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Statehouse Report

APRIL 6, 2009

Four weeks remain in the 116th Indiana General Assembly; however, this is the final week for committee action in both the House and the Senate. The remaining session time will be allocated for floor debate and the conference committee process. Legislative action can be harder to track during this period as conference committees attempt to not only resolve differences between House and Senate versions of bills, but also seek to include provisions from legislation that failed to pass in one chamber.

State Budget

Falling revenue forecasts and rising unemployment rates have made budgeting particularly difficult for the General Assembly this year. The governor's initial two-year, \$28.3 billion budget proposal reduced spending for most state agencies, flat lined K-12 education funding, reduced higher education spending, and left untouched the state's \$1.3 billion surplus reserves.

The House then approved a one-year, \$14.5 billion state budget that maintained most state agency funding cuts but increased K-12 spending, and allowed state universities to borrow \$700 million for construction projects. It also eliminated two prison construction projects that were proposed by the governor and dipped into the state "rainy day fund" surpluses.

The Senate is now set to announce their version of the budget on April 9th. Expected to be a more traditional two-year version, it will coincide with the release of the updated state revenue estimates that are expected to be as much as \$1 billion short of previous forecasts.

Alcohol Tax Increase

The [Senate Appropriations Committee](#) passed a measure that would double Indiana's alcohol tax rate in an attempt to bail out the Indianapolis Capital Improvement Board – the body that operates Lucas Oil Stadium, Conseco Fieldhouse, Victory Field, and the Indianapolis Convention Center.

[HB 1604](#), which started out as a simple bill to create a Capital Improvement Board in Fort Wayne, was amended by the Senate Committee to double the state tax on beer, wine, and liquor statewide. The estimated \$40 million in increased revenue under the proposal would be distributed to local governments on a per capita basis; however, all of the money raised in Indianapolis would be applied to the CIB's estimated \$47 million operating shortfall.

Unemployment

The first conference committee meeting on [HB 1379](#), the bill to rescue the state's unemployment insurance fund, was held last Thursday. The committee will be the last negotiating table for the proposal, and no consensus has yet been reached as to the best approach to close the structural deficit in the fund – estimated to reach nearly \$1 billion by year's end.

Meanwhile, the U.S. Department of Labor said the Indiana Department of Workforce Development miscalculated jobless benefits at a rate five times the national average, and broke federal rules in writing and awarding contracts, including a \$7 million deal with Ivy Tech Community College last June that it said must be canceled immediately. The report also said the state agency might be contributing to the insolvency of the state's unemployment insurance fund by ignoring a federal mandate to check a national database for newly hired workers. The criticisms were among 31 "areas of concern" and 41 findings of non-compliance with federal regulations contained in a March 9 report by a team of reviewers from the Labor Department's Employment and Training Administration. The report was obtained last week by the Associated Press.

The state also announced last week that it will be hiring 2,000 young adults as part of the new [Young Hoosier Conservation Corps](#). The program will provide jobs at \$8.50 an hour to Hoosiers between the ages of 16 and 24 whose families are at or below the poverty level. The conservation corps relies on federal stimulus dollars, and will work to restore natural wildlife habitats, build trails, beautify state properties and rehabilitate historic buildings at about 100 sites. Training received on the job will include basic construction, historic preservation and greenway development skills.

Teenage driving

[SB 016](#), a bill which would place tighter restrictions on teenage drivers, passed out of the [House Roads and Transportation Committee](#) last Wednesday. The provisions in the bill that that would take effect this July are:

- Banning drivers younger than 18 from talking on cell phones or texting while driving,
- Extending the period restricting passengers in cars with new teen drivers from three months to six months with an exception for siblings.
- Instituting nighttime driving restrictions from 10 p.m. to 5 a.m. for the first 180 days.

Bills in Conference Committee

[SB 136](#) - Purchasing and public works.

[SB 244](#) - Offender reentry administrative account.

[SB 270](#) - Occupational certification requirements.

[SB 388](#) - Property tax levies for mental health services.

[HB 1379](#) - Unemployment compensation and labor issues.

Senate Bills of interest that have passed out of the House

[SB 025](#) - 1977 pension fund military service credit.

[SB 142](#) - Commercial vehicle policies.

[SB 181](#) - Child seduction and repeat sex offenders.

[SB 228](#) - End of route inspection by bus drivers.

[SB 345](#) - Domestic violence programs and Indiana protective order registry.

[SB 469](#) - Limited liability for certain asbestos claims.

[SB 478](#) - Improper classification of workers.

[SB 533](#) - IOSHA and labor administrative matters.

[SB 553](#) - Bicycles and traffic safety.

House Bills of interest that have passed out of the Senate

[HB1077](#) - Special tool and common law liens.

[HB1012](#) - 1977 pension fund disability benefit.

[HB1130](#) - Drivers licenses.

[HB1180](#) - Computer merchandise hoarding.

[HB1203](#) - Invasive species council.

[HB1230](#) - Publication of notices.

[HB1323](#) - Various motor vehicle matters.

[HB1339](#) - Child restraint systems; special purpose buses.

- [HB1348](#) - Energy conservation codes and standards.
- [HB1381](#) - Shoreline permits and enforcement of judgments.
- [HB1432](#) - County auditor income tax distributions to units.
- [HB1434](#) - Job recruitment grant.
- [HB1460](#) - Compliance reports of broker-dealers.
- [HB1462](#) - Various education matters.
- [HB1473](#) - Rental property in a flood plain.
- [HB1487](#) - The rights of owners in coal lands.
- [HB1561](#) - High speed Internet service initiative.
- [HB1578](#) - GPS monitoring and restraining orders.
- [HB1686](#) - Senior citizen jury exemption.

How to track legislative action.

The [web page for the Indiana General Assembly](#) is a free resource for the public that provides some helpful tools to follow the progress of legislative action during the session. You can [find out how to contact your legislator](#), read [all of the filed bills](#), and search the [Indiana Constitution, Indiana Code, and Indiana Register](#).

You can also watch live streaming video of the legislature while it is in session, as well as some committee meetings [here](#).

The regularly updated House and Senate Committee schedules are also available online, and contain links to legislation up for consideration in committee.

[House Committee Schedule](#)
[Senate Committee Schedule](#)