

## LEGISLATIVE UPDATE



## **INCPAS** update

Click here for current Bill Track:

INCPAS	https://tinyurl.com/INCPAS2023
INCPAS Priority	https://tinyurl.com/INCPAS-
	Priority2023
INCPAS- TAX	https://tinyurl.com/INCPAS-TAX2023

The above links are live and may be used anytime during the session We will be adding bills daily the next several days. Please check back often. Your track lists will contain a significant number of bills that you may find irrelevant. We do a key word search on all bills filed and add them to your lists. Once all bills are filed, we will review and eliminate unnecessary or irrelevant bills.

As this is being written, there are no bills filed that impact the licensure generally.

<u>HB 1327 Accountancy</u>, was filed at the request of INCPAS. It was assigned to the House Labor Committee where it has been scheduled for hearing next Thursday. The bill makes changes to Indiana Code to allow rulemaking for CPE reciprocity, volunteer service for retired status licensees and changes the experience requirement for licensure from two to one year. These changes will align Indiana with other jurisdictions and UAA Model Act and Rule.

SB 2 Pass through entity tax is a Senate Republican agenda bill. Sen. Baldwin recognizes there are some amendments necessary, including changing the retroactive date to 1/1/23. In addition to two member and stakeholder working groups which include DOR legislative staff, INCPAS is part of a business coalition working with the IN Chamber of Commerce and other interested parties on the amendments. We hope to have more of an update next week.

# How It Works Indiana's Budget

The budget process in Indiana happens every two years, coinciding with the legislative long session. Over the course of the next four months, lawmakers will decide the state's two-year budget.

It starts with a revenue forecast in December. The forecast, released on December 15, 2022, stated that lawmakers will have around \$600 million per year in new money. When the forecast was released last year, Governor Eric Holcomb said, "the new state revenue forecast is rosier than anticipated but it still calls for a discerning approach to writing a new state budget."

Utilizing the forecast, Gov. Holcomb then crafted his budget and presented it to the State Budget Agency, after hearing requests from other state agencies and public universities. On January 5, after announcing his agenda, Gov. Holcomb presented his \$5.5 billion biennial budget with record education funding, priorities in public health, and the economy.

The budget was then presented in the form of a bill, House Bill (HB) 1001, and starts in the House of Representatives. The initial version filed is always HB 1001 and the governor's proposal. The bill was assigned by the Speaker of the House to the fiscal committee, House Ways and Means, on Thursday and

the committee has been hearing from state universities, the Commission for Higher Education, and the Governor.

Lawmakers will consider HB 1001 and testimony over the next few weeks. At the very end, right before the committee report deadline, the bill will be amended by the majority caucus into their version of the budget, including the school funding formula. The minority caucus will also present their version in an amendment in committee as well.

HB 1001 will then move to the House floor for additional amendments and a final vote. Both will generally take place on the deadline.

The same process from the House must be repeated in the Senate, starting in the Senate
Appropriations Committee, the senate fiscal committee, and ending with a final Senate floor vote.

In mid-April, the State Budget Committee holds another revenue forecast. This information provides lawmakers with accurate financial details about the upcoming fiscal year. They will base the final budget on this new information for the Conference Committee Report, or the final version, for HB 1001. This final version will be negotiated between key members of House and Senate leadership. A final vote must take place in both chambers before the statutory deadline for Sine Die, April 29th.

Once passed by both chambers, this bill will become the state's budget the next biennium.

#### Statehouse Closed

Monday, January 12<sup>th</sup>, 2023 In observation of Martin Luther King Jr. Day

### **Important Deadlines**

Assigning Bills to Committee January 20, 2023 (Senate) None (House)

Committee Report Deadline February 21, 2023 (House) February 23, 2023 (Senate)

#### State of the State

On Monday, Gov. Holcomb addressed the General Assembly in his sixth State of the State, The Road Ahead, laying out his priorities for the upcoming legislative session. He set three goals for the year: (1) secure Indiana's place in the economy of the future, (2) transform the delivery of public health statewide, and (3) make unprecedented investments in Indiana's school system.

Gov. Holcomb announced that Forbes just ranked Indiana as "the best state to start a business in 2023." He noted several counties that had brought in high-wage job opportunities over the past year. He stated that to secure Indiana's place in the economy of the future, we need to formalize the economic tools the legislature provided the administration last session.

Additionally, the Governor requested investments in interconnectors including roads, railways, and broadband. He revealed a major acquisition of the Next Level Trails called the new Monon South trail. He summed up his first priority by stating "investment is the strongest sign of a promising future."

Indiana's future is not as bright on the public health front, with state rankings like 45<sup>th</sup> for smoking, 46<sup>th</sup> for obesity, 43<sup>rd</sup> for mental health access, and 41<sup>st</sup> for childhood immunizations. The Governor notes these as reasons why his second priority is the delivery of public health.

Gov. Holcomb requested a total of \$347 million additional money appropriated for our state's public health system. Money to be deployed locally and tailored to meet the unique needs of each community. He also hopes to utilize local, state, and federal funds through his READI investment to create housing.

Lastly, regarding education, the Governor believes that the determinant of a child's success in adulthood is their education, starting with pre-K. He is asking the legislature to support the largest-ever investment in K-12 tuition support, an increase of \$1.1

billion. He is also asking the legislature to cover the full cost of textbooks and curriculum for Hoosier families and other important educational support items.

On the higher education front, Gov. Holcomb has requested the legislature support a \$184 million increase in funding for Indiana's colleges. Stating that "Indiana's college campuses need to be the epicenters of brain gain." Finally, he would like to automatically enroll all eligible 21st Century Scholars to ensure more students have access to free college tuition.

Governor Holcomb summarized it by stating that many of the investments needed this budget year have been made possible by careful stewardship to grow the private, not public sector. Yet, as mindful public servants, we must maintain the strength of our essential good government services that Hoosiers can rely on each day to grow.

#### State of the Judiciary

The day following the State of the State, Chief Justice Loretta Rush gave her formal address to the

General Assembly, the <u>State of the Judiciary</u>.

The Chief Justice opened her speech focusing on the court's main focuses: efficiency, fairness, safety, and the vitality of our economy. She stated that there are currently 2.5 million cases currently pending in our courts.

More than 1,600 cases have been filed in the commercial courts, which are complex cases that are decided quickly in a predictable, consistent, and fair environment. In Indiana, we have 143 problemsolving courts, with 30 veterans' courts with more on the way.

Chief Justice noted that the judges are prepared to take on the difficult work on mental health and child abuse issues in the coming year.

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