

Hendricks County Chambers Weekly Statehouse Update

By Caryl Auslander • Mar 02, 2023

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General Statehouse Update

The first half of the 2023 Indiana Legislative Session has officially [wrapped up](#), and action at the statehouse will take a brief pause for the remainder of the week. During the first half, priority legislation to address healthcare costs, increase access to childcare, and streamline taxes saw success. The House of Representatives also passed its version of the state's biennial budget bill.

Not everything made it through the first pass, however. Hotly debated language to require school board candidates to disclose their political affiliation, language to afford driving cards to undocumented Hoosiers, and a controversial “anti-CRT” curriculum bill also died for lack of committee or floor vote. What made it through to the second half? Let's dive in...

BUDGET

House Budget Bill Prioritizes Education Funding Increase and More

[In the \\$43.3B spending plan](#), the House Republicans prioritize keeping a healthy reserve while investing a portion into one-time spending initiatives to help Hoosier families, promote economic development, and invest in infrastructure. A major takeaway of [HB 1001](#) includes an expansion of school choice vouchers to Hoosier families who make up to 400% of the Federal Poverty Rate, or around \$220K a year. With this expansion comes an additional increase of the program from \$240M in annual expenditure to \$500M in FY24 and \$600M in FY25. Overall, K-12 education is set to see a \$1.6 billion increase in funding over the biennium - an almost 11% increase.

The budget also accelerates the individual income tax rate cuts enacted in 2022 to lower the rate to 2.9% by 2026 instead of 2029 and deletes all triggers in current law. GOP budget drafters say they hope this will save Hoosier taxpayers \$470M over the biennium and \$1.6B between now and 2030. This budget accounts for more than \$155M in additional tax cuts for Hoosier taxpayers over the biennium, including increased income tax deductions for homeowners and renters, additional tax deductions for new parents, an increase to the earned income tax credit, and exemptions for active-duty military members and civil service annuity recipients.

On the health front - the budget amendment includes \$225M for public health, which is only 2/3rds of the Governor's request and less than half of what the Governor's Public Health Commission recommended.

Other budget highlights include:

- Doubling the amount of funding for food banks
- Fully funding the proposed increases from the Supreme Court
- Providing funding to increase starting salaries for state troopers to \$70,000 per year
- Fully funding state employee pay raises granted by the Governor.

- \$500M for Regional Economic Acceleration and Development Initiative (READI) grants
- \$500M for a “deal closing fund” for the Indiana Economic Development Corporation
- \$75M for a residential housing infrastructure assistance revolving fund

For additional information, please visit the [press release](#) or [slide presentation](#).

EDUCATION

High School Job Training Grants

[HB 1002](#), a bill aimed at providing [more job training to high school students](#), will also seek to address skills gaps and employee shortages. It would also change graduation requirements, and funds previously allocated toward free college through the 21st Century Scholarship would be available for on-job training.

Some changes were made from the original language to [address funding concerns](#). Bill authors added a price range of \$2,500 to \$5,000 to the accounts, to be determined by the [Department of Education and the Governor’s Workforce Cabinet](#).

The updated language also specifies that schools can host joint career fairs to meet the provisions of the bill, and requires all schools to offer a career awareness class for all students, regardless of whether they use the scholarship accounts, by July 2024.

The Curriculum Bill That Made it Through

[Several bills](#) aimed at the curriculum taught in public schools were set for committee hearings this week, but few made it over the first half finish line.

[SB 12](#), a bill that would [prevent school teachers and librarians](#) from using educational value as a defense for providing certain books to school students, now heads to the House for further consideration. In addition, the perennial “cursive writing” bill, [SB 72](#), passed the Senate 42-7.

Optional Firearm Safety Training for School Employees

A bill to provide [funding for optional firearm safety training](#) for school teachers passed the House and now moves to the Senate. [HB 1177](#) would reallocate funding from the Indiana Safe Schools and related funds for the training. State law already affords teachers and other staff the ability to carry a firearm on school grounds if authorized by their local school boards. The bill also provides funding for counseling services for students, teachers, school staff, and employees in the event of a school shooting.

Gender Identity Bills Bring Large Crowds

Two bills concerning gender identity were heard in the Senate and House, respectively. Both drew large crowds of activists and made for full committee hearings. On Monday, the Public Health Committee heard [HB 1608](#), dubbed the “Don’t Say Gay” bill, and was approved on third reading by Thursday afternoon. Under this proposal, educators would be required to tell parents if a student changes their gender identity or preferred name and prohibits instruction surrounding sexuality to be discussed before grade 3.

