

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6489

BILL NUMBER: HB 1172

NOTE PREPARED: Feb 12, 2009

BILL AMENDED: Feb 12, 2009

SUBJECT: Use of Minority and Women's Business Enterprises.

FIRST AUTHOR: Rep. Riecken

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) This bill expands the duties of the Governor's Commission on Minority and Women's Business Enterprises (Commission) to include setting goals for all contracts entered into with the use of state property and the use of state funds involving the use of real property of a unit of local government. It requires the Department of Administration to direct contractors to demonstrate a good faith effort to meet participation goals. It requires the Commission to work with the Department to develop a statement for grantees stating the importance of the use of minority and women's business enterprises. It requires a unit of local government to report to the Commission on the planned and actual participation of minority and women's business enterprises in a grant or contract that is subject to the goals set by the Commission. The bill also provides that certain members of the Commission on Hispanic/Latino affairs are nonvoting members.

Effective Date: July 1, 2009.

Explanation of State Expenditures: (Revised) *Commission on Minority and Women's Business Enterprises:* This bill requires the Commission on Minority and Women's Business Enterprises to set annual goals regarding all contracts and grants made using state funds, involving the use of real property of a local unit of government, or involving incentives offered using state funds. The Commission is also required to advise the Indiana Department of Administration (IDOA) on developing a statement regarding the importance of the use of minority and women's business enterprises. The statement will be used in all applications and agreements governing grants with state funds. The Commission should be able to implement these requirements within their existing resources.

(Revised) *IDOA:* This bill requires the IDOA to direct contractors to demonstrate a good faith effort by using

the repository of certified firms created under IC 4-13-16.5-3 in order to meet participation goals. The IDOA should be able to implement this provision within their existing resources.

Additionally, the IDOA will work with the Commission to develop a statement regarding the importance of the use of minority and women's business enterprises. Because the bill specifies that the statement will be used in all applications and agreements governing grants with state funds, additional administrative costs may be incurred in order to implement this provision.

Explanation of State Revenues:

Explanation of Local Expenditures: This bill requires local units of government to report to the Commission regarding the planned and actual participation of minority and women's business enterprises in grants or contracts. This provision could increase administrative expenses for local units of government that are affected by this legislation. Any potential impact is indeterminable because it will depend upon the extent that local units of government report to the Commission as a result of the bill's provisions.

Explanation of Local Revenues:

State Agencies Affected: Commission on Minority and Women's Business Enterprises; IDOA.

Local Agencies Affected: Local units of government.

Information Sources:

Fiscal Analyst: Jessica Harmon, 317-232-9854.