CONFERENCE COMMITTEE REPORT
DIGEST FOR EHB 1001

Citations Affected: Numerous provisions throughout the Indiana Code.

Synopsis: Budget bill. Appropriates money to carry on state government and make various distributions to schools and other political subdivisions. Provides that the department of education rather than the professional standards board governs education, licensing, and professional development of teachers. Retains the professional standards board as an advisory board. Establishes an office of management and budget (OMB). Changes the experience requirements for the state examiner of the state board of accounts. Makes the appointment of a deputy commissioner of the department of local government finance permissive rather than mandatory. Allows the state board of finance to transfer appropriations to the Indiana economic development corporation. Provides for quarterly (versus semiannual) billings by the state for incarcerating juveniles. Makes the rate $60 per day. Provides that special integrated steel mill equipment property tax valuation applies only if the mill produces steel in a blast furnace in Indiana. Provides a general local homestead credit option for political subdivisions. Establishes an additional local option tax, subject to approval by the county fiscal body, for a credit for property taxes on qualified residential property in the amount by which the taxes exceed 2% of the assessed value of the qualified residential property. Provides that the total amount of property tax replacement credits and homestead credits that are eligible for state distributions to replace the revenue lost from the granting of the credits must exceed the sum of $1,121,700,000 plus the amount of revenue forecast to be collected in the year from a 1% sales tax rate. Establishes the maximum amount that may be distributed to replace revenue lost to political subdivisions from the granting of state property tax replacement and homestead credits. Extends the earned income tax credit through December 31, 2011. Provides that after June 30, 2005, the state may intercept property tax replacement credit distributions to pay the amount owed if a county fails to pay within six months after being billed. Allows counties to enter into a repayment plan with the state for amounts owed as of June 30, 2005, that permits repayment through the issuance of bonds or through installment payments over four years. Allows the budget agency to prescribe policies for the disposal of surplus property by the state. Provides that the Lake County income tax credit for certain homesteads is paid back after the 2002 base year guarantee. Provides that for taxable years beginning after December 31, 2004, references in Indiana law to the Internal Revenue Code (IRC) and related regulations refer to the law and regulations in effect on January 1, 2005. Requires that: (1) "Section 179 property" deductions in excess of $25,000 per year: and (2)

"Section 199" domestic production activities deductions allowed for federal income tax purposes be added back for state income tax purposes. Provides that if federal transportation revenues increase by 18%, the transportation finance authority, or its successor, may issue bonds or notes secured by lease rentals relating to highway improvement projects and anticipated to be paid by the department of transportation from federal transportation revenues received in the current federal fiscal year or to be received in a future federal fiscal year. Grandfathers a resolution regarding airport development zones and allows the airport authority board to determine the portion of tax proceeds that will be allocated to a debt service fund and dedicated to the payment of principal and interest on bonds of the airport authority with the remainder dedicated to the reimbursement of expenditures made for a qualified airport development project. Extends the deposit of $0.50 of the BMV service charge for vehicle registration in the BMV technology fund. Establishes maximum caseload ratios for child protection caseworkers. Requires local child protection services to maintain sufficient staff to comply with the maximum caseload ratios. Requires certain studies and reports. Makes changes in the first steps program, Medicaid program, and C.H.O.I.C.E. program. Transfers powers to set fees under the natural resources laws to the natural resources commission. Increases a fee charged to certain providers of community based services to individuals with developmental disabilities. Extends the current formula for computing the county hospital care for the indigent property tax levy. Changes the names of all the campuses of the school of medicine. Increases various higher education capital project thresholds with respect to budget agency approval and budget committee review. Requires the commission for higher education to establish standards for the transfer of courses between state educational institutions. Requires a state educational institution to set tuition rates on a two year cycle. Restores the $30,000,000 per year of lottery surpluses to the pension stabilization fund (PSF). Provides that members of the teachers' retirement fund (TRF) who were members of the pre-1996 account but because of reemployment before July 1, 2005, are in the 1996 account remain in the 1996 account. Provides for an allocation from the PSF to cover the liability for these members. Provides that current pre-1996 account members are not be transferred to the 1996 account even if they are reemployed or employed by a different school corporation after June 30, 2005. Requires the public employees' retirement fund (PERF) board and the TRF board to set the employer contribution, including projections for cost of living increases, at the actuarial rate using normal cost plus 30 year amortization or a shorter amortization period if requested by the budget agency or governor. Extends the minimum monthly pension benefit of $180 for certain retired members of PERF to members who retired before December 1, 2004 (instead of December 1, 2003). Provides certain retired members of PERF a supplemental "thirteenth check" in 2005 and a cost of living adjustment in 2006. Provides a cost of living adjustment for members, survivors, and beneficiaries of TRF in 2006. Provides that a child must be at least five years of age on August 1 of the 2006-2007 school year or a subsequent school year to enroll in a school corporation's kindergarten program for that year. Establishes a school funding formula and makes certain other changes concerning education finance. Changes the allowable uses for school technology grants. Allows the common school fund interest balance to be used to provide a state match for federal grants for charter school facilities. Allows a school corporation to increase its transportation fund levy to replace state revenues previously distributed to transportation fund. Requires a school corporation to use money received as an academic honors diploma award for expenditures directly related to the school corporation's academic honors diploma program and program for high ability students. Repeals obsolete provisions and a provision limiting charter school funding. Allows a school corporation to adopt a resolution before September 21, 2005, to transfer part of the general fund levy attributable to a referendum passed before 2002 to the referendum tax levy fund. Allows a school corporation obligated to repay a loan extended under IC 6-1.1-28.1 to make loan payments from the school corporation's debt service fund. Allows schools to levy a property tax to pay unreimbursed textbook costs for students eligible for a free or reduced lunch. Increases from $100 to $200 the maximum amount of per diem a senior judge may receive after serving the first 30 days of service in a year. Adds a superior court in Vigo

county. Adds a magistrate in Madison and Perry counties. Transfers abandoned property proceeds and the abandoned property fund balance over $500,000 to the state general fund instead of the common school fund. Provides bonding authority for higher education construction projects. Requests that the office of management and budget do a thorough review of executive department budgets and functions. Establishes the government efficiency commission. Voids a gaming commission rule concerning fees. (This conference committee report does the following: (1) Resolves technical conflicts with certain other bills. (2) requires that a minimum amount be set aside for property tax replacement credits and homestead credits equal to the amount allocated in 2002 plus 1% of the revenue collected from sales taxes. (3) Establishes a government efficiency commission. (4) Allows federal highway revenue to be pledged to repay grant anticipation bonds. (5) Increase the amount that schools may levy from the capital projects fund and the transportation fund to pay certain expenses. (6) Makes changes in appropriations, Medicaid provisions, and CHOICE program provisions. (7) Makes other changes.

Effective: Upon Passage; July 1, 2003 (retroactive); July 1, 2004 (retroactive); January 1, 2004 (retroactive); January 1, 2005 (retroactive); July 1, 2005; January 1, 2006.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT:

Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed Senate Amendments to Engrossed House Bill No. 1001 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT concerning state and local administration and to make an appropriation.

Delete everything after the enacting clause and insert the following:

SECTION 1. [EFFECTIVE JULY 1, 2005]

(a) The following definitions apply throughout this act:
(1) "Augmentation allowed" means the governor and the budget agency are authorized to add to an appropriation in this act from revenues accruing to the fund from which the appropriation was made.
(2) "Biennium" means the period beginning July 1, 2005, and ending June 30, 2007. Appropriations appearing in the biennial column for construction or other permanent improvements do not revert under IC 4-13-2-19 and may be allotted.
(3) "Deficiency appropriation" or "special claim" means an appropriation available during the 2004-2005 fiscal year.
(4) "Equipment" includes machinery, implements, tools, furniture, furnishings, vehicles, and other articles that have a calculable period of service that exceeds twelve (12) calendar months.
(5) "Fee replacement" includes payments to universities to be used to pay indebtedness resulting from financing the cost of planning, purchasing, rehabilitation, construction, repair, leasing, lease-purchasing, or otherwise acquiring land, buildings, facilities, and equipment to be used for academic and instructional purposes.
(6) "Other operating expense" includes payments for "services other than personal", "services by contract", "supplies, materials, and parts", "grants, subsidies, refunds,

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation

21 and awards", "in-state travel", "out-of-state travel", and "equipment".

(7) "Pension fund contributions" means the state of Indiana's contributions to a specific retirement fund.
(8) "Personal services" includes payments for salaries and wages to officers and employees of the state (either regular or temporary), payments for compensation awards, and the employer's share of Social Security, health insurance, life insurance, dental insurance, vision insurance, deferred compensation - state match, leave conversion, disability, and retirement fund contributions.
(9) "SSBG" means the Social Services Block Grant. This was formerly referred to as "Title XX".
(10) "State agency" means:
(A) each office, officer, board, commission, department, division, bureau, committee, fund, agency, authority, council, or other instrumentality of the state;
(B) each hospital, penal institution, and other institutional enterprise of the state;
(C) the judicial department of the state; and
(D) the legislative department of the state.
However, this term does not include cities, towns, townships, school cities, school townships, school districts, other municipal corporations or political subdivisions of the state, or universities and colleges supported in whole or in part by state funds.
(11) "Total operating expense" includes payments for both "personal services" and "other operating expense".
(b) The state board of finance may authorize advances to boards or persons having control of the funds of any institution or department of the state of a sum of money out of any appropriation available at such time for the purpose of establishing working capital to provide for payment of expenses in the case of emergency when immediate payment is necessary or expedient. Advance payments shall be made by warrant by the auditor of state, and properly itemized and receipted bills or invoices shall be filed by the board or persons receiving the advance payments.
(c) All money appropriated by this act shall be considered either a direct appropriation or an appropriation from a rotary or revolving fund.
(1) Direct appropriations are subject to withdrawal from the state treasury and for expenditure for such purposes, at such time, and in such manner as may be prescribed by law. Direct appropriations are not subject to return and rewithdrawal from the state treasury, except for the correction of an error which may have occurred in any transaction or for reimbursement of expenditures which have occurred in the same fiscal year.
(2) A rotary or revolving fund is any designated part of a fund that is set apart as working capital in a manner prescribed by law and devoted to a specific purpose or purposes. The fund consists of earnings and income only from certain sources or a combination thereof. The money in the fund shall be used for the purpose designated by law as working capital. The fund at any time consists of the original appropriation thereto, if any, all receipts accrued to the fund, and all money withdrawn from the fund and invested or to be invested. The fund shall be kept intact by separate entries in the auditor of state's office, and no part thereof shall be used for any purpose other than the lawful purpose of the fund or revert to any other fund at any time. However, any unencumbered excess above any prescribed amount shall be transferred to the state general fund at the close of each fiscal year unless otherwise specified in the Indiana Code.

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation

SECTION 2. [EFFECTIVE JULY 1, 2005]

For the conduct of state government, its offices, funds, boards, commissions, departments, societies, associations, services, agencies, and undertakings, and for other appropriations not otherwise provided by statute, the following sums in SECTIONS 3 through 10 are appropriated for the periods of time designated from the general fund of the state of Indiana or other specifically designated funds.

In this act, whenever there is no specific fund or account designated, the appropriation is from the general fund.

SECTION 3. [EFFECTIVE JULY 1, 2005]

GENERAL GOVERNMENT

A. LEGISLATIVE

FOR THE GENERAL ASSEMBLY		
LEGISLATORS' SALARIES - HOUSE		
Total Operating Expense	**5,013,333**	**5,014,333**
HOUSE EXPENSES		
Total Operating Expense	**7,803,042**	**7,806,100**
LEGISLATORS' SALARIES - SENATE		
Total Operating Expense	**1,140,203**	**1,232,406**
SENATE EXPENSES		
Total Operating Expense	**8,406,750**	**8,826,192**

Included in the above appropriations for house and senate expenses are funds for a legislative business per diem allowance, meals, and other usual and customary expenses associated with legislative affairs. Except as provided below, this allowance is to be paid to each member of the general assembly for every day, including Sundays, during which the general assembly is convened in regular or special session, commencing with the day the session is officially convened and concluding with the day the session is adjourned sine die. However, after five (5) consecutive days of recess, the legislative business per diem allowance is to be made on an individual voucher basis until the recess concludes.

Members of the general assembly are entitled, when authorized by the speaker of the house or the president pro tempore of the senate, to the legislative business per diem allowance for each and every day engaged in official business.

The legislative business per diem allowance that each member of the general assembly is entitled to receive equals the maximum daily amount allowable to employees of the executive branch of the federal government for subsistence expenses while away from home in travel status in the Indianapolis area. The legislative business per diem changes each time there is a change in that maximum daily amount.

In addition to the legislative business per diem allowance, each member of the general assembly shall receive the mileage allowance in an amount equal to the standard mileage rates for personally owned transportation equipment established by the federal Internal

Revenue Service for each mile necessarily traveled from the member's usual place of residence to the state capitol. However, if the member traveled by a means other than by motor vehicle, and the member's usual place of residence is more than one hundred (100) miles from the state capitol, the member is entitled to reimbursement in an amount equal to the lowest air travel cost incurred in traveling from the usual place of residence to the state capitol. During the period the general assembly is convened in regular or special session, the mileage allowance shall be limited to one (1) round trip each week per member.

Any member of the general assembly who is appointed, either by the governor, speaker of the house, president or president pro tempore of the senate, house or senate minority floor leader, or Indiana legislative council to serve on any research, study, or survey committee or commission, or who attends any meetings authorized or convened under the auspices of the Indiana legislative council, including pre-session conferences and federal-state relations conferences, is entitled, when authorized by the legislative council, to receive the legislative business per diem allowance for each day in actual attendance and is also entitled to a mileage allowance, at the rate specified above, for each mile necessarily traveled from the member's usual place of residence to the state capitol, or other in-state site of the committee, commission, or conference. The per diem allowance and the mileage allowance permitted under this paragraph shall be paid from the legislative council appropriation for legislator and lay member travel unless the member is attending an out-of-state meeting, as authorized by the speaker of the house of representatives or the president pro tempore of the senate, in which case the member is entitled to receive:
(1) the legislative business per diem allowance for each day the member is engaged in approved out-of-state travel; and
(2) reimbursement for traveling expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the legislative council.

Notwithstanding the provisions of this or any other statute, the legislative council may adopt, by resolution, travel policies and procedures that apply only to members of the general assembly or to the staffs of the house of representatives, senate, and legislative services agency, or both members and staffs. The legislative council may apply these travel policies and procedures to lay members serving on research, study, or survey committees or commissions that are under the jurisdiction of the legislative council. Notwithstanding any other law, rule, or policy, the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency do not apply to members of the general assembly, to the staffs of the house of representatives, senate, or legislative services agency, or to lay members serving on research, study, or survey committees or commissions under the jurisdiction of the legislative council (if the legislative council applies its travel policies and procedures to lay members under the authority of this SECTION), except that, until the legislative council adopts travel policies and procedures, the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency apply to members of the general assembly, to the staffs of the house of representatives, senate, and legislative services agency, and to lay members serving on research, study, or survey committees or commissions under the jurisdiction of the legislative council. The executive director of the legislative services agency is responsible for the administration of travel

policies and procedures adopted by the legislative council. The auditor of state shall approve and process claims for reimbursement of travel related expenses under this paragraph based upon the written affirmation of the speaker of the house of representatives, the president pro tempore of the senate, or the executive director of the legislative services agency that those claims comply with the travel policies and procedures adopted by the legislative council. If the funds appropriated for the house and senate expenses and legislative salaries are insufficient to pay all the necessary expenses incurred, including the cost of printing the journals of the house and senate, there is appropriated such further sums as may be necessary to pay such expenses.

LEGISLATORS' SUBSISTENCE		
LEGISLATORS' EXPENSES - HOUSE		
Total Operating Expense	**2,015,396**	**2,015,396**
LEGISLATORS' EXPENSES - SENATE		
Total Operating Expense	**1,046,728**	**1,046,728**

Each member of the general assembly is entitled to a subsistence allowance of forty percent (40%) of the maximum daily amount allowable to employees of the executive branch of the federal government for subsistence expenses while away from home in travel status in the Indianapolis area:
(1) each day that the general assembly is not convened in regular or special session; and
(2) each day after the first session day held in November and before the first session day held in January.

However, the subsistence allowance under subdivision (2) may not be paid with respect to any day after the first session day held in November and before the first session day held in January with respect to which all members of the general assembly are entitled to a legislative business per diem.

The subsistence allowance is payable from the appropriations for legislators' subsistence.

The officers of the senate are entitled to the following amounts annually in addition to the subsistence allowance: president pro tempore, $6,500; assistant president pro tempore, $2,500; majority floor leader emeritus, $1,500; majority floor leader, $5,000; assistant majority floor leader, $1,000; majority caucus chair, $5,000; assistant majority caucus chair, $1,000; appropriations committee chair, $5,000; tax and fiscal policy committee chair, $5,000; appropriations committee ranking majority member, $1,500; tax and fiscal policy committee ranking majority member, $1,500; majority whip, $3,500; assistant majority whip, $1,000; minority floor leader, $5,500; minority leader pro tempore, $1,000; minority caucus chair, $4,500; minority assistant floor leader, $4,500; appropriations committee ranking minority member, $2,000; tax and fiscal policy committee ranking minority member, $2,000; minority whip, $2,500; assistant minority whip, $500; and assistant minority caucus chair, $500.

Officers of the house of representatives are entitled to the following amounts annually in addition to the subsistence allowance: speaker of the house, $6,500; speaker pro tempore, $5,000; deputy speaker pro tempore, $1,500; majority leader, $5,000; majority caucus chair, $5,000; assistant majority caucus chair, $1,000; ways and means committee

chair, $5,000; ways and means committee ranking majority member, $3,000; ways and means committee, chairman of the education subcommittee, $1,500; speaker pro tempore emeritus, $1,500; budget subcommittee chair, $3,000; majority whip, $3,500; assistant majority whip, $1,000; assistant majority leader, $1,000; minority leader, $5,500; minority caucus chair, $4,500; ways and means committee ranking minority member, $3,500; minority whip, $2,500; assistant minority leader, $4,500; second assistant minority leader, $1,500; and deputy assistant minority leader, $1,000.

If the senate or house of representatives eliminates a committee or officer referenced in this SECTION and replaces the committee or officer with a new committee or position, the foregoing appropriations for subsistence shall be used to pay for the new committee or officer. However, this does not permit any additional amounts to be paid under this SECTION for a replacement committee or officer than would have been spent for the eliminated committee or officer. If the senate or house of representatives creates a new additional committee or officer, the foregoing appropriations for subsistence shall be used to pay for the new committee or officer in amounts determined by the legislative council.

If the funds appropriated for legislators' subsistence are insufficient to pay all the subsistence incurred, there are hereby appropriated such further sums as may be necessary to pay such subsistence.

FOR THE LEGISLATIVE COUNCIL AND THE LEGISLATIVE SERVICES AGENCY		
Total Operating Expense	**8,475,000**	**8,880,000**
LEGISLATOR AND LAY MEMBER TRAVEL		
Total Operating Expense	**570,000**	**570,000**

If the funds above appropriated for the legislative council and the legislative services agency and legislator and lay member travel are insufficient to pay all the necessary expenses incurred, there are hereby appropriated such further sums as may be necessary to pay those expenses.

Any person other than a member of the general assembly who is appointed by the governor, speaker of the house, president or president pro tempore of the senate, house or senate minority floor leader, or legislative council to serve on any research, study, or survey committee or commission is entitled, when authorized by the legislative council, to a per diem instead of subsistence of $75 per day during the 2005-2007 biennium. In addition to the per diem, such a person is entitled to mileage reimbursement, at the rate specified for members of the general assembly, for each mile necessarily traveled from the person's usual place of residence to the state capitol or other in-state site of the committee, commission, or conference. However, reimbursement for any out-of-state travel expenses claimed by lay members serving on research, study, or survey committees or commissions under the jurisdiction of the legislative council shall be based on SECTION 14 of this act, until the legislative council applies those travel policies and procedures that govern legislators and their staffs to such lay members as authorized elsewhere in this SECTION. The allowance and reimbursement permitted in this paragraph shall be paid from the legislative council appropriations for legislative and lay member travel unless otherwise provided for by a specific appropriation.

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
LEGISLATIVE COUNCIL CONTINGENCY FUND			
Total Operating Expense			**223,614**

Disbursements from the fund may be made only for purposes approved by the chairman and vice chairman of the legislative council.

The legislative services agency shall charge the following fees, unless the legislative council sets these or other fees at different rates:

Annual subscription to the session document service for sessions ending in odd-numbered years: $900

Annual subscription to the session document service for sessions ending in even-numbered years: $500

Per page charge for copies of legislative documents: $0.15

Annual charge for interim calendar: $10

Daily charge for the journal of either house: $2

PRINTING AND DISTRIBUTION		
Total Operating Expense	**750,000**	**840,000**

The above funds are appropriated for the printing and distribution of documents published by the legislative council. These documents include journals, bills, resolutions, enrolled documents, the acts of the first and second regular sessions of the 114th general assembly, the supplements to the Indiana Code for fiscal years 2005-2006 and 2006-2007, and the publication of the Indiana Administrative Code and the Indiana Register. Upon completion of the distribution of the Acts and the supplements to the Indiana Code, as provided in IC 2-6-1.5, remaining copies may be sold at a price or prices periodically determined by the legislative council. If the above appropriations for the printing and distribution of documents published by the legislative council are insufficient to pay all of the necessary expenses incurred, there are hereby appropriated such sums as may be necessary to pay such expenses.

COUNCIL OF STATE GOVERNMENTS ANNUAL DUES		
Other Operating Expense	**130,084**	**134,637**
NATIONAL CONFERENCE OF STATE LEGISLATURES ANNUAL DUES		
Other Operating Expense	**155,109**	**161,313**
NATIONAL CONFERENCE OF INSURANCE LEGISLATORS ANNUAL DUES		
Other Operating Expense	**10,000**	**10,000**
FOR THE INDIANA LOBBY REGISTRATION COMMISSION		
Total Operating Expense	**218,285**	**218,395**
FOR THE PUBLIC EMPLOYEES' RETIREMENT FUND		
LEGISLATORS' RETIREMENT FUND		
Total Operating Expense	**100,000**	**100,000**

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation

B. JUDICIAL

FOR THE SUPREME COURT

Personal Services	5,910,307	6,021,373
Other Operating Expense	1,601,800	1,601,800

The above appropriation for the supreme court personal services includes the subsistence allowance as provided by IC 33-38-5-8.

LOCAL JUDGES' SALARIES		
Personal Services	51,838,297	52,453,432
Other Operating Expense	39,000	39,000
COUNTY PROSECUTORS' SALARIES		
Personal Services	22,547,129	22,564,812
Other Operating Expense	31,000	31,000

The above appropriations for county prosecutors' salaries represent the amounts authorized by IC 33-39-6-5 and that are to be paid from the state general fund.

In addition to the appropriations for local judges' salaries and for county prosecutors' salaries, there are hereby appropriated for personal services the amounts that the state is required to pay for salary changes or for additional courts created by the 114th general assembly.

TRIAL COURT OPERATIONS		
Total Operating Expense	353,500	353,500
INDIANA CONFERENCE FOR LEGAL EDUCATION OPPORTUNITY		
Total Operating Expense	625,000	625,000

The above funds are appropriated to the division of state court administration in compliance with the provisions of IC 33-24-13-7.

PUBLIC DEFENDER COMMISSION		
Total Operating Expense	4,600,000	4,600,000

The above appropriation is made in addition to the distribution authorized by IC 33-37-7-9(c) for the purpose of reimbursing counties for indigent defense services provided to a defendant. The division of state court administration of the supreme court of Indiana shall provide staff support to the commission and shall administer the public defense fund. The administrative costs may come from the public defense fund. Any balance in the public defense fund is appropriated to the public defender commission.

GUARDIAN AD LITEM		
Total Operating Expense	802,325	804,133

The division of state court administration shall use the foregoing appropriation to administer an office of guardian ad litem and court appointed special advocate services and to provide matching funds to counties that are required to implement, in courts with juvenile jurisdiction, a guardian ad litem and court appointed special

advocate program for children who are alleged to be victims of child abuse or neglect under IC 31-33 and to administer the program. A county may use these matching funds to supplement amounts collected as fees under IC 31-40-3 to be used for the operation of guardian ad litem and court appointed special advocate programs. The county fiscal body shall appropriate adequate funds for the county to be eligible for these matching funds.

CIVIL LEGAL AID		
Total Operating Expense	**1,000,000**	**1,000,000**

The above funds are appropriated to the division of state court administration in compliance with the provisions of IC 33-24-12-7.

SPECIAL JUDGES - COUNTY COURTS		
Personal Services	**15,000**	**15,000**
Other Operating Expense	**119,000**	**119,000**

If the funds appropriated above for special judges of county courts are insufficient to pay all of the necessary expenses that the state is required to pay under IC 34-35-1-4, there are hereby appropriated such further sums as may be necessary to pay these expenses.

COMMISSION ON RACE AND GENDER FAIRNESS		
Total Operating Expense	**260,996**	**260,996**
FOR THE CLERK OF THE SUPREME AND APPELLATE COURTS		
Personal Services	**752,945**	**753,505**
Other Operating Expense	**185,070**	**185,070**
FOR THE COURT OF APPEALS		
Personal Services	**7,892,116**	**7,973,431**
Other Operating Expense	**1,183,820**	**1,183,220**

The above appropriations for the court of appeals personal services includes the subsistence allowance provided by IC 33-38-5-8.

FOR THE TAX COURT		
Personal Services	**491,179**	**498,420**
Other Operating Expense	**123,272**	**123,272**
FOR THE JUDICIAL CENTER		
Personal Services	**1,230,853**	**1,260,061**
Other Operating Expense	**801,342**	**801,342**

The above appropriations for the judicial center include the appropriations for the judicial conference.

DRUG AND ALCOHOL PROGRAMS FUND		
Total Operating Expense	**299,010**	**299,010**

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
The above funds are appropriated under IC 33-37-7-9 for the purpose of administering, certifying, and supporting alcohol and drug services programs under IC 12-23-14. However, if the receipts are less than the appropriation, the center may not spend more than is collected.			
INTERSTATE COMPACT FOR ADULT OFFENDER SUPERVISION			
Total Operating Expense	**54,492**	**55,944**	
Augmentation allowed from fee increases enacted in the 2003 general assembly under IC 11-13-4.5-4.			
FOR THE PUBLIC DEFENDER			
Personal Services	**5,242,831**	**5,385,118**	
Other Operating Expense	**985,133**	**985,133**	
FOR THE PUBLIC DEFENDER COUNCIL			
Personal Services	**801,743**	**802,348**	
Other Operating Expense	**318,009**	**318,009**	
FOR THE PROSECUTING ATTORNEYS' COUNCIL			
Personal Services	**533,169**	**533,549**	
Other Operating Expense	**574,489**	**574,489**	
DRUG PROSECUTION			
Drug Prosecution Fund (IC 33-39-8-6)			
Total Operating Expense	**103,436**	**103,436**	
Augmentation allowed.			
FOR THE PUBLIC EMPLOYEES' RETIREMENT FUND			
JUDGES' RETIREMENT FUND			
Other Operating Expense	**8,800,000**	**9,500,000**	
PROSECUTORS' RETIREMENT FUND			
Other Operating Expense	**170,000**	**190,000**	
C. EXECUTIVE			
FOR THE GOVERNOR'S OFFICE			
Personal Services	**2,160,617**	**2,162,265**	
Other Operating Expense	**125,904**	**125,904**	
GOVERNOR'S RESIDENCE			
Total Operating Expense	**179,657**	**179,761**	
GOVERNOR'S CONTINGENCY FUND			
Total Operating Expense			**170,000**
Direct disbursements from the above contingency fund are not subject to the provisions of IC 5-22.			
GOVERNOR'S FELLOWSHIP PROGRAM			
Total Operating Expense	**170,000**	**170,000**	
FOR THE WASHINGTON LIAISON OFFICE			
Total Operating Expense	**195,000**	**195,000**	

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
FOR THE LIEUTENANT GOVERNOR			
Personal Services	**1,765,075**	**1,765,075**	
Other Operating Expense	**788,725**	**788,725**	
CONTINGENCY FUND			
Total Operating Expense			**37,240**

Direct disbursements from the above contingency fund are not subject to the provisions of IC 5-22.

FOR THE SECRETARY OF STATE			
ADMINISTRATION			
Personal Services	**378,199**	**378,488**	
Other Operating Expense	**23,429**	**23,429**	
BUSINESS SERVICES			
Personal Services	**853,317**	**853,897**	
Other Operating Expense	**136,976**	**136,976**	
SECURITIES DIVISION			
Personal Services	**774,806**	**775,356**	
Other Operating Expense	**97,061**	**95,694**	

FOR THE ATTORNEY GENERAL

ATTORNEY GENERAL

From the General Fund

12,662,763 12,662,764

From the Motor Vehicle Odometer Fund (IC 9-29-1-5)

89,211 89,211

Augmentation allowed.

From the Medicaid Fraud Control Unit Fund

576,065 585,123

Augmentation allowed.

From the Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)

250,000 250,000

Augmentation allowed.

From the Abandoned Property Fund (IC 32-34-1-33)

171,570 171,570

Augmentation allowed.

The amounts specified from the General Fund, Motor Vehicle Odometer Fund, Medicaid Fraud Control Unit Fund, Tobacco Master Settlement Agreement Fund, and Abandoned Property Fund are for the following purposes:

Personal Services	**12,578,568**	**12,587,627**
Other Operating Expense	**1,171,041**	**1,171,041**
HOMEOWNER PROTECTION UNIT (IC 4-6-12-9)		
Total Operating Expense	**120,000**	**120,000**
MEDICAID FRAUD UNIT		
Total Operating Expense	**829,356**	**829,789**

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation

The above appropriations to the Medicaid fraud unit are the state's matching share of the state Medicaid fraud control unit under IC 4-6-10 as prescribed by 42 U.S.C. 1396b(q). Augmentation allowed from collections.

UNCLAIMED PROPERTY		
Abandoned Property Fund (IC 32-34-1-33)		
Personal Services	**1,080,199**	**1,080,926**
Other Operating Expense	**3,439,706**	**3,439,706**
Augmentation allowed.		

D. FINANCIAL MANAGEMENT

FOR THE AUDITOR OF STATE		
Personal Services	**4,484,169**	**4,487,428**
Other Operating Expense	**1,423,832**	**1,388,632**
TECHNOLOGY MODERNIZATION AND UPGRADE		
Pay Phone Fund		
Total Operating Expense	**600,000**	**600,000**
GOVERNORS' AND GOVERNORS' SURVIVING SPOUSES' PENSIONS		
Total Operating Expense	**125,000**	**125,000**

The above appropriations for governors' and governors' surviving spouses' pensions are made under IC 4-3-3.

FOR THE STATE BOARD OF ACCOUNTS		
Personal Services	**19,507,669**	**19,522,499**
Other Operating Expense	**1,348,860**	**1,348,860**
FOR THE STATE BUDGET COMMITTEE		
Total Operating Expense	**60,000**	**60,000**

Notwithstanding IC 4-12-1-11(b), the salary per diem of the legislative members of the budget committee is an amount equal to one hundred fifty percent (150%) of the legislative business per diem allowance. If the above appropriations are insufficient to carry out the necessary operations of the budget committee, there are hereby appropriated such further sums as may be necessary.

FOR THE OFFICE OF MANAGEMENT AND BUDGET		
Personal Services	**794,755**	**795,682**
Other Operating Expense	**212,176**	**212,176**
FOR THE STATE BUDGET AGENCY		
Personal Services	**2,773,434**	**2,776,490**
Other Operating Expense	**919,882**	**919,882**
BUILD INDIANA FUND ADMINISTRATION		
Build Indiana Fund (IC 4-30-17)		
Other Operating Expense	**1**	**1**

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
DEPARTMENTAL AND INSTITUTIONAL EMERGENCY CONTINGENCY FUND			
Total Operating Expense			**10,000,000**

The foregoing departmental and institutional emergency contingency fund appropriation is subject to allotment to departments, institutions, and all state agencies by the budget agency with the approval of the governor. These allocations may be made upon written request of proper officials, showing that contingencies exist that require additional funds for meeting necessary expenses. The budget committee shall be advised of each transfer request and allotment.

PERSONAL SERVICES/FRINGE BENEFITS CONTINGENCY FUND			
Total Operating Expense			**89,000,000**

The foregoing personal services/fringe benefits contingency fund appropriation is subject to allotment to departments, institutions, and all state agencies by the budget agency with the approval of the governor.

The foregoing personal services/fringe benefits contingency fund appropriation may only be used for salary increases, fringe benefit increases, and for an employee leave conversion program for state employees in the 2005-2007 biennium and may not be used for any other purpose. The foregoing personal services/fringe benefits contingency fund appropriation does not revert at the end of the biennium but remains in the personal services/fringe benefits contingency fund.

COMPREHENSIVE HEALTH INSURANCE ASSOCIATION STATE SHARE			
Total Operating Expense	**30,500,000**	**32,200,000**	
Augmentation Allowed			
SCHOOL AND LIBRARY INTERNET CONNECTION			
Build Indiana Fund (IC 4-30-17)			
Other Operating Expense			**7,000,000**

Of the foregoing appropriations $2,300,000 each year shall be used for schools under IC 4-34-3-4 and $1,200,000 each year shall be used for libraries under IC 4-34-3-2.

INSPIRE (IC 4-34-3-2)			
Build Indiana Fund (IC 4-30-17)			
Other Operating Expense			**2,500,000**

FOR THE TREASURER OF STATE		
Personal Services	**827,187**	**827,811**
Other Operating Expense	**42,350**	**42,350**

The treasurer of state, the board for depositories, the Indiana commission for higher education, and the state student assistance commission shall cooperate and provide to the Indiana education savings authority the following:

(1) Clerical and professional staff and related support.

(2) Office space and services.

(3) Reasonable financial support for the development of rules, policies, programs, and guidelines, including authority operations and travel.

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation

E. TAX ADMINISTRATION

FOR THE DEPARTMENT OF REVENUE

COLLECTION AND ADMINISTRATION

General Fund

	50,713,568	48,553,653

Motor Carrier Regulation Fund (IC 8-2.1-23)

	770,021	770,021

Charity Gaming Enforcement Fund (IC 4-33-10)

	988,951	988,951

Motor Vehicle Highway Account (IC 8-14-1)

	2,374,180	2,374,180

Augmentation allowed from the Motor Carrier Regulation Fund, Charity Gaming Enforcement Fund, and the Motor Vehicle Highway Account.

The amounts specified from the General Fund, Motor Carrier Regulation Fund, Charity Gaming Enforcement Fund, and the Motor Vehicle Highway Account are for the following purposes:

Personal Services	40,414,374	40,442,835
Other Operating Expense	14,432,346	12,243,970

With the approval of the governor and the budget agency, the department shall annually reimburse the state general fund for expenses incurred in support of the collection of dedicated fund revenue according to the department's cost allocation plan.

With the approval of the governor and the budget agency, the foregoing sums for the department of state revenue may be augmented to an amount not exceeding in total, together with the above specific amounts, one and one-tenth percent (1.1%) of the amount of money collected by the department of state revenue from taxes and fees.

OUTSIDE COLLECTIONS

Total Operating Expense	2,700,000	2,700,000

With the approval of the governor and the budget agency, the foregoing sums for the department of state revenue's outside collections may be augmented to an amount not exceeding in total, together with the above specific amounts, one and one-tenth percent (1.1%) of the amount of money collected by the department from taxes and fees.

MOTOR CARRIER REGULATION

Motor Carrier Regulation Fund (IC 8-2.1-23)

Personal Services	1,519,316	1,519,920
Other Operating Expense	3,796,100	3,796,100

Augmentation allowed from the Motor Carrier Regulation Fund.

MOTOR FUEL TAX DIVISION

Motor Vehicle Highway Account (IC 8-14-1)

Personal Services	8,643,079	8,649,105
Other Operating Expense	1,062,900	1,062,900

Augmentation allowed from the Motor Vehicle Highway Account.

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation

In addition to the foregoing appropriations, there is hereby appropriated to the department of revenue motor fuel tax division an amount sufficient to pay claims for refunds on license-fee-exempt motor vehicle fuel as provided by law. The sums above appropriated from the motor vehicle highway account for the operation of the motor fuel tax division, together with all refunds for license-fee-exempt motor vehicle fuel, shall be paid from the receipts of those license fees before they are distributed as provided by IC 6-6-1.1.

FOR THE INDIANA GAMING COMMISSION		
State Gaming Fund (IC 4-33-13-3)		
Personal Services	**2,134,159**	**2,135,732**
Other Operating Expense	**689,500**	**689,500**
INVESTIGATION		
State Gaming Fund (IC 4-33-13-3)		
Personal Services	**875,000**	**875,000**
Other Operating Expense	**454,450**	**454,450**

The foregoing appropriations to the Indiana gaming commission are made from revenues accruing to the state gaming fund under IC 4-33-13-3 before any distribution is made under IC 4-33-13-5.
Augmentation allowed.

The foregoing appropriations to the Indiana gaming commission are made instead of the appropriation made in IC 4-33-13-4.

FOR THE INDIANA HORSE RACING COMMISSION		
Indiana Horse Racing Commission Operating Fund (IC 4-31-10-2)		
Personal Services	**2,136,556**	**2,137,198**
Other Operating Expense	**712,358**	**712,358**
Augmentation allowed.		
STANDARDBRED ADVISORY BOARD		
Standardbred Horse Fund (IC 15-5-5.5-9.5)		
Total Operating Expense	**193,500**	**193,500**
Augmentation allowed.		

FOR THE DEPARTMENT OF LOCAL GOVERNMENT FINANCE		
Personal Services	**4,119,403**	**4,122,337**
Other Operating Expense	**730,917**	**730,917**

From the above appropriations for the department of local government finance, travel subsistence and mileage allowances may be paid for members of the local government tax control board created by IC 6-1.1-18.5-11 and the state school property tax control board created by IC 6-1.1-19-4.1, under state travel regulations.

FOR THE INDIANA BOARD OF TAX REVIEW		
Personal Services	**1,318,469**	**1,319,521**
Other Operating Expense	**115,090**	**115,090**

Augmentation allowed from fee increases enacted by P.L.245-2003 and reimbursements

from any county under IC 6-1.1-4-34(f), regardless of when the fees or reimbursements were received.

F. ADMINISTRATION

FOR THE DEPARTMENT OF ADMINISTRATION		
Personal Services	**13,583,850**	**13,593,433**
Other Operating Expense	**7,635,798**	**7,635,798**
FOR THE STATE PERSONNEL DEPARTMENT		
Personal Services	**3,500,000**	**3,500,000**
Other Operating Expense	**400,000**	**400,000**
STATE EMPLOYEES' APPEALS COMMISSION		
Personal Services	**134,738**	**134,830**
Other Operating Expense	**13,257**	**13,257**
FOR THE OFFICE OF TECHNOLOGY		
Pay Phone Fund		
Total Operating Expense	**2,490,000**	**2,490,000**

Augmentation allowed.

The pay phone fund is established for the procurement of hardware, software, and related equipment and services needed to expand and enhance the state campus backbone and other central information technology initiatives. Such procurements may include, but are not limited to, wiring and rewiring of state offices, Internet services, video conferencing, telecommunications, application software, and related services. The fund consists of the net proceeds received from contracts with companies providing phone services at state institutions and other state properties. The fund shall be administered by the budget agency. Money in the fund may be spent by the office in compliance with a plan approved by the budget agency. Any money remaining in the fund at the end of any fiscal year does not revert to the general fund or any other fund but remains in the pay phone fund.

FOR THE COMMISSION ON PUBLIC RECORDS		
Personal Services	**1,328,319**	**1,329,301**
Other Operating Expense	**156,364**	**156,364**
FOR THE OFFICE OF THE PUBLIC ACCESS COUNSELOR		
Personal Services	**148,323**	**148,436**
Other Operating Expense	**5,134**	**5,134**

G. OTHER

FOR THE COMMISSION ON UNIFORM STATE LAWS		
Total Operating Expense	**43,584**	**43,584**
FOR THE OFFICE OF INSPECTOR GENERAL		
Personal Services	**1,010,968**	**1,011,268**
Other Operating Expense	**134,096**	**134,096**

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
STATE ETHICS COMMISSION			
Personal Services	**260,816**	**261,006**	
Other Operating Expense	**2,596**	**2,596**	
FOR THE SECRETARY OF STATE			
ELECTION DIVISION			
Personal Services	**652,669**	**653,145**	
Other Operating Expense	**202,907**	**202,907**	
ELECTION TECHNOLOGY AND ADMINISTRATION REQUIREMENTS (HAVA TITLE II)			
Total Operating Expense	**688,880**	**0**	
H. COMMUNITY SERVICES			
FOR THE GOVERNOR'S OFFICE OF FAITH BASED & COMMUNITY INITIATIVES			
Personal Services	**263,974**	**264,340**	
Other Operating Expense	**76,869**	**76,869**	
SECTION 4. [EFFECTIVE JULY 1, 2005]			
PUBLIC SAFETY			
A. CORRECTION			
FOR THE DEPARTMENT OF CORRECTION			
CENTRAL OFFICE			
Personal Services	**8,365,099**	**8,371,234**	
Other Operating Expense	**2,392,191**	**2,392,191**	
ESCAPEE COUNSEL AND TRIAL EXPENSE			
Other Operating Expense	**198,000**	**198,000**	
COUNTY JAIL MISDEMEANANT HOUSING			
Total Operating Expense	**4,281,101**	**4,281,101**	
ADULT CONTRACT BEDS			
Total Operating Expense	**10,235,735**	**10,235,735**	
STAFF DEVELOPMENT AND TRAINING			
Personal Services	**1,404,251**	**1,405,258**	
Other Operating Expense	**448,388**	**448,388**	
PAROLE DIVISION			
Personal Services	**5,749,346**	**5,753,450**	
Other Operating Expense	**804,943**	**804,943**	
PAROLE BOARD			
Personal Services	**552,124**	**552,544**	
Other Operating Expense	**35,590**	**35,590**	
INFORMATION MANAGEMENT SERVICES			
Personal Services	**2,364,202**	**2,366,020**	
Other Operating Expense	**1,922,620**	**1,922,620**	
JUVENILE TRANSITION			
Personal Services	**1,181,277**	**1,182,115**	
Other Operating Expense	**4,051,694**	**4,051,694**	
COMMUNITY CORRECTIONS PROGRAMS			
Total Operating Expense			**55,763,764**

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation

The above appropriation for community corrections programs is not subject to transfer to any other fund or to transfer, assignment, or reassignment for any other use or purpose by the state board of finance notwithstanding IC 4-9.1-1-7 and IC 4-13-2-23 or by the budget agency notwithstanding IC 4-12-1-12, or any other law.

DRUG PREVENTION AND OFFENDER TRANSITION		
Total Operating Expense	**988,293**	**988,487**

The above appropriation shall be used for minimum security release programs, transition programs, mentoring programs, and supervision of and assistance to adult and juvenile offenders to promote the successful integration of the offender into the community.

CENTRAL EMERGENCY RESPONSE		
Personal Services	**1,179,746**	**1,180,570**
Other Operating Expense	**455,738**	**455,738**
MEDICAL SERVICES		
Other Operating Expense	**27,260,811**	**27,260,811**

The above appropriations for medical services shall be used only for services that are determined to be medically necessary.

DRUG ABUSE PREVENTION		
Drug Abuse Fund (IC 11-8-2-11)		
Personal Services	**40,716**	**40,742**
Other Operating Expense	**113,000**	**113,000**
Augmentation allowed.		
COUNTY JAIL MAINTENANCE CONTINGENCY FUND		
Other Operating Expense	**17,281,044**	**17,281,044**

Disbursements from the fund shall be made for the purpose of reimbursing sheriffs for the cost of incarcerating in county jails persons convicted of felonies to the extent that such persons are incarcerated for more than five (5) days after the day of sentencing, at the rate of $35 per day. In addition to the per diem, the state shall reimburse the sheriffs for expenses determined by the sheriff to be medically necessary incurred in providing medical care to the convicted persons. However, if the sheriff or county receives money with respect to a convicted person (from a source other than the county), the per diem or medical expense reimbursement with respect to the convicted person shall be reduced by the amount received. A sheriff shall not be required to comply with IC 35-38-3-4(a) or transport convicted persons within five (5) days after the day of sentencing if the department of correction does not have the capacity to receive the convicted person.

Augmentation allowed.

MEDICAL SERVICE PAYMENTS		
Total Operating Expense	**25,000,000**	**25,000,000**

These appropriations for medical service payments are made to pay for services determined to be medically necessary for committed individuals, patients and students of institutions

under the jurisdiction of the department of correction, the state department of health, the division of mental health, the school for the blind, the school for the deaf, or the division of disability, aging, and rehabilitative services if the services are provided outside these institutions. These appropriations may not be used for payments for medical services that are covered by IC 12-16 unless these services have been approved under IC 12-16. These appropriations shall not be used for payment for medical services which are payable from an appropriation in this act for the state department of health, the division of mental health, the school for the blind, the school for the deaf, the division of disability, aging, and rehabilitative services, or the department of correction, or that are reimbursable from funds for medical assistance under IC 12-15. If these appropriations are insufficient to make these medical service payments, there is hereby appropriated such further sums as may be necessary.

Direct disbursements from the above contingency fund are not subject to the provisions of IC 4-13-2.

FOR THE DEPARTMENT OF ADMINISTRATION		
DEPARTMENT OF CORRECTION OMBUDSMAN BUREAU		
Personal Services	**135,966**	**136,067**
Other Operating Expense	**13,124**	**13,124**
FOR THE DEPARTMENT OF CORRECTION		
INDIANA STATE PRISON		
Personal Services	**28,327,153**	**28,345,171**
Other Operating Expense	**5,819,137**	**5,819,137**
VOCATIONAL TRAINING PROGRAM		
Total Operating Expense	**257,291**	**257,291**
PENDLETON CORRECTIONAL FACILITY		
Personal Services	**28,133,124**	**28,152,801**
Other Operating Expense	**6,931,289**	**6,931,289**
CORRECTIONAL INDUSTRIAL FACILITY		
Personal Services	**19,842,899**	**19,856,310**
Other Operating Expense	**4,035,819**	**4,035,819**
INDIANA WOMEN'S PRISON		
Personal Services	**11,666,382**	**11,673,614**
Other Operating Expense	**1,928,211**	**1,928,211**
PUTNAMVILLE CORRECTIONAL FACILITY		
Personal Services	**28,542,062**	**28,561,207**
Other Operating Expense	**5,595,717**	**5,595,717**
WABASH VALLEY CORRECTIONAL FACILITY		
Personal Services	**38,442,605**	**38,467,484**
Other Operating Expense	**7,469,855**	**7,469,855**
PLAINFIELD JUVENILE CORRECTIONAL FACILITY		
Personal Services	**13,401,073**	**13,410,386**
Other Operating Expense	**2,386,012**	**2,386,012**
INDIANAPOLIS JUVENILE CORRECTIONAL FACILITY		
Personal Services	**14,618,497**	**14,626,547**
Other Operating Expense	**1,711,469**	**1,711,469**
BRANCHVILLE CORRECTIONAL FACILITY		

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
Personal Services	**17,856,336**	**17,868,319**	
Other Operating Expense	**2,945,374**	**2,945,374**	
WESTVILLE CORRECTIONAL FACILITY			
Personal Services	**42,249,577**	**42,278,476**	
Other Operating Expense	**7,690,288**	**7,690,288**	
WESTVILLE MAXIMUM CONTROL FACILITY			
Personal Services	**5,428,434**	**5,432,101**	
Other Operating Expense	**582,757**	**582,757**	
ROCKVILLE CORRECTIONAL FACILITY FOR WOMEN			
Personal Services	**15,746,198**	**15,757,032**	
Other Operating Expense	**2,712,522**	**2,712,522**	
PLAINFIELD CORRECTIONAL FACILITY			
Personal Services	**25,173,242**	**25,190,068**	
Other Operating Expense	**5,464,545**	**5,464,545**	
RECEPTION AND DIAGNOSTIC CENTER			
Personal Services	**11,780,995**	**11,789,124**	
Other Operating Expense	**1,217,704**	**1,217,704**	
MIAMI CORRECTIONAL FACILITY			
Personal Services	**28,785,622**	**28,804,798**	
Other Operating Expense	**4,617,107**	**4,617,107**	
NEW CASTLE CORRECTIONAL FACILITY			
Personal Services	**12,203,968**	**12,212,345**	
Other Operating Expense	**2,779,105**	**2,779,105**	
SOCIAL SERVICES BLOCK GRANT			
General Fund			
Total Operating Expense	**9,948,380**	**9,955,962**	
Work Release - Study Release Special Revenue Fund (IC 11-10-8-6.5)			
Total Operating Expense	**466,014**	**466,014**	
Augmentation allowed from Work Release - Study Release Special Revenue Fund and Social Services Block Grant.			
HENRYVILLE CORRECTIONAL FACILITY			
Personal Services	**2,018,547**	**2,019,927**	
Other Operating Expense	**379,381**	**379,381**	
CHAIN O' LAKES CORRECTIONAL FACILITY			
Personal Services	**1,819,881**	**1,820,956**	
Other Operating Expense	**380,606**	**380,606**	
MEDARYVILLE CORRECTIONAL FACILITY			
Personal Services	**1,899,480**	**1,900,654**	
Other Operating Expense	**330,727**	**330,727**	
ATTERBURY CORRECTIONAL FACILITY			
Personal Services	**2,048,622**	**2,049,962**	
Other Operating Expense	**350,351**	**350,351**	
MADISON CORRECTIONAL FACILITY			
Personal Services	**3,114,891**	**3,116,892**	
Other Operating Expense	**468,019**	**468,019**	
EDINBURGH CORRECTIONAL FACILITY			
Personal Services	**2,849,220**	**2,851,122**	
Other Operating Expense	**363,155**	**363,155**	
LAKESIDE CORRECTIONAL FACILITY			
Personal Services	**4,904,199**	**4,907,478**	

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
Other Operating Expense	**732,602**	**732,602**	
FORT WAYNE JUVENILE CORRECTIONAL FACILITY			
Personal Services	**1,425,664**	**1,426,588**	
Other Operating Expense	**436,233**	**436,233**	
SOUTH BEND JUVENILE CORRECTIONAL FACILITY			
Personal Services	**4,343,067**	**4,345,596**	
Other Operating Expense	**2,886,037**	**2,886,037**	
LOGANSPORT INTAKE/DIAGNOSTIC FACILITY			
Personal Services	**2,868,870**	**2,870,666**	
Other Operating Expense	**536,690**	**536,690**	
NORTH CENTRAL JUVENILE CORRECTIONAL FACILITY			
Personal Services	**8,296,951**	**8,301,236**	
Other Operating Expense	**1,294,293**	**1,294,293**	
CAMP SUMMIT			
Personal Services	**2,545,249**	**2,546,766**	
Other Operating Expense	**362,040**	**362,040**	
PENDLETON JUVENILE CORRECTIONAL FACILITY			
Personal Services	**14,161,982**	**14,170,029**	
Other Operating Expense	**2,530,172**	**2,530,172**	

B. LAW ENFORCEMENT

FOR THE INDIANA STATE POLICE AND MOTOR CARRIER INSPECTION

From the General Fund

40,416,979 40,426,519

From the Motor Vehicle Highway Account (IC 8-14-1)

70,416,982 70,426,522

From the Motor Carrier Regulation Fund (IC 8-2.1-23)

4,025,699 4,026,788

Augmentation allowed from the general fund, the motor vehicle highway account, and the motor carrier regulation fund.

The amounts specified from the General Fund, the Motor Vehicle Highway Account, and the Motor Carrier Regulation Fund are for the following purposes:

Personal Services	**104,557,210**	**104,577,379**
Other Operating Expense	**10,302,450**	**10,302,450**

The above appropriations for personal services and other operating expense include funds to continue the state police minority recruiting program. In addition to any funds that may be expended for accident reporting from the "accident report account" under IC 9-29-11-1, there are included in the appropriations for Indiana state police and motor carrier inspection such additional funds as necessary for administering accident reporting as required under IC 9-26-3.

The foregoing appropriations for the Indiana state police and motor carrier inspection include funds for the police security detail to be provided to the Indiana state fair board. However, amounts actually expended to provide security for the Indiana state fair board as determined by the budget agency shall be reimbursed by the Indiana state fair board to the state general fund.

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
ODOMETER FRAUD INVESTIGATION			
From the Motor Vehicle Odometer Fund (IC 9-29-1-5)			
Total Operating Expense	**95,841**	**95,841**	
Augmentation allowed.			
STATE POLICE TRAINING			
From the State Police Training Fund (IC 5-2-8-5)			
Total Operating Expense	**303,722**	**303,722**	
Augmentation allowed.			
FORENSIC AND HEALTH SCIENCES LABORATORIES			
From the Motor Vehicle Highway Account (IC 8-14-1)			
Personal Services	**2,683,888**	**2,685,880**	
Other Operating Expense	**1,602,961**	**1,602,961**	
Augmentation allowed.			
ENFORCEMENT AID			
From the General Fund			
Total Operating Expense	**40,000**	**40,000**	
From the Motor Vehicle Highway Account (IC 8-14-1)			
Total Operating Expense	**40,000**	**40,000**	

The above appropriations for enforcement aid are to meet unforeseen emergencies of a confidential nature. They are to be expended under the direction of the superintendent and to be accounted for solely on the superintendent's authority.

PENSION FUND			
From the General Fund			
Total Operating Expense	**3,800,302**	**6,087,313**	
From the Motor Vehicle Highway Account (IC 8-14-1)			
Total Operating Expense	**3,800,306**	**6,087,318**	

The above appropriations shall be paid into the state police pension fund provided for in IC 10-12-2 in twelve (12) equal installments on or before July 30 and on or before the 30th of each succeeding month thereafter.

BENEFIT FUND			
From the General Fund			
Total Operating Expense	**1,513,750**	**1,513,750**	
Augmentation allowed.			
From the Motor Vehicle Highway Account (IC 8-14-1)			
Total Operating Expense	**1,513,750**	**1,513,750**	
Augmentation allowed.			

All benefits that accrue to members shall be paid by warrant drawn on the treasurer of state by the auditor of state on the basis of claims filed and approved by the trustees of the state police pension and benefit funds created by IC 10-12-2.

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
SUPPLEMENTAL PENSION			
General Fund			
Total Operating Expense	**1,437,500**	**1,437,500**	
Augmentation allowed.			
Motor Vehicle Highway Account (IC 8-14-1)			
Total Operating Expense	**1,437,500**	**1,437,500**	
Augmentation allowed.			

If the above appropriations for supplemental pension for any one (1) year are greater than the amount actually required under the provisions of IC 10-12-5, then the excess shall be returned proportionately to the funds from which the appropriations were made. If the amount actually required under IC 10-12-5 is greater than the above appropriations, then, with the approval of the governor and the budget agency, those sums may be augmented from the general fund and the motor vehicle highway account.