TAX AND FISCAL

SALT Gains Governor’s Signature

A bill to provide a [state and local tax \(SALT\) deduction](#) for many small businesses in the state made its way to the Governor’s desk and was signed on Thursday. [SEA 2](#) provides the deduction for what are known as pass-through entities, which are businesses that are not subject to corporate income tax. Some advocates for the bill say its passage could potentially result in an estimated \$50 million in annual tax savings for business owners. This is the first bill of the 2023 session to make its way to Governor Holcomb’s desk to receive his signature.

ESG Legislation On The Move

[HB 1008](#) was authored to maximize returns for the [state's public pension system](#). It would require the Indiana State Public Retirement System to make investment decisions “solely in the financial interest of the participants and beneficiaries of the public pension system” and enacts new requirements for the system.

HB 1008 is [intended to ensure maximum financial returns](#) for the state's public pension system, according to bill author Rep. Ethan Manning, R-Logansport. Several second reading amendments were offered by Democrats, none of which were adopted. The final vote count for the House Republican priority bill was 66-30. The bill now moves to the Senate.

Tax Task Force Legislation Passes Senate

A [new task force](#) charged with analyzing property taxes, sales taxes, and income taxes is the focal point of [SB 3](#). Most of the work done by the new Tax Task Force would be handled by legislators who would serve on the panel, and interested organizations would be encouraged to participate in various subgroups. The bill passed unanimously and now awaits further consideration from the House.

HEALTHCARE

Healthcare Omnibus Legislation

[HB 1004](#), a cumulative healthcare bill including fines for hospitals and tax credits for doctors who are unaffiliated with large healthcare systems, found approval in the House by a vote of 85-11. [HB 1003](#), which affects insurance components of this session's collection of healthcare cost regulations, also passed just under the midpoint deadline. Both bills now move to the Senate.

Health Department Standards

[SB 4](#) gives local health departments access to new state dollars if they opt into a new set of standards for what services local health departments must offer. This optional program would be offered to all 92 counties and Gary, East Chicago, and Fishers.

Mental Health Legislation

In January, we saw [Lieutenant Governor Suzanne Crouch](#) testify before the Senate Appropriations Committee urging the passage of comprehensive mental health language in [SB 1](#). During the committee process, some changes were made, including reducing the number of members to sit on the re-established Indiana Behavioral Health

Commission, prioritizing children and the elderly, and setting metrics for the commission to report back.

This is the Senate's major mental health bill this year and was authored by Sen. Michael Crider, R-Greenfield. SB 1 transforms the 988 Crisis Hotline into the 988 Crisis Response Centers and addresses funding and sustainability plans for Certified Community Behavioral Health Clinics. There are currently 19 pilot CCBHC sites in Indiana. This bill received Senate approval and has been referred to House Public Health.

[HB 1006](#), the Mental Health companion bill in the House, also passed unanimously and has been referred to Senate Corrections and Criminal Law. The funding appropriation set to accompany the bill is slated to be added to the final budget bill.

Birth Control Expansions

[SB 266](#) would [require a hospital that operates a maternity unit](#) to ensure that a woman giving birth in the hospital has the option of having a long-acting reversible subdermal contraceptive, like an intrauterine device (IUD), implanted after delivery and before the woman is discharged. The bill narrowly passed with a 26-23 vote. [SB 252](#) was approved by the Senate 49-0 and would allow Medicaid recipients same-day access to contraceptives.

Non-Competes for Physicians

A bill to [eliminate non-compete clauses in physicians' contracts](#) has advanced with the support of physicians and medical consumer groups in hopes that few restrictions on where doctors can practice will lower health costs. The current version of [SB 7](#) would not affect existing agreements, but it would prohibit new ones after the law goes into effect. Ironically, on the national level, the [Federal Trade Commission](#) is considering a new rule banning all non-competes across all industries, nationwide.

Gender Affirming Care Prohibition

[SB 480 bars access to gender-affirming healthcare](#) for transgender kids under age 18. This would prohibit access to any sort of medical or surgical treatment for transgender youth, including puberty blockers, hormone therapy, or gender-affirming surgery. After long floor debate, the bill passed 36-12.

FAMILY SERVICES

TANF Eligibility Changes Pass Senate

The Senate is sending the House a measure to [increase the maximum income threshold](#) for families to qualify for TANF (Temporary Assistance For Needy Families) to 50 percent of the federal poverty level after two years. The bill would also increase some maximum payments families can get from TANF. [SB 265](#) has received wide support from both sides of the aisle and advocates in the human services space.

