



COMMITTEE REPORT

MR. PRESIDENT:

The Senate Committee on Appropriations, to which was referred Senate Bill No. 1, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Delete the title and insert the following:
- 2 A BILL FOR AN ACT to amend the Indiana Code concerning
- 3 human services and to make an appropriation.
- 4 Page 1, between the enacting clause and line 1, begin a new
- 5 paragraph and insert:
- 6 "SECTION 1. IC 4-12-1-18, AS AMENDED BY P.L.174-2022,
- 7 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 8 JANUARY 1, 2026 (RETROACTIVE)]: Sec. 18. Except for allotment
- 9 stipulations provided in IC 4-12-18 **and IC 12-8-15**, federal funds
- 10 received by an instrumentality are appropriated for purposes specified
- 11 by the federal government and the general assembly, if that body elects
- 12 to appropriate federal funds, subject to allotment by the budget agency.
- 13 The provisions of this chapter and other laws concerning the
- 14 acceptance, disbursement, review, and approval of grants, loans, and
- 15 gifts made by the federal government or any other source to the state
- 16 or its agencies apply to instrumentalities.
- 17 SECTION 2. IC 12-7-2-24.3 IS ADDED TO THE INDIANA CODE
- 18 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 19 1, 2026]: **Sec. 24.3. "Candy", for purposes of IC 12-14-30-10, has**
- 20 **the meaning set forth in IC 12-14-30-10(a).**

1 SECTION 3. IC 12-7-2-179.5 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2026]: **Sec. 179.5. "Soft drink", for purposes**
4 **of IC 12-14-30-10, has the meaning set forth in IC 12-14-30-10(b).**

5 SECTION 4. IC 12-8-15 IS ADDED TO THE INDIANA CODE AS
6 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
7 JANUARY 1, 2026 (RETROACTIVE)]:

8 **Chapter 15. Indiana Rural Health Transformation Fund**

9 **Sec. 1. (a) The Indiana rural health transformation fund is**
10 **established as a dedicated fund for the purpose of implementing**
11 **the Indiana rural health transformation program authorized by**
12 **federal law under Section 71401 of Public Law 119-21 (42 U.S.C.**
13 **1397ee), and based on Indiana's federally approved application.**
14 **The fund shall be administered by the office of the secretary.**

15 **(b) Money in the fund is continuously appropriated. The fund**
16 **consists of federal funds received from the federal government**
17 **under Section 71401 of Public Law 119-21.**

18 **(c) The expenses of administering the fund shall be paid from**
19 **money in the fund to the extent allowable by federal law under**
20 **Section 71401 of Public Law 119-21.**

21 **(d) The treasurer of state shall invest the money in the fund not**
22 **currently needed to meet the obligations of the fund in the same**
23 **manner as other public funds may be invested. Interest that**
24 **accrues from these investments shall be deposited in the fund.**

25 **(e) Money in the fund at the end of a state fiscal year does not**
26 **revert to the state general fund.**

27 **(f) The secretary may make recommendations concerning**
28 **expenditures from the fund to the budget committee, and**
29 **allotments and expenditures from the fund are subject to budget**
30 **committee review before the allotment and expenditure may occur.**

31 **(g) This section expires December 31, 2032.**

32 **Sec. 2. (a) Before June 1 and December 1 of each year, the office**
33 **of the secretary shall submit a written report for review to the**
34 **budget committee concerning the following:**

35 **(1) An itemization of each of the expenditures of money from**
36 **the fund since the last report to the budget committee.**

37 **(2) The aggregate amount of expenditures of money from the**
38 **fund since the last report to the budget committee.**

39 **(3) Anticipated expenditures for the subsequent six (6)**
40 **months.**

41 **(4) Whether the office of the secretary is meeting the**
42 **benchmarks set forth in the state federally approved**

1 **application for the federal funds.**

2 **(5) Whether the office of the secretary believes the state is**
 3 **meeting the federally approved application requirements**
 4 **necessary to continue to receive federal funds for operation of**
 5 **the Indiana rural health transformation program.**

6 **(b) This section expires December 31, 2033."**

7 Page 3, between lines 27 and 28, begin a new paragraph and insert:

8 "SECTION 7. IC 12-14-30-10 IS ADDED TO THE INDIANA
 9 CODE AS A NEW SECTION TO READ AS FOLLOWS
 10 [EFFECTIVE JULY 1, 2026]: **Sec. 10. (a) As used in this section,**
 11 **"candy" means a preparation of sugar, honey, or other natural or**
 12 **artificial sweeteners in combination with chocolate, fruits, nuts, or**
 13 **other ingredients or flavorings in the form of bars, drops, or pieces.**
 14 **The term does not include any preparation requiring refrigeration.**

15 **(b) As used in this section, "soft drink" means nonalcoholic**
 16 **beverages that contain natural or artificial sweeteners. The term**
 17 **does not include beverages that contain milk or milk products, soy,**
 18 **rice, or similar milk substitutes, or are exclusively naturally**
 19 **sweetened using natural vegetable or fruit juice.**

20 **(c) A SNAP recipient may not use SNAP benefits to purchase**
 21 **candy or soft drinks.**

22 **(d) If the office of the secretary determines that a waiver or**
 23 **authorization by a federal agency is needed to implement this**
 24 **section, the office of the secretary shall request the necessary**
 25 **waiver or authorization."**

26 Page 22, between lines 7 and 8, begin a new paragraph and insert:

27 "SECTION 29. P.L.213-2025, SECTION 25, IS AMENDED TO
 28 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026
 29 (RETROACTIVE)]: SECTION 25. Except as provided for under
 30 IC 4-12-18 **and IC 12-8-15**, the governor of the state of Indiana is
 31 solely authorized to accept on behalf of the state any and all federal
 32 funds available to the state of Indiana. Federal funds received under
 33 this SECTION are appropriated for purposes specified by the federal
 34 government, subject to allotment by the budget agency. The provisions
 35 of this SECTION and all other SECTIONS concerning the acceptance,
 36 disbursement, review, and approval of any grant, loan, or gift made by
 37 the federal government or any other source to the state or its agencies
 38 and political subdivisions shall apply, notwithstanding any other law.

39 SECTION 30. P.L.213-2025, SECTION 26, IS AMENDED TO
 40 READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2026
 41 (RETROACTIVE)]: SECTION 26. Except as provided for under
 42 IC 4-12-18 **and IC 12-8-15**, federal funds received as revenue by a

- 1 state agency or department are not available to the agency or
- 2 department for expenditure until allotment has been made by the
- 3 budget agency under IC 4-12-1-12(d).".
- 4 Renumber all SECTIONS consecutively.
(Reference is to SB 1 as introduced.)

and when so amended that said bill do pass .

Committee Vote: Yeas 9, Nays 3.

Senator Mishler, Chairperson