



Legislative Update

121th General Assembly

Friday, January 10, 2019



Week One Overview

Happy New Year! The Barnes & Thornburg LLP Government Services Team is excited to welcome back the 121st Indiana General Assembly. The Senate and the House of Representatives reconvened on Thursday, January 3rd. This session will be very busy as it is a “long session” (Budget Session) and will run approximately through April 26th to April 29th. Additionally, the General Assembly welcomed 16 new representatives and 5 new senators.



Points of Interest

The Governor and the General Assembly have highlighted several key topics, in addition to the budget, they would like to address during this year’s session. These topics include Department of Child Service funding, teacher pay, gaming, sports betting, opioids, hate crimes, and medical marijuana.

Budget: legislators will be focused on drafting a 2 year budget that must be balanced, as required by state law. During this process, they will be tasked with providing enough funding for K-12 education and the embattled Department of Child Services (DCS).

Teacher Pay: The state has seen a decline in the number of teachers entering the field. To combat the decline, the General Assembly is examining teacher pay and the resources that teachers have to supply out of pocket towards classrooms. While their potentially could be a pay increase for educators through the budget, other possible options are being examined. Due to budget constraints, legislators are looking at the possibility of tax credit incentives for teachers. Another possibility being examined is the reallocation of funds from school administration towards funding educators, salaries.

DCS Funding: The two main issues within the Department of Child Services (DCS) that Governor Holcomb and the Legislature plan to fix are the organization’s funding and the overall culture. Recently, Governor Holcomb stated that he wants to allocate \$286 million dollars to DCS in the 2020 and 2021 fiscal years. Lawmakers will be looking into whether DCS issues stem from a lack of funding or inefficient use of funds.

Gaming: Currently, debate will surround licenses within the Gary area. There will also be state financial and tax issues to follow involving the potential moving of licenses and updates to the gaming industry.

Sports Betting: After the Supreme Court decision, legal sports betting can now be authorized at the state level. The next challenges states will face are determining who can bet, who will receive licenses to operate booking organizations, and how much taxation will be levied on sports betting.

Opioids and Other Illegal Drugs: The drug epidemic continues to cause concern for Hoosiers and Hoosier legislators. During this session, the Legislature will weigh its options regarding the labeling of prescription medicines as “opioid containing” and creating treatment facilities for opioid abusers. Another potential piece of legislation would be stronger penalties for criminal acts involving opioids.

Hate Crimes: Determining whether or not Indiana needs to draft a hate crimes law will be a major point of focus during this session. Currently, Indiana is one of the few states that does not have a hate crimes law. Legislators will be looking at whether or not they will include language that creates protected classes such as sex, race, religion, and potentially gender identity.

Medical Marijuana: The legalization of medicinal marijuana and recreational marijuana is currently being discussed. Questions concerning what forms of administration would be included and what types of conditions would qualify for the use of medical marijuana are still being debated. There is support and opposition from legislators in both parties for medical marijuana despite Governor Holcomb being opposed to it.



Governor Holcomb's Next Level Agenda 2019

In November, Governor Eric Holcomb shared his 2019 Next Level Agenda which was comprised of his 5 Pillars. These pillars are reflective of many of the issues outlined above that are important for Indiana's Legislative Agenda. The 5 Pillars are as follows:

- I. **Cultivate a strong and diverse economy:** To continue strengthening our economy, Gov. Holcomb's 2019 agenda focuses on approving an eighth straight balanced budget as well as modernizing economic development tools to increase competitiveness, economic diversity and flexibility.
- II. **Maintain and build the state's infrastructure:** Gov. Holcomb's \$1 billion Next Level Connections program will expand broadband services in rural Indiana, grow the state's systems of trails, create more nonstop international flights and move up the completion of major highway projects.
- III. **Develop a 21st Century skilled and ready workforce:** The 2019 agenda is designed to ensure all Hoosiers have the tools they need to find meaningful work and careers. To accomplish this goal, Gov. Holcomb's priorities include expanding the Next Level Jobs initiative, developing a strategy to make Indiana teacher salaries competitive with surrounding states, and helping more high school students earn postsecondary credentials before they graduate.
- IV. **Public health and the drug epidemic:** For the state's economic development, education and workforce programs to continue to be successful, the state must do all it can to help Hoosier families live healthier lives. Gov. Holcomb's 2019 agenda calls for the adoption of the recommendations in the school safety report and the implementation of the Department of Child Services reform recommendations. The state will continue to work toward becoming the best state in the Midwest for infant mortality by 2024 by establishing an obstetric navigator program in areas with the highest infant mortality rates and requiring verbal screening to assess substance-use disorder in pregnancy. Additionally, Gov. Holcomb will remain focused on fighting the drug epidemic with expanded recovery housing and further development of Family Recovery Courts.