SNAP Simplification Language Moves To House

A bill to allow seniors and people with disabilities to [stay on SNAP](#) without having to renew their application for up to three years gained unanimous approval. [SB 334](#) also codifies an existing requirement that Indiana's Family and Social Services Administration provides information on how to apply for SNAP to anyone on Medicaid. The bill now moves to the House.

Housing Infrastructure Bill Gains Overwhelming Support

A bill to create a [Residential Housing Infrastructure Assistance Program](#) passed out of the House with overwhelming support. [HB 1005](#) was crafted in response to a Housing Task Force that met this past summer and fall and would specifically pay for the vital infrastructure needs not otherwise considered in alternate grants or programs.

The fund will be overseen by the [Indiana Finance Authority](#), and the money could be used for sidewalks, curbs, sewer, water, and other infrastructure. The overall goal of the bill is to increase the state's housing supply.

ELECTIONS

House Passes Bill to Add Vote-by-Mail Requirements

The House voted along party lines to advance [HB 1334](#) which would require voters submitting a [paper application for a mail ballot](#) to include new, additional pieces of documentation like a photocopy of their driver's license or at least two identification numbers, such as a driver's license number or the last four digits of their Social Security number.

ENVIRONMENTAL AFFAIRS

Bill Zeroes In On IDEM Regulations

The House passed a bill that affects the [regulatory process](#) of the Indiana Department of Environmental Management (IDEM). The amended [HB 1623](#) restricts IDEM from imposing any regulations on all coal-powered electricity generators that are stricter than federal requirements. The bill would also require pre-approval from the Governor for emergency and interim rules, and gives both the Governor and Attorney General the power to overturn some rules.

PUBLIC AND CONSUMER SAFETY

Law Enforcement “Buffer Zone” Bill Advances

A bill to require a 25-foot area being [referred to as a “buffer zone”](#) around law enforcement officers passed the House and has already been assigned to the Senate Corrections and Criminal Law Committee. [HB 1186](#) creates a Class C misdemeanor offense for people who “knowingly or intentionally” get within 25 feet of law enforcement officers and who participate in “unlawful encroachment on an investigation” if the officers have asked them to back away.

Senate Sets Joint Resolution On Path

[Senate Joint Resolution 1](#) (a constitutional amendment) [would allow judges to deny bail](#) if a suspect poses a substantial risk to the public. Opponents voiced their fear that broader discretion given to judges could give way to more prevalent discrimination and contend that the resolution conflicts with Eighth Amendment protections from excessive bail.

Bill authors say there is a need to add this additional tool to judges' toolboxes as a matter of public safety. Now that the bill has passed out of the Senate, House Courts and Criminal Code is expected to pick it up.

A Note on Processes For Constitutional Amendments - Any proposed change to [Indiana’s Constitution](#) must see approval by two successive general assemblies, not legislative years. This means it would need to pass this session and after a new legislature takes office in 2025. From

there, it would be on the ballot in 2026, and a majority of Hoosiers would need to vote for the measure for it to take effect.

Privacy Legislation Continues to Advance

Priority legislation to protect Hoosier consumers gained Senate approval. The bill [creates a “bill of rights” for Hoosier data privacy](#) and would allow consumers to monitor how their data is used and provide an option to delete it. [SB 5](#) also includes a requirement for businesses to have annual data protection assessments and security checks.

NOTABLE BILLS THAT DIED IN THE FIRST HALF

Partisan School Boards Bills Update

[HB 1428](#), a bill that would require [local school boards](#) candidates to disclose their party affiliation, was amended in committee to allow school boards the decision to decide if they want to allow for partisan elections. The Senate heard their version of this proposal, [SB 188](#), in the Senate Elections committee earlier this month but was not put back on the schedule for further consideration, so is considered dead for the session. HB 1428 was not heard by Monday’s deadline and is also considered dead.

Marijuana Decriminalization Gets Historic Hearing

For the first time in the state’s history, [marijuana decriminalization language](#) was granted a committee hearing at the Indiana General Assembly. House Courts and Criminal Code committee chair, Rep. Wendy McNamara, said she decided to hear a bill to open up the discussion but ultimately decided not to take a vote this session. [HB 1297](#), authored by Rep. Heath VanNatter (R-Kokomo) proposed to decriminalize the possession of two ounces or less of marijuana.

Childcare Cost Relief Measure

A bill to [expand income eligibility for the On My Way Pre-K](#) program gained committee approval but was not taken up after being recommitted to Appropriations. Under [SB 375](#), the income eligibility threshold would have increased from 127% of the federal poverty level (just over \$35,000 annually for a family of four), to 200% (or \$55,500 annually). Additionally, families making up to 260% of the federal poverty level roughly \$72,000 per year), would have still qualified for at

least 25% of the subsidy. This would have alleviated a benefits “cliff” where parents become ineligible for funding when their income increases slightly. Some of this language, however, made its way into [HB 1591](#) as well as into the House-passed budget, [HB 1001](#).