ACCIDENT REPORTING			
Accident Report Account (IC 9-29-11-1)			
Total Operating Expense	**91,140**	**91,140**	
Augmentation allowed.			
DRUG INTERDICTION			
Drug Interdiction Fund (IC 10-11-7)			
Total Operating Expense	**273,420**	**273,420**	
Augmentation allowed.			
FOR THE INTEGRATED PUBLIC SAFETY COMMISSION			
PROJECT SAFE-T			
Integrated Public Safety Communications Fund (IC 5-26-4-1)			
Total Operating Expense	**13,205,269**	**13,205,269**	
Augmentation allowed.			
FOR THE ADJUTANT GENERAL			
Personal Services	**9,659,149**	**7,946,862**	
Other Operating Expense	**3,595,193**	**2,790,351**	
NAVAL FORCES			
Personal Services	**149,991**	**150,089**	
Other Operating Expense	**68,983**	**68,983**	
DISABLED SOLDIERS' PENSION			
Other Operating Expense	**16,507**	**16,507**	
GOVERNOR'S CIVIL AND MILITARY CONTINGENCY FUND			
Total Operating Expense			**707,340**

The above appropriations for the adjutant general governor's civil and military contingency fund are made under IC 10-16-11-1.

FOR THE CRIMINAL JUSTICE INSTITUTE			
ADMINISTRATIVE MATCH			
Total Operating Expense	**440,467**	**440,467**	
DRUG ENFORCEMENT MATCH			
Total Operating Expense	**2,096,955**	**2,096,955**	

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
VICTIM AND WITNESS ASSISTANCE FUND			
Victim and Witness Assistance Fund (IC 5-2-6-14)			
Total Operating Expense	**591,132**	**591,132**	
Augmentation allowed.			
ALCOHOL AND DRUG COUNTERMEASURES			
Alcohol and Drug Countermeasures Fund (IC 9-27-2-11)			
Total Operating Expense	**516,558**	**516,558**	
Augmentation allowed.			
STATE DRUG FREE COMMUNITIES FUND			
State Drug Free Communities Fund (IC 5-2-10-2)			
Total Operating Expense	**501,099**	**501,099**	
Augmentation allowed.			
INDIANA SAFE SCHOOLS			
General Fund			
Total Operating Expense	**1,660,300**	**1,660,300**	
Indiana Safe Schools Fund (IC 5-2-10.1-2)			
Total Operating Expense	**406,700**	**406,700**	
Augmentation allowed from Indiana Safe Schools Fund.			

Of the above appropriations for the Indiana safe schools program, $1,317,000 is appropriated annually to provide grants to school corporations for school safe haven programs, emergency preparedness programs, and school safety programs, and $750,000 is appropriated annually for use in providing training to school safety specialists.

OFFICE OF TRAFFIC SAFETY			
Motor Vehicle Highway Account (IC 8-14-1)			
Personal Services	**457,669**	**457,777**	
Other Operating Expense	**11,093,645**	**11,093,645**	
Augmentation allowed.			

The above appropriation for the office of traffic safety is from the motor vehicle highway account and may be used to fund traffic safety projects that are included in a current highway safety plan approved by the governor and the budget agency. The department shall apply to the national highway traffic safety administration for reimbursement of all eligible project costs. Any federal reimbursement received by the department for the highway safety plan shall be deposited into the motor vehicle highway account.

PROJECT IMPACT			
Total Operating Expense	**196,000**	**196,000**	
VICTIMS OF VIOLENT CRIME ADMINISTRATION			
Violent Crime Victims Compensation Fund (IC 5-2-6.1-40)			
Personal Services	**185,665**	**185,720**	
Other Operating Expense	**2,548,565**	**2,548,565**	
Augmentation allowed.			

FOR THE CORONERS' TRAINING BOARD			
Coroners' Training and Continuing Education Fund (IC 4-23-6.5-8)			
Personal Services	**30,000**	**30,000**	
Other Operating Expense	**485,429**	**485,429**	

24 **Augmentation allowed.**
25
26 **FOR THE INDIANA DEPARTMENT OF GAMING RESEARCH**
27 **Personal Services 157,519 157,632**
28 **Other Operating Expense 88,658 88,658**
29 **Augmentation allowed from fees accruing under IC 4-33-18-8.**
30
31 **FOR THE LAW ENFORCEMENT TRAINING ACADEMY**
32 **From the General Fund**
33 **1,622,820 1,624,857**
34 **From the Law Enforcement Academy Training Fund (IC 5-2-1-13(b))**
35 **2,803,013 2,803,013**
36 **Augmentation allowed from Law Enforcement Academy Training Fund.**
37
38 **The amounts specified from the General Fund and the Law Enforcement Academy Training**
39 **Fund are for the following purposes:**
40
41 **Personal Services 3,083,774 3,085,811**
42 **Other Operating Expense 1,342,059 1,342,059**
43
44 **C. REGULATORY AND LICENSING**
45
46 **FOR THE BUREAU OF MOTOR VEHICLES**
47 **Motor Vehicle Highway Account (IC 8-14-1)**
48 **Personal Services 20,056,862 20,047,781**
49 **Other Operating Expense 16,589,473 16,589,473**
1 **Augmentation allowed.**
2 **LICENSE PLATES**
3 **Motor Vehicle Highway Account (IC 8-14-1)**
4 **Total Operating Expense 5,390,000 5,390,000**
5 **Augmentation allowed.**
6 **DEALER INVESTIGATOR EXPENSES**
7 **Motor Vehicle Odometer Fund (IC 9-29-1-5)**
8 **Total Operating Expense 263,228 263,228**
9 **Augmentation allowed.**
10 **FINANCIAL RESPONSIBILITY COMPLIANCE VERIFICATION**
11 **Financial Responsibility Compliance Verification Fund (IC 9-25-9-7)**
12 **Total Operating Expense 7,777,970 7,778,371**
13 **Augmentation allowed.**
14 **ABANDONED VEHICLES**
15 **Abandoned Vehicle Fund (IC 9-22-1-28)**
16 **Total Operating Expense 36,260 36,260**
17 **Augmentation allowed.**
18 **STATE MOTOR VEHICLE TECHNOLOGY**
19 **State Motor Vehicle Technology Fund (IC 9-29-16-1)**
20 **Total Operating Expense 5,098,968 5,098,968**
21 **Augmentation allowed.**
22
23 **FOR THE DEPARTMENT OF LABOR**
24 **Personal Services 1,019,407 1,020,143**

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
Other Operating Expense	**114,673**	**114,673**	
INDUSTRIAL HYGIENE			
Personal Services	**1,246,719**	**1,247,594**	
Other Operating Expense	**117,031**	**117,031**	
BUREAU OF MINES AND MINING			
Personal Services	**109,621**	**109,697**	
Other Operating Expense	**19,104**	**19,104**	
M.I.S. RESEARCH AND STATISTICS			
Personal Services	**237,799**	**237,963**	
Other Operating Expense	**20,299**	**20,299**	

The above funds are appropriated to occupational safety and health, industrial hygiene, and to management information services research and statistics to provide the total program cost of the Indiana occupational safety and health plan as approved by the United States Department of Labor. Inasmuch as the state is eligible to receive from the federal government partial reimbursement of the state's total Indiana occupational safety and health plan program cost, it is the intention of the general assembly that the department of labor make application to the federal government for the federal share of the total program cost. Federal funds received shall be considered a reimbursement of state expenditures and as such shall be deposited into the state general fund.

OCCUPATIONAL SAFETY AND HEALTH			
Personal Services	**2,314,796**	**2,316,387**	
Other Operating Expense	**198,885**	**198,885**	
EMPLOYMENT OF YOUTH			
Fund for Employment of Youth (IC 20-8.1-4-31)			
Total Operating Expense	**75,443**	**75,473**	
Augmentation allowed.			
BUREAU OF SAFETY EDUCATION AND TRAINING			
Special Fund for Safety and Health Consultation Services (IC 22-8-1.1-48)			
Personal Services	**893,884**	**894,498**	
Other Operating Expense	**189,792**	**189,792**	
Augmentation allowed.			

Federal cost reimbursements for expenses attributable to the Bureau of Safety Education and Training appropriations shall be deposited into the special fund for safety and health consultation services.

FOR THE INSURANCE DEPARTMENT

From the General Fund

3,428,470 3,431,292

From the Department of Insurance Fund (IC 27-1-3-28)

2,363,439 2,363,439

Augmentation allowed from the Department of Insurance Fund.

The amounts specified from the General Fund and the Department of Insurance Fund are for the following purposes:

Personal Services	**4,734,217**	**4,737,039**
Other Operating Expense	**1,057,692**	**1,057,692**

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
BAIL BOND DIVISION			
Bail Bond Enforcement and Administration Fund (IC 27-10-5-1)			
Personal Services	**108,119**	**108,188**	
Other Operating Expense	**14,660**	**14,660**	
Augmentation allowed.			
PATIENTS' COMPENSATION AUTHORITY			
Patients' Compensation Fund (IC 34-18-6-1)			
Personal Services	**620,860**	**621,057**	
Other Operating Expense	**68,525**	**68,525**	
Augmentation allowed.			
POLITICAL SUBDIVISION RISK MANAGEMENT			
Political Subdivision Risk Management Fund (IC 27-1-29-10)			
Personal Services	**221,502**	**221,569**	
Other Operating Expense	**52,525**	**52,525**	
Augmentation allowed.			
MINE SUBSIDENCE INSURANCE			
Mine Subsidence Insurance Fund (IC 27-7-9-7)			
Personal Services	**118,535**	**118,622**	
Other Operating Expense	**201,765**	**201,765**	
Augmentation allowed.			
FOR THE ALCOHOL AND TOBACCO COMMISSION			
Enforcement and Administration Fund (IC 7.1-4-10-1)			
Personal Services	**4,963,688**	**4,513,135**	
Other Operating Expense	**887,278**	**887,278**	
Augmentation allowed.			
EXCISE OFFICER TRAINING (IC 5-2-8-8)			
Total Operating Expense	**6,860**	**6,860**	
Augmentation allowed from the Alcoholic Beverage Enforcement Officer Training Fund.			
FOR THE DEPARTMENT OF FINANCIAL INSTITUTIONS			
Financial Institutions Fund (IC 28-11-2-9)			
Personal Services	**5,884,768**	**5,889,224**	
Other Operating Expense	**1,530,776**	**1,531,496**	
Augmentation allowed.			
FOR THE PROFESSIONAL LICENSING AGENCY			
Personal Services	**4,307,807**	**4,310,715**	
Other Operating Expense	**1,500,531**	**1,500,531**	
EMBALMERS' AND FUNERAL DIRECTORS' EDUCATION (IC 25-15-9-13)			
Funeral Services Education Fund (IC 25-15-9-13)			
Total Operating Expense	**4,900**	**4,900**	
Augmentation allowed.			
FOR THE CIVIL RIGHTS COMMISSION			
Personal Services	**2,097,270**	**2,098,776**	
Other Operating Expense	**266,515**	**266,515**	

It is the intention of the general assembly that the civil rights commission shall

apply to the federal government for funding based upon the processing of employment and housing discrimination complaints by the civil rights commission. Such federal funds received by the state shall be considered as a reimbursement of state expenditures and shall be deposited into the state general fund.

FOR THE UTILITY CONSUMER COUNSELOR

Public Utility Fund (IC 8-1-6-1)		
Personal Services	**3,800,352**	**3,803,139**
Other Operating Expense	**455,065**	**455,065**
Augmentation allowed.		

EXPERT WITNESS FEES AND AUDIT

Public Utility Fund (IC 8-1-6-1)		
Total Operating Expense		**1,550,000**
Augmentation allowed.		

FOR THE UTILITY REGULATORY COMMISSION

Public Utility Fund (IC 8-1-6-1)		
Personal Services	**5,239,324**	**5,243,244**
Other Operating Expense	**1,966,515**	**1,966,515**
Augmentation allowed.		

FOR THE WORKERS' COMPENSATION BOARD

Personal Services	**1,800,788**	**1,802,034**
Other Operating Expense	**89,869**	**89,869**

FOR THE STATE BOARD OF ANIMAL HEALTH

Personal Services	**3,172,896**	**3,175,065**
Other Operating Expense	**680,927**	**680,927**

INDEMNITY FUND

Total Operating Expense		**49,430**
Augmentation allowed.		

MEAT & POULTRY INSPECTION

Total Operating Expense	**1,781,628**	**1,782,624**

FOR THE DEPARTMENT OF HOMELAND SECURITY (IC 10-19-2-1)

From the General Fund

1,713,284 1,714,547

From the Fire and Building Services Fund (IC 22-12-6-1)

11,256,238 11,262,655

Augmentation allowed from the fire and building services fund.

The amounts specified from the general fund and the fire and building services fund are for the following purposes:

Personal Services	**11,163,455**	**11,171,135**
Other Operating Expense	**1,806,067**	**1,806,067**

DEPARTMENT OF HOMELAND SECURITY CONTINGENCY FUND

Total Operating Expense	**242,500**	**242,500**

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation

28
29 The above appropriations for the department of homeland security contingency fund
30 are made to the contingency fund under IC 10-14-3-28. The above appropriations shall
31 be in addition to any unexpended balances in the fund as of June 30, 2005.
32
33 DIRECTION CONTROL AND WARNING
34 Total Operating Expense 30,182 30,182
35 INDIVIDUAL AND FAMILY ASSISTANCE
36 Total Operating Expense 1 1
37 Augmentation allowed.
38 PUBLIC ASSISTANCE
39 Total Operating Expense 1 1
40 Augmentation allowed.
41
42 The above appropriations for the department of homeland security represent the total
43 program cost for civil defense and for emergency medical services for each fiscal
44 year. It is the intent of the general assembly that the department of homeland security
45 apply to the Federal Emergency Management Agency for all federal reimbursement funds
46 for which Indiana is eligible. All funds received shall be deposited into the state
47 general fund.
48
49 SECTION 5. [EFFECTIVE JULY 1, 2005]
1
2 CONSERVATION AND ENVIRONMENT
3
4 A. NATURAL RESOURCES
5
6 FOR THE DEPARTMENT OF NATURAL RESOURCES - ADMINISTRATION
7 Personal Services 4,864,533 4,868,008
8 Other Operating Expense 728,150 728,150
9 ENTOMOLOGY AND PLANT PATHOLOGY DIVISION
10 Personal Services 760,732 761,281
11 Other Operating Expense 161,937 161,937
12 ENTOMOLOGY AND PLANT PATHOLOGY FUND (IC 14-24-10-3)
13 Total Operating Expense 23,359
14 Augmentation allowed.
15 ENGINEERING DIVISION
16 Personal Services 1,588,440 1,589,599
17 Other Operating Expense 71,351 71,351
18 STATE MUSEUM
19 Personal Services 5,498,536 5,502,194
20 Other Operating Expense 2,031,841 2,031,841
21 HISTORIC PRESERVATION DIVISION
22 Personal Services 937,701 938,370
23 Other Operating Expense 41,125 41,125
24 STATE HISTORIC SITES
25 Personal Services 2,139,718 2,140,920
26 Other Operating Expense 381,787 381,787
27
28 From the above appropriations, $75,000 in each state fiscal year shall be used for

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation

the Grissom Museum.

WABASH RIVER HERITAGE CORRIDOR		
Total Operating Expense	**97,849**	**97,849**
OUTDOOR RECREATION DIVISION		
Personal Services	**850,544**	**851,170**
Other Operating Expense	**44,019**	**44,019**
NATURE PRESERVES DIVISION		
Personal Services	**908,197**	**908,859**
Other Operating Expense	**52,164**	**52,164**
DEPARTMENT OF NATURAL RESOURCES FINANCIAL MANAGEMENT		
Personal Services	**148,372**	**148,483**
Other Operating Expense	**41,718**	**41,718**
WATER DIVISION		
Personal Services	**4,938,614**	**4,942,191**
Other Operating Expense	**663,935**	**663,935**

All revenues accruing from state and local units of government and from private utilities and industrial concerns as a result of water resources study projects, and as a result of topographic and other mapping projects, shall be deposited into the state general fund, and such receipts are hereby appropriated, in addition to the foregoing amounts, for water resources studies.

GREAT LAKES COMMISSION		
Other Operating Expense	**61,000**	**61,000**
DEER RESEARCH AND MANAGEMENT		
Deer Research and Management Fund (IC 14-22-5-2)		
Total Operating Expense	**174,000**	**174,000**
Augmentation allowed.		
OIL AND GAS DIVISION		
From the General Fund		
	1,207,046	**1,207,388**
From the Oil and Gas Fund (IC 6-8-1-27)		
	139,750	**140,176**
Augmentation allowed from Oil and Gas Fund.		

The amounts specified from the General Fund and the Oil and Gas Fund are for the following purposes:

Personal Services	**1,066,435**	**1,067,203**
Other Operating Expense	**280,361**	**280,361**

STATE PARKS AND RESERVOIRS		
From the General Fund		
	10,161,162	**10,168,398**
From the State Parks and Reservoirs Special Revenue Fund (IC 14-19-8-2)		
	21,136,316	**21,160,811**
Augmentation allowed from State Parks and Reservoirs Special Revenue Fund.		

The amounts specified from the General Fund and the State Parks and Reservoirs

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation

Special Revenue Fund are for the following purposes:

Personal Services	**24,409,278**	**24,441,009**
Other Operating Expense	**6,888,200**	**6,888,200**

SNOWMOBILE/OFFROAD VEHICLE LICENSING FUND

Snowmobile/Offroad Licensing Fund (IC 14-16-1-30)

Total Operating Expense	**139,908**	**139,908**

Augmentation allowed.

LAW ENFORCEMENT DIVISION

From the General Fund

9,207,707 9,208,185

From the Fish and Wildlife Fund (IC 14-22-3-2)

11,060,370 11,061,123

Augmentation allowed from the Fish and Wildlife Fund.

The amounts specified from the General Fund and the Fish and Wildlife Fund are for the following purposes:

Personal Services	**17,010,154**	**17,011,385**
Other Operating Expense	**3,257,923**	**3,257,923**

FISH AND WILDLIFE DIVISION

Fish and Wildlife Fund (IC 14-22-3-2)

Personal Services	**13,271,453**	**13,279,686**
Other Operating Expense	**4,056,937**	**4,056,937**

Augmentation allowed.

FORESTRY DIVISION

From the General Fund

1,406,350 1,406,609

From the State Forestry Fund (IC 14-23-3-2)

7,948,375 7,952,921

Augmentation allowed from the State Forestry Fund.

The amounts specified from the General Fund and the State Forestry Fund are for the following purposes:

Personal Services	**7,850,802**	**7,855,607**
Other Operating Expense	**1,503,923**	**1,503,923**

All money expended by the division of forestry of the department of natural resources for the detention and suppression of forest, grassland, and wasteland fires shall be through the enforcement division of the department, and the employment with such money of all personnel, with the exception of emergency labor, shall be in accordance with IC 14-9-8.

RECLAMATION DIVISION

From the General Fund

36,857 36,857

From the Natural Resources Reclamation Division Fund (IC 14-34-14-2)

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
	5,228,074	5,231,437	

Augmentation allowed from the Natural Resources Reclamation Division Fund.

The amounts specified from the General Fund and the Natural Resources Reclamation Division Fund are for the following purposes:

Personal Services	4,585,013	4,588,376
Other Operating Expense	679,918	679,918

In addition to any of the foregoing appropriations for the department of natural resources, any federal funds received by the state of Indiana for support of approved outdoor recreation projects for planning, acquisition, and development under the provisions of the federal Land and Water Conservation Fund Act, P.L.88-578, are appropriated for the uses and purposes for which the funds were paid to the state, and shall be distributed by the department of natural resources to state agencies and other governmental units in accordance with the provisions under which the funds were received.

LAKE MICHIGAN COASTAL PROGRAM			
Cigarette Tax Fund (IC 6-7-1-29.1)			
Personal Services	113,000	113,000	
Other Operating Expense	30,000	30,000	
Augmentation allowed.			
LAKE AND RIVER ENHANCEMENT			
Lake and River Enhancement Fund (IC 6-6-11-12.5)			
Total Operating Expense			4,685,811
Augmentation allowed.			
CONSERVATION OFFICERS' MARINE ENFORCEMENT FUND			
Lake and River Enhancement Fund (IC 6-6-11-12.5)			
Total Operating Expense	182,759	182,759	
Augmentation allowed.			
HERITAGE TRUST			
Total Operating Expense	1,000,000	1,000,000	

B. OTHER NATURAL RESOURCES

FOR THE WORLD WAR MEMORIAL COMMISSION

Personal Services	1,025,997	1,026,680
Other Operating Expense	143,509	143,509

All revenues received as rent for space in the buildings located at 777 North Meridian Street and 700 North Pennsylvania Street, in the city of Indianapolis, that exceed the costs of operation and maintenance of the space rented, shall be paid into the general fund. The American Legion shall provide for the complete maintenance of the interior of these buildings.

FOR THE WHITE RIVER PARK COMMISSION

Total Operating Expense	1,309,965	1,309,965

FOR THE ST. JOSEPH RIVER BASIN COMMISSION

Total Operating Expense	70,029	70,029

	FY 2005-2006 Appropriation	*FY 20072008 Appropriation*	*Biennial Appropriation*

32
33 **C. ENVIRONMENTAL MANAGEMENT**
34
35 **FOR THE DEPARTMENT OF ENVIRONMENTAL MANAGEMENT**
36 **ADMINISTRATION**
37 **From the General Fund**
38 **4,302,355 4,386,235**
39 **From the State Solid Waste Management Fund (IC 13-20-22-2)**
40 **128,388 128,465**
41 **From the Waste Tire Management Fund (IC 13-20-13-8)**
42 **60,182 60,218**
43 **From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)**
44 **742,243 742,684**
45 **From the Environmental Management Permit Operation Fund (IC 13-15-11-1)**
46 **862,606 863,148**
47 **From the Environmental Management Special Fund (IC 13-14-12-1)**
48 **216,654 216,782**
49 **From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)**
1 **316,957 317,145**
2 **From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)**
3 **56,167 56,201**
4 **From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)**
5 **1,628,925 1,629,890**
6 **Augmentation allowed from the State Solid Waste Management Fund, Waste Tire Management**
7 **Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit**
8 **Operation Fund, Environmental Management Special Fund, Hazardous Substances Response**
9 **Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum**
10 **Storage Tank Excess Liability Trust Fund.**
11
12 **The amounts specified from the General Fund, State Solid Waste Management Fund, Waste Tire**
13 **Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management**
14 **Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response**
15 **Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum**
16 **Storage Tank Excess Liability Trust Fund are for the following purposes:**
17
18 **Personal Services 6,113,111 6,117,395**
19 **Other Operating Expense 2,201,366 2,283,373**
20
21 **LABORATORY CONTRACTS**
22 **General Fund**
23 **708,362 777,825**
24 **Environmental Management Special Fund (IC 13-14-12-1)**
25 **425,999 425,999**
26 **Hazardous Substances Response Trust Fund (IC 13-25-4-1)**
27 **1,277,997 1,277,997**
28 **Augmentation allowed from the Environmental Management Special Fund and the Hazardous**
29 **Substances Response Trust Fund.**
30
31 **The amounts specified from the General Fund, Environmental Management Special Fund,**
32 **and the Hazardous Substance Response Trust Fund are for the following purpose:**

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
Total Operating Expense	**2,412,358**	**2,481,821**	

NORTHWEST REGIONAL OFFICE

From the General Fund

523,982 524,332

From the State Solid Waste Management Fund (IC 13-20-22-2)

31,639 31,659

From the Waste Tire Management Fund (IC 13-20-13-8)

8,925 8,931

From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)

283,124 283,308

From the Environmental Management Permit Operation Fund (IC 13-15-11-1)

135,480 135,571

From the Environmental Management Special Fund (IC 13-14-12-1)

64,089 64,130

From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)

48,677 48,709

From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)

8,113 8,118

From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)

231,202 231,349

Augmentation allowed from the State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	**1,206,917**	**1,207,793**
Other Operating Expense	**128,314**	**128,314**

NORTHERN REGIONAL OFFICE

From the General Fund

374,610 374,843

From the State Solid Waste Management Fund (IC 13-20-22-2)

46,856 46,883

From the Waste Tire Management Fund (IC 13-20-13-8)

5,679 5,682

From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)

276,161 276,325

From the Environmental Management Permit Operation Fund (IC 13-15-11-1)

123,527 123,626

From the Environmental Management Special Fund (IC 13-14-12-1)

66,732 66,772

From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)

39,048 39,071
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)
4,970 4,973
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)
146,951 147,035
Augmentation allowed from the State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	**932,226**	**932,902**
Other Operating Expense	**152,308**	**152,308**

SOUTHWEST REGIONAL OFFICE
From the General Fund
387,639 387,863
From the State Solid Waste Management Fund (IC 13-20-22-2)
97,931 97,987
From the Waste Tire Management Fund (IC 13-20-13-8)
6,045 6,048
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)
146,896 146,981
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)
86,445 86,497
From the Environmental Management Special Fund (IC 13-14-12-1)
52,594 52,624
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)
55,010 55,042
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)
5,440 5,443
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)
154,150 154,239
Augmentation allowed from the State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
Personal Services	**793,774**	**794,348**	
Other Operating Expense	**198,376**	**198,376**	

LEGAL AFFAIRS

From the General Fund

779,039 779,561

From the State Solid Waste Management Fund (IC 13-20-22-2)

40,958 40,983

From the Waste Tire Management Fund (IC 13-20-13-8)

4,428 4,431

From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)

242,425 242,573

From the Environmental Management Permit Operation Fund (IC 13-15-11-1)

180,435 180,553

From the Environmental Management Special Fund (IC 13-14-12-1)

61,990 62,027

From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)

91,877 91,932

From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)

16,604 16,614

From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)

468,246 468,528

Augmentation allowed from the State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	**1,762,962**	**1,764,162**
Other Operating Expense	**123,040**	**123,040**

ENFORCEMENT

From the General Fund

1,056,384 1,057,122

From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)

733,137 733,746

From the Environmental Management Special Fund (IC 13-14-12-1)

80,186 80,253

From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)

3,273 3,276

From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)

1,636 1,637

Augmentation allowed from the Title V Operating Permit Program Trust Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, and the Underground Petroleum Storage Tank Excess Liability Trust Fund.

The amounts specified from the General Fund, Title V Operating Permit ProgramTrust Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	**1,794,769**	**1,796,187**
Other Operating Expense	**79,847**	**79,847**

INVESTIGATIONS

From the General Fund

191,601 191,702

From the State Solid Waste Management Fund (IC 13-20-22-2)

6,819 6,822

From the Waste Tire Management Fund (IC 13-20-13-8)

4,636 4,638

From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)

44,721 44,744

From the Environmental Management Permit Operation Fund (IC 13-15-11-1)

55,627 55,657

From the Environmental Management Special Fund (IC 13-14-12-1)

13,089 13,096

From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)

22,632 22,643

From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)

4,362 4,364

From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)

120,799 120,862

Augmentation allowed from the State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	**333,715**	**333,957**
Other Operating Expense	**130,571**	**130,571**

PLANNING AND ASSESSMENT

From the General Fund

444,517 444,834

From the State Solid Waste Management Fund (IC 13-20-22-2)

8,389 8,395

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation

From the Waste Tire Management Fund (IC 13-20-13-8)
5,705 5,709
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)
55,033 55,071
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)
68,454 68,505
From the Environmental Management Special Fund (IC 13-14-12-1)
16,107 16,118
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)
27,852 27,872
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)
5,370 5,374
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)
148,654 148,757
Augmentation allowed from the State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	**763,868**	**764,422**
Other Operating Expense	**16,213**	**16,213**

MEDIA AND COMMUNICATIONS
From the General Fund
418,483 418,762
From the State Solid Waste Management Fund (IC 13-20-22-2)
10,533 10,539
From the Waste Tire Management Fund (IC 13-20-13-8)
7,161 7,165
From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)
69,097 69,142
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)
85,949 86,008
From the Environmental Management Special Fund (IC 13-14-12-1)
20,224 20,237
From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)
34,970 34,992
From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)
6,741 6,745
From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)
186,648 186,769
Augmentation allowed from the State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit

Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	**795,024**	**795,577**
Other Operating Expense	**44,782**	**44,782**

PUBLIC POLICY AND PLANNING

From the General Fund

161,608 161,718

From the State Solid Waste Management Fund (IC 13-20-22-2)

5,908 5,912

From the Waste Tire Management Fund (IC 13-20-13-8)

4,019 4,021

From the Title V Operating Permit Program Trust Fund (IC 13-17-8-1)

38,752 38,777

From the Environmental Management Permit Operation Fund (IC 13-15-11-1)

48,207 48,240

From the Environmental Management Special Fund (IC 13-14-12-1)

11,342 11,349

From the Hazardous Substances Response Trust Fund (IC 13-25-4-1)

19,613 19,625

From the Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)

3,780 3,782

From the Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)

104,682 104,752

Augmentation allowed from the State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund.

The amounts specified from the General Fund, State Solid Waste Management Fund, Waste Tire Management Fund, Title V Operating Permit Program Trust Fund, Environmental Management Permit Operation Fund, Environmental Management Special Fund, Hazardous Substances Response Trust Fund, Underground Petroleum Storage Tank Trust Fund, and Underground Petroleum Storage Tank Excess Liability Trust Fund are for the following purposes:

Personal Services	**353,663**	**353,928**
Other Operating Expense	**44,248**	**44,248**

OHIO RIVER VALLEY WATER SANITATION COMMISSION

Environmental Management Special Fund (IC 13-14-12-1)

Total Operating Expense	**242,900**	**242,900**

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
Augmentation allowed.			
OFFICE OF ENVIRONMENTAL RESPONSE			
Personal Services	**1,948,562**	**1,949,976**	
Other Operating Expense	**575,485**	**575,485**	
POLLUTION PREVENTION AND TECHNICAL ASSISTANCE			
Personal Services	**1,045,497**	**1,046,263**	
Other Operating Expense	**249,790**	**249,790**	
PCB INSPECTIONS			
Environmental Management Permit Operation Fund (IC 13-15-11-1)			
Total Operating Expense	**40,001**	**40,001**	
Augmentation allowed.			
U.S. GEOLOGICAL SURVEY CONTRACTS			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	**62,890**	**62,890**	
Augmentation allowed.			
STATE SOLID WASTE GRANTS MANAGEMENT			
State Solid Waste Management Fund (IC 13-20-22-2)			
Personal Services	**232,830**	**232,997**	
Other Operating Expense	**1,372,630**	**1,372,630**	
Augmentation allowed.			
VOLUNTARY CLEAN-UP PROGRAM			
Voluntary Remediation Fund (IC 13-25-5-21)			
Personal Services	**326,625**	**326,858**	
Other Operating Expense	**551,500**	**551,500**	
Augmentation allowed.			
TITLE V AIR PERMIT PROGRAM			
Title V Operating Permit Program Trust Fund (IC 13-17-8-1)			
Personal Services	**6,131,432**	**6,135,885**	
Other Operating Expense	**4,374,989**	**4,374,989**	
Augmentation allowed.			
WATER MANAGEMENT PERMITTING			
From the General Fund			
1,919,924	**1,921,119**		
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)			
4,205,935	**4,208,554**		
Augmentation allowed from the Environmental Management Permit Operation Fund.			

The amounts specified from the General Fund and the Environmental Management Permit Operation Fund are for the following purposes:

Personal Services	**5,331,613**	**5,335,427**
Other Operating Expense	**794,246**	**794,246**

SOLID WASTE MANAGEMENT PERMITTING		
From the General Fund		
2,007,190	**2,008,514**	
From the Environmental Management Permit Operation Fund (IC 13-15-11-1)		
3,102,309	**3,104,355**	
Augmentation allowed from the Environmental Management Permit Operation Fund.		

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation

The amounts specified from the General Fund and the Environmental Management Permit Operation Fund are for the following purposes:

Personal Services	**4,714,580**	**4,717,950**
Other Operating Expense	**394,919**	**394,919**

HAZARDOUS WASTE MANAGEMENT PERMITTING

From the General Fund

2,492,889 2,494,350

From the Environmental Management Permit Operation Fund (IC 13-15-11-1)

2,978,130 2,979,879

Augmentation allowed from the Environmental Management Permit Operation Fund.

The amounts specified from the General Fund and the Environmental Management Permit Operation Fund are for the following purposes:

Personal Services	**4,445,660**	**4,448,870**
Other Operating Expense	**1,025,359**	**1,025,359**

SAFE DRINKING WATER PROGRAM

From the General Fund

571,429 571,807

From the Environmental Management Permit Operation Fund (IC 13-15-11-1)

2,094,366 2,894,837

Augmentation allowed from the Environmental Management Permit Operation Fund.

The amounts specified from the General Fund and the Environmental Management Permit Operation Fund are for the following purposes:

Personal Services	**1,075,952**	**1,077,970**
Other Operating Expense	**1,589,843**	**2,388,674**

WATERSHED MANAGEMENT

Environmental Management Special Fund (IC 13-14-12-1)

Total Operating Expense	**24,037**	**24,037**

Augmentation allowed.

CLEAN VESSEL PUMPOUT

Environmental Management Special Fund (IC 13-14-12-1)

Total Operating Expense	**58,475**	**58,475**

Augmentation allowed.

GROUNDWATER PROGRAM

Environmental Management Special Fund (IC 13-14-12-1)

Total Operating Expense	**287,001**	**287,126**

Augmentation allowed.

UNDERGROUND STORAGE TANK PROGRAM

Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)

Total Operating Expense	**137,215**	**137,277**

Augmentation allowed.

AIR MANAGEMENT OPERATING

From the General Fund

41 886,788 887,229
42 From the Environmental Management Special Fund (IC 13-14-12-1)
43 1,698,889 1,699,738
44 Augmentation allowed from the Environmental Management Special Fund.
45
46 The amounts specified from the General Fund and the Environmental Management Special
47 Fund are for the following purposes:
48
49 Personal Services 1,776,421 1,777,711
1 Other Operating Expense 809,256 809,256
2
3 WATER MANAGEMENT NON-PERMITTING
4 Personal Services 3,137,463 3,139,726
5 Other Operating Expense 391,681 490,466
6 GREAT LAKES INITIATIVE
7 Environmental Management Special Fund (IC 13-14-12-1)
8 Total Operating Expense 96,160 96,160
9 Augmentation allowed.
10 OUTREACH OPERATOR TRAINING
11 From the General Fund
12 14,014 13,983
13 From the Environmental Management Special Fund (IC 13-14-12-1)
14 27,292 27,323
15 Augmentation allowed from the Environmental Management Special Fund (IC 13-14-12-1).
16
17 The amounts specified from the general fund and the environmental management
18 special fund are for the following purposes:
19
20 Total Operating Expense 41,306 41,306
21
22 LEAKING UNDERGROUND STORAGE TANKS
23 Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)
24 Personal Services 124,465 124,555
25 Other Operating Expense 44,109 44,109
26 Augmentation allowed.
27 CORE SUPERFUND
28 Hazardous Substances Response Trust Fund (IC 13-25-4-1)
29 Total Operating Expense 127,435 127,467
30 Augmentation allowed.
31 AUTO EMISSIONS TESTING PROGRAM
32 Personal Services 153,161 153,270
33 Other Operating Expense 7,592,411 7,344,013
34
35 The above appropriations for auto emissions testing are the maximum amounts available
36 for this purpose. If it becomes necessary to conduct additional tests in other locations, the
37 above appropriations shall be prorated among all locations.
38
39 HAZARDOUS WASTE SITE - STATE CLEAN-UP
40 Hazardous Substances Response Trust Fund (IC 13-25-4-1)
41 Personal Services 914,494 915,153

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
Other Operating Expense	**1,323,811**	**1,323,811**	
Augmentation allowed.			
HAZARDOUS WASTE SITES - NATURAL RESOURCE DAMAGES			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Personal Services	**174,348**	**174,474**	
Other Operating Expense	**680,991**	**680,991**	
Augmentation allowed.			
SUPERFUND MATCH			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Total Operating Expense	**354,985**	**354,985**	
Augmentation allowed.			
HOUSEHOLD HAZARDOUS WASTE			
Hazardous Substances Response Trust Fund (IC 13-25-4-1)			
Personal Services	**39,934**	**39,960**	
Other Operating Expense	**443,816**	**443,816**	
Augmentation allowed.			
ASBESTOS TRUST - OPERATING			
Asbestos Trust Fund (IC 13-17-6-3)			
Personal Services	**358,456**	**358,709**	
Other Operating Expense	**150,384**	**150,384**	
Augmentation allowed.			
UNDERGROUND PETROLEUM STORAGE TANK - OPERATING			
Underground Petroleum Storage Tank Excess Liability Trust Fund (IC 13-23-7-1)			
Personal Services	**201,977**	**202,035**	
Other Operating Expense	**28,128,801**	**28,128,801**	
Augmentation allowed.			
WASTE TIRE MANAGEMENT			
Waste Tire Management Fund (IC 13-20-13-8)			
Total Operating Expense	**1,054,000**	**1,054,000**	
Augmentation allowed.			
VOLUNTARY COMPLIANCE			
Environmental Management Special Fund (IC 13-14-12-1)			
Personal Services	**140,598**	**140,696**	
Other Operating Expense	**217,737**	**217,737**	
Augmentation allowed.			
ENVIRONMENTAL MANAGEMENT SPECIAL FUND - OPERATING			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	**1,100,000**	**1,100,000**	
Augmentation allowed.			
SMALL TOWN COMPLIANCE			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	**60,000**	**60,000**	
Augmentation allowed.			
WETLANDS PROTECTION			
Environmental Management Special Fund (IC 13-14-12-1)			
Total Operating Expense	**50,401**	**50,401**	
Augmentation allowed.			
MERCURY REDUCTION OUTREACH GRANT			
Total Operating Expense	**87,590**	**87,590**	
PETROLEUM TRUST - OPERATING			

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
Underground Petroleum Storage Tank Trust Fund (IC 13-23-6-1)			
Personal Services	**242,896**	**243,081**	
Other Operating Expense	**462,885**	**462,885**	
Augmentation allowed.			
LEAD BASED PAINT ACTIVITIES PROGRAM			
Lead Trust Fund (IC 13-17-14-6)			
Total Operating Expense	**21,638**	**21,646**	
Augmentation allowed.			

Notwithstanding any other law, with the approval of the Governor and the budget agency, the above appropriations for hazardous waste management - permitting, wetlands protection, watershed management, groundwater program, underground storage tanks, air management operating, asbestos trust operating, lead based paint activities program, water management non-permitting, pollution prevention incentives for states, safe drinking water program, and any other appropriation eligible to be included in a performance partnership grant may be used to fund activities incorporated into a performance partnership grant between the United States Environmental Protection Agency and the department of environmental management.

FOR THE OFFICE OF ENVIRONMENTAL ADJUDICATION		
Personal Services	**232,179**	**232,335**
Other Operating Expense	**82,114**	**82,114**

SECTION 6. [EFFECTIVE JULY 1, 2005]

ECONOMIC DEVELOPMENT

A. AGRICULTURE

FOR THE DEPARTMENT OF AGRICULTURE		
Personal Services	**1,437,305**	**1,438,352**
Other Operating Expense	**239,431**	**239,431**

The above appropriations include funds for the farm counseling program and the land resources council. Not more than $279,000 in each state fiscal year may be allocated from the above appropriations to the farm counseling program.

VALUE ADDED RESEARCH PROGRAM		
General Fund		
Total Operating Expense	**250,000**	**250,000**
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**600,000**	**600,000**
CLEAN WATER INDIANA		
Cigarette Tax Fund (IC 6-7-1-29.1)		
Total Operating Expense	**3,750,000**	**3,750,000**

The foregoing appropriations for Clean Water Indiana may be allotted only if there is an allocation from the cigarette tax for Clean Water Indiana. Augmentation allowed.

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
SOIL CONSERVATION DIVISION			
Cigarette Tax Fund (IC 6-7-1-29.1)			
Total Operating Expense	**1,968,750**	**1,968,750**	
Augmentation allowed.			
B. COMMERCE			
FOR THE LIEUTENANT GOVERNOR			
OFFICE OF RURAL AFFAIRS			
Personal Services	**1,385,176**	**1,385,176**	
Other Operating Expense	**240,508**	**240,612**	
RURAL DEVELOPMENT ADMINISTRATION			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**2,400,000**	**2,400,000**	
RURAL DEVELOPMENT COUNCIL			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**1,203,480**	**1,203,483**	
OFFICE OF TOURISM			
Total Operating Expense	**4,360,032**	**4,360,032**	
RECYCLING PROMOTION AND ASSISTANCE PROGRAM			
Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)			
Total Operating Expense	**1,500,000**	**1,500,000**	
Augmentation allowed.			
RECYCLING OPERATING			
Indiana Recycling Promotion and Assistance Fund (IC 4-23-5.5-14)			
Personal Services	**56,700**	**56,741**	
Other Operating Expense	**172,930**	**172,930**	
Augmentation allowed.			
STATE ENERGY PROGRAM			
Total Operating Expense	**283,648**	**283,648**	
FOR THE INDIANA ECONOMIC DEVELOPMENT CORPORATION			
ADMINISTRATIVE AND FINANCIAL SERVICES			
From the General Fund			
6,605,894 6,611,741			
From the Training 2000 Fund (IC 5-28-7-5)			
185,630 185,630			
From the Industrial Development Grant Fund (IC 5-28-25-4)			
52,139 52,139			
The amounts specified from the General Fund, Training 2000 Fund, and Industrial Development Grant Fund are for the following purposes:			
Total Operating Expense	**6,843,663**	**6,849,510**	
INTERNATIONAL TRADE			
Total Operating Expense	**1,394,676**	**1,394,676**	
ENTERPRISE ZONE PROGRAM			
Indiana Enterprise Zone Fund (IC 5-28-15-6)			
Total Operating Expense	**260,024**	**260,065**	

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
Augmentation allowed.			
LOCAL ECONOMIC DEVELOPMENT ORGANIZATION/ REGIONAL ECONOMIC DEVELOPMENT ORGANIZATION (LEDO/REDO) MATCHING GRANT PROGRAM			
Total Operating Expense			**1,900,000**
TRAINING 2000			
Total Operating Expense			**23,150,038**
BUSINESS PROMOTION PROGRAM			
Total Operating Expense			**2,271,508**
TRADE PROMOTION PROGRAM			
Total Operating Expense	**200,000**	**200,000**	
ECONOMIC DEVELOPMENT GRANT AND LOAN PROGRAM			
Total Operating Expense			**1,200,000**
INDUSTRIAL DEVELOPMENT GRANT PROGRAM			
Total Operating Expense			**6,500,000**
21ST CENTURY RESEARCH & TECHNOLOGY FUND			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**37,500,000**	**37,500,000**	
TECHNOLOGY DEVELOPMENT GRANT PROGRAM			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**4,500,000**	**4,500,000**	
FOR THE INDIANA FINANCE AUTHORITY (IFA)			
CAPITAL ACCESS PROGRAM			
Total Operating Expense			**1,242,500**
ENVIRONMENTAL REMEDIATION REVOLVING LOAN PROGRAM			
Total Operating Expense			**2,500,000**
PROJECT GUARANTY PROGRAM			
Total Operating Expense			**1,800,000**
BUSINESS DEVELOPMENT LOAN PROGRAM			
Total Operating Expense			**2,000,000**
FOR THE HOUSING AND COMMUNITY DEVELOPMENT AUTHORITY			
INDIANA INDIVIDUAL DEVELOPMENT ACCOUNTS			
Total Operating Expense	**1,000,000**	**1,000,000**	

The housing and community development authority shall collect and report to the family and social services administration (FSSA) all data required for FSSA to meet the data collection and reporting requirements in 45 CFR Part 265.

Family and social services administration, division of family resources shall apply all qualifying expenditures for individual development accounts deposits toward Indiana's maintenance of effort under the federal Temporary Assistance to Needy Families (TANF) program (45 CFR 260 et seq.).

C. EMPLOYMENT SERVICES

FOR THE DEPARTMENT OF WORKFORCE DEVELOPMENT			
ADMINISTRATION			
Total Operating Expense	**1,148,027**	**1,148,027**	

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
WOMEN'S COMMISSION			
Personal Services	**113,666**	**113,746**	
Other Operating Expense	**5,153**	**5,153**	
COMMISSION ON HISPANIC/LATINO AFFAIRS			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**124,188**	**124,235**	

The above appropriations are in addition to any funding for the commission derived from funds appropriated to the department of workforce development.

D. OTHER ECONOMIC DEVELOPMENT

FOR THE STATE BUDGET AGENCY

I-LIGHT FIBER OPTIC SYSTEM			
Total Operating Expense	**1,000,000**	**1,000,000**	

SECTION 7. [EFFECTIVE JULY 1, 2005]

TRANSPORTATION

FOR THE DEPARTMENT OF TRANSPORTATION

For the conduct and operation of the department of transportation, the following sums are appropriated for the periods designated, from the state general fund, the public mass transportation fund, the industrial rail service fund, the state highway fund, the motor vehicle highway account, the distressed road fund, the state highway road construction and improvement fund, the motor carrier regulation fund, and the crossroads 2000 fund.

PLANNING AND ADMINISTRATION

From the State Highway Fund (IC 8-23-9-54)

509,370 509,666

From the Public Mass Transportation Fund (IC 8-23-3-8)

207,623 207,744

From the Industrial Rail Service Fund (IC 8-3-1.7-2)

30,760 30,778

Augmentation allowed from the Public Mass Transportation Fund, Industrial Rail Service Fund, and State Highway Fund.

The amounts specified from the Public Mass Transportation Fund, Industrial Rail Service Fund, and State Highway Fund are for the following purposes:

Personal Services	**583,247**	**583,587**
Other Operating Expense	**164,506**	**164,601**

The above appropriations may be used to match federal funds available for planning and administration of transportation in Indiana.

INTERMODAL OPERATING

From the State Highway Fund (IC 8-23-9-54)

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
533,581	533,915		
From the Public Mass Transportation Fund (IC 8-23-3-8)			
370,542	370,770		
From the Industrial Rail Service Fund (IC 8-3-1.7-2)			
370,542	370,770		
Augmentation allowed from the State Highway Fund, Public Mass Transportation Fund and Industrial Rail Service Fund.			

The amounts specified from the State Highway Fund, the Public Mass Transportation Fund, and the Industrial Rail Service Fund are for the following purposes:

Personal Services	1,096,212	1,096,891
Other Operating Expense	178,453	178,564
INTERMODAL GRANT PROGRAM		
Department of Transportation Administration Fund		
Total Operating Expense	42,000	42,000
Public Mass Transportation Fund (IC 8-23-3-8)		
Total Operating Expense	37,500	37,500
Augmentation allowed from Public Mass Transportation Fund.		
RAILROAD GRADE CROSSING IMPROVEMENT		
State Highway Fund (IC 8-23-9-54)		
Total Operating Expense	465,000	465,000
HIGH SPEED RAIL		
Industrial Rail Service Fund		
Matching Funds		40,000
Augmentation allowed.		
PUBLIC MASS TRANSPORTATION		
Public Mass Transportation Fund (IC 8-23-3-8)		
Total Operating Expense	31,009,377	31,628,396
Augmentation allowed.		

The appropriations are to be used solely for the promotion and development of public transportation. The department of transportation shall allocate funds based on a formula approved by the commissioner of the department of transportation.

The department of transportation may distribute public mass transportation funds to an eligible grantee that provides public transportation in Indiana.

The state funds can be used to match federal funds available under the Federal Transit Act (49 U.S.C. 1601, et seq.), or local funds from a requesting grantee.

Before funds may be disbursed to a grantee, the grantee must submit its request for financial assistance to the department of transportation for approval. Allocations must be approved by the governor and the budget agency after review by the budget committee and shall be made on a reimbursement basis. Only applications for capital and operating assistance may be approved. Only those grantees that have met the reporting requirements under IC 8-23-3 are eligible for assistance under this appropriation.

HIGHWAY OPERATING

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
State Highway Fund (IC 8-23-9-54)			
Personal Services	**207,986,295**	**208,125,958**	
Other Operating Expense	**40,256,068**	**40,255,120**	

The above appropriations for personal services and other operating expense include an increase of 4,325,383 each year to add additional professional staff and equipment to increase the department's plan design and right-of-way capability.

HIGHWAY BUILDINGS AND GROUNDS

State Highway Fund (IC 8-23-9-54)			
Total Operating Expense			**10,000,000**

The above appropriations for highway buildings and grounds may be used for land acquisition, site development, construction and equipping of new highway facilities and for maintenance, repair, and rehabilitation of existing state highway facilities after review by the budget committee.

HIGHWAY VEHICLE AND ROAD MAINTENANCE EQUIPMENT

State Highway Fund (IC 8-23-9-54)		
Other Operating Expense	**18,820,600**	**18,820,600**

The above appropriations for highway operating and highway vehicle and road maintenance equipment may be used for personal services, equipment, and other operating expense, including the cost of transportation for the governor.

HIGHWAY MAINTENANCE WORK PROGRAM

State Highway Fund (IC 8-23-9-54)		
Other Operating Expense	**74,000,000**	**74,000,000**

The above appropriations for the highway maintenance work program may be used for:
(1) materials for patching roadways and shoulders;
(2) repairing and painting bridges;
(3) installing signs and signals and painting roadways for traffic control;
(4) mowing, herbicide application, and brush control;
(5) drainage control;
(6) maintenance of rest areas, public roads on properties of the department of natural resources, and driveways on the premises of all state facilities;
(7) materials for snow and ice removal;
(8) utility costs for roadway lighting; and
(9) other special maintenance and support activities consistent with the highway maintenance work program.

HIGHWAY CAPITAL IMPROVEMENTS

State Highway Fund (IC 8-23-9-54)		
Right-of-Way Expense	**17,000,000**	**17,000,000**
Formal Contracts Expense	**156,736,104**	**157,122,472**
Consulting Services Expense	**22,300,000**	**24,000,000**
Institutional Road Construction	**5,000,000**	**5,000,000**

The above appropriations for the capital improvements program may be used for:

(1) bridge rehabilitation and replacement;
(2) road construction, reconstruction, or replacement;
(3) construction, reconstruction, or replacement of travel lanes, intersections, grade separations, rest parks, and weigh stations;
(4) relocation and modernization of existing roads;
(5) resurfacing;
(6) erosion and slide control;
(7) construction and improvement of railroad grade crossings, including the use of the appropriations to match federal funds for projects;
(8) small structure replacements;
(9) safety and spot improvements; and
(10) right-of-way, relocation, and engineering and consulting expenses associated with any of the above types of projects.

The appropriations for highway operating, highway vehicles and road maintenance equipment, highway buildings and grounds, the highway planning and research program, the highway maintenance work program, and highway capital improvements are appropriated from estimated revenues, which include the following:
(1) Funds distributed to the state highway fund from the motor vehicle highway account under IC 8-14-1-3(4).
(2) Funds distributed to the state highway fund from the highway, road and street fund under IC 8-14-2-3.
(3) All fees and miscellaneous revenues deposited in or accruing to the state highway fund under IC 8-23-9-54.
(4) Any unencumbered funds carried forward in the state highway fund from any previous fiscal year.
(5) All other funds appropriated or made available to the department of transportation by the general assembly.

If funds from sources set out above for the department of transportation exceed appropriations from those sources to the department, the excess amount is hereby appropriated to be used for formal contracts with approval of the governor and the budget agency.

If there is a change in a statute reducing or increasing revenue for department use, the budget agency shall notify the auditor of state to adjust the above appropriations to reflect the estimated increase or decrease. Upon the request of the department, the budget agency, with the approval of the governor, may allot any increase in appropriations to the department for formal contracts.

If the department of transportation finds that an emergency exists or that an appropriation will be insufficient to cover expenses incurred in the normal operation of the department, the budget agency may, upon request of the department, and with the approval of the governor, transfer funds from revenue sources set out above from one (1) appropriation to the deficient appropriation. No appropriation from the state highway fund may be used to fund any toll road or toll bridge project except as specifically provided for under IC 8-15-2-20.

HIGHWAY PLANNING AND RESEARCH PROGRAM		
State Highway Fund (IC 8-23-9-54)		
Total Operating Expense	**3,500,000**	**3,500,000**

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
STATE HIGHWAY ROAD CONSTRUCTION AND IMPROVEMENT PROGRAM			
State Highway Road Construction Improvement Fund (IC 8-14-10-5)			
Lease Rental Payments Expense	**65,875,392**	**66,534,146**	
Augmentation allowed.			

The above appropriations for the state highway road construction and improvement program are appropriated from the state highway road construction and improvement fund provided in IC 8-14-10-5 and may include any unencumbered funds carried forward from any previous fiscal year. The funds may be used for:
(1) road and bridge construction, reconstruction, or replacement;
(2) construction, reconstruction, or replacement of travel lanes, intersections, grade separations;
(3) relocation and modernization of existing roads;
(4) right-of-way, relocation, and engineering and consulting expenses associated with any of the above types of projects; and
(5) payment of rentals and leases relating to projects under IC 8-14.5.

CROSSROADS 2000 PROGRAM		
Crossroads 2000 Fund (IC 8-14-10-9)		
Formal Contracts Expense	**13,093,301**	**437,179**
Lease Rental Payment Expense	**37,200,000**	**37,200,000**
Augmentation allowed.		

The above appropriations for the crossroads 2000 program are appropriated from the crossroads 2000 fund provided in IC 8-14-10-9 and may include any unencumbered funds carried forward from any previous fiscal year. The funds may be used for:
(1) road and bridge construction, reconstruction, or replacement;
(2) construction, reconstruction, or replacement of travel lanes, intersections, grade separations;
(3) relocation and modernization of existing roads;
(4) right-of-way, relocation, and engineering and consulting expenses associated with any of the above types of projects; and
(5) payment of rentals and leases relating to projects under IC 8-14.5.

FEDERAL APPORTIONMENT		
Right-of-Way Expense	**42,500,000**	**42,500,000**
Formal Contracts Expense	**324,500,000**	**354,740,000**
Consulting Engineers Expense	**51,000,000**	**60,760,000**
Highway Planning and Research	**13,000,000**	**13,000,000**
Local Government Revolving Acct.	**140,000,000**	**140,000,000**
Formal Contracts - Crossroads	**40,000,000**	**0**

The department may establish an account to be known as the "local government revolving account". The account is to be used to administer the federal-local highway construction program. All contracts issued and all funds received for federal-local projects under this program shall be entered into this account.

If the federal apportionments for the fiscal years covered by this act exceed the above estimated appropriations for the department or for local governments, the excess

federal apportionment is hereby appropriated for use by the department with the approval of the governor and the budget agency.

The department shall bill, in a timely manner, the federal government for all department payments that are eligible for total or partial reimbursement.

The department may let contracts and enter into agreements for construction and preliminary engineering during each year of the 2005-2007 biennium that obligate not more than one-third (1/3) of the amount of state funds estimated by the department to be available for appropriation in the following year for formal contracts and consulting engineers for the capital improvements program.

Under IC 8-23-5-7(a), the department, with the approval of the governor, may construct and maintain roadside parks and highways where highways will connect any state highway now existing, or hereafter constructed, with any state park, state forest preserve, state game preserve, or the grounds of any state institution. There is appropriated to the department of transportation an amount sufficient to carry out the provisions of this paragraph. Under IC 8-23-5-7(d), such appropriations shall be made from the motor vehicle highway account before distribution to local units of government.

LOCAL TECHNICAL ASSISTANCE AND RESEARCH

Under IC 8-14-1-3(6), there is appropriated to the department of transportation an amount sufficient for:
(1) the program of technical assistance under IC 8-23-2-5(6); and
(2) the research and highway extension program conducted for local government under IC 8-17-7-4.

The department shall develop an annual program of work for research and extension in cooperation with those units being served, listing the types of research and educational programs to be undertaken. The commissioner of the department of transportation may make a grant under this appropriation to the institution or agency selected to conduct the annual work program. Under IC 8-14-1-3(6), appropriations for the program of technical assistance and for the program of research and extension shall be taken from the local share of the motor vehicle highway account.

