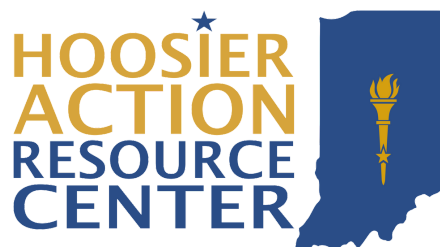
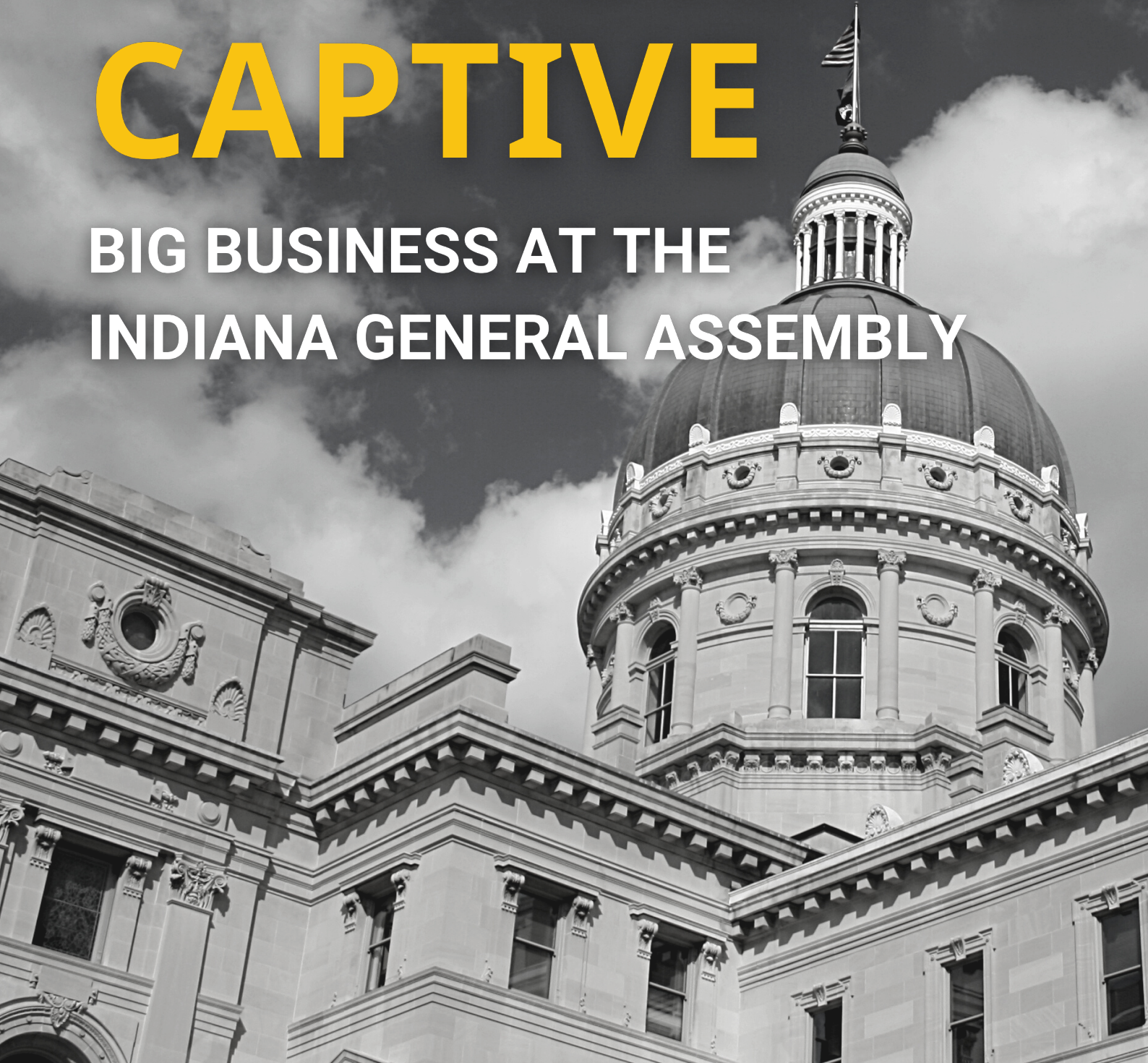


