

HOUSE BILL No. 1210

DIGEST OF INTRODUCED BILL

Citations Affected: IC 2-5-1.3-13; IC 4-3-24.

Synopsis: Federal assistance and federal grant administration. Provides that after June 30, 2019, a state agency may not apply for or renew federal assistance or a federal grant (assistance or grant) unless: (1) the state agency analyzes the effect of the assistance or grant on state and local governments and private sector entities; (2) the Indiana office of state based initiatives (office) makes a recommendation based upon the agency's analysis regarding whether to pursue the assistance or grant; (3) the governor approves the assistance or grant. Provides that if the assistance or grant requires any expenditure of state funds, for fiscal years after June 30, 2021, the general assembly must make a specific appropriation of the funds in the state budget. Requires the office in cooperation with the state budget agency to present certain budgetary information on assistance and grants to the interim study committee on fiscal policy and the state budget committee before November 1 of each even-numbered year. Requires the interim study committee on fiscal policy and the state budget committee to review the federal grant information presented by the office. Requires the office in cooperation with the state budget agency to provide information regarding assistance and grants expiring in fiscal years 2020 and 2021 to the interim study committee on fiscal policy and the state budget committee.

Effective: July 1, 2019.

Stutzman

January 10, 2019, read first time and referred to Committee on Government and Regulatory Reform.



First Regular Session of the 121st General Assembly (2019)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2018 Regular and Special Session of the General Assembly.

HOUSE BILL No. 1210

A BILL FOR AN ACT to amend the Indiana Code concerning state offices and administration.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 2-5-1.3-13, AS AMENDED BY P.L.2-2018,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2019]: Sec. 13. (a) A study committee shall study the issues
4 assigned by the legislative council that are within the subject matter for
5 the study committee, as described in section 4 of this chapter.

6 (b) In addition to the issues assigned under subsection (a), the
7 interim study committee on roads and transportation shall advise the
8 bureau of motor vehicles regarding the suitability of a special group (as
9 defined in IC 9-13-2-170) to receive a special group recognition license
10 plate for the special group (as defined in IC 9-13-2-170) for the first
11 time under IC 9-18.5-12-4 and the suitability of a special group (as
12 defined in IC 9-13-2-170) to continue participating in the special group
13 recognition license plate program under IC 9-18.5-12-5.

14 (c) In addition to the issues assigned under subsection (a), the
15 interim study committee on corrections and criminal code shall review
16 current trends with respect to criminal behavior, sentencing,
17 incarceration, and treatment and may:



1 (1) identify particular needs of the criminal justice system that can
2 be addressed by legislation; and

3 (2) prepare legislation to address the particular needs found by the
4 committee.

5 **(d) In addition to the issues assigned under subsection (a), the**
6 **interim study committee on fiscal policy:**

7 **(1) shall review the federal assistance and federal grant**
8 **information presented by the office of state based initiatives**
9 **under IC 4-3-24-9; and**

10 **(2) may make appropriate findings and recommendations**
11 **concerning any of the federal assistance and federal grants**
12 **listed in accordance with IC 4-3-24-9.**

13 SECTION 2. IC 4-3-24-0.5 IS ADDED TO THE INDIANA CODE
14 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
15 1, 2019]: **Sec. 0.5. As used in this chapter, "local government"**
16 **means a county, township, town, city, separate municipal**
17 **corporation, special taxing district, or public school corporation.**

18 SECTION 3. IC 4-3-24-4, AS ADDED BY P.L.213-2015,
19 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
20 JULY 1, 2019]: Sec. 4. **(a) In coordination with state agencies, the**
21 **office shall:**

22 **(1) review the state's federal grant all federal assistance and**
23 **federal grant opportunities; and**

24 **(2) subject each federal grant opportunity to a cost-benefit**
25 **analysis that will measure the fiscal impact and regulatory impact**
26 **of the grant to determine whether or not the federal grant**
27 **opportunity should be pursued. make a written**
28 **recommendation based upon a state agency's analysis under**
29 **section 5 of this chapter as to whether the state agency should**
30 **pursue the assistance or grant opportunity.**

31 SECTION 4. IC 4-3-24-5, AS ADDED BY P.L.213-2015,
32 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
33 JULY 1, 2019]: Sec. 5. **(a) A state agency may not participate in a**
34 **apply for or renew federal assistance or a federal grant opportunity**
35 **as a recipient or subrecipient from any public or private entity**
36 **unless the state agency has received approval to do so from the office.**
37 **prepares a cost benefit analysis that will measure the fiscal impact**
38 **and regulatory impact of the federal assistance or federal grant to**
39 **determine whether or not the assistance or grant opportunity**
40 **should be pursued. The analysis must include the following:**

41 **(1) The legal authority for the state agency to pursue the**
42 **assistance or grant.**



