

December 2025 Minutes

State Budget Committee Minutes

December 18, 2025, 10:00 AM ET

Indiana Statehouse

Senate Appropriations Room 431

200 W. Washington St., Indianapolis, IN 46204

Members:

Senator Ryan Mishler, Chair
Senator David Niezgodski
Representative Gregory Porter
Representative Jeff Thompson
Chad Ranney, State Budget Director

Alternate Members:

Representative Craig Snow
Senator Chris Garten
Senator Fady Qaddoura
Representative Ed DeLaney
Lisa Acobert, Deputy State Budget Director
Courtney Everett, Deputy State Budget Director

Chairman Ryan Mishler called the meeting to order at 10:10 AM. Chairman Mishler introduced the minutes, Representative Jeff Thompson motioned to approve the minutes, Representative Gregory Porter seconded the motion. Chairman Mishler introduced the agenda and there were no amendments.

Agency Projects

Department of Administration

The Department of Administration's CFO, Matt Kent presented the Law Enforcement and Firefighters Memorial Rehabilitation project.

Adjutant General's Office

The Adjutant General, Maj. Gen. Larry Muennich presented the Architecture & Engineering for the Crawfordsville and Elkhart Readiness Center Modernizations.

Following the presentation by Maj. Gen. Larry Muennich, Representative Gregory Porter asked if the federal funds identified for the modernizations were safe. Maj. Gen. Muennich responded that they were safe. Representative Porter asked for an update regarding the Fort Wayne fighter jet program. Maj. Gen. Muennich responded that Fort Wayne is transitioning to F16 fighter jets and still attempting to attract an F35 wing of the program around 2033-2035.

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Maj. Gen. Muennich concluded his presentation noting that they are in process of refreshing a 2017 comprehensive study that estimated the overall economic impact of the National Guard at \$530M.

Public Safety Commission

The Indiana Public Safety Commission's (IPSC) Executive Director, Mike Watkins, and CFO, Jon Von Arx presented the Tower Site Repairs project.

Department of Natural Resources

The Department of Natural Resources' (DNR) Deputy Director and CFO, Greg Sorrels, presented the Turkey Run Inn Pool Rehabilitation project.

Department of Transportation

The Indiana Department of Transportation's (INDOT) Assistant Facilities Director, Nathan Hood, presented the Indianapolis Transportation Management Center Carpet Installation and Interior Painting project and the Fortville Salt Barn Replacement.

Following the Fortville Salt Barn Replacement project, Senator Chris Garten asked if the engineering firm that completed the analysis was the same firm that will be constructing the building. Assistant Director Hood responded that it was a different firm. Representative Porter asked why they would be demolishing the current structure in the middle of winter and Assistant Director Hood responded that the salt will be temporarily placed in another storage facility. Director Ranney highlighted that it was not INDOT's decision to demolish the building at this time, but this ensure critical operations for INDOT are not interrupted this winter.

Purdue University

Purdue University's Director of Government Relations, Kendra Leatherman, presented the purchase of 501 Indiana Avenue and Canal Square Apartments.

Following the presentation by Director Leatherman regarding the purchase of Canal Square Apartments, Representative Porter asked if the purchase price paid by the Purdue Research Foundation is the same as the purchase price for Purdue University. Director Leatherman responded that it was.

Review Items

Department of Health

The Department of Health's (IDOH) Chief of Staff, Jon Ferguson, presented the Residential On-Site Sewage Rule Amendment. Senator Garten sought to understand the purpose of the rule, asking if there were increased issues in on-site sewage. Chief of Staff Ferguson responded that he would provide the information backing up their decision to implement this rule.

Professional Licensing Agency

The Professional Licensing Agency's (IPLA) Deputy Director, Nicholas Hart presented the Professional Counseling Compact Fee. Senator Garten asked if the compact can purchase property, acquire loans, etc., Deputy Director Hart responded that he assumed the answer was no, but he would confirm and provide that information. Chairman Mishler was able to identify the language and Senator Garten read the language and expressed deep concerns regarding the liability for the State. Chairman Mishler noted that the underlying language could potentially put Indiana in a bad fiscal position.

Department of Natural Resources

DNR's Deputy Director and CFO, Greg Sorrels, presented two Federal grants: the Eastern Region State, Private, and Tribal Forestry Federal Grant and the Indiana Consolidated Forestry Program Federal Grant.

Department of Health

IDOH's Chief of Staff, Jon Ferguson, presented two Federal grants. The first was the Gus Schumacher Nutrition Incentive Program (GusNIP). Chairman Mishler asked if there is a 3-year grant what will happen to the program after 3 years. Chief of Staff Ferguson responded that the program is designed to sustain throughout the 3 years and beyond, including public and private partnerships.