CORPORATE CAPTIVE

BIG BUSINESS AT THE
INDIANA GENERAL ASSEMBLY

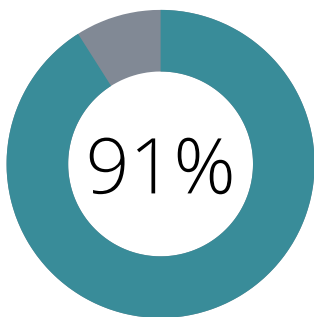


INTRODUCTION

Indiana campaign finance laws allow those who control wealth to wield significant power in our politics and our state government.

This report profiles some of the biggest corporate donors and power players at the Indiana General Assembly and how their money bought them an outsized influence during the 2021 legislative session. It focuses on four major industry lobbies: big business, the healthcare industry, housing and construction, and utilities. While not exhaustive, this report begins to pull back the curtain and reveal how a select, wealthy few exert tremendous influence on Indiana's legislative process undermining our democracy and causing harm to everyday Hoosiers.

Most Hoosiers believe that, no matter what we look like or where we live, we should all have an equal say in our democracy. But today, too many of the people elected to represent us at the Statehouse put the interests of big corporate donors before the needs and values of the majority of their constituents. Effectively captive to corporate interests, many members of the Indiana General Assembly only promote policies that benefit Indiana's small donor class, regardless of the impact on the majority of Hoosiers.



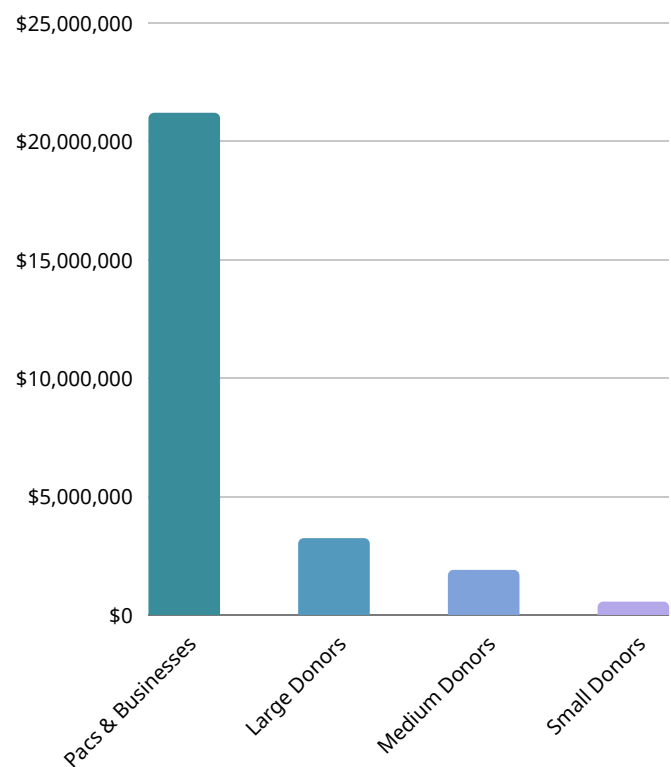
of all campaign contributions candidates for the Indiana General Assembly came from PACs and large donors.

Indiana campaign finance laws allow those with the most money to wield significant and outsized power in Indiana's politics and state government. There are no limitations on campaign contributions from individuals, no limitations on contributions from Political Action Committees (PACs), no limitations on contributions from limited liability companies (LLCs) and no limitations on contributions from other unincorporated firms. There is, in theory, a cap on contributions from corporations.

In fact, it is easy for corporations to donate far above their spending limits since contributions from executives and political action committees have no limits and companies are allowed to contribute to their PACs. Our campaign finance laws allow organized money to overpower the voices of everyday people in pursuit of their own interests and profits. The influence of the wealthy and powerful is pervasive and our legislature has become enthralled to those who control the big money.

