



2012 Legislative Priorities and Initiatives

Presentation by:
Heather H. Macek, Barnes & Thornburg LLP
(317) 231-6448 (Direct)
Heather.Macek@btlaw.com

The Impact of the 2010 Elections

House of Representatives

- House Democrats lost 12 races in 2010, including eight incumbents and four open seats.
- All 12 seats picked up in 2010 were races supported by Aiming Higher efforts.
- All 19 freshman House legislators are members of the Republican caucus.

Years	Democrat	Republican
2000-2002	53	47
2002-2004	51	49
2004-2006	48	52
2006-2008	51	49
2008-2010	52	48
2010-2012	40	60

State Senate

- Since the 1970's, the Senate has been controlled by Republicans.
- Senate Democrats lost four races in 2010, including two incumbents and two open seats.
- In 2010, the Republicans gained enough seats to have a super-majority. It is not necessary for Senate Democrats to be on the floor in order to conduct business.
- The Senate Republicans welcomed six freshman members to their caucus this year.

Years	Democrat	Republican
2000-2002	18	32
2002-2004	18	32
2004-2006	17	33
2006-2008	17	33
2008-2010	17	33
2010-2012	13	37

Republican Control

With the recent election, Republicans control every office in State Government and both branches of the legislature.

- Governor/ Lt. Governor
- Attorney General
- Secretary of State
- State Treasurer
- State Auditor
- Superintendent of Public Instruction
- Indiana House of Representatives
- Indiana State Senate

2011 Legislative Summary

Overview

- The 117th General Assembly officially convened on January 3rd and adjourned on April 29th with the passage of 231 pieces of legislation.
- Two actions were required of the legislature last session:
 - the passage of the next biennial budget; and
 - legislative and congressional redistricting.

Legislation

- At the beginning of the session, a total of 1,209 bills were introduced. At the end of March, 363 bills were still eligible for passage.
- Upon the completion of the first half of session, the Senate had passed 200 bills over to the House.
- The House officially passed 112 bills over to the Senate before the start of the House Democratic walkout. Forty-nine bills remained on the House calendar awaiting further action.
- The walkout ended on Monday, March 28. By Wednesday, March 30, the House had completed its calendar for the first half of session and passed a total of 157 bills on to the Senate.

Major Legislative Issues of 2011

- Local Government Reform
 - Conflict of Interest/Nepotism
 - Township Government
- Education Reform
 - Charter Schools
 - School Vouchers
 - Teacher Evaluations
 - Collective Bargaining
- Unemployment Insurance Tax Reform
 - Plan to address solvency of the UI Fund
- Labor Reform
 - Use of project labor agreements (PLAs)
 - Right to Work legislation
 - Common construction wage statutes

State Budget – “Live within our means”

- A long-session occurs each odd-numbered year in which legislators must pass the next biennial budget
- Biennial Budget for 2011-2013: \$28 billion
 - \$13.8 billion in FY12
 - \$14.2 billion in FY13
 - Structurally balanced
 - Estimated surplus balances in FY’12 and FY’13
 - No Tax Increases
- FY 2013 appropriation is approximately equal to FY 2008 actual revenue
- Biennial distribution for tuition support: \$12.57 billion
- Reserve balance at the end of FY 2013: \$1 billion

2012 Legislative Session

2012 Second Regular Session

- Legislators met on Tuesday, November 22 for Organizational Day.
- On that date, legislators officially elected caucus leadership. Unofficial votes were in early November:
 - House Speaker Brian Bosma
 - House Minority Leader B. Patrick Bauer
 - Senate President Pro Tempore David Long
 - Senate Minority Leader Vi Simpson
- The upcoming session is a “short” session.
- Legislators will commence their work on January 4, 2012.
- Legislators must finish their work by March 14, 2012.
- Due to the Super Bowl, the short session may be even shorter. Legislators may be forced to condense their work by one week due to a lack of housing in the City of Indianapolis.

2012 Session

- This is the last session for Governor Daniels, so he will work to accomplish his legislative priorities before his term ends.

