



Legislative Update

120th General Assembly

Friday, January 5, 2018

Week One Overview

Happy New Year! The Barnes & Thornburg LLP Government Services Team is pleased to welcome back the 120th Indiana General Assembly. The Senate and the House reconvened on Wednesday, January 3rd. This session is a short session (non-budget session) which is anticipated to conclude on March 14, 2018.

Points of Interest

Following the adjournment of the 2017 General Assembly there have been a number of changes to the Indiana Senate and House of Representatives.

Change in Legislative Membership

Senator Luke Kenley (R), District 20, Noblesville, announced that he was retiring after nearly a quarter century of service in the State Senate. Kenley, known as the key architect of the state budget, had a significant effect on Indiana's spending priorities. During the last 8 years Senator Kenley served as chairman of the Senate Appropriations Committee. Indiana saw its reserves grow to two billion dollars and developed a reputation of fiscal responsibility under his chairmanship. In a statement announcing his retirement, Kenley stated, "It's now time for others to have the opportunity to serve Hamilton County and our great state." A caucus of Republican precinct officials selected political newcomer Victoria Spartz (R) to serve the remainder of Kenley's term. Spartz, who is from Noblesville, comes to the Senate following her service as chief financial officer for Indiana's Attorney General's office.

Representative Mike Braun (R), District 63, Jasper, has resigned after three years in the Indiana House to run for a seat in the United States Senate. Braun, an experienced business owner, supported laws that helped to create a welcoming environment for businesses to start and grow in Indiana. When asked about his experience in the house, Braun stated, "Serving the people of Southwest Indiana for the past three years has been both a rewarding and humbling experience." Rep. Braun is replaced by Shane Lindauer (R) of Jasper, Indiana.

Representative Lloyd Arnold (R), District 74, Booneville, has left the Indiana House following his appointment as Director of Law Enforcement for the Indiana Department of Natural Resources (DNR). During his five year tenure in the House, Arnold served as vice-chair of the Natural Resources Committee and was a member of the Agriculture, Veterans Affairs and Public Safety, and Elections and Appointments Committees. Regarding his departure from the House,

Arnold said, “While it has been my great privilege to represent the citizens of House District 74, I look forward to continuing my service to Hoosiers in this new role.” Steve Bartels (R), who previously served as a member of the Crawford County Council, has been selected to serve the remainder of Rep. Arnold’s term.

Change in Legislative Leadership

Representative Scott Pelath (D), District 9, Michigan City, is stepping down as Indiana House minority leader and will not be seeking re-election next year. Pelath served in the House for nineteen years and was the leader of the Democratic Caucus for the last five years. Rep. Pelath said his decision to step down was partly based on his desire to spend more time with his family. The new Democratic minority leader for the Indiana House will be Austin Representative Terry Goodin (D).

Senator Brandt Hershman (R), District 7, Buck Creek, is resigning after eighteen years of service in the Indiana General Assembly, effective January 2nd. Senator Hershman is joining the Washington D.C. office of Barnes & Thornburg as a practicing attorney. In addition to his duties as Senate Majority Leader, Hershman was chairman of the Tax and Fiscal Policy Committee since 2009. As Senate tax and fiscal policy chief, Hershman played a key role in eliminating Indiana’s inheritance tax, deregulating the state’s telecommunications industry, capping property taxes and reducing income, corporate, and financial taxes. In a statement announcing his retirement, Hershman stated, “It’s been a privilege to work alongside so many dedicated public servants to help enact meaningful conservative reforms that have made our state the fiscal envy of the nation.” Hershman leaves the Senate as a national leader on state issues such as tax and telecom reform. In less than thirty days, a caucus of Republican Party precinct committee members is set to determine Hershman’s replacement.

Legislators Not Seeking Reelection

In addition to these recent changes, a number of legislators have announced that they are not seeking re-election in 2018.