Data analysis from FollowTheMoney.org shows that for the 2020 election cycle nearly \$17 million was raised for Indiana state House races and over \$10 million was raised for the 25 state Senate races. The vast majority, 79% of all that money, came from PACs and businesses. Only 7% of the contributions came from small and medium donations (contributions less than \$501) and just 2% came from small donations (contributions less than \$101). Powerful legislative leaders received huge amounts of money to keep their seats. Speaker of the House Rep. Todd Huston raised \$1.75 million. President Pro Tempore Sen. Rod Bray raised \$1.06 million. The 2020 campaigns for the Indiana General Assembly were clearly financed almost entirely by the wealthy and powerful.

2020 Campaign Contributions



When legislators receive campaign contributions from entities that have a direct, vested interest in the outcomes of the legislative process, it shapes legislators' priorities at the Statehouse.

With 93% of all the money coming from powerful corporate interests and wealthy individuals and only 2% of the money from small donors, the good intention of many legislators is often severely compromised. Because they wish to maintain their seats, many elected officials are disproportionately impacted by those who have the power to finance their reelection bids.

Furthermore, because the Republicans hold super majorities in both houses (71-29 in the House, 39-11 in the Senate), much of the work of legislating happens in caucus meetings behind closed doors. Political party caucuses (the regular meeting of legislators along party lines to discuss the business of the day) are exempted from the state's Open Door Law. This enables decisions to be made behind closed doors with no transparency or accountability. While residents and the media are not able to see the debate which occurs within a caucus, the legislative priorities and movement of bills during the 2021 session show how big money exerts influence and continues to win out over the best interests of the majority of Hoosiers.



WHO THEY REPRESENT

The Indiana Chamber of Commerce and its PAC, Indiana Business for Responsive Government, as well as the Indiana Manufacturers Association, represent the interests of corporations and businesses in Indiana.

Membership dues to the Indiana Chamber are on a sliding scale, so the larger the business the more it contributes and the more power it can exert within the Chamber.

THEIR PRIORITIES

They want to continue to increase the profits of Indiana's largest companies by prioritizing a regulation-free environment, where big corporations are able to operate with little accountability to the communities that surround them. Both lobbies have consistently opposed legislation that threatens their bottom line or erodes their power.

WHO LOSES WHEN THEY LOBBY

Working Hoosiers and their families are hurt by big business interests who put their profits ahead of workplace safety and higher wages for Hoosier workers. While local Chambers of Commerce often give voice to small, local businesses, the statewide Chamber primarily represents the interests of big businesses who contribute more in membership fees. The interests of Indiana's largest corporations are not always the same as small, more community-oriented businesses.

2020 CONTRIBUTIONS

The Indiana Chamber of Commerce and Manufacturers Association PACs contributed \$511,665 to 2020 campaigns, with the bulk of the funds (\$421,545) coming from the Chamber. Top contributions from the Chamber were awarded to candidates who were believed to have close races: Rep. Donna Schaibley (\$46,539), former Rep. Cindy Kirchhofer (\$45,659), and Rep. Jerry Torr (\$37,395). The Manufacturers Association gave \$15,000 of their funds to Sen. Rod Bray, the most powerful lawmaker in the Senate.

INFLUENCE DURING THE 2021 SESSION

The top priority of big business during the 2021 legislative session was passing broad and retroactive immunity for businesses during the COVID-19 pandemic. SB 1 and HB 1002 were the first bills filed during the legislative session, and despite the concerns of consumers and workers expressed during committee hearings, these bills moved extraordinarily swiftly through the legislative process.

The Indiana Chamber and Manufacturers Association opposed the passage of workplace accommodations for pregnant Hoosiers during the 2021 legislative session. When faced with the third year of mounting public pressure, these business interests unexpectedly switched course and pushed for the passage of HB 1309. HB 1309 purports to provide accommodations for pregnant workers, but actually just allows workers to ask for accommodations (something they could always already do). This bill was ultimately passed despite the protests of directly impacted Hoosiers, advocates, and the Indianapolis Chamber of Commerce.



