

State of Indiana

Recovery Plan

State and Local Fiscal Recovery Funds

2021 Report

Note: The Recovery Plan Performance Report will provide the public and Treasury information on the projects that recipients are undertaking with program funding and how they are planning to ensure program outcomes are achieved in an effective, efficient, and equitable manner. While this template includes the minimum requirements for the Recovery Plan, each recipient is encouraged to add information to the plan that they feel is appropriate to provide information to their constituents on efforts they are taking to respond to the pandemic and promote an equitable economic recovery.

Each jurisdiction may determine the general form and content of the Recovery Plan, as long as it meets the reporting requirements, and recipients are encouraged to tailor this template to best meet their needs. Use of infographics, tables, charts, pictures, case studies, and other explanatory elements are encouraged.

State of Indiana
2021 Recovery Plan

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GENERAL OVERVIEW

Executive Summary

The State of Indiana received 50%, \$1,535,915,336, of the State Fiscal Recovery Fund (SFRF) allocation on June 30, 2021. The budget adopted by the Indiana General Assembly in April 2021 included appropriations across 21 program areas to be funded from the SFRF. The aggregate of these appropriations is approximately 100% of Indiana's total SFRF funding of \$3,071,830,673. Because the budget was adopted prior to the issuance of the Interim Final Rule as well as any revisions which may result from its comment period, adjustments to program area planning and their respective appropriations may be required.

American Rescue Plan Act Appropriations	Total
Mental Health Grants	\$ 100,000,000
Health Issues and Challenges Grants	\$ 50,000,000
UI Trust Fund Restoration	\$ 500,000,000
Career Accelerator	\$ 75,000,000
Regional Economic Advancement and Development Initiative	\$ 500,000,000
Next Level Flights	\$ 10,000,000
Dept. of Correction and State Police Premium Pay	\$ 10,500,000
Water, Sewer, Broadband	\$ 410,000,000
Public Safety Equipment and Training	\$ 37,500,000
Conservation and Trails	\$ 85,000,000
Northwest Indiana Transit Projects	\$ 231,000,000
Infrastructure other than Water, Sewer, Broadband	\$ 1,107,200,000

Note: selected appropriations of similar programs have been combined for purposes of this report

Question 1.2 of the Frequently Asked Questions (FAQs) section of the Coronavirus State and Local Fiscal Recovery Fund User Guide indicated that project level reporting is not required in the Interim Report but that a Recovery Plan should be submitted describing the planned uses of funds and planned projects. Since most of the programs contemplated are still under development, the appropriations will be presented in future Project and Expenditure Reports and annual Recovery Plan Performance Reports.

The programs to be funded by these ARP appropriations are expected to span the six major expenditure categories in support of a broad, strong and equitable recovery from the pandemic and economic downturn.

Uses of Funds

The following summaries of the program area appropriations describe the intended uses at this time and are subject to further deliberation and development. Only one program area has expended ARP funds through July 31, 2021. Several of the program areas span more than one expenditure category. The inclusion of the program under an expenditure category for the purposes of this summary does not indicate its final designation which will be determined for future reporting.

Public Health

The Indiana Family and Social Services Administration (FSSA) Division of Mental Health and Addiction (DMHA) is responsible for oversight and distribution of \$100 million to address behavioral health challenges throughout the state. DMHA intends to use this funding to build a higher quality, more seamlessly integrated, and more accessible system of behavioral health for the citizens of Indiana.

The Indiana Department of Health (IDOH) will administer the Health Issues and Challenges grant program by providing and administering grants to eligible entities across the state. In total, \$25 million will be awarded each year for two years to address the following health issues: childhood lead testing, case management, and abatement activities; infectious disease (HIV and hepatitis C), chronic disease (cardiovascular disease and cancer); tobacco prevention and cessation; nutrition (diabetes, obesity, food insecurity); and home visiting services.

Negative Economic Impacts

The Indiana General Assembly has appropriated \$500 million for the objective to restore the unemployment insurance trust fund to pre-pandemic levels. The Coronavirus Relief Fund was used in 2020 to repay an advance from the U.S. Department of Labor and make a down payment for this same purpose.

The Indiana Economic Development Corporation (IEDC) will administer the Regional Economic Acceleration and Development Initiative (READI) program. READI is a \$500 million regional economic development initiative that incentivizes counties, cities, and towns across the state to develop regional economic development plans that outline investment strategies designed to create compelling regional communities that attract and retain talent. These plans outline the regions' plans to invest in projects and programs that improve quality of life and place, build and expand innovative and entrepreneurial ecosystems, and tell Indiana's story to their existing residents and to the world. Projects funded through this initiative include, but are not limited to, workforce housing, community, cultural, and artistic amenities, small business loan and investment funds, talent development programs, and other investments that help attract people to Indiana.

