



INDIANA GOVERNMENT EFFICIENCY COMMISSION

JOHN HILLENBRAND CO-CHAIRMAN

JIM BAKER CO-CHAIRMAN



Subcommittee on General Government

MEETING MINUTES¹

Meeting Date: October 14, 2003
Meeting Time: 10:00 A.M.
Meeting Place: State House, 200 W. Washington St., Room 156 D
Meeting City: Indianapolis, Indiana
Meeting Number: 1

Members Present: Mr. Robert McKinney, Chair; Mr. Steve Baranyk; Mr. Jeff Brougher; Mr. Jerry Payne; and Mr. Thomas Sponsel.

Members Absent: Mr. Donald Cook; Mr. Mark GiaQuinta; and Mr. Jeff Williams.

The Chair, Mr. McKinney, called the meeting to order at 10:05 a.m. Mr. McKinney requested that Mr. Baranyk be elected Co-Chair of the Subcommittee. The Subcommittee voted unanimously to elect Mr. Baranyk as Co-Chair.

Mr. McKinney called upon Ms. Marilyn Schultz, State Budget Director, to make a few comments. Ms. Schultz said that she had contacted several agencies for their input regarding the work of the Government Efficiency Commission and the Subcommittee on General Government. Ms. Schultz introduced Mr. Chuck Martindale, Commissioner of the Department of Administration (DOA), and Ms. Laura Larimer, Chief Information Officer for Indiana. Both Mr. Martindale and Ms. Larimer pledged their cooperation with the Subcommittee. Ms. Schultz told the members that Indiana has been a leader in electronic government. Mr. Martindale commented that while he has been in his current position for about ten days, he has begun a review of the state's travel policies to determine if the state is receiving the best possible deal as it relates to travel. Mr. Martindale told the members that he would provide them with an overview of the DOA for the next meeting. Ms. Larimer said that she will be out of town for the next meeting, but she would be willing to provide an overview of the technology used by Indiana.

Ms. Schultz continued by telling the Subcommittee that the Department of Natural Resources (DNR) had made several major changes under the direction of Mr. John Goss. Ms. Schultz said that fees at the State

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Parks had been increased to help with the operating costs of the parks. She also mentioned Ms. Lori Kaplan, Commissioner of the Department of Environmental Management (IDEM), as having made significant changes to the permitting process.

Mr. McKinney requested a list of agencies and commissions which have been created over the last ten years. A representative of the Legislative Services Agency (LSA) said that he would make every effort to comply with the request. Ms. Schultz then mentioned that prescription drugs represent the fastest growing component of optional services by the Medicaid program. She said that the Medicaid program is a federal-state program.

Mr. McKinney then asked Subcommittee members for their areas of interest. Mr. Sponsel said that he was interested in the Department of Revenue (DOR). Ms. Schultz said that the DOR has been recognized as a well-run operation by its peers throughout the country. Mr. Brougher commented about the Family and Social Services Administration (FSSA) and how people spend money with no apparent contracts. Ms. Schultz said that a new Secretary is taking over on Monday, October 20, and that there is an ongoing legislative audit, along with a criminal investigation by the Marion County Prosecutor's office. Mr. Payne commented that while he was attending the National Conference of State Legislatures' annual meeting in San Francisco this summer, he was told that Marsh Supermarkets in Indiana paid no Indiana income tax. Mr. Payne said that he would like more information on this topic.

Mr. McKinney said that this subcommittee could provide a fresh look at the operation of Indiana state government. Mr. Sponsel asked about long-range planning in Indiana and who does it. Mr. Payne asked about computers in state government. He said that he has had experiences with the Department of Workforce Development (DWD) whereby communications with other agencies was difficult, if not impossible. Mr. Martindale said that all agencies within state government can communicate via email. Ms. Larimer said that within the DWD, there is communication via email. Mr. Baranyk stated that he would like to see a presentation of the problems with computers. He would like to see the business side of state government within the DOA. Mr. Martindale said that we would speak to this issue.

Ms. Schultz told the Subcommittee that the three largest components of general government were: (1) Tax relief; (2) Department of Transportation; and (3) Economic Development. She said that unemployment compensation is the largest part of economic development under general government. Mr. Baranyk commented that the above three account for approximately 70% of the total for general government. Subcommittee members requested a listing of the various components of the State Budget in tabular form. It was suggested that the State Budget table of the Indiana Handbook of Taxes, Revenues, and Appropriations published by the LSA would be an ideal format. The LSA staff member stated that he would provide the table.

Budget Director Schultz suggested that, at its next meeting, the Subcommittee outline its future meeting schedule. Mr. Sponsel suggested two-member teams for the Subcommittee to review general government. Mr. Payne said that he was interested in the DWD, DOR, and federal funds. Mr. Baranyk voiced interest in the transportation area.

In commenting about the budget, Ms. Schultz commented that Indiana has a structural budget deficit of approximately \$800 million. She said that the "pass through" money is more than the money appropriated for services.

The Chair reminded everyone that the next meeting is on Tuesday, October 21, at 200 p.m in Room 130 of the State House. The meeting was adjourned at 11:00 a.m.