Under IC 8-14-1-3(7) there is hereby appropriated such sums as are necessary to maintain a sufficient working balance in accounts established to match federal and local money for highway projects. These funds are appropriated from the following sources in the proportion specified:
(1) one-half (1/2) from the forty-seven percent (47%) set aside of the motor vehicle highway account under IC 8-14-1-3(7); and
(2) for counties and for those cities and towns with a population greater than five thousand (5,000), one-half (1/2) from the distressed road fund under IC 8-14-8-2.

SECTION 8. [EFFECTIVE JULY 1, 2005]

FAMILY AND SOCIAL SERVICES, HEALTH, AND VETERANS' AFFAIRS

A. FAMILY AND SOCIAL SERVICES

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation

FOR THE BUDGET AGENCY

FSSA/DEPARTMENT OF HEALTH INSTITUTIONAL CONTINGENCY FUND

Total Operating Expense			2,000,000

The above institutional contingency fund shall be allotted upon the recommendation of the budget agency with approval of the governor. This appropriation may be used to supplement individual hospital, state developmental center, and special institutions budgets.

INDIANA PRESCRIPTION DRUG PROGRAM

Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	8,000,000	8,000,139

With the approval of the governor and the budget agency, the above appropriations for the Indiana prescription drug program may be augmented by leveraging for each fiscal year federal Medicaid dollars.

FOR THE FAMILY AND SOCIAL SERVICES ADMINISTRATION

CHILDREN'S HEALTH INSURANCE PROGRAM		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	29,935,718	33,835,718
FAMILY AND SOCIAL SERVICES ADMINISTRATION		
Total Operating Expense	13,816,018	13,823,693
COMMISSION ON THE SOCIAL STATUS OF BLACK MALES		
Total Operating Expense	131,628	131,711
OFFICE OF MEDICAID POLICY AND PLANNING - ADMINISTRATION		
Total Operating Expense	5,458,790	5,462,653
MEDICAID ADMINISTRATION		
Total Operating Expense	49,500,000	49,500,000
MEDICAID - CURRENT OBLIGATIONS		
General Fund		
Total Operating Expense	1,397,100,000	1,467,000,000
Hospital Care for the Indigent Fund (IC 12-16-14-6)		
Total Operating Expense	21,700,000	21,700,000
Augmentation allowed.		

The foregoing appropriations for Medicaid current obligations and for Medicaid administration are for the purpose of enabling the office of Medicaid policy and planning to carry out all services as provided in IC 12-8-6. In addition to the above appropriations, all money received from the federal government and paid into the state treasury as a grant or allowance is appropriated and shall be expended by the office of Medicaid policy and planning for the respective purposes for which the money was allocated and paid to the state. Subject to the provisions of P.L.46-1995, if the sums herein appropriated for Medicaid current obligations and for Medicaid administration are insufficient to enable the office of Medicaid policy and planning to meet its obligations, then there is appropriated from the general fund such further sums as may be necessary for that purpose, subject to the approval of the governor and the budget agency.

Subject to the approval of the governor and the budget agency, the foregoing appropriations for Medicaid - Current Obligations may be augmented or reduced based on revenues accruing to the hospital care for the indigent fund.

MEDICAID DISABILITY ELIGIBILITY EXAMS		
Total Operating Expense	**3,195,000**	**3,195,000**
MENTAL HEALTH ADMINISTRATION		
Other Operating Expense	**2,365,294**	**2,365,294**
SERIOUSLY EMOTIONALLY DISTURBED		
Total Operating Expense	**16,469,493**	**16,469,493**
SERIOUSLY MENTALLY ILL		
General Fund		
Total Operating Expense	**93,862,579**	**93,862,579**
Mental Health Centers Fund (IC 6-7-1)		
Total Operating Expense	**4,445,000**	**4,445,000**
Augmentation allowed.		
COMMUNITY MENTAL HEALTH CENTERS		
Tobacco Master Settlement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**2,000,000**	**2,000,000**

The above appropriation from the Tobacco Master Settlement Fund is in addition to other funds. The above appropriations for comprehensive community mental health services include the intragovernmental transfers necessary to provide the nonfederal share of reimbursement under the Medicaid rehabilitation option.

The comprehensive community mental health centers shall submit their proposed annual budgets (including income and operating statements) to the budget agency on or before August 1 of each year. All federal funds shall be applied in augmentation of the foregoing funds rather than in place of any part of the funds. The office of the secretary, with the approval of the budget agency, shall determine an equitable allocation of the appropriation among the mental health centers.

GAMBLERS' ASSISTANCE		
Gamblers' Assistance Fund (IC 4-33-12-6)		
Total Operating Expense	**4,250,000**	**4,250,000**
SUBSTANCE ABUSE TREATMENT		
Total Operating Expense	**5,006,000**	**5,006,000**
QUALITY ASSURANCE/RESEARCH		
Total Operating Expense	**884,304**	**884,304**
PREVENTION		
Gamblers' Assistance Fund (IC 4-33-12-6)		
Total Operating Expense	**2,946,936**	**2,946,936**
Augmentation allowed.		
METHADONE DIVERSION CONTROL OVERSIGHT (MDCO) PROGRAM		
MDCO Fund (IC 12-23-18)		
Total Operating Expense	**26,269**	**26,269**
Augmentation allowed.		
DMHA YOUTH TOBACCO REDUCTION SUPPORT PROGRAM		
Gamblers' Assistance Fund (IC 4-33-12-6)		

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
Total Operating Expense	**54,000**	**54,000**	

Augmentation allowed.

EVANSVILLE STATE HOSPITAL

General Fund

22,395,551 22,407,654

Mental Health Fund (IC 12-24-14-4)

1,235,014 1,235,682

Augmentation allowed.

The amounts specified from the general fund and the mental health fund are for the following purposes:

Personal Services	**18,516,201**	**18,528,972**
Other Operating Expense	**5,114,364**	**5,114,364**

LARUE CARTER MEMORIAL HOSPITAL

General Fund

18,887,386 18,895,892

Mental Health Fund (IC 12-24-14-4)

443,622 443,822

Augmentation allowed.

The amounts specified from the general fund and the mental health fund are for the following purposes:

Personal Services	**12,562,778**	**12,571,484**
Other Operating Expense	**6,768,230**	**6,768,230**

LOGANSPORT STATE HOSPITAL

General Fund

38,746,342 38,765,733

Mental Health Fund (IC 12-24-14-4)

1,764,662 1,765,546

Augmentation allowed.

The amounts specified from the general fund and the mental health fund are for the following purposes:

Personal Services	**29,854,331**	**29,874,606**
Other Operating Expense	**10,656,673**	**10,656,673**

FARM REVENUE

Total Operating Expense	**53,857**	**53,857**

MADISON STATE HOSPITAL

General Fund

20,947,363 20,959,654

Mental Health Fund (IC 12-24-14-4)

811,461 811,937

Augmentation allowed.

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation

The amounts specified from the general fund and the mental health fund are for the following purposes:

Personal Services	**18,439,326**	**18,452,093**
Other Operating Expense	**3,319,498**	**3,319,498**

RICHMOND STATE HOSPITAL

General Fund

30,590,520 30,605,663

Mental Health Fund (IC 12-24-14-4)

876,500 876,934

Augmentation allowed.

The amounts specified from the general fund and the mental health fund are for the following purposes:

Personal Services	**25,548,982**	**25,564,559**
Other Operating Expense	**5,918,038**	**5,918,038**

PATIENT PAYROLL

Total Operating Expense	**316,800**	**316,800**

The federal share of revenue accruing to the state mental health institutions under IC 12-15, based on the applicable Federal Medical Assistance Percentage (FMAP), shall be deposited in the mental health fund established by IC 12-24-14-1, and the remainder shall be deposited in the general fund.

In addition to the above appropriations each institution may qualify for an additional appropriation, or allotment, subject to approval of the governor and the budget agency, from the mental health fund of up to twenty percent (20%), but not to exceed $50,000 in each fiscal year, of the amount by which actual net collections exceed an amount specified in writing by the division of mental health and addiction before July 1 of each year beginning July 1, 2005.

DIVISION OF FAMILY RESOURCES ADMINISTRATION

Personal Services	**4,814,750**	**4,820,468**
Other Operating Expense	**810,328**	**810,328**

CENTRAL REIMBURSEMENT OFFICE PROGRAM ADMINISTRATION

Total Operating Expense	**6,399,705**	**6,399,705**

CHILD CARE LICENSING FUND

Child Care Fund

Total Operating Expense	**100,000**	**100,000**

Augmentation allowed.

ELECTRONIC BENEFIT TRANSFER PROGRAM

Total Operating Expense	**1,800,766**	**1,800,766**

The foregoing appropriations for the division of family resources Title IV-D of the federal Social Security Act are made under, and not in addition to, IC 12-17-2-31.

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
STATE WELFARE - COUNTY ADMINISTRATION			
Total Operating Expense	**49,501,684**	**49,501,684**	

The foregoing appropriation may be transferred from FSSA to the department of child services with the approval of the budget agency.

INDIANA CLIENT ELIGIBILITY SYSTEM (ICES)			
Total Operating Expense	**7,007,662**	**7,007,662**	
IMPACT PROGRAM			
Total Operating Expense	**2,449,580**	**2,449,683**	
TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF)			
Total Operating Expense	**40,457,943**	**40,457,943**	
IMPACT - TANF			
Total Operating Expense	**5,768,527**	**5,768,672**	
CHILD CARE & DEVELOPMENT FUND			
Total Operating Expense	**35,056,200**	**35,056,200**	

The foregoing appropriations for information systems/technology, education and training, temporary assistance to needy families (TANF), and child care services are for the purpose of enabling the division of family resources to carry out all services as provided in IC 12-14. In addition to the above appropriations, all money received from the federal government and paid into the state treasury as a grant or allowance is appropriated and shall be expended by the division of family resources for the respective purposes for which such money was allocated and paid to the state.

DOMESTIC VIOLENCE PREVENTION AND TREATMENT			
General Fund			
Total Operating Expense	**1,000,000**	**1,000,000**	
Domestic Violence Prevention and Treatment Fund (IC 12-18-4)			
Total Operating Expense	**1,000,000**	**1,000,000**	
Augmentation allowed.			
STEP AHEAD			
Total Operating Expense	**1,789,082**	**1,789,312**	
FOOD ASSISTANCE PROGRAM			
Total Operating Expense	**145,506**	**145,506**	
SCHOOL AGE CHILD CARE PROJECT FUND			
Total Operating Expense	**550,000**	**550,000**	

DIVISION OF DISABILITY, AGING, AND REHABILITATIVE SERVICES ADMINISTRATION			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**3,012,462**	**3,012,462**	

The above appropriations for the division of disability, aging, and rehabilitative services administration are for administrative expenses. Any federal fund reimbursements received for such purposes are to be deposited in the general fund.

ROOM AND BOARD ASSISTANCE (R-CAP)			
Total Operating Expense	**11,421,472**	**11,421,472**	
C.H.O.I.C.E. IN-HOME SERVICES			
Total Operating Expense	**48,765,643**	**48,765,897**	

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation

The foregoing appropriations for C.H.O.I.C.E. In-Home Services include intragovernmental transfers to provide the nonfederal share of the Medicaid aged and disabled waiver. The intragovernmental transfers for use in the Medicaid aged and disabled waiver shall not exceed seven million nine hundred thousand dollars ($7,900,000) in the state fiscal year ending June 30, 2006, and the intragovernmental transfers shall not exceed seven million nine hundred thousand dollars ($7,900,000) in the state fiscal year ending June 30, 2007.

If the appropriations for C.H.O.I.C.E. In-Home Services are insufficient to provide services to all eligible persons, the division of disability, aging, and rehabilitative services may give priority for services to persons who are unable to perform three (3) or more activities of daily living (as defined in IC 12-10-10-1.5). The division of disability, aging, and rehabilitative services may discontinue conducting assessments for individuals applying for services under the C.H.O.I.C.E. In-Home Services program if a waiting list for such services exists.

The division of disability, aging, and rehabilitative services shall conduct an annual evaluation of the cost effectiveness of providing home care. Before January of each year, the division shall submit a report to the budget committee, the budget agency, and the legislative council that covers all aspects of the division's evaluation and such other information pertaining thereto as may be requested by the budget committee, the budget agency, or the legislative council, including the following:
(1) the number and demographic characteristics of the recipients of home care during the preceding fiscal year;
(2) the total cost and per recipient cost of providing home care services during the preceding fiscal year;
(3) the number of recipients of home care services who would have been placed in long term care facilities had they not received home care services; and
(4) the total cost savings during the preceding fiscal year realized by the state due to recipients of home care services (including Medicaid) being diverted from long term care facilities.
The division shall obtain from providers of services data on their costs and expenditures regarding implementation of the program and report the findings to the budget committee, the budget agency, and the legislative council.

OLDER HOOSIERS ACT		
Total Operating Expense	**1,842,109**	**1,842,109**
ADULT PROTECTIVE SERVICES		
Total Operating Expense	**2,021,540**	**2,021,540**
ADULT GUARDIANSHIP SERVICES		
Total Operating Expense	**491,863**	**491,892**
TITLE V EMPLOYMENT GRANT (OLDER WORKERS)		
Total Operating Expense	**6,436**	**6,436**
TITLE III ADMINISTRATION GRANT		
Total Operating Expense	**307,282**	**307,446**
OMBUDSMAN		
Total Operating Expense	**305,226**	**305,226**
VOCATIONAL REHABILITATION SERVICES		
Personal Services	**3,440,619**	**3,443,026**

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
Other Operating Expense	**14,133,156**	**14,133,156**	

From the above appropriations, at least $233,000 in each state fiscal year shall be used for the Attain Program.

AID TO INDEPENDENT LIVING			
Total Operating Expense	**22,008**	**22,008**	
OFFICE OF DEAF AND HEARING IMPAIRED			
Personal Services	**285,036**	**285,235**	
Other Operating Expense	**211,396**	**211,396**	
BLIND VENDING OPERATIONS			
Total Operating Expense	**129,879**	**129,905**	
DEVELOPMENTAL DISABILITY RESIDENTIAL FACILITIES COUNCIL			
Personal Services	**2,970**	**2,970**	
Other Operating Expense	**13,168**	**13,168**	
OFFICE OF SERVICES FOR THE BLIND AND VISUALLY IMPAIRED			
Personal Services	**255,036**	**255,036**	
Other Operating Expense	**73,907**	**73,907**	
EMPLOYEE TRAINING			
Total Operating Expense	**6,112**	**6,112**	
MEDICAID WAIVER			
Total Operating Expense	**316,333**	**316,390**	
OBRA/PASSARR			
Total Operating Expense	**90,212**	**90,268**	
BUREAU OF QUALITY IMPROVEMENT SERVICES - BQIS			
Total Operating Expense	**1,919,027**	**1,919,027**	
DAY SERVICES - DEVELOPMENTALLY DISABLED			
Other Operating Expense	**22,976,381**	**22,976,381**	
DIAGNOSIS AND EVALUATION			
Other Operating Expense	**930,788**	**930,788**	
SUPPORTED EMPLOYMENT			
Other Operating Expense	**3,117,498**	**3,117,498**	
EPILEPSY PROGRAM			
Other Operating Expense	**460,954**	**460,954**	
FAMILY SUBSIDY PROGRAM			
Other Operating Expense	**1,004,700**	**1,004,700**	
RESIDENTIAL SERVICES - CASE MANAGEMENT			
General Fund			
Total Operating Expense	**4,436,985**	**4,436,985**	
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**2,050,626**	**2,050,626**	
Augmentation allowed.			
RESIDENTIAL SERVICES FOR DEVELOPMENTALLY DISABLED PERSONS			
General Fund			
Total Operating Expense	**91,749,831**	**107,967,677**	
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**22,300,000**	**22,300,000**	

The above appropriations for client services include the intragovernmental transfers necessary to provide the nonfederal share of reimbursement under the Medicaid program for day services provided to residents of group homes and nursing facilities.

In the development of new community residential settings for persons with developmental disabilities, the division of disability, aging, and rehabilitative services must give priority to the appropriate placement of such persons who are eligible for Medicaid and currently residing in intermediate care or skilled nursing facilities and, to the extent permitted by law, such persons who reside with aged parents or guardians or families in crisis.

FORT WAYNE STATE DEVELOPMENTAL CENTER

General Fund

	359,900	359,900

Mental Health Fund (IC 12-24-14-4)

	1,838,145	1,839,050

Augmentation allowed.

The amounts specified from the general fund and the mental health fund are for the following purposes:

Personal Services	1,625,184	1,626,089
Other Operating Expense	572,861	572,861

The federal share of revenue accruing to the state developmental centers under IC 12-15, based on the applicable Federal Medical Assistance Percentage (FMAP), shall be deposited in the mental health fund established under IC 12-24-14, and the remainder shall be deposited in the general fund.

In addition to the above appropriations, each institution may qualify for an additional appropriation, or allotment, subject to approval of the governor and the budget agency, from the mental health fund of up to twenty percent (20%) but not to exceed $50,000, of the amount in which actual net collections exceed an amount specified in writing by the division of disability, aging, and rehabilitative services before July 1 of each year beginning July 1, 2005.

FOR THE DEPARTMENT OF CHILD SERVICES

DEPARTMENT OF CHILD SERVICES - ADMINISTRATION

Personal Services	53,706,520	61,626,520
Other Operating Expense	8,454,011	8,454,011

The foregoing appropriation may be transferred from the department of child services to FSSA with the approval of the budget agency.

DEPARTMENT OF CHILD SERVICES - STATE ADMINISTRATION

Personal Services	861,254	861,254
Other Operating Expense	124,274	124,274

CHILD WELFARE SERVICES STATE GRANTS

General Fund

Total Operating Expense	10,698,884	10,698,884

Excise and Financial Institution Taxes

Total Operating Expense	6,275,000	6,275,000

Augmentation allowed.

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
TITLE IV-D OF THE FEDERAL SOCIAL SECURITY ACT (STATE MATCH)			
Total Operating Expense	**3,969,158**	**3,971,838**	

The foregoing appropriations for the department of child services Title IV-D of the federal Social Security Act are made under, and not in addition to, IC 12-17-2-31.

INDEPENDENT LIVING TRANSITIONAL SERVICES			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**1,000,000**	**1,000,000**	
YOUTH SERVICE BUREAU			
Total Operating Expense	**1,250,000**	**1,250,000**	

The department of child services shall establish standards for youth service bureaus. Any youth service bureau that is not an agency of a unit of local government or is not registered with the Indiana secretary of state as a nonprofit corporation shall not be funded. The department of child services shall fund all youth service bureaus that meet the standards as established June 30, 1983. However, a grant may not be made without approval by the budget agency after review by the budget committee.

PROJECT SAFEPLACE			
Total Operating Expense	**125,000**	**125,000**	
HEALTHY FAMILIES INDIANA			
Total Operating Expense	**6,223,086**	**6,223,086**	
TITLE IV-B CHILD WELFARE ADMINISTRATION			
Total Operating Expense	**484,286**	**484,560**	
CHILD WELFARE TRAINING			
Total Operating Expense	**1,106,281**	**1,106,281**	
SPECIAL NEEDS ADOPTION II			
Personal Services	**231,108**	**231,271**	
Other Operating Expense	**445,797**	**445,797**	
ADOPTION ASSISTANCE			
Total Operating Expense	**7,954,083**	**7,954,083**	

The foregoing appropriations for Title IV-B child welfare and adoption assistance represent the maximum state match for Title IV-B and Title IV-E.

SOCIAL SERVICES BLOCK GRANT (SSBG)			
Total Operating Expense	**20,863,880**	**20,864,042**	

The funds appropriated above to the social services block grant are allocated in the following manner during the biennium:

Division of Disability, Aging, and Rehabilitative Services	**1,030,877**	**1,030,877**
Division of Family Resources	**12,725,150**	**12,725,150**
Department of Child Services	**5,515,999**	**5,516,161**
Department of Health		

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
	296,504	296,504	
Department of Correction			
	1,295,350	1,295,350	
NON-RECURRING ADOPTION ASSISTANCE			
Total Operating Expense	625,000	625,000	
INDIANA SUPPORT ENFORCEMENT TRACKING (ISETS)			
Total Operating Expense	4,067,520	4,067,718	
CHILD PROTECTION AUTOMATION PROJECT (ICWIS)			
Total Operating Expense	5,260,522	5,260,550	

B. PUBLIC HEALTH

FOR THE STATE DEPARTMENT OF HEALTH

Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Personal Services	22,131,052	22,146,865
Other Operating Expense	5,194,560	5,194,560

All receipts to the state department of health from licenses or permit fees shall be deposited in the state general fund. Augmentation allowed in amounts not to exceed additional revenue from penalties or fees enacted or implemented for collection by the state department of health after January 1, 2003.

CANCER REGISTRY		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	253,651	253,803
MINORITY HEALTH INITIATIVE		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	2,091,224	2,091,224

The foregoing appropriations shall be allocated to the Indiana Minority Health Coalition to work with the state department on the implementation of IC 16-46-11.

SICKLE CELL		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	232,500	232,500
AID TO COUNTY TUBERCULOSIS HOSPITALS		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Other Operating Expense	107,397	107,397

These funds shall be used for eligible expenses according to IC 16-21-7-3 for tuberculosis patients for whom there are no other sources of reimbursement, including patient resources, health insurance, medical assistance payments, and hospital care for the indigent.

MEDICARE-MEDICAID CERTIFICATION		
Total Operating Expense	6,132,535	6,136,279

Personal services augmentation allowed in amounts not to exceed additional revenue from health facilities license fee increases or from health care providers (as defined in

IC 16-18-2-163) fee increases enacted after January 1, 2003, or adopted by the Executive Board of the Indiana State Department of Health pursuant to IC 16-19-3.

AIDS EDUCATION		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Personal Services	**421,851**	**422,146**
Other Operating Expense	**277,953**	**277,953**
HIV/AIDS SERVICES		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**2,325,004**	**2,325,004**
TEST FOR DRUG AFFLICTED BABIES		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**62,496**	**62,496**

The above appropriations for drug afflicted babies shall be used for the following purposes:

(1) All newborn infants shall be tested for the presence of a controlled substance in the infant's meconium if they meet the criteria established by the state department of health. These criteria will, at a minimum, include all newborns, if at birth:
(A) the infant's weight is less than two thousand five hundred (2,500) grams;
(B) the infant's head is smaller than the third percentile for the infant's gestational age; and
(C) there is no medical explanation for the conditions described in clauses (A) and (B).
(2) If a meconium test determines the presence of a controlled substance in the infant's meconium, the infant may be declared a child in need of services as provided in IC 31-34-1-10 through IC 31-34-1-13. However, the child's mother may not be prosecuted in connection with the results of the test.
(3) The state department of health shall provide forms on which the results of a meconium test performed on an infant under subdivision (1) must be reported to the state department of health by physicians and hospitals.
(4) The state department of health shall, at least semi-annually:
(A) ascertain the extent of testing under this chapter; and
(B) report its findings under subdivision (1) to:
(i) all hospitals;
(ii) physicians who specialize in obstetrics and gynecology or work with infants and young children; and
(iii) any other group interested in child welfare that requests a copy of the report from the state department of health.
(5) The state department of health shall designate at least one (1) laboratory to perform the meconium test required under subdivisions (1) through (8). The designated laboratories shall perform a meconium test on each infant described in subdivision (1) to detect the presence of a controlled substance.
(6) Subdivisions (1) through (7) do not prevent other facilities from conducting tests on infants to detect the presence of a controlled substance.
(7) Each hospital and physician shall:
(A) take or cause to be taken a meconium sample from every infant born under the hospital's and physician's care who meets the description under subdivision (1); and
(B) transport or cause to be transported each meconium sample described in clause (A) to a laboratory designated under subdivision (5) to test for the presence of a controlled substance as required under subdivisions (1) through (7).
(8) The state department of health shall establish guidelines to carry out this

program, including guidance to physicians, medical schools, and birthing centers as to the following:
(A) Proper and timely sample collection and transportation under subdivision (7) of this appropriation.
(B) Quality testing procedures at the laboratories designated under subdivision (5) of this appropriation.
(C) Uniform reporting procedures.
(D) Appropriate diagnosis and management of affected newborns and counseling and support programs for newborns' families.
(9) A medically appropriate discharge of an infant may not be delayed due to the results of the test described in subdivision (1) or due to the pendency of the results of the test described in subdivision (1).

STATE CHRONIC DISEASES		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Personal Services	**100,449**	**100,519**
Other Operating Expense	**444,398**	**444,398**

At least $82,560 of the above appropriations shall be for grants to community groups and organizations as provided in IC 16-46-7-8.

WOMEN, INFANTS, AND CHILDREN SUPPLEMENT		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**176,700**	**176,700**
MATERNAL AND CHILD HEALTH SUPPLEMENT		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**176,700**	**176,700**

Notwithstanding IC 6-7-1-30.2, the above appropriations for the women, infants, and children supplement and maternal and child health supplement are the total appropriations provided for this purpose.

CANCER EDUCATION AND DIAGNOSIS - BREAST CANCER		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**93,000**	**93,000**
CANCER EDUCATION AND DIAGNOSIS - PROSTATE CANCER		
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)		
Total Operating Expense	**93,000**	**93,000**
ADOPTION HISTORY		
Adoption History Fund (IC 31-19-18-6)		
Total Operating Expense	**187,354**	**187,472**
Augmentation allowed.		
CHILDREN WITH SPECIAL HEALTH CARE NEEDS		
Total Operating Expense	**5,808,756**	**5,809,042**
NEWBORN SCREENING PROGRAM		
Newborn Screening Fund (IC 16-41-17-11)		
Personal Services	**406,346**	**406,607**
Other Operating Expense	**817,780**	**817,780**
Augmentation allowed.		
INDIANA HEALTH CARE PROFESSIONAL RECRUITMENT AND RETENTION		

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
Indiana Medical and Nursing Grant Fund (IC 16-46-5-8)			
Total Operating Expense	**137,201**	**137,201**	
Augmentation allowed.			
RADON GAS TRUST FUND			
Radon Gas Trust Fund (IC 16-41-38-8)			
Total Operating Expense	**14,701**	**14,701**	
Augmentation allowed.			
BIRTH PROBLEMS REGISTRY			
Birth Problems Registry Fund (IC 16-38-4-17)			
Personal Services	**31,356**	**31,375**	
Other Operating Expense	**12,070**	**12,070**	
Augmentation allowed.			
MOTOR FUEL INSPECTION PROGRAM			
Motor Fuel Inspection Fund (IC 16-44-3-10)			
Total Operating Expense	**82,448**	**82,471**	
Augmentation allowed.			
PROJECT RESPECT			
Total Operating Expense	**596,280**	**596,280**	
DONATED DENTAL SERVICES			
Total Operating Expense	**46,500**	**46,500**	

The above appropriation shall be used by the Indiana foundation for dentistry for the handicapped.

OFFICE OF WOMEN'S HEALTH			
Total Operating Expense	**159,599**	**159,599**	
SILVERCREST CHILDREN'S DEVELOPMENT CENTER			
Personal Services	**7,769,136**	**7,774,637**	
Other Operating Expense	**627,805**	**627,805**	
SOLDIERS' AND SAILORS' CHILDREN'S HOME			
Personal Services	**9,556,682**	**9,563,296**	
Other Operating Expense	**1,377,441**	**1,377,441**	

Any revenue accruing to the Silvercrest Children's Development Center and Soldiers' and Sailors' Children's Home from the receipt of Medicaid reimbursement shall be deposited in the state general fund.

INDIANA VETERANS' HOME		
From the General Fund		
	12,530,104	**12,542,859**
From the Comfort - Welfare Fund		
	11,936,223	**11,936,223**

The amounts specified from the General Fund and the Comfort-Welfare Fund are for the following purposes:

Personal Services	**20,124,846**	**20,137,601**
Other Operating Expense	**4,341,481**	**4,341,481**

COMFORT AND WELFARE PROGRAM

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
Comfort-Welfare Fund (IC 10-17-9-7(c))			
Total Operating Expense	**5,000,000**	**5,000,000**	
MINORITY EPIDEMIOLOGY			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**500,000**	**500,000**	
COMMUNITY HEALTH CENTERS			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**15,003,071**	**15,003,197**	
TOBACCO HEALTH PROGRAMS			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**2,461,400**	**2,461,400**	
PRENATAL SUBSTANCE USE & PREVENTION			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**150,000**	**150,000**	
LOCAL HEALTH MAINTENANCE FUND			
Local Maintenance Fund (IC 16-46-10-1)			
Total Operating Expense	**2,460,000**	**2,460,000**	
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**1,400,000**	**1,400,000**	

The above appropriation for the local health maintenance fund from the tobacco master settlement agreement fund is in lieu of the appropriation provided for this purpose in IC 6-7-1-30.5 or any other law. Of the above appropriations for the local health maintenance fund, $60,000 each year shall be used to provide additional funding to adjust funding through the formula in IC 16-46-10 to reflect population increases in various counties. Money appropriated to the local health maintenance fund must be allocated under the following schedule each year to each local board of health whose application for funding is approved by the state department of health:

COUNTY POPULATION	AMOUNT OF GRANT
over 499,999	94,112
100,000 - 499,999	72,672
50,000 - 99,999	48,859
under 50,000	33,139

LOCAL HEALTH DEPARTMENT ACCOUNT			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**3,000,000**	**3,000,000**	

The foregoing appropriations for the local health department account are statutory distributions pursuant to IC 4-12-7.

FOR THE TOBACCO USE PREVENTION AND CESSATION BOARD

TOBACCO USE PREVENTION AND CESSATION PROGRAM			
Tobacco Master Settlement Agreement Fund (IC 4-12-1-14.3)			
Total Operating Expense	**10,858,441**	**10,859,308**	

A minimum of 75% of the above appropriations shall be used for grants to local agencies and other entities with programs designed to reduce smoking.

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
FOR THE INDIANA SCHOOL FOR THE BLIND			
Personal Services	**10,285,542**	**10,288,991**	
Other Operating Expense	**828,069**	**828,069**	
FOR THE INDIANA SCHOOL FOR THE DEAF			
Personal Services	**16,774,951**	**16,781,064**	
Other Operating Expense	**2,106,845**	**2,106,845**	
C. VETERANS' AFFAIRS			
FOR THE INDIANA DEPARTMENT OF VETERANS' AFFAIRS			
Personal Services	**659,214**	**659,679**	
Other Operating Expense	**204,667**	**204,667**	

The foregoing appropriations for the Indiana department of veterans' affairs include operating funds for the veterans' cemetery. Notwithstanding IC 10-17-1-6, staff employed for the operation and maintenance of the veterans' cemetery shall be selected as are all other state employees.

DISABLED AMERICAN VETERANS OF WORLD WARS			
Total Operating Expense	**40,000**	**40,000**	
AMERICAN VETERANS OF WORLD WAR II, KOREA, AND VIETNAM			
Total Operating Expense	**30,000**	**30,000**	
VETERANS OF FOREIGN WARS			
Total Operating Expense	**30,000**	**30,000**	
VIETNAM VETERANS OF AMERICA			
Total Operating Expense			**20,000**

SECTION 9. [EFFECTIVE JULY 1, 2005]

EDUCATION

A. HIGHER EDUCATION

FOR INDIANA UNIVERSITY			
BLOOMINGTON CAMPUS			
Total Operating Expense	**192,152,673**	**191,855,234**	
Fee Replacement	**18,297,029**	**24,575,676**	
FOR INDIANA UNIVERSITY REGIONAL CAMPUSES			
EAST			
Total Operating Expense	**7,570,790**	**7,725,382**	
Fee Replacement	**1,883,532**	**2,026,511**	
KOKOMO			
Total Operating Expense	**10,162,502**	**10,124,249**	
Fee Replacement	**2,254,333**	**2,425,461**	
NORTHWEST			
Total Operating Expense	**17,514,736**	**17,563,889**	
Fee Replacement	**3,979,214**	**4,281,276**	
SOUTH BEND			

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
Total Operating Expense	**22,660,743**	**22,395,713**	
Fee Replacement	**5,495,632**	**5,912,806**	
SOUTHEAST			
Total Operating Expense	**19,141,674**	**19,251,961**	
Fee Replacement	**4,835,198**	**5,202,237**	
TOTAL APPROPRIATION - INDIANA UNIVERSITY REGIONAL CAMPUSES	**95,498,354**	**96,909,485**	
FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY AT INDIANAPOLIS (IUPUI)			
HEALTH DIVISIONS			
Total Operating Expense	**88,039,600**	**87,844,775**	
Fee Replacement	**3,047,105**	**3,243,817**	
FOR INDIANA UNIVERSITY SCHOOL OF MEDICINE ON THE CAMPUS OF THE UNIVERSITY OF SOUTHERN INDIANA			
Total Operating Expense	**1,486,577**	**1,483,288**	
THE CAMPUS OF INDIANA UNIVERSITY-PURDUE UNIVERSITY FORT WAYNE			
Total Operating Expense	**1,367,557**	**1,364,531**	
THE CAMPUS OF INDIANA UNIVERSITY-NORTHWEST			
Total Operating Expense	**1,942,802**	**1,938,503**	
THE CAMPUS OF PURDUE UNIVERSITY			
Total Operating Expense	**1,734,224**	**1,730,387**	
THE CAMPUS OF BALL STATE UNIVERSITY			
Total Operating Expense	**1,559,351**	**1,555,900**	
THE CAMPUS OF THE UNIVERSITY OF NOTRE DAME			
Total Operating Expense	**1,446,111**	**1,442,911**	
THE CAMPUS OF INDIANA STATE UNIVERSISTY			
Total Operating Expense	**1,724,077**	**1,720,262**	

The Indiana University School of Medicine - Indianapolis shall submit to the Indiana commission for higher education before May 15 of each year an accountability report containing data on the number of medical school graduates who entered primary care physician residencies in Indiana from the school's most recent graduating class.

FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY AT INDIANAPOLIS (IUPUI)			
GENERAL ACADEMIC DIVISIONS			
Total Operating Expense	**90,493,043**	**90,268,567**	
Fee Replacement	**15,409,015**	**16,403,766**	
TOTAL APPROPRIATIONS - IUPUI	**208,249,462**	**208,996,707**	

Transfers of allocations between campuses to correct for errors in allocation among the campuses of Indiana University can be made by the institution with the approval of the commission for higher education and the budget agency. Indiana University shall maintain current operations at all statewide medical education sites.

FOR INDIANA UNIVERSITY

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
ABILENE NETWORK OPERATIONS CENTER			
Total Operating Expense	**817,502**	**817,502**	
SPINAL CORD AND HEAD INJURY RESEARCH CENTER			
Total Operating Expense	**514,726**	**514,726**	
OPTOMETRY BOARD EDUCATION FUND			
Total Operating Expense	**29,000**	**1,500**	
STATE DEPARTMENT OF TOXICOLOGY			
Total Operating Expense	**644,058**	**644,058**	
INSTITUTE FOR THE STUDY OF DEVELOPMENTAL DISABILITIES			
Total Operating Expense	**2,432,526**	**2,432,526**	
GEOLOGICAL SURVEY			
Total Operating Expense	**3,046,002**	**3,046,002**	
INDUSTRIAL RESEARCH LIAISON PROGRAM			
Total Operating Expense	**249,964**	**249,964**	
LOCAL GOVERNMENT ADVISORY COMMISSION			
Total Operating Expense	**55,518**	**55,518**	
ADULT STEM CELL RESEARCH CENTER			
Total Operating Expense	**50,000**	**0**	

Indiana University shall report to the budget committee on the feasibility of creating a center for research on adult stem cells.

FOR PURDUE UNIVERSITY			
WEST LAFAYETTE			
Total Operating Expense	**239,076,505**	**241,258,923**	
Fee Replacement	**17,606,980**	**20,920,977**	
FOR PURDUE UNIVERSITY - REGIONAL CAMPUSES			
CALUMET			
Total Operating Expense	**26,146,127**	**26,586,465**	
Fee Replacement	**1,930,940**	**1,941,138**	
NORTH CENTRAL			
Total Operating Expense	**10,298,659**	**10,579,693**	
TOTAL APPROPRIATION - PURDUE UNIVERSITY REGIONAL CAMPUSES	**38,375,726**	**39,107,296**	
FOR INDIANA UNIVERSITY - PURDUE UNIVERSITY AT FORT WAYNE (IPFW)			
Total Operating Expense	**34,961,547**	**36,043,187**	
Fee Replacement	**3,334,353**	**3,240,770**	

Transfers of allocations between campuses to correct for errors in allocation among the campuses of Purdue University can be made by the institution with the approval of the commission for higher education and the budget agency.

FOR PURDUE UNIVERSITY			
ANIMAL DISEASE DIAGNOSTIC LABORATORY SYSTEM			
Total Operating Expense	**3,387,166**	**3,387,166**	

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation

The above appropriations shall be used to fund the animal disease diagnostic laboratory system (ADDL), which consists of the main ADDL at West Lafayette, the bangs disease testing service at West Lafayette, and the southern branch of ADDL Southern Indiana Purdue Agricultural Center (SIPAC) in Dubois County. The above appropriations are in addition to any user charges that may be established and collected under IC 15-2.1-5-6. Notwithstanding IC 15-2.1-5-5, the trustees of Purdue University may approve reasonable charges for testing for pseudorabies.

STATEWIDE TECHNOLOGY		
Total Operating Expense	**5,468,960**	**5,468,960**
COUNTY AGRICULTURAL EXTENSION EDUCATORS		
Total Operating Expense	**7,103,447**	**7,103,447**
AGRICULTURAL RESEARCH AND EXTENSION - CROSSROADS		
Total Operating Expense	**7,107,724**	**7,107,724**
CENTER FOR PARALYSIS RESEARCH		
Total Operating Expense	**513,085**	**513,085**
UNIVERSITY-BASED BUSINESS ASSISTANCE		
Total Operating Expense	**1,100,715**	**1,100,715**
NORTH CENTRAL - VALPO NURSING PARTNERSHIP		
Total Operating Expense	**98,662**	**0**
FOR INDIANA STATE UNIVERSITY		
Total Operating Expense	**76,085,538**	**73,911,172**
Fee Replacement	**6,663,721**	**7,282,616**
FOR UNIVERSITY OF SOUTHERN INDIANA		
Total Operating Expense	**34,089,286**	**35,213,023**
Fee Replacement	**5,855,701**	**5,901,601**
HISTORIC NEW HARMONY		
Total Operating Expense	**356,216**	**356,216**
YOUNG ABE LINCOLN		
Total Operating Expense	**270,000**	**1**
FOR BALL STATE UNIVERSITY		
Total Operating Expense	**124,351,153**	**122,943,120**
Fee Replacement	**7,824,168**	**10,808,931**
ACADEMY FOR SCIENCE, MATHEMATICS, AND HUMANITIES		
Total Operating Expense	**4,196,355**	**4,196,355**
FOR VINCENNES UNIVERSITY		
Total Operating Expense	**36,654,617**	**36,403,169**
Fee Replacement	**3,226,033**	**3,861,825**
FOR IVY TECH STATE COLLEGE		
Total Operating Expense	**138,587,242**	**144,061,470**
Fee Replacement	**11,757,465**	**13,119,374**

Of the above appropriations for IVY Tech total operating expense, $135,000 each year shall be used for the Community Learning Center in Portage.

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
VALPO NURSING PARTNERSHIP			
Total Operating Expense	**0**	**98,662**	
FOR THE INDIANA HIGHER EDUCATION TELECOMMUNICATIONS SYSTEM (IHETS)			
Total Operating Expense	**5,836,610**	**4,686,610**	

The above appropriations do not include funds for the course development grant program.

The sums herein appropriated to Indiana University, Purdue University, Indiana State University, University of Southern Indiana, Ball State University, Vincennes University, Ivy Tech State College, and the Indiana Higher Education Telecommunications System (IHETS) are in addition to all income of said institutions and IHETS, respectively, from all permanent fees and endowments and from all land grants, fees, earnings, and receipts, including gifts, grants, bequests, and devises, and receipts from any miscellaneous sales from whatever source derived.

All such income and all such fees, earnings, and receipts on hand June 30, 2005, and all such income and fees, earnings, and receipts accruing thereafter are hereby appropriated to the boards of trustees or directors of the aforementioned institutions and IHETS and may be expended for any necessary expenses of the respective institutions and IHETS, including university hospitals, schools of medicine, nurses' training schools, schools of dentistry, and agricultural extension and experimental stations. However, such income, fees, earnings, and receipts may be used for land and structures only if approved by the governor and the budget agency.

The foregoing appropriations and allocations for fee replacement are for replacement of student fees deducted during the 2005-2007 biennium to cover bond or lease-purchase principal, interest, and other obligations of debt costs of facility construction and acquisition for those projects authorized by the general assembly. These fee replacement appropriations and allocations shall be allotted by the budget agency after receipt of verification of payment of such debt cost expense.

The foregoing appropriations to Indiana University, Purdue University, Indiana State University, University of Southern Indiana, Ball State University, Vincennes University, Ivy Tech State College, and IHETS include the employers' share of Social Security payments for university and IHETS employees under the public employees' retirement fund, or institutions covered by the Indiana state teachers' retirement fund. The funds appropriated also include funding for the employers' share of payments to the public employees' retirement fund and to the Indiana state teachers' retirement fund at a rate to be established by the retirement funds for both fiscal years for each institution and for IHETS employees covered by these retirement plans.

The treasurers of Indiana University, Purdue University, Indiana State University, University of Southern Indiana, Ball State University, Vincennes University, and Ivy Tech State College shall, at the end of each three (3) month period, prepare and file with the auditor of state a financial statement that shall show in total all revenues received from any source, together with a consolidated statement of disbursements for the same period. The budget director shall establish the requirements for the form and substance of the reports.

The reports of the treasurer also shall contain in such form and in such detail as the governor and the budget agency may specify, complete information concerning receipts from all sources, together with any contracts, agreements, or arrangements with any federal agency, private foundation, corporation, or other entity from which such receipts accrue.

All such treasurers' reports are matters of public record and shall include without limitation a record of the purposes of any and all gifts and trusts with the sole exception of the names of those donors who request to remain anonymous.

Notwithstanding IC 4-10-11, the auditor of state shall draw warrants to the treasurers of Indiana University, Purdue University, Indiana State University, University of Southern Indiana, Ball State University, Vincennes University, and Ivy Tech State College on the basis of vouchers stating the total amount claimed against each fund or account, or both, but not to exceed the legally made appropriations.

Notwithstanding IC 4-12-1-14, for universities and colleges supported in whole or in part by state funds, grant applications and lists of applications need only be submitted upon request to the budget agency for review and approval or disapproval and, unless disapproved by the budget agency, federal grant funds may be requested and spent without approval by the budget agency. Each institution shall retain the applications for a reasonable period of time and submit a list of all grant applications, at least monthly, to the commission for higher education for informational purposes.

For all university special appropriations, an itemized list of intended expenditures, in such form as the governor and the budget agency may specify, shall be submitted to support the allotment request. All budget requests for university special appropriations shall be furnished in a like manner and as a part of the operating budgets of the state universities.

The trustees of Indiana University, the trustees of Purdue University, the trustees of Indiana State University, the trustees of University of Southern Indiana, the trustees of Ball State University, the trustees of Vincennes University, the trustees of Ivy Tech State College, and the directors of IHETS are hereby authorized to accept federal grants, subject to IC 4-12-1.

Fee replacement funds are to be distributed as requested by each institution, on payment due dates, subject to available appropriations.

If an early payment of an amount appropriated to any of the aforementioned institutions or IHETS is made in either state fiscal year of the biennium to eliminate an otherwise authorized payment delay to a later state fiscal year, the amount may be used only for the purposes approved by the budget agency after review by the budget committee.

FOR THE MEDICAL EDUCATION BOARD		
FAMILY PRACTICE RESIDENCY FUND		
Total Operating Expense	**2,249,791**	**2,249,791**

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation

Of the foregoing appropriations for the medical education board-family practice residency fund, $1,000,000 each year shall be used for grants for the purpose of improving family practice residency programs serving medically underserved areas.

FOR THE COMMISSION FOR HIGHER EDUCATION		
Total Operating Expense	**1,478,533**	**1,478,533**

Before October 31, 2005, the budget committee shall review the commission for higher education's research incentive funding formula.

INDIANA CAREER AND POSTSECONDARY ADVANCEMENT CENTER		
Total Operating Expense	**500,000**	**1**
FOR THE DEPARTMENT OF ADMINISTRATION		
ANIMAL DISEASE DIAGNOSTIC LABORATORY LEASE RENTAL		
Total Operating Expense	**1,047,240**	**1,042,345**
COLUMBUS LEARNING CENTER LEASE PAYMENT		
Total Operating Expense	**1,842,000**	**3,831,500**
FOR THE STATE BUDGET AGENCY		
GIGAPOP PROJECT		
Total Operating Expense	**727,638**	**727,638**
SOUTH CENTRAL EDUCATIONAL ALLIANCE		
BEDFORD SERVICE AREA		
Total Operating Expense	**280,710**	**280,710**
SOUTHEAST INDIANA EDUCATION SERVICES		
Total Operating Expense	**642,468**	**642,468**

The above appropriation for southeast Indiana education services may be expended with the approval of the budget agency after review by the commission for higher education.

DEGREE LINK		
Total Operating Expense	**500,375**	**500,375**

The above appropriations shall be used for the delivery of Indiana State University baccalaureate degree programs at Ivy Tech State College and Vincennes University locations through Degree Link. Distributions shall be made upon the recommendation of the Indiana commission for higher education and with approval by the budget agency after review by the budget committee.

WORKFORCE CENTERS		
Total Operating Expense	**837,000**	**837,000**
MIDWEST HIGHER EDUCATION COMMISSION		
Total Operating Expense	**255,000**	**90,000**
FOR THE STATE STUDENT ASSISTANCE COMMISSION		
Total Operating Expense	**1,240,723**	**1,240,723**
FREEDOM OF CHOICE GRANTS		
Total Operating Expense	**41,751,997**	**46,035,799**

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
HIGHER EDUCATION AWARD PROGRAM			
Total Operating Expense	**106,959,572**	**120,674,940**	
NURSING SCHOLARSHIP PROGRAM			
Total Operating Expense	**402,142**	**402,142**	
HOOSIER SCHOLAR PROGRAM			
Total Operating Expense	**400,000**	**400,000**	

For the higher education awards and freedom of choice grants made for the 2005-2007 biennium, the following guidelines shall be used, notwithstanding current administrative rule or practice:
(1) Financial Need: For purposes of these awards, financial need shall be limited to actual undergraduate tuition and fees for the prior academic year as established by the commission.
(2) Maximum Base Award: The maximum award shall not exceed the lesser of:
(A) eighty percent (80%) of actual prior academic year undergraduate tuition and fees; or
(B) eighty percent (80%) of the sum of the highest prior academic year undergraduate tuition and fees at any public institution of higher education and the lowest appropriation per full-time equivalent (FTE) undergraduate student at any public institution of higher education.
(3) Minimum Award: No actual award shall be less than $200.
(4) Award Size: A student's maximum award shall be reduced one (1) time:
(A) for dependent students, by the expected contribution from parents based upon information submitted on the financial aid application form; and
(B) for independent students, by the expected contribution derived from information submitted on the financial aid application form.
(5) Award Adjustment: The maximum base award may be adjusted by the commission, for any eligible recipient who fulfills college preparation requirements defined by the commission.
(6) Adjustment: If the dollar amounts of eligible awards exceed appropriations and program reserves, all awards may be adjusted by the commission by reducing the maximum award under subdivision (2)(A) or (2)(B).

For the Hoosier scholar program for the 2005-2007 biennium, each award shall not exceed five hundred dollars ($500) and shall be made available for one (1) year only. Receipt of this award shall not reduce any other award received under any state funded student assistance program.

STATUTORY FEE REMISSION			
Total Operating Expense	**15,982,349**	**18,148,108**	

In determining the eligibility for statutory fee remission, the Indiana department of veterans' affairs shall only consider new applications from dependents of veterans with disabilities greater than zero (0) percentage.

PART-TIME GRANT PROGRAM			
Total Operating Expense	**5,250,000**	**5,250,000**	

Priority for awards made from the above appropriation shall be given first to eligible students meeting TANF income eligibility guidelines as determined by the family and

social services administration and second to eligible students who received awards from the part time grant fund during the school year associated with the biennial budget year. Funds remaining shall be distributed according to procedures established by the commission. The maximum grant that an applicant may receive for a particular academic term shall be established by the commission but shall in no case be greater than a grant for which an applicant would be eligible under IC 20-12-21 if the applicant were a full-time student. The commission shall collect and report to the family and social services administration (FSSA) all data required for FSSA to meet the data collection and reporting requirements in 45 CFR Part 265.

The family and social services administration, division of family resources shall apply all qualifying expenditures for the part time grant program toward Indiana's maintenance of effort under the federal Temporary Assistance to Needy Families (TANF) program (45 CFR 260 et seq.).

CONTRACT FOR INSTRUCTIONAL OPPORTUNITIES IN SOUTHEASTERN INDIANA		
Total Operating Expense	**603,407**	**603,407**
MINORITY TEACHER SCHOLARSHIP FUND		
Total Operating Expense	**399,768**	**399,768**
COLLEGE WORK STUDY PROGRAM		
Total Operating Expense	**805,189**	**805,189**
21ST CENTURY ADMINISTRATION		
Total Operating Expense	**2,000,000**	**2,000,000**
21ST CENTURY SCHOLAR AWARDS		
Total Operating Expense	**18,402,449**	**19,171,429**

Augmentation for 21st Century Scholar Awards allowed from the general fund.

The commission shall collect and report to the family and social services administration (FSSA) all data required for FSSA to meet the data collection and reporting requirements in 45 CFR 265.

Family and social services administration, division of family resources, shall apply all qualifying expenditures for the 21st century scholars program toward Indiana's maintenance of effort under the federal Temporary Assistance to Needy Families (TANF) program (45 CFR 260 et seq.)

NATIONAL GUARD SCHOLARSHIP		
Total Operating Expense	**3,033,730**	**3,299,821**

The above appropriations for national guard scholarship and any program reserves existing on June 30, 2005, shall be the total allowable state expenditure for the program in the 2005-2007 biennium. If the dollar amounts of eligible awards exceed appropriations and program reserves, the state student assistance commission shall develop a plan to ensure that the total dollar amount does not exceed the above appropriations and any program reserves.

B. ELEMENTARY AND SECONDARY EDUCATION

FOR THE DEPARTMENT OF EDUCATION
STATE BOARD OF EDUCATION

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
Total Operating Expense	**3,152,112**	**3,152,112**	

The foregoing appropriations for the Indiana state board of education are for the education roundtable established by IC 20-1-20.5-3; for the academic standards project to distribute copies of the academic standards and provide teachers with curriculum frameworks; for special evaluation and research projects including national and international assessments; and for state board and roundtable administrative expenses.

SUPERINTENDENT'S OFFICE			
Personal Services	**686,467**	**686,877**	
Other Operating Expense	**1,439,160**	**1,437,682**	
PUBLIC TELEVISION DISTRIBUTION			
Total Operating Expense	**2,557,563**	**2,357,563**	

These appropriations are for grants for public television. The Indiana Public Broadcasting Stations, Inc. shall submit a distribution plan for the eight Indiana public education television stations that shall be approved by the budget agency after review by the budget committee. The above appropriation includes the costs of transmission for the "GED-on-TV" program. Of the above appropriations, $100,000 each year shall be distributed equally among the eight radio stations.

Of the above appropriation for FY 2006, $200,000 is included for the public television station at Ball State University to complete the digital upgrade.

RESEARCH AND DEVELOPMENT PROGRAMS			
Personal Services	**86,958**	**86,959**	
Other Operating Expense	**300,390**	**300,390**	

Of the foregoing appropriations for Research and Development Programs, up to $140,000 each year is dedicated for the Center for Evaluation and Education Policy. Funds are included for the purpose of having the Center for Evaluation and Education Policy facilitate a roundtable discussion of legislators who represent school corporations with enrollments of less than 1500 pupils and superintendents who serve in corporations with less than 1500 pupils. Discussion should focus on the value of central office consolidation and whether efficiencies could be achieved through that process. Other difficulties facing small corporations should be discussed with a goal of producing recommendations that would bring cost effectiveness and efficiency to those corporations.

DEPUTY SUPERINTENDENT'S OFFICE			
Personal Services	**457,320**	**457,562**	
Other Operating Expense	**92,839**	**92,603**	
RILEY HOSPITAL			
Total Operating Expense	**27,900**	**27,900**	
ADMINISTRATION AND FINANCIAL MANAGEMENT			
Personal Services	**2,143,064**	**2,144,538**	
Other Operating Expense	**298,207**	**296,808**	
MOTORCYCLE OPERATOR SAFETY EDUCATION FUND			
Safety Education Fund (IC 20-10.1-7-14)			
Personal Services	**132,303**	**132,397**	

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
Other Operating Expense	**892,177**	**892,087**	

The foregoing appropriations for the motorcycle operator safety education fund are from the motorcycle operator safety education fund created by IC 20-10.1-7-14.

SCHOOL TRAFFIC SAFETY			
Motor Vehicle Highway Account (IC 8-14-1)			
Personal Services	**242,813**	**242,989**	
Other Operating Expense	**30,405**	**30,236**	
Augmentation allowed.			
CENTER FOR SCHOOL ASSESSMENT			
Personal Services	**310,777**	**311,004**	
Other Operating Expense	**706,025**	**705,800**	
ACCREDITATION SYSTEM			
Personal Services	**471,390**	**471,732**	
Other Operating Expense	**489,547**	**489,210**	
SPECIAL EDUCATION (S-5)			
Total Operating Expense	**30,000,000**	**30,000,000**	

The foregoing appropriations for special education are made under IC 20-1-6-19.

CENTER FOR COMMUNITY RELATIONS AND SPECIAL POPULATIONS			
Personal Services	**234,467**	**234,580**	
Other Operating Expense	**78,988**	**78,879**	
SPECIAL EDUCATION EXCISE			
Alcoholic Beverage Excise Tax Funds (IC 20-1-6-10)			
Personal Services	**344,177**	**344,351**	
Augmentation allowed.			
GED-ON-TV PROGRAM			
Other Operating Expense	**229,500**	**229,500**	

The foregoing appropriation is for grants to provide GED-ON-TV programming. The GED-ON-TV Program shall submit for review by the budget committee an annual report on utilization of this appropriation.

VOCATIONAL EDUCATION			
Personal Services	**1,318,379**	**1,319,338**	
Other Operating Expense	**40,532**	**39,599**	
ADVANCED PLACEMENT PROGRAM			
Other Operating Expense	**894,400**	**894,400**	

The above appropriations for the Advanced Placement program are to provide funding for students of accredited public and nonpublic schools.

PSAT PROGRAM			
Other Operating Expense	**717,449**	**717,449**	

The above appropriations for the PSAT program are to provide funding for students of accredited public and nonpublic schools.

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
CENTER FOR SCHOOL IMPROVEMENT AND PERFORMANCE			
Personal Services	**1,701,420**	**1,701,447**	
Other Operating Expense	**978,089**	**978,089**	
PRINCIPAL LEADERSHIP ACADEMY			
Personal Services	**320,628**	**320,632**	
Other Operating Expense	**142,204**	**142,204**	
EDUCATION SERVICE CENTERS			
Total Operating Expense	**1,721,287**	**1,721,287**	

No appropriation made for an education service center shall be distributed to the administering school corporation of the center unless each participating school corporation of the center contracts to pay to the center at least three dollars ($3) per student for fiscal year 2005-2006 based on the school corporation's ADM count as reported for school aid distribution in the fall of 2004, and at least three dollars ($3) per student for fiscal year 2006-2007, based on the school corporation's ADM count as reported for school aid distribution beginning in the fall of 2005. Before notification of education service centers of the formula and components of the formula for distributing funds for education service centers, review and approval of the formula and components must be made by the budget agency.

