

HOUSE BILL No. 1046

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-13-16.5-2; IC 21-18-16-8.

Synopsis: State educational institution supplier diversity. Requires the governor's supplier diversity commission, the commission for higher education, and the budget committee to review each state educational institution's annual report regarding certain supplier diversity requirements. Provides that if a state educational institution's annual report is not in compliance with certain supplier diversity requirements, the commission for higher education and the budget committee shall determine the total percentage by which the state educational institution fell short of the requirements.

Effective: July 1, 2025.

Bartlett

January 8, 2025, read first time and referred to Committee on Education.



First Regular Session of the 124th General Assembly (2025)

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 2024 Regular Session of the General Assembly.

HOUSE BILL No. 1046

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 4-13-16.5-2, AS AMENDED BY P.L.104-2024,
2 SECTION 45, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2025]: Sec. 2. (a) There is established a governor's
4 commission on supplier diversity. The commission shall consist of the
5 following members:
6 (1) A governor's designee, who shall serve as chairperson of the
7 commission.
8 (2) The commissioner of the Indiana department of transportation,
9 or the economic opportunity director of the Indiana department of
10 transportation if the commissioner of the Indiana department of
11 transportation so designates.
12 (3) The chairperson of the board of the Indiana economic
13 development corporation or the chairperson's designee.
14 (4) The commissioner of the department of administration.
15 (5) Nine (9) individuals with demonstrated capabilities in
16 business and industry, especially minority business enterprises,
17 women's business enterprises, and veteran owned small



- 1 businesses, appointed by the governor from the following
 2 geographical areas of the state:
- 3 (A) Three (3) from the northern one-third (1/3) of the state.
 4 (B) Three (3) from the central one-third (1/3) of the state.
 5 (C) Three (3) from the southern one-third (1/3) of the state.
- 6 (6) Two (2) members of the house of representatives, no more
 7 than one (1) from the same political party, appointed by the
 8 speaker of the house of representatives to serve in a nonvoting
 9 advisory capacity.
- 10 (7) Two (2) members of the senate, no more than one (1) from the
 11 same political party, appointed by the president pro tempore of
 12 the senate to serve in a nonvoting advisory capacity.
- 13 (8) The deputy commissioner of the department of administration,
 14 who shall serve as a nonvoting member.
- 15 Not more than six (6) of the ten (10) members appointed or designated
 16 by the governor may be of the same political party. Members of the
 17 commission serve at the pleasure of the appointing authority and may
 18 be reappointed to successive terms. Subject to subsection (b), members
 19 of the commission appointed under subdivision (1) and subdivision (5)
 20 shall serve four (4) year terms. Members of the general assembly
 21 appointed to the commission serve two (2) year terms that expire June
 22 30 of an odd-numbered year. A vacancy occurs if a legislative member
 23 leaves office for any reason. Any vacancy on the commission shall be
 24 filled in the same manner as the original appointment. An individual
 25 appointed to fill a vacancy serves on the commission for the remainder
 26 of the unexpired term of the individual's predecessor.
- 27 (b) The terms of the members appointed under subsection (a)(1) or
 28 (a)(5) expire as follows:
- 29 (1) For a member appointed under subsection (a)(1) or (a)(5)(A),
 30 June 30, 2025, and every fourth year thereafter.
- 31 (2) For a member appointed under subsection (a)(5)(B) or
 32 (a)(5)(C), June 30, 2027, and every fourth year thereafter.
- 33 (c) Each member of the commission who is not a state employee is
 34 entitled to the following:
- 35 (1) The minimum salary per diem provided by IC 4-10-11-2.1(b).
 36 (2) Reimbursement for mileage, traveling expenses, and other
 37 expenses actually incurred in connection with the member's duties
 38 as provided under IC 4-13-1-4 and in the state travel policies and
 39 procedures established by the Indiana department of
 40 administration and approved by the budget agency.
- 41 The department shall pay expenses incurred under this subsection from
 42 amounts appropriated for the operating expenses of the department of