- V. **Deliver great government service:** Gov. Holcomb's 2019 agenda calls for continuing to modernize state government to better serve citizens and businesses. This includes passing bias crimes legislation as well as using more technology to enable better customer service.



Healthcare Updates

The Senate Health and Provider Services Committee met this week to discuss the major issues facing Indiana citizens. The three major issues are the opioid epidemic, smoking, and obesity.

The opioid epidemic is a major problem in Indiana. Some recent statistics discussed during the committee include a 1,100 person increase in emergency room overdose visits in 2016-2017 as well as a major increase in the number of deaths resulting from use of synthetic drugs like fentanyl. Additionally, 42% of all Indiana cocaine-involved deaths involved a synthetic opioid.

Some ideas about how to combat this epidemic include faith based outreach programs, naloxone distribution and training, overdose response project, a coroner toxicology program, and an Indiana University hospital pilot program that analyzes drug trends. Other popular ideas included an overdose fatality review, syringe service and harm reduction sites.

Smoking was also a major issue discussed during the committee. Annually, over 11,100 Hoosiers lose their lives to smoking. In Indiana, 1 in 5 Hoosiers smoke on a regular basis, 13.5% of pregnant women smoke, and overall 11,100 births are impacted by smoking. The annual cost of smoking-affected births in Indiana is estimated at \$15 million.

E-cigarettes were discussed as well. E-cigarettes are #1 commonly used tobacco product in America. The U.S. Surgeon General recently declared e-cigarettes an epidemic among youth citing a 78% increase of e-cigarette use among high school students and a 48% increase of e-cigarette use among middle school students.

Fixing the problem of smoking is difficult, but the creation of an Indiana tobacco quit line, utilization of a program called Baby & Me Tobacco Free, and Medicaid coverage for FDA approved medications and counseling were all debated.

Obesity was also mentioned as a state problem. Over 2/3 of Indiana adults are obese, and 1/3 of Indiana children are obese. Some legislators offered the following ideas to correct this trend including an Indiana diabetes strategic plan, increasing the use of national diabetes prevention programs, and a WIC mobile app.

Additional solutions for the obesity issue include employer worksite wellness training for employees, the incorporation of more physical activity by schools, an increase in access to healthy foods through SNAP education, and training community wellness coordinators on best practices for obesity prevention



Committee Meetings

House of Representatives

Committee hearings have started in the House. The following committees had their first meetings:

- *Judiciary on Monday, 1/7*
- *Corrections and Criminal Law on Tuesday, 1/8*
- *Education on Wednesday, 1/9*
- *Insurance on Wednesday, 1/9*
- *Courts and Criminal Code on Wednesday 1/9*
- *Ways and Means on Wednesday, 1/9*
- *Public Health on Wednesday, 1/9*
- *Ethics on Thursday. 1/10*

Senate

Likewise, the Senate had the following committee meetings:

- *Ethics Committee Monday, 1/7*
- *House Employment, Labor an Pension Tuesday, 1/8*
- *Judiciary on Wednesday, 1/9*
- *Health and Provider Services on Wednesday, 1/9*
- *Pensions and Labor on Wednesday, 1/9*
- *Education and Career Development on Wednesday, 1/9*
- *Local Government on Thursday, 1/10*



Session Floor Highlights

House of Representatives

The house floor consisted of first readings and assigning bills to committees. The House also passed a resolution for a joint assembly between itself and the Senate. Additionally, Thursday (1/10) at 2:00 PM was the bill filing deadline according to HR 107.1. The Statements of Economic interest were also due Thursday.

Senate

The Senate has been on the same pace, doing first readings and scheduling of bills to committees. On Wednesday, the Senate adopted House Resolutions 3 and 4 regarding a joint session of both chambers. On Thursday the filing deadline for SEI forms passed, as did the deadline for bill filing at 4:00 PM.

Looking Ahead

Next week, Governor Holcomb will give the State of the State Address at 7:00 PM on Tuesday (1/15) and Chief Justice Rush will give the State of the Judiciary Address at 2:00 PM on Wednesday (1/16). Finally, the Senate will have its deadline to assign bills to Committee on Thursday (1/17).

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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