

LEGISLATIVE UPDATE

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INCPAS Weekly Update

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The first half of the session ended on Thursday of this week with a flurry of bills moving through the legislative process. This week, 61 bills passed out of the House and 60 bills passed out of the Senate, making the total number of bills still alive for the session at 345.

The headline for the week remained the state budget bill, <u>HB 1001</u>. The House Ways and Means Committee added amendments to the budget bill on Monday of this week that appropriated \$500M more in funding to executive branch agencies than what Governor Braun's proposed budget recommended. The two most notable examples were funding increases to the Indiana Department of Corrections and the Department of Child Services.

The committee also increased the appropriation to K-12 education by 4% over the next two years and added an appropriation of \$155M for a childcare development program. Finally, the committee added additional appropriations to reflect funding requirements passed in two House republican agenda bills, <u>HB 1005</u> and <u>HB 1006</u>, as well as funding requirements passed in <u>HB 1413</u>.

On second reading, the House adopted only one amendment offered by the Chairman of the Ways and Means committee and the budget bill author Rep. Jeff Thompson that made a few minor substantive changes to the bill. The House rejected the ten other amendments it considered for HB 1001, all of which were offered by members of the minority caucus. The budget bill passed out of the House on Thursday along party lines (66-28). The Senate sponsor for HB 1001 will be Sen. Ryan Mishler (R-Mishawaka), Chairman of the Senate Appropriations Committee.

In the Senate this week, Two Democrats joined the all of the members of the Republican caucus in passing the property tax relief bill <u>SB 1</u> out of the Senate by a vote of 37-10. The version of SB 1 that passed the Senate did not include a large portion of Governor Braun's tax relief agenda from the original filed version of the bill, drawing some criticism from many property tax reform advocates.

Another highly debated bill that passed out of the Senate this week was <u>SB 518</u>, authored by Sen. Linda Rogers (R-Granger). SB 518 requires school corporations to share revenues received from debt service levy or from an operation referendum tax levy with charter schools. It passed out of the Senate on Thursday by a vote of 26-21, with a handful of Senate Republicans voting with the Senate Democrats against the bill.

As always, you can follow the bills we are tracking for you by clicking the links at the top of the report, and please let Sherrill know if you have any questions.

The Budget in the House

On Monday, <u>HB 1001</u>, the budget bill, was amended in committee to reflect the budget priorities of the House Republican Caucus. The chairman of House Ways and Means Committee, Rep. Jeff Thompson (R-Lizton), authored the amendment. Though much of the bill was relatively aligned to the Governor's proposed budget there were some differences.

A 5% cut across state agencies, 2% increase in K-12 education, funding for universal school vouchers, and a fully funded Medicaid forecast remain within the House Republicans' proposed budget. However, the budget has fewer tax cuts than originally proposed by the Governor and does not fully fund childcare vouchers. It does include increased funding for the Department of Child Services and the Department of Corrections that was not included in the Governor's proposal.

An <u>amendment</u> authored by Rep. Gregory Porter (D-Indianapolis) was also adopted during committee deliberations. The amendment has three main provisions. It restores funding to both the Civil Rights and Native American Indian Affairs commissions and increases funding for the state's minority health initiative.

On second reading on Wednesday, February 19, Rep. Porter presented House

Democrats' version of the budget,

which he referred to as "The People's Budget." Rep. Thompson ultimately asked the body to defeat the amendment due to this biennium's tight budget and priority differences between the two caucuses. It was defeated.

Eleven amendments of the twenty-two filed were offered during floor debate. The only adopted amendment, offered by Rep. Thompson, fixed technical issues in the bill. Democrats offered the other ten amendments.

On Thursday, February 20, HB 1001 passed third reading along party lines, 66-28. The budget will now move to the Senate.

Office of Entrepreneurship and Innovation

Senate Bill 516, authored by Sen. Brian Buchanan (R-Lebanon), passed second reading on Monday, February 17. The bill establishes the Office of Entrepreneurship and Innovation in Indiana to help spur local small business growth in the state.

The bill requires the office to develop growth support programs that enhance small businesses, entrepreneurship, and innovation in Indiana as well as overseeing fundraising measures.

The hope is that, in coordinating with state agencies and other entities, this new office can enhance learning and skills, provide technical support, and expand access to resources for entrepreneurs across Indiana.

SB 516 has several provisions to

reach underrepresented groups including rural communities and lower socioeconomic communities. The office would identify strategies and metrics around the disbursement of funds into these communities and develop programs to support and encourage youth entrepreneurship.

A <u>report</u> from the federal Small Business Administration (SBA) highlighting Indiana's small businesses showed that there are roughly 537,058 small businesses employing 1.2 million workers and accounting for 44.0 percent of total employment in the state.

The U.S. Treasury <u>reported</u> that almost 14,000 new business applications are filed each day in the country, a 50 percent increase from 2019. Most small businesses fail within the first five years of operation due to a lack of resources. Offering educational courses on financial planning, management, and market research may help boost the success rate of Indiana's small business community.

SB 516's sister bill, <u>House Bill</u> <u>1172</u>, authored by Rep. Jake Teshka (R-North Liberty), passed out of the House and now awaits further discussion in the Senate.

LEGISLATIVE UPDATE

2025 UPCOMING DEADLINES

<u>HOUSE</u>

Senate Bills Committees: 2nd Reading: 3rd Reading:

Thursday, April 10, 2025 Monday, April 14, 2025 Thursday, April 17, 2025

<u>SENATE</u>

House Bills Committees: 2nd Reading: 3rd Reading:

Thursday, April 10, 2025 Monday, April 14, 2025 Thursday, April 17, 2025

<u>HOUSE & SENATE</u> Statutory Sine Die: Tuesday, April 29

MIDPOINT STATISTICS

<u>Chamber</u>	Bills Filed	<u>#Alive</u>	<u>Percent</u>
House	707	185	26.2%
Senate	521	160	30.5%
Total	1,228	345	28.1%



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