- 1 administration.
- 2 (d) Each legislative member of the commission is entitled to receive
3 the same per diem, mileage, and travel allowances established by the
4 legislative council and paid to members of the general assembly
5 serving on interim study committees. The allowances specified in this
6 subsection shall be paid by the legislative services agency from the
7 amounts appropriated for that purpose.
- 8 (e) A member of the commission who is a state employee is not
9 entitled to any of the following:
- 10 (1) The minimum salary per diem provided by IC 4-10-11-2.1(b).
 - 11 (2) Reimbursement for traveling expenses as provided under
12 IC 4-13-1-4.
 - 13 (3) Other expenses actually incurred in connection with the
14 member's duties.
- 15 (f) The commission shall meet at least four (4) times each year at
16 the call of the chairperson.
- 17 (g) The duties of the commission shall include but not be limited to
18 the following:
- 19 (1) Identify minority business enterprises, women's business
20 enterprises, and veteran owned small businesses in the state.
 - 21 (2) Assess the needs of minority business enterprises, women's
22 business enterprises, and veteran owned small businesses.
 - 23 (3) Initiate aggressive programs to assist minority business
24 enterprises, women's business enterprises, and veteran owned
25 small businesses in obtaining state contracts.
 - 26 (4) Give special publicity to procurement, bidding, and qualifying
27 procedures.
 - 28 (5) Include minority business enterprises, women's business
29 enterprises, and veteran owned small businesses on solicitation
30 mailing lists.
 - 31 (6) Evaluate the competitive differences between qualified
32 minority or women's nonprofit corporations and other than
33 qualified minority or women's nonprofit corporations and veteran
34 owned small businesses that offer similar services and make
35 recommendation to the department on policy changes necessary
36 to ensure fair competition among minority business enterprises,
37 women's business enterprises, and veteran owned small
38 businesses.
 - 39 (7) Define the duties, goals, and objectives of the deputy
40 commissioner of the department as created under this chapter to
41 assure compliance by all state agencies, separate bodies corporate
42 and politic, and state educational institutions with state and



1 federal legislation and policy concerning the awarding of
 2 contracts (including, notwithstanding section 1(d) of this chapter
 3 or any other law, contracts of state educational institutions) to
 4 minority business enterprises, women's business enterprises, and
 5 veteran owned small businesses.

6 (8) Establish annual goals:

7 (A) for the use of minority and women's business enterprises;
 8 and

9 (B) derived from a statistical analysis of utilization study of
 10 state contracts (including, notwithstanding section 1(d) of this
 11 chapter or any other law, contracts of state educational
 12 institutions) that are required to be updated every five (5)
 13 years.

14 (9) Prepare a review of the commission and the various affected
 15 departments of government to be submitted to the governor and
 16 the legislative council on March 1 and October 1 of each year,
 17 evaluating progress made in the areas defined in this subsection.

18 (10) Ensure that the statistical analysis required under this
 19 section:

20 (A) is based on goals for participation of minority business
 21 enterprises established in *Richmond v. Croson*, 488 U.S. 469
 22 (1989);

23 (B) includes information on both contracts and subcontracts
 24 (including, notwithstanding section 1(d) of this chapter or any
 25 other law, contracts and subcontracts of state educational
 26 institutions); and

27 (C) uses data on the combined capacity of minority business
 28 enterprises, women's business enterprises, and veteran owned
 29 small businesses in Indiana and not just regional data.

30 (11) Establish annual goals for the use of minority business
 31 enterprises, women's business enterprises, and veteran owned
 32 small businesses for any contract that:

33 (A) will be paid for in whole or in part with state grant funds;
 34 and

35 (B) involves the use of real property of a unit.

36 (12) Ensure compliance with the establishment and evaluation of
 37 the annual goal for veteran owned small businesses established in
 38 section 3.5 of this chapter.

39 **(13) Review each state educational institution's annual report**
 40 **required under section 4.5 of this chapter in conjunction with**
 41 **the commission for higher education established by**
 42 **IC 21-18-2-1 and the budget committee, in accordance with**



IC 21-18-16-8.

(h) The department shall direct contractors to demonstrate a good faith effort to meet the annual participation goals established under subsection (g)(11). The good faith effort shall be demonstrated by contractors using the repository of certified firms created under section 3 of this chapter or a similar repository maintained by a unit.

(i) The department shall adopt rules of ethics under IC 4-22-2 for commission members other than commission members appointed under subsection (a)(6) or (a)(7).

(j) The department of administration shall furnish administrative support and staff as is necessary for the effective operation of the commission.

(k) The commission shall advise the department on developing a statement, to be included in all applications for and agreements governing grants made with state funds, stating the importance of the use of minority business enterprises, women's business enterprises, and veteran owned small businesses in fulfilling the purposes of the grant.

(l) For purposes of subsections (g)(11) and (h), "unit" means a county, city, town, township, or school corporation.

SECTION 2. IC 21-18-16-8 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2025]: Sec. 8. (a) Not later than December 31, after the close of each state fiscal year, the commission, in conjunction with the governor's commission on supplier diversity established by IC 4-13-16.5-2 and the budget committee, shall review each state educational institution's annual report required under IC 4-13-16.5-4.5 regarding supplier diversity goals.

(b) If a state educational institution's annual report is not in compliance with the requirements of IC 4-13-16.5-2, the commission, in conjunction with the budget committee, shall determine the total percentage by which the state educational institution fell short of the requirements of IC 4-13-16.5-2.