TRANSFER TUITION (STATE EMPLOYEES' CHILDREN AND ELIGIBLE CHILDREN IN MENTAL HEALTH FACILITIES)			
Total Operating Expense	**50,000**	**50,000**	

The foregoing appropriations for transfer tuition (state employees' children and eligible children in mental health facilities) are made under IC 20-8.1-6.1-6 and IC 20-8.1-6.1-5.

TEACHERS' SOCIAL SECURITY AND RETIREMENT DISTRIBUTION			
Total Operating Expense	**2,403,792**	**2,403,792**	

The foregoing appropriations shall be distributed by the department of education on a monthly basis and in approximately equal payments to special education cooperatives, area vocational schools, and other governmental entities that received state teachers' Social Security distributions for certified education personnel (excluding the certified education personnel funded through federal grants) during the fiscal year beginning July 1, 1992, and ending June 30, 1993, and for the units under the Indiana state teacher's retirement fund, the amount they received during the 2002-2003 state fiscal year for teachers' retirement. If the total amount to be distributed is greater than the total appropriation, the department of education shall reduce each entity's distribution proportionately.

DISTRIBUTION FOR TUITION SUPPORT			
General Fund			
Total Operating Expense	**2,102,629,408**	**2,099,725,241**	
Property Tax Replacement Fund (IC 6-1.1-21)			
Total Operating Expense	**1,654,753,925**	**1,651,849,759**	

The foregoing appropriations for distribution for tuition support are to be distributed for tuition support, special education programs, vocational education programs,

honors grants, and the primetime program in accordance with a statute enacted for this purpose during the 2005 session of the general assembly.

If the above appropriations for distribution for tuition support are more than are required under this SECTION, one-half (1/2) of any excess shall revert to the general fund and one-half (1/2) of any excess shall revert to the property tax replacement fund.

The above appropriations for tuition support shall be made each calendar year under a schedule set by the budget agency and approved by the governor. However, the schedule shall provide for at least twelve (12) payments, that one (1) payment shall be made at least every forty (40) days, and the aggregate of the payments in each calendar year shall equal the amount required under the statute enacted for the purpose referred to above.

DISTRIBUTION FOR SUMMER SCHOOL		
Other Operating Expense	**18,360,000**	**18,360,000**

It is the intent of the 2005 general assembly that the above appropriations for summer school shall be the total allowable state expenditure for such program. Therefore, if the expected disbursements are anticipated to exceed the total appropriation for that state fiscal year, then the department of education shall reduce the distributions proportionately.

EARLY INTERVENTION PROGRAM		
Personal Services	**13,000**	**13,000**
Other Operating Expense	**3,707,000**	**3,707,000**

The above appropriations for the early intervention program are for grants to local school corporations for grant proposals for early intervention programs, including reading recovery and the Waterford method.

READING DIAGNOSTIC ASSESSMENT		
Total Operating Expense	**1,000,000**	**1,000,000**

The foregoing appropriations shall be used by the department for the reading diagnostic assessment and subsequent remedial programs or activities. The reading diagnostic assessment program, as approved by the board, is to be made available on a voluntary basis to all Indiana public and non-public school first and second grade students upon the approval of the governing body of school corporations. The board shall determine how the funds will be distributed for the assessment and related remediation. The department or its representative shall provide progress reports on the assessment as requested by the board and the education roundtable.

ADULT EDUCATION DISTRIBUTION		
Total Operating Expense	**14,000,000**	**14,000,000**

It is the intent of the 2005 general assembly that the above appropriations for adult education shall be the total allowable state expenditure for such program. Therefore, if the expected disbursements are anticipated to exceed the total appropriation for

a state fiscal year, the department of education shall reduce the distributions proportionately.

NATIONAL SCHOOL LUNCH PROGRAM		
Total Operating Expense	**5,400,000**	**5,400,000**
MARION COUNTY DESEGREGATION COURT ORDER		
Total Operating Expense	**18,200,000**	**18,200,000**

The foregoing appropriations for court ordered desegregation costs are made pursuant to order No. IP 68-C-225-S of the United States District Court for the Southern District of Indiana. If the sums herein appropriated are insufficient to enable the state to meet its obligations, then there are hereby appropriated from the state general fund such further sums as may be necessary for such purpose.

TEXTBOOK REIMBURSEMENT		
Total Operating Expense	**19,902,559**	**19,902,644**

Before a school corporation or an accredited non-public school may receive a distribution under the textbook reimbursement program, the school corporation or accredited non-public school shall provide to the department the requirements established in IC 20-8.1-9-2. The department shall provide to the family and social services administration (FSSA) all data required for FSSA to meet the data collection reporting requirement in 45 CFR 265. Family and social services administration, division of family resources, shall apply all qualifying expenditures for the textbook reimbursement program toward Indiana's maintenance of effort under the federal Temporary Assistance to Needy Families (TANF) program (45 CFR 260 et seq.).

The foregoing appropriations for textbook reimbursement include the appropriation of the common school fund interest balance. The remainder of the above appropriations are provided from the state general fund.

FULL DAY KINDERGARTEN		
Total Operating Expense	**8,500,000**	**8,500,000**

The above appropriations for full-day kindergarten are available to a school corporation that applies to the department of education for funding of full-day kindergarten. The amount available to a school corporation equals the amount appropriated divided by the total full-day kindergarten enrollment of all participating school corporations (as defined in IC 21-3-1.6-1.1) for the current year, and then multiplied by the school corporation's full-day kindergarten enrollment (as defined in IC 21-3-1.6-1.1) for the current year. A school corporation that is awarded a grant must provide to the department of education a financial report stating how the funds were spent. Any unspent funds at the end of the biennium must be returned to the state by the school corporation.

TESTING/REMEDIATION		
Other Operating Expense	**31,410,450**	**31,410,450**

Prior to notification of local school corporations of the formula and components of the formula for distributing funds for remediation, review and approval of the formula and components shall be made by the budget agency. With the approval of the

governor and the budget agency, the above appropriations for school assessment testing/remediation may be augmented from revenues accruing to the secondary market sale fund established by IC 20-12-21.2-10.

The above appropriation for Testing/Remediation shall be used by school corporations to provide remediation programs for students who attend public and nonpublic schools. For purposes of tuition support, these students are not to be counted in the average daily membership.

GRADUATION EXAM REMEDIATION		
Other Operating Expense	**4,958,910**	**4,958,910**

Prior to notification of local school corporations of the formula and components of the formula for distributing funds for graduation exam remediation, review and approval of the formula and components shall be made by the budget agency. With the approval of the governor and the budget agency, the above appropriations for school assessment testing/remediation may be augmented from revenues accruing to the secondary market sale fund established by IC 20-12-21.2-10.

SPECIAL EDUCATION PRESCHOOL		
Total Operating Expense	**27,173,300**	**27,173,300**

The above appropriations shall be distributed to guarantee a minimum of $2,750 per child enrolled in special education preschool programs from state and local sources in school corporations that levy the maximum special education tax rate for this purpose. It is the intent of the 2005 general assembly that the above appropriations for special education preschool shall be the total allowable expenditure for such program. Therefore, if the expected disbursements are anticipated to exceed the total appropriation for that state fiscal year, then the department of education shall reduce the distributions proportionately.

NON-ENGLISH SPEAKING PROGRAM		
Other Operating Expense	**700,000**	**700,000**

The above appropriations for the non-English speaking program are for pupils who have a primary language other than English and limited English proficiency, as determined by using a standard proficiency examination that has been approved by the department of education.

The grant amount is seventy-five dollars ($75) per pupil. It is the intent of the 2005 general assembly that the above appropriations for the non-English speaking program shall be the total allowable state expenditure for the program. If the expected distributions are anticipated to exceed the total appropriations for the state fiscal year, the department of education shall reduce each school corporation's distribution proportionately.

GIFTED AND TALENTED EDUCATION PROGRAM		
Personal Services	**211,199**	**211,348**
Other Operating Expense	**5,625,138**	**5,624,992**

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
DISTRIBUTION FOR ADULT VOCATIONAL EDUCATION			
Total Operating Expense	**250,000**	**250,000**	

The distribution for adult vocational education programs shall be made in accordance with the state plan for vocational education.

PRIMETIME			
Personal Services	**172,564**	**172,566**	
Other Operating Expense	**34,467**	**34,467**	
DRUG FREE SCHOOLS			
Personal Services	**52,360**	**52,361**	
Other Operating Expense	**20,093**	**20,093**	
PROFESSIONAL DEVELOPMENT DISTRIBUTION			
Other Operating Expense	**13,812,500**	**13,812,500**	

The foregoing appropriations for professional development distributions include schools defined under IC 20-10.2-2-11.

ALTERNATIVE SCHOOLS			
Total Operating Expense	**6,380,059**	**6,380,319**	
EDUCATIONAL TECHNOLOGY PROGRAM AND FUND (INCLUDING 4R'S TECHNOLOGY GRANT PROGRAM)			
Total Operating Expense	**2,109,031**	**2,109,036**	

Of the foregoing appropriations, $825,000 shall be allocated to the buddy system each state fiscal year during the biennium. The remaining amounts shall be allocated for technology programs and resources for kindergarten through twelfth grade, and the operation of the office of the special assistant to the superintendent of public instruction for technology.

TECHNOLOGY PLAN GRANT PROGRAM (IC 20-10.1-25.3)			
Total Operating Expense			**5,000,000**

Notwithstanding IC 20-10.1-25.3-9, the department of education may adjust the grant amount to reflect available funding.

PROFESSIONAL STANDARDS DIVISION			
General Fund			
Personal Services	**1,053,602**	**1,054,199**	
Other Operating Expense	**262,900**	**1,762,303**	
Professional Standards Board Licensing Fund			
Total Operating Expense	**2,400,000**	**900,000**	
Augmentation allowed.			

The above appropriations for the Professional Standards Division do not include funds to pay stipends for mentor teachers.

FOR THE INDIANA STATE TEACHERS' RETIREMENT FUND
POSTRETIREMENT PENSION INCREASES

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
Other Operating Expense	**50,427,438**	**49,797,084**	

The appropriations for postretirement pension increases are made for those benefits and adjustments provided in IC 21-6.1-6 and IC 5-10.2-5.

TEACHERS' RETIREMENT FUND DISTRIBUTION			
Other Operating Expense	**502,400,000**	**536,200,000**	

Augmentation allowed.

If the amount actually required under the pre-1996 account of the teachers' retirement fund for actual benefits for the Post Retirement Pension Increases that are funded on a "pay as you go" basis plus the base benefits under the pre-1996 account of the teachers' retirement fund is:

(1) greater than the above appropriations for a year, after notice to the governor and the budget agency of the deficiency, the above appropriation for the year shall be augmented from the general fund. Any augmentation shall be included in the required pension stabilization calculation under IC 21-6.1-2; or

(2) less than the above appropriations for a year, the excess shall be retained in the general fund. The portion of the benefit funded by the annuity account and the actuarially funded Post Retirement Pension Increases shall not be part of this calculation.

C. OTHER EDUCATION

FOR THE EDUCATION EMPLOYMENT RELATIONS BOARD			
Personal Services	**637,399**	**637,806**	
Other Operating Expense	**45,354**	**45,354**	
PUBLIC EMPLOYEE RELATIONS BOARD			
Total Operating Expense	**32,550**	**32,550**	
FOR THE STATE LIBRARY			
Personal Services	**2,867,740**	**2,869,750**	
Other Operating Expense	**729,954**	**729,954**	
DISTRIBUTION TO PUBLIC LIBRARIES			
Other Operating Expense	**607,936**	**607,936**	

The foregoing appropriations for distribution to public libraries shall be distributed among the public libraries of the state of Indiana under IC 4-23-7.1. However, a public library district that does not provide for the issuance of library cards free of charge or for a fee to all individuals who reside in the county in which that public library district is located shall not be considered an eligible public library district in determining the amounts to be distributed under IC 4-23-7.1 and is not entitled to a distribution under IC 4-23-7.1.

INDIANA COOPERATIVE LIBRARY SERVICES AUTHORITY			
Total Operating Expense	**2,408,848**	**2,408,848**	
ACADEMY OF SCIENCE			
Total Operating Expense	**8,811**	**8,811**	

FOR THE ARTS COMMISSION

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
Personal Services	**329,919**	**330,168**	
Other Operating Expense	**3,302,296**	**3,302,056**	
FOR THE HISTORICAL BUREAU			
Personal Services	**403,124**	**403,408**	
Other Operating Expense	**9,554**	**9,554**	
HISTORICAL MARKER PROGRAM			
Total Operating Expense			**34,300**
FOR THE COMMISSION ON PROPRIETARY EDUCATION			
Personal Services	**447,806**	**448,129**	
Other Operating Expense	**6,865**	**6,865**	

SECTION 10. [EFFECTIVE JULY 1, 2005]

DISTRIBUTIONS

FOR THE PROPERTY TAX REPLACEMENT FUND BOARD		
Property Tax Replacement Fund (IC 6-1.1-21)		
Total Operating Expense	**2,028,509,197**	**2,028,509,197**

Notwithstanding IC 6-1.1-21, the foregoing appropriations are the maximum amount that may be distributed. If the amount determined under IC 6-1.1-21 exceeds the amount appropriated, the board shall reduce the credit percentages proportionately so that the distributions equal the appropriation.

SECTION 11. [EFFECTIVE JULY 1, 2005]

The following allocations of federal funds are available for vocational and technical education under the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301, et seq. for Vocational and Technical Education) (20 U.S.C. 2371 for Tech Prep Education). These funds shall be received by the department of workforce development, commission on vocational and technical education, and shall be allocated by the budget agency after consultation with the commission on vocational and technical education, the department of education, the commission for higher education, and the department of correction. Funds shall be allocated to these agencies in accordance with the allocations specified below:

STATE PROGRAMS AND LEADERSHIP		
	2,655,188	**2,655,188**
SECONDARY VOCATIONAL PROGRAMS		
	14,878,845	**14,878,845**
POSTSECONDARY VOCATIONAL PROGRAMS		
	8,522,925	**8,522,925**
TECHNOLOGY - PREPARATION EDUCATION		
	2,465,494	**2,465,494**

SECTION 12. [EFFECTIVE JULY 1, 2005]

In accordance with IC 20-1-18.3, the budget agency, with the advice of the commission

on vocational and technical education and the budget committee, may augment or reduce an allocation of federal funds made under SECTION 11 of this act.

SECTION 13. [EFFECTIVE JULY 1, 2005]

Utility bills for the month of June, travel claims covering the period June 16 to June 30, payroll for the period of the last half of June, any interdepartmental bills for supplies or services for the month of June, and any other miscellaneous expenses incurred during the period June 16 to June 30 shall be charged to the appropriation for the succeeding year. No interdepartmental bill shall be recorded as a refund of expenditure to any current year allotment account for supplies or services rendered or delivered at any time during the preceding June period.

SECTION 14. [EFFECTIVE JULY 1, 2005]

The budget agency, under IC 4-10-11, IC 4-12-1-13, and IC 4-13-1, in cooperation with the Indiana department of administration, may fix the amount of reimbursement for traveling expenses (other than transportation) for travel within the limits of Indiana. This amount may not exceed actual lodging and miscellaneous expenses incurred. A person in travel status, as defined by the state travel policies and procedures established by the Indiana department of administration and the budget agency, is entitled to a meal allowance not to exceed during any twenty-four (24) hour period the standard meal allowances established by the federal Internal Revenue Service.

All appropriations provided by this act or any other statute, for traveling and hotel expenses for any department, officer, agent, employee, person, trustee, or commissioner, are to be used only for travel within the state of Indiana, unless those expenses are incurred in traveling outside the state of Indiana on trips that previously have received approval as required by the state travel policies and procedures established by the Indiana department of administration and the budget agency. With the required approval, a reimbursement for out-of-state travel expenses may be granted in an amount not to exceed actual lodging and miscellaneous expenses incurred. A person in travel status is entitled to a meal allowance not to exceed during any twenty-four (24) hour period the standard meal allowances established by the federal Internal Revenue Service for properly approved travel within the continental United States and a minimum of $50 during any twenty-four (24) hour period for properly approved travel outside the continental United States. However, while traveling in Japan, the minimum meal allowance shall not be less than $90 for any twenty-four (24) hour period. While traveling in Korea and Taiwan, the minimum meal allowance shall not be less than $85 for any twenty-four (24) hour period; while traveling in Singapore, China, Great Britain, Germany, the Netherlands, and France, the minimum meal allowance shall not be less than $65 for any twenty-four (24) hour period.

In the case of the state supported institutions of postsecondary education, approval for out-of-state travel may be given by the chief executive officer of the institution, or the chief executive officer's authorized designee, for the chief executive officer's respective personnel.

Before reimbursing overnight travel expenses, the auditor of state shall require documentation as prescribed in the state travel policies and procedures established

by the Indiana department of administration and the budget agency. No appropriation from any fund may be construed as authorizing the payment of any sum in excess of the standard mileage rates for personally owned transportation equipment established by the federal Internal Revenue Service when used in the discharge of state business. The Indiana department of administration and the budget agency may adopt policies and procedures relative to the reimbursement of travel and moving expenses of new state employees and the reimbursement of travel expenses of prospective employees who are invited to interview with the state.

SECTION 15. [EFFECTIVE JULY 1, 2005]

Notwithstanding IC 4-10-11-2.1, the salary per diem of members of boards, commissions, and councils who are entitled to a salary per diem is $50 per day. However, members of boards, commissions, or councils who receive an annual or a monthly salary paid by the state are not entitled to the salary per diem provided in IC 4-10-11-2.1.

SECTION 16. [EFFECTIVE JULY 1, 2005]

No payment for personal services shall be made by the auditor of state unless the payment has been approved by the budget agency or the designee of the budget agency.

SECTION 17. [EFFECTIVE JULY 1, 2005]

No warrant for operating expenses, capital outlay, or fixed charges shall be issued to any department or an institution unless the receipts of the department or institution have been deposited into the state treasury for the month. However, if a department or an institution has more than $10,000 in daily receipts, the receipts shall be deposited into the state treasury daily.

SECTION 18. [EFFECTIVE JULY 1, 2005]

In case of loss by fire or any other cause involving any state institution or department, the proceeds derived from the settlement of any claim for the loss shall be deposited in the state treasury, and the amount deposited is hereby reappropriated to the institution or department for the purpose of replacing the loss. If it is determined that the loss shall not be replaced, any funds received from the settlement of a claim shall be deposited into the general fund.

SECTION 19. [EFFECTIVE JULY 1, 2005]

If an agency has computer equipment in excess of the needs of that agency, then the excess computer equipment may be sold under the provisions of surplus property sales, and the proceeds of the sale or sales shall be deposited in the state treasury. The amount so deposited is hereby reappropriated to that agency for other operating expenses of the then current year, if approved by the director of the budget agency.

SECTION 20. [EFFECTIVE JULY 1, 2005]

If any state penal or benevolent institution other than the Indiana state prison, Pendleton correctional facility, or Putnamville correctional facility shall, in the

operation of its farms, produce products, or commodities in excess of the needs of the institution, the surplus may be sold through the division of industries and farms, the director of the supply division of the Indiana department of administration, or both. The proceeds of any such sale or sales shall be deposited in the state treasury. The amount deposited is hereby reappropriated to the institution for expenses of the then current year if approved by the director of the budget agency. The exchange between state penal and benevolent institutions of livestock for breeding purposes only is hereby authorized at valuations agreed upon between the superintendents or wardens of the institutions. Capital outlay expenditures may be made from the institutional industries and farms revolving fund if approved by the budget agency and the governor.

SECTION 21. [EFFECTIVE JULY 1, 2005]

This act does not authorize any rehabilitation and repairs to any state buildings, nor does it allow that any obligations be incurred for lands and structures, without the prior approval of the budget director or the director's designee. This SECTION does not apply to contracts for the state universities supported in whole or in part by state funds.

SECTION 22. [EFFECTIVE JULY 1, 2005]

If an agency has an annual appropriation fixed by law, and if the agency also receives an appropriation in this act for the same function or program, the appropriation in this act supersedes any other appropriations and is the total appropriation for the agency for that program or function.

SECTION 23. [EFFECTIVE JULY 1, 2005]

The balance of any appropriation or funds heretofore placed or remaining to the credit of any division of the state of Indiana, and any appropriation or funds provided in this act placed to the credit of any division of the state of Indiana, the powers, duties, and functions whereof are assigned and transferred to any department for salaries, maintenance, operation, construction, or other expenses in the exercise of such powers, duties, and functions, shall be transferred to the credit of the department to which such assignment and transfer is made, and the same shall be available for the objects and purposes for which appropriated originally.

SECTION 24. [EFFECTIVE JULY 1, 2005]

The director of the division of procurement of the Indiana department of administration, or any other person or agency authorized to make purchases of equipment, shall not honor any requisition for the purchase of an automobile that is to be paid for from any appropriation made by this act or any other act, unless the following facts are shown to the satisfaction of the commissioner of the Indiana department of administration or the commissioner's designee:
(1) In the case of an elected state officer, it shall be shown that the duties of the office require driving about the state of Indiana in the performance of official duty.
(2) In the case of department or commission heads, it shall be shown that the statutory duties imposed in the discharge of the office require traveling a greater distance

than one thousand (1,000) miles each month or that they are subject to official duty call at all times.

(3) In the case of employees, it shall be shown that the major portion of the duties assigned to the employee require travel on state business in excess of one thousand (1,000) miles each month, or that the vehicle is identified by the agency as an integral part of the job assignment. In computing the number of miles required to be driven by a department head or an employee, the distance between the individual's home and office or designated official station is not to be considered as a part of the total. Department heads shall annually submit justification for the continued assignment of each vehicle in their department, which shall be reviewed by the commissioner of the Indiana department of administration, or the commissioner's designee. There shall be an insignia permanently affixed on each side of all state owned cars, designating the cars as being state owned. However, this requirement does not apply to state owned cars driven by elected state officials or to cases where the commissioner of the Indiana department of administration or the commissioner's designee determines that affixing insignia on state owned cars would hinder or handicap the persons driving the cars in the performance of their official duties.

SECTION 25. [EFFECTIVE JULY 1, 2005]

When budget agency approval or review is required under this act, the budget agency may refer to the budget committee any budgetary or fiscal matter for an advisory recommendation. The budget committee may hold hearings and take any actions authorized by IC 4-12-1-11, and may make an advisory recommendation to the budget agency.

SECTION 26. [EFFECTIVE JULY 1, 2005]

The governor of the state of Indiana is solely authorized to accept on behalf of the state any and all federal funds available to the state of Indiana. Federal funds received under this SECTION are appropriated for purposes specified by the federal government, subject to allotment by the budget agency. The provisions of this SECTION and all other SECTIONS concerning the acceptance, disbursement, review, and approval of any grant, loan, or gift made by the federal government or any other source to the state or its agencies and political subdivisions shall apply, notwithstanding any other law.

SECTION 27. [EFFECTIVE JULY 1, 2005]

Federal funds received as revenue by a state agency or department are not available to the agency or department for expenditure until allotment has been made by the budget agency under IC 4-12-1-12(d).

SECTION 28. [EFFECTIVE JULY 1, 2005]

A contract or an agreement for personal services or other services may not be entered into by any agency or department of state government without the approval of the budget agency or the designee of the budget director.

SECTION 29. [EFFECTIVE JULY 1, 2005]

Except in those cases where a specific appropriation has been made to cover the payments for any of the following, the auditor of state shall transfer, from the personal services appropriations for each of the various agencies and departments, necessary payments for Social Security, public employees' retirement, health insurance, life insurance, and any other similar payments directed by the budget agency.

SECTION 30. [EFFECTIVE JULY 1, 2005]

Subject to SECTION 25 of this act as it relates to the budget committee, the budget agency with the approval of the governor may withhold allotments of any or all appropriations contained in this act for the 2005-2007 biennium, if it is considered necessary to do so in order to prevent a deficit financial situation.

SECTION 31. [EFFECTIVE JULY 1, 2004 (RETROACTIVE)]

The following deficiency appropriation for the state fiscal year beginning July 1, 2004, and ending June 30, 2005, is made in addition to the appropriations in P.L.224-2003, SECTION 9:

FOR THE DEPARTMENT OF EDUCATION
DISTRIBUTION FOR TUITION SUPPORT
General Fund
Total Operating Expense 20,000,000

The budget agency shall transfer twenty million dollars ($20,000,000) from the balance that existed as of January 31, 2005, in Account 6000/168900 to the state general fund to fund the deficiency appropriation made by this SECTION. The deficiency appropriation made by this SECTION is not subject to transfer to any other fund or subject to transfer, assignment, or reassignment for any other use or purpose by the state board of finance, notwithstanding IC 4-9.1-1-7 and IC 4-13-2-23, or by the budget agency, notwithstanding IC 4-12-1-12, or any other law.

SECTION 32. [EFFECTIVE JULY 1, 2005]

CONSTRUCTION

For the 2005-2007 biennium, the following amounts, from the funds listed as follows, are hereby appropriated to provide for the construction, reconstruction, rehabilitation, repair, purchase, rental, and sale of state properties, capital lease rentals and the purchase and sale of land, including equipment for such properties.

State General Fund - Lease Rentals
243,893,130
State General Fund - Construction
206,437,414
State Police Building Commission Fund (IC 9-29-1-4)
10,500,000
Law Enforcement Academy Building Fund (IC 5-2-1-13)
1,300,000
Cigarette Tax Fund (IC 6-7-1-29.1)
3,276,500

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation

Vocational Construction Projects Fund (IC 16-33-4-10)
375,000
Veterans' Home Building Fund (IC 10-17-9-7)
4,527,332
Post War Construction Fund (IC 7.1-4-8-1)
28,873,488
Industry and Farm Products Revolving Fund (IC 11-10-6-6)
110,292
Regional Health Care Construction Account (IC 4-12-8.5)
18,738,093

TOTAL 518,031,249

The allocations provided under this SECTION are made from the state general fund, unless specifically authorized from other designated funds by this act. The budget agency, with the approval of the governor, in approving the allocation of funds pursuant to this SECTION, shall consider, as funds are available, allocations for the following specific uses, purposes, and projects:

A. GENERAL GOVERNMENT

FOR THE HOUSE OF REPRESENTATIVES		
House Renovations		**150,000**
FOR THE STATE BUDGET AGENCY		
Health and Safety Contingency Fund		**5,900,000**
Aviation Technology Center		**2,708,109**
Airport Facilities Lease		**41,917,375**
Qualitech Capital Lease		**5,888,000**
Heartland Steel Capital Lease		**2,554,000**
DEPARTMENT OF ADMINISTRATION - PROJECTS		
Preventive Maintenance		**4,811,020**
Repair and Rehabilitation		**19,300,000**
DEPARTMENT OF ADMINISTRATION - LEASES		
General Fund		
Lease - Government Center North		**34,691,616**
Lease - Government Center South		**30,909,841**
Lease - State Museum		**15,293,975**
Lease - McCarty Street		**1,415,653**
Lease - Parking Garages		**12,576,651**
Lease - Wabash Valley Correctional		**24,324,343**
Lease - Rockville Correctional		**7,144,675**
Lease - Miami Correctional	**31,631,607**	
Lease - Pendleton Juvenile Correctional		**9,334,000**
Lease - New Castle Correctional		**23,503,285**
Regional Health Care Construction Account (IC 4-12-8.5)		
Lease - Evansville State Hospital		**6,541,168**
Lease - Southeast Regional Treatment		**6,951,700**
Lease - Logansport State Hospital		**5,245,225**

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
B. PUBLIC SAFETY			
(1) LAW ENFORCEMENT			
INDIANA STATE POLICE			
State Police Building Commission Fund (IC 9-29-1-4)			
Preventive Maintenance			**1,014,000**
Automobiles			**7,046,895**
Repair and Rehabilitation			**2,439,105**
LAW ENFORCEMENT TRAINING BOARD			
Law Enforcement Academy Building Fund (IC 5-2-1-13)			
Preventive Maintenance			**1,170,000**
Repair and Rehabilitation			**130,000**
ADJUTANT GENERAL			
Preventive Maintenance			**113,400**
Repair and Rehabilitation			**1,151,700**
Gary Army Aviation Support			**2,600,000**
(2) CORRECTIONS			
DEPARTMENT OF CORRECTION - PROJECTS			
Post War Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**2,323,988**
CORRECTIONAL UNITS			
Preventive Maintenance			**420,000**
Repair and Rehabilitation			**119,000**
Post War Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**4,759,500**
STATE PRISON			
Preventive Maintenance			**1,161,322**
Post War Construction Fund (IC 7.1-4-8-1)			
A&E Fees: Repl.Cellhouse Locking Systems			**250,000**
Master Plan: New Visitation Building			**2,500,000**
Master Plan: New Checkpoint/Fencing			**1,500,000**
Repair and Rehabilitation			**6,625,000**
PENDLETON CORRECTIONAL FACILITY			
Preventive Maintenance			**996,396**
Post War Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**75,000**
WOMEN'S PRISON			
Preventive Maintenance			**273,000**
Repair and Rehabilitation			**1,000,000**
Post War Construction Fund (IC 7.1-4-8-1)			
Repair and Rehabilitation			**550,000**
NEW CASTLE CORRECTIONAL FACILITY			
Preventive Maintenance			**660,660**
PUTNAMVILLE CORRECTIONAL FACILITY			
Preventive Maintenance			**843,022**

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
42	**Post War Construction Fund (IC 7.1-4-8-1)**		
43	**A&E Visitation/Admin Bldg**		**287,000**
44	**Repair and Rehabilitation**		**885,000**
45	**PLAINFIELD JUVENILE CORRECTIONAL FACILITY**		
46	**Preventive Maintenance**		**543,947**
47	**Post War Construction Fund (IC 7.1-4-8-1)**		
48	**Repair and Rehabilitation**		**540,000**
49	**INDIANAPOLIS JUVENILE CORRECTIONAL FACILITY**		
1	**Preventive Maintenance**		**325,146**
2	**Post War Construction Fund (IC 7.1-4-8-1)**		
3	**Repair and Rehabilitation**		**780,000**
4	**BRANCHVILLE CORRECTIONAL FACILITY**		
5	**Preventive Maintenance**		**344,870**
6	**Post War Construction Fund (IC 7.1-4-8-1)**		
7	**Repair and Rehabilitation**		**734,000**
8	**WESTVILLE CORRECTIONAL FACILITY**		
9	**Preventive Maintenance**		**1,191,891**
10	**Post War Construction Fund (IC 7.1-4-8-1)**		
11	**Master Plan - Vehicle Repair Building**		**500,000**
12	**Repair and Rehabilitation**		**1,700,000**
13	**ROCKVILLE CORRECTIONAL FACILITY**		
14	**Preventive Maintenance**		**344,870**
15	**PLAINFIELD CORRECTIONAL FACILITY**		
16	**Preventive Maintenance**		**575,751**
17	**Post War Construction Fund (IC 7.1-4-8-1)**		
18	**Repair and Rehabilitation**		**3,215,000**
19	**RECEPTION-DIAGNOSTIC CENTER**		
20	**Preventive Maintenance**		**216,472**
21	**Post War Construction Fund (IC 7.1-4-8-1)**		
22	**Repair and Rehabilitation**		**1,100,000**
23	**PEN PRODUCTS**		
24	**Industry and Farm Products Revolving Fund (IC 11-10-6-6)**		
25	**Preventive Maintenance**		**110,292**
26	**CORRECTIONAL INDUSTRIAL FACILITY**		
27	**Preventive Maintenance**		**520,023**
28	**Post War Construction Fund (IC 7.1-4-8-1)**		
29	**Repair and Rehabilitation**		**250,000**
30	**WORK RELEASE CENTERS**		
31	**Preventive Maintenance**		**100,732**
32	**WABASH VALLEY CORRECTIONAL FACILITY**		
33	**Preventive Maintenance**		**833,560**
34	**Post War Construction Fund (IC 7.1-4-8-1)**		
35	**Repair and Rehabilitation**		**299,000**
36	**MIAMI CORRECTIONAL FACILITY**		
37	**Preventive Maintenance**		**521,400**
38	**PENDLETON JUVENILE CORRECTIONAL FACILITY**		
39	**Preventive Maintenance**		**364,000**
40			
41	**C. CONSERVATION AND ENVIRONMENT**		
42			

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
43	**DEPARTMENT OF NATURAL RESOURCES - GENERAL ADMINISTRATION**		
44	**Preventive Maintenance**		**266,000**
45	**General Admin. - ADA**		**1,000,000**
46	**Repair and Rehabilitation**		**6,500,000**
47	**FISH AND WILDLIFE**		
48	**Preventive Maintenance**		**1,810,863**
49	**F&W - Public Access Land Acq.**		**817,000**
1	**Repair and Rehabilitation**		**2,555,000**
2	**FORESTRY**		
3	**Preventive Maintenance**		**1,756,800**
4	**Repair and Rehabilitation**		**5,119,650**
5	**MUSEUMS AND HISTORIC SITES**		
6	**Preventive Maintenance**		**331,586**
7	**Repair and Rehabilitation**		**3,768,520**
8	**NATURE PRESERVES**		
9	**Preventive Maintenance**		**134,200**
10	**Repair and Rehabilitation**		**1,093,000**
11	**OUTDOOR RECREATION**		
12	**Preventive Maintenance**		**33,306**
13	**Repair and Rehabilitation**		**375,000**
14	**STATE PARKS AND RESERVOIR MANAGEMENT**		
15	**Preventive Maintenance**		**2,945,654**
16	**Parks/Res. - Charlestown**		**3,000,000**
17	**Repair and Rehabilitation**		**17,200,000**
18	**Drinking Water and Wastewater Projects**		**6,000,000**
19	**Cigarette Tax Fund (IC 6-7-1-29.1)**		
20	**Preventive Maintenance**		**3,276,500**
21	**DIVISION OF WATER**		
22	**Preventive Maintenance**		**250,000**
23	**Repair and Rehabilitation**		**925,000**
24	**Dam Repair and Rehabilitation**		**8,000,000**
25	**Shafer-Freeman Lakes Dredging Enhancement Project**		**1,000,000**
26	**ENFORCEMENT**		
27	**Preventive Maintenance**		**207,480**
28	**Repair and Rehabilitation**		**700,000**
29	**STATE MUSEUM**		
30	**Preventive Maintenance**		**650,000**
31	**Repair and Rehabilitation**		**300,000**
32	**OIL AND GAS**		
33	**Oil & Gas - Partnership Program**		**200,000**
34	**ENTOMOLOGY**		
35	**Entomology - Exotic Species Control**		**700,000**
36	**WAR MEMORIALS COMMISSION**		
37	**Preventive Maintenance**		**1,421,494**
38	**Repair and Rehabilitation**		**1,750,000**
39	**MAUMEE RIVER BASIN COMMISSION**		
40	**Repair and Rehabilitation**		**150,000**
41	**LITTLE CALUMET RIVER BASIN COMMISSION**		
42	**Little Calumet River Basin Devlpmnt Comm**		**2,000,000**
43			

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation

D. TRANSPORTATION

AIRPORT DEVELOPMENT

Airport Development	1,200,000

The foregoing allocation for the Indiana department of transportation is for airport development and shall be used for the purpose of assisting local airport authorities and local units of government in matching available federal funds under the airport improvement program and for matching federal grants for airport planning and for the other airport studies. Matching grants of aid shall be made in accordance with the approved annual capital improvements program of the Indiana department of transportation and with the approval of the governor and the budget agency.

PORT COMMISSION

Pier #3 Southwind Maritime Center	1,200,000

E. FAMILY AND SOCIAL SERVICES, HEALTH, AND VETERANS' AFFAIRS

(1) FAMILY AND SOCIAL SERVICES ADMINISTRATION

FSSA CONSTRUCTION	
Repair and Rehabilitation	4,200,000
EVANSVILLE PSYCHIATRIC CHILDREN'S CENTER	
Preventive Maintenance	45,000
Repair and Rehabilitation	950,000
EVANSVILLE STATE HOSPITAL	
Preventive Maintenance	756,756
Repair and Rehabilitation	57,000
MADISON STATE HOSPITAL	
Preventive Maintenance	971,409
LOGANSPORT STATE HOSPITAL	
Preventive Maintenance	963,144
Transitional Care Unit	1,300,000
Boiler Lease Payment	244,180
Repair and Rehabilitation	3,211,925
RICHMOND STATE HOSPITAL	
Preventive Maintenance	1,210,724
Repair and Rehabilitation	2,004,468
LARUE CARTER MEMORIAL HOSPITAL	
Preventive Maintenance	1,484,134
Repair and Rehabilitation	1,500,000
FORT WAYNE STATE DEVELOPMENTAL CENTER	
Preventive Maintenance	1,424,803
Repair and Rehabilitation	2,000,000

(2) PUBLIC HEALTH

DEPARTMENT OF HEALTH	
Repair and Rehabilitation	130,000
SILVERCREST CHILDREN'S DEVELOPMENT CENTER	

	FY 2005-2006 Appropriation	FY 20072008 Appropriation	Biennial Appropriation
Preventive Maintenance			**161,140**
SCHOOL FOR THE BLIND			
Preventive Maintenance			**565,714**
SCHOOL FOR THE DEAF			
Preventive Maintenance			**553,120**
Repair and Rehabilitation			**72,752**
SOLDIERS' AND SAILORS' CHILDREN'S HOME			
Preventive Maintenance			**400,000**
Repair and Rehabilitation			**645,536**
Vocational Construction Projects Fund (IC 16-33-4-10)			
Repair and Rehabilitation			**375,000**
(3) VETERANS' AFFAIRS			
INDIANA VETERANS' HOME			
Veterans' Home Building Fund (IC 10-17-9-7)			
Preventive Maintenance			**1,000,000**
Repair and Rehabilitation			**3,527,332**
F. EDUCATION			
HIGHER EDUCATION			
INDIANA UNIVERSITY - TOTAL SYSTEM			
General Repair and Rehab			**20,933,720**
PURDUE UNIVERSITY - TOTAL SYSTEM			
General Repair and Rehab			**16,611,550**
IPFW Student Services Building and Library A&E			**2,400,000**
INDIANA STATE UNIVERSITY			
General Repair and Rehab			**4,122,676**
UNIVERSITY OF SOUTHERN INDIANA			
General Repair and Rehab			**800,828**
BALL STATE UNIVERSITY			
General Repair and Rehab			**5,242,038**
VINCENNES UNIVERSITY			
General Repair and Rehab			**2,008,410**
Steamline Replacement			**2,500,000**
Electrical Substation			**1,000,000**
IVY TECH STATE COLLEGE			
General Repair and Rehab			**1,473,652**
Planning - Greencastle Campus Expansion			**250,000**
Ft. Wayne Technology Center A&E			**2,500,000**
Ft. Wayne Public Safety Training Center Lease			**1,000,000**

SECTION 33. [EFFECTIVE JULY 1, 2005]

The budget agency may employ one (1) or more architects or engineers to inspect construction, rehabilitation, and repair projects covered by the appropriations in this act or previous acts.

SECTION 34. [EFFECTIVE JULY 1, 2005]

If any part of a construction or rehabilitation and repair appropriation made by this act or any previous acts has not been allotted or encumbered before the expiration of two (2) biennia, the budget agency may determine that the balance of the appropriation is not available for allotment. The appropriation may be terminated, and the balance may revert to the fund from which the original appropriation was made.

SECTION 35. [EFFECTIVE UPON PASSAGE]

The budget agency may retain balances in the mental health fund at the end of any fiscal year to ensure there are sufficient funds to meet appropriations for state developmental centers in any subsequent year.

SECTION 36. [EFFECTIVE JULY 1, 2005]

(a) If the budget director determines at any time during the biennium that the executive branch of state government cannot meet its statutory obligations due to insufficient funds in the general fund, then notwithstanding IC 4-10-18, the budget agency, with the approval of the governor and after review by the budget committee, may transfer from the counter-cyclical revenue and economic stabilization fund to the general fund an amount necessary to maintain a positive balance in the general fund.
(b) The budget agency shall transfer one hundred million dollars ($100,000,000) into the counter-cyclical revenue and economic stabilization fund during the state fiscal year ending June 30, 2007, unless the budget agency determines there is an insufficient balance in the general fund to make the transfer.
(c) This SECTION expires July 2, 2007.

SECTION 37. IC 4-1-8-1, AS AMENDED BY HEA 1288-2005, SECTION 55, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) No individual may be compelled by any state agency, board, commission, department, bureau, or other entity of state government (referred to as "state agency" in this chapter) to provide the individual's Social Security number to the state agency against the individual's will, absent federal requirements to the contrary. However, the provisions of this chapter do not apply to the following:

(1) Department of state revenue.
(2) Department of workforce development.
(3) The programs administered by:
(A) the division of family and children;
(B) the division of mental health and addiction;
(C) the division of disability, aging, and rehabilitative services; and
(D) the office of Medicaid policy and planning;
of the office of the secretary of family and social services.
(4) Auditor of state.
(5) State personnel department.
(6) Secretary of state, with respect to the registration of broker-dealers, agents, and investment advisors.
(7) The legislative ethics commission, with respect to the registration of lobbyists.
(8) Indiana department of administration, with respect to bidders on contracts.
(9) Indiana department of transportation, with respect to bidders on contracts.
(10) Health professions bureau.
(11) Indiana professional licensing agency.
(12) ~~Indiana~~ Department of insurance, with respect to licensing of insurance producers.
(13) A pension fund administered by the board of trustees of the public employees' retirement fund.
(14) The Indiana state teachers' retirement fund.

(15) The state police benefit system.
(16) The alcohol and tobacco commission.
(b) The bureau of motor vehicles may, notwithstanding this chapter, require the following:
(1) That an individual include the individual's Social Security number in an application for an official certificate of title for any vehicle required to be titled under IC 9-17.
(2) That an individual include the individual's Social Security number on an application for registration.
(3) That a corporation, limited liability company, firm, partnership, or other business entity include its federal tax identification number on an application for registration.
(c) The Indiana department of administration, the Indiana department of transportation, the health professions bureau, and the Indiana professional licensing agency may require an employer to provide its federal employer identification number.
(d) The department of correction may require a committed offender to provide the offender's Social Security number for purposes of matching data with the Social Security Administration to determine benefit eligibility.
(e) The Indiana gaming commission may, notwithstanding this chapter, require the following:
(1) That an individual include the individual's Social Security number in any application for a riverboat owner's license, supplier's license, or occupational license.
(2) That a sole proprietorship, a partnership, an association, a fiduciary, a corporation, a limited liability company, or any other business entity include its federal tax identification number on an application for a riverboat owner's license or supplier's license.
(f) Notwithstanding this chapter, the ~~professional standards board~~ **department of education** established by ~~IC 20-28-2-1~~ **IC 20-19-3-1** may require an individual who applies to the ~~board~~ **department** for a license or an endorsement to provide the individual's Social Security number. The Social Security number may be used by the ~~board~~ **department** only for conducting a background investigation, if the ~~board~~ **department** is authorized by statute to conduct a background investigation of an individual for issuance of the license or endorsement.
SECTION 38. IC 4-3-22 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:
Chapter 22. Office of Management and Budget
Sec. 1. The state will benefit from devoting adequate resources to do the following:
(1) Gather and coordinate data in a timely manner.
(2) Perform comprehensive and detailed budgeting analysis.
(3) Put in place comprehensive and effective budgeting practices.
(4) Coordinate all functions related to budgeting and controlling spending in state government.
(5) Perform comprehensive and detailed financial analysis.
(6) Perform comprehensive financial oversight.
(7) Ensure that effective financial management policies are implemented throughout state government.
(8) Perform comprehensive and detailed performance analysis.
(9) Ascertain whether the burdens imposed by laws and rules are justified by their benefits using a rigorous cost benefit analysis.
(10) Measure the performance of government activities.
Sec. 2. As used in this chapter, "director" means the director of the office of management and budget established by this chapter.
Sec. 3. (a) To address the needs set forth in section 1 of this chapter, there is established the office of management and budget, which is referred to in this chapter as the "OMB".
(b) The OMB shall have a director who is the chief financial officer of the state. The director shall report directly to the governor.
Sec. 4. The director is responsible and accountable for and has authority over the following:
(1) All functions performed by the following:
(A) The budget agency.
(B) The department of state revenue.
(C) The department of local government finance.

(D) The Indiana finance authority.

The directors of these agencies, departments, and offices shall report to the director and administer their offices and agencies in compliance with the policies and procedures related to fiscal management that are established by the OMB and approved by the governor.

(2) All budgeting, accounting, and spending functions within the various agencies, departments, and programs of state government.

Sec. 5. The director may serve as the budget director of the budget agency under IC 4-12-1-3 unless the governor appoints another individual to serve as the budget director. If the director also serves as the budget director, the director is not entitled to receive any salary or other compensation as budget director.

Sec. 6. (a) The division of government efficiency and financial planning is established within the OMB. The director shall appoint, subject to the approval of the governor, a director of the division, who serves at the pleasure of the director of OMB.

(b) The division shall conduct operational and procedural audits of state government, perform financial planning, design and implement efficiency projects, and carry out such other responsibilities as may be designated by the director.

Sec. 7. The OMB shall assist the governor in the articulation, development, and execution of the governor's policies and programs on fiscal management.

Sec. 8. The OMB shall assist and represent the governor in the development and review of all policy, legislative, and rulemaking proposals affecting capital budgeting, procurement, e-government, and other matters related to fiscal management.

Sec. 9. The OMB shall harmonize agency views on legislation and facilitate the negotiation of policy positions for the governor.

Sec. 10. The OMB shall provide expertise to the governor for budget decision making and negotiations.

Sec. 11. The OMB shall analyze trends in and the consequences of aggregate budget policy.

Sec. 12. The OMB shall establish metrics for measuring state government performance and efficiency.

Sec. 13. (a) The OMB shall perform a cost benefit analysis upon each proposed rule and provide to:

(1) the governor; and

(2) the administrative rules oversight committee established under IC 2-5-18;

an assessment of the rule's effect on Indiana business.

(b) After June 30, 2005, the cost benefit analysis performed by the OMB under this section with respect to any proposed rule that has an impact of at least five hundred thousand dollars ($500,000) shall replace and be used for all purposes under IC 4-22-2 in lieu of the fiscal analysis previously performed by the legislative services agency under IC 4-22-2.

Sec. 14. All instrumentalities, agencies, authorities, boards, commissions, and officers of the executive, including the administrative, department of state government, and all bodies corporate and politic established as instrumentalities of the state shall:

(1) comply with the policies and procedures related to fiscal management that are established by the OMB and approved by the governor; and

(2) cooperate with and provide assistance to the OMB.

Sec. 15. All state agencies (as defined in IC 4-12-1-2) shall, in addition to complying with all statutory duties applicable to state purchasing, be accountable to the OMB for adherence to policies, procedures, and spending controls established by the OMB and approved by the governor.

SECTION 39. IC 4-9.1-1-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) The board may transfer money between state funds, and the board may transfer money between appropriations for any board, department, commission, office, or benevolent or penal institution of the state. After the transfer is made the money of the fund or appropriation transferred is not available to the fund or the board, department, commission, office, or benevolent or penal

institution from which it was transferred.

(b) In addition to a transfer under subsection (a), the board may transfer money from an appropriation for any board, department, commission, office, or benevolent or penal institution of the state to the Indiana economic development corporation.

~~(b)~~ **(c)** An order by the board to make a transfer under this section is sufficient authority for the making of appropriate entries showing the transfer on the books of the auditor of state and treasurer of state.

~~(c)~~ **(d)** The authority given the board under this section to make transfers does not apply to trust funds. For the purposes of this section, "trust fund" means a fund which by the constitution or by statute has been designated as a trust fund or a fund which has been determined by the board to be a trust fund.

SECTION 40. IC 4-12-1-18 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 18. Federal funds received by an instrumentality are appropriated for purposes specified by the federal government, subject to allotment by the budget agency. The provisions of this chapter and other laws concerning the acceptance, disbursement, review, and approval of grants, loans, and gifts made by the federal government or any other source to the state or its agencies apply to instrumentalities.**

SECTION 41. IC 4-20.5-7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The agency head of a transferring agency must do the following:

(1) Find that the property is surplus to the needs of the agency.

(2) Notify the department that the agency wants to transfer the property.

(3) Provide the details of the proposed transfer as required by the department.

(4) **Submit a** request **to the budget agency,** in writing, ~~approval of~~ **that** the governor ~~to~~ **approve the** transfer **of** the property.

Subdivisions (1) and (4) do not apply to a lease of state property.

SECTION 42. IC 4-20.5-7-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. (a) ~~If the commissioner finds that another agency or a state educational institution can use the property, the~~ **Surplus** property may, **under the policies prescribed by the budget agency,** be transferred to ~~the other~~ **another** agency or ~~the~~ **a** state educational institution.

(b) The **policies of the budget agency must include a requirement that the** agency head of the accepting agency or the state educational institution ~~must~~ do the following:

(1) Find that the property is necessary or convenient to the accepting agency's or state educational institution's use or purpose.

(2) Request, in writing, approval of the governor to transfer possession of the property from the transferring agency.

(c) With the approval of the budget agency, the accepting agency or state educational institution may transfer funds to the transferring agency in consideration of the transfer.

(d) The offer to the transferring agency must remain open for thirty (30) days after the offer was made. If an offer has not been rejected or accepted by the agency within thirty (30) days, the department may dispose of the property as otherwise permitted under this chapter.

SECTION 43. IC 4-24-7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. For all claims that the ~~Plainfield Juvenile Correctional Facility or the Indianapolis Juvenile Correctional Facility~~ **department of correction** may have against any county for the payment of the county's portion of the cost of the maintenance of any inmate ~~of such~~ **at a juvenile** institution ~~which inmate~~ **who** was admitted to ~~such~~ **the** institution from ~~such~~ **that** county, the superintendent of ~~such~~ **the** institution shall make out an account ~~therefor~~ against ~~such~~ **the** county, in a manner ~~as hereinafter~~ provided **in this chapter.**

SECTION 44. IC 4-24-7-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. **(a)** ~~From and after January 1, 1953, such~~ Accounts of state institutions ~~as are~~ described in sections 1 ~~2,~~ and 3 of this chapter shall be paid as follows:

(1) All such accounts shall be signed by the superintendent of such institution, attested to by the seal of the institution, and forwarded to the auditor of the county for payment from which county

the inmate or patient was admitted.

(2) All accounts accruing between January 1 and June 30 of each year shall be forwarded to the county auditor on or before October 1 of such year.

(3) All accounts accruing between July 1 and December 31 of each year shall be forwarded to the county auditor on or before April 1 of the following year.

(4) Upon receipt of any such account, the county auditor shall draw a warrant on the treasurer of the county for the payment of the account, and the same shall be paid out of the funds of the county appropriated therefor.

(5) The county council of each county of the state shall annually appropriate sufficient funds to pay such accounts.

(b) All accounts of state institutions described in section 2 of this chapter shall be paid as follows:

(1) All such accounts shall be signed by the superintendent of the institution, attested to by the seal of the institution, and forwarded to the auditor of the county for payment from the county from which the inmate was admitted.

(2) All accounts accruing after December 31 and before April 1 of each year shall be forwarded to the county auditor on or before May 15 of that year.

(3) All accounts accruing after March 31 and before July 1 of each year shall be forwarded to the county auditor on or before August 15 of that year.

(4) All accounts accruing after June 30 and before October 1 of each year shall be forwarded to the county auditor on or before November 15 of that year.

(5) All accounts accruing after September 30 and before January 1 of each year, and any reconciliations for previous periods, shall be forwarded to the county auditor on or before March 15 of the following year.

(6) Upon receipt of an account, the county auditor shall draw a warrant on the treasurer of the county for the payment of the account, which shall be paid from the funds of the county that were appropriated for the payment.

(7) The county council of each county shall annually appropriate sufficient funds to pay these accounts.

If a county has not paid an account within six (6) months after the account is forwarded under this subsection, the auditor of state shall, notwithstanding anything to the contrary in IC 6-1.1-21, reduce the next distribution of property tax replacement credits under IC 6-1.1-21 to the county and withhold the amount owed on the account. The auditor of state shall credit the withheld amount to the state general fund for the purpose of curing the default. The account is then considered paid. A county that has the county's distribution reduced under this subsection shall apply the withheld amount only to the county unit's share of the distribution and may not reduce a distribution to any other civil taxing unit or school corporation within the county.

SECTION 45. IC 4-30-16-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) The commission shall transfer the surplus revenue in the administrative trust fund as follows:

(1) Before the last business day of January, April, July, and October, the commission shall transfer to the treasurer of state, for deposit in the Indiana state teachers' retirement fund (IC 21-6.1-2), ~~before July 1, 2005,~~ seven million five hundred thousand dollars ($7,500,000). ~~and after June 30, 2005, an amount equal to the lesser of:~~

~~(A) seven million five hundred thousand dollars ($7,500,000); or~~

~~(B) the additional quarterly contribution needed so that the ratio of the unfunded liability of the Indiana state teachers' retirement fund compared to total active teacher payroll is as close as possible to but not greater than the ratio that existed on the preceding July 1.~~

~~After June 30, 2003, and before July 1, 2005, the amount deposited in a state fiscal year under this subdivision in the Indiana state teachers' retirement fund (IC 21-6.1-2) shall only be used by the board to reduce the employer contribution rate that school corporations would otherwise pay after June 30, 2003, and before July 1, 2005, to the Indiana state teachers' retirement fund (IC 21-6.1-2),~~

~~as computed under IC 5-10.2-2 and certified under IC 21-6.1-7-12, for teachers covered by the 1996 account, including a proportionate share of administration expenses for the 1996 account. On or before June 15, 2005, and June 15 of each year thereafter, the board of trustees of the Indiana state teachers' retirement fund shall submit to the treasurer of state, each member of the pension management oversight commission, and the auditor of state its estimate of the quarterly amount needed to freeze the unfunded accrued liability of the pre-1996 account (as defined in IC 21-6.1-1-6.9) as a percent of payroll. The estimate shall be based on the most recent actuarial valuation of the fund.~~ Notwithstanding any other law, including any appropriations law resulting from a budget bill (as defined in IC 4-12-1-2), ~~after June 30, 2005,~~ the money transferred under this subdivision shall be set aside in ~~a special account~~ **the pension stabilization fund (IC 21-6.1-2-8)** to be used as a credit against the unfunded accrued liability of the pre-1996 account (as defined in IC 21-6.1-1-6.9) of the Indiana state teachers' retirement fund. The money transferred is in addition to the appropriation needed to pay benefits for the state fiscal year.

(2) Before the last business day of January, April, July, and October, the commission shall transfer:

(A) two million five hundred thousand dollars ($2,500,000) of the surplus revenue to the treasurer of state for deposit in the "k" portion of the pension relief fund (IC 5-10.3-11); and

(B) five million dollars ($5,000,000) of the surplus revenue to the treasurer of state for deposit in the "m" portion of the pension relief fund (IC 5-10.3-11).

(3) The surplus revenue remaining in the fund on the last day of January, April, July, and October after the transfers under subdivisions (1) and (2) shall be transferred by the commission to the treasurer of state for deposit on that day in the build Indiana fund.

(b) The commission may make transfers to the treasurer of state more frequently than required by subsection (a). However, the number of transfers does not affect the amount that is required to be transferred for the purposes listed in subsection (a)(1) and (a)(2). Any amount transferred during the month in excess of the amount required to be transferred for the purposes listed in subsection (a)(1) and (a)(2) shall be transferred to the build Indiana fund.

