

**Members**

Rep. Russell Stilwell, Chairperson  
Rep. Brian Bosma  
Sen. James Lewis  
Sen. Thomas Wyss



**LSA Staff:**

Ed Gohmann, Attorney for the Subcommittee  
Jim Landers, Fiscal Analyst for the Subcommittee

**Authority:** Legislative Council Resolution 6/19/03

# LEGISLATIVE COUNCIL ECONOMIC DEVELOPMENT CORPORATION SUBCOMMITTEE

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## MEETING MINUTES<sup>1</sup>

**Meeting Date:** September 13, 2004  
**Meeting Time:** 11:00 A.M.  
**Meeting Place:** State House, 200 W. Washington St., Room 404  
**Meeting City:** Indianapolis, Indiana  
**Meeting Number:** 1

**Members Present:** Rep. Russell Stilwell, Chairperson; Rep. Brian Bosma; Sen. James Lewis; Sen. Thomas Wyss.

**Members Absent:** None.

### I. Call to Order

Representative Russ Stilwell, Chair of the Subcommittee, called the meeting to order at approximately 11:15 AM.

### II. General Issues

The Chair briefly summarized the Subcommittee's work from the 2003 interim.

### III. Staff Report; Review of Revised Preliminary Draft 3200

The Chair requested Ed Gohmann of LSA to provide background information regarding the Indiana Economic Development Corporation (IEDC) to the Subcommittee. Mr.

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<sup>1</sup> Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

Gohmann made the following points:

- (1) The budget bill from the 2003 session of the General Assembly (HEA 1001-2003, P.L.224-2003) included a provision establishing the IEDC as a body corporate and politic.
- (2) The statute establishing the IEDC provided that beginning July 1, 2005, the IEDC "shall carry out the economic development functions of the state in conformity with the laws enacted by the general assembly."
- (3) Until July 1, 2005, the Board of the IEDC is to serve as an advisory board to the state on economic development matters.
- (4) The statute establishing the IEDC also provided that on July 1, 2005, certain economic development entities (Indiana Small Business Development Corporation; Indiana Economic Development Council; Indiana Development Finance Authority; Indiana Twenty-First Century Research and Technology Fund) will become "subsidiaries or agencies" of the IEDC and that the IEDC will be responsible for overseeing the operations of those entities.
- (5) The budget bill also did the following:
  - (A) created an Office of Economic Development within the IEDC;
  - (B) effective July 1, 2005, transferred the duties of the Department of Commerce relating to energy policy to an Office of Energy Policy; transferred the duties of the Department of Commerce relating to tourism and community development to a Department of Tourism and Community Development; and transferred all other duties of the Department of Commerce relating to economic development (except those relating to energy policy or tourism and community development) to the IEDC; and
  - (3) directed the Legislative Services Agency to organize and correct statutes affected by the transfer of these responsibilities to the Office of Energy Policy, the Department of Tourism and Community Development, and the IEDC.

The Chair then requested Mr. Gohmann to describe Preliminary Draft 3200, which the Chair offered for discussion by the Subcommittee members.

Mr. Gohmann explained that Preliminary Draft 3200 proposed the following changes to the IEDC law and certain other economic development statutes.

- (1) Effective July 1, 2005, the draft would abolish the IEDC and change the IEDC Board into the Indiana Economic Development Roundtable ("Roundtable").
- (2) The draft would repeal the provisions enacted in the 2003 budget bill that will, effective July 1, 2005, transfer economic development functions to the IEDC, the Office of Energy Policy, and the Department of Tourism and Community Development.
- (3) The draft would add four additional members to the Roundtable:
  - (A) A person appointed by the Governor on recommendation of the Indiana Economic Development Association.
  - (B) A person appointed by the Governor on recommendation of the largest general farm organization in Indiana.
  - (C) A person appointed by the Governor on recommendation of the Indiana

tourism council.

(D) The executive director of the Department of Commerce (as a nonvoting member).

(4) The Lieutenant Governor would serve as chair of the Roundtable.

(5) Members of the Roundtable would not be entitled to a per diem or any other compensation, but they would be entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with their duties.

(6) Subject to the approval of the Budget Agency, the Roundtable could employ personnel as necessary to carry out its duties.

(7) The members and employees of the Roundtable would be subject to the jurisdiction of and rules adopted by the State Ethics Commission. However, the roundtable could adopt a code of ethics for its members and employees that is more stringent than the rules adopted by the State Ethics Commission.

(8) The Roundtable would have the following duties:

(A) Create and regularly update a strategic economic development plan.

(B) Establish strategic benchmarks and performance measures.

(C) Monitor and report on Indiana's economic performance.

(D) Make recommendations concerning economic development to the Governor and the Legislative Council.

(E) Submit an annual report to the Governor, the Department of Commerce, and the Legislative Council before November 1 of each year.

(9) Before providing any recommendations, the Roundtable would be required to prepare an analysis of the fiscal impact of the recommendation. If the analysis indicates that the impact of the recommendation will be at least \$500,000, the Roundtable would be required to submit a copy of the recommendation and the fiscal analysis to the Legislative Services Agency for review. (This is similar to the requirement that applies to the Education Roundtable.)

(10) The Roundtable would have standing committees to study the following issues:

(A) Business attraction, retention, and development.

(B) Innovation and modernization.

(C) Marketing and state promotion.

(D) Workforce development.

(E) Tourism and agriculture.

(11) The Tourism and Agriculture Committee of the Roundtable would be required to study the issue of whether a Department of Tourism or a Department of Agriculture, or both, should be established as departments of state government. The Committee must make findings and issue recommendations on this issue to the Roundtable before July 1, 2006.

(12) The draft would repeal the Indiana Economic Development Council and transfers its duties to the Roundtable.

(13) The draft would repeal a number of provisions related to the IEDC Board and to the IEDC (e.g., the definition of "Board;" a provision establishing the Office of Economic Development; provisions related to the IEDC issuing debt).

(14) The draft would also repeal a statute providing that certain economic development entities (such as IDFA and the Twenty-first Century Research and Technology Fund) become subsidiaries of the IEDC on July 1, 2005.

#### iv. Subcommittee Discussion

The Chair stated that the General Assembly should take some action concerning the IEDC before July 1, 2005, either to abolish it, revise it, or specify its duties.

Representative Bosma stated that the IEDC was a good idea when it was enacted into law in 2003, and that it should be implemented. He stated that he understood that it was a significant change, and that this would make some persons apprehensive.

The Chair commented that he would prefer a more deliberative approach to the issue before the corporate approach is implemented. He also stated that the economic development process in Indiana was not broken.

After additional subcommittee discussion, the members agreed to defer any action on the Preliminary Draft until after the election.

#### v. Adjournment

The Chairman adjourned the meeting at approximately 12:35 PM.