- Representative Gregory R. Beumer, (R), District 33, Modoc, has announced that after six years of service in the House of Representatives, he will not seek reelection in 2018.
- Representative Charlie Brown, (D), District 3, Gary, has announced that after thirty-six years of service in the House of Representatives, he will not seek reelection in 2018.
- Representative Wes Culver, (R), District 49, Goshen, has announced that after ten years of service in the House of Representatives, he will not seek reelection in 2018.
- Senator Doug Eckerty, (R), District 26, Town of Yorktown, has announced that after eight years of service in the Senate, he will not seek reelection in 2018
- Representative Clyde Kersey, (D), District 43, Terre Haute, has announced that after twenty-two years of service in the House of Representatives, he will not seek reelection in 2018.
- Representative Kathy Kreag Richardson, (R), District 29, Noblesville, has announced that after twenty-six years of service in the House of Representatives, she will not seek reelection in 2018.
- Senator Jim Smith (R), District 45, Charlestown, has announced that after eight years of service in the Senate, he will not seek reelection in 2018.
- Representative Steven R. Stemler, (D), District 71, Jeffersonville, has announced that after twelve years of service in the House of Representatives, he will not seek reelection in 2018.

- Representative Tom Washburne, (R), District 64, Princeton, has announced that after six years of service in the House of Representatives, he will not seek reelection in 2018.
- Representative Linda Lawson, (D), District 1, Hammond, has announced that after twenty years of service in the House of Representatives, she will not seek reelection in 2018.



2018 Legislative Preview

Many times the crafting of public policy begins in the interim in study committees, commission hearings, and from policy priorities announced by the Governor. While the reports, recommendations, and announcements are not legislation, they do become the framework around which legislation is created. Below is an overview of interim activity and key discussions or recommendations likely to become 2018 legislation.



Governor Holcomb's Next Level 2018 Agenda

In November, Governor Eric Holcomb unveiled his 2018 Next Level Agenda comprised of five pillars or legislative priorities. Governor Holcomb said the pillars focus on “building our workforce and other key issues that affect Hoosiers most – jobs, economic growth, health, infrastructure, and government service.” Much of the Governor’s 2017 agenda was enacted into law and his 2018 agenda will likely do the same.

- I. Cultivate a strong and diverse economy: Focus on: attracting qualified talent, supporting the state’s growing tech sector, anticipating next generation technologies, and encouraging sustainable regional development.
- II. Maintain and build the State’s infrastructure: Following the advancement of a long-term road funding plan in 2017, focus on better management of the state’s water resources. Increase Indiana’s global economic presence with the addition of a fourth port and improving broadband access, speed, and affordability.
- III. Develop a 21st Century skilled and ready workforce: Create an outcome focused framework through the Governor’s Education to Career Pathway Cabinet to enable plans, resources and operations to be locally managed. The Governor’s intended outcomes are to: provide every Hoosier child with an effective baseline education infused with skills to prepare them beyond high school, ensure students graduate on a pathway that prepares them for college, career training, or a quality job, and connect working-age adults to education and training aligned with industry needs.
- IV. Attack the Drug Epidemic: Attack the opioid epidemic by strengthening enforcement, expanding recovery options, and making it easier for Hoosiers to access treatment. Most importantly, focus on accurately assessing the scale of the epidemic, statewide, through improved reporting of drug overdose deaths across the state.
- V. Deliver Great Government Service: Establish a single online portal/sign-in to streamline and simplify online interactions between citizens and the state government. Improve the management and delivery of large-scale information technology projects and the continuation of strong fiscal management.



Healthcare Recommendations

Opioid Epidemic

The opioid epidemic addiction, prevention, and treatment will be on both chambers' agendas. During the 2017 Interim Study Committee on Public Health, Behavioral Health, and Human Services, it was found that one of the major obstacles in tackling Indiana's opioid problem is inconsistency in the reporting of opioid prescriptions and overdoses.

