

SENATE BILL No. 253

DIGEST OF INTRODUCED BILL

Citations Affected: IC 4-3-24.

Synopsis: State agency grant administration. Provides that after June 30, 2019, a state executive branch agency may not apply for or renew a grant from a public or private entity unless the following occurs: (1) The office of state based initiatives (office) analyzes the grant's effect on state and local governments and private sector entities. (2) The office makes a recommendation regarding whether the state agency should pursue the grant opportunity. (3) The governor approves the grant opportunity in writing. Provides that if the grant opportunity obligates the state to expend more than \$500,000 the general assembly must make a specific appropriation of funds for the grant in the state budget.

Effective: July 1, 2019.

Ruckelshaus

January 3, 2019, read first time and referred to Committee on Appropriations.



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.

SENATE BILL No. 253

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

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

- 1 SECTION 1. IC 4-3-24-0.5 IS ADDED TO THE INDIANA CODE
- 2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 3 1, 2019]: **Sec. 0.5. As used in this chapter, "local government"**
- 4 **means a county, township, town, city, separate municipal**
- 5 **corporation, special taxing district, or public school corporation.**
- 6 SECTION 2. IC 4-3-24-4, AS ADDED BY P.L.213-2015,
- 7 SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 8 JULY 1, 2019]: Sec. 4. **(a)** In coordination with state agencies, the
- 9 office shall:
- 10 (1) review ~~the state's federal~~ **each state agency's** grant
- 11 opportunities; and
- 12 (2) subject each ~~federal~~ **state agency's** grant ~~opportunity~~
- 13 **opportunities** to a cost-benefit analysis that will measure the
- 14 fiscal impact and regulatory impact of the grant to determine
- 15 whether or not the ~~federal~~ grant opportunity should be pursued.
- 16 **(b) The analysis described in subsection (a) must include the**
- 17 **following:**



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



1 **Indiana.**

2 **(7) Any:**

3 **(A) new and existing compliance mandates; and**

4 **(B) policy directives;**

5 **associated with satisfying the terms of the grant.**

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

8 **(9) Whether a specific appropriation is required under section**
 9 **5(3) of this chapter.**

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

12 **(c) The office shall make a written recommendation based upon**
 13 **the analysis in subsection (b) as to whether the state agency should**
 14 **pursue the grant opportunity.**

15 **(d) The office shall provide the analysis and recommendation to:**

16 **(1) the governor; and**

17 **(2) the legislative council in an electronic format under**
 18 **IC 5-14-6.**

19 **SECTION 3. IC 4-3-24-5, AS ADDED BY P.L.213-2015,**
 20 **SECTION 38, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE**
 21 **JULY 1, 2019]: Sec. 5. A state agency may not participate in apply for**
 22 **or renew a federal grant opportunity as a recipient or subrecipient**
 23 **from any public or private entity unless the following requirements**
 24 **are satisfied:**

25 **(1) The office has completed the analysis and recommendation**
 26 **and provided it to the governor and legislative council as**
 27 **provided in section 4(d) of this chapter.**

28 **(2) The state agency has received approval to do so from the**
 29 **office. governor approves the state agency's pursuit of the**
 30 **grant opportunity in writing after consideration of the**
 31 **analysis and recommendation.**

32 **(3) This subdivision applies if the grant opportunity obligates**
 33 **the state to expend more than five hundred thousand dollars**
 34 **(\$500,000) in state funds for any reason, including explicit or**
 35 **implied maintenance of effort requirements. The general**
 36 **assembly must make a specific appropriation of funds for the**
 37 **grant opportunity in the state budget act.**

38 **SECTION 4. IC 4-3-24-5.2 IS ADDED TO THE INDIANA CODE**
 39 **AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**
 40 **1, 2019]: Sec. 5.2. Electronic access shall be provided through the**
 41 **computer gateway administered by the office of technology**
 42 **established by IC 4-13.1-2-1 to the following:**



- 1 **(1) A grant application.**
- 2 **(2) An analysis and recommendation under section 4 of this**
- 3 **chapter.**
- 4 **(3) The governor's written approval or denial of a state**
- 5 **agency's pursuit of a grant opportunity.**
- 6 **(4) A block grant contingency plan and any updates to the**
- 7 **plan prepared under section 6 of this chapter.**
- 8 **(5) The annual report prepared by the office under section 7**
- 9 **of this chapter.**