SECTION 46. IC 4-33-13-5, AS AMENDED BY HEA 1398-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) This subsection does not apply to tax revenue remitted by an operating agent operating a riverboat in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter to the following:

(1) The first thirty-three million dollars ($33,000,000) of tax revenues collected under this chapter shall be set aside for revenue sharing under subsection (e).

(2) Subject to subsection (c), twenty-five percent (25%) of the remaining tax revenue remitted by each licensed owner shall be paid:

(A) to the city that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of:

(i) a city described in IC 4-33-12-6(b)(1)(A); or

(ii) a city located in a county having a population of more than four hundred thousand (400,000) but less than seven hundred thousand (700,000); or

(B) to the county that is designated as the home dock of the riverboat from which the tax revenue was collected, in the case of a riverboat whose home dock is not in a city described in clause (A).

(3) Subject to subsection (d), the remainder of the tax revenue remitted by each licensed owner shall be paid to the property tax replacement fund. In each state fiscal year, ~~beginning after June 30, 2003,~~ the treasurer of state shall make the transfer required by this subdivision not later than the last business day of the month in which the tax revenue is remitted to the state for deposit in the state gaming fund. However, if tax revenue is received by the state on the last business day in a month, the treasurer of state may transfer the tax revenue to the property tax replacement fund in the immediately following month.

(b) This subsection applies only to tax revenue remitted by an operating agent operating a riverboat

in a historic hotel district. After funds are appropriated under section 4 of this chapter, each month the treasurer of state shall distribute the tax revenue deposited in the state gaming fund under this chapter as follows:

(1) Thirty-seven and one half percent (37.5%) shall be paid to the property tax replacement fund established under IC 6-1.1-21.

(2) Thirty-seven and one-half percent (37.5%) shall be paid to the West Baden Springs historic hotel preservation and maintenance fund established by IC 36-7-11.5-11(b). However, at any time the balance in that fund exceeds twenty million dollars ($20,000,000), the amount described in this subdivision shall be paid to the property tax replacement fund established under IC 6-1.1-21.

(3) Five percent (5%) shall be paid to the historic hotel preservation commission established under IC 36-7-11.5.

(4) Ten percent (10%) shall be paid in equal amounts to each town that:

(A) is located in the county in which the riverboat docks; and

(B) contains a historic hotel.

The town council shall appropriate a part of the money received by the town under this subdivision to the budget of the town's tourism commission.

(5) Ten percent (10%) shall be paid to the county treasurer of the county in which the riverboat is docked. The county treasurer shall distribute the money received under this subdivision as follows:

(A) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than thirty-nine thousand six hundred (39,600) but less than forty thousand (40,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(B) Twenty percent (20%) shall be quarterly distributed to the county treasurer of a county having a population of more than ten thousand seven hundred (10,700) but less than twelve thousand (12,000) for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body for the receiving county shall provide for the distribution of the money received under this clause to one (1) or more taxing units (as defined in IC 6-1.1-1-21) in the county under a formula established by the county fiscal body after receiving a recommendation from the county executive.

(C) Sixty percent (60%) shall be retained by the county where the riverboat is docked for appropriation by the county fiscal body after receiving a recommendation from the county executive. The county fiscal body shall provide for the distribution of part or all of the money received under this clause to the following under a formula established by the county fiscal body:

(i) A town having a population of more than two thousand two hundred (2,200) but less than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(ii) A town having a population of more than three thousand five hundred (3,500) located in a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(c) For each city and county receiving money under subsection (a)(2), the treasurer of state shall determine the total amount of money paid by the treasurer of state to the city or county during the state fiscal year 2002. The amount determined is the base year revenue for the city or county. The treasurer of state shall certify the base year revenue determined under this subsection to the city or county. The total amount of money distributed to a city or county under this section during a state fiscal year may not exceed the entity's base year revenue. For each state fiscal year, ~~beginning after June 30, 2002,~~ the treasurer of state shall pay that part of the riverboat wagering taxes that:

(1) exceeds a particular ~~city~~ **city's** or county's base year revenue; and

(2) would otherwise be due to the city or county under this section;
to the property tax replacement fund instead of to the city or county.

(d) Each state fiscal year the treasurer of state shall transfer from the tax revenue remitted to the property tax replacement fund under subsection (a)(3) to the build Indiana fund an amount that when added to the following may not exceed two hundred fifty million dollars ($250,000,000):

(1) Surplus lottery revenues under IC 4-30-17-3.

(2) Surplus revenue from the charity gaming enforcement fund under IC 4-32-10-6.

(3) Tax revenue from pari-mutuel wagering under IC 4-31-9-3.

The treasurer of state shall make transfers on a monthly basis as needed to meet the obligations of the build Indiana fund. If in any state fiscal year insufficient money is transferred to the property tax replacement fund under subsection (a)(3) to comply with this subsection, the treasurer of state shall reduce the amount transferred to the build Indiana fund to the amount available in the property tax replacement fund from the transfers under subsection (a)(3) for the state fiscal year.

(e) Before August 15 of ~~2003 and~~ each year, ~~thereafter,~~ the treasurer of state shall distribute the wagering taxes set aside for revenue sharing under subsection (a)(1) to the county treasurer of each county that does not have a riverboat according to the ratio that the county's population bears to the total population of the counties that do not have a riverboat. Except as provided in subsection (h), the county auditor shall distribute the money received by the county under this subsection as follows:

(1) To each city located in the county according to the ratio the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be retained by the county.

(f) Money received by a city, town, or county under subsection (e) or (h) may be used for any of the following purposes:

(1) To reduce the property tax levy of the city, town, or county for a particular year (a property tax reduction under this subdivision does not reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5).

(2) For deposit in a special fund or allocation fund created under IC 8-22-3.5, IC 36-7-14, IC 36-7-14.5, IC 36-7-15.1, and IC 36-7-30 to provide funding for additional credits for property tax replacement in property tax increment allocation areas or debt repayment.

(3) To fund sewer and water projects, including storm water management projects.

(4) For police and fire pensions.

(5) To carry out any governmental purpose for which the money is appropriated by the fiscal body of the city, town, or county. Money used under this subdivision does not reduce the property tax levy of the city, town, or county for a particular year or reduce the maximum levy of the city, town, or county under IC 6-1.1-18.5.

(g) This subsection does not apply to an entity receiving money under IC 4-33-12-6(c). Before September 15 of ~~2003 and~~ each year, ~~thereafter,~~ the treasurer of state shall determine the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year. If the treasurer of state determines that the total amount of money distributed to an entity under IC 4-33-12-6 during the preceding state fiscal year was less than the entity's base year revenue (as determined under IC 4-33-12-6), the treasurer of state shall make a supplemental distribution to the entity from taxes collected under this chapter and deposited into the property tax replacement fund. The amount of the supplemental distribution is equal to: ~~the difference between~~

(1) the entity's base year revenue (as determined under IC 4-33-12-6); ~~and~~ **minus**

(2) the **sum of:**

(A) the total amount of money distributed to the entity during the preceding state fiscal year under IC 4-33-12-6; **plus**

(B) any amounts deducted under IC 6-3.1-20-7.

(h) This subsection applies only to a county containing a consolidated city. The county auditor shall

distribute the money received by the county under subsection (e) as follows:

(1) To each city, other than a consolidated city, located in the county according to the ratio that the city's population bears to the total population of the county.

(2) To each town located in the county according to the ratio that the town's population bears to the total population of the county.

(3) After the distributions required in subdivisions (1) and (2) are made, the remainder shall be paid in equal amounts to the consolidated city and the county.

SECTION 47. IC 5-10-8-7.3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7.3. (a) As used in this section, "covered individual" means an individual who is:

(1) covered under a self-insurance program established under section 7(b) of this chapter to provide group health coverage; or

(2) entitled to services under a contract with a prepaid health care delivery plan that is entered into or renewed under section 7(c) of this chapter.

(b) As used in this section, "early intervention services" means services provided to a first steps child under IC 12-17-15-3 and 20 U.S.C. 1432(4).

(c) As used in this section, "first steps child" means an infant or toddler from birth through two (2) years of age who is enrolled in the Indiana first steps program and is a covered individual.

(d) As used in this section, "first steps program" refers to the program established under IC 12-17-15 and 20 U.S.C. 1431 et seq. to meet the needs of:

(1) children who are eligible for early intervention services; and

(2) their families.

The term includes the coordination of all available federal, state, local, and private resources available to provide early intervention services within Indiana.

(e) As used in this section, "health benefits plan" means a:

(1) self-insurance program established under section 7(b) of this chapter to provide group health coverage; or

(2) contract with a prepaid health care delivery plan that is entered into or renewed under section 7(c) of this chapter.

(f) A health benefits plan that provides coverage for early intervention services shall reimburse the first steps program for payments made by the program for early intervention services that are covered under the health benefits plan.

~~(g) The reimbursement required under subsection (f) is limited to an annual maximum benefit of three thousand five hundred dollars ($3,500) per first steps child.~~

~~(h)~~ **(g)** The reimbursement required under subsection (f) may not be applied to any annual or aggregate lifetime limit on the first steps child's coverage under the health benefits plan.

~~(i)~~ **(h)** The first steps program may pay required deductibles, copayments, or other out-of-pocket expenses for a first steps child directly to a provider. A health benefits plan shall apply any payments made by the first steps program to the health benefits plan's deductibles, copayments, or other out-of-pocket expenses according to the terms and conditions of the health benefits plan.

SECTION 48. IC 5-10.2-2-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) The funds may employ a common actuary or actuarial service.

(b) At least once in every five (5) years and in every year in which this article is amended so that benefits are changed, the actuary shall make a separate actuarial investigation for each fund and for the 1996 account of the mortality, service, and compensation experience of the members and their beneficiaries and shall make a valuation of the assets and liabilities of the fund or account, using the "entry-age normal cost" method.

(c) The actuarial investigation must include in the determination of the liability and the rates of contribution the amount necessary to fully fund past and estimated future cost of living increases for members of the public employees' retirement fund amortized over thirty (30) years. The actuary shall consult with the budget agency in making this determination.

SECTION 49. IC 5-10.2-2-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. (a) Based on the actuarial investigation and valuation in section 9 of this chapter, each

board shall determine:

(1) the normal contribution for the employer, which is the amount necessary to fund the pension portion of the retirement benefit;

(2) the rate of normal contribution;

(3) the unfunded accrued liability of the public employees' retirement fund, the pre-1996 account, and the 1996 account, which is the excess of total accrued liability over the fund's or account's total assets, respectively; and

(4) the rates of contribution for the state expressed as a proportion of compensation of members, which would be necessary to:

(A) amortize the unfunded accrued liability of the state for thirty (30) years or for ~~the~~ **a shorter** time period requested by the budget agency or the governor; and

(B) prevent the state's unfunded accrued liability from increasing.

(b) Based on the information in subsection (a), each board may determine, in its sole discretion, contributions and contribution rates for individual employers or for a group of employers.

(c) The board's determinations under subsection (a) are subject to section 1.5 of this chapter.

SECTION 50. IC 5-10.2-5-34 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 34. (a) This section does not apply to a member of the public employees' retirement fund (or to a survivor or beneficiary of a member of the public employees' retirement fund) whose creditable service was earned only as an elected official.

(b) In addition to any other cost of living increase provided under this chapter, the pension portion (plus postretirement increases to the pension portion) provided by employer contributions of the monthly benefit payable after December 31, ~~2003,~~ **2005,** to a member of the public employees' retirement fund (or to a survivor or beneficiary of a member of the public employees' retirement fund) who was a retired member of the fund with at least ten (10) years of creditable service and was entitled to receive a monthly benefit on December 1, ~~2003,~~ **2004,** may not be less than one hundred eighty dollars ($180).

(c) The increases specified in this section:

(1) are based upon the date of the member's latest retirement or disability;

(2) do not apply to benefits payable in a lump sum; and

(3) are in addition to any other increase provided by law.

SECTION 51. IC 5-10.2-5-38 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 38. (a) The pension portion (plus postretirement increases to the pension portion) provided by employer contributions of the monthly benefit payable after December 31, 2005, to a member of the public employees' retirement fund (or to a survivor or beneficiary of a member of the public employees' retirement fund) who retired or was disabled:**

(1) before July 2, 1990, shall be increased by two percent (2%); and

(2) after July 1, 1990, and before January 1, 2005, shall be increased by one and one-half percent (1.5%).

(b) The increases specified in this section:

(1) are based on the date of the member's latest retirement or disability;

(2) do not apply to benefits payable in a lump sum; and

(3) are in addition to any other increase provided by law.

SECTION 52. IC 5-10.2-5-39 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 39. (a) The pension portion (plus postretirement increases to the pension portion) provided by employer contributions of the monthly benefit payable after December 31, 2005, to a member of the Indiana state teachers' retirement fund (or to a survivor or beneficiary of a member of the Indiana state teachers' retirement fund) who retired or was disabled:**

(1) before July 2, 1990, shall be increased by two percent (2%); and

(2) after July 1, 1990, and before July 2, 2003, shall be increased by one percent (1%).

(b) The increases specified in this section:

(1) are based on the date of the member's latest retirement or disability;

(2) do not apply to benefits payable in a lump sum; and

(3) are in addition to any other increase provided by law.

SECTION 53. IC 5-11-1-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. There is established a state board of accounts. The board consists of the state examiner and two (2) deputy examiners as provided in this section. The principal officer of the board is the state examiner, who shall be appointed by the governor and who shall hold office for a term of four (4) years from the date of appointment. The state examiner must be a certified public accountant with at least ~~seven (7)~~ **three (3)** consecutive years of active experience as a field examiner with the state board of accounts that immediately precedes the appointment as state examiner. The governor shall also appoint two (2) deputy examiners, who must have the same qualifications as the state examiner, be of different political parties, and be subordinate to the state examiner. The deputy examiners shall be appointed for terms of four (4) years. The state examiner and the deputy examiners are subject to removal by the governor for incompetency or for misconduct of the office, after a hearing upon due notice and upon stated charges in writing. An appeal may be taken by the officer removed to the circuit or a superior court of Marion County.

SECTION 54. IC 5-22-16-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) An offeror that is a foreign corporation must be registered with the secretary of state to do business in Indiana in order to be considered responsible.

(b) This subsection applies to a purchase of supplies or services for a state agency under a contract entered into or purchase order sent to an offeror (in the absence of a contract) after June 30, 2003, including a purchase described in IC 5-22-8-2 or IC 5-22-8-3. A state agency may not purchase property or services from a person that is delinquent in the payment of amounts due from the person under IC 6-2.5 (gross retail and use tax) unless the person provides a statement from the department of state revenue that the person's delinquent tax liability:

(1) has been satisfied; or

(2) has been released under IC 6-8.1-8-2.

(c) ~~Except as provided in subsection (d),~~ The purchasing agent may award a contract to an offeror pending the offeror's registration with the secretary of state. If, in the judgment of the purchasing agent, the offeror has not registered within a reasonable period, the purchasing agent shall cancel the contract. An offeror has no cause of action based on the cancellation of a contract under this subsection.

~~(d) This subsection applies only to a contract awarded by a state agency. In order to be considered responsible, an offeror that is a business required to register with the secretary of state must have registered with the secretary of state at least forty-five (45) days before the solicitation for the purchase was issued.~~

SECTION 55. IC 5-22-21-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. ~~(a)~~ Except as provided in section 7.5 of this chapter, surplus property available for sale ~~shall first~~ **may, under the policies prescribed by the budget agency,** be offered for sale to ~~all~~ political subdivisions. **The policies of the budget agency must require that** if the property is in the possession of the Indiana department of transportation **and is to be offered to political subdivisions,** the commissioner shall notify each supervisor of county highways appointed under IC 8-17-3-1 of the sale.

~~(b) Notice of the sale shall be mailed or provided by another means at least fifteen (15) days before the date of the sale to each county auditor and to each political subdivision that has previously requested notice of the sale from the commissioner. Information regarding the sale shall also be made available at any time before the sale to political subdivisions upon request.~~

~~(c) A political subdivision that wants to purchase the property must deliver a sealed bid to the commissioner before the date of the sale to political subdivisions.~~

~~(d) The department shall sell the surplus property to the highest responsible governmental bidder. The commissioner shall determine a market price for the surplus property that is stated in the notice of the sale. The department shall sell the surplus property to the highest governmental bidder whose bid~~

~~equals or exceeds the market price determined by the commissioner.~~

~~(c) The department shall deliver possession of the surplus property to the governmental bidder after the bidder approves a claim for payment submitted by the department.~~

SECTION 56. IC 5-22-21-7.5, AS AMENDED BY HEA 1288-2005, SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7.5. (a) This section applies to surplus computer hardware that:

(1) is not usable by a state agency as determined under section 6 of this chapter; and

(2) has market value.

(b) As used in this section, "educational entity" refers to the following:

(1) A school corporation as defined in IC 36-1-2-17 or nonpublic schools as defined in **IC 20-10.1-1-3 before July 1, 2005, or** IC 20-18-2-12.

(2) The corporation for educational technology described in **IC 20-10.1-25.1 before July 1, 2005, or** IC 20-20-15.

(c) As used in this section, "market value" means the value of the property is more than the estimated costs of sale and transportation of the property.

(d) Surplus computer hardware available for sale ~~must~~ **may, under the policies prescribed by the budget agency,** be offered ~~first~~ to an educational entity. ~~Notice of the sale must be given to the corporation for educational technology and to each school corporation through publication in a publication of the department of education or other appropriate association or department.~~

~~(e) Sealed bids shall be delivered by educational entities to the office of the commissioner before the date of the sale to educational entities. Surplus personal property shall be sold to the highest responsible bidder as determined by the commissioner. The department shall deliver possession of the surplus property to the successful bidder after the bidder submits an executed purchase order to the department.~~

~~(f) If the surplus computer hardware:~~

~~(1) is not sold to an educational entity under this section; and~~

~~(2) had an original purchase price of more than two thousand five hundred dollars ($2,500);~~

~~the property shall be offered for sale to political subdivisions as described in section 7 of this chapter.~~

SECTION 57. IC 5-22-21-7.5, AS AMENDED BY HEA 1288-2005, SECTION 84, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7.5. (a) This section applies to surplus computer hardware that:

(1) is not usable by a state agency as determined under section 6 of this chapter; and

(2) has market value.

(b) As used in this section, "educational entity" refers to the following:

(1) A school corporation as defined in IC 36-1-2-17 or nonpublic schools as defined in IC 20-18-2-12.

(2) The corporation for educational technology described in IC 20-20-15.

(c) As used in this section, "market value" means the value of the property is more than the estimated costs of sale and transportation of the property.

(d) Surplus computer hardware available for sale ~~must~~ **may, under the policies prescribed by the budget agency,** be offered ~~first~~ to an educational entity. ~~Notice of the sale must be given to the corporation for educational technology and to each school corporation through publication in a publication of the department of education or other appropriate association or department.~~

~~(e) Sealed bids shall be delivered by educational entities to the office of the commissioner before the date of the sale to educational entities. Surplus personal property shall be sold to the highest responsible bidder as determined by the commissioner. The department shall deliver possession of the surplus property to the successful bidder after the bidder submits an executed purchase order to the department.~~

~~(f) If the surplus computer hardware:~~

~~(1) is not sold to an educational entity under this section; and~~

~~(2) had an original purchase price of more than two thousand five hundred dollars ($2,500);~~

~~the property shall be offered for sale to political subdivisions as described in section 7 of this chapter.~~

SECTION 58. IC 5-30-1-11, AS ADDED BY SEA 244-2005, SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. (a) "Public agency" means:

(1) a state agency (as defined in IC 4-13-1-1);

(2) a state educational institution (as defined in IC 20-12-0.5-1);

(3) a unit (as defined in IC 36-1-2-23); ~~or~~

(4) a body corporate and politic created by state statute; **or**

(5) a school corporation (as defined in IC 20-26-2-4).

(b) The term does not include the Indiana department of transportation.

SECTION 59. IC 6-1.1-3-23 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 23. (a) For purposes of this section:

(1) "adjusted cost" refers to the adjusted cost established in 50 IAC 4.2-4-4 (as in effect on January 1, 2003);

(2) "depreciable personal property" has the meaning set forth in 50 IAC 4.2-4-1 (as in effect on January 1, 2003);

(3) "integrated steel mill" means a person, **including a subsidiary of a corporation,** that produces steel by processing iron ore and other raw materials in a blast furnace **in Indiana;**

(4) "oil refinery/petrochemical company" means a person that produces a variety of petroleum products by processing an annual average of at least one hundred thousand (100,000) barrels of crude oil per day;

(5) "permanently retired depreciable personal property" has the meaning set forth in 50 IAC 4.2-4-3 (as in effect on January 1, 2003);

(6) "pool" refers to a pool established in 50 IAC 4.2-4-5(a) (as in effect on January 1, 2003);

(7) "special integrated steel mill or oil refinery/petrochemical equipment" means depreciable personal property, other than special tools and permanently retired depreciable personal property:

(A) that:

(i) is owned, leased, or used by an integrated steel mill or an entity that is at least fifty percent (50%) owned by an affiliate of an integrated steel mill; and

(ii) falls within Asset Class 33.4 as set forth in IRS Rev. Proc. 87-56, 1987-2, C.B. 647; or

(B) that:

(i) is owned, leased, or used as an integrated part of an oil refinery/petrochemical company or its affiliate; and

(ii) falls within Asset Class 13.3 or 28.0 as set forth in IRS Rev. Proc. 87-56, 1987-2, C.B. 647;

(8) "special tools" has the meaning set forth in 50 IAC 4.2-6-2 (as in effect on January 1, 2003); and

(9) "year of acquisition" refers to the year of acquisition determined under 50 IAC 4.2-4-6 (as in effect on January 1, 2003).

(b) Notwithstanding 50 IAC 4.2-4-4, 50 IAC 4.2-4-6, and 50 IAC 4.2-4-7, a taxpayer may elect to calculate the true tax value of the taxpayer's special integrated steel mill or oil refinery/petrochemical equipment by multiplying the adjusted cost of that equipment by the percentage set forth in the following table:

Year of Acquisition	Percentage
1	40%
2	56%
3	42%
4	32%
5	24%
6	18%
7	15%
8 and older	10%

(c) The department of local government finance shall designate the table under subsection (b) as "Pool No. 5" on the business personal property tax return.

(d) The percentage factors in the table under subsection (b) automatically reflect all adjustments for depreciation and obsolescence, including abnormal obsolescence, for special integrated steel mill or oil refinery/petrochemical equipment. The equipment is entitled to all exemptions, credits, and deductions for which it qualifies.

(e) The minimum valuation limitations under 50 IAC 4.2-4-9 do not apply to special integrated steel mill or oil refinery/petrochemical equipment valued under this section. The value of the equipment is not included in the calculation of that minimum valuation limitation for the taxpayer's other assessable depreciable personal property in the taxing district.

(f) An election to value special integrated steel mill or oil refinery/petrochemical equipment under this section:

(1) must be made by reporting the equipment under this section on a business personal property tax return;

(2) applies to all of the taxpayer's special integrated steel mill or oil refinery/petrochemical equipment located in the state (whether owned or leased, or used as an integrated part of the equipment); and

(3) is binding on the taxpayer for the assessment date for which the election is made.

The department of local government finance shall prescribe the forms to make the election beginning with the March 1, 2003, assessment date. Any special integrated steel mill or oil refinery/petrochemical equipment acquired by a taxpayer that has made an election under this section is valued under this section.

(g) If fifty percent (50%) or more of the adjusted cost of a taxpayer's property that would, notwithstanding this section, be reported in a pool other than Pool No. 5 is attributable to special integrated steel mill or oil refinery/petrochemical equipment, the taxpayer may elect to calculate the true tax value of all of that property as special integrated steel mill or oil refinery/petrochemical equipment. The true tax value of property for which an election is made under this subsection is calculated under subsections (b) through (f).

SECTION 60. IC 6-1.1-19-1.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 1.5. (a) The following definitions apply throughout this section and IC 21-3-1.7:

(1) "Adjustment factor" means the adjustment factor determined by the department of local government finance for a school corporation under IC 6-1.1-34.

(2) "Adjusted target property tax rate" means:

(A) the school corporation's target general fund property tax rate determined under IC 21-3-1.7-6.8; multiplied by

(B) the school corporation's adjustment factor.

(3) "Previous year property tax rate" means the **part of the** school corporation's previous year general fund property tax rate ~~after the reductions cited in IC 21-3-1.7-5(1), IC 21-3-1.7-5(2), and IC 21-3-1.7-5(3).~~ **imposed for the school corporation's tuition support levy (as defined in IC 21-3-1.7-5), but before the reductions in IC 21-3-1.7-5.**

(b) Except as otherwise provided in this chapter, a school corporation may not ~~for a calendar year beginning after December 31, 2004,~~ impose a general fund ad valorem property tax levy which exceeds the following:

STEP ONE: Determine the result of:

(A) the school corporation's adjusted target property tax rate; minus

(B) the school corporation's previous year property tax rate.

STEP TWO: If the school corporation's adjusted target property tax rate:

(A) exceeds the school corporation's previous year property tax rate, ~~perform~~ the ~~calculation under STEP THREE and not under STEP FOUR;~~ **result under this STEP for the school corporation is the school corporation's previous year property tax rate after increasing the rate by the lesser of:**

(i) the STEP ONE result; or

(ii) three cents ($0.03); or

(B) is less than the school corporation's previous year property tax rate, ~~perform~~ the ~~calculation~~

~~under STEP FOUR and not under STEP THREE;~~ **result under this STEP is the school corporation's previous year property tax rate after reducing the rate by the lesser of:**

(i) the absolute value of the STEP ONE result; or

(ii) eight cents ($0.08); or

(C) equals the school corporation's previous year property tax rate, ~~determine~~ the ~~levy resulting from using~~ **result under this STEP is** the school corporation's adjusted target property tax rate. ~~and do not perform the calculation under STEP THREE or STEP FOUR.~~

~~STEP THREE: Determine the levy resulting from using the school corporation's previous year property tax rate after increasing the rate by the lesser of:~~

~~(A) the STEP ONE result; or~~

~~(B) five cents ($0.05).~~

~~STEP FOUR: Determine the levy resulting from using the school corporation's previous year property tax rate after reducing the rate by the lesser of:~~

~~(A) the absolute value of the STEP ONE result; or~~

~~(B) five cents ($0.05).~~

STEP THREE: Divide the school corporation's total assessed value by one hundred dollars ($100).

STEP FOUR: Multiply the STEP TWO result by the STEP THREE result.

STEP FIVE: Determine the ~~result~~ **sum** of **the following:**

(A) The ~~STEP TWO (C), STEP THREE, or~~ STEP FOUR result. ~~whichever applies; plus~~

(B) An amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

(C) The **part of the** maximum **general fund** levy ~~is to include~~ **for** the ~~portion of any excessive levy and~~ **year that equals the original amount of** the levy ~~for~~ **by the school corporation to cover the costs of opening a** new ~~facilities~~ **school facility or reopening an existing facility during the preceding year.**

(D) The amount determined under item (iv) of the following formula:

(i) Determine the target revenue per ADM under IC 21-3-1.7-6.7 for each charter school that included at least one (1) student who has legal settlement in the school corporation in the charter school's current ADM.

(ii) For each charter school, multiply the item (i) amount by the number of students who have legal settlement in the school corporation and who are included in the charter school's current ADM.

(iii) Determine the sum of the item (ii) amounts.

(iv) Multiply the item (iii) amount by

~~STEP SIX: Determine the result of:~~

~~(A) the STEP FIVE result; plus~~

~~(B) the product of:~~

~~(i) the weighted average of the amounts determined under IC 21-3-1.7-6.7(c) STEP NINE for all charter schools attended by students who have legal settlement in the school corporation, multiplied by~~

~~(ii)~~ thirty-five hundredths (0.35).

In determining the number of students for purposes of this ~~STEP,~~ **clause,** each kindergarten pupil shall be counted as one-half (1/2) pupil.

~~The result determined under this STEP may not be included in the school corporation's adjusted base levy for the year following the year in which the result applies or in the school corporation's determination of tuition support.~~

(c) For purposes of this section, "total assessed value" with respect to a school corporation means the total assessed value of all taxable property for ad valorem property taxes first due and payable during that year.

(d) The department of local government finance shall annually establish an assessment ratio and adjustment factor for each school corporation to be used upon the review and recommendation of the budget committee. The information compiled, including background documentation, may not be used in a:

(1) review of an assessment under IC 6-1.1-8, IC 6-1.1-13, IC 6-1.1-14, or IC 6-1.1-15;

(2) petition for a correction of error under IC 6-1.1-15-12; or

(3) petition for refund under IC 6-1.1-26.

(e) All tax rates ~~shall be computed by rounding the rate to the nearest one-hundredth of a cent ($0.0001). All~~ **and** tax levies **computed under this section** shall be computed by rounding ~~the levy to the nearest dollar amount.~~ **in conformity with IC 21-3-1.7-7.**

~~(f) For the calendar year beginning January 1, 2004, and ending December 31, 2004, a school corporation may impose a general fund ad valorem property tax levy in the amount determined under STEP EIGHT of the following formula:~~

~~STEP ONE: Determine the quotient of:~~

~~(A) the school corporation's 2003 assessed valuation; divided by~~

~~(B) the school corporation's 2002 assessed valuation.~~

~~STEP TWO: Determine the greater of zero (0) or the difference between:~~

~~(A) the STEP ONE amount; minus~~

~~(B) one (1).~~

~~STEP THREE: Determine the lesser of eleven-hundredths (0.11) or the product of:~~

~~(A) the STEP TWO amount; multiplied by~~

~~(B) eleven-hundredths (0.11).~~

~~STEP FOUR: Determine the sum of:~~

~~(A) the STEP THREE amount; plus~~

~~(B) one (1).~~

~~STEP FIVE: Determine the product of:~~

~~(A) the STEP FOUR amount; multiplied by~~

~~(B) the school corporation's general fund ad valorem property tax levy for calendar year 2003.~~

~~STEP SIX: Determine the lesser of:~~

~~(A) the STEP FIVE amount; or~~

~~(B) the levy resulting from using the school corporation's previous year property tax rate after increasing the rate by five cents ($0.05).~~

~~STEP SEVEN: Determine the result of:~~

~~(A) the STEP SIX amount; plus~~

~~(B) an amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.~~

~~The maximum levy is to include the part of any excessive levy and the levy for new facilities.~~

~~STEP EIGHT: Determine the result of:~~

~~(A) the STEP SEVEN result; plus~~

~~(B) the product of:~~

~~(i) the weighted average of the amounts determined under IC 21-3-1.7-6.7(e) STEP NINE for all charter schools attended by students who have legal settlement in the school corporation; multiplied by~~

~~(ii) thirty-five hundredths (0.35).~~

~~In determining the number of students for purposes of this STEP, each kindergarten pupil shall be counted as one-half (1/2) pupil.~~

~~The result determined under this STEP may not be included in the school corporation's adjusted base levy for the year following the year in which the result applies or in the school corporation's determination of tuition support.~~

SECTION 61. IC 6-1.1-20.4 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 20.4. Local Homestead Credits

Sec. 1. As used in this chapter, "homestead" has the meaning set forth in IC 6-1.1-20.9-1.

Sec. 2. As used in this chapter, "property tax liability" means liability for the tax imposed on property under this article determined after application of all credits and deductions under this article, except the credit under this chapter, but does not include any interest or penalty imposed under this article.

Sec. 3. As used in this chapter, "revenue" includes revenue received by a political subdivision under any law or from any person.

Sec. 4. (a) A political subdivision may adopt an ordinance or resolution each year to provide for the use of revenue for the purpose of providing a homestead credit the following year to homesteads. An ordinance must be adopted under this section before December 31 for credits to be provided in the following year. The ordinance applies only to the immediately following year.

(b) A homestead credit under this chapter is to be applied to the net property tax liabilitydue on the homestead.

(c) A homestead credit under this chapter does not reduce the basis for determining the state property tax replacement credit under IC 6-1.1-21 or the state homestead credit under IC 6-1.1-20.9.

Sec. 5. An ordinance or resolution adopted under this chapter must provide for a homestead credit that is either a uniform:

(1) percentage of the net property taxes due on the homestead after the application of all other deductions and credits; or

(2) dollar amount applicable to each homestead.

The ordinance or resolution must specify the percentage or the dollar amount.

Sec. 6. If the credit under this chapter is authorized for property taxes first due and payable in a calendar year, a person is entitled to a credit against the person's property tax liability for property taxes first due and payable in that calendar year attributable to the person's homestead located in the county.

Sec. 7. A person is not required to file an application for the credit under this chapter. The county auditor shall:

(1) identify qualified homesteads in the political subdivision that are eligible for the credit under this chapter; and

(2) apply the credit under this chapter to property tax liability on the identified homestead.

Sec. 8. If an ordinance or resolution is adopted under this chapter, the county auditor shall, for the calendar year in which a homestead credit is authorized under this chapter, account for the revenue used to provide the homestead credit in a manner so that no other political subdivision in the county suffers a revenue loss because of the allowance of the homestead credit.

Sec. 9. The application of the credit under this chapter results in a reduction of the property tax collections of the political subdivision which provided the credit. A political subdivision may not increase its property tax levy to make up for that reduction.

SECTION 62. IC 6-1.1-20.6 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]:

Chapter 20.6. Credit for Excessive Residential Property Taxes

Sec. 1. As used in this chapter, "apartment complex" means real property consisting of at least five (5) units that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more.

Sec. 2. As used in this chapter, "homestead" has the meaning set forth in IC 6-1.1-20.9-1.

Sec. 3. As used in this chapter, "property tax liability" means liability for the tax imposed on property under this article determined after application of all credits and deductions under this article, except the credit under this chapter, but does not include any interest or penalty imposed under this article.

Sec. 4. As used in this chapter, "qualified residential property" refers to any of the following that

a county fiscal body specifically makes eligible for a credit under this chapter in an ordinance adopted under section 6 of this chapter:

(1) An apartment complex.

(2) A homestead.

(3) Residential rental property.

Sec. 5. As used in this chapter, "residential rental property" means real property consisting of not more than (4) units that are regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more.

Sec. 6. (a) A county fiscal body:

(1) may adopt an ordinance to authorize the application of the credit under this chapter for one (1) or more calendar years to qualified residential property in the county; and

(2) must adopt an ordinance under subdivision (1) before July 1 of a calendar year to authorize the credit under this chapter for property taxes first due and payable in the immediately succeeding calendar year.

(b) An ordinance adopted under this section must specify the categories of residential property listed in section 4 of this chapter that are eligible for the credit provided under this chapter.

Sec. 7. If the credit under this chapter is authorized under section 2 of this chapter for property taxes first due and payable in a calendar year:

(1) a person is entitled to a credit against the person's property tax liability for property taxes first due and payable in that calendar year attributable to the person's qualified residential property located in the county; and

(2) the amount of the credit is the amount by which the person's property tax liability attributable to the person's qualified residential property for property taxes first due and payable in that calendar year exceeds two percent (2%) of the gross assessed value that is the basis for determination of property taxes on the qualified residential property for property taxes first due and payable in that calendar year.

Sec. 8. A person is not required to file an application for the credit under this chapter. The county auditor shall:

(1) identify qualified residential property in the county eligible for the credit under this chapter; and

(2) apply the credit under this chapter to property tax liability on the identified qualified residential property.

Sec. 9. (a) The fiscal body of a county may adopt an ordinance to authorize the county fiscal officer to borrow money repayable over a term not to exceed five (5) years in an amount sufficient to compensate the political subdivisions located wholly or in part in the county for the reduction of property tax collections in a calendar year that results from the application of the credit under this chapter for that calendar year.

(b) The county fiscal officer shall distribute in a calendar year to each political subdivision located wholly or in part in the county loan proceeds under subsection (a) for that calendar year in the amount by which the property tax collections of the political subdivision in that calendar year are reduced as a result of the application of the credit under this chapter for that calendar year.

(c) If the county fiscal officer distributes money to political subdivisions under subsection (b), the political subdivisions that receive the distributions shall repay the loan under subsection (a) over the term of the loan. Each political subdivision that receives a distribution under subsection (b):

(1) shall:

(A) appropriate for each year in which the loan is to be repaid an amount sufficient to pay the part of the principal and interest on the loan attributable to the distribution received by the political subdivision under subsection (b); and

(B) raise property tax revenue in each year in which the loan is to be repaid in the amount necessary to meet the appropriation under clause (A); and

(2) other than the county, shall transfer to the county fiscal officer money dedicated under this

section to repayment of the loan in time to allow the county to meet the loan repayment schedule.

(d) Property taxes imposed under subsection (c)(1)(B) are subject to levy limitations under IC 6-1.1-18.5 or IC 6-1.1-19.

(e) The obligation to:

(1) repay; or

(2) contribute to the repayment of;

the loan under subsection (a) is not a basis for a political subdivision to obtain an excessive tax levy under IC 6-1.1-18.5 or IC 6-1.1-19.

(f) The application of the credit under this chapter results in a reduction of the property tax collections of each political subdivision in which the credit is applied. A political subdivision may not increase its property tax levy to make up for that reduction.

SECTION 63. IC 6-1.1-20.9-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 2. (a) Except as otherwise provided in section 5 of this chapter, an individual who on March 1 of a particular year either owns or is buying a homestead under a contract that provides the individual is to pay the property taxes on the homestead is entitled each calendar year to a credit against the property taxes which the individual pays on the individual's homestead. However, only one (1) individual may receive a credit under this chapter for a particular homestead in a particular year.

(b) The amount of the credit to which the individual is entitled equals the product of:

(1) the percentage prescribed in subsection (d); multiplied by

(2) the amount of the individual's property tax liability, as that term is defined in IC 6-1.1-21-5, which is:

(A) attributable to the homestead during the particular calendar year; and

(B) determined after the application of the property tax replacement credit under IC 6-1.1-21.

(c) For purposes of determining that part of an individual's property tax liability that is attributable to the individual's homestead, all deductions from assessed valuation which the individual claims under IC 6-1.1-12 or IC 6-1.1-12.1 for property on which the individual's homestead is located must be applied first against the assessed value of the individual's homestead before those deductions are applied against any other property.

(d) The percentage of the credit referred to in subsection (b)(1) is as follows:

YEAR	PERCENTAGE OF THE CREDIT
1996	8%
1997	6%
1998 through 2002	10%
2003 and thereafter	20%

However, the property tax replacement fund board established under IC 6-1.1-21-10 ~~in its sole discretion, may~~ **shall** increase the percentage of the credit provided in the schedule for any year if the ~~board feels that the property tax replacement fund contains enough money for the resulting increased distribution.~~ **budget agency determines that an increase is necessary to provide the minimum tax relief authorized under IC 6-1.1-21-2.5.** If the board increases the percentage of the credit provided in the schedule for any year, the percentage of the credit for the immediately following year is the percentage provided in the schedule for that particular year, unless as provided in this subsection the board ~~in its discretion increases~~ **must increase** the percentage of the credit provided in the schedule for that particular year.

However, the percentage credit allowed in a particular county for a particular year shall be increased if on January 1 of a year an ordinance adopted by a county income tax council was in effect in the county which increased the homestead credit. The amount of the increase equals the amount designated in the ordinance.

(e) Before October 1 of each year, the assessor shall furnish to the county auditor the amount of the assessed valuation of each homestead for which a homestead credit has been properly filed under this chapter.

(f) The county auditor shall apply the credit equally to each installment of taxes that the individual pays for the property.

(g) Notwithstanding the provisions of this chapter, a taxpayer other than an individual is entitled to the credit provided by this chapter if:

(1) an individual uses the residence as the individual's principal place of residence;

(2) the residence is located in Indiana;

(3) the individual has a beneficial interest in the taxpayer;

(4) the taxpayer either owns the residence or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; and

(5) the residence consists of a single-family dwelling and the real estate, not exceeding one (1) acre, that immediately surrounds that dwelling.

SECTION 64. IC 6-1.1-21-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 2. As used in this chapter:

(a) "Taxpayer" means a person who is liable for taxes on property assessed under this article.

(b) "Taxes" means property taxes payable in respect to property assessed under this article. The term does not include special assessments, penalties, or interest, but does include any special charges which a county treasurer combines with all other taxes in the preparation and delivery of the tax statements required under IC 6-1.1-22-8(a).

(c) "Department" means the department of state revenue.

(d) "Auditor's abstract" means the annual report prepared by each county auditor which under IC 6-1.1-22-5, is to be filed on or before March 1 of each year with the auditor of state.

(e) "Mobile home assessments" means the assessments of mobile homes made under IC 6-1.1-7.

(f) "Postabstract adjustments" means adjustments in taxes made subsequent to the filing of an auditor's abstract which change assessments therein or add assessments of omitted property affecting taxes for such assessment year.

(g) "Total county tax levy" means the sum of:

(1) the remainder of:

(A) the aggregate levy of all taxes for all taxing units in a county which are to be paid in the county for a stated assessment year as reflected by the auditor's abstract for the assessment year, adjusted, however, for any postabstract adjustments which change the amount of the aggregate levy; minus

(B) the sum of any increases in property tax levies of taxing units of the county that result from appeals described in:

(i) IC 6-1.1-18.5-13(4) and IC 6-1.1-18.5-13(5) filed after December 31, 1982; plus

(ii) the sum of any increases in property tax levies of taxing units of the county that result from any other appeals described in IC 6-1.1-18.5-13 filed after December 31, 1983; plus

(iii) IC 6-1.1-18.6-3 (children in need of services and delinquent children who are wards of the county); minus

(C) the total amount of property taxes imposed for the stated assessment year by the taxing units of the county under the authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed), IC 12-19-5, or IC 12-20-24; minus

(D) the total amount of property taxes to be paid during the stated assessment year that will be used to pay for interest or principal due on debt that:

(i) is entered into after December 31, 1983;

(ii) is not debt that is issued under IC 5-1-5 to refund debt incurred before January 1, 1984; and

(iii) does not constitute debt entered into for the purpose of building, repairing, or altering school buildings for which the requirements of IC 20-5-52 were satisfied prior to January 1, 1984; minus

(E) the amount of property taxes imposed in the county for the stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was initially established or reestablished for a stated

assessment year that succeeds the 1983 stated assessment year; minus

(F) the remainder of:

(i) the total property taxes imposed in the county for the stated assessment year under authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(ii) the total property taxes imposed in the county for the 1984 stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus

(G) the amount of property taxes imposed in the county for the stated assessment year under:

(i) IC 21-2-15 for a capital projects fund; plus

(ii) IC 6-1.1-19-10 for a racial balance fund; plus

(iii) IC 20-14-13 for a library capital projects fund; plus

(iv) IC 20-5-17.5-3 for an art association fund; plus

(v) IC 21-2-17 for a special education preschool fund; plus

(vi) IC 21-2-11.6 for a referendum tax levy fund; plus

(vii) an appeal filed under IC 6-1.1-19-5.1 for an increase in a school corporation's maximum permissible general fund levy for certain transfer tuition costs; plus

(viii) an appeal filed under IC 6-1.1-19-5.4 for an increase in a school corporation's maximum permissible general fund levy for transportation operating costs; minus

(H) the amount of property taxes imposed by a school corporation that is attributable to the passage, after 1983, of a referendum for an excessive tax levy under IC 6-1.1-19, including any increases in these property taxes that are attributable to the adjustment set forth in IC 6-1.1-19-1.5 or any other law; minus

(I) for each township in the county, the lesser of:

(i) the sum of the amount determined in IC 6-1.1-18.5-19(a) STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE, whichever is applicable, plus the part, if any, of the township's ad valorem property tax levy for calendar year 1989 that represents increases in that levy that resulted from an appeal described in IC 6-1.1-18.5-13(4) filed after December 31, 1982; or

(ii) the amount of property taxes imposed in the township for the stated assessment year under the authority of IC 36-8-13-4; minus

(J) for each participating unit in a fire protection territory established under IC 36-8-19-1, the amount of property taxes levied by each participating unit under IC 36-8-19-8 and IC 36-8-19-8.5 less the maximum levy limit for each of the participating units that would have otherwise been available for fire protection services under IC 6-1.1-18.5-3 and IC 6-1.1-18.5-19 for that same year; minus

(K) for each county, the sum of:

(i) the amount of property taxes imposed in the county for the repayment of loans under IC 12-19-5-6 (repealed) that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995, or for property taxes payable in each year after 1995, the amount determined under IC 12-19-7-4(b); and

(ii) the amount of property taxes imposed in the county attributable to appeals granted under IC 6-1.1-18.6-3 that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995, or the amount determined under IC 12-19-7-4(b) for property taxes payable in each year after 1995; plus

(2) all taxes to be paid in the county in respect to mobile home assessments currently assessed for the year in which the taxes stated in the abstract are to be paid; plus

(3) the amounts, if any, of county adjusted gross income taxes that were applied by the taxing units in the county as property tax replacement credits to reduce the individual levies of the taxing

units for the assessment year, as provided in IC 6-3.5-1.1; plus

(4) the amounts, if any, by which the maximum permissible ad valorem property tax levies of the taxing units of the county were reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated assessment year; plus

(5) the difference between:

(A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR; minus

(B) the amount the civil taxing units' levies were increased because of the reduction in the civil taxing units' base year certified shares under IC 6-1.1-18.5-3(e).

(h) "December settlement sheet" means the certificate of settlement filed by the county auditor with the auditor of state, as required under IC 6-1.1-27-3.

(i) "Tax duplicate" means the roll of property taxes which each county auditor is required to prepare on or before March 1 of each year under IC 6-1.1-22-3.

(j) "Eligible property tax replacement amount" is, **except as otherwise provided by law,** equal to the sum of the following:

(1) Sixty percent (60%) of the total county tax levy imposed by each school corporation in a county for its general fund for a stated assessment year.

(2) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on real property for a stated assessment year.

(3) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on tangible personal property, excluding business personal property, for an assessment year.

(k) "Business personal property" means tangible personal property (other than real property) that is being:

(1) held for sale in the ordinary course of a trade or business; or

(2) held, used, or consumed in connection with the production of income.

(l) "Taxpayer's property tax replacement credit amount" means, **except as otherwise provided by law,** the sum of the following:

(1) Sixty percent (60%) of a taxpayer's tax liability in a calendar year for taxes imposed by a school corporation for its general fund for a stated assessment year.

(2) Twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on real property.

(3) Twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on tangible personal property other than business personal property.

(m) "Tax liability" means tax liability as described in section 5 of this chapter.

(n) "General school operating levy" means the ad valorem property tax levy of a school corporation in a county for the school corporation's general fund.

(o) "Board" refers to the property tax replacement fund board established under section 10 of this chapter.

SECTION 65. IC 6-1.1-21-2.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: **Sec. 2.5. (a) Annually, before the department determines the eligible property tax replacement amount for a year under section 3 of this chapter and the department of local government finance makes its certification under section 3(b) of this chapter, the budget agency shall determine the sum of the following:**

(1) One billion one hundred twenty-one million seven hundred thousand dollars ($1,121,700,000).

(2) An amount equal to the net amount of revenue, after deducting collection allowances and refunds, that the budget agency estimates will be collected in a particular calendar year from

the part of the gross retail and use tax rate imposed under IC 6-2.5 equal to one percent (1%). The estimate made under this subsection must be consistent with the latest technical forecast of state revenues that is prepared for distribution to the general assembly and the general public and available to the budget agency at the time that the estimate is made.

(b) The department may not distribute eligible property tax replacement amounts and eligible homestead credit replacement amounts for a year under this chapter that, in the aggregate, is less than the amount computed under subsection (a).

(c) Annually, before the department determines the eligible property tax replacement amount for a year under section 3 of this chapter and the department of local government finance makes its certification under section 3(b) of this chapter, the budget agency shall determine whether the total amount of property tax replacement credits granted in Indiana under section 5 of this chapter and homestead credits granted in Indiana under IC 6-1.1-20.9-2 for a year, determined without applying subsection (b), will be less than the amount determined under subsection (b). The budget agency shall give notice of its determination to the members of the board and, in an electronic format under IC 5-14-6, the general assembly. If the budget agency determines that the amount determined under subsection (b) will not be exceeded in a particular year, the board shall increase for that year the percentages used to determine a taxpayer's property tax replacement credit amount and the homestead credit percentage applicable under IC 6-1.1-20.9-2 so that the total amount of property tax replacement credits granted in Indiana under section 5 of this chapter and homestead credits granted in Indiana under IC 6-1.1-20.9-2 at least equals the amount determined under subsection (b). In making adjustments under this subsection, the board shall increase percentages in the following order until the total of property tax replacement credits granted under section 5 of this chapter and homestead credits granted under IC 6-1.1-20.9-2 for the year at least equals the amount determined under subsection (b):

(1) The homestead credit percentage specified in IC 6-1.1-20.9-2 until the homestead percentage reaches the lesser of:

(A) thirty percent (30%); or

(B) the percentage at which the total of property tax replacement credits granted under section 5 of this chapter and homestead credits granted under IC 6-1.1-20.9-2 for the year at least equals the amount determined under subsection (b).

(2) If the amount determined under subsection (b) is not exceeded after increasing the homestead percentage under subdivision (1), the board shall increase the property tax replacement credit percentage specified in section 2(j)(1) and 2(l)(1) of this chapter until the property tax replacement percentage reaches the lesser of:

(A) seventy percent (70%); or

(B) the percentage at which the total of property tax replacement credits granted under section 5 of this chapter and homestead credits granted under IC 6-1.1-20.9-2 for the year, as adjusted under this subsection, at least equals the amount determined under subsection (b).

(3) If the amount determined under subsection (b) is not exceeded after making all possible increases in credit percentages under subdivisions (1) and (2), the board shall increase the property tax replacement credit percentages specified in section 2(j)(2), 2(j)(3), 2(l)(2), and 2(l)(3) of this chapter to the percentage at the total of property tax replacement credits granted under section 5 of this chapter and homestead credits granted under IC 6-1.1-20.9-2 for the year, as adjusted under this subsection, at least equals the amount determined under subsection (b).

(d) The adjusted percentages set under subsection (c):

(1) are the percentages that apply under:

(A) section 5 of this chapter to determine a taxpayer's property tax replacement credit amount; and

(B) IC 6-1.1-20.9-2 to determine a taxpayer's homestead credit; and

(2) must be used by the:

(A) department in estimating the eligible property tax replacement amount under section 3 of this chapter; and

(B) department of local government finance in making its certification under section 3(b) of this chapter;

and for all other purposes under this chapter and IC 6-1.1-20.9 related to distributions under this chapter;

for the particular year covered by a budget agency's determination under subsection (c).

SECTION 66. IC 6-1.1-21.8-4, AS AMENDED BY HEA 1288-2005, SECTION 93, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) The board shall determine the terms of a loan made under this chapter. However, the interest charged on the loan may not exceed the percent of increase in the United States Department of Labor Consumer Price Index for Urban Wage Earners and Clerical Workers during the most recent twelve (12) month period for which data is available as of the date that the unit applies for a loan under this chapter. In the case of a qualified taxing unit that is not a school corporation or a public library (as defined in IC 36-12-1-5), a loan must be repaid not later than ten (10) years after the date on which the loan was made. In the case of a qualified taxing unit that is a school corporation or a public library (as defined in IC 36-12-1-5), a loan must be repaid not later than eleven (11) years after the date on which the loan was made. A school corporation or a public library (as defined in IC 36-12-1-5) is not required to begin making payments to repay a loan until after June 30, 2004. The total amount of all the loans made under this chapter may not exceed twenty-eight million dollars ($28,000,000). The board may disburse the proceeds of a loan in installments. However, not more than one-third (1/3) of the total amount to be loaned under this chapter may be disbursed at any particular time without the review of the budget committee and the approval of the budget agency.

(b) A loan made under this chapter shall be repaid only from:

(1) property tax revenues of the qualified taxing unit that are subject to the levy limitations imposed by IC 6-1.1-18.5 or IC 6-1.1-19; ~~or~~

(2) in the case of a school corporation, the school corporation's debt service fund; or

~~(2)~~ **(3)** any other source of revenues (other than property taxes) that is legally available to the qualified taxing unit.

The payment of any installment of principal constitutes a first charge against the property tax revenues described in subdivision (1) that are collected by the qualified taxing unit during the calendar year the installment is due and payable.

(c) The obligation to repay a loan made under this chapter is not a basis for the qualified taxing unit to obtain an excessive tax levy under IC 6-1.1-18.5 or IC 6-1.1-19.

(d) Whenever the board receives a payment on a loan made under this chapter, the board shall deposit the amount paid in the counter-cyclical revenue and economic stabilization fund.

(e) This section does not prohibit a qualified taxing unit from repaying a loan made under this chapter before the date specified in subsection (a) if a taxpayer described in section 3 of this chapter resumes paying property taxes to the qualified taxing unit.

(f) Interest accrues on a loan made under this chapter until the date the board receives notice from the county auditor that the county has adopted at least one (1) of the following:

(1) The county adjusted gross income tax under IC 6-3.5-1.1.

(2) The county option income tax under IC 6-3.5-6.

(3) The county economic development income tax under IC 6-3.5-7.

Notwithstanding subsection (a), interest may not be charged on a loan made under this chapter if a tax described in this subsection is adopted before a qualified taxing unit applies for the loan.

SECTION 67. IC 6-1.1-30-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. The commissioner ~~shall~~ **may** appoint an individual to serve as deputy commissioner of the department of local government finance. However, the appointment must be approved by the governor. ~~The~~ **A** deputy commissioner shall subscribe to an oath to faithfully discharge the duties assigned to the deputy commissioner either by law or by the commissioner.

SECTION 68. IC 6-1.1-34-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. Each year in which a general assessment of real property becomes effective, the department of local government finance shall compute a new assessment ratio for each school corporation and a new state average assessment ratio. In all other years, the department ~~may~~ **shall** compute a new assessment ratio for a school corporation and a new state average assessment ratio if the department finds that there has been sufficient reassessment **or adjustment** of one (1) or more classes of property in the school district. When the department of local government finance computes a new assessment ratio for a school corporation, the department shall publish the new ratio.

SECTION 69. IC 6-3-1-3.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 3.5. When used in this article, the term "adjusted gross income" shall mean the following:

(a) In the case of all individuals, "adjusted gross income" (as defined in Section 62 of the Internal Revenue Code), modified as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 62 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(3) Subtract one thousand dollars ($1,000), or in the case of a joint return filed by a husband and wife, subtract for each spouse one thousand dollars ($1,000).

(4) Subtract one thousand dollars ($1,000) for:

(A) each of the exemptions provided by Section 151(c) of the Internal Revenue Code;

(B) each additional amount allowable under Section 63(f) of the Internal Revenue Code; and

(C) the spouse of the taxpayer if a separate return is made by the taxpayer and if the spouse, for the calendar year in which the taxable year of the taxpayer begins, has no gross income and is not the dependent of another taxpayer.

(5) Subtract:

(A) one thousand five hundred dollars ($1,500) for each of the exemptions allowed under Section 151(c)(1)(B) of the Internal Revenue Code for taxable years beginning after December 31, 1996; and

(B) five hundred dollars ($500) for each additional amount allowable under Section 63(f)(1) of the Internal Revenue Code if the adjusted gross income of the taxpayer, or the taxpayer and the taxpayer's spouse in the case of a joint return, is less than forty thousand dollars ($40,000).

This amount is in addition to the amount subtracted under subdivision (4).

(6) Subtract an amount equal to the lesser of:

(A) that part of the individual's adjusted gross income (as defined in Section 62 of the Internal Revenue Code) for that taxable year that is subject to a tax that is imposed by a political subdivision of another state and that is imposed on or measured by income; or

(B) two thousand dollars ($2,000).

