Minor*
 - VII) *Civil Penalty for Violations of Commission Entity and Occupational Licensing Standards*
 - VIII) *Civil Penalty for Violations of Supplier Operational Standards*
 - IX) *Civil Penalty for Violations of Responsible Gaming Standards*
 - X) *Civil Penalty for Failure to Report Required Events*
 - ii. Department of Financial Institutions
 - I) *Depository Asset-Based Fee*
 - II) *Consumer Credit Volume Fee*
 - III) *Application Fee*
 - IV) *Civil Penalties*
 - iii. Indiana Education Employment Relations Board
 - I) *Unfair Labor Practice Violation Civil Penalty*

VI. **Reports Received**

1. FY23 State Educational Institutions Supplier Diversity Reports, IC 4-13-16.5-4.5 – *Department of Administration (12-01-2023)*
2. Indiana Resident and Non-Resident Rate Percentage, IC 21-18-9-11 – *Commission for Higher Education (12-01-2023)*
3. FY23 Appropriation of Donated Money Report, IC 4-12-1-21– *State Budget Agency (12-01-2023)*
4. Next Level Connections, IC 8-14-14.3-4 - *Northwest Indiana Regional Development Authority (12-01-2023)*
5. Data Sales Report, IC 9-14-13-12 – *Bureau of Motor Vehicles (12-01-2023)*
6. Indiana Sports Corporation Annual Report, IC 5-33-6.5-9 – *Indiana Destination Development Corporation (12-01-2023)*
7. Federal Funds Report, IC 4-3-24-7 – *State Budget Agency (12-01-2023)*
8. FY23 Annual Report IEERB, IC 20-29-3-15 – *Indiana Education Employment Relations Board (12-01-2023)*

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9. HCBS Functional Eligibility Assessments and Determinations Report, IC 12-10-11.5-4.5 – *Family and Social Services Administration (12-01-2023)*
10. Medicaid Rate Matrix, IC 12-15-1-23 – *Family and Social Services Administration (12/01/2023)*
11. OPEB Report for State Educational Institutions, IC 5-10.5-4-6 – *Indiana Public Retirement System (12/01/2023)*
12. OPEB Report for State Agencies, IC 5-10.5-4-6 – *Indiana Public Retirement System (12-01-2023)*
13. Medicaid Out of State Children’s Hospital Reimbursements, IC 12-15-15-12 – *Family and Social Services Administration (12-12-2023)*