Other program initiatives for which IEDC will be responsible include investing up to \$10 million in ARP funding to help Indiana's airports recover from the pandemic by incentivizing airlines to establish new routes to in-demand business markets. These investments will generate new opportunities for area businesses and provide revenue to the airport and its city, and the state.

Services to Disproportionately Impacted Communities

The Indiana General Assembly created and appropriated \$75 million for the Career Accelerator Fund. The Indiana Secondary Market for Education Loans (d/b/a INvestEd), a statutory, 501(c)(3) non-profit, was assigned to administer this new workforce development program. It will provide financial assistance to individuals for obtaining short-term credentials in high-wage, high-demand career fields. The pandemic exacerbated Indiana's socioeconomic disparities, particularly for lower-skilled individuals and marginalized communities. The policy objective is a robust, sustainable workforce development program that is broad-based in terms of communities served, training providers, career fields, and geographic regions of the state.

A component of the broadband infrastructure program will be the Indiana Broadband Subsidy Program to provide K-12 student households, schools, and rural clinics with subsidies to help pay for broadband service. Households will receive 50/5 download/upload speeds while schools and clinics will receive 1GB.

Premium Pay

Appropriations of \$10.5 million will be directed to the Indiana Department of Correction (IDOC) and the Indiana State Police to recognize the service of correctional staff and state troopers for the hazards and challenges they faced during the pandemic

Water, Sewer, and Broadband Infrastructure

A total of \$410 million has been appropriated for broadband (\$250 million) and water and sewer investments (\$160 million).

The planned objectives for broadband, which are a continuation of previous state investments of \$100 million, include:

- Next Level Connections Broadband Grant Program- Provide funding to specific areas in Indiana that lack broadband coverage, actual speeds of less than 25Mbps downstream; areas that lack quality, reliable access to fixed terrestrial broadband; and areas with compelling need.
- Indiana Connectivity Program- Provide households & businesses a connection to broadband internet utilizing a reverse auction method.
- School and Rural Health Clinic 1 GB Program- Provide schools and rural clinics a connection to 1 GB broadband utilizing a reverse auction method.

The Indiana Finance Authority has managed very successful environmental programs through its State Revolving Fund for many years and that experience will serve as the guide for the water and sewer grant program. Preliminary customer surveys indicate strong demand, which exceeds the appropriation, from across the state and a range of communities.

Revenue Replacement-Government Services

Funding for government services to the extent of general revenue reduction as determined by the Interim Final Rule formula is planned for:

- Public Safety Equipment and Training (\$37.5 million)
- Conservation and Trails (\$85 million)
- Transit Projects (\$231 million)
- Road and Bridge Infrastructure Projects (\$1.1 billion)

Promoting equitable outcomes

Several of the planned uses are pursuing outcomes which promote equity and to narrow disparities in economic opportunity, education, and public health. Desired outcomes of selected program areas summarized below.

Public Health

There are many historically underserved and disproportionately affected groups that the Indiana Department of Health (IDOH) plans to serve with the Health Issues and Challenges grant program, including racial and ethnic groups, rural areas, communities with lower income, lower educational attainment, and limited access to health care and social services, individuals with disabilities, and individuals with limited English proficiency. Grantees will be required to describe how their proposals will address health equity. The state enabling legislation states that, in awarding the grants, the IDOH may prioritize proposals that will address health disparities and organizations representing people of color.

The IDOH grant program will provide potential grantees with guidance which will include recommended evidence-based programming to use, metrics required to be tracked, standard data collection parameters, and the requirement for grantees to describe how proposals will address health equity and measures showing impact on health equity, including underserved communities, people of color, people with low income, people with disabilities, and people with limited English proficiency or educational attainment.

In its administration of the mental health grants, the Department of Mental Health and Addiction (DMHA) intends to examine potential projects through a series of questions pertaining to the engagement and impact on disparate populations. DMHA will partner with a technical assistance advisor to identify and support grassroots organizations, many of which are staffed by or serve disparate populations. Additionally, workforce equity and diversity are an explicit focus of its workforce efforts which will be promoted and measured.

Education and Workforce

A goal of the Career Accelerator Program, administered through INvestED, is to advance educational opportunity and economic empowerment to as many Hoosiers as possible, particularly those from disadvantaged and marginalized communities. Lower educational attainment is concentrated among historically underserved groups—before, during, and after the COVID-19 pandemic. For example, postsecondary attainment is disproportionately low among males in low-income urban and rural areas. For many, an ideal pathway of accelerating their careers and upskilling is through short-term credentials. Already, Indiana’s nondegree workforce training programs have shown disproportionate interest, participation, and success from these disadvantaged populations. In certain high-wage, high-demand career fields, such as advanced manufacturing and informational technology, there exist considerable participation and wage gaps for women and people of color. Concerted equity and inclusion efforts by the state, industry groups, training providers, economic development groups, and individual businesses coupled with the Career Accelerator’s financial aid will help Indiana advance on these pressing fronts.