Chief of Staff Jon Ferguson then presented the second Federal grant for Strategies to Support Children Exposed to Violence. Representative Porter asked what 5 counties were included. Chief of Staff Ferguson responded that Delaware, Grant, Madison, Tipton, and Wayne were included. Representative Porter asked who designated those counties. Chief of Staff Ferguson responded that those counties had the highest rate of children exposed to violence. Representative Porter asked for that information. Chief of Staff Ferguson responded that they would provide. Senator Garten asked if Chief of Staff. Ferguson could explain some strategies they will implement to reduce children exposed to violence, and Chief of Staff Ferguson responded that the focus would be on therapy for children already exposed to reducing future issues. Senator Garten asked if the IDOH had the baseline data for the entire state that they used to determine the five counties with the highest need. Chief of Staff Ferguson responded that the current infrastructure helped determine that baseline data. Representative DeLaney asked if the DOH had lost any Federal grants, Chief of Staff Ferguson responded that IDOH had so many federal grants that he could not make that assumption. Senator David Nezgodski asked if the IDOH knew how many other states had received similar grants. Chief of Staff Ferguson responded that he could provide that. Representative Porter asked if Chief of Staff Ferguson could provide info on Federal cuts or reductions for childhood immunizations. Chief of Staff Ferguson responded that he could provide that information. Director Chad Ranney asked if there was coordination between IDOH and Department of Child Services (DCS) on achieving the goal of this Federal grant. Chief of Staff Ferguson responded that the two agencies continue to work closer together and the partnership is growing.

Department of Education

Department of Education's (DOE) CFO, Courtney Schaafsma presented three Federal grants. The first was the Education Innovation and Research Program Federal Grant for Notre Dame. Representative DeLaney asked what the amount of the grant was and for how long, CFO Schaafsma responded that the grant is for \$10M over five years. Representative DeLaney asked if there would be State match, CFO Schaafsma responded that DOE would be providing \$1.6M as match.

The second grant presented was the Education Innovation and Research Program federal grant for The Mind Trust. The State did not receive this grant, but it was included on the agenda), Representative DeLaney asked if The Mind Trust had this funding previously, CFO Schaafsma responded that was correct but that this would've provided expansion funding. CFO Schaafsma reiterated that the program will still be funded, only the expansion funding will not be received.

The third grant presented was the Education Innovation and Research Program Federal Grant for Marian University. The State did not receive this grant, but it was included on the agenda.

Indiana Economic Development Corporation

The Indiana Economic and Development Corporation's (IEDC) Executive Vice President and Chief Administrative Officer, Alison Grand, presented the 21st Century Research & Technology Fund Investment Policies. Representative DeLaney asked if there is a consistent policy on funds that allow for the waiving of provisions without going to the IEDC board? Executive VP Grand responded that the presentation was only covering the listed funds. Representative DeLaney asked if the waiver of the investment cap or conflict of interest in any of the funds discussed today. Executive VP Grand responded with the specific changes related to the funds presented. Senator Qaddoura asked if Executive VP Grand could provide more information on the recent conversation with Elevate Ventures. Senator Qaddoura asked if the Executive VP was instructed to keep commentary limited to the policies on the agenda. Executive VP Grand noted that she was happy to discuss the policies listed on the agenda. Senator Qaddoura noted that he hoped for further discussions with IEDC. Representative Porter noted that transparency from IEDC did not exist, and that the Committee needs to know more from IEDC because the Committee is accountable to the State. Chairman Mishler noted that Executive VP Grand is well versed on the policies listed on the agenda, but that someone else at IEDC could be a better resource for various Committee questions. Senator Qaddoura asked to convey to IEDC leadership that a discussion was necessary. Senator Garten noted that IEDC isn't providing information to the Committee until deals are already in progress, and he urged IEDC to make these deals more public.

Executive VP Alison Grand then presented IEDC Tax Credit Certifications. Senator Qaddoura asked if the Executive VP Grand knew the list of corporations involved in IEDC projects, and the Executive VP Grand responded that she needed to confirm if that information could be released as there was question surrounding the legality of naming corporate tax information. Representative DeLaney asked if there were people that applied for credits and didn't receive them, Executive VP Grand responded she did not have the answer to that. Chairman Mishler provided the answer, noting that not all entities receive a credit should they apply and those that are awarded are not always fully utilized. Representative Thompson highlighted that it is important to consider if investment were to happen without the incentives. Representative Porter highlighted that entities likely disclose on a Federal level through the Federal Exchange Commission. Executive VP Grand highlighted that fully executed tax credit certifications are available in the IEDC's transparency portal unless otherwise bound by a non-disclosure.

Family and Social Services Administration

Family and Social Services Administration's (FSSA) Chief of Staff, Eric Miller presented the Applied Behavioral Analysis (ABA) State Plan Amendment. Representative Porter asked if this was the third cut this program has received and asked when it will end. Chief of Staff Miller responded that the goal is to provide high quality care..