Other discussions focused on potential improvements to the Indiana Scheduled Prescription Electronic Collection and Tracking (INSPECT) Program. There were several recommendations made regarding improving INSPECT and ways it can be used to combat the opioid epidemic.

Provider Shortage

The legislature studied the issue of healthcare provider shortage over the interim. Recommendations from that committee include establishing a nursing facility loan repayment program in an effort to increase the number of nursing faculty in Indiana.

Diabetes Care

Diabetes treatment, assessment and prevention were also studied during the interim. Recommendations by the Interim Study Committee on Public Health, Behavioral Health, and Human Services include:

- Require the state personnel department to submit specific diabetes data concerning covered individuals in the state employee health plan to the state department of health.
- Require Medicaid managed care organizations to submit specified diabetes data concerning Medicaid recipients to the state department of health
- Require the state department of health to collaborate with the office of the secretary of family and social services and develop a strategic plan to identify and significantly reduce the prevalence of diabetes.
- Allow the state department of health to establish workgroups to assist with development of the strategic plan.
- Requires the state department of health to submit the strategic plan to the governor and the general assembly and update the strategic plan every two years.



Alcohol Reform

The Alcohol Code Revision Commission met in the 2017 interim and will meet again in the 2018 interim. The 2017 study was concentrated on reform recommendations to the retail sector of the consumption of alcohol statutes, specifically, cold-beer sales, Sunday carryout sales, revisions to licensing/permit requirements, and increasing the excise tax.

Cold Beer Sales

Indiana is the only state that regulates beer based on temperature. In Indiana, only packaged liquor stores can legally sell cold beer for carryout. The Commission weighed the public policy rationale for this law, the potential health and safety concerns, and ensuring proper oversight and enforcement.

Sunday Alcohol Sales

Indiana is one of twelve states that prohibit liquor sales on Sunday with some exceptions like vineyards, distilleries and breweries. The Commission Report includes a recommendation to allow package liquor stores, grocery stores, convenience stores, drug stores, or qualified restaurants to sell alcoholic beverages for carryout on Sundays from 8pm-12pm.

Taxes, Fees, Penalties, and Requirements

The Commission's Report included recommendations to increase the excise taxes and permit fees for beer, wine, and liquor with the proceeds going to Alcohol Tobacco Commission (ATC) administration and enforcement.

The Commission also recommended mandated alcohol server and sales training for all grocery and convenience store clerks with age restrictions on who can sell or serve alcohol.

Finally, the Commission recommended increasing the fines for alcohol sales and service infractions with the proceeds going to ATC enforcement.



Local Government

The Interim Study Committee on Energy, Utilities, and Telecommunications discussed rural broadband service issues in Indiana, the construction of wind power devices, rental rates for utility poles, and issues concerning government regulation and government services that arise around the sharing economy operating through electronic platforms.

The Interim Committee on Fiscal Policy studied a myriad of tax issues that impact local government. The Committee studied: elimination of gross retail tax for food sold in vending machines, funding for transient housing, establishment of a neighborhood enhancement property tax relief program, Tax Increment Financing, uniform property assessment of nonprofit entities, school district financial condition analysis and monitoring, and a multi-year review of all tax incentives.



Criminal Justice

The Interim Study Committee on Corrections and Criminal Code met to discuss issues concerning the implementation of legislation enacted to save the State Department of Corrections money by utilizing county facilities, establishing regional jails, and reviewing the availability of certified treatment providers and facilities, requiring legislation that increases penalties, serious mental illness and the death penalty, and extending mental health and addiction forensic treatment services to individuals in the criminal justice system.



Session Floor Highlights

House of Representatives

On Wednesday, January 3, the House of Representatives "gaveled in" for the first regular meeting of the 2018 legislative session during which House leaders introduced their respective parties' agendas. House Speaker Brian Bosma noted that the top priorities for House Republicans concerns the opioid crisis, systemic changes to the Department of Child Services ("DCS"), and workforce development. House Democratic Leader Terry Goodin echoed the importance of

addressing the opioid epidemic and DCS' operations during this legislative session. Goodin added that the democratic caucus would also seek to reform Indiana's redistricting laws and increase the state minimum wage through their legislation efforts.