Next Week

After taking the rest of the week off, committee action will start up again next week, and we begin the process once again in each respective chamber. Nearly 250 bills remain viable for consideration. In the second half, we will see the April revenue forecast come in, setting the tone for the Senate version of the biennial budget. And then of course, conference committees will take place the last two weeks of April. Our anticipated *Sine Die* date is April 27th. As always, Torchbearer Public Affairs will be there monitoring, testifying, and advocating for your needs. Please feel free to reach out to us with any questions or concerns.

Hendricks County Chambers Update

The legislative session has officially reached its halfway point. The General Assembly has adjourned for the week, and starting next Monday, the House and Senate will begin hearing bills that made it through the crossover, and we will start the committee process all over again.

You will notice that your bill track list has been condensed considerably, as dead bills have been removed from your report. For perspective, 492 of the of 670 House bills filed have died. As for the Senate, 320 of the 484 Senate bills filed have died. While some bills advance to switch chambers, other have been amended into the budget, or simply never made it past deadlines.

The second half of session will give lawmakers another opportunity at getting their desired language inserted into bills, and this is a crucial time to keep track of all changes that are made. As always, we will keep you posted with relevant information.

Childcare/PreK:

- [HB 1591](#) is an omnibus education bill authored by Representative Behning and was heard again in committee last week. An amendment was adopted in committee that removed the pilot provision for On My Way Pre-K, making it a permanent program. The amendment clarified that eligible providers should include K-12 schools that operate preschool programs. It also includes a provision about incentivizing providers who increase wages for employees who are obtaining additional credentials. The House-passed version of the budget includes the fiscal component to this language. The bill passed the House and is awaiting committee assignment in the Senate.

Housing:

- [HB 1085](#) is a housing TIF bill that has gained a lot of attention this week. There is a significant push back from local governments, and now some local and regional chambers of commerce, saying that this bill hinders economic development. This bill was not called down on Monday, and therefore missed the 3rd reading deadline. The bill is considered dead.
- Of note: [SB 300](#) is a residential TIF bill that remains alive and will move on to the House Ways and Means committee for consideration. The author of HB 1085, Representative Cherry, is a member of the Ways and Means committee. We will want to keep an eye out for any changes made to this legislation.

Workforce:

- [HB 1002](#) is a House priority bill that is a “re-branding” of the high school diploma. We’ve reported on this bill in past reports, and it has been assigned to the Senate Education committee.
- [HB 1160](#) is a workforce training pilot program bill that made it through the first half. The bill requires the commission for higher education to establish an education and career support services pilot program. The bill targets workforce training for unemployed or underemployed individuals who are eligible for the TANF program. The bill has been referred to the Senate committee on Family and Children services.

Health Care:

- [HB 1003](#), Representative Snow's health care bill, deals with inefficiencies in the insurance area of the health care system and incentivizing employers through tax credits. The bill would incentivize employers through tax credits to use "health reimbursement arrangements" rather than a traditional health care plan for their employees. Of the numerous House health care bills aimed at lowering costs for Hoosiers, HB 1003 has been met with the most support from stakeholders. The bill passed on the House floor this week and has been assigned to the Senate committee on Insurance and Financial Institutions.
- As we've previously reported, [HB 1004](#) is a health care bill that deals with what hospitals can charge for services. The bill would create a penalty for hospitals that charge above the national average for services, which is 260% of the federal Medicare reimbursement rate. The bill passed on the House floor this week and was referred to the Senate committee on Health and Provider Services.

Please review your bill track list (below) and let us know if you have any questions - Chambers care about a lot of issues, so this list is very expansive!

Here is the [live link](#) to your bill track for 2023.

Action Items

- Please review your bill track and let us know of any bills of interest to you.

Important Dates

Tuesday, April 11th - House Committee Report Deadline

Thursday, April 13th - Senate Committee Report Deadline

Thursday, April 13th - House 2nd Reading Deadline

Monday, April 17th - Senate 2nd Reading Deadline

Monday, April 17th - House 3rd Reading Deadline

Tuesday, April 18th - Senate 3rd Reading Deadline

Thursday, April 27th - Anticipated Sine Die

[*Senate Session Calendar*](#)

[*House Session Calendar*](#)

Please feel free to reach out with any questions. Have a great weekend!

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