Representative Porter asked how this cut would affect the Child Care and Development Fund (CCDF) which appears to have eliminated providers, and he is concerned that the cut for ABA reducing providers. Chief of Staff Miller responded that this was the last cut for ABA therapy.

Representative DeLaney asked if Chief of Staff Miller suggested that there would be a flood of students out of Applied Behavioral Analysis (ABA) programs into public schools with special ed programs. Chief of Staff Miller responded that it was a difficult question to answer due to the complexities of children with autism being placed in the right program.

Senator David Niezgodski noted that there are certain children that need more intensive care, and he asked if FSSA will design the program to meet these needs. Chief of Staff Miller responded that there will be a process for determining if more intensive care is needed and those services will be provided.

FSSA Secretary, Mitch Roob, then presented the 340B State Plan Amendment. Senator Garten asked if the difference with Federally Qualified Health Centers (FQHC) is that they have to reinvest the profits into their system. Secretary Roob responded that he did not know that to be the case and through FSSA's analysis they found that Indiana is reimbursing some FQHC's at a higher rate than the FQHC charges for the service and there was not a difference in quality Senator Garten asked if they had visibility into how those dollars are being spent. Secretary Roob stated that they do not have visibility. Senator Garten highlighted that when the entire program is reviewed holistically, it is important not to change a program due to a minimal number of bad actors. Additionally, Senator Garten does not want to see 340B reduced in a way the causes harm to rural healthcare. Secretary Roob highlighted that 340B is currently being utilized in a way that was not originally intended, and that he would appreciate reviewing the services Senator Garten is aware of at a FQHC as Indiana's Medicaid should be filling the gap that is being adjusted.

Representative DeLaney asked who is retaining rebates that were mentioned by Secretary Roob. Secretary Roob highlighted it was not the State and would be the entities providing services. Representative DeLaney asked how those entities will re-coop the reduction and Secretary Roob stated that there is not another way for the entities impacted to re-coop the reduction.

Representative Porter asked if this had to be done right away, Secretary Roob stated that FSSA was charged with forming a report on pricing. Chairman Mishler stated that the budget took this into consideration with appropriating to FSSA.

Representative Porter asked about MDWise and further clarification on the administration's decision to end the relationship. Secretary Roob responded that they ended up being the highest cost, lowest quality provider. Representative Porter asked if there is a way to compare other organizations with MDWise. Secretary Roob said that he would share that information.

FSSA CFO, Paul Bowling, presented the Medicare Application for Potential Duals State Plan Amendment. Senator Qaddoura asked about the Pathways Waiver dashboard and noted the high waitlist. CFO Bowling responded that he did not know the exact number on the waitlist but that FSSA will continue utilizing identified savings to get spending to a more reasonable level.

FSSA CFO, Paul Bowling then concluded his presentation with the Inpatient Disproportionate Share Payment Adjustments State Plan Amendment.

Marian University

Marian University Dean, Dr. Amanda Wright, presented information regarding the 2025 Primary Care Scholarship. Representative Porter asked what counties these students are from. Dr. Wright shared that she would provide that information.

Commission for Higher Education

Commission for Higher Education's (CHE) Deputy CFO, Cody Robison, presented the Frank O'Bannon Schedule of Awards. Representative DeLaney asked about the reduction in spending of \$55M and who was impacted. Deputy CFO Robison responded that all students saw an impact from that reduction. Deputy CFO Robison reaffirmed that there is no data to suggest that the number of students receiving the award has decreased in recent years. Chairman Mishler reiterated that CHE asked to increase the grants temporarily until the money was gone, and after the money was gone they brought grant funding back down at a level still higher than grant funding in previous years.

Representative Porter noted his concern with reductions in spending on these programs due to the already existing financial hardship people are experiencing.

Representative Porter motioned to encourage the State Budget Committee to authorize a State Board of Finance transfer of \$5M from the Rainy Day Fund to the Commission for Higher Education for a 20-year loan at 1% interest to continue operations at Martin University. Additionally, Representative Porter motioned for InvestEd to move \$5M from their unrestricted earnings to Martin University.

Senator Garten inquired if any private institution has received a direct appropriation. Director Ranney responded that he was familiar with the previous appropriation to Martin University. Representative Porter highlighted there was the appropriation to Martin University and an additional appropriation made available to all other institutions which could have permitted a private institution to receive funding.

Senator Niezgodski seconded the motion. The motion failed 3-2.

Chairman Mishler asked if there were any further motions to remove anything from the agenda. There were none. Chairman Mishler called for a vote to approve the agenda. The agenda was approved unanimously.