(7) Add an amount equal to the total capital gain portion of a lump sum distribution (as defined in Section 402(e)(4)(D) of the Internal Revenue Code) if the lump sum distribution is received by the individual during the taxable year and if the capital gain portion of the distribution is taxed in the manner provided in Section 402 of the Internal Revenue Code.

(8) Subtract any amounts included in federal adjusted gross income under Section 111 of the Internal Revenue Code as a recovery of items previously deducted as an itemized deduction from adjusted gross income.

(9) Subtract any amounts included in federal adjusted gross income under the Internal Revenue Code which amounts were received by the individual as supplemental railroad retirement annuities under 45 U.S.C. 231 and which are not deductible under subdivision (1).

(10) Add an amount equal to the deduction allowed under Section 221 of the Internal Revenue Code for married couples filing joint returns if the taxable year began before January 1, 1987.

(11) Add an amount equal to the interest excluded from federal gross income by the individual for

the taxable year under Section 128 of the Internal Revenue Code if the taxable year began before January 1, 1985.

(12) Subtract an amount equal to the amount of federal Social Security and Railroad Retirement benefits included in a taxpayer's federal gross income by Section 86 of the Internal Revenue Code.

(13) In the case of a nonresident taxpayer or a resident taxpayer residing in Indiana for a period of less than the taxpayer's entire taxable year, the total amount of the deductions allowed pursuant to subdivisions (3), (4), (5), and (6) shall be reduced to an amount which bears the same ratio to the total as the taxpayer's income taxable in Indiana bears to the taxpayer's total income.

(14) In the case of an individual who is a recipient of assistance under IC 12-10-6-1, IC 12-10-6-2.1, IC 12-15-2-2, or IC 12-15-7, subtract an amount equal to that portion of the individual's adjusted gross income with respect to which the individual is not allowed under federal law to retain an amount to pay state and local income taxes.

(15) In the case of an eligible individual, subtract the amount of a Holocaust victim's settlement payment included in the individual's federal adjusted gross income.

(16) For taxable years beginning after December 31, 1999, subtract an amount equal to the portion of any premiums paid during the taxable year by the taxpayer for a qualified long term care policy (as defined in IC 12-15-39.6-5) for the taxpayer or the taxpayer's spouse, or both.

(17) Subtract an amount equal to the lesser of:

(A) for a taxable year:

(i) including any part of 2004, the amount determined under subsection (f); and

(ii) beginning after December 31, 2004, two thousand five hundred dollars ($2,500); or

(B) the amount of property taxes that are paid during the taxable year in Indiana by the individual on the individual's principal place of residence.

(18) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the individual's federal adjusted gross income.

(19) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section ~~168(k)(2)(C)(iii)~~ **168(k)** of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(20) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(21) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(22) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(b) In the case of corporations, the same as "taxable income" (as defined in Section 63 of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 170 of the Internal Revenue Code.

(3) Add an amount equal to any deduction or deductions allowed or allowable pursuant to Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state of the United States.

(4) Subtract an amount equal to the amount included in the corporation's taxable income under

Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section ~~168(k)(2)(C)(iii)~~ **168(k)** of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(c) In the case of life insurance companies (as defined in Section 816(a) of the Internal Revenue Code) that are organized under Indiana law, the same as "life insurance company taxable income" (as defined in Section 801 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section ~~168(k)(2)(C)(iii)~~ **168(k)** of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 or Section 810 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(d) In the case of insurance companies subject to tax under Section 831 of the Internal Revenue Code and organized under Indiana law, the same as "taxable income" (as defined in Section 832 of the Internal Revenue Code), adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes

of the United States.

(2) Add an amount equal to any deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(3) Add an amount equal to a deduction allowed or allowable under Section 805 or Section 831(c) of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by any state.

(4) Subtract an amount equal to the amount included in the company's taxable income under Section 78 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section ~~168(k)(2)(C)(iii)~~ **168(k)** of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(6) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(7) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(8) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(e) In the case of trusts and estates, "taxable income" (as defined for trusts and estates in Section 641(b) of the Internal Revenue Code) adjusted as follows:

(1) Subtract income that is exempt from taxation under this article by the Constitution and statutes of the United States.

(2) Subtract an amount equal to the amount of a September 11 terrorist attack settlement payment included in the federal adjusted gross income of the estate of a victim of the September 11 terrorist attack or a trust to the extent the trust benefits a victim of the September 11 terrorist attack.

(3) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section ~~168(k)(2)(C)(iii)~~ **168(k)** of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(4) Add an amount equal to any deduction allowed under Section 172 of the Internal Revenue Code.

(5) Add or subtract the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(6) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(f) This subsection applies only to the extent that an individual paid property taxes in 2004 that were imposed for the March 1, 2002, assessment date or the January 15, 2003, assessment date. The

maximum amount of the deduction under subsection (a)(17) is equal to the amount determined under STEP FIVE of the following formula:

STEP ONE: Determine the amount of property taxes that the taxpayer paid after December 31, 2003, in the taxable year for property taxes imposed for the March 1, 2002, assessment date and the January 15, 2003, assessment date.

STEP TWO: Determine the amount of property taxes that the taxpayer paid in the taxable year for the March 1, 2003, assessment date and the January 15, 2004, assessment date.

STEP THREE: Determine the result of the STEP ONE amount divided by the STEP TWO amount.

STEP FOUR: Multiply the STEP THREE amount by two thousand five hundred dollars ($2,500).

STEP FIVE: Determine the sum of the STEP ~~THREE~~ **FOUR** amount and two thousand five hundred dollars ($2,500).

SECTION 70. IC 6-3-1-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 11. (a) The term "Internal Revenue Code" means the Internal Revenue Code of 1986 of the United States as amended and in effect on January 1, ~~2003.~~ **2005.**

(b) Whenever the Internal Revenue Code is mentioned in this article, the particular provisions that are referred to, together with all the other provisions of the Internal Revenue Code in effect on January 1, ~~2003,~~ **2005,** that pertain to the provisions specifically mentioned, shall be regarded as incorporated in this article by reference and have the same force and effect as though fully set forth in this article. To the extent the provisions apply to this article, regulations adopted under Section 7805(a) of the Internal Revenue Code and in effect on January 1, ~~2003,~~ **2005,** shall be regarded as rules adopted by the department under this article, unless the department adopts specific rules that supersede the regulation.

(c) An amendment to the Internal Revenue Code made by an act passed by Congress before January 1, ~~2003,~~ **2005,** that is effective for any taxable year that began before January 1, ~~2003,~~ **2005,** and that affects:

(1) individual adjusted gross income (as defined in Section 62 of the Internal Revenue Code);

(2) corporate taxable income (as defined in Section 63 of the Internal Revenue Code);

(3) trust and estate taxable income (as defined in Section 641(b) of the Internal Revenue Code);

(4) life insurance company taxable income (as defined in Section 801(b) of the Internal Revenue Code);

(5) mutual insurance company taxable income (as defined in Section 821(b) of the Internal Revenue Code); or

(6) taxable income (as defined in Section 832 of the Internal Revenue Code);

is also effective for that same taxable year for purposes of determining adjusted gross income under section 3.5 of this chapter.

SECTION 71. IC 6-3-1-33 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 33. As used in this article, "bonus depreciation" means an amount equal to that part of any depreciation allowance allowed in computing the taxpayer's federal adjusted gross income or federal taxable income that is attributable to the additional first-year special depreciation allowance (bonus depreciation) for qualified property allowed under Section 168(k) of the Internal Revenue Code, **including the special depreciation allowance for 50-percent bonus depreciation property.**

SECTION 72. IC 6-3.1-2-1, AS AMENDED BY HEA 1288-2005, SECTION 94, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. As used in this chapter, the following terms have the following meanings:

(1) "Eligible teacher" means a teacher:

(A) certified in a shortage area by the ~~professional standards board~~ **department of education** established by ~~IC 20-28-2-1;~~ **IC 20-19-3-1;** and

(B) employed under contract during the regular school term by a school corporation in a shortage area.

(2) "Qualified position" means a position that:

(A) is relevant to the teacher's ~~academic training~~ **education** in a shortage area; and

(B) has been approved by the Indiana state board of education under section 6 of this chapter.

(3) "Regular school term" means the period, other than the school summer recess, during which a teacher is required to perform duties assigned to ~~him~~ **the teacher** under a teaching contract.

(4) "School corporation" means any corporation authorized by law to establish public schools and levy taxes for their maintenance.

(5) "Shortage area" means the subject areas of mathematics and science and any other subject area designated as a shortage area by the Indiana state board of education.

(6) "State income tax liability" means a taxpayer's total income tax liability incurred under IC 6-3 and IC 6-5.5, as computed after application of credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

SECTION 73. IC 6-3.1-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. For the purposes of this chapter:

"Agreement" means any agreement entered into with the commissioner of the department of correction under IC 11-10-7-2. ~~that has been approved by a majority of the members of the state board of correction.~~

"Pass through entity" means a:

(1) corporation that is exempt from the adjusted gross income tax under IC 6-3-2-2.8(2);

(2) partnership;

(3) trust;

(4) limited liability company; or

(5) limited liability partnership.

"Qualified property" means any machinery, tools, equipment, building, structure, or other tangible property considered qualified property under Section 38 of the Internal Revenue Code that is used as an integral part of the operation contemplated by an agreement and that is installed, used, or operated exclusively on property managed by the department of correction.

"State income tax liability" means a taxpayer's total income tax liability incurred under IC 6-3, as computed after application of credits that, under IC 6-3.1-1-2, are to be applied before the credit provided by this chapter.

"Taxpayer" means any person, corporation, limited liability company, partnership, or other entity that has state tax liability. The term includes a pass through entity.

"Wages paid" includes all earnings surrendered to the department of correction under IC 11-10-7-5.

SECTION 74. IC 6-3.1-21-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. This chapter expires December 31, ~~2005.~~ **2011.**

SECTION 75. IC 6-5.5-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 2. (a) Except as provided in subsections (b) through (d), "adjusted gross income" means taxable income as defined in Section 63 of the Internal Revenue Code, adjusted as follows:

(1) Add the following amounts:

(A) An amount equal to a deduction allowed or allowable under Section 166, Section 585, or Section 593 of the Internal Revenue Code.

(B) An amount equal to a deduction allowed or allowable under Section 170 of the Internal Revenue Code.

(C) An amount equal to a deduction or deductions allowed or allowable under Section 63 of the Internal Revenue Code for taxes based on or measured by income and levied at the state level by a state of the United States or levied at the local level by any subdivision of a state of the United States.

(D) The amount of interest excluded under Section 103 of the Internal Revenue Code or under any other federal law, minus the associated expenses disallowed in the computation of taxable income under Section 265 of the Internal Revenue Code.

(E) An amount equal to the deduction allowed under Section 172 or 1212 of the Internal Revenue Code for net operating losses or net capital losses.

(F) For a taxpayer that is not a large bank (as defined in Section 585(c)(2) of the Internal Revenue Code), an amount equal to the recovery of a debt, or part of a debt, that becomes worthless to the extent a deduction was allowed from gross income in a prior taxable year under Section 166(a) of the Internal Revenue Code.

(G) Add the amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section ~~168(k)(2)(C)(iii)~~ **168(k)** of the Internal Revenue Code to apply bonus depreciation to the property in the year that it was placed in service.

(H) Add the amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(I) Add an amount equal to the amount that a taxpayer claimed as a deduction for domestic production activities for the taxable year under Section 199 of the Internal Revenue Code for federal income tax purposes.

(2) Subtract the following amounts:

(A) Income that the United States Constitution or any statute of the United States prohibits from being used to measure the tax imposed by this chapter.

(B) Income that is derived from sources outside the United States, as defined by the Internal Revenue Code.

(C) An amount equal to a debt or part of a debt that becomes worthless, as permitted under Section 166(a) of the Internal Revenue Code.

(D) An amount equal to any bad debt reserves that are included in federal income because of accounting method changes required by Section 585(c)(3)(A) or Section 593 of the Internal Revenue Code.

(E) ~~Subtract~~ The amount necessary to make the adjusted gross income of any taxpayer that owns property for which bonus depreciation was allowed in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election not been made under Section ~~168(k)(2)(C)(iii)~~ **168(k)** of the Internal Revenue Code to apply bonus depreciation.

(F) The amount necessary to make the adjusted gross income of any taxpayer that placed Section 179 property (as defined in Section 179 of the Internal Revenue Code) in service in the current taxable year or in an earlier taxable year equal to the amount of adjusted gross income that would have been computed had an election for federal income tax purposes not been made for the year in which the property was placed in service to take deductions under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000).

(b) In the case of a credit union, "adjusted gross income" for a taxable year means the total transfers to undivided earnings minus dividends for that taxable year after statutory reserves are set aside under IC 28-7-1-24.

(c) In the case of an investment company, "adjusted gross income" means the company's federal taxable income multiplied by the quotient of:

(1) the aggregate of the gross payments collected by the company during the taxable year from old and new business upon investment contracts issued by the company and held by residents of Indiana; divided by

(2) the total amount of gross payments collected during the taxable year by the company from the business upon investment contracts issued by the company and held by persons residing within

Indiana and elsewhere.

(d) As used in subsection (c), "investment company" means a person, copartnership, association, limited liability company, or corporation, whether domestic or foreign, that:

(1) is registered under the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.); and

(2) solicits or receives a payment to be made to itself and issues in exchange for the payment:

(A) a so-called bond;

(B) a share;

(C) a coupon;

(D) a certificate of membership;

(E) an agreement;

(F) a pretended agreement; or

(G) other evidences of obligation;

entitling the holder to anything of value at some future date, if the gross payments received by the company during the taxable year on outstanding investment contracts, plus interest and dividends earned on those contracts (by prorating the interest and dividends earned on investment contracts by the same proportion that certificate reserves (as defined by the Investment Company Act of 1940) is to the company's total assets) is at least fifty percent (50%) of the company's gross payments upon investment contracts plus gross income from all other sources except dividends from subsidiaries for the taxable year. The term "investment contract" means an instrument listed in clauses (A) through (G).

SECTION 76. IC 6-5.5-1-20 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 20. As used in this article, "bonus depreciation" means an amount equal to that part of any depreciation allowance allowed in computing the taxpayer's federal taxable income that is attributable to the additional first-year special depreciation allowance (bonus depreciation) for qualified property allowed under Section 168(k) of the Internal Revenue Code, **including the special depreciation allowance for 50-percent bonus depreciation property.**

SECTION 77. IC 8-14-10-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. The department may use the money in the fund only to pay the following costs:

(1) The cost of construction or reconstruction of a state highway.

(2) The cost of acquisition of all land, rights-of-way, property, rights, easements, and any other legal or equitable interests acquired by the department for the construction or reconstruction of a state highway, including the cost of any relocations incident to the acquisition.

(3) The cost of demolishing or removing any buildings, structures, or improvements on property acquired by the department for the construction or reconstruction of a state highway.

(4) Engineering and legal expenses, and the costs of plans, specifications, surveys, estimates, and any necessary feasibility studies.

(5) Payment of rentals and performance of other obligations under contracts or leases ~~relating to projects~~ **securing bonds issued** under ~~IC 8-14.5.~~ **IC 8-14.5-6.**

SECTION 78. IC 8-14-10-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) The crossroads 2000 fund is established for the purpose of constructing or reconstructing state highways. The crossroads 2000 fund consists of distributions received under IC 9-29-1-2, IC 9-29-15-1, IC 9-29-15-3, and IC 9-29-15-4.

(b) The crossroads 2000 fund shall be administered by the department. The treasurer of state shall invest the money in the crossroads 2000 fund not currently needed to meet the obligations of the crossroads 2000 fund in the same manner as other public funds may be invested.

(c) Money in the crossroads 2000 fund at the end of a state fiscal year does not revert to the state general fund.

(d) The department may use the money in the crossroads 2000 fund only to pay the following costs:

(1) The cost of construction or reconstruction of a state highway.

(2) The cost of acquisition of all land, rights-of-way, property, rights, easements, and any other legal or equitable interests acquired by the department for the construction or reconstruction of a state highway, including the cost of any relocations incident to the acquisition.

(3) The cost of demolishing or removing any buildings, structures, or improvements on property acquired by the department for the construction or reconstruction of a state highway.

(4) Engineering and legal expenses and the costs of plans, specifications, surveys, estimates, and any necessary feasibility studies.

(5) Payment of rentals and performance of other obligations under contracts or leases ~~relating to projects~~ **securing bonds issued** under ~~IC 8-14.5.~~ **IC 8-14.5-6.**

SECTION 79. IC 8-14-10-10 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 10. (a) The grant anticipation fund is established to construct and reconstruct state highways. The grant anticipation fund consists of distributions of federal highway revenues (as defined in IC 8-14.5-7-2) made under IC 8-23-3-11.**

(b) The grant anticipation fund shall be administered by the department. The treasurer of state shall invest the money in the grant anticipation fund not currently needed to meet the obligations of the grant anticipation fund in the same manner as other public funds may be invested.

(c) Money in the grant anticipation fund at the end of a state fiscal year does not revert to the state general fund.

(d) The department may use the money in the grant anticipation fund only to pay the following costs:

(1) The cost of construction or reconstruction of a highway improvement project.

(2) The cost of acquisition of all land, rights-of-way, property, rights, easements, and any other legal or equitable interests acquired by the department for the construction or reconstruction of a highway improvement project, including the cost of any relocations incident to the acquisition.

(3) The cost of demolishing or removing any buildings, structures, or improvements on property acquired by the department for the construction or reconstruction of a highway improvement project.

(4) Engineering and legal expenses and the costs of plans, specifications, surveys, estimates, and any necessary feasibility studies.

(5) Payment of rentals and performance of other obligations under contracts or leases relating to highway improvement projects securing grant anticipation revenue bonds or notes issued under IC 8-14.5-7. However, amounts in the grant anticipation fund may not be pledged to such payments.

(e) A holder of grant anticipation revenue bonds or notes issued under IC 8-14.5-7 may not compel the payment of federal highway revenues to the department.

SECTION 80. IC 8-14.5-2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. "Bonds" refers to bonds of the authority issued under IC 8-14.5-6 **or IC 8-14.5-7.**

SECTION 81. IC 8-14.5-2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. "Notes" refers to notes of the authority issued under IC 8-14.5-6 **or IC 8-14.5-7** and includes any evidences of indebtedness of the authority except bonds.

SECTION 82. IC 8-14.5-5-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. The department shall pay lease rentals for leases entered into under this chapter **and securing bonds issued under IC 8-14.5-6** from revenues transferred to the state highway road construction and improvement fund or the crossroads 2000 fund before making any other disbursements from those ~~revenues.~~ **funds. The department shall pay lease rentals for leases entered into under this chapter and for securing grant anticipation revenue bonds or notes issued under IC 8-14.5-7 from federal highway revenues (as defined in IC 8-14.5-7-2) transferred to the grant anticipation fund before making any other disbursements from the grant anticipation fund.**

SECTION 83. IC 8-14.5-7 IS ADDED TO THE INDIANA CODE AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 7. Grant Anticipation Revenue Bonds and Notes

Sec. 1. As used in this chapter, "authority" refers to the Indiana transportation finance authority or its successor.

Sec. 2. As used in this chapter, "federal highway revenues" means:

(1) money and obligation authority apportioned or allocated, or anticipated to be apportioned or allocated in the current federal fiscal year or a future federal fiscal year, to Indiana by the United States Department of Transportation under 23 U.S.C., as amended, for use on a highway improvement project; or

(2) other federal money that may be used for a highway improvement project and is available or anticipated to be available in the current federal fiscal year or a future federal fiscal year.

Sec. 3. As used in this chapter, "grant anticipation revenue bond" or "grant anticipation revenue note" means a bond or note, respectively, secured by lease rentals relating to highway improvement projects and anticipated to be paid from federal highway revenues deposited in the grant anticipation fund.

Sec. 4. As used in this chapter, "highway improvement project" means a highway project for which the department may use federal highway revenues.

Sec. 5. The authority may, by resolution, before July 1, 2009, issue grant anticipation revenue bonds or notes for any purpose that is authorized by IC 8-14.5-6 and for which the department may use federal highway revenues.

Sec. 6. (a) Before grant anticipation revenue bonds or notes may be issued under this chapter, the department shall prepare a revenue declaration that includes the department's determination that the amount of federal highway revenues received by the state in a particular state fiscal year will exceed the amount specified in subsection (c)(2) by at least eighteen percent (18%). Grant anticipation revenue bonds or notes may not be issued under this chapter unless the department makes the determination required under this subsection.

(b) The revenue declaration prepared under this section must provide a specified amount or percentage of federal highway revenues received by the state during a state fiscal year to be deposited in the grant anticipation fund and the number of years the deposits shall be made. A revenue declaration prepared under this section is subject to approval of the budget agency and the authority.

(c) The total amount of lease rentals securing grant anticipation revenue bonds or notes issued under this chapter and scheduled to be paid during any state fiscal year, determined as of the date of issuance of each series of grant anticipation revenue bonds or notes, may not exceed an amount equal to twenty-five percent (25%) of the remainder of:

(1) the total amount of federal highway revenues apportioned or allocated to the department during the federal fiscal year immediately preceding the state fiscal year in which the series of bonds or notes is issued; minus

(2) seven hundred thirty-four million eight hundred fifty thousand three hundred ninety dollars ($734,850,390), which is the total amount of federal highway revenues apportioned or allocated to the department during the federal fiscal year beginning October 1, 2003, and ending September 30, 2004.

Sec. 7. The term of grant anticipation revenue bonds or notes may not exceed twelve (12) years.

Sec. 8. All other provisions of IC 8-14.5-6 apply to the issuance of grant anticipation revenue bonds or notes under this chapter.

Sec. 9. Grant anticipation revenue bonds or notes:

(1) constitute the corporate obligations of the authority;

(2) do not constitute an indebtedness of the state within the meaning or application of any constitutional provision or limitation; and

(3) are payable solely as to both principal and interest from:

(A) the revenues from a lease to the department, if any;

(B) proceeds of bonds or notes, if any; or

(C) investment earnings on proceeds of bonds or notes, if any.

SECTION 84. IC 8-22-3.5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) As used in this section, "base assessed value" means:

(1) the net assessed value of all the tangible property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the commission's resolution adopted under section 5 of this chapter, **notwithstanding the date of the final action taken under section 6 of this chapter;** plus

(2) to the extent it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

However, subdivision (2) applies only to an airport development zone established after June 30, 1997, and the portion of an airport development zone established before June 30, 1997, that is added to an existing airport development zone.

(b) Except in a county described in section 1(5) of this chapter, a resolution adopted under section 5 of this chapter and confirmed under section 6 of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section.

(c) The allocation provision must:

(1) apply to the entire airport development zone; and

(2) require that any property tax on taxable tangible property subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes in the airport development zone be allocated and distributed as provided in subsections (d) and (e).

(d) Except in a county described in section 1(5) of this chapter, and as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(1) the assessed value of the tangible property for the assessment date with respect to which the allocation and distribution is made; or

(2) the base assessed value;

shall be allocated and, when collected, paid into the funds of the respective taxing units.

(e) Except in a county described in section 1(5) of this chapter, all of the property tax proceeds in excess of those described in subsection (d) shall be allocated to the eligible entity for the airport development zone and, when collected, paid into special funds as follows:

(1) The commission may determine that a portion of tax proceeds shall be allocated to a training grant fund to be expended by the commission without appropriation solely for the purpose of reimbursing training expenses incurred by public or private entities in the training of employees for the qualified airport development project.

(2) ~~Except as provided in subsection (f), all remaining~~ **The commission may determine that a portion of** tax proceeds shall be allocated to a debt service fund and dedicated to the payment of principal and interest on revenue bonds of the airport authority for a qualified airport development project, ~~or~~ to the payment of leases for a qualified airport development project, **or to the payment of principal and interest on bonds issued by an eligible entity to pay for qualified airport development projects in the airport development zone or serving the airport development zone.**

(3) Except as provided in subsection (f), all remaining tax proceeds after allocations are made under subdivisions (1) and (2) shall be allocated to a project fund and dedicated to the reimbursement of expenditures made by the commission for a qualified airport development project that is in the airport development zone or is serving the airport development zone.

(f) Except in a county described in section 1(5) of this chapter, if the tax proceeds allocated to the ~~debt service~~ **project** fund **in subsection (e)(3)** exceed the amount necessary to

~~(1) pay principal and interest on airport authority revenue bonds;~~

~~(2) pay lease rentals on leases of a qualified airport development project; or~~

~~(3) create, maintain, or restore a reserve for airport authority revenue bonds or for lease rentals or leases of a qualified airport development project;~~

satisfy amounts required under subsection (e), the excess **in the project fund** over that amount shall be paid to the respective taxing units in the manner prescribed by subsection (d).

(g) Except in a county described in section 1(5) of this chapter, when money in the debt service fund **and in the project fund** is sufficient to pay all outstanding principal and interest (to the earliest date

on which the obligations can be redeemed) on revenue bonds issued by the airport authority for the financing of qualified airport development projects, ~~and~~ all lease rentals payable on leases of qualified airport development projects, **and all costs and expenditures associated with all qualified airport development projects,** money in the debt service fund **and in the project fund** in excess of ~~that amount~~ **those amounts** shall be paid to the respective taxing units in the manner prescribed by subsection (d).

(h) Except in a county described in section 1(5) of this chapter, property tax proceeds allocable to the debt service fund under subsection (e)(2) must, subject to subsection (g), be irrevocably pledged by the eligible entity for the purpose set forth in subsection (e)(2).

(i) Except in a county described in section 1(5) of this chapter, and notwithstanding any other law, each assessor shall, upon petition of the commission, reassess the taxable tangible property situated upon or in, or added to, the airport development zone effective on the next assessment date after the petition.

(j) Except in a county described in section 1(5) of this chapter, and notwithstanding any other law, the assessed value of all taxable tangible property in the airport development zone, for purposes of tax limitation, property tax replacement, and formulation of the budget, tax rate, and tax levy for each political subdivision in which the property is located is the lesser of:

(1) the assessed value of the tangible property as valued without regard to this section; or

(2) the base assessed value.

SECTION 85. IC 8-23-3-11 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 11. Notwithstanding any other provision of this chapter, if grant anticipation revenue bonds or notes have been issued under IC 8-14.5-7, the department shall collect or cause to be collected federal highway revenues (as defined in IC 8-14.5-7-2) and shall, as provided by the department in the revenue declaration relating to the issuance of the grant anticipation revenue bonds or notes, deposit or cause to be deposited the specified part of the federal highway revenues in the grant anticipation fund.**

SECTION 86. IC 8-23-7-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 13. If the department determines that real property owned in fee simple by the department will not be needed for a purpose described in section 2 of this chapter, the commissioner may, **with the approval of the budget agency,** issue an order describing the surplus property and offering the surplus property for sale at or above its fair market value as determined by appraisers of the department. The department may combine or divide parcels of surplus property to facilitate the sale of the property.

SECTION 87. IC 9-22-5-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 13. (a) A person not described in section 12 of this chapter who sells an abandoned motor vehicle under this chapter may retain from the proceeds of sale the cost of publication of notice and the cost of preserving the motor vehicle during the period of the vehicle's abandonment. The person shall pay the remaining balance of the proceeds of the sale to the circuit court clerk of the county in which the abandoned motor vehicle is located.

(b) At any time within ten (10) years after the money is paid to the clerk, the person who owns the abandoned motor vehicle sold under this chapter may make a claim with the clerk for the sale proceeds deposited with the clerk. If ownership of the proceeds is established to the satisfaction of the clerk, the clerk shall pay the proceeds to the person who owns the abandoned motor vehicle.

(c) If a claim for the proceeds of the sale of an abandoned motor vehicle under subsection (b) is not made within ten (10) years, claims for the proceeds are barred. The clerk shall notify the attorney general and upon demand pay the proceeds to the attorney general. The attorney general shall turn the proceeds over to the treasurer of state. The proceeds vest in and escheat to the state ~~common school~~ **general** fund. ~~and shall be distributed as a part of the common school fund.~~

SECTION 88. IC 9-27-4-5.5, AS AMENDED BY HEA 1288-2005, SECTION 111, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5.5. (a) To receive an instructor's license under subsection (d), an individual must complete at least sixty (60) semester hours at a college. The individual must complete at least twelve (12) semester hours in driver education courses, of which three (3) semester hours must consist of supervised student teaching experience under the direction of an

individual who has:

(1) a driver and traffic safety education endorsement issued by the ~~professional standards board~~ **department of education** established by ~~IC 20-28-2-1;~~ **IC 20-19-3-1;** and

(2) at least five (5) years of teaching experience in driver education.

(b) The three (3) semester hours of supervised student teaching experience required under subsection (a) may only be undertaken by an individual who will be at least twenty-one (21) years of age upon completion and may only be performed at a high school, a commercial driving school, or the college providing the courses for the individual to become an instructor. The remaining nine (9) hours of driver education courses required under subsection (a) must include a combination of theoretical and behind-the-wheel instruction that is consistent with nationally accepted standards in traffic safety.

(c) The driver education semester hours required under subsection (a) do not satisfy the requirements of subsection (d) or (e) unless the driver education curriculum is approved by the commission for higher education.

(d) The bureau shall issue an instructor's license to an individual who satisfies all of the following:

(1) The individual meets the requirements of subsection (a).

(2) The individual does not have more than the maximum number of points for violating traffic laws specified by the bureau by rules adopted under IC 4-22-2.

(3) The individual has a good moral character, physical condition, knowledge of the rules of the road, and work history. The bureau shall adopt rules under IC 4-22-2 that specify the requirements, including requirements about criminal convictions, necessary to satisfy the conditions of this subdivision.

(e) The bureau shall issue an instructor's license to an individual who:

(1) during 1995, held an instructor's license;

(2) meets the requirements of subsection (d)(2) and (d)(3); and

(3) completes the twelve (12) semester hours of driver education courses required under subsection (a) not later than July 1, 1999.

However, an individual who has acted as an instructor for at least two (2) years before January 1, 1996, is not required to complete the requirements of subdivision (3) in order to receive an instructor's license under this subsection.

(f) The bureau shall issue an instructor's license to an individual who:

(1) holds a driver and traffic safety education endorsement issued by the ~~professional standards board~~ **department of education** established ~~under IC 20-28-2-1;~~ **by IC 20-19-3-1;** and

(2) meets the requirements of subsection (d)(2) and (d)(3).

(g) Only an individual who holds an instructor's license issued by the bureau under subsection (d), (e), or (f) may act as an instructor.

SECTION 89. IC 9-29-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: Sec. 4. (a) The service charge for each of the first twelve thousand (12,000) vehicle registrations at a license branch each year is one dollar and seventy-five cents ($1.75).

(b) The service charge for each of the next thirty-eight thousand (38,000) vehicle registrations at that license branch each year is one dollar and fifty cents ($1.50).

(c) The service charge for each additional vehicle registration at that license branch each year is one dollar and twenty-five cents ($1.25).

(d) Fifty cents ($0.50) of each service charge collected under this section ~~during 2002 and 2003~~ shall be deposited in the state motor vehicle technology fund established by IC 9-29-16-1.

SECTION 90. IC 10-13-3-38.5, AS AMENDED BY HEA 1288-2005, SECTION 119, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 38.5. (a) Under federal P.L.92-544 (86 Stat. 1115), the department may use an individual's fingerprints submitted by the individual for the following purposes:

(1) Determining the individual's suitability for employment with the state, or as an employee of a contractor of the state, in a position:

(A) that has a job description that includes contact with, care of, or supervision over a person less than eighteen (18) years of age;

(B) that has a job description that includes contact with, care of, or supervision over an endangered adult (as defined in IC 12-10-3-2), except the individual is not required to meet the standard for harmed or threatened with harm set forth in IC 12-10-3-2(a)(3);
(C) at a state institution managed by the office of the secretary of family and social services or state department of health;
(D) at the Indiana School for the Deaf established by IC 20-22-2-1;
(E) at the Indiana School for the Blind established by IC 20-21-2-1;
(F) at a juvenile detention facility;
(G) with the **Indiana** gaming commission under IC 4-33-3-16;
(H) with the department of financial institutions under IC 28-11-2-3; or
(I) that has a job description that includes access to or supervision over state financial or personnel data, including state warrants, banking codes, or payroll information pertaining to state employees.

(2) Identification in a request related to an application for a teacher's license submitted to the ~~professional standards board~~ **department of education** established ~~under IC 20-28-2-1.~~ **by IC 20-19-3-1.**

An applicant shall submit the fingerprints in an appropriate format or on forms provided for the employment or license application. The department shall charge each applicant the fee established under section 28 of this chapter and by federal authorities to defray the costs associated with a search for and classification of the applicant's fingerprints. The department may forward fingerprints submitted by an applicant to the Federal Bureau of Investigation or any other agency for processing. The state personnel department or the agency to which the applicant is applying for employment or a license may receive the results of all fingerprint investigations.

(b) An applicant who is an employee of the state may not be charged under subsection (a).

(c) Subsection (a)(1) does not apply to an employee of a contractor of the state if the contract involves the construction or repair of a capital project or other public works project of the state.

SECTION 91. IC 11-8-2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) The commissioner shall do the following:

(1) Organize the department ~~subject to approval by the board,~~ and employ personnel necessary to discharge the duties and powers of the department.
(2) Administer and supervise the department, including all state owned or operated correctional facilities.
(3) Except for employees of the parole board, be the appointing authority for all positions in the department within the scope of IC 4-15-2 and define the duties of those positions in accord with IC 4-15-2.
(4) Define the duties of a deputy commissioner and a superintendent.
(5) Accept committed persons for study, evaluation, classification, custody, care, training, and reintegration.
(6) Determine the capacity of all state owned or operated correctional facilities and programs and keep all Indiana courts having criminal or juvenile jurisdiction informed, on a quarterly basis, of the populations of those facilities and programs.
(7) Utilize state owned or operated correctional facilities and programs to accomplish the purposes of the department and acquire or establish, according to law, additional facilities and programs whenever necessary to accomplish those purposes.
(8) Develop policies, programs, and services for committed persons, for administration of facilities, and for conduct of employees of the department.
(9) Administer, according to law, the money or other property of the department and the money or other property retained by the department for committed persons.
(10) Keep an accurate and complete record of all department proceedings, which includes the responsibility for the custody and preservation of all papers and documents of the department.
(11) Make an annual report to the governor according to subsection (c).
(12) Develop, collect, and maintain information concerning offenders, sentencing practices, and

correctional treatment as ~~he~~ **the commissioner** considers useful in penological research or in developing programs.

(13) Cooperate with and encourage public and private agencies and other persons in the development and improvement of correctional facilities, programs, and services.

(14) Explain correctional programs and services to the public.

(15) As required under 42 U.S.C. 15483, after January 1, 2006, provide information to the election division to coordinate the computerized list of voters maintained under IC 3-7-26.3 with department records concerning individuals disfranchised under IC 3-7-46.

(b) The commissioner may:

(1) when authorized by law, adopt departmental rules under IC 4-22-2; ~~subject to approval by the board;~~

(2) delegate powers and duties conferred on ~~him~~ **the commissioner** by law to a deputy commissioner or commissioners and other employees of the department;

(3) issue warrants for the return of escaped committed persons (an employee of the department or any person authorized to execute warrants may execute a warrant issued for the return of an escaped person); and

(4) exercise any other power reasonably necessary in discharging ~~his~~ **the commissioner's** duties and powers.

(c) The annual report of the department shall be transmitted to the governor by September 1 of each year and must contain:

(1) a description of the operation of the department for the fiscal year ending June 30;

(2) a description of the facilities and programs of the department;

(3) an evaluation of the adequacy and effectiveness of those facilities and programs considering the number and needs of committed persons or other persons receiving services; and

(4) any other information required by law.

Recommendations for alteration, expansion, or discontinuance of facilities or programs, for funding, or for statutory changes may be included in the annual report.

SECTION 92. IC 11-8-2-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. The commissioner shall ~~with the approval of the board,~~ appoint one (1) or more deputy commissioners. A deputy commissioner must hold at least a bachelor's degree from an accredited college or university and must have held a management position in correctional or related work for a minimum of three (3) years. A deputy commissioner shall serve at the pleasure of the commissioner. A deputy commissioner is entitled to a salary to be determined by the ~~state~~ budget agency with the approval of the governor.

SECTION 93. IC 11-8-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) The commissioner shall ~~with the approval of the board,~~ determine which state owned or operated correctional facilities are to be maintained for criminal offenders and which are to be maintained for delinquent offenders.

(b) The commissioner shall determine which state owned or operated correctional facilities need, for effective management, administration by a superintendent. The commissioner shall appoint ~~with the approval of the board,~~ a superintendent for each correctional facility. However, the commissioner may appoint a person as superintendent of two (2) or more facilities if the commissioner finds that it would be economical to do so and would not adversely effect the management of the facilities.

(c) A superintendent must hold at least a bachelor's degree from an accredited college or university and must have held a management position in correctional or related work for a minimum of five (5) years. A superintendent is entitled to a salary to be determined by the ~~state~~ budget agency with the approval of the governor. A superintendent may be dismissed for cause by the commissioner. ~~with the approval of the board.~~

(d) If a superintendent position becomes vacant, the commissioner may appoint an acting superintendent to discharge the duties and powers of a superintendent on a temporary basis.

SECTION 94. IC 11-8-2-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) All officers and employees of the department, ~~with the exception of the members of~~

~~the board,~~ members of the parole board, the commissioner, any deputy commissioner, and any superintendent, are within the scope of IC 4-15-2.

(b) IC 11-10-5 applies to teachers employed under that chapter, notwithstanding IC 4-15-2.

(c) The department shall cooperate with the state personnel department in establishing minimum qualification standards for employees of the department and in establishing a system of personnel recruitment, selection, employment, and distribution.

(d) The department shall conduct training programs designed to equip employees for duty in its facilities and programs and raise their level of performance. Training programs conducted by the department need not be limited to inservice training. They may include preemployment training, internship programs, and scholarship programs in cooperation with appropriate agencies. When funds are appropriated, the department may provide educational stipends or tuition reimbursement in such amounts and under such conditions as may be determined by the department and the personnel division.

(e) The department shall conduct a training program on cultural diversity awareness that must be a required course for each employee of the department who has contact with incarcerated persons.

(f) The department shall provide six (6) hours of training to employees who interact with persons with mental illness, addictive disorders, mental retardation, and developmental disabilities concerning the interaction, to be taught by persons approved by the secretary of family and social services, using teaching methods approved by the secretary of family and social services and the commissioner. The commissioner or the commissioner's designee may credit hours of substantially similar training received by an employee toward the required six (6) hours of training.

(g) The department shall establish a correctional officer training program with a curriculum, and administration by agencies, to be determined by the commissioner. A certificate of completion shall be issued to any person satisfactorily completing the training program. A certificate may also be issued to any person who has received training in another jurisdiction if the commissioner determines that the training was at least equivalent to the training program maintained under this subsection.

SECTION 95. IC 11-10-2-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) A county that commits an offender to the department shall pay to the state treasurer, under IC 4-24-7-4, ~~one-half (1/2) of the daily cost of~~ **sixty dollars ($60) for each day for** keeping the offender. ~~in the facility or program to which he is assigned. That cost is determined by dividing the average daily population of that facility or program into the previous fiscal year's operating expense of that facility or program and dividing the quotient by the number of days in the previous fiscal year.~~

(b) A county is not liable for services provided an offender under section 6 of this chapter or for the cost of keeping the offender while those services are being provided.

SECTION 96. IC 11-10-5-2, AS AMENDED BY HEA 1288-2005, SECTION 122, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The **advisory board of the division of** professional standards ~~board~~ **of the department of education** established by ~~IC 20-28-2-1~~ **IC 20-28-2-2** shall, in accord with IC 20-28-4 and IC 20-28-5, adopt rules under IC 4-22-2 for the licensing of teachers to be employed by the department.

SECTION 97. IC 11-10-5-3, AS AMENDED BY HEA 1288-2005, SECTION 123, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. Limited certificates valid for one (1) year may be granted, upon the request of the commissioner, according to rules of the **advisory board of the division of** professional standards ~~board~~ **of the department of education** established by ~~IC 20-28-2-1.~~ **IC 20-28-2-2.** Modification of these rules may be made by the **advisory board of the division of** professional standards ~~board~~ **of the department of education established by IC 20-28-2-2** in a way reasonably calculated to make available an adequate supply of qualified teachers. A limited certificate may be issued in cases where special ~~training~~ **education** and qualifications warrant the waiver of part of the prerequisite professional ~~training~~ **education** required for certification to teach in the public schools. The limited certificate, however, may be issued only to applicants who have graduated from an accredited college or university. Teachers of vocational education need not be graduates of an accredited college or university but shall meet requirements for conditional vocational certificates as determined by the ~~professional standards board.~~ **department of education.**

SECTION 98. IC 12-7-2-40.2 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO

READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 40.2. "Community spouse", for purposes of IC 12-15-2, means an individual who:**

(1) is the spouse of an individual who resides in a nursing facility or another medical institution; and

(2) does not reside in a nursing facility or another medical institution.

SECTION 99. IC 12-10-10-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) As used in this chapter, "eligible individual" means an individual who:

(1) is a resident of Indiana;

(2) is:

(A) at least sixty (60) years of age; or

(B) disabled; ~~and~~

(3) **has assets that do not exceed five hundred thousand dollars ($500,000), as determined by the division; and**

(4) qualifies under criteria developed by the board as having an impairment that places the individual at risk of losing the individual's independence, as described in subsection (b).

(b) For purposes of subsection (a), an individual is at risk of losing the individual's independence if the individual is unable to perform two (2) or more activities of daily living. The use by or on behalf of the individual of any of the following services or devices does not make the individual ineligible for services under this chapter:

(1) Skilled nursing assistance.

(2) Supervised community and home care services, including skilled nursing supervision.

(3) Adaptive medical equipment and devices.

(4) Adaptive nonmedical equipment and devices.

SECTION 100. IC 12-10-10-12 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 12. (a) The office of the secretary, in consultation with the local area agencies on aging, shall negotiate reimbursement rates for services provided under this chapter.**

(b) Payments for services under this chapter may not be counted in a Medicaid recipient's spend down requirement in IC 12-15.

SECTION 101. IC 12-11-1.1-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. (a) The office may assess providers of ~~supported living services and supports~~ **community based services** to individuals with a developmental disability **who otherwise qualify to receive ICF/MR (as defined in IC 16-29-4-2) based services** (~~described in 460 IAC 6)~~ in an amount not to exceed ~~two and five tenths~~ **six** percent ~~(2.5%)~~ **(6%)** of all service revenue included on the annual plan of care excluding resident living allowances.

(b) The assessments shall be paid to the office not later than the tenth day of the month for each month that the individual is in service. The office or the office's designee may withhold Medicaid payments to a provider described in subsection (a) that fails to pay an assessment within thirty (30) days after the due date. The amount withheld may not exceed the amount of the assessments due.

(c) The community services quality assurance fund is created. The fund shall be administered by the office.

(d) Revenue from the assessments under this section shall be deposited into the fund. Money in the fund ~~may~~ **must** be used ~~only~~ for ~~the funding of licensing, certification, and quality assurance services.~~ **community services for persons with developmental disabilities.** ~~The aggregate amount of the fee may not exceed the state's estimated cost of operating the programs.~~

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

(f) If federal financial participation to match the assessments in subsection (a) becomes unavailable under federal law, the authority to impose the assessments terminates on the date that the federal statutory, regulatory, or interpretive change takes effect.

SECTION 102. IC 12-15-2-24 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 24. (a) This section applies to determining**

eligibility for an individual who:

(1) resides in a nursing facility or another medical institution; and

(2) has a community spouse.

(b) In determining eligibility for an individual described in subsection (a), the office shall, beginning in calendar year 2006, use the greater of the following community spouse resource allowances:

(1) Nineteen thousand twenty dollars ($19,020), subject to an adjustment described in 42 U.S.C. 1396r-5(g).

(2) The lesser of:

(A) the spousal share computed under 42 U.S.C. 1396r-5(c)(1); or

(B) ninety-five thousand one hundred dollars ($95,100), subject to an adjustment described in 42 U.S.C. 1396r-5g.

(3) An amount established by a court order or an administrative hearing if the community spouse's income is less than the minimum monthly needs allowance established under 42 U.S.C. 1396r-5(d)(3) and an increased amount is necessary to increase the community spouse's income to the minimum monthly needs allowance.

(c) An institutionalized spouse shall not be ineligible for the program because of resources if:

(1) the institutionalized spouse:

(A) establishes that the individual has a right to receive support from the community spouse; and

(B) assigns to the office the right to receive support from the community spouse; or

(2) the office determines that the denial of eligibility would result in an undue hardship to the institutionalized spouse.

(d) The office shall adopt rules under IC 4-22-2 to calculate the amount of resources necessary to provide income to the community spouse under subsection (b).

SECTION 103. IC 12-15-2-25 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 25. (a) This section applies to an individual who:**

(1) is eligible for Medicaid;

(2) resides in a nursing facility or another medical institution; and

(3) has a community spouse.

(b) An individual described in subsection (a) is entitled to retain an income allowance for the purpose of supporting a community spouse if:

(1) the community spouse's income is less than the minimum monthly needs allowance established under 42 U.S.C. 1396r-5(d)(3); and

(2) an increased amount is necessary to increase the community spouse's income to the minimum monthly needs allowance.

(c) If either spouse establishes that a higher allowance is needed due to exceptional circumstances resulting in significant financial duress, the minimum monthly needs allowance may be increased after an administrative hearing or by a court order.

(d) The office shall adopt rules under IC 4-22-2 setting forth the manner in which the office will determine the existence of exceptional circumstances resulting in significant financial duress under subsection (c).

SECTION 104. IC 12-15-3-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) Except as provided in ~~subsection~~ **subsections** (b) **and (c),** an applicant for or recipient of Medicaid is ineligible for assistance if the total cash value of money, stock, bonds, and life insurance owned by:

(1) the applicant or recipient is more than one thousand five hundred dollars ($1,500) for assistance to the aged, blind, or disabled; or

(2) the applicant or recipient and the applicant's or recipient's spouse is more than two thousand two hundred fifty dollars ($2,250) for medical assistance to the aged, blind, or disabled.

(b) In the case of an applicant who is an eligible individual, a Holocaust victim's settlement payment received by the applicant or the applicant's spouse may not be considered when calculating the total cash value of money, stock, bonds, and life insurance owned by the applicant or the applicant's spouse.

(c) In the case of an individual who:

(1) resides in a nursing facility or another medical institution; and

(2) has a spouse who does not reside in a nursing facility or another medical institution;

the total cash value of money, stock, bonds, and life insurance that may be owned by the couple to be eligible for the program is determined under IC 12-15-2-24.

SECTION 105. IC 12-15-5-8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 8. (a) As used in this section, "maintenance drug" means a medication that is dispensed under a single prescription for a period of not less than one hundred eighty (180) days, excluding authorized refills, for the ongoing treatment of a chronic medical condition or disease or congenital condition or disorder.**

(b) The office may designate:

(1) a mail order pharmacy;

(2) an Internet based pharmacy (as defined in IC 25-26-18-1);

(3) a pharmacy that agrees to sell a maintenance drug at the same price as a mail order or an Internet based pharmacy; or

(4) all the pharmacies listed in subdivisions (1) through (3);

through which a recipient may obtain a maintenance drug.

(c) If the office makes a designation under subsection (b), a managed care organization that has a contract with the office under IC 12-15-12 is not required to use a pharmacy that is designated under subsection (b).

(d) If a Medicaid recipient's physician prescribes a maintenance prescription drug, the Medicaid recipient may purchase the maintenance prescription drug from a pharmacy that is designated under subsection (b).

(e) The office shall apply to amend the state Medicaid plan if the office determines that an amendment is necessary to carry out this section.

(f) The office may require a recipient to pay the maximum copayment allowable under federal law if the recipient obtains a maintenance drug from a pharmacy other than a pharmacy described in subsection (b).

SECTION 106. IC 12-15-8.5-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. **(a) This section applies:**

(1) after the death of a Medicaid recipient whose property; or

(2) upon the sale of property that;

is subject to a lien under this chapter.

~~(a)~~ **(b)** A lien under this chapter is void if both of the following occur:

(1) The owner of property subject to a lien under this chapter or any person or corporation having an interest in the property, including a mortgagee or a lienholder, provides written notice to the office to file an action to foreclose the lien.

(2) The office fails to file an action to foreclose the lien in the county where the property is located not later than ~~thirty (30)~~ **sixty (60)** days after receiving the notice.

However, this section does not prevent the claim from being collected as other claims are collected by law.

~~(b)~~ **(c)** A person who gives notice under subsection ~~(a)(1)~~ **(b)(1)** by registered or certified mail to the office at the address given in the recorded statement and notice of intention to hold a lien may file an affidavit of service of the notice to file an action to foreclose the lien with the recorder of the county in which the property is located. The affidavit must state the following:

(1) The facts of the notice.

(2) That more than ~~thirty (30)~~ **sixty (60)** days have passed since the notice was received by the office.

(3) That no action for foreclosure of the lien is pending.
(4) That no unsatisfied judgment has been rendered on the lien.
~~(c)~~ **(d)** The recorder shall:
(1) record the affidavit of service in the miscellaneous record book of the recorder's office; and
(2) certify on the face of the record any lien that is fully released.
When the recorder records the affidavit and certifies the record under this subsection, the real estate described in the lien is released from the lien.

SECTION 107. IC 12-15-9-0.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 0.5. (a) As used in this chapter, "estate" includes:
(1) all real and personal property and other assets included within an individual's probate estate;
(2) any interest in real property owned by the individual at the time of death that was conveyed to the individual's survivor through joint tenancy with right of survivorship, if the joint tenancy was created after June 30, 2002; ~~and~~
(3) any real or personal property conveyed through a nonprobate transfer; **and**
(4) any sum due after June 30, 2005, to a person after the death of a Medicaid recipient that is under the terms of an annuity contract purchased after May 1, 2005, with the assets of:
(A) the Medicaid recipient; or
(B) the Medicaid recipient's spouse.
(b) As used in this chapter, "nonprobate transfer" means a valid transfer, effective at death, by a transferor:
(1) whose last domicile was in Indiana; and
(2) who immediately before death had the power, acting alone, to prevent transfer of the property by revocation or withdrawal and:
(A) use the property for the benefit of the transferor; or
(B) apply the property to discharge claims against the transferor's probate estate.
The term does not include transfer of a survivorship interest in a tenancy by the entireties real estate or payment of the death proceeds of a life insurance policy.

SECTION 108. IC 12-15-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. **(a) Subject to subsection (b),** upon the death of a Medicaid recipient **or upon the death of a deceased Medicaid recipient's spouse,** the total amount of Medicaid paid on behalf of the recipient after the recipient became fifty-five (55) years of age must be allowed as a preferred claim against the estate of the recipient **or the recipient's spouse** in favor of the state. The affidavit of a person designated by the secretary to administer this section is evidence of the amount of the claim and is payable after the payment of the following in accordance with IC 29-1-14-9:
(1) Funeral expenses for the recipient and the recipient's spouse, not to exceed in each individual case three hundred fifty dollars ($350).
(2) The expenses of the last illness of the recipient and the recipient's spouse that are authorized or paid by the office.
(3) The expenses of administering the estate, including the attorney's fees approved by the court.
(b) If a recipient's spouse remarries, the part of the estate of the recipient's spouse that is attributable to the subsequent spouse is not subject to a claim for Medicaid paid on behalf of the recipient.

SECTION 109. IC 12-15-9-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) The office may not recover on a claim filed against the estate of a surviving spouse while the individual is survived by a child who is:
(1) less than twenty-one (21) years of age; or
(2) permanently and totally disabled under criteria established by the federal Supplemental Security Income program.
(b) ~~A claim against the estate of a surviving spouse for medical assistance paid on behalf of the predeceased spouse is limited to the value of the assets included in the predeceased spouse's probate estate.~~ **The office may not recover on a claim filed against the estate of a surviving spouse from any part of the estate described in section 1(b) of this chapter.**

SECTION 110. IC 12-15-9-7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 7. A person receiving beneficiary payments from an annuity contract of a deceased Medicaid recipient is liable to the state for reimbursement of Medicaid benefits:**

(1) paid to; or

(2) on behalf of;

the deceased Medicaid recipient to the extent of any payments that are received by the person under a annuity contract purchased after May 1, 2005.

SECTION 111. IC 12-16-14-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003 (RETROACTIVE)]: Sec. 3. (a) For purposes of this section, "payable claim" has the meaning set forth in IC 12-16-7.5-2.5(b)(1).

(b) For taxes first due and payable in 2003, each county shall impose a hospital care for the indigent property tax levy equal to the product of:

(1) the county's hospital care for the indigent property tax levy for taxes first due and payable in 2002; multiplied by

(2) the county's assessed value growth quotient determined under IC 6-1.1-18.5-2 for taxes first due and payable in 2003.

(c) For taxes first due and payable in 2004, 2005, ~~and~~ 2006, **2007, and 2008,** each county shall impose a hospital care for the indigent property tax levy equal to the product of:

(1) the county's hospital care for the indigent property tax levy for taxes first due and payable in the preceding year; multiplied by

(2) the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth) of the county's total assessed value of all taxable property in the particular calendar year, divided by the county's total assessed value of all taxable property in the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).

(d) Except as provided in subsection (e):

(1) for taxes first due and payable in ~~2007,~~ **2009,** each county shall impose a hospital care for the indigent property tax levy equal to the average **of the** annual amount of payable claims attributed to the county under IC 12-16-7.5-4.5 during the state fiscal years beginning:

~~(A) July 1, 2003,~~

~~(B) July 1, 2004, and~~

~~(C)~~ **(A)** July 1, 2005; ~~and~~

(B) July 1, 2006; and

(C) July 1, 2007; and

(2) for all subsequent annual levies under this section, the average annual amount of payable claims attributed to the county under IC 12-16-7.5-4.5 during the three (3) most recently completed state fiscal years.

(e) A county may not impose an annual levy under subsection (d) in an amount greater than the product of:

(1) The greater of:

(A) the county's hospital care for the indigent property tax levy for taxes first due and payable in ~~2006,~~ **2008;** or

(B) the amount of the county's maximum hospital care for the indigent property tax levy determined under this subsection for taxes first due and payable in the immediately preceding year; multiplied by

(2) the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth) of the county's total assessed value of all taxable property in the particular calendar year, divided by the county's total assessed value of all taxable property in the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).

SECTION 112. IC 12-17-2-34, AS AMENDED BY HEA 1288-2005, SECTION 132, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 34. (a) When the Title IV-D agency finds that an obligor is delinquent and can demonstrate that all previous enforcement actions have been unsuccessful, the Title IV-D agency shall send, to a verified address, a notice to the obligor that ~~includes~~ **does** the following:

(1) Specifies that the obligor is delinquent.

(2) Describes the amount of child support that the obligor is in arrears.

(3) States that unless the obligor:

(A) pays the obligor's child support arrearage in full;

(B) requests the activation of an income withholding order under IC 31-16-15-2 and establishes a payment plan with the Title IV-D agency to pay the arrearage; or

(C) requests a hearing under section 35 of this chapter;

within twenty (20) days after the date the notice is mailed, the Title IV-D agency shall issue an order to the bureau of motor vehicles stating that the obligor is delinquent and that the obligor's driving privileges shall be suspended.

(4) Explains that the obligor has twenty (20) days after the notice is mailed to do one (1) of the following:

(A) Pay the obligor's child support arrearage in full.

(B) Request the activation of an income withholding order under IC 31-16-15-2 and establish a payment plan with the Title IV-D agency to pay the arrearage.