Broadband Infrastructure

Funds will be used to assist underserved and adversely affected groups by providing broadband infrastructure deployment to those families that are unserved or underserved. Goals of the broadband program include:

- Increased access to unserved or underserved households, businesses, health clinics and schools.
- Increased adoption of school buildings and rural health clinics receiving 1GB of service.
- Increase adoption of households and businesses receiving greater than 25/3 download/upload speeds.

Additionally, the subsidy program will assist Hoosier students, schools, and clinics with the cost of adoption and monthly service. The state administering agency, Office of Community and Rural Affairs, plans to target the subsidy program to include households where at least one member of the household is a K-12 student enrolled in an eligible school and at least one member of the household is participating in one of several designated assistance programs (SNAP, TANF, etc.). These attributes will be embedded in the grant application scoring rubric.

Other Infrastructure-Government Services

For projects undertaken by the Indiana Department of Transportation (INDOT), the agency will adhere to its project specific and program goals for the federal Disadvantaged Business Enterprise program. Its current goal established with the Federal Highway Administration is 10.1% of contract value. INDOT supports these efforts through its On the Job Training and DBE Services programs.

Community Engagement

Most of the planned uses require engagement with a range of stakeholders for sound program design and achieving desired outcomes. These stakeholders are targeted clients/customers, advocacy groups, service delivery providers, the legislature, other government partners and more. The responsible agencies are in various stages of engagement with these parties.

Certain programs will require collaboration across stakeholders at the point of service delivery. Examples include the public health programs and the regional economic acceleration programs and those initiatives have already started.

Labor Practices

Projects funded for water and sewer projects will follow the provisions of the federal Clean and Drinking Water programs which include Davis Bacon Act requirements.

Road and bridge projects, which will be deemed government services and administered by INDOT, will adhere to state and federal contracting requirements which include the Davis Bacon Act and the Disadvantaged Business Enterprise program.

Labor practices reporting requirements for the broadband program are under development.

Use of Evidence

At this time, no programs have been identified for evidence-based interventions (strong or moderate evidence). Programs with evidence-based analysis which could be deemed preliminary evidence are contemplated in the public health and education areas.

To maximize programmatic impact and outcomes, the state enabling legislation creating the Indiana Department of Health grant program requires grantees to describe in their proposals how they will use proven, evidence-based programming to achieve goals and outcomes. A grant proposal must include proposed measurable and specific improvement in one or more critical health metrics within a defined cohort. The cohort may be defined by any health, demographic, or geographic criteria, or any combination of these.

The Career Accelerator will use evidence-based interventions and utilize rigorous program evaluation to build further evidence, inform ongoing programmatic improvements, hold training providers accountable, and, ultimately, contribute toward the educational attainment and upward mobility of Indiana citizens. Statutory requirements and programmatic design will produce valuable data in both individual and aggregate terms. To gauge progress with disadvantaged communities, program participation, credential completion, job placement, and wage growth will be disaggregated as much as possible. Race, ethnicity, pre-enrollment educational attainment, pre-enrollment employment and wages, zip code, census tract, and other demographic categories that illuminate equity advancements will be central to program analysis and evaluation. Moreover, it is hoped that evidence built during the program can inform wider postsecondary education and workforce training efforts throughout the state geared toward equity and inclusion.

Table of Expenses by Expenditure Category

Expenditures through July 31, 2021 are limited to the Public Safety Equipment Purchase program for the acquisition of body cameras and related equipment by the Indiana State Police.

		Cumulative expenditures to date (\$)	Amount spent since last Recovery Plan
6	Expenditure Category: Revenue Replacement		
6.1	Provision of Government Services	\$3,771,077.10	\$3,771,077.10

Project Inventory

Project level reporting will commence as distinct projects within the program areas described above are identified. It is expected that several of the program areas described above will be reported as stand-alone projects.

Performance Report

As part of their planning process, the agencies responsible for the administration of the program area appropriations have begun development of program measures. The measures will range from near-term measures for activities and resulting outputs to longer-term metrics relating to desired outcomes. Mandatory performance indicators will be reported for the programs linked to the designated expenditure categories.

Ineligible Activities: Tax Offset Provision (States and territories only)

Item	Amount
a. Revenue-reducing Covered Changes	\$ 0