

April 2021 Minutes

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State Budget Committee Minutes
April 15, 2021

Members:

Representative Tim Brown, Chair
Senator Ryan Mishler
Representative Gregory Porter
Senator Eddie Melton
Zachary Jackson, State Budget Director

Alternate Members:

Representative Bob Cherry
Representative Carey Hamilton
Senator Liz Brown
Senator Fady Qaddoura
Joe Habig, Deputy Budget Director
Lisa Acobert, Deputy Budget Director

Chairman Tim Brown called the meeting to order at 9:04 AM EDT.

Following introductions, Chairman Brown introduced Tom Jackson, Principal Economist of IHS Markit, who presented the Indiana Economic Forecast Update.

Ben Tooley, Director of Fiscal Policy of the House Majority Caucus, and Hari Razafindramanana, State Budget Agency Assistant Director, presented the Revenue Forecast Technical Committee's Revenue Forecast Update for fiscal years 2021, 2022, and 2023.

Allison Taylor, Medicaid Director, and Rob Damler, Principal and Consulting Actuary of Milliman, presented the Medicaid Forecast Update.

Cris Johnston, Director of the Office of Management and Budget, provided Coronavirus Relief Fund (CRF) spending updates and an American Rescue Plan Act (ARPA) briefing.

Senator Eddie Melton asked if the Indiana Department of Transportation (INDOT) will be bringing their plans for the federal transportation funding before the Budget Committee. Director Johnston stated INDOT will be using already published plans to spend the federal transportation funding and there are no current plans for them to come before Budget Committee.

Senator Melton also asked about how federal dollars provided to local units will be reported back to the public, specifically how they planned to spend it and how it was spent. Director Johnston communicated that the Indiana Finance Authority (IFA) has the amount drawn and how the money can be used available on their website.

Senator Fady Qaddoura inquired if federal dollars are contingent upon the public health emergency declaration continuing. Director Johnston stated that some Federal Emergency Management Agency opportunities may end, but dollars from CRF and ARPA will continue to be available.

Senator Qaddoura also questioned if the 15% cut to agency budgets as part of the new biennial budget will be restored in response to the Forecast Updates previously presented. State Budget Director Zachary Jackson announced that in the Governor's Budget several agencies were restored, and more are planned to be restored.

Following Cris Johnston's presentation, Chairman Brown introduced the minutes of the January 2021 meeting. Representative Porter moved to approve the minutes. State Budget Director Jackson seconded the motion. The January 2021 minutes were adopted by consent of the Committee.

Chairman Brown introduced the minutes of the March 2021 meeting. State Budget Director Jackson moved to approve the minutes. Representative Porter seconded the motion. The March 2021 minutes were adopted by consent of the Committee.

Chairman Brown introduced the April 2021 agenda.

Kyle Hattenburg, Director of Enrollment Management for Marian University, presented the Indiana Primary Care Scholarships. Senator Liz Brown requested information on how many students return to Indiana after finishing their residency that received the scholarships. Representative Porter asked for information on the demographics of students receiving the scholarships and how many students are serving in underserved areas.

State Budget Director Jackson moved to approve the April 2021 agenda. Representative Porter seconded the motion. The agenda was adopted by consent of the Committee.

I. Minutes

1. January 13, 2021
2. March 22, 2021 – Items independently considered by members of the State Budget Committee.

II. Discussion Items

1. Economic Outlook
2. Revenue Forecast
3. Medicaid Forecast
4. CARES Act Funding Update and America Rescue Plan Act Briefing

III. Agency Project

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 to match funds raised by ISMHS for the FY21 state match capital appropriation. These projects include: Angel Mounds cultural landscape report, Corydon Capitol gazebo, residing the Gene-Stratton Porter Bank Barn, Lanier Mansion fence/gate restoration and gardens restoration, Coffin barn roof repair, New Harmony 2nd floor room at the Community House, Vincennes Fort Knox log replacement and Capitol Building window restoration and siding repairs, Whitewater Canal locks and aqueduct study, and Indiana State Museum exterior cleaning and various building upgrades.

Funding: HEA 1001: 2019 State Construction Fund
(Conservation and Environment Line Items 59914-2021)

IV. University Projects

1. **Ivy Tech Community College (710)** \$5,000,000
Muncie Campus Fisher Building Rebuild
Project No. F-0-21-2-03

The Trustees of Ivy Tech Community College have authorized the procurement of necessary services to reconstruct and repair the Muncie Campus Fisher building. During the prior biennium, the Muncie campus received bonding authority for a \$43 million capital improvement project which included new construction and renovations on Cowan Rd and downtown Muncie. On November 24, 2020, the building sustained a significant electrical explosion in the newly renovated switchgear room, which damaged all newly renovated space in the Fisher building lower level from the resulting shockwave and a secondary explosion immediately after. Repairs are necessary to restore the building to pre-incident condition and serve the students with the necessary hands-on lab training that simply cannot be substituted in a virtual setting. The cost of the project is estimated to be up to \$5 million and will be paid by operating funds; however, Ivy Tech is pursuing insurance proceeds to reimburse the College for the cost of the repairs.