(C) Request a hearing under section 35 of this chapter.

(5) Explains that if the obligor has not satisfied any of the requirements of subdivision (4) within twenty (20) days after the notice is mailed, that the Title IV-D agency shall issue a notice to:

(A) the board **or department** that regulates the obligor's profession or occupation, if any, that the obligor is delinquent and that the obligor may be subject to sanctions under IC 25-1-1.2, including suspension or revocation of the obligor's professional or occupational license;

(B) the supreme court disciplinary commission if the obligor is licensed to practice law;

(C) the ~~professional standards board as~~ **department of education** established by ~~IC 20-28-2-1~~ **IC 20-19-3-1** if the obligor is a licensed teacher;

(D) the Indiana horse racing commission if the obligor holds or applies for a license issued under IC 4-31-6;

(E) the Indiana gaming commission if the obligor holds or applies for a license issued under IC 4-33;

(F) the commissioner of the department of insurance if the obligor holds or is an applicant for a license issued under IC 27-1-15.6, IC 27-1-15.8, or IC 27-10-3; or

(G) the director of the department of natural resources if the obligor holds or is an applicant for a license issued by the department of natural resources under the following:

(i) IC 14-22-12 (fishing, hunting, and trapping licenses).

(ii) IC 14-22-14 (Lake Michigan commercial fishing license).

(iii) IC 14-22-16 (bait dealer's license).

(iv) IC 14-22-17 (mussel license).

(v) IC 14-22-19 (fur buyer's license).

(vi) IC 14-24-7 (nursery dealer's license).

(vii) IC 14-31-3 (ginseng dealer's license).

(6) Explains that the only basis for contesting the issuance of an order under subdivision (3) or (5) is a mistake of fact.

(7) Explains that an obligor may contest the Title IV-D agency's determination to issue an order under subdivision (3) or (5) by making written application to the Title IV-D agency within twenty (20) days after the date the notice is mailed.

(8) Explains the procedures to:

(A) pay the obligor's child support arrearage in full;

(B) establish a payment plan with the Title IV-D agency to pay the arrearage; and

(C) request the activation of an income withholding order under IC 31-16-15-2.

(b) Whenever the Title IV-D agency finds that an obligor is delinquent and has failed to:

(1) pay the obligor's child support arrearage in full;

(2) establish a payment plan with the Title IV-D agency to pay the arrearage and request the activation of an income withholding order under IC 31-16-15-2; or

(3) request a hearing under section 35 of this chapter within twenty (20) days after the date the notice described in subsection (a) is mailed;

the Title IV-D agency shall issue an order to the bureau of motor vehicles stating that the obligor is delinquent.

(c) An order issued under subsection (b) must require the following:

(1) If the obligor who is the subject of the order holds a driving license or permit on the date the order is issued, that the driving privileges of the obligor be suspended until further order of the Title IV-D agency.

(2) If the obligor who is the subject of the order does not hold a driving license or permit on the date the order is issued, that the bureau of motor vehicles may not issue a driving license or permit to the obligor until the bureau of motor vehicles receives a further order from the Title IV-D agency.

(d) The Title IV-D agency shall provide the:

(1) full name;

(2) date of birth;

(3) verified address; and

(4) Social Security number or driving license number;

of the obligor to the bureau of motor vehicles.

(e) When the Title IV-D agency finds that an obligor who is an applicant (as defined in IC 25-1-1.2-1) or a practitioner (as defined in IC 25-1-1.2-6) is delinquent and the applicant or practitioner has failed to:

(1) pay the obligor's child support arrearage in full;

(2) establish a payment plan with the Title IV-D agency to pay the arrearage or request the activation of an income withholding order under IC 31-16-15; or

(3) request a hearing under section 35 of this chapter;

the Title IV-D agency shall issue an order to the board regulating the practice of the obligor's profession or occupation stating that the obligor is delinquent.

(f) An order issued under subsection (e) must direct the board **or department** regulating the obligor's profession or occupation to impose the appropriate sanctions described under IC 25-1-1.2.

(g) When the Title IV-D agency finds that an obligor who is an attorney or a licensed teacher is delinquent and the attorney or licensed teacher has failed to:

(1) pay the obligor's child support arrearage in full;

(2) establish a payment plan with the Title IV-D agency to pay the arrearage or request the activation of an income withholding order under IC 31-16-15-2; or

(3) request a hearing under section 35 of this chapter;

the Title IV-D agency shall notify the supreme court disciplinary commission if the obligor is an attorney, or the ~~professional standards board~~ **department of education** if the obligor is a licensed teacher, that the obligor is delinquent.

(h) When the Title IV-D agency finds that an obligor who holds a license issued under IC 4-31-6

or IC 4-33 has failed to:

(1) pay the obligor's child support arrearage in full;

(2) establish a payment plan with the Title IV-D agency to pay the arrearage and request the activation of an income withholding order under IC 31-16-15-2; or

(3) request a hearing under section 35 of this chapter;

the Title IV-D agency shall issue an order to the Indiana horse racing commission if the obligor holds a license issued under IC 4-31-6, or to the Indiana gaming commission if the obligor holds a license issued under IC 4-33, stating that the obligor is delinquent and directing the commission to impose the appropriate sanctions described in IC 4-31-6-11 or IC 4-33-8.5-3.

(i) When the Title IV-D agency finds that an obligor who holds a license issued under IC 27-1-15.6, IC 27-1-15.8, or IC 27-10-3 has failed to:

(1) pay the obligor's child support arrearage in full;

(2) establish a payment plan with the Title IV-D agency to pay the arrearage and request the activation of an income withholding order under IC 31-16-15-2; or

(3) request a hearing under section 35 of this chapter;

the Title IV-D agency shall issue an order to the commissioner of the department of insurance stating that the obligor is delinquent and directing the commissioner to impose the appropriate sanctions described in IC 27-1-15.6-29 or IC 27-10-3-20.

(j) When the Title IV-D agency finds that an obligor who holds a license issued by the department of natural resources under IC 14-22-12, IC 14-22-14, IC 14-22-16, IC 14-22-17, IC 14-22-19, IC 14-24-7, or IC 14-31-3 has failed to:

(1) pay the obligor's child support arrearage in full;

(2) establish a payment plan with the Title IV-D agency to pay the arrearage and request the activation of an income withholding order under IC 31-16-15-2; or

(3) request a hearing under section 35 of this chapter;

the Title IV-D agency shall issue an order to the director of the department of natural resources stating that the obligor is delinquent and directing the director to suspend or revoke a license issued to the obligor by the department of natural resources as provided in IC 14-11-3.

SECTION 113. IC 12-17-15-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) As used in this chapter, "early intervention services" means developmental services that meet the following conditions:

(1) Are provided under public supervision.

~~(2) Are provided at no cost, except where federal or state law allows for a system of payments by families, which may include a sliding scale of fees.~~

(2) Have the state as the payor of last resort.

(3) Are designed to meet the developmental needs of infants and toddlers with disabilities in at least one (1) of the areas specified in section 4(a)(1) of this chapter.

(4) Meet all required state and federal standards.

(5) Are provided by qualified personnel, including the following:

(A) Early childhood special educators, early childhood educators, and special educators.

(B) Speech and language pathologists and audiologists.

(C) Occupational therapists.

(D) Physical therapists.

(E) Psychologists.

(F) Social workers.

(G) Nurses.

(H) Nutritionists.

(I) Family therapists.

(J) Orientation and mobility specialists.

(K) Pediatricians and other physicians.

(6) To the maximum extent appropriate, are provided in natural environments, including the home and community settings in which children without disabilities participate.

(7) Are provided in conformity with an individualized family service plan adopted in accordance with 20 U.S.C. 1435.

(b) The term includes the following services:

(1) Family training, counseling, and home visits.

(2) Special instruction.

(3) Speech and language pathology and audiology.

(4) Occupational therapy.

(5) Physical therapy.

(6) Psychological services.

(7) Service coordination services.

(8) Medical services only for diagnostic, evaluation, or consultation purposes.

(9) Early identification, screening, and assessment services.

(10) Other health services necessary for the infant or toddler to benefit from the services.

(11) Vision services.

(12) Supportive technology services.

(13) Transportation and related costs that are necessary to enable an infant or a toddler and the infant or toddler's family to receive early intervention services.

SECTION 114. IC 12-17-15-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 17. (a) Upon the recommendations of the council, the division shall adopt rules under IC 4-22-2 providing for a statewide system of coordinated, comprehensive, multidisciplinary, interagency programs that provide appropriate early intervention services to all infants and toddlers with disabilities and their families to the extent required under 20 U.S.C. 1431 through 1445.

(b) Rules adopted under this section must, to the extent allowed by federal law, include a cost participation plan for charges and fees imposed for programs and services described in subsection (a).

(c) A cost participation plan adopted under this section must provide for cost participation **per family** according to the following schedule:

Percentage of Federal Income Poverty Level		Copayment Per Treatment	Maximum Monthly Cost Share
At Least	More Than		But Not
~~0%~~	~~350%~~	~~$ 0~~	~~$ 0~~
~~351%~~	~~450%~~	~~$ 5~~	~~$ 25~~
~~451%~~	~~550%~~	~~$ 10~~	~~$ 50~~
~~551%~~	~~650%~~	~~$ 15~~	~~$ 75~~
~~651%~~	~~750%~~	~~$ 20~~	~~$ 100~~
~~751%~~	~~850%~~	~~$ 25~~	~~$ 125~~
~~851%~~	~~1000%~~	~~$ 30~~	~~$ 150~~
~~1001%~~		~~$ 36~~	~~$ 180~~
0%	**250%**	**$ 0**	**$ 0**
251%	**350%**	**$ 3**	**$ 24**
351%	**450%**	**$ 6**	**$ 48**
451%	**550%**	**$ 15**	**$ 120**
551%	**650%**	**$ 25**	**$ 200**
651%	**750%**	**$ 50**	**$ 400**
751%	**850%**	**$ 75**	**$ 600**
851%	**1000%**	**$ 100**	**$ 800**
1001%		**$ 120**	**$ 960**

~~The schedule of cost participation required under this subsection expires July 1, 2005.~~

(d) In addition to the schedule of cost participation required under subsection (c), a cost participation plan adopted under this section:

(1) must:

(A) be based on income and ability to pay;
(B) provide for a review of a family's cost participation amount:
(i) annually; and
(ii) within thirty (30) days after the family reports a reduction in income; and
(C) allow the division to waive a required copayment if
~~(i)~~ other medical expenses or personal care needs expenses for any member of the family reduce the level of income the family has available to pay copayments under this section; ~~or~~
~~(ii) the program receives payment from the family's health care coverage;~~ **and**
(2) may allow a family to voluntarily contribute payments that exceed the family's required cost participation amount. ~~and~~
~~(3) must provide that the division may not receive more than three thousand five hundred dollars ($3,500) per eligible child per year from a family's health care coverage.~~
(e) Funds received under a cost participation plan adopted under this section must be used to fund programs described in subsection (a).
(f) The budget agency shall annually report to the health finance commission and the budget committee the following information concerning the funding of the program under this chapter:
(1) The total amount billed to a federal or state program each state fiscal year for services provided under this chapter, including the following programs:
(A) Medicaid.
(B) The children's health insurance program.
(C) The federal Temporary Assistance to Needy Families (TANF) program (45 CFR 265).
(D) Any other state or federal program.
(2) The total amount billed each state fiscal year to an insurance company for services provided under this chapter and the total amount reimbursed by the insurance company.
(3) The total copayments collected under this chapter each state fiscal year.
(4) The total administrative expenditures.
The report must be submitted before September 1 for the preceding state fiscal year in an electronic format under IC 5-14-6.
SECTION 115. IC 14-10-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The commission may do the following:
(1) Take the action that is necessary to enable the state to participate in the programs set forth in 16 U.S.C. 470 et seq.
(2) Promulgate and maintain a state register of districts, sites, buildings, structures, and objects significant in American or Indiana history, architecture, archeology, and culture and expend money for the purpose of preparing comprehensive statewide historic surveys and plans, in accordance with criteria established by the commission, that comply with the standards and regulations promulgated by the United States Secretary of the Interior for the preservation, acquisition, and development of the properties.
(3) Establish in accordance with criteria established by the United States Secretary of the Interior a program of matching grants-in-aid to public agencies for projects having as their purpose the preservation for public benefit of properties that are significant in American or Indiana history, architecture, archeology, and culture.
(4) Accept grants from public and private sources, including those provided under 16 U.S.C. 470 et seq.
(5) Establish fees for the following:
(A) Programs of the department or the commission.
(B) Facilities owned or operated by the department or the commission or a lessee of the department or commission.
(C) Licenses issued by the commission, the department, or the director.
(D) Inspections or other similar services under this title performed by the department or an assistant or employee of the department.

(6) Adopt rules under IC 4-22-2 for the establishment of fees under subdivision (5).

SECTION 116. IC 14-11-2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. **(a)** The department may adopt rules under IC 4-22-2 for the conduct of the following:

(1) Department meetings.

(2) Upon the recommendation of the director, the work of the department and the divisions.

(b) The department may not adopt rules under IC 4-22-2 for the establishment of fees for the following:

(1) Programs of the department or the commission.

(2) Facilities owned or operated by the department or the commission or a lessee of the department or commission.

(3) Licenses issued by the commission, the department, or the director.

(4) Inspections or other similar services under this title performed by the department or an assistant or employee of the department.

SECTION 117. IC 14-16-1-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) The owner of a vehicle required to be registered under this chapter shall notify the department within fifteen (15) days if any of the following conditions exist:

(1) The vehicle is destroyed or abandoned.

(2) The vehicle is sold or an interest in the vehicle is transferred wholly or in part to another person.

(3) The owner's address no longer conforms to the address appearing on the certificate of registration.

(b) The notice must consist of a surrender of the certificate of registration on which the proper information shall be noted on a place to be provided.

(c) If the surrender of the certificate is required because the vehicle is destroyed or abandoned, the department shall cancel the certificate and enter that fact in the records. The number then may be reassigned.

(d) If the surrender is required because of a change of address on the part of the owner, the department shall record the new address. Upon payment of a fee established by the ~~department,~~ **commission,** a certificate of registration bearing the new information shall be returned to the owner.

(e) The transferee of a vehicle registered under this chapter shall, within fifteen (15) days after acquiring the vehicle, make application to the department for transfer to the transferee of the certificate of registration issued to the vehicle. The transferee shall provide the transferee's name and address and the number of the vehicle and pay to the department a fee established by the department. Upon receipt of the application and fee, the department shall transfer the certificate of registration issued for the vehicle to the new owner. Unless the application is made and the fee paid within fifteen (15) days, the vehicle is considered to be without a certificate of registration and a person may not operate the vehicle until a certificate is issued.

SECTION 118. IC 14-16-1-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 15. If a certificate of registration is lost, mutilated, or illegible, the owner of the vehicle may obtain a duplicate of the certificate upon application and payment of a fee established by the ~~department.~~ **commission.**

SECTION 119. IC 14-16-1-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) A dealer or manufacturer may obtain certificates of registration for use in the testing or demonstrating of vehicles upon the following:

(1) Application to the department upon forms provided by the department.

(2) Payment of a fee established by the department for each of the first two (2) registration certificates. Additional certificates that the dealer requires may be issued for a fee established by the ~~department.~~ **commission.**

(b) An applicant may use a certificate issued under this section only in the testing or demonstrating of vehicles by temporary placement of the numbers on the vehicle being tested or demonstrated. A certificate issued under this section may be used on only one (1) vehicle at any given time. The

temporary placement of numbers must conform to the requirements of this chapter or rules adopted under this chapter.

(c) A certificate issued under this section is valid for three (3) years.

SECTION 120. IC 14-19-1-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. The department may do the following:

(1) Make available to the public under rules adopted by the department public parks and other suitable places for recreation, conservation, and management of natural and cultural resources. The rules may include a procedure for the establishment of a schedule of admission fees and service charges **adopted by the commission** for the parks and other places of recreation.

(2) Construct, rent, lease, license, or operate public service privileges and facilities in a state park. An agreement may not be made to rent, lease, or license a public service privilege or facility in a state park for longer than four (4) years, except as provided in section 3 of this chapter.

(3) Acquire other suitable land or park property within Indiana that is entrusted, donated, or devised to Indiana by the United States or by a county, a city, a town, a private corporation, or an individual for the purpose of public recreation or for the preservation of natural beauty or natural features possessing historic value.

SECTION 121. IC 20-12-0.5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. The commission shall have the following powers and duties:

(1) To develop, continually keep current, and implement a long range plan for postsecondary education. In developing this plan, the commission shall take into account the plans and interests of the state private institutions, anticipated enrollments in state postsecondary institutions, financial needs of students, and other factors pertinent to the quality of educational opportunity available to the citizens of Indiana. The plan shall define the educational missions and the projected enrollments of the various state educational institutions.

(2) To consult with and make recommendations to the commission on vocational and technical education within the department of workforce development on all postsecondary vocational education programs. The commission shall biennially prepare a plan for implementing postsecondary vocational education programming after considering the long range state plan developed under IC 20-1-18.3-10. The commission shall submit this plan to the commission on vocational and technical education within the department of workforce development for its review and recommendations, and shall specifically report on how the plan addresses preparation for employment.

(3) To make recommendations to the general assembly and the governor concerning the long range plan, and prepare to submit drafts and proposed legislation needed to implement the plan. The commission may also make recommendations to the general assembly concerning the plan for postsecondary vocational education under subdivision (2).

(4) To review the legislative request budgets of all state educational institutions preceding each session of the general assembly and to make recommendations concerning appropriations and bonding authorizations to state educational institutions including public funds for financial aid to students by any state agency. The commission may review all programs of any state educational institution, regardless of the source of funding, and may make recommendations to the governing board of the institution, the governor, and the general assembly concerning the funding and the disposition of the programs. In making this review, the commission may request and shall receive, in such form as may reasonably be required, from all state educational institutions, complete information concerning all receipts and all expenditures.

(5) To submit to the commission on vocational and technical education within the department of workforce development for its review under IC 20-1-18.3-15 the legislative budget requests prepared by state educational institutions for state and federal funds for vocational education. These budget requests shall be prepared upon request of the budget director, shall cover the period determined by the budget director, and shall be made available to the commission within the department of workforce development before review by the budget committee.

(6) To make, or cause to be made, studies of the needs for various types of postsecondary

education and to make recommendations to the general assembly and the governor concerning the organization of these programs. The commission shall make or cause to be made studies of the needs for various types of postsecondary vocational education and shall submit to the commission on vocational and technical education within the department of workforce development the commission's findings in this regard.

(7) To approve or disapprove the establishment of any new branches, regional or other campuses, or extension centers or of any new college or school, or the offering on any campus of any additional associate, baccalaureate, or graduate degree, or of any additional program of two (2) semesters, or their equivalent in duration, leading to a certificate or other indication of accomplishment. After March 29, 1971, no state educational institution shall establish any new branch, regional campus, or extension center or any new or additional academic college, or school, or offer any new degree or certificate as defined in this subdivision without the approval of the commission or without specific authorization by the general assembly. Any state educational institution may enter into contractual agreements with governmental units or with business and industry for specific programs to be wholly supported by the governmental unit or business and industry without the approval of the commission.

(8) If so designated by the governor or the general assembly, to serve as the agency for the purposes of receiving or administering funds available for postsecondary education programs, projects, and facilities for any of the acts of the United States Congress where the acts of Congress require the state to designate such an agency or commission. However, this subdivision does not provide for the designation of the commission by the governor as the recipient of funds which may be provided by acts of the United States Congress, received by an agency, a board, or a commission designated by the general assembly.

(9) To designate and employ an executive officer and necessary employees, to designate the titles of the executive officer and necessary employees, and to fix the compensation in terms of the employment.

(10) To appoint appropriate advisory committees composed of representatives of state educational institutions, representatives of private colleges and universities, students, faculty, and other qualified persons.

(11) To employ all powers properly incident to or connected with any of the foregoing purposes, powers, or duties, including the power to adopt rules.

(12) To develop a definition for and report biennially to the:

(A) general assembly;

(B) governor; and

(C) commission on vocational and technical education within the department of workforce development;

on attrition and persistence rates by students enrolled in state vocational education. A report under this subdivision to the general assembly must be in an electronic format under IC 5-14-6.

(13) To submit a report to the legislative council not later than August 30 of each year on the status of the transfer of courses and programs between state educational institutions. The report must include any changes made during the immediately preceding academic year.

(14) To direct the activities of the committee, including the activities set forth in subdivisions (15) and (16).

(15) To develop through the committee statewide transfer of credit agreements for courses that are most frequently taken by undergraduates.

(16) To develop through the committee statewide agreements under which associate of arts and associate of science programs articulate fully with related baccalaureate degree programs.

(17) To publicize by all appropriate means, including an Internet web site, a master list of course transfer of credit agreements and program articulation agreements.

(18) To establish, with the assistance of the committee, a statewide core transfer library of at least seventy (70) courses that are transferable on all campuses of the state educational institutions in accordance with the principles in section 13 of this chapter.

(19) To establish, with the assistance of the committee, articulation agreements for at least twelve (12) degree programs:

(A) for which articulation agreements apply to any campus in the Ivy Tech State College system and to Vincennes University; and

(B) that draw from liberal arts and the technical, professional, and occupational fields.

SECTION 122. IC 20-12-0.5-13 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 13. (a) The commission shall exercise its powers and duties under section 8 of this chapter in a manner to facilitate the use of:**

(1) the core transfer library established under section 8(18) of this chapter at state educational institutions; and

(2) at least twelve (12) degree programs established under section 8(19) of this chapter at Ivy Tech State College and Vincennes University.

(b) The core transfer library developed under section 8(18) of this chapter shall be developed in accordance with the following principles:

(1) Each course in the core transfer library must transfer in and apply toward meeting degree requirements in the same way as the receiving state educational institution's equivalent course.

(2) Courses in the core transfer library must draw primarily from the liberal arts but must include introductory or foundational courses in technical, professional, and occupational fields.

(3) At least seventy (70) courses must be identified for inclusion in the core transfer library. The identified courses must emphasize the courses most frequently taken by undergraduates.

(4) With respect to core transfer library courses being transferred from a state educational institution to Indiana University or Purdue University, Indiana University and Purdue University must identify transfer equivalents so that a course accepted by one (1) regional campus will be accepted by all other regional campuses that offer the same transfer equivalent course.

(5) Within the Indiana University system and Purdue University system, equivalent courses, including courses with the same course number and title, must count in the same way at all campuses within the system where the course is offered.

(c) The commission shall adopt rules under IC 4-22-2 and prescribe procedures to facilitate the use of the core transfer library established under section 8(18) of this chapter, including designating courses in the course transfer library in the materials that colleges and universities use to communicate widely with students, such as online catalogs and course schedules, and at least twelve (12) degree programs established under section 8(19) of this chapter.

SECTION 123. IC 20-12-1-12 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 12. (a) This section applies notwithstanding IC 20-12-23-2, IC 20-12-36-4, IC 20-12-56-5, IC 20-12-57.5-11, and IC 20-12-64-5.**

(b) As used in this section, "academic year" has the meaning set forth in IC 20-12-76-1.

(c) As used in this section, "state educational institution" has the meaning set forth in IC 20-12-0.5-1.

(d) A state educational institution shall set tuition and fee rates for a two (2) year period. The rates shall be set according to the procedure set forth in subsection (e) and:

(1) on or before May 30 of the odd numbered year; or

(2) thirty (30) days after the state budget bill is enacted into law;

whichever is later.

(e) A state educational institution shall hold a public hearing before adopting any proposed tuition and fee rate increases. The state educational institution shall give public notice of the hearing at least ten (10) days before the hearing. The public notice shall include the specific proposal for tuition and fee rate increases and the expected uses of the revenue to be raised by the proposed increases. The hearing shall be held:

(1) on or before May 15 of each odd numbered year; or

(2) fifteen (15) days after the state budget bill is enacted into law;

whichever is later.

(f) After a state educational institution's tuition and fee rates are set under this section, the state educational institutions may adjust the tuition and fee rates only if appropriations to the state educational institution in the state budget act are reduced or withheld.

(g) If a state educational institution adjusts its tuition and fee rates under subsection (f), the total revenue generated by the tuition and fee rate adjustment must not exceed the amount by which appropriations to the state educational institution in the state budget act were reduced or withheld.

SECTION 124. IC 20-12-5.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) In addition to projects authorized by the general assembly, the trustees of each higher education institution may engage in any of the following projects so long as there are funds available for the project and the project meets any of the applicable conditions:

(1) Each project to construct buildings or facilities of a cost greater than ~~two~~ **five** hundred thousand dollars ~~($200,000),~~ **($500,000),** or to purchase or lease-purchase land, buildings, or facilities the principal value of which exceeds ~~one~~ **two** hundred **fifty** thousand dollars ~~($100,000),~~ **($250,000),** must be reviewed by the commission for higher education and approved by the governor upon recommendation of the budget agency. If any part of the cost of the project as specified in section 3 of this chapter is paid by state appropriated funds or by mandatory student fees assessed all students and if the project is to construct buildings or facilities of a cost greater than five hundred thousand dollars ($500,000), or to purchase or lease-purchase land, buildings, or facilities the principal value of which exceeds three hundred thousand dollars ($300,000), the project must also be approved by the general assembly. Nothing herein limits the trustees in supplementing projects approved by the general assembly from gifts or other available funds so long as approval for the expansion of projects is given by the governor on review by the commission for higher education and recommendation of the budget agency.

(2) Each repair and rehabilitation project must be reviewed by the commission for higher education and approved by the governor, on recommendation of the budget agency, if the cost of the project exceeds ~~five~~ **seven** hundred **fifty** thousand dollars ~~($500,000)~~ **($750,000)** and if any part of the cost of the project is paid by state appropriated funds or by mandatory student fees assessed all students. If no part of the cost of the repair and rehabilitation project is paid by state appropriated funds or by mandatory student fees assessed all students, the review and approval requirements of this subdivision apply only if the project exceeds one million dollars ($1,000,000).

(3) Each project to lease, other than a project to lease-purchase, a building or facility must be reviewed by the commission for higher education and approved by the governor, on recommendation of the budget agency, if the annual cost of the project exceeds **one hundred** fifty thousand dollars ~~($50,000).~~ **($150,000).**

(b) The review and approval requirements of subsection (a)(1) do not apply to a project to construct buildings or facilities or to purchase or lease-purchase land, buildings, or facilities if the project involves the expansion or improvement of housing for students undertaken entirely by a fraternity or sorority at the state educational institution.

SECTION 125. IC 20-12-30.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The Indiana Statewide Medical Education System shall include, but not be limited to, centers for comprehensive medical education established in cooperation with existing medical and educational institutions in Gary, Fort Wayne, Lafayette, Evansville, South Bend, Terre Haute, and Muncie, Indiana. These centers shall be known separately and respectively as **Indiana University School of Medicine-**Northwest **(on the campus of Indiana University-Northwest)**, ~~Center for Medical Education at Gary,~~ **Indiana University School of Medicine-**Fort Wayne **(on the campus of Indiana University-Purdue University Fort Wayne),** ~~Center for Medical Education,~~ **Indiana University School of Medicine-**Lafayette **(on the campus of Purdue University),** ~~Center for Medical Education at Purdue University,~~ **Indiana University School of Medicine-**Evansville **(on the campus of the University of Southern Indiana)**, ~~Center for Medical Education,~~ **Indiana University School of Medicine-**South Bend **(on the campus of the University of Notre Dame)**, ~~Center for Medical Education,~~ **Indiana University**

School of Medicine-Terre Haute **(on the campus of Indiana State University)**, ~~Center for Medical Education at Indiana State University,~~ **and Indiana University School of Medicine-**Muncie **(on the campus of Ball State University)**. ~~Center for Medical Education at Ball State University.~~

SECTION 126. IC 20-18-2-22, AS ADDED BY HEA 1288-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 22. (a) "Teacher" means a professional person whose position in a school corporation requires certain ~~teacher training preparations~~ **educational preparation** and licensing.

(b) For purposes of IC 20-28, the term includes the following:

(1) A superintendent.

(2) A supervisor.

(3) A principal.

(4) An attendance officer.

(5) A teacher.

(6) A librarian.

SECTION 127. IC 20-20-13-18, AS ADDED BY HEA 1288-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 18. A school corporation must use a grant received under sections 13 through 24 of this chapter to implement all or part of the school corporation's technology plan by funding uses that **promote 1:1 computing infrastructure,** include the following:

~~(1) Support of the school corporation's remediation plans~~.

~~(2) Professional development related to technology.~~

~~(3)~~ **(1)** Computers in classrooms.

~~(4)~~ **(2)** Computers for teachers.

~~(5) Access to electronic gateways or telephone access to information providers.~~

~~(6) The buddy system project (as described in IC 20-20-15-4(1)(A)).~~

~~(7) Video distance learning.~~

(3) E-learning.

~~(8)~~ **(4)** Wiring infrastructure **to support 1:1 computing.**

~~(9) Salaries for management of the technology program.~~

~~(10)~~ **(5)** Technical support.

~~(11)~~ **(6)**Wide area networks and local area networks **necessary to support 1:1 computing.**

~~(12) Media distribution systems.~~

~~(13) Expansion of the 4R's technology program (as described in~~ program ~~(as described in section 6(a)(1) of this chapter).~~

~~(14) Software.~~

~~(15) Library automation.~~

~~(16) Indiana public broadcasting services.~~

(7) Infrastructure software.

~~(17)~~ **(8)** Assistive technology devices for students with disabilities **in 1:1 computing environment.**

(9) Other uses of technology approved by the department of education.

SECTION 128. IC 20-20-31-10, AS ADDED BY HEA 1288-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. The state board shall approve an evaluation system for professional development based on recommendations from the department and the **advisory board of the division of** professional standards ~~board~~ established by ~~IC 20-28-2-1.~~ **IC 20-28-2-2.** The department shall develop a means for measuring successful programs and activities in which schools participate. The measurements must include the following:

(1) A mechanism to identify and develop strategies to collect multiple forms of data that reflect the achievement of expectations for all students. The data may include the results of ISTEP program tests under IC 20-31-3, IC 20-32-4, IC 20-32-5, and IC 20-32-6, local tests, classroom work, and teacher and administrator observations.

(2) A procedure for using collected data to make decisions.

(3) A method of evaluation in terms of educator's practice and student learning, including standards for effective teaching and effective professional development.

SECTION 129. IC 20-24-7-11 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 11. (a) If the United States Department of Education approves a new competition for states to receive matching funds for charter school facilities, the department shall pursue this federal funding.**

(b) There is appropriated to the department of education ten million dollars ($10,000,000) from the common school fund interest balance in the state general fund to provide state matching funds for the federal funding described in subsection (a) for the benefit of charter schools, beginning July 1, 2005, and ending June 30, 2007.

(c) The department shall develop guidelines and the state board shall adopt rules under IC 4-22-2 necessary to implement this section.

SECTION 130. IC 20-24-8-4, AS ADDED BY HEA 1288-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. Except as specifically provided in this article and the statutes listed in section 5 of this chapter, the following do not apply to a charter school:

(1) An Indiana statute applicable to a governing body or school corporation.

(2) A rule or guideline adopted by the state board.

(3) A rule or guideline adopted by the **advisory board of the division of** professional standards ~~board~~ established by ~~IC 20-28-2-1(a),~~ **IC 20-28-2-2,** except for those rules that assist a teacher in gaining or renewing a standard or advanced license.

(4) A local regulation or policy adopted by a school corporation unless specifically incorporated in the charter.

SECTION 131. IC 20-26-11-11, AS ADDED BY HEA 1288-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. (a) A school corporation may enter into an agreement with:

(1) a nonprofit corporation that operates a federally approved education program; or

(2) a nonprofit corporation that:

(A) is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code;

(B) for its classroom instruction, employs teachers who are certified by the ~~professional standards board,~~ **department;**

(C) employs other professionally and state licensed staff as appropriate; and

(D) educates children who:

(i) have been suspended, expelled, or excluded from a public school in that school corporation and have been found to be emotionally disturbed;

(ii) have been placed with the nonprofit corporation by court order;

(iii) have been referred by a local health department; or

(iv) have been placed in a state licensed private or public health care or child care facility as described in section 8(b) of this chapter;

in order to provide a student with an individualized education program that is the most suitable educational program available.

(b) If a school corporation that is a transferee corporation enters into an agreement as described in subsection (a), the school corporation shall pay to the nonprofit corporation an amount agreed upon from the transfer tuition of the student. The amount agreed upon may not exceed the transfer tuition costs that otherwise would be payable to the transferee corporation.

(c) If a school corporation that is a transferor corporation enters into an agreement as described in subsection (a), the school corporation shall pay to the nonprofit corporation an amount agreed upon, which may not exceed the transfer tuition costs that otherwise would be payable to a transferee school corporation.

SECTION 132. IC 20-28-1-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 1.5. "Advisory board" refers to the advisory board of the division of professional standards established by IC 20-28-2-2.**

SECTION 133. IC 20-28-1-2, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. "Applicant" refers to an applicant for:

(1) a new license;

(2) a renewal license; or

(3) a substitute teacher certificate;

issued by the ~~board.~~ **department.**

SECTION 134. IC 20-28-1-5.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 5.5 "Division" refers to the division of professional standards of the department of education established by IC 20-28-2-1.5.**

SECTION 135. IC 20-28-1-7, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. "License" refers to a document issued by the ~~board~~ **department** that grants permission to serve as a particular kind of teacher. The term includes any certificate or permit issued by the ~~board.~~ **department.**

SECTION 136. IC 20-28-2-1, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. ~~(a)~~ **Except as provided in section 6 of this chapter,** the ~~professional standards board is established to govern teacher training and licensing programs. (b) Notwithstanding any other law, the board and the board's staff have~~ **department has** the sole authority and responsibility for ~~making recommendations concerning and~~ governing teacher ~~training~~ **education** and teacher licensing matters, **including professional development.**

SECTION 137. IC 20-28-2-1.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 1.5. The division of professional standards is established within the department to administer the responsibilities of the department described in section 1 of this chapter.**

SECTION 138. IC 20-28-2-2, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) **The advisory board of the division of professional standards is established to advise the superintendent, the board, the department, and the division on matters concerning teacher education, licensing, and professional development.** The **advisory** board consists of nineteen (19) voting members.

(b) Except as otherwise provided, each voting member of the **advisory** board described in this subsection must be actively employed by a school corporation. Eighteen (18) members shall be appointed by the governor as follows:

(1) One (1) member must hold a license and be actively employed in a public school as an Indiana school superintendent.

(2) Two (2) members must:

(A) hold licenses as public school principals;

(B) be actively employed as public school principals; and

(C) be employed at schools having dissimilar grade level configurations.

(3) One (1) member must:

(A) hold a license as a special education director; and

(B) be actively employed as a special education director in:

(i) a school corporation; or

(ii) a public school special education cooperative.

(4) One (1) member must be a member of the governing body of a school corporation but is not required to be actively employed by a school corporation or to hold an Indiana teacher's license.

(5) Three (3) members must meet the following conditions:

(A) Represent Indiana teacher ~~training~~ **education** units within Indiana public and private institutions of higher education.

(B) Hold a teacher's license but not necessarily an Indiana teacher's license.

(C) Be actively employed by the respective teacher ~~training~~ **education** units.

The members described in this subdivision are not required to be employed by a school corporation.

(6) Nine (9) members must be licensed and actively employed as Indiana public school teachers in the following categories:

(A) At least one (1) member must hold an Indiana standard early childhood education license.

(B) At least one (1) member must hold an Indiana teacher's license in elementary education.

(C) At least one (1) member must hold an Indiana teacher's license for middle/junior high school education.

(D) At least one (1) member must hold an Indiana teacher's license in high school education.

(7) One (1) member must be a member of the business community in Indiana but is not required to be actively employed by a school corporation or to hold an Indiana teacher's license.

(c) Each member described in subsection (b)(6) must be licensed and actively employed as a practicing teacher in at least one (1) of the following areas to be appointed:

(1) At least one (1) member must be licensed in special education.

(2) At least one (1) member must be licensed in vocational education.

(3) At least one (1) member must be employed and licensed in student services, which may include school librarians or psychometric evaluators.

(4) At least one (1) member must be licensed in social science education.

(5) At least one (1) member must be licensed in fine arts education.

(6) At least one (1) member must be licensed in English or language arts education.

(7) At least one (1) member must be licensed in mathematics education.

(8) At least one (1) member must be licensed in science education.

(d) At least one (1) member described in subsection (b) must be a parent of a student enrolled in a public preschool or public school within a school corporation in either kindergarten or any of grades 1 through 12.

(e) The state superintendent shall serve as an ex officio voting member of the **advisory** board. The state superintendent may make recommendations to the governor as to the appointment of members on the **advisory** board.

SECTION 139. IC 20-28-2-3, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. The term of office for the appointed members of the **advisory** board is four (4) years.

SECTION 140. IC 20-28-2-4, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. **The superintendent shall appoint** the ~~chairperson~~ **director** of the **advisory** board, ~~shall be elected by a majority of the members of the board~~ **who shall be known as the secretary of professional standards,** from among the members of the **advisory** board for a term of one (1) year. A member may be ~~reelected~~ **reappointed** to serve as ~~a chairperson~~ **director** for subsequent terms.

SECTION 141. IC 20-28-2-5, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) Each member of the **advisory** board who is not a state employee is not entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). The member is, however, entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

(b) Each member of the **advisory** board who is a state employee is entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the Indiana department of administration and approved by the budget agency.

SECTION 142. IC 20-28-2-6, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) **Subject to subsection (c) and** in addition to the powers and duties set forth in IC 20-20-22 or this article, the **advisory** board ~~shall~~ **may** adopt rules under IC 4-22-2 to do the following:

(1) Set standards for teacher licensing and ~~administer~~ **for the administration of** a professional

licensing and certification process **by the department.**

(2) Approve or disapprove teacher preparation programs.

(3) Set fees to be charged in connection with teacher licensing.

(4) Suspend, revoke, or reinstate teacher licenses.

(5) Enter into agreements with other states to acquire reciprocal approval of teacher preparation programs.

(6) Set standards for teacher licensing concerning new subjects of study.

(7) Evaluate work experience and military service concerning higher education and experience equivalency.

(8) Perform any other action that:

(A) relates to the improvement of instruction in the public schools through teacher education and professional development through continuing education; and

(B) attracts qualified candidates for teacher ~~training~~ **education** from among the high school graduates of Indiana.

(9) Set standards for endorsement of school psychologists as independent practice school psychologists under IC 20-28-12.

(b) Notwithstanding subsection (a)(1), an individual is entitled to one (1) year of occupational experience for purposes of obtaining an occupational specialist certificate under this article for each year the individual holds a license under IC 25-8-6.

(c) Before publishing notice of the intent to adopt a rule under IC 4-22-2, the advisory board must submit the proposed rule to the state superintendent for approval. If the state superintendent approves the rule, the advisory board may publish notice of the intent to adopt the rule. If the state superintendent does not approve the rule, the advisory board may not publish notice of the intent to adopt the rule.

SECTION 143. IC 20-28-2-7, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) The ~~board~~ **department** may recommend to the general assembly for consideration measures relating to the ~~board's~~ **department's** powers and duties that improve the quality of teacher preparation or teacher licensing standards.

(b) The ~~board~~ **department** shall submit to the general assembly before November 1 of each year a report:

(1) detailing the findings and activities of the **department, the division, and the advisory** board; and

(2) including any recommendations developed ~~by the board.~~ **under this chapter.**

A report under this subsection must in an electronic format under IC 5-14-6.

SECTION 144. IC 20-28-2-8, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) The ~~board~~ **department** may, subject to approval by the budget agency, do the following **to administer the responsibilities of the department described in section 2 of this chapter:**

(1) Establish advisory committees the ~~board~~ **department** determines necessary.

(2) Expend funds made available to the ~~board~~ **department** according to policies established by the budget agency.

(b) The ~~board~~ **department** shall comply with the requirements for submitting a budget request to the budget agency as set forth in IC 4-12-1, **for funds to administer the responsibilities of the department described in section 1 of this chapter.**

SECTION 145. IC 20-28-2-9, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. IC 4-21.5 applies to orders issued by the ~~board.~~ **department under this chapter.**

SECTION 146. IC 20-28-2-10 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 10. There is established the professional standards fund to be administered by the department. The fund consists of fees collected under this chapter. Money in the fund does not revert to the state general fund at the end of a state fiscal year.**

SECTION 147. IC 20-28-3-1, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. **(a)** The ~~board~~ **department** shall:

(1) arrange a statewide system of professional instruction for teacher ~~training;~~ **education;**

(2) accredit and inspect teacher ~~training~~ **education** schools and departments that comply with the rules of the ~~board;~~ **department;**

(3) recommend and approve courses for the ~~training~~ **education** of particular kinds of teachers in accredited schools and departments; and

(4) specify the types of licenses for graduates of approved courses.

(b) The department shall work with teacher education schools and departments to develop a system of teacher education that ensures individuals who graduate from the schools and departments are able to meet the highest professional standards.

SECTION 148. IC 20-28-3-2, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) An accredited school or department may use the word "accredited" in advertising approved courses and the types of teachers the school or department is accredited to prepare. An accredited school or department may enter into the student teaching agreements specified in IC 20-26-5.

(b) The ~~board~~ **department** shall revoke the right to use the word "accredited" when an accredited school or department refuses to abide by the **advisory** board's rules.

SECTION 149. IC 20-28-3-3, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) The ~~board, in consultation with the~~ department, shall develop guidelines for use by accredited teacher ~~training~~ **education** institutions and departments in preparing individuals to teach in various environments.

(b) The guidelines developed under subsection (a) must include courses and methods that assist individuals in developing cultural competency (as defined in IC 20-31-2-5).

SECTION 150. IC 20-28-4-3, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. Subject to the requirements of this chapter, the ~~board~~ **department** shall develop and administer the program. The ~~board~~ **department** shall determine the details of the program that are not included in this chapter.

SECTION 151. IC 20-28-4-4, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. Each accredited teacher ~~training~~ **education** school and department in Indiana shall establish a course of study that constitutes the higher education component of the program. The higher education component required under this section must comply with the following requirements:

(1) Include the following study requirements:

(A) For a program participant who seeks to obtain a license to teach in grades 6 through 12, up to eighteen (18) credit hours of study or the equivalent that prepare a program participant to meet Indiana standards for teaching in the subject areas corresponding to the area in which the program participant has met the education requirements under section 5 of this chapter, unless the program participant demonstrates that the program participant requires fewer credit hours of study to meet Indiana standards for teaching.

(B) For a program participant who seeks to obtain a license to teach in kindergarten through grade 5, twenty-four (24) credit hours of study or the equivalent, which must include at least six (6) credit hours in teaching reading, that prepare a program participant to meet Indiana standards for teaching, unless the program participant demonstrates that the program participant requires fewer credit hours of study to meet Indiana standards for teaching.

(2) Focus on the communication of knowledge to students.

(3) Include suitable field or classroom experiences if the program participant does not have teaching experience.

SECTION 152. IC 20-28-4-6, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. The ~~board~~ **department** shall grant an initial standard license to a program participant who does the following:

(1) Successfully completes the higher education component of the program.

(2) Demonstrates proficiency through a written examination in:
(A) basic reading, writing, and mathematics;
(B) pedagogy; and
(C) knowledge of the areas in which the program participant is required to have a license to teach;
under IC 20-28-5-12(b).
(3) Participates successfully in a beginning teacher internship program under IC 20-6.1-8 (repealed) that includes implementation in a classroom of the teaching skills learned in the higher education component of the program.
(4) Receives a successful assessment of teaching skills upon completion of the beginning teacher internship program under subdivision (3) from the administrator of the school where the beginning teacher internship program takes place, or, if the program participant does not receive a successful assessment, ~~participates~~ **continues participating** in the beginning teacher internship program. ~~for a second year as provided under IC 20-6.1-8-13 (repealed). The appeals provisions of IC 20-6.1-8-14 (repealed) apply to an assessment under this subdivision.~~

SECTION 153. IC 20-28-4-7, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. This section applies to a program participant who has a degree described in section 5 of this chapter that does not include all the content areas of a standard license issued by the ~~board.~~ **department.** The ~~board~~ **department** shall issue an initial standard license that is restricted to only the content areas in which the program participant has a degree unless the program participant demonstrates sufficient knowledge in other content areas of the license.

SECTION 154. IC 20-28-4-10, AS ADDED BY HEA 1288-2005, SECTION12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. (a) The **advisory** board may adopt rules under IC 4-22-2 to administer this chapter.

(b) Rules adopted under this section must include a requirement that accredited teacher ~~training~~ **education** schools and departments in Indiana submit an annual report to the ~~board~~ **department** of the number of individuals who:
(1) enroll in; and
(2) complete;
the program.

SECTION 155. IC 20-28-5-1, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. The ~~board~~ **department** is responsible for the licensing of teachers.

SECTION 156. IC 20-28-5-2, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The **advisory** board may adopt rules for:
(1) the issuance of a substitute teacher's license; and
(2) the employment of substitute teacher licensees.
An individual may not serve as a substitute teacher without a license issued by the ~~board.~~ **department.**

SECTION 157. IC 20-28-5-3, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) The ~~board~~ **department** shall designate:
(1) the grade point average required for each type of license; and
(2) the types of licenses to which the teachers' minimum salary laws apply, including nonrenewable one (1) year limited licenses.

(b) The ~~board~~ **department** shall determine details of licensing not provided in this chapter, including requirements regarding the following:
(1) The conversion of one (1) type of license into another.
(2) The accreditation of teacher ~~training~~ **education** schools and departments.
(3) The exchange and renewal of licenses.
(4) The endorsement of another state's license.
(5) The acceptance of credentials from teacher ~~training~~ **education** institutions of another state.
(6) The academic and professional preparation for each type of license.

(7) The granting of permission to teach a high school subject area related to the subject area for which the teacher holds a license.
(8) The issuance of licenses on credentials.
(9) The type of license required for each school position.
(10) The size requirements for an elementary school requiring a licensed principal.
(11) Any other related matters.

The ~~board~~ **department** shall establish at least one (1) system for renewing a teaching license that does not require a graduate degree.

(c) The ~~board~~ **department** shall periodically publish bulletins regarding:
(1) the details described in subsection (b);
(2) information on the types of licenses issued;
(3) the rules governing the issuance of each type of license; and
(4) other similar matters.

SECTION 158. IC 20-28-5-7, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. On the written recommendation of the state superintendent, the ~~board~~ **department** may suspend or revoke a license for:
(1) immorality;
(2) misconduct in office;
(3) incompetency; or
(4) willful neglect of duty.

For each suspension or revocation, the ~~board~~ **department** shall comply with IC 4-21.5-3.

SECTION 159. IC 20-28-5-8, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) This section applies when a prosecuting attorney knows that a licensed employee of a public school or a nonpublic school has been convicted of an offense listed in subsection (c). The prosecuting attorney shall immediately give written notice of the conviction to the following:
(1) The state superintendent.
(2) Except as provided in subdivision (3), the superintendent of the school corporation that employs the licensed employee or the equivalent authority if a nonpublic school employs the licensed employee.
(3) The presiding officer of the governing body of the school corporation that employs the licensed employee, if the convicted licensed employee is the superintendent of the school corporation.

(b) The superintendent of a school corporation, presiding officer of the governing body, or equivalent authority for a nonpublic school shall immediately notify the state superintendent when the individual knows that a current or former licensed employee of the public school or nonpublic school has been convicted of an offense listed in subsection (c).

(c) The ~~board,~~ **department,** after holding a hearing on the matter, shall permanently revoke the license of a person who is known by the ~~board~~ **department** to have been convicted of any of the following felonies:
(1) Kidnapping (IC 35-42-3-2), if the victim is less than eighteen (18) years of age.
(2) Criminal confinement (IC 35-42-3-3), if the victim is less than eighteen (18) years of age.
(3) Rape (IC 35-42-4-1), if the victim is less than eighteen (18) years of age.
(4) Criminal deviate conduct (IC 35-42-4-2), if the victim is less than eighteen (18) years of age.
(5) Child molesting (IC 35-42-4-3).
(6) Child exploitation (IC 35-42-4-4(b)).
(7) Vicarious sexual gratification (IC 35-42-4-5).
(8) Child solicitation (IC 35-42-4-6).
(9) Child seduction (IC 35-42-4-7).
(10) Sexual misconduct with a minor (IC 35-42-4-9).
(11) Incest (IC 35-46-1-3), if the victim is less than eighteen (18) years of age.
(12) Dealing in or manufacturing cocaine, a narcotic drug, or methamphetamine (IC 35-48-4-1).

(13) Dealing in a schedule I, II, or III controlled substance (IC 35-48-4-2).
(14) Dealing in a schedule IV controlled substance (IC 35-48-4-3).
(15) Dealing in a schedule V controlled substance (IC 35-48-4-4).
(16) Dealing in a counterfeit substance (IC 35-48-4-5).
(17) Dealing in marijuana, hash oil, or hashish (IC 35-48-4-10(b)).(d) A license may be suspended by the state superintendent as specified in IC 20-28-7-7.

SECTION 160. IC 20-28-5-9, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. (a) An applicant must do the following:
(1) Submit a request to the Indiana central repository for limited criminal history information under IC 10-13-3.
(2) Obtain a copy of the limited criminal history for the applicant from the repository's records.
(3) Submit to the ~~board~~ **department** the limited criminal history for the applicant.
(4) Submit to the ~~board~~ **department** a document verifying a disposition that does not appear on the limited criminal history for the applicant.

(b) The ~~board~~ **department** may deny the issuance of a license or certificate to an applicant who is convicted of an offense for which the individual's license may be revoked or suspended under this chapter.

(c) The ~~board~~ **department** must use the information obtained under this section in accordance with IC 10-13-3-29.

(d) An applicant is responsible for all costs associated with meeting the requirements of this section.

SECTION 161. IC 20-28-5-10, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. (a) The ~~board~~ **department** shall keep a record of:
(1) all licenses issued;
(2) all licenses in force; and
(3) the academic preparation, professional preparation, and teaching experience of each applicant for a license or a license renewal.

(b) A superintendent of a school corporation shall register and keep a record of the following for each licensed teacher employed by the school corporation:
(1) The type of license held by the teacher.
(2) The teacher's date of first employment.
(3) The teacher's annual or monthly salary.

SECTION 162. IC 20-28-5-11, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. (a) This section does not apply to an individual who, on September 1, 1985, has earned more than the equivalent of twelve (12) semester hours of graduate credit.

(b) The ~~board~~ **department** may not renew the junior high/middle school or secondary education license of a teacher on the basis of the teacher obtaining a graduate degree unless the teacher completes at least the equivalent of eighteen (18) semester hours beyond the teacher's undergraduate degree in any combination of courses in the teacher's major, minor, primary, supporting, or endorsement areas. The semester hours may include graduate hours or undergraduate hours, or both, as determined by the ~~board.~~ **department.**

(c) The **advisory** board may:
(1) adopt rules under IC 4-22-2 to create exceptions to the requirements under subsection (b); and
(2) waive the requirements under subsection (b) on an individual basis.

SECTION 163. IC 20-28-5-12, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. (a) Subsection (b) does not apply to an individual who held an Indiana limited, reciprocal, or standard teaching license on June 30, 1985.

(b) The ~~board~~ **department** may not grant an initial standard license to an individual unless the individual has demonstrated proficiency in the following areas on a written examination or through other procedures prescribed by the ~~board.~~ **department:**
(1) Basic reading, writing, and mathematics.

(2) Pedagogy.
(3) Knowledge of the areas in which the individual is required to have a license to teach.
(4) If the individual is seeking to be licensed as an elementary school teacher, comprehensive reading instruction skills, including:
(A) phonemic awareness; and
(B) phonics instruction.

(c) An individual's license examination score may not be disclosed by the ~~board~~ **department** without the individual's consent unless specifically required by state or federal statute or court order.

(d) The **advisory** board shall adopt rules under IC 4-22-2 to do the following:
(1) Adopt, validate, and implement the examination or other procedures required by subsection (b).
(2) Establish examination scores indicating proficiency.
(3) Otherwise carry out the purposes of this section.

(e) The board shall adopt rules under IC 4-22-2 establishing the conditions under which the requirements of this section may be waived for ~~individuals~~ **an individual** holding **a** valid ~~teachers' licenses~~ **teacher's license** issued by another state.

SECTION 164. IC 20-28-5-14, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. If the ~~board~~ **department** is notified by the department of state revenue that an individual is on the most recent tax warrant list, the ~~board~~ **department** may not grant an initial standard license to the individual until:
(1) the individual provides the ~~board~~ **department** with a statement from the department of state revenue indicating that the individual's delinquent tax liability has been satisfied; or
(2) the ~~board~~ **department** receives a notice from the commissioner of the department of state revenue under IC 6-8.1-8-2(k).

SECTION 165. IC 20-28-9-1, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) A teacher's minimum salary each school year must be computed based on the teacher's ~~training,~~ **education,** experience, and degree completed as of the teacher's first day of service.

(b) If a teacher is licensed by the ~~board~~ **department** on:
(1) the first day of service in the current school year; or
(2) another date as agreed by the school employer and the exclusive representative under IC 20-29;
the teacher's minimum salary is computed under section 2 of this chapter.

SECTION 166. IC 20-28-9-2, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. A teacher's minimum salary for service during a nine (9) month school term is computed as follows:
(1) For a teacher who has completed four (4) years or one hundred forty-four (144) weeks of professional ~~training,~~ **education,** five thousand two hundred dollars ($5,200), plus:
(A) an additional increment of one hundred fifty dollars ($150) after each of the first ten (10) years of experience; and
(B) an additional increment of two hundred fifty dollars ($250) after each of the following years of experience:
(i) The fifteenth.
(ii) The twentieth.
(2) For a teacher who has completed five (5) years or one hundred eighty (180) weeks of professional ~~training,~~ **education,** five thousand five hundred dollars ($5,500), plus:
(A) an additional increment of one hundred fifty dollars ($150) after each of the first eighteen (18) years of experience; and
(B) an additional increment of three hundred dollars ($300) after each of the following years of experience:
(i) The nineteenth.
(ii) The twentieth.
(iii) The twenty-second.

(iv) The twenty-fourth.
(v) The twenty-sixth.
(vi) The thirtieth.

(3) For a teacher who has completed less than four (4) years of professional ~~training,~~ **education,** four thousand seven hundred dollars ($4,700), plus an additional increment of one hundred twenty dollars ($120) after each of the first ten (10) years of experience.

SECTION 167. IC 20-28-9-4, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) The ~~board~~ **department** shall require each teacher to hold:

(1) a bachelor's degree from an accredited teacher ~~training~~ **education** institution to qualify for the first time for classification under section 2(1) of this chapter; and

(2) a master's degree to qualify for the first time for classification under section 2(2) of this chapter.

(b) A teacher may not receive credit for five (5) years of ~~training~~ **education** under section 2(2) of this chapter unless the teacher has completed at least a bachelor's degree.

SECTION 168. IC 20-28-9-7, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) An individual who:

(1) holds:
(A) a professional license;
(B) a provisional license;
(C) a limited license; or
(D) an equivalent license issued by the ~~board;~~ **department;** and

(2) serves as an occasional substitute teacher;

shall be compensated on the pay schedule for substitutes of the school corporation the individual serves.

(b) An individual who:

(1) holds a:
(A) professional license; or
(B) provisional license; and

(2) serves as a substitute teacher in the same teaching position for more than fifteen (15) consecutive school days;

shall be compensated on the regular pay schedule for teachers of the school corporation the individual serves.