2012 Session

- The issues debated in the 2012 legislative session will likely serve as rallying points for both Democrats and Republicans as they prepare for the 2012 gubernatorial and legislative races.
- All 100 House seats and 25 Senate seats are up in 2012.

The “Big Issues”

- Labor Reform (right to work)
- Local Government Reform
- Education Reform

2012 Session Preview for Local Government

House Committees

- House Local Government Committee chaired by Rep. Tim Neese (R – Elkhart)
- Government & Regulatory Reform chaired by Rep. Kevin Mahan (R – Hartford City)
- Select Committee on Government Reduction chaired by Rep. Chet Dobis (D – Merrillville)

Senate Local Government

- Senate Local Government chaired by Senator Connie Lawson (R – Danville)

Local Government Reform

Single County Executive

- During the 2011 Legislative Session, there was significant discussion of single county executive legislative proposals.
- SB 303: County Government Reorganization (2011)- The bill was defeated in the Senate 22-27 (thanks to the hard work of IACC members and our adopt-a-legislator efforts).
- The bill would have:
 - Allowed the county executive to adopt an ordinance to let the voters elect a single county executive officer to serve as the county executive. The county council would have had all legislative and fiscal powers and duties of the county.
 - Required a unanimous vote of all the elected members of the county executive of the ordinance before going to the voters.
 - Required the ordinance be adopted an odd-numbered year or before July 1st of an even-numbered year

Adopt A Legislator Plan Success

- Due to our coordinated efforts and messaging through the Adopt a Legislator plan that we implemented last year, we successfully worked with legislators to defeat SB 303 last session.
- We can use this same strategy to address issues of concern in 2012.

IACC Position on Single County Executive

- Removes power from voters to choose local leaders
- Districts are not represented
- Decreased transparency
- Opens the door for abuses of power, favoritism, and motivation by personal gain
- Constituents have decreased access to a single executive as opposed to three officials
- Local government suffers from lack of continuity

Financial Disclosure Legislation

- Senator Jim Arnold (D-LaPorte) will introduce legislation that will require all candidates to file a financial interest disclosure form at the time of filing for candidacy.
- A similar financial interest disclosure form is already required for state elected officials and staff.
- Sen. Connie Lawson (R-Danville) will be the co-author.

IACC Position on Financial Disclosure Legislation

- IACC supports the use of a financial disclosure form for candidates running for local office.
- IACC believes such requirements should mirror the current state requirements for state elected officials.
- IACC supports legislation that does not add unnecessary administrative burdens greater than those required of state elected officeholders to ensure continued compliance with new requirements.

Nepotism

- Expect continued discussion of local nepotism proposals.
- Last session, there was significant discussion of HB 1022: Officeholder qualifications, nepotism, and public contracts (2011). The bill was heavily debated because the requirements for local officials DID NOT mirror the requirements placed on state officeholders and administration members. The conference committee report failed in the House 31-64.
- Bill would have:
 - prohibited a relative of an executive, a member of the legislative body, or a member of the fiscal body (elected official) of a county, city, town, or township from being employed by the unit
 - prohibited relatives who are unit employees or elected officers of the unit from being placed in a direct supervisory-subordinate relationship
 - exempted public safety officers (police and fire) if they held the position prior to June 30, 2011
 - allowed a township trustee to employ one relative if the office is located in the trustees home
 - allowed a term-limited coroner to be hired by his successor, even if his successor is a relative
 - allowed a sheriff to hire his spouse as a prison matron for the county

IACC Position on Nepotism Legislation

- Supports legislation that places restrictions on nepotism in county government
- Supports legislation that mirrors the nepotism provisions set forth in Indiana Code for state employees
- Supports legislation that imposes these requirements on all branches of county government (including the judiciary)
- Opposes legislation that provides some exemptions for nepotism provisions
- Supports legislation that requires every unit to implement a policy regarding nepotism