Indiana
Hospital
Association



IHCA
INCAL

WHO THEY REPRESENT

The Indiana Hospital Association (IHA) represents over 170 hospitals which make up three major hospital systems in our state. The Indiana Health Care Association (IHCA) represents skilled nursing facilities and assisted living communities. Twenty-two county hospitals own 93% of Indiana nursing homes. The Health and Hospital Association of Marion County is the largest nursing home operator in the state.

THEIR PRIORITIES

While they theoretically are nonprofits, economist Michael J. Hicks has persuasively argued that Indiana's hospital corporations operate as monopolistic business entities focused on profits over patient care.¹ The IHA and IHCA wish to maintain their profits by avoiding liability lawsuits and want to avoid additional public oversight so they can continue to provide their executives with large compensation packages.²

WHO LOSES WHEN THEY LOBBY

The monopolistic practices of Indiana's hospitals and network of providers and the lobbying dollars which maintain their power have resulted in higher healthcare costs for Hoosiers and negatively impacted healthcare outcomes in Indiana. Indiana per capita income is below average for the country, but Hoosiers pay hospital charges that are on the high end of the spectrum for the country.³ During the pandemic, over 6,200 Hoosiers have died from COVID in Indiana's nursing homes, making Indiana's nursing home death rate among the worst in the country--and twice as high as the country as a whole.⁴

2020 CONTRIBUTIONS

The IHA contributed over \$72,000 to 2020 Indiana General Assembly candidates in 2020, and the IHCA contributed over \$43,000 to candidates. Together they spent over \$115,000 on electing legislators in 2020. At least 65 House members and 22 senators accepted a contribution from one or both of these PACs.

INFLUENCE DURING THE 2021 SESSION

The number one item on the agenda of the IHA in 2021 was passing broad "disaster immunity from liability," and their agenda specifically references SB1 and HB 1002. These bills provide a very broad array of protections for businesses and nonprofits, including hospitals, medical care providers, and long-term care facilities, with many adverse consequences for everyday Hoosiers.

SB 1 provides retroactive liability protections to hospitals, long-term care facilities and out-patient clinics. Under the provisions of the bill, which is now law, individuals, whether patients or employees, suffering COVID-19 related harms have no recourse whatsoever unless they are able to prove gross negligence or willful misconduct. This bill immunizes businesses against potential financial burdens for the spread of a deadly disease, but leaves workers and consumers with almost no protection, prioritizing profits over public health.

HB 1002 complements SB 1 and provides special disaster emergency protections for healthcare providers. The bill protects individuals and organizations from liability or consequences for acts and omissions short of gross negligence and willful misconduct. It also prevents class action lawsuits against healthcare providers, and exempts providers from liability for failing to comply with local, state, or federal health recommendations. While this bill provides broad liability protections for the operators of extended care facilities, not one single piece of legislation was progressed to better protect residents or improve facility performance and accountability.

WHO THEY REPRESENT

The top five construction, housing, and real estate PACs (Indiana Realtors, Indiana Multi-Family Housing PAC, Build Indiana, Indiana Merit Construction, and Indiana Builders) represent builders, Realtors, manufacturers of homes, providers of building supplies, and landlord and apartment associations, mostly from Indiana but some from large, out-of-state businesses.

THEIR PRIORITIES

Builders, Realtors, manufacturers of homes, providers of building supplies, and landlord and apartment associations want to ensure that their ability to build and oversee their own industries is free from obstacles and what they consider onerous regulations. These loosely affiliated industries work to remove things that stand in the way of freely conducting profitable business—such as environmental protections, local jurisdiction, special historical status, protections for tenants, and other community interests and safeguards.

WHO LOSES WHEN THEY LOBBY

Hoosier tenants have some of the weakest protections and are subject to some of the highest eviction rates in the country. During the COVID-19 pandemic, when staying at home is the best way to prevent spread of the disease, Indiana's high eviction rates put the health of all Hoosiers at risk.⁵ Weak regulations on building threaten Indiana's environmental health and can also harm consumers.⁶

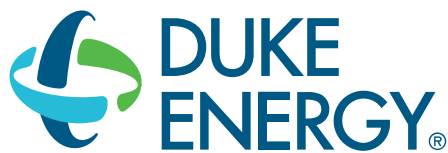
2020 CONTRIBUTIONS

The top five construction, housing, and real estate PACs (Indiana Realtors, Indiana Multifamily Apartment Association, Build Indiana, Indiana Merit Construction, and Indiana Builders) donated almost \$2 million to Indiana General Assembly races in 2020.