Discussion Items

Medicaid Forecast

FSSA, Secretary Mitch Roob presented the Medicaid forecast Chairman Mishler confirmed that cost per individual is increasing. Senator Qaddoura asked if the Secretary suggested that FSSA needs more time to project Medicaid expenditures and therefore will not be able to reduce the waitlist anytime soon. Secretary Roob confirmed. Secretary Roob directed Senator Qaddoura and the Committee to Director Adam Alson for further information regarding On My Way PreK. Senator Qaddoura asked for clarification in understanding the savings from Sun Buck (Summer EBT) program and why the State can't implement savings from other FSSA efforts to opt back into funding the program. Secretary Roob noted that there were no plans to announce any changes anytime soon. Senator Qaddoura additionally highlighted a desire to address the insurance providers. Representative DeLaney asked to confirm that

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the forecast noted \$465 million less expenditure by the State in the current budget cycle. Secretary Roob confirmed that. Representative DeLaney asked if the Secretary believed there was more risk in this forecast due to fluctuating economic conditions. Secretary Roob stated that was not the case in the current biennium. Representative DeLaney asked what the cost of eliminating the Medicaid waitlist would be, Secretary Roob noted that he would get that number for the committee. Representative DeLaney inquired about adjustments in policy regarding Medicaid and Medicare. Secretary Roob addressed the questions highlighting the administrations' desire to plan within the budget. Representative DeLaney asked to further clarify the threat to the State's SNAP support due to the State's error rate. Secretary Roob noted that the Federal Government currently funds 50% of Indiana SNAP costs. Representative Porter noted that there was \$300 Million written into the Budget for FSSA use and he asked if Secretary Roob had any intention to utilize those dollars to cover SNAP administrative costs. Secretary Roob responded that he did not know the budget of both DCS and DOC, but that there were \$35 Million in SNAP costs that will be covered. Representative Porter asked about the almost \$500M identified in savings going back to the General Fund, and he speculated that perhaps there might be a desire to put those savings into a reserve fund. Senator Garten noted that he looks forward to consistent reform so that those who need Medicaid receive Medicaid.

Economic Forecast

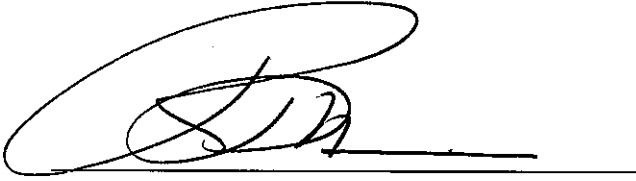
S&P Global's Principal Economist, Tom Jackson, presented the economic forecast. Senator Qaddoura noted that there was uncertainty around complicated policies causing fluctuating forecasts. Mr. Jackson noted that was part of the reason, but labor market expectations are also fluctuating. Senator Qaddoura noted that taxpayers are not hearing that jobs are being added and homes are being sold to indicate an upswing in the economy. Mr. Jackson reiterated that this presentation is relative only to expectations for future economic growth.

Revenue Forecast

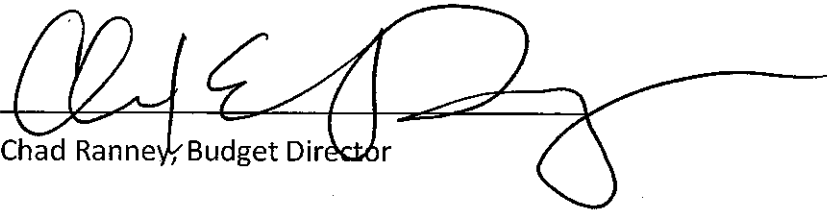
The revenue forecast was presented by Krista Ricci, Director of Fiscal Policy for the Senate Republican Caucus and Hari Razafindramanana, Chief Economist for the Indiana State Budget Agency. Senator Qaddoura asked if the forecast assumed around \$5 Billion in combined balances for the State by FY2027. Director Ranney confirmed that. Senator Qaddoura asked if Director Ranney could walk through the Medicaid contingency and reserve and indicate if the \$465 Million was included in those numbers. Director Ranney indicated that they were included. Senator Qaddoura questioned the revenue forecast and suggested a review of cuts made due to the previous forecast. Representative DeLaney asked if Chief Economist Hari Razafindramanana had an estimate of growth for the S&P 500 for 2026. Mr. Razafindramanana noted that the outlook was not above consensus, noting an improvement from the April forecast but not a significant improvement. Representative DeLaney asked Director Ranney what the additional dollars in the surplus statement will be used for. Director Ranney clarified that the plan is to move forward with the budget as it exists and also noted that the funds noted in the surplus statement are due solely to increased revenue for the State.

Chairman Mishler adjourned the meeting at 3:20 PM.

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Senator Ryan Mishler, Chairman

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Chad Ranney, Budget Director