

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7244**

**BILL NUMBER:** SB 315

**NOTE PREPARED:** Jan 4, 2005

**BILL AMENDED:**

**SUBJECT:** In-house construction.

**FIRST AUTHOR:** Sen. Young R

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**  GENERAL  
 DEDICATED  
 FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill increases from \$50,000 to \$75,000 the cost of projects that the Department of Natural Resources (DNR) may perform without awarding a public works contract.

**Effective Date:** July 1, 2005.

**Explanation of State Expenditures:** Currently, IC 4-13.6-5-4 limits construction projects that the DNR can complete using DNR employees to those projects that cost less than \$50,000. (IC 4-13-2-11.1 limits the Department of Correction to projects costing less than \$100,000. All other state agencies are limited to \$75,000.) This bill increases the DNR limit from \$50,000 to \$75,000. Raising the limit could increase the number and types of projects that the DNR could complete using its own workforce which could reduce DNR expenditures to the extent that the DNR would not need to contract for additional outside services. DNR's seasonal work cycle would allow staff to complete construction projects during winter months when public visitation to its properties is minimal.

The proposal would not require the DNR to complete all projects under \$75,000, but would provide the DNR with the option to do so. The table below outlines DNR project costs that were bid for 2001 through 2003. DNR projects could be funded with either state General Fund or dedicated fund revenue.

| <b>PROJECTS BID BY DNR</b> |                           |                            |                          |                  |                              |                    |
|----------------------------|---------------------------|----------------------------|--------------------------|------------------|------------------------------|--------------------|
|                            | <b>LESS THAN \$50,000</b> |                            | <b>\$50,000-\$75,000</b> |                  | <b>GREATER THAN \$75,000</b> |                    |
|                            | <b>Number</b>             | <b>Dollars</b>             | <b>Number</b>            | <b>Dollars</b>   | <b>Number</b>                | <b>Dollars</b>     |
| <b>2001</b>                | 61                        | \$902,279 (4% of total)    | 8                        | \$534,326 (2%)   | 38                           | \$23,169,810 (94%) |
| <b>2002</b>                | 83                        | \$1,050,852 (6% of total)  | 10                       | \$652,778 (3%)   | 40                           | \$17,224,920 (91%) |
| <b>2003</b>                | 88                        | \$1,465,330 (10% of total) | 11                       | \$644,328 (4%)   | 35                           | \$12,731,280 (86%) |
| <b>Total</b>               | 232                       | \$3,418,461 (6% of total)  | 29                       | \$1,831,432 (3%) | 113                          | \$53,126,010 (91%) |

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** DNR

**Local Agencies Affected:**

**Information Sources:** DNR

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