E911 Fees

- Recently, legislators and key stakeholders met to discuss proposed legislation to address E911 fees. The following proposals were discussed:
 - Move board responsibilities for 911 fund from the Treasurer of State to the Department of Homeland Security
 - Fund by LOIT with it being capped
 - Set a statewide fee regardless of phone type (landline, cell, etc.)
 - Divide counties into 3 classes and lower fee if PSAPs merge
 - 50,000 or less- \$1.75
 - 50,000-200,000- \$1.65
 - 200,000 or greater- \$.75
- Current funding average across the State is \$0.67

E911 Fees Continued

- Current issues discussed that need to be addressed:
 - Municipalities pulling out and leaving counties responsible with funding 911 call centers and associated costs
 - Counties charging municipalities additional fees for 911 services
 - Telecom industry dislikes the disparity in fees across the state
 - Dislike of staffing models and dictating to locals
 - Desire to harmonize fees and expenses
 - Parcel fee will not work
 - Interest in reverse 911
 - Capital costs should come from general fund
 - Disposable phone charges

IACC and AIC Position on 911 Fees

- Increased funding that replaces falling revenue from local wireline rates and is open to growth to meet needs.
- Protection and accountability for 911 funds that should not open to use for other sources.
- Locally driven decision making regarding operation and best practices.
- 911 Trust Fund – Creation designed to protect revenue collected by the state from being used of other state expenditures.
- Hold Harmless Clause – No county will receive less revenue than they currently receive from wireless distribution and their own collection of wireline fees.
- Wireless Board – Membership on board would include majority or plurality of local *elected* officials. Board would have authority to raise rates to meet needs.
- Clear Accountability – Local officials shall be given access to collection data and distribution records.

Other Issues of Interest

Transportation and Infrastructure

- The Joint Study Committee on Transportation and Infrastructure Assessment and Solutions was tasked with the following study topics:
 - (1) Assess the condition of Indiana's transportation infrastructure in both the public and private sectors
 - (2) In connection with the Indiana Department of Transportation and other interested parties, project Indiana's transportation demands through 2035
 - (3) Determine whether Indiana's existing transportation infrastructure is capable of meeting the transportation demands projected under subdivision (2)
 - (4) Establish appropriate roles and responsibilities for: (A) the state and county and municipal governments; and (B) the private sector; in meeting Indiana's projected transportation demands
 - (5) Identify potential funding sources for both public and private transportation and infrastructure projects

Transportation and Infrastructure continued...

- The committee did not make any findings of fact or recommendations for the 2012 legislative session.
- We should thank legislative leaders like Rep. Ed Soliday for taking on this discussion.
- We must work with our legislators to grow support for a proposal that helps to fund and leverage funds for local transportation infrastructure.

Solid Waste Management Districts

- The Environmental Quality Service Council made the following recommendations regarding solid waste management districts:
 - As an instrument of state government, continuous evaluation of SWMD is beneficial to their management. Annual reporting by SWMD that includes detailed financial and programmatic information should be required. Reports should be filed with IDEM and the Legislative Council in a form provided by IDEM. Also, the legislature should re-evaluate the continued existence of SWMD every 10 years.
 - IC 13-21-3 should be amended to reflect the clear instruction of the General Assembly to prohibit solid waste management districts from requiring permits on waste management activities, including those activities not subject to federal or state regulation.
 - A primary function of SWMD should be to educate the public on matters of solid waste management and disposal, including recycling opportunities. IC 13-21-3 should be amended to require the function of education by SWMD and to provide a minimum, uniform level of education.

Solid Waste Management Districts *continued...*

- The issue of funding and expenditures of SWMD is complex. Numerous sources of funding are available to SWMD. These sources include property tax, COIT, CAGIT and LOIT among many others. The disparity among the sources from which to draw leads to inequity in a now regionalized waste disposal system. Surcharges and fees imposed by SWMD inappropriately impact and influence the marketplace and should be reviewed in additional studies conducted in a timely manner. The scope of funding for SWMD should be streamlined in an effort to eliminate disparity among districts.
- Indiana counties may determine that their participation in a SWMD is not in the best interest of a county. IC 13-21-3 should be amended to reflect the option of a county to decline to form or participate with a SWMD.

