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FISCAL IMPACT STATEMENT

LS 7191

BILL NUMBER: HB 1649

NOTE PREPARED: Jan 20, 2005

BILL AMENDED:

SUBJECT: Center for agricultural science and heritage.

FIRST AUTHOR: Rep. Friend

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: GENERAL
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that the staff of the Center for Agricultural Science and Heritage (The Barn) are employees of the State Fair Commission (Commission), and that the Barn ceases to be a body corporate and politic. It provides that the Commission pay the operating expenses of the Barn from the funds of the Commission, and that real property may not be held in the name of the Barn. It revises the term of an individual on the board of trustees of the Barn to four years and limits years of service in a 12 year period. It also authorizes the Barn director to hire staff and delegate authority. The bill repeals and relocates definitions pertaining to the Barn. It also makes conforming amendments.

Effective Date: July 1, 2005.

Explanation of State Expenditures: *Barn Staff Become Employees of the State Fair Commission.* The bill eliminates provisions that specify that the Barn is a body corporate and politic separate from the state and not a state agency. The staff of the Barn become employees of the State Fair Commission. The Commission is a separate body, corporate and politic. The Commission is not a state agency.

The bill provides that the Barn director may hire staff subject to a budget approved by the trustees and the Commission. The Commission must pay the operating expenses of the Barn from the funds appropriated to the Barn. The trustees may not hold real property in the trustees' name.

The Barn has four staff: an executive director, an executive assistant, an education specialist, and a part-time market master and special event coordinator. The Barn also employs five interns for 100 hours during the summer. Each is paid \$1,000. Total salaries for the Barn staff equaled \$156,975 with benefits equaling

\$43,188, for a total of \$200,163. Under the bill, the Barn staff would become employees of the Commission. Hence, the Commission would incur expenses of at least \$200,163 for the first year and thereafter. If the Barn expanded its staff, the Commission expenses would also expand.

According to the Barn income statement for FY 2004, the Barn received total support and revenue of \$1.2M. Of this total, appropriations from the State Fair Commission equaled \$750,000. Revenue from sources other than the Commission equaled \$524,855. The Barn expended \$521,345. The Barn had assets remaining of \$753,509.

Background: In CY 2003 the State Fair Commission received \$283,631 in pari-mutuel revenue, \$3.7M in riverboat revenue, and \$2.2M from the state property tax.

Barn Board of Trustees. The bill changes the terms of individuals appointed to the Barn Board of Trustees and specifies that the trustees enter into contracts with approval by the Commission. The board of trustees may no longer receive, hold, and expend appropriations made by the General Assembly; lease real property; develop, improve, and maintain property leased or owned by the trustees; or adopt rules. The Commission must approve the trustees' recommendation for the executive director of the Barn. The Commission, as opposed to the trustees, delegates powers to the Barn director.

Currently, there are 17 trustees who do not receive per diem. Eleven members are lay employees. The bill provides per diem for the trustees. Currently, the trustees meet about every other month if necessary and if there is business to conduct. The bill provides that trustees who are not state employees are entitled to per diem and reimbursement for travel expenses and other expenses incurred in connection with their duties. Each member who is a state employee is entitled to reimbursement for traveling expenses and other expenses incurred. The Commission must adopt a policy for the number of meetings the trustees may hold and payment of per diem and travel expenses for trustees' meetings and during the time of other required activities. This provision will increase expenses for the board of trustees. The impact will depend, in part, on the number of meeting that the Commission authorizes.

Code of Ethics. The bill provides that the Commission must adopt rules or a policy establishing a code of ethics for employees of the Commission or decide it wishes to be under the jurisdiction and rules adopted by the State Ethics Commission. A code of ethics adopted by rules or policy must be consistent with state law and approved by the Governor. This provision should have no significant fiscal impact.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources: Betsy Jones, Executive Director, The Barn, 925,2410; The Barn Income Statement—July 1, 2003 through December 31, 2003 and January 1, 2004 through June 30, 2004.

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