

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

LS 6961
BILL NUMBER: SB 226

NOTE PREPARED: Jan 26, 2026
BILL AMENDED:

SUBJECT: Indiana Department of Administration.

FIRST AUTHOR: Sen. Baldwin
FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill allows the Indiana Department of Administration (IDOA) to implement category management for purchasing and contracting by state agencies.

The bill amends the nomination and appointment process for a state agency's purchasing representative. It requires the IDOA to establish and maintain an independent verification and validation oversight program for contracts entered into by state agencies. It also requires state agencies to submit an annual procurement and purchasing plan to the IDOA and the State Budget Agency.

The bill also repeals provisions concerning the ability of the Indiana War Memorials Commission to enter into contracts.

Effective Date: Upon passage; July 1, 2026.

Explanation of State Expenditures: *Summary* - The bill could reduce state expenditures by prohibiting the Indiana War Memorials Commission from entering into contracts. State savings are estimated to be approximately \$2.2 M per year.

Additional Information - The bill allows the IDOA to implement category management for state procurement. The IDOA currently utilizes the OneIndiana program, which would most likely satisfy the specifications in the bill. The bill also allows the IDOA to establish and maintain an independent verification and validation (IV&V) program for state contracts. The IDOA is currently utilizing this service for state contracting.

IDOA's IV&V (Independent Verification & Validation) Oversight Program provides third-party, objective reviews for complex state IT projects to manage risks, ensure compliance, and guide projects to success. The program offers services like cloud security assessments, contract certification, and continuous monitoring for better project outcomes and fiscal responsibility.

The bill also specifies that state procurement agents are tasked with the contract reporting requirements for purchases between \$50,000 and \$150,000. This requirement is expected to have minimal impact on state

workload.

Indiana War Memorials Commission - Between CY 2015 and CY 2029, the Indiana War Memorials Commission has let approximately \$32.8 M in contracts, or an average of \$2.2 M per year.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: All.

Local Agencies Affected:

Information Sources: Indiana Contract Transparency Portal,
<https://www.in.gov/indot/about-indot/central-office/procurement-project-finance-and-budget/>
<https://www.in.gov/idoa/procurement/supplier-resource-center/programs-and-preferences/oneindiana/>
<https://iar.iga.in.gov/register/20250122-IR-GOV250057EOA>

Fiscal Analyst: Bill Brumbach, 317-232-9559.