- 1 **(2) The costs and benefits of the assistance or grant reported**
 2 **as:**
 3 **(A) quantified;**
 4 **(B) monetized; or**
 5 **(C) quantified and monetized.**
 6 **(3) An evaluation as to whether the benefits of the assistance**
 7 **or grant will exceed the costs, including the following criteria:**
 8 **(A) Any direct or indirect costs or expenditures associated**
 9 **with implementation of the assistance or grant to:**
 10 **(i) the state; and**
 11 **(ii) local government;**
 12 **for a period of at least ten (10) years after the term of the**
 13 **assistance or grant expires.**
 14 **(B) Any direct or indirect benefits associated with the**
 15 **implementation of the assistance or grant to:**
 16 **(i) the state; and**
 17 **(ii) local government;**
 18 **for a period of at least ten (10) years after the term of the**
 19 **assistance or grant expires.**
 20 **(4) Any sources of state and local government revenue**
 21 **affected if the assistance or grant is implemented. The**
 22 **analysis must state the estimated increase or decrease in state**
 23 **or local government revenues or expenditures, including any**
 24 **necessary administrative costs to enforce rules associated with**
 25 **the assistance or grant.**
 26 **(5) The opportunity cost of implementing the assistance or**
 27 **grant as a result of the removal of private capital from the**
 28 **market.**
 29 **(6) A written determination by the state agency as to whether**
 30 **the programs, policies, or practices implemented under the**
 31 **assistance or grant will be continued after the assistance or**
 32 **grant period expires and, if so, the revenue source for the**
 33 **costs identified in this section.**
 34 **(7) The impact of the assistance or grant on state and local**
 35 **policy, including any resulting:**
 36 **(A) line of accountability; or**
 37 **(B) transfer of governing control from the state or local**
 38 **government to the federal government, a private**
 39 **corporation or association, or any other public or private**
 40 **entity located inside or outside Indiana.**
 41 **(8) The purpose and effect of the assistance or grant program,**
 42 **including the assistance or grant program's effect on and**



1 interrelationship with any existing program or policy
 2 currently operating within Indiana.

3 (9) Any:

4 (A) new and existing compliance mandates; and

5 (B) policy directives;

6 associated with satisfying the terms of the assistance or grant.

7 (10) Any changes to state law that are necessary in order to
 8 comply with the assistance or grant terms.

9 (11) Whether the assistance or grant imposes any new limits
 10 or mandates on private sector activity.

11 (b) The office shall provide the office's written recommendation
 12 and the state agency's analysis to:

13 (1) the governor;

14 (2) the legislative council in an electronic format under
 15 IC 5-14-6;

16 (3) the interim study committee on fiscal policy under section
 17 9 of this chapter; and

18 (4) the state budget committee.

19 (c) For state fiscal years beginning after June 30, 2021, a state
 20 agency may not apply for or renew federal assistance or a federal
 21 grant opportunity as a recipient or subrecipient from any public or
 22 private entity if the assistance or grant opportunity obligates the
 23 state to expend funds for any reason, including explicit or implicit
 24 maintenance of effort requirements, unless the general assembly
 25 makes a specific appropriation of funds for the assistance or grant
 26 opportunity in the state budget act.

27 SECTION 5. IC 4-3-24-5.2 IS ADDED TO THE INDIANA CODE
 28 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 29 1, 2019]: Sec. 5.2. Electronic access shall be provided through the
 30 computer gateway administered by the office of technology
 31 established by IC 4-13.1-2-1 to the following:

32 (1) A federal assistance or federal grant application.

33 (2) An analysis and recommendation under section 5 of this
 34 chapter.

35 (3) The governor's written approval or denial of a state
 36 agency's pursuit of federal assistance or a federal grant
 37 opportunity.

38 (4) A block grant contingency plan and any updates to the
 39 plan prepared under section 6 of this chapter.

40 (5) The annual report prepared by the office under section 7
 41 of this chapter.

42 SECTION 6. IC 4-3-24-9 IS ADDED TO THE INDIANA CODE



1 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
2 1, 2019]: **Sec. 9. (a) Before November 1 of each even-numbered**
3 **year, the office shall present the following information to the**
4 **interim study committee on fiscal policy established by**
5 **IC 2-5-1.3-4(17) and the state budget committee:**

6 (1) A list prepared by the state budget agency of all federal
7 assistance or federal grants received by a state agency that
8 will require an appropriation of matching funds or other
9 required maintenance of effort in the budget bill enacted in
10 the following calendar year.

11 (2) The estimated appropriation amount prepared by the state
12 budget agency that is required for a state agency to continue
13 to receive the federal assistance or grants listed in accordance
14 with subdivision (1).

15 (3) The written recommendation and analysis under section
16 5 of this chapter with respect to all federal assistance and
17 federal grants listed in accordance with subdivision (1).

18 (b) The interim study committee and the state budget committee
19 shall review the information provided under subsection (a) and
20 may make appropriate findings and recommendations concerning
21 the assistance and grants for which information is provided under
22 subsection (a).

23 SECTION 7. [EFFECTIVE JULY 1, 2019] (a) As used in this
24 SECTION, "office" means the office of state based initiatives
25 established under IC 4-3-24.

26 (b) As used in this SECTION, "interim committee" means the
27 interim study committee on fiscal policy established by
28 IC 2-5-1.3-4(17).

29 (c) As used in this SECTION, "budget committee" means the
30 state budget committee.

31 (d) The office in cooperation with the state budget agency shall
32 provide the interim committee and the budget committee not later
33 than November 1, 2019, with:

34 (1) a list of federal assistance or grant agreements ending in
35 the 2020 and 2021 state fiscal years; and

36 (2) a list of any matching funds or other required maintenance
37 of effort to continue to receive the federal assistance or grants
38 or revenue needed to continue a program implemented under
39 the assistance or grant after it expires.

40 (e) This SECTION expires on January 1, 2020.