Senate

The Senate met for their first regular meeting of the 2018 session also on Wednesday. Senate President Pro Tempore David Long discussed several key issues that the Senate Republicans plan to address during the 2018 session. Among the issues that will be addressed, Long emphasized workforce development, the opioid epidemic, and DCS pitfalls being the issues of utmost importance. Senate Minority Leader Tim Lanane detailed that legislation regarding redistricting reform, the opioid epidemic, DCS, and the establishment of a hate crime law is among the most important legislative topics that the Senate democratic caucus will advocate for during the 2018 session.

Many of the comments made by leadership among the four caucuses centered on issues relating to the Department of Child Services (DCS). All emphasized the need to evaluate the systemic structure and funding of DCS to determine how to best improve the agency to better protect children and families. House and Senate leaders explained the seriousness of DCS' current success status, stating that while Indiana has half the total population of with 6.6 million compared to neighboring states of Illinois with 13 million and Ohio with 12 million, Indiana has more than twice the number of children in the Child Welfare Program. There was an expressed bipartisan agreement that the General Assembly needs to evaluate how funding is being allocated within the agency and emphasized the importance of keeping current case workers in the field and attracting new caseworkers.



Welcome our new interns!

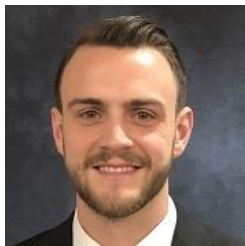
2018 Legislative Interns

Chelsea Princell



Chelsea is a third year law student at Indiana University Robert H. McKinney School of Law in Indianapolis. Chelsea graduated from the University of Dayton in 2014 with a B.A. in Psychology with minors in Political Science and Sociology. Prior to law school, Chelsea worked under Judge William Hughes in Hamilton County Superior Court 3 to establish a Veterans Court in Hamilton County and later worked as the Policy and Legal Intern for the Indiana Senate Democratic Caucus during the 2015 Legislative Session. She also has experience working for the Indiana Family and Social Services Administration. Chelsea is a member of the 2016 Order of the Barrister's of the Staton Moot Court Competition and the Indiana Health Law Review and currently serves as the Vice President to the Student Bar Association, Associate Justice on the Staton Moot Court Board, and Executive Articles Editor for Indiana Health Law Review.

Garrett Welch



Garrett is originally from Ashburn, Virginia, and graduated from Noblesville high school. Following high school, Garrett played football for Indiana University and graduated with a Bachelor of Science in public management. After graduation, Garrett enrolled in law school at Indiana University Robert H. McKinney School of law. During his first year, Garrett worked as a bailiff and law clerk for Judge Cynthia Ayers in Marion County Superior Courts, Civil Division 4. Following 1L year, Garrett served as a law clerk for the U.S. Air Force JAG Corps at Cannon Air Force Base, Clovis, New Mexico. During his time at IU McKinney, Garrett has been a member of Phi Delta Phi, and participates in a mentorship program with international students.

2018 Winter Term Intern

Grace Stinson



Grace is an Indianapolis native and graduated in 2016 from Cathedral High School. She is currently a sophomore at DePauw University in Greencastle, Indiana. She is majoring in Political Science with a minor in Spanish. At her university, she is a member of Pi Beta Phi Fraternity and within her community she volunteers and fundraises for The American Foundation for Suicide Prevention. In her free time, she enjoys traveling, spending time with family, and walking her dog Trixie. A fun fact about Grace is that she is distantly related to Alexander Hamilton on her mother's side.

Please feel free to contact a member of our legislative team should you have questions regarding the happenings in the Indiana General Assembly!

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