Fire Districts/Territories

- HB 1096: Fire Protection Districts (2011)- The bill was not called down on Second Reading in the House.
- The bill would have:
 - provided that for property taxes first due and payable after 2011, the total amount that may be levied in a civil taxing unit in the ensuing calendar year to support a fire protection territory may not exceed the amount levied in the civil taxing unit to support the fire protection territory in the current calendar year; multiplied by the assessed value growth quotient.
 - provided that for property taxes first due and payable after 2011, in the first year in which a civil taxing unit levies a property tax to support a fire protection territory, the total amount that may be levied in that year in the civil taxing unit to support the fire protection territory may not exceed the lesser of: (1) the amount specified by the legislative body of the civil taxing unit in the hearing held before adoption of the ordinance or resolution to establish the fire protection territory; or (2) the amount levied for fire protection services in the year immediately preceding the year in which the unit first imposes property taxes to support the fire protection territory, multiplied by the assessed value growth quotient.
 - provided that a fire protection territory may not be established after December 31, 2011, unless the fire protection territory is approved by the voters of each of the participating units in a public question.

Fire Districts/Territories

continued...

- The bill would have:
 - provides that before an ordinance or resolution to establish a fire protection territory is adopted by the legislative body of a unit, the legislative body must hold a separate public hearing at which the legislative body makes available to the public specified information concerning the fiscal impact of the proposed fire protection territory.
 - provided that the provider unit, with the approval of each of the other participating units, shall annually budget the necessary money to meet the expenses of operation and maintenance of the fire protection services with the territory, plus a reasonable operating expense.
 - removed language that, in the case the amount levied in a particular year is insufficient to cover costs, the levy in the following year shall be increased by the amount needed and the provider unit is entitled to transfer the amount transferred from the fund as reimbursement to the provider unit.
 - required the Department of Local Government Finance to review the tax rates in existing fire protection territories and reconsider whether different rates should apply for the participating units.

Legislative Redistricting

Redistricting

- In each year following the decennial census, the General Assembly is required by the Indiana Constitution to redraw legislative and congressional districts.
- The Congressional and House maps will be the basis for the 2012 election and will not be in effect until November 2012.
- The State Senate maps, however, are currently in effect. Legislators' current districts may have changed geographically due to this process.

Redistricting

- Senate: No two incumbent legislators were drawn into the same Senate district.
- House:
 - Two House Democrats are ran for mayor (one successful and one unsuccessful), one Democratic House Representative has announced his retirement, and three House Republicans have announced their retirement at the end of next year.
 - One House Republican has announced his intention to challenge a Republican Senator in the next primary.
 - In addition one House Democrat has announced his bid for Congress (Rep. Scott Reske, Pendleton).
 - Three districts contain two Democratic incumbents, three contain one Democrat and one Republican, and three contain two Republicans.
 - This cumulatively results in sixteen open, or potentially open, House seats (no incumbent).*

Two Different Approaches

- The Indiana Senate has transitioned to the new maps. Senators are working within their new districts currently (although they are not official until the 2012 election).
- The Indiana House districts will remain the same through 2012.

Action Plan Checklist – A Refresher

- Adopt your legislator
- Contact your legislator prior to start of session
- Maintain consistent contact with your legislator
- Invite your legislator to visit your organization/attend a meeting
- Enlist support of other stakeholders in your community (chamber, political party, other organizations, businesses)

Adopt a Legislator Packet

- You will receive an Adopt a Legislator Packet which includes:
 - Letter explaining the program
 - Background memo on IACC position
 - IACC position statement
 - Talking points to use when speaking with legislators
 - Handout for public forums
 - Action Plan check list
 - Contact Information for legislators
 - Template presentation to use when speaking with citizens, community organizations, local business leaders, etc.

Follow Up

- Follow up with your local legislators is key. Legislators want to hear from you.
- Follow up with IACC Leaders (Stephanie Yager) is also important – people on the front line need to be informed of your conversations.

Clear, Concise Messaging

- Important for organizations to have one voice and one message.
- IACC will be providing weekly updates to members who have “adopted” a legislator throughout the legislative session.

Questions