Funding: Operating Funds
CHE Review: March 11, 2021

2. **Ball State University (780)** \$3,150,000
Grand Lawn Amphitheater
Project No. D-1-21-1-01

The Ball State University Board of Trustees request authorization for the construction of the new Grand Lawn Amphitheater. The University's Campus Master Plan recognizes the importance of open spaces on campus and the roles those spaces play in enhancing the experiences of the University and Muncie communities. Additionally, the master plan notes the need for additional space for their College of Fine Arts. The proposed Grand Lawn Amphitheater, to be constructed along the East Mall, will feature a stage, dressing rooms, green room, control room, and mixing station. The amphitheater will provide another location for their programs within the College of Fine Arts to hold classes and performances, as well as create an outdoor setting for other arts and cultural events. The total cost of the project is \$3,150,000 and will be paid through gift funds.

Funding: Gift funds
CHE Review: February 11, 2021

3. **Purdue University – West Lafayette (760)** \$3,500,000
Armstrong Hall Roof Repair
Project No. B-1-21-2-06

The Purdue University Board of Trustees approved the planning, financing, construction, and award of construction contracts for the Armstrong Hall Roof Repair Project. This project includes the repair of approximately 24,000 square feet of the metal panel section of the Armstrong Hall of Engineering roof. Existing metal panels will be removed, new plywood and a membrane will be installed, and the metal panels will be reinstalled with stronger rivets and extra clips. The majority of the metal panels will be reused, and some new panels will be manufactured to replace any damaged panels. This project will address safety concerns, repair damaged areas of the roof and prevent future damage by increasing the security of the metal panels. The overall life of the roof will be extended by 20-25 years as a result. The estimated cost of the project is \$3.5 million and will be paid by state R&R appropriations.

Funding: HEA 1001: 2019 – R&R Appropriation
CHE Review: February 11, 2021

4. **Indiana University – Bloomington (750)** \$ 23,000,000
Collins Living-Learning Center
Project No. A-1-20-2-02

The Trustees of Indiana University request authorization to proceed with the renovation of the three residence halls buildings (Smith, Edmondson and Cravens Halls) of the Collins Living-Learning Center on the Bloomington Campus. Smith Hall opened in 1924 as the first dorm constructed on the current campus, and both Cravens and Edmondson Halls were opened in 1940. These buildings total 126,249 gross-square-feet and have 398 beds. In each building, the chilled water and heating distribution systems will be replaced with a central system to include air conditioning; new direct digital controls will be provided for better temperature regulation. The heating and ventilating systems will be replaced in each student residence room, and new fresh air ducts will be installed to deliver fresh air directly to each room. Card reader security access systems, new data systems and domestic water heating systems will be installed in each building. The renovation will also include necessary roof repairs, updated electrical systems, new fire suppression and alarm systems, and updates to the service areas in Edmondson Hall. Corridor and student room finishes will be updated but given the unique architectural character of the three buildings, existing exterior and interior historical elements will be maintained and protected to the maximum extent possible. The estimated cost of the project is \$23 million and will be paid by non-fee replaced bonds.

Funding: Non-Fee Replaced Debt - Auxiliary Housing/Dining
CHE Review: December 12, 2019

Cost Summary

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| 2019 State Construction Fund | \$ 1,000,000 |
| Operating Funds | \$ 5,000,000 |
| Gift Funds | \$ 3,150,000 |
| R&R Appropriation 2019 General Fund | \$ 3,500,000 |
| Non-Fee Replaced Debt - Auxiliary Housing/Dining | \$ 23,000,000 |
| Total | \$ 35,650,000 |


V. Review Item

1. Marian University Primary Care Scholarships – Commission for Higher Education


VI. Reports Received

1. FY20 Local Transportation Infrastructure Program Annual Report, IC 5-1.2-15 – (3.23.2021)
2. SFY 2020 Home and Community Based Services (HCBS) Cost-effectiveness Report – Family and Social Services Administration, HEA 1001-2020 SEC. 8, page 58 – (1.26.2021)
3. 2019-2020 Virtual Charter School Report, IC 20-24-7-13(e) – Department of Education – (1.26.2021)
4. Mid-States Corridor Regional Development Authority 2020 Annual Report, IC 36-7.6-3-4 – (4.6.2021)
5. Wabash River Regional Development Authority 2020 Annual Report, IC 36-7.6-3-4 – (4.6.2021)

State Budget Committee
Meeting Minutes
April 2021



Representative Tim Brown, Chairman



Mr. Zachary Jackson, State Budget Director