INFLUENCE DURING THE 2021 SESSION

Some of those recipients include senators who voted to overturn Gov. Eric Holcomb's 2020 veto of SEA 148. This bill removed protections for Hoosiers facing evictions from apartments and codifies seven new forms of eviction, even when tenants have done nothing wrong. It overrode local protections enacted by the City of Indianapolis, claiming locally written regulations are too complicated and confusing and interfere with the conduct of business. In both the 2020 and 2021 fights, the Indiana Apartment Association, representing some of the state's largest landlords, worked fiercely to get the bill passed. Their success in 2020 rested significantly on a last-minute amendment tacked onto unrelated legislation, an amendment that received no public review or comment. Holcomb vetoed the bill in March 2020 citing concerns about COVID-19, but restoring SEA 148 was among the first actions taken by the legislature in 2021.

A separate bill also sent to the governor's desk this year is SB 389, which strips away state-mandated protections of Indiana wetlands in favor of weaker federal ones. A critical part of the natural water-cleansing ecosystem, less than 25% of our original wetlands remain. The bill will make it easier to build on such land without needing permits or evaluation. Four of the bill's authors have close ties to the building and construction industry, and three of them belong to the Indiana Builders Association and have previously held leadership positions in the group.⁷



WHO THEY REPRESENT

Indiana utilities are among the most active influencers at the Statehouse. They include national and regional investor-owned companies like Duke Energy, NiSource, American Electric Power and AES Indiana, along with their political action committees. Friends of Indiana Rural Electrification represents 38 rural electrical cooperatives in Indiana, whose interests do not always align with those of investor-owned utilities.

THEIR PRIORITIES

Utilities are ostensibly regulated by the Indiana Utility Regulatory Commission, but the rules of the road are set by the General Assembly. Utilities want a generous return for their investors. They lobby for a light regulatory touch from the state, easy opportunities to raise rates and a free hand in running generation and transmission facilities.

WHO LOSES WHEN THEY LOBBY

High utility rates harm ratepayers. Rates in Indiana were historically low, but that changed as coal became more expensive. With the economic downturn brought on by the COVID-19 pandemic, many ratepayers struggled to balance paying for utilities, food and rent, putting families at increased risk of eviction. Utilities also harm the environment. Indiana's heavy reliance on coal – it ranks second in coal consumption – produces some of the nation's dirtiest air. Indiana has more coal-ash storage ponds than any other state, putting ground and surface water at risk of contamination.

2020 CONTRIBUTIONS

Investor-owned utilities, electrical cooperatives and their PACs contributed over \$500,000 to Indiana legislative candidates for the 2020 elections. Counting candidates for statewide office and state party caucuses, the utilities gave over \$1 million. NiSource, Duke Energy and Friends of Indiana Rural Electrification each gave well over \$200,000. Top recipients included Republican House and Senate campaign committees, House and Senate leadership and chairs of utilities committees.

INFLUENCE DURING THE 2021 SESSION

The session did not feature many blockbuster bills related to utilities, but a typical pattern prevailed: legislation passed only if utility companies found it acceptable. Among the bills that did advance: SB 386, which provides a mechanism for utilities to securitize and recover costs for power plants that are close to being retired; HB 1191, which limits the ability of local governments to require energy-saving materials and equipment in construction; and HB 1520, which aimed at ensuring reliable and adequate electrical capacity.

More controversial was SB 373. It started as a broadly supported measure to create voluntary carbon markets but was amended to provide immunity from lawsuits for a single Connecticut-based company that is developing a large hydrogen production facility near Terre Haute. The company wants to inject pressurized carbon dioxide underground for storage; critics argue this can damage property and endanger water supplies. Thanks to urgent work by consumer and environmental advocates, the measure died on the last day of the session.

Two bills aimed at strengthening regulation of coal ash disposal, SB 367 and HB 1467, did not receive committee hearings.

CONCLUSION

Right now, large corporations are the organized money wielding the most power at the Statehouse.

Through the mechanism of campaign contributions and lobbyists, big corporate interests are dictating policy to legislators, shutting out the influence of small businesses, working Hoosiers, the elderly, children, and families. This silencing of the voices of everyday Hoosiers has been reinforced by how the work of the legislature is done. They work largely behind closed doors, a habit and culture that has been further exacerbated by COVID-19. The pandemic made it harder than usual for witnesses to give testimony and harder for citizens to be physically present to observe and influence the legislative process. This meant that, in the 2021 legislative session, everyday Hoosiers were dependent more than ever on virtual and remote access. This emboldened those who wanted to pull the curtain ever more tightly around what they were doing:

- Legislators turned off microphones during voice votes.
- Videos sometimes ended abruptly or were not used at all.
- Public announcement of committee hearings and votes on controversial bills was often done at the last minute, and not available online in advance.
- The mask mandate was not enforced at the Statehouse, deterring those most at risk from participating in the legislative process.
- Meeting requests from constituents were ignored by legislators.
- Virtual meetings with constituents were cancelled last minute by legislators.
- Legislators refused to allow for video testimony during committee hearings, the only structured time in the process when the public can have input about the content of a bill, and the only time, really, when debate about an issue can happen publicly.
- Committee testimony was limited and not all who travelled to the Statehouse to testify were allowed to do so.

It cannot be emphasized enough that the outcome of the 2021 legislative session was not inevitable. It was a deliberate, intentional product of organized money exerting power over the legislature. Yet, we got glimpses of how organized people can still impact the legislative process and put big business on the defensive or force them to try to further obscure their work to avoid negative public attention.

One clear example is bills proposed to provide accommodations for pregnant workers. For the third year in a row, legislators proposed several bills to address this critical issue that has the potential to benefit families both in terms of health and financial stability. And in the midst of a pandemic when many women were stretched even further, working mothers urgently needed real help to offset current stress and suffering. A well-organized lobbying campaign, aligning everyday people, small businesses, and public health interests, was poised to keep the pressure up, continuing their efforts from previous years.



A citizen lobbyist at the Statehouse.

This pressure put the Indiana Chamber, the Manufacturers Association, and the Builders' lobby on the defensive, and led them to put forward HB 1309, a pregnancy workplace accommodations bill in name only. Further proof that organizing people works, the public narrative kept the business lobby on the defensive, exposing how this was done solely to "tick a box" for Indiana, but not to really positively affect Hoosier mothers and babies.

In sum, to pass policies which benefit everyday Hoosiers and reflect the values of the majority of people in Indiana, public pressure must continue in the form of organized people working together to hold elected officials accountable to their constituents.

We saw time and time again during the 2021 legislative session that well-written reports, moral appeals, and data alone do not make legislators listen to their constituents.

Constituents acting in isolation from one another does not have the impact that is needed. It is too easy for a legislator to dismiss and turn a deaf ear to the isolated voices of working Hoosiers when they are almost entirely financed by our largest corporations.

To build a brighter future for Indiana--one where every one of us can have healthy, fulfilled lives--we must have a functioning democracy, one which ensures that Hoosiers of all backgrounds have a say in the decisions which impact our lives. To combat the organized money of special interests, Hoosiers must organize themselves and act together to change the balance of power at our Statehouse. **Everyday Hoosiers should be at the center of our legislative process.** To achieve that goal we must demand more, act courageously, and stand with and for each other.

CITATIONS

Hoosier Action Resource Center

This report was authored by Hoosier Action Resource Center is a non-partisan grassroots community organization based in Southern Indiana. We believe in an Indiana where all Hoosiers, Black, white, and brown, are able to shape the decisions which affect our lives.

Campaign Finance Data

All campaign finance figures in this report are courtesy of [FollowTheMoney.org](https://www.followthemoney.org/), a project of The National Institute on Money in State Politics, a dynamic nonpartisan, nonprofit organization supported primarily by grants from charitable foundations.

End Notes

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