SECTION 169. IC 20-28-12-3, AS ADDED BY HEA 1288-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. An individual who applies for an endorsement as an independent practice school psychologist must meet the following requirements:

(1) Be licensed as a school psychologist by the ~~board.~~ **department.**

(2) Be employed by a:
(A) developmental center;
(B) state hospital;
(C) public or private hospital;
(D) mental health center;
(E) rehabilitation center;
(F) private school; or
(G) public school;

at least thirty (30) hours per week during the contract period unless the individual is retired from full-time or part-time employment as a school psychologist or the individual has a medical condition or physical disability that restricts the mobility required for employment in a school setting.

(3) Furnish satisfactory evidence to the ~~board~~ **department** that the applicant has received at least a sixty (60) semester hour master's or specialist degree in school psychology from:
(A) a recognized institution of higher learning; or
(B) an educational institution not located in the United States that has a program of study that

meets the standards of the ~~board.~~ **department.**

(4) Furnish satisfactory evidence to the ~~board~~ **department** that the applicant has demonstrated graduate level competency through the successful completion of course work and a practicum in the areas of assessment and counseling.

(5) Furnish satisfactory evidence to the ~~board~~ **department** that the applicant has at least one thousand two hundred (1,200) hours of school psychology experience beyond the master's degree level. At least six hundred (600) hours must be in a school setting under the supervision of any of the following:

(A) A physician licensed under IC 25-22.5.

(B) A psychologist licensed under IC 25-33.

(C) A school psychologist endorsed under this chapter.

(6) Furnish satisfactory evidence to the ~~board~~ **department** that the applicant has completed, in addition to the requirements in subdivision (5), at least four hundred (400) hours of supervised experience in identification and referral of mental and behavioral disorders, including at least one (1) hour each week of direct personal supervision by a:

(A) physician licensed under IC 25-22.5;

(B) psychologist licensed under IC 25-33; or

(C) school psychologist endorsed under this chapter;

with at least ten (10) hours of direct personal supervision.

(7) Furnish satisfactory evidence to the ~~board~~ **department** that the applicant has completed, in addition to the requirements of subdivisions (5) and (6), fifty-two (52) hours of supervision with a physician licensed under IC 25-22.5, a psychologist licensed under IC 25-33, or a school psychologist endorsed under this chapter that meets the following requirements:

(A) The fifty-two (52) hours must be completed within at least twenty-four (24) consecutive months but not less than twelve (12) months.

(B) Not more than one (1) hour of supervision may be included in the total for each week.

(C) At least nine hundred (900) hours of direct client contact must take place during the total period under clause (A).

(8) Furnish satisfactory evidence to the ~~board~~ **department** that the applicant does not have a conviction for a crime that has a direct bearing on the applicant's ability to practice competently.

(9) Furnish satisfactory evidence to the ~~board~~ **department** that the applicant has not been the subject of a disciplinary action by a licensing or certification agency of any jurisdiction on the grounds that the applicant was not able to practice as a school psychologist without endangering the public.

(10) Pass the examination provided by the ~~board.~~ **department.**

SECTION 170. IC 20-30-5-6, AS ADDED BY HEA 1288-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6. (a) This section applies only to public schools.

(b) As used in this section, "good citizenship instruction" means integrating instruction into the current curriculum that stresses the nature and importance of the following:

(1) Being honest and truthful.

(2) Respecting authority.

(3) Respecting the property of others.

(4) Always doing the student's personal best.

(5) Not stealing.

(6) Possessing the skills (including methods of conflict resolution) necessary to live peaceably in society and not resorting to violence to settle disputes.

(7) Taking personal responsibility for obligations to family and community.

(8) Taking personal responsibility for earning a livelihood.

(9) Treating others the way the student would want to be treated.

(10) Respecting the national flag, the Constitution of the United States, and the Constitution of the State of Indiana.

(11) Respecting the student's parents and home.
(12) Respecting the student's self.
(13) Respecting the rights of others to have their own views and religious beliefs.
(c) The department shall:
(1) identify; and
(2) make available;
models of conflict resolution instruction to school corporations. The instruction may consist of a teacher ~~training~~ **education** program that applies the techniques to the students in the classroom to assist school corporations in complying with this section.

SECTION 171. IC 20-30-5-14, AS ADDED BY HEA 1288-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. (a) To:
(1) educate students on the importance of their future career choices;
(2) prepare students for the realities inherent in the work environment; and
(3) instill in students work values that will enable them to succeed in their respective careers;
each school within a school corporation shall include in the school's curriculum for all students in grades 1 through 12 instruction concerning employment matters and work values.
(b) Each school shall:
(1) integrate within the curriculum instruction that is; or
(2) conduct activities or special events periodically that are;
designed to foster overall career awareness and career development as described in subsection (a).
(c) The department shall develop career awareness and career development models as described in subsection (d) to assist schools in complying with this section.
(d) The models described in this subsection must be developed in accordance with the following:
(1) For grades 1 through 5, career awareness models to introduce students to work values and basic employment concepts.
(2) For grades 6 through 8, initial career information models that focus on career choices as they relate to student interest and skills.
(3) For grades 9 through 10, career exploration models that offer students insight into future employment options.
(4) For grades 11 through 12, career preparation models that provide job or further education counseling, including the following:
(A) Initial job counseling, including the use of job service officers to provide school based assessment, information, and guidance on employment options and the rights of students as employees.
(B) Workplace orientation visits.
(C) On-the-job experience exercises.
(e) The department, with assistance from the department of labor and the department of workforce development, shall:
(1) develop and make available teacher guides; and
(2) conduct seminars or other teacher ~~training~~ **education** activities;
to assist teachers in providing the instruction described in this section.
(f) The department shall, with assistance from the department of workforce development, design and implement innovative career preparation demonstration projects for students in at least grade 9.

SECTION 172. IC 20-30-7-8, AS ADDED BY HEA 1288-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. Except as provided in section 9 of this chapter, an instructor for an educational program described in section 7 of this chapter must be:
(1) licensed under IC 20-28; or
(2) granted a substitute teacher's license by the ~~professional standards board.~~ **department.**

SECTION 173. IC 20-30-7-9, AS ADDED BY HEA 1288-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 9. If the superintendent of the school corporation that is the local education agency determines that:
(1) a qualified licensed teacher is not available from the entities entering into an agreement under

section 5 of this chapter; and

(2) a qualified postsecondary instructor is available;

to instruct in an educational program described in section 7 of this chapter, the superintendent may request the ~~professional standards board~~ **department** to issue a substitute teacher's license to the instructor of an educational program described in section 7 of this chapter.

SECTION 174. IC 20-30-7-10, AS ADDED BY HEA 1288-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. If the ~~professional standards board~~ **department** finds that a qualified licensed teacher is not available from the entities entering into an agreement under section 5 of this chapter to instruct in an educational program described in section 7 of this chapter, the ~~professional standards board~~ **department** may issue a substitute teacher's license to the instructor of an educational program described in section 7 of this chapter.

SECTION 175. IC 20-31-6-1, AS ADDED BY HEA 1288-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. The department ~~in consultation with the professional standards board,~~ shall develop and make available to school corporations and nonpublic schools materials that assist teachers, administrators, and staff in a school in developing cultural competency for use in providing professional and staff development programs.

SECTION 176. IC 20-32-5-1, AS ADDED BY HEA 1288-2005, SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. The purposes of the ISTEP program developed under this chapter are as follows:

(1) To assess the strengths and weaknesses of school performance.

(2) To assess the effects of state and local educational programs.

(3) To compare achievement of Indiana students to achievement of students on a national basis.

(4) To provide a source of information for state and local decision makers with regard to educational matters, including the following:

(A) The overall academic progress of students.

(B) The need for new or revised educational programs.

(C) The need to terminate existing educational programs.

(D) Student readiness for postsecondary school experiences.

(E) Overall curriculum development and revision activities.

(F) Identifying students who may need remediation under IC 20-32-8.

(G) Diagnosing individual student needs.

(H) Teacher ~~training~~ **education** and staff development activities.

SECTION 177. IC 20-33-2-7, AS ADDED BY HEA 1288-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 7. (a) In addition to the requirements of sections 4 through 6 of this chapter, a student must be at least five (5) years of age on:

(1) July 1 of ~~a~~ **the 2005-2006** school year; **or**

(2) August 1 of the 2006-2007 school year or any subsequent school year;

to officially enroll in a kindergarten program offered by a school corporation. However, subject to subsection (c), the governing body of the school corporation shall adopt a procedure affording a parent of a student who does not meet the minimum age requirement set forth in this subsection the right to appeal to the superintendent for enrollment of the student in kindergarten at an age earlier than the age set forth in this subsection.

(b) In addition to the requirements of sections 4 through 6 of this chapter and subsection (a), and subject to subsection (c), if a student enrolls in school as allowed under section 6 of this chapter and has not attended kindergarten, the superintendent shall make a determination as to whether the student shall enroll in kindergarten or grade 1 based on the particular model assessment adopted by the governing body under subsection (c).

(c) To assist the principal and governing bodies, the department shall do the following:

(1) Establish guidelines to assist each governing body in establishing a procedure for making appeals to the superintendent under subsection (a).

(2) Establish criteria by which a governing body may adopt a model assessment that may be used in making the determination under subsection (b).

SECTION 178. IC 20-33-2-41, AS ADDED BY HEA 1288-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 41. With the exception of ex officio attendance officers, an individual may not hold the position of attendance officer unless the individual has complied with all standards of the ~~professional standards board~~ **department** and has been properly licensed by ~~that body.~~ **the department.**

SECTION 179. IC 21-1-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 3. (a) The Indiana state board of education is authorized to advance money to school corporations and school townships from the common school fund to be used for school building construction and educational technology programs as provided in this chapter.

(b) As used in this chapter, "school building construction program" means the purchase, lease, or financing of land, the construction and equipping of school buildings, and the remodeling, repairing, or improving of school buildings by a school corporation or school township:

(1) that sustained loss by fire, wind, cyclone, or other disaster of all or a major portion of a school building or school buildings;

(2) whose assessed valuation per pupil ~~ADA~~ **ADM** is within the lowest forty percent (40%) of the assessed valuation per pupil ~~ADA~~ **ADM** when compared to all school corporation or school township assessed valuation per pupil ~~ADA;~~ **ADM;** or

(3) with an advance under this chapter outstanding on July 1, 1993, that bears interest at least seven and one-half percent (7.5%).

However, as used in this chapter, the term does not include facilities used or to be used primarily for interscholastic or extracurricular activities.

(c) As used in this chapter, "educational technology program" means the purchase, lease, or financing of educational technology equipment, the operation of the educational technology equipment, and the training of teachers in the use of the educational technology equipment.

SECTION 180. IC 21-1-30-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 2. For purposes of computation under this chapter, the following shall be used:

(1) Kindergarten pupils shall be counted as five-tenths (0.5). All other pupils shall be counted as one (1).

(2) The number of pupils shall be the number of pupils used in determining ADM, as defined by IC 21-3-1.6, for the current year.

(3) The staff cost amount for a school corporation is sixty-nine thousand eight hundred eleven dollars ($69,811).

(4) The guaranteed amount for a school corporation is the primetime allocation, before any penalty is assessed under this chapter, that the school corporation would have received under this chapter for the 1999 calendar year **or the first year of participation in the program, whichever is later.**

~~(5) The at-risk index is the index determined under IC 21-3-1.6-1.1.~~

~~(6)~~ **(5)** The following apply to determine whether amounts received under this chapter have been devoted to reducing class size in kindergarten through grade 3 as required by section 3(b) of this chapter:

(A) Except as permitted under section 5.5 of this chapter, only a licensed teacher who is an actual classroom teacher in a regular instructional program is counted as a teacher.

(B) If a school corporation is granted approval under section 5.5 of this chapter, the school corporation may include as one-third (1/3) of a teacher each classroom instructional aide who meets qualifications and performs duties prescribed by the Indiana state board of education.

~~(7)~~ **(6)** The complexity index is the index determined under IC 21-3-1.7-6.7.

SECTION 181. IC 21-1-30-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 3. (a) The amount to be distributed to a school corporation under this chapter is the amount determined by the following formula:

~~STEP ONE: For a calendar year ending before January 1, 2004, determine the applicable target pupil teacher ratio for the school corporation as follows:~~

~~(A) If the school corporation's at-risk index is less than seventeen hundredths (0.17), the school~~

~~corporation's target pupil teacher ratio is eighteen to one (18:1).~~

~~(B) If the school corporation's at-risk index is at least seventeen hundredths (0.17) but less than twenty-seven hundredths (0.27), the school corporation's target pupil teacher ratio is fifteen (15) plus the result determined in item (iii):~~

~~(i) Determine the result of twenty-seven hundredths (0.27) minus the school corporation's at-risk index.~~

~~(ii) Determine the item (i) result divided by one-tenth (0.1).~~

~~(iii) Determine the item (ii) result multiplied by three (3).~~

~~(C) If the school corporation's at-risk index is at least twenty-seven hundredths (0.27), the school corporation's target pupil teacher ratio is fifteen to one (15:1).~~

STEP ~~TWO.~~ **ONE:** For a calendar year beginning after December 31, ~~2003,~~ **2004,** determine the applicable target pupil teacher ratio for the school corporation as follows:

(A) If the school corporation's complexity index is less than **one and** one-tenth ~~(0.1),~~ **(1.1),** the school corporation's target pupil teacher ratio is eighteen to one (18:1).

(B) If the school corporation's complexity index is at least **one and** one-tenth ~~(0.1)~~ **(1.1)** but less than **one and** two-tenths ~~(0.2),~~ **(1.2),** the school corporation's target pupil teacher ratio is fifteen (15) plus the result determined in item (iii):

(i) Determine the result of **one and** two-tenths ~~(0.2)~~ **(1.2)** minus the school corporation's complexity index.

(ii) Determine the item (i) result divided by one-tenth (0.1).

(iii) Determine the item (ii) result multiplied by three (3).

(C) If the school corporation's complexity index is at least **one and** two-tenths ~~(0.2),~~ **(1.2),** the school corporation's target pupil teacher ratio is fifteen to one (15:1).

STEP ~~THREE.~~ **TWO:** Determine the result of:

(A) the ADM of the school corporation, as determined under section 2(2) of this chapter, in kindergarten through grade 3 for the current school year; divided by

(B) the school corporation's applicable target pupil teacher ratio, as determined in STEP ONE. ~~or STEP TWO.~~

STEP ~~FOUR.~~ **THREE:** Determine the result of:

(A) the total regular general fund revenue (the amount determined in ~~IC 21-3-1.7-8.2(b) STEP ONE or IC 21-3-1.7-8.2(c) STEP ONE)~~ **STEP ONE of IC 21-3-1.7-8.2(c) for 2005 and STEP ONE of IC 21-3-1.7-8.2(a) for 2006 and 2007)** multiplied by seventy-five hundredths (0.75); divided by

(B) the school corporation's total ADM.

STEP ~~FIVE.~~ **FOUR:** Determine the result of:

(A) the STEP ~~FOUR~~ **THREE** result; multiplied by

(B) the ADM of the school corporation, as determined under section 2(2) of this chapter in kindergarten through grade 3 for the current school year.

STEP ~~SIX.~~ **FIVE:** Determine the result of:

(A) the STEP ~~FIVE~~ **FOUR** result; divided by

(B) the staff cost amount.

STEP ~~SEVEN.~~ **SIX:** Determine the greater of zero (0) or the result of:

(A) the STEP ~~THREE~~ **TWO** amount; minus

(B) the STEP ~~SIX~~ **FIVE** amount.

STEP ~~EIGHT.~~ **SEVEN:** Determine the result of:

(A) the STEP ~~SEVEN~~ **SIX** amount; multiplied by

(B) the staff cost amount.

STEP ~~NINE.~~ **EIGHT:** Determine the greater of the STEP ~~EIGHT~~ **SEVEN** amount or the school corporation's guaranteed amount.

STEP ~~TEN.~~ **NINE: A school corporation's amount under this STEP is the following:**

(A) If the amount the school corporation received under this chapter in the previous calendar

year is greater than zero (0), ~~determine~~ **the amount under this STEP is** the lesser of:

~~(A)~~ **(i)** the STEP ~~NINE~~ **EIGHT** amount; or

~~(B)~~ **(ii)** the amount the school corporation received under this chapter for the previous calendar year multiplied by one hundred seven and one-half percent (107.5%).

(B) If the amount the school corporation received under this chapter in the previous calendar year is not greater than zero (0), the amount under this STEP is the STEP EIGHT amount.

(b) The amount received under this chapter shall be devoted to reducing class size in kindergarten through grade 3. A school corporation shall compile class size data for kindergarten through grade 3 and report the data to the department of education for purposes of maintaining compliance with this chapter.

SECTION 182. IC 21-1-30-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. This chapter expires January 1, ~~2006.~~ **2008.**

SECTION 183. IC 21-2-4-2, AS AMENDED BY HEA 1288-2005, SECTION 159, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. The governing body of each school corporation in Indiana shall establish a debt service fund for the payment of:

(1) all debt and other obligations arising out of funds borrowed or advanced for school buildings when purchased from the proceeds of a bond issue for capital construction;

(2) a lease to provide capital construction;

(3) interest on emergency and temporary loans;

(4) all debt and other obligations arising out of funds borrowed or advanced for the purchase or lease of school buses when purchased or leased from the proceeds of a bond issue, or from money obtained from a loan made under IC 20-27-4-5, for that purpose;

(5) all debt and other obligations arising out of funds borrowed to pay judgments against the school corporation; ~~or~~

(6) all debt and other obligations arising out of funds borrowed to purchase equipment; **or**

(7) all unreimbursed costs of textbooks for the school corporation's students who were eligible for free or reduced lunches in the previous school year.

The term "debt service" shall include but not be limited to lease rental obligations, school bonds and coupons and civil bond obligations assumed by school corporations reorganized pursuant to IC 20-23-4, and any interest cost on emergency and temporary loans but shall not include the repayment of the principal of the emergency and temporary loans obtained for benefit of any other fund. All receipts and disbursements authorized by law for school funds and tax levies for the lease rental fund, bond fund, sinking fund, civil bond obligation fund, and payment of interest on emergency and temporary loans shall be received in and disbursed from the debt service fund. **The governing body may transfer the amount levied to cover unreimbursed costs of textbooks under subdivision (7) to the textbook rental fund or extracurricular account.**

SECTION 184. IC 21-2-4-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. A tax levy shall be established by the governing body of each school corporation for the 1968 calendar year and all succeeding calendar years sufficient to pay all debt service obligations **and for textbooks covered by section 2(7) of this chapter.** If the advertised levy is insufficient to produce revenue to meet all debt service obligations for any calendar year, the department of local government finance is hereby authorized to establish a levy greater than advertised, if necessary, to meet such obligations.

SECTION 185. IC 21-2-5.6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. This section applies to self-insurance funds permitted to be established under section 1(1) of this chapter and self-insurance funds required to be established under section 1(2) of this chapter. Subject to the approval of the commissioner of the department of insurance, the governing body of the school corporation is authorized to:

(1) transfer to the self-insurance fund an amount of money in:

(A) the general fund budget; and

(B) the general fund tax levy and rate;

(2) transfer monies from the general fund to the self-insurance fund; ~~or~~

(3) appropriate monies from the general fund for the self-insurance fund; **or**

(4) transfer money from the capital projects fund to the self-insurance fund, to the extent that money in the capital projects fund may be used for property or casualty insurance.

SECTION 186. IC 21-2-11-4, AS AMENDED BY HEA 1288-2005, SECTION 161, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) Any lawful school expenses payable from any other fund of the school corporation, including without limitation debt service and capital outlay, but excluding costs attributable to transportation (as defined in IC 21-2-11.5-2), may be budgeted in and paid from the general fund. However, after June 30, ~~2003,~~ **2005,** and before July 1, ~~2005,~~ **2007,** a school corporation may budget for and pay costs attributable to transportation (as defined in IC 21-2-11.5-2) from the general fund.

(b) In addition, remuneration for athletic coaches (whether or not they are otherwise employed by the school corporation and whether or not they are licensed under IC 20-28-4 or IC 20-28-5) may be budgeted in and paid from the school corporation's general fund.

(c) **This subsection applies only to the extent that the school corporation's transportation fund has not been increased under IC 21-2-11.5-3(b)(2) or another adjustment made by the department of local government finance to reflect the termination of state distributions for the school corporation's transportation fund.** During the period beginning July 1, ~~2003,~~ **2005,** and ending June 30, ~~2005,~~ **2007,** the school corporation may transfer money in a fund maintained by the school corporation (other than the special education preschool fund (IC 21-2-17-1) or the school bus replacement fund (IC 21-2-11.5-2)) that is obtained from:

(1) a source other than a state distribution or local property taxation; or

(2) a state distribution or a property tax levy that is required to be deposited in the fund;

to any other fund. A transfer under subdivision (2) may not be the sole basis for reducing the property tax levy for the fund from which the money is transferred or the fund to which money is transferred. Money transferred under this subsection may be used only to pay costs, including debt service, attributable to reductions in funding for transportation distributions under IC 21-3-3.1, including reimbursements associated with transportation costs for special education and vocational programs under IC 21-3-3.1-4, and ADA flat grants under IC 21-3-4.5 **(repealed).** The property tax levy for a fund from which money was transferred may not be increased to replace the money transferred to another fund.

(d) The total amount transferred under subsection (c) may not exceed the following:

(1) For the period beginning July 1, ~~2003,~~ **2005,** and ending June 30, ~~2004,~~ **2006,** the ~~total amount of state funding received for transportation distributions under IC 21-3-3.1, including reimbursements associated with transportation costs for special education and vocational programs under IC 21-3-3.1-4, and ADA flat grants under IC 21-3-4.5 (repealed), for the same period.~~ **last state transportation distribution (as defined in IC 21-2-11.5-3).**

(2) For the period beginning July 1, ~~2004,~~ **2006,** and ending June 30, ~~2005,~~ **2007, an amount equal to** the ~~product of:~~

~~(A) the amount determined under~~ subdivision (1) ~~multiplied by~~

~~(B) two (2).~~ **amount.**

SECTION 187. IC 21-2-11.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 3. (a) Subject to subsection (b), each school corporation may levy for the calendar year a property tax for the school transportation fund sufficient to pay all operating costs attributable to transportation that:

(1) are not paid from other revenues available to the fund as specified in section 4 of this chapter; and

(2) are listed in section 2(a)(1) through 2(a)(7) of this chapter.

(b) For each year after 2003, the levy for the fund may not exceed:

(1) the **amount determined by multiplying:**

(A) the school corporation's levy **for the school transportation fund** for the previous year,

as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17 and after eliminating the effects of temporary excessive levy appeals and any other temporary adjustments made to the levy for the calendar year; ~~multiplied~~ by

(B) the assessed value growth quotient determined under **subsection (c)** STEP FOUR; **plus**

(2) in 2006 and 2007, the amount determined under subsection (d).

(c) For purposes of subsection (b), the assessed value growth quotient is the amount determined under STEP FOUR of the following formula:

STEP ONE: For each of the six (6) calendar years immediately preceding the year in which a budget is adopted under IC 6-1.1-17-5 or IC 6-1.1-17-5.6 for part or all of the ensuing calendar year, divide the Indiana nonfarm personal income for the calendar year by the Indiana nonfarm personal income for the calendar year immediately preceding that calendar year, rounding to the nearest one-thousandth (0.001).

STEP TWO: Determine the sum of the STEP ONE results.

STEP THREE: Divide the STEP TWO result by six (6), rounding to the nearest one-thousandth (0.001).

STEP FOUR: Determine the lesser of the following:

(A) The STEP THREE quotient.

(B) One and six-hundredths (1.06).

If the amount levied in a particular year exceeds the amount necessary to cover the costs payable from the fund, the levy in the following year shall be reduced by the amount of surplus money.

(d) As used in this subsection, "last state transportation distribution" means the total amount of state funding received by a school corporation for transportation costs:

(1) under IC 21-3-3.1-1 through IC 21-3-3.1-3; and

(2) for special education and vocational programs under IC 21-3-3.1-4;

after June 30, 2003, and before July 1, 2004;

multiplied by two (2). To the extent that the amount determined under subsection (b)(1) has not been adjusted to reflect the termination of state distributions for the school corporation's transportation fund, as determined by the department of local government finance, a school corporation may increase its school transportation fund levy for 2006 above the amount determined under subsection (b)(1) by fifty percent (50%) of the school corporation's last state transportation distribution, and the school corporation may increase its school transportation fund levy for 2007 above the amount determined under subsection (b)(1) by the remaining fifty percent (50%) of the school corporation's last state transportation distribution. The amount of the additional levy imposed in a year under this subsection shall be treated, for purposes of applying subsection (b)(1) in the following year, as part of the school corporation's levy for the school transportation fund for the previous year.

~~(c)~~ **(e)** Each school corporation may levy for the calendar year a tax for the school bus replacement fund in accordance with the school bus acquisition plan adopted under section 3.1 of this chapter.

~~(d)~~ **(f)** The tax rate and levy for each fund shall be established as a part of the annual budget for the calendar year in accord with IC 6-1.1-17.

SECTION 188. IC 21-2-11.6-4 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 4. (a) This section applies to a school corporation that added an amount to the school corporation's base tax levy before 2002 as the result of the approval of an excessive tax levy by the majority of individuals voting in a referendum held in the area served by the school corporation under IC 6-1.1-19.**

(b) The following definitions apply throughout this section:

(1) "Base tax levy" has the meaning set forth in IC 6-1.1-19-1.

(2) "Excessive tax levy" has the meaning set forth in IC 6-1.1-19-1.

(c) A school corporation may adopt a resolution before September 21, 2005, to transfer the power of the school corporation to levy the amount described in subsection (a) from the school

corporation's general fund to the school corporation's referendum tax levy fund. A school corporation that adopts a resolution under this section shall, as soon as practicable after adopting the resolution, send a certified copy of the resolution to the department of local government finance and the county. A school corporation that adopts a resolution under this subsection may, for property taxes first due and payable after 2005, levy an additional amount for the referendum tax levy fund that does not exceed the amount of the excess tax levy added to the school corporation's base tax levy before 2002.

(d) The power of the school corporation to impose the levy transferred to the referendum tax levy fund under this section expires on December 31, 2012, unless:

(1) the school corporation adopts a resolution to reimpose or extend the referendum tax levy; and

(2) the referendum tax levy is approved, before January 1, 2013, by a majority of the individuals who vote in a referendum that is conducted in accordance with the requirements in IC 6-1.1-19-4.5(c).

As soon as practicable after adopting the resolution under subdivision (1), the school corporation shall send a certified copy of the resolution to the county auditor and the department of local government finance. Upon receipt of the certified resolution, the tax control board shall proceed in the same manner as the tax control board would for any other referendum tax levy being reimposed or extended under IC 6-1.1-19-4.5(c). However, if requested by the school corporation in the resolution adopted under subdivision (1), the question of reimposing or extending a referendum tax levy transferred to the referendum tax levy fund under this section may be combined with a question presented to the voters to reimpose or extend a referendum tax levy initially imposed after 2001. A referendum tax levy reimposed or extended under this subsection shall be treated for all purposes as a referendum tax levy reimposed or extended under IC 6-1.1-19-4.5(c).

(e) The school corporation's referendum tax levy under subsection (c) may not be considered in the determination of the school corporation's state tuition support under IC 21-3-1.7 or the determination of the school corporation's maximum general fund tax levy under IC 6-1.1-19 and IC 21-3-1.7.

SECTION 189. IC 21-2-15-4, AS AMENDED BY HEA 1288-2005, SECTION 167, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 4. (a) As used in this subsection, "calendar year distribution" means the sum of:

(1) all distributions to a school corporation under:

(A) IC 6-1.1-19-1.5;

(B) IC 21-1-30;

(C) IC 21-3-1.7;

(D) IC 21-3-2.1; and

(E) IC 21-3-12;

for the calendar year; plus

(2) the school corporation's excise tax revenue (as defined in IC 21-3-1.7-2) for the immediately preceding calendar year.

(b) A school corporation may establish a capital projects fund.

(c) With respect to any facility used or to be used by the school corporation (other than a facility used or to be used primarily for interscholastic or extracurricular activities, except as provided in subsection (j)), the fund may be used to pay for the following:

(1) Planned construction, repair, replacement, or remodeling.

(2) Site acquisition.

(3) Site development.

(4) Repair, replacement, or site acquisition that is necessitated by an emergency.

(d) The fund may be used to pay for the purchase, lease, repair, or maintenance of equipment to be used by the school corporation (other than vehicles to be used for any purpose and equipment to be used primarily for interscholastic or extracurricular activities, except as provided in subsection (j)).

(e) The fund may be used for any of the following purposes:

(1) To purchase, lease, upgrade, maintain, or repair one (1) or more of the following:

(A) Computer hardware.

(B) Computer software.

(C) Wiring and computer networks.

(D) Communication access systems used to connect with computer networks or electronic gateways.

(2) To pay for the services of full-time or part-time computer maintenance employees.

(3) To conduct nonrecurring inservice technology training of school employees.

(4) To fund the payment of advances, together with interest on the advances, from the common school fund for educational technology programs under IC 21-1-5.

(5) To fund the acquisition of any equipment or services necessary:

(A) to implement the technology preparation curriculum under IC 20-30-12;

(B) to participate in a program to provide educational technologies, including computers, in the homes of students (commonly referred to as "the buddy system project") under IC 20-20-13-6, the 4R's technology program under IC 20-20-15-4, or any other program under the educational technology program described in IC 20-20-13; or

(C) to obtain any combination of equipment or services described in clauses (A) and (B).

(f) The fund may be used to purchase:

(1) building sites;

(2) buildings in need of renovation;

(3) building materials; and

(4) equipment;

for the use of vocational building trades classes to construct new buildings and to remodel existing buildings.

(g) The fund may be used for leasing or renting of existing real estate, excluding payments authorized under IC 21-5-11 and IC 21-5-12.

(h) The fund may be used to pay for services of the school corporation employees that are bricklayers, stone masons, cement masons, tile setters, glaziers, insulation workers, asbestos removers, painters, paperhangers, drywall applicators and tapers, plasterers, pipe fitters, roofers, structural and steel workers, metal building assemblers, heating and air conditioning installers, welders, carpenters, electricians, or plumbers, as these occupations are defined in the United States Department of Labor, Employment and Training Administration, Dictionary of Occupational Titles, Fourth Edition, Revised 1991, if:

(1) the employees perform construction of, renovation of, remodeling of, repair of, or maintenance on the facilities and equipment specified in subsections (b) and (c);

(2) the school corporation's total annual salary and benefits paid by the school corporation to employees described in this subsection are at least six hundred thousand dollars ($600,000); and

(3) the payment of the employees described in this subsection is included as part of the proposed capital projects fund plan described in section 5(a) of this chapter.

However, the number of employees that are covered by this subsection is limited to the number of employee positions described in this subsection that existed on January 1, 1993. For purposes of this subsection, maintenance does not include janitorial or comparable routine services normally provided in the daily operation of the facilities or equipment.

(i) The fund may be used to pay for energy saving contracts entered into by a school corporation under IC 36-1-12.5.

(j) Money from the fund may be used to pay for the construction, repair, replacement, remodeling, or maintenance of a school sports facility. However, a school corporation's expenditures in a calendar year under this subsection may not exceed five percent (5%) of the property tax revenues levied for the fund in the calendar year.

(k) Money from the fund may be used to carry out a plan developed under IC 16-41-37.5.

(l) This subsection applies during the period beginning January 1, ~~2004,~~ **2006,** and ending December

31, ~~2005.~~ **2007.** Money from the fund may be used to pay for up to one hundred percent (100%) of the following costs of a school corporation:

(1) Utility services.

(2) Property or casualty insurance.

(3) Both utility services and property or casualty insurance.

~~In the 2004 calendar year, a school corporation's expenditures under this subsection may not exceed one percent (1%) of the school corporation's 2003 calendar year distribution. In the 2005 calendar year,~~ A school corporation's expenditures under this subsection may not exceed **in 2006** two **and seventy-five hundredths** percent ~~(2%)~~ **(2.75%) and in 2007 three and five-tenths percent (3.5%)** of the school corporation's ~~2003~~ **2005** calendar year distribution.

~~(m) Notwithstanding subsection (l), a school corporation's expenditures under subsection (l) in the 2004 calendar year may exceed one percent (1%) of the school corporation's 2003 calendar year distribution if the school corporation's 2004 calendar year distribution is less than the school corporation's 2003 calendar year distribution. The amount by which a school corporation's expenditures under subsection (l) in the 2004 calendar year may exceed one percent (1%) of the school corporation's 2003 calendar year distribution is the least of the following:~~

~~(1) One percent (1%) of the school corporation's 2003 calendar year distribution.~~

~~(2) The greater of zero (0) or the difference between:~~

~~(A) the sum of:~~

~~(i) the school corporation's calendar year distribution;~~

~~(ii) the amount determined for the school corporation under subsection (l); plus~~

~~(iii) the amount determined for the school corporation under this subsection, if any;~~

~~for the immediately preceding calendar year; minus~~

~~(B) the school corporation's calendar year distribution for the calendar year.~~

~~(3) The difference between:~~

~~(A) one hundred percent (100%) of the school corporation's costs for utility services and property or casualty insurance; minus~~

~~(B) the amount determined for the school corporation under subsection (l) for the calendar year.~~

~~(n) Notwithstanding subsection (l), a school corporation's expenditures under subsection (l) in the 2005 calendar year may exceed two percent (2%) of the school corporation's 2003 calendar year distribution if the school corporation's 2005 calendar year distribution is less than the school corporation's 2003 calendar year distribution. The amount by which a school corporation's expenditures under subsection (l) in the 2005 calendar year may exceed two percent (2%) of the school corporation's 2003 calendar year distribution is the least of the following:~~

~~(1) Two percent (2%) of the school corporation's 2003 calendar year distribution.~~

~~(2) The greater of zero (0) or the difference between:~~

~~(A) the sum of:~~

~~(i) the school corporation's calendar year distribution;~~

~~(ii) the amount determined for the school corporation under subsection (l); plus~~

~~(iii) the amount determined for the school corporation under this subsection, if any;~~

~~for the immediately preceding calendar year; minus~~

~~(B) the school corporation's calendar year distribution for the calendar year.~~

~~(3) The difference between:~~

~~(A) one hundred percent (100%) of the school corporation's costs for utility services and property or casualty insurance; minus~~

~~(B) the amount determined for the school corporation under subsection (l) for the calendar year.~~

SECTION 190. IC 21-2-15-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 11. (a) Except as provided in subsection (e), to provide for the capital projects fund, the governing body may, for each year in which a plan adopted under section 5 of this chapter is in effect, impose a property tax rate that does not exceed forty-one and sixty-seven hundredths cents ($0.4167)

on each one hundred dollars ($100) of assessed valuation of the school corporation. This actual rate must be advertised in the same manner as other property tax rates.

(b) The maximum property tax rate levied by each school corporation must be adjusted each time a general reassessment of property takes effect. The adjusted property tax rate becomes the new maximum property tax rate for the levy for property taxes first due and payable in each year:

(1) after the general reassessment for which the adjustment was made takes effect; and

(2) before the next general reassessment takes effect.

(c) The new maximum rate under this section is the tax rate determined under STEP SEVEN of the following formula:

STEP ONE: Determine the maximum rate for the school corporation for the year preceding the year in which the general reassessment takes effect.

STEP TWO: Determine the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value of the taxable property from the year preceding the year the general reassessment takes effect to the year that the general reassessment is effective.

STEP THREE: Determine the three (3) calendar years that immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP FOUR: Compute separately, for each of the calendar years determined in STEP THREE, the actual percentage increase (rounded to the nearest one-hundredth percent (0.01%)) in the assessed value of the taxable property from the preceding year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP TWO percentage minus the STEP FIVE percentage.

STEP SEVEN: Determine the quotient of the STEP ONE tax rate divided by the sum of one (1) plus the STEP SIX percentage increase.

(d) The department of local government finance shall compute the maximum rate allowed under subsection (c) and provide the rate to each school corporation.

(e) For a year in which a school corporation uses money from the school corporation's capital projects fund to pay for costs described in section 4(l) of this chapter, the school corporation may impose a property tax rate that exceeds the rate described in subsection (a). The amount by which the property tax rate may exceed the rate described in subsection (a) equals the amount determined under STEP THREE of the following formula:

STEP ONE: Determine ~~the sum of:~~

~~(A)~~ the school corporation's expenditures under section 4(l) of this chapter for the calendar year. ~~plus~~

~~(B) either:~~

~~(i) the school corporation's expenditures under section 4(m) of this chapter for the 2004 calendar year; or~~

~~(ii) the school corporation's expenditures under section 4(n) of this chapter for the 2005 calendar year.~~

STEP TWO: Determine the quotient of:

(A) the STEP ONE amount; divided by

(B) the school corporation's assessed valuation for the year.

STEP THREE: Determine the product of:

(A) the STEP TWO amount; multiplied by

(B) one hundred (100).

SECTION 191. IC 21-3-1.6-1.1, AS AMENDED BY HEA 1288-2005, SECTION 176, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 1.1. As used in this chapter:

(a) "School corporation" means any local public school corporation established under Indiana law. Except as otherwise indicated, the term includes a charter school.

(b) "School year" means a year beginning July 1 and ending the next succeeding June 30.

(c) "State distribution" due a school corporation means the amount of state funds to be distributed to a school corporation in any calendar year under this chapter.

(d) "Average daily membership" or "ADM" of a school corporation means the number of eligible pupils enrolled in the school corporation or in a transferee corporation on a day to be fixed annually by the Indiana state board of education and ~~beginning in the school year that ends in the 2005 calendar year,~~ as subsequently adjusted not later than January 30 under the rules adopted by the state board of education. The initial day of the count shall fall within the first thirty (30) days of the school term. If, however, extreme patterns of student in-migration, illness, natural disaster, or other unusual conditions in a particular school corporation's enrollment on either the day fixed by the Indiana state board of education or on the subsequent adjustment date, cause the enrollment to be unrepresentative of the school corporation's enrollment throughout a school year, the Indiana state board of education may designate another day for determining the school corporation's enrollment. The Indiana state board of education shall monitor changes that occur after the fall count, in the number of students enrolled in programs for children with disabilities and shall, before December 2 of that same year and, beginning in the 2004 calendar year, before April 2 of the following calendar year, make an adjusted count of students enrolled in programs for children with disabilities. The superintendent of public instruction shall certify the December adjusted count to the budget committee before February 5 of the following year and the April adjusted count not later than May 31 immediately after the date of the April adjusted count. In determining the ADM, each kindergarten pupil shall be counted as one-half (1/2) pupil. Where a school corporation commences kindergarten in a school year, the ADM of the current and prior calendar years shall be adjusted to reflect the enrollment of the kindergarten pupils. In determining the ADM, each pupil enrolled in a public school and a nonpublic school is to be counted on a full-time equivalency basis as provided in section 1.2 of this chapter.

(e) "Additional count" of a school corporation, or comparable language, means the aggregate of the additional counts of the school corporation for certain pupils as set out in section 3 of this chapter (repealed) and as determined at the times for calculating ADM. "Current additional count" means the initial computed additional count of the school corporation for the school year ending in the calendar year. "Prior year additional count" of a school corporation used in computing its state distribution in a calendar year means the initial computed additional count of the school corporation for the school year ending in the preceding calendar year.

(f) For purposes of this subsection, "school corporation" does not include a charter school. "Adjusted assessed valuation" of any school corporation used in computing state distribution for a calendar year means the assessed valuation in the school corporation, adjusted as provided in IC 6-1.1-34. The amount of the valuation shall also be adjusted downward by the department of local government finance to the extent it consists of real or personal property owned by a railroad or other corporation under the jurisdiction of a federal court under the federal bankruptcy laws (11 U.S.C. 101 et seq.) if as a result of the corporation being involved in a bankruptcy proceeding the corporation is delinquent in payment of its Indiana real and personal property taxes for the year to which the valuation applies. If the railroad or other corporation in some subsequent calendar year makes payment of the delinquent taxes, then the state superintendent of public instruction shall prescribe adjustments in the distributions of state funds pursuant to this chapter as are thereafter to become due to a school corporation affected by the delinquency as will ensure that the school corporation will not have been unjustly enriched under the provisions of P.L.382-1987(ss). The amount of the valuation shall also be adjusted downward by the department of local government finance to the extent it consists of real or personal property described in IC 6-1.1-17-0.5(b).

(g) "General fund" means a fund established under IC 21-2-11-2.

(h)"Teacher" means every person who is required as a condition of employment by a school corporation to hold a teacher's license issued or recognized by the state, except substitutes and any person paid entirely from federal funds.

(i) For purposes of this subsection, "school corporation" does not include a charter school. "Teacher ratio" of a school corporation used in computing state distribution in any calendar year means the ratio

assigned to the school corporation pursuant to section 2 of this chapter.

(j) "Eligible pupil" means a pupil enrolled in a school corporation if:

(1) the school corporation has the responsibility to educate the pupil in its public schools without the payment of tuition;

(2) subject to subdivision (5), the school corporation has the responsibility to pay transfer tuition under **IC 20-8.1-6.1 (before its repeal) or** IC 20-26-11, because the pupil is transferred for education to another school corporation (the "transferee corporation");

(3) the pupil is enrolled in a school corporation as a transfer student under **IC 20-8.1-6.1-3 (before its repeal) or** IC 20-26-11-6 or entitled to be counted for ADM or additional count purposes as a resident of the school corporation when attending its schools under any other applicable law or regulation;

(4) the state is responsible for the payment of transfer tuition to the school corporation for the pupil under **IC 20-8.1-6.1 (before its repeal) or** IC 20-26-11; or

(5) all of the following apply:

(A) The school corporation is a transferee corporation.

(B) The pupil does not qualify as a qualified pupil in the transferee corporation under subdivision (3) or (4).

(C) The transferee corporation's attendance area includes a state licensed private or public health care facility, child care facility, or foster family home where the pupil was placed:

(i) by or with the consent of the division of family and children;

(ii) by a court order;

(iii) by a child placing agency licensed by the division of family and children; or

(iv) by a parent or guardian under **IC 20-8.1-6.1-5 (before its repeal) or** IC 20-26-11-8.

For purposes of IC 21-3-12, the term includes a student enrolled in a charter school.

(k) "General fund budget" of a school corporation means the amount of the budget approved for a given year by the department of local government finance and used by the department of local government finance in certifying a school corporation's general fund tax levy and tax rate for the school corporation's general fund as provided for in IC 21-2-11. The term does not apply to a charter school.

~~(l) "At risk index" means the following:~~

~~(1) For a school corporation that is a not a charter school, the sum of:~~

~~(A) the product of sixteen-hundredths (0.16) multiplied by the percentage of families in the school corporation with children who are less than eighteen (18) years of age and who have a family income below the federal income poverty level (as defined in IC 12-15-2-1);~~

~~(B) the product of four-tenths (0.4) multiplied by the percentage of families in the school corporation with a single parent; and~~

~~(C) the product of forty-four hundredths (0.44) multiplied by the percentage of the population in the school corporation who are at least twenty (20) years of age with less than a twelfth grade education.~~

~~The data to be used in making the calculations under this subdivision must be the data from the 2000 federal decennial census.~~

~~(2) For a charter school, the index determined under subdivision (1) for the school corporation in which the charter school is located.~~

~~(m)~~ **(l)** "ADM of the previous year" or "ADM of the prior year" used in computing a state distribution in a calendar year means the initial computed ADM for the school year ending in the preceding calendar year.

~~(n)~~ **(m)** "Current ADM" used in computing a state distribution in a calendar year means the initial computed ADM for the school year ending in the calendar year.

SECTION 192. IC 21-3-1.7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 2. **(a)** As used in this chapter, "excise tax revenue" means the ~~amount~~ **sum** of:

(1) financial institution excise tax revenue (IC 6-5.5); ~~plus~~

(2) ~~the~~ motor vehicle excise taxes (IC 6-6-5); ~~and the~~

(3) commercial vehicle excise taxes (IC 6-6-5.5);
(4) boat excise tax (IC 6-6-11); and
(5) aircraft excise tax (IC 6-6-6.5);
the school corporation received for deposit in the school corporation's general fund in a year **or would have received for deposit in the school corporation's general fund in a year if the settlement of property taxes first due and payable in the year had been made on the schedule required under IC 6-1.1-27-1.** The excise tax revenue for a charter school is zero (0).

(b) Not later than January 15 each year, the department of local government finance shall certify to the department of education the amount of each school corporation's excise tax revenue for the immediately preceding year. In 2006, the department of local government finance shall certify to the department of education the amount of each school corporation's excise tax revenue for both 2004 and 2005. The department of education may rely on the excise tax revenue amounts certified by the department of local government finance under this subsection in making calculations under this chapter.

SECTION 193. IC 21-3-1.7-3.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 3.1. (a) As used in this chapter, "previous year revenue" for calculations with respect to a school corporation equals:

(1) the school corporation's tuition support for regular programs, including basic tuition support, and excluding:

(A) special education grants;
(B) vocational education grants;
~~(C) at-risk programs;~~
~~(D) the enrollment adjustment grant;~~
~~(E)~~ **(C)** the academic honors diploma award; **and**
~~(F)~~ **(D)** the primetime distribution; ~~and~~
~~(G) for 2005 and thereafter, the supplemental remediation grant;~~

for the year that precedes the current year; plus

(2) the school corporation's tuition support levy for the year that precedes the current year before the reductions required under section 5(1) and 5(2) of this chapter; plus

~~(3) distributions received by the school corporation under IC 6-1.1-21.6 for the year that precedes the current year; plus~~

~~(4)~~ **(3)** the school corporation's excise tax revenue for the year that precedes the current year by two (2) years; minus

~~(5)~~ **(4)** an amount equal to the reduction in the school corporation's tuition support under **any combination of** subsection (b), **subsection (c),** ~~or~~ IC 20-10.1-2-1 ~~or both; plus~~

~~(6) in calendar year 2003, the amount determined for calendar year 2002 under section 8.2 of this chapter, STEP TWO (C); plus~~

~~(7) in calendar year 2004, the amount determined for calendar year 2002 under section 8.2 of this chapter, STEP TWO (D); plus~~

~~(8) notwithstanding subdivision (1), in calendar year 2004, the school corporation's distribution under section 9.7 of this chapter for calendar year 2003.~~ **(before its repeal), or IC 20-30-2-4; minus**

(5) in 2006, the amount of the school corporation's general fund levy attributable to the levy transferred from the school corporation's general fund to the school corporation's referendum tax levy fund under IC 21-2-11.6-4.

(b) A school corporation's previous year revenue shall be reduced if:

(1) the school corporation's state tuition support for special or vocational education was reduced as a result of a complaint being filed with the department of education after December 31, 1988, because the school program overstated the number of children enrolled in special or vocational education programs; and

(2) the school corporation's previous year revenue has not been reduced under this subsection

more than one (1) time because of a given overstatement.

The amount of the reduction equals the amount the school corporation would have received in tuition support for special and vocational education because of the overstatement.

(c) A school corporation's previous year revenue shall be reduced if an existing elementary or secondary school located in the school corporation converts to a charter school under IC 20-5.5-11 **before July 1, 2005, or IC 20-24-11 after June 30, 2005.** The amount of the reduction equals the product of:

(1) the sum of the amounts distributed to the conversion charter school under IC 20-5.5-7-3.5(c) and IC 20-5.5-7-3.5(d) **before July 1, 2005, and IC 20-24-7-3(c) and IC 20-24-7-3(d) after June 30, 2005;** multiplied by

(2) two (2).

SECTION 194. IC 21-3-1.7-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 5. (a) As used in this section, "school corporation" does not include a charter school.

(b) As used in this chapter, "tuition support levy" means with respect to a school corporation for a year the **result determined using the following formula:**

STEP ONE: Determine the maximum general fund ad valorem property tax levy for the school corporation determined under IC 6-1.1-19-1.5. ~~reduced by the following:~~

STEP TWO: Determine the sum of the following:

~~(1)~~ **(A)** An amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

~~(2)~~ **(B)** The ~~portion~~ **part** of the maximum general fund levy for the year that equals the original amount of the levy imposed by the school corporation to cover the costs of opening a new school facility during the preceding year.

(C) The part of the maximum general fund levy for the year that is added to the maximum general fund levy in the year under IC 6-1.1-19-1.5 to provide revenue for one (1) or more charter schools attended by students with legal settlement in the school corporation.

STEP THREE: Determine the difference of:

(A) the STEP ONE amount; minus

(B) the STEP TWO amount.

SECTION 195. IC 21-3-1.7-6.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 6.6. (a) **This subsection does not apply to a charter school. When calculating adjusted ADM for 2006 distributions, this subsection, as effective after December 31, 2005, shall be used to calculate the adjusted ADM for the previous year rather than the calculation used to calculate adjusted ADM for 2005 distributions.** For purposes of this chapter, a school corporation's "adjusted ADM" for the current year is the result determined under the following formula:

STEP ONE: Determine the ~~greatest~~ **sum** of the following:

(A) The school corporation's ADM for the year preceding the current year by four (4) years multiplied by two-tenths (0.2).

~~(A)~~ **(B)** The school corporation's ADM for the year preceding the current year by three (3) years **multiplied by two-tenths (0.2).**

~~(B)~~ **(C)** The school corporation's ADM for the year preceding the current year by two (2) years **multiplied by two-tenths (0.2).**

~~(C)~~ **(D)** The school corporation's ADM for the year preceding the current year by one (1) year **multiplied by two-tenths (0.2).**

~~(D)~~ **(E)** The school corporation's ADM for the current year **multiplied by two-tenths (0.2).**

Round the result to the nearest five-tenths (0.5).

~~STEP TWO: Determine the greater of zero (0) or the result of:~~

~~(A) the school corporation's ADM for the year preceding the current year by four (4) years, minus~~

~~(B) the STEP ONE amount.~~

~~STEP THREE: Determine the greatest of the following:~~
~~(A) The school corporation's ADM for the year preceding the current year by two (2) years.~~
~~(B) the school corporation's ADM for the year preceding the current year; by one (1) year.~~
~~(C) the school corporation's ADM for the current year.~~
~~STEP FOUR: Determine the greater of zero (0) or the result of:~~
~~(A) the school corporation's ADM for the year preceding the current year by three (3) years; minus~~
~~(B) the STEP THREE amount.~~
~~STEP FIVE: Determine the greater of the following:~~
~~(A) The school corporation's ADM for the year preceding the current year by one (1) year.~~
~~(B) The school corporation's ADM for the current year.~~
~~STEP SIX: Determine the greater of zero (0) or the result of:~~
~~(A) the school corporation's ADM for the year preceding the current year by two (2) years; minus~~
~~(B) the STEP FIVE amount.~~
~~STEP SEVEN: Determine the greater of zero (0) or the result of:~~
~~(A) the school corporation's ADM for the year preceding the current year by one (1) year; minus~~
~~(B) the school corporation's ADM for the current year.~~
~~STEP EIGHT: Determine the sum of the following:~~
~~(A) The STEP TWO result multiplied by two-tenths (0.2).~~
~~(B) The STEP FOUR result multiplied by four-tenths (0.4).~~
~~(C) The STEP SIX result multiplied by six-tenths (0.6).~~
~~(D) The STEP SEVEN result multiplied by eight-tenths (0.8).~~
~~STEP NINE: Determine the result of:~~
~~(A) the school corporation's ADM for the current year; plus~~
~~(B) the STEP EIGHT result.~~
~~STEP TEN: This STEP applies to a school corporation for which the amount determined under STEP EIGHT is zero (0). Determine the sum of:~~
~~(A) the school corporation's ADM for the 2003 school year; plus~~
~~(B) the subsection (b) or (c) result, whichever is applicable.~~
~~Round the result to the nearest five-tenths (0.5).~~
~~(b) This subsection applies during the 2004 calendar year to a school corporation described in subsection (a) STEP TEN. Determine the result under the following formula:~~
~~STEP ONE: Determine the difference between:~~
~~(A) the school corporation's ADM for the 2004 school year; minus~~
~~(B) the school corporation's ADM for the 2003 school year.~~
~~STEP TWO: Determine the greater of zero (0) or the STEP ONE amount.~~
~~STEP THREE: Determine the product of:~~
~~(A) the STEP TWO amount; multiplied by~~
~~(B) two-thousandths (0.002).~~
~~STEP FOUR: Determine the lesser of the following:~~
~~(A) The STEP THREE amount.~~
~~(B) Seventy-five hundredths (0.75).~~
~~STEP FIVE: Determine the product of:~~
~~(A) the STEP ONE amount; multiplied by~~
~~(B) the STEP FOUR amount.~~
~~(c) This subsection applies during the 2005 calendar year to a school corporation described in subsection (a) STEP TEN. Determine the result under the following formula:~~
~~STEP ONE: Determine the difference between:~~
~~(A) the school corporation's ADM for the 2005 school year; minus~~
~~(B) the school corporation's ADM for the 2004 school year.~~

~~STEP TWO: Determine the greater of zero (0) or the STEP ONE amount.~~
~~STEP THREE: Determine the product of:~~
~~(A) the STEP TWO amount; multiplied by~~
~~(B) two-thousandths (0.002).~~
~~STEP FOUR: Determine the lesser of the following:~~
~~(A) The STEP THREE amount.~~
~~(B) Seventy-five hundredths (0.75).~~
~~STEP FIVE: Determine the product of:~~
~~(A) the STEP ONE amount; multiplied by~~
~~(B) the STEP FOUR amount.~~
~~STEP SIX: Determine the subsection (b) amount.~~
~~STEP SEVEN: Determine the sum of:~~
~~(A) the STEP FIVE result; plus~~
~~(B) the STEP SIX result.~~
STEP TWO: Determine the sum of:
(A) the school corporation's ADM for the year preceding the current year; plus
(B) the product of:
(i) the school corporation's ADM for the current year minus the clause (A) amount; multiplied by
(ii) seventy-five hundredths (0.75).
Round the result to the nearest five-tenths (0.5).
STEP THREE: Determine the greater of the following:
(A) The STEP ONE result.
(B) The STEP TWO result.
~~(d) For a charter school whose current ADM is at least fifteen percent (15%) greater than the charter school's ADM of the previous year, the~~
(b) A charter school's adjusted ADM for purposes of this ~~section~~ **chapter** is the charter school's current ADM.
SECTION 196. IC 21-3-1.7-6.7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 6.7. ~~(a) This subsection applies during the 2003 calendar year. For each school corporation that is not a charter school, the index used in subsection (d) is determined under the following STEPS:~~
~~STEP ONE: Determine the greater of zero (0) or the result of the following:~~
~~(1) Multiply the school corporation's at risk index by twenty-five hundredths (0.25).~~
~~(2) Divide the result under subdivision (1) by three thousand seven hundred thirty-six ten-thousandths (0.3736).~~
~~(3) Subtract three hundred ninety-five ten-thousandths (0.0395) from the result under subdivision (2).~~
~~STEP TWO: Determine the greater of zero (0) or the result of the following:~~
~~(1) Multiply the percentage of the school corporation's students who were eligible for free lunches in the school year ending in 2001 by twenty-five hundredths (0.25).~~
~~(2) Divide the result under subdivision (1) by seven hundred twenty-three thousandths (0.723).~~
~~STEP THREE: Determine the greater of zero (0) or the result of the following:~~
~~(1) Multiply the percentage of the school corporation's students who were classified as limited English proficient in the school year ending in 2000 by twenty-five hundredths (0.25).~~
~~(2) Divide the result under subdivision (1) by one thousand seven hundred fifteen ten-thousandths (0.1715).~~
~~STEP FOUR: Determine the result of:~~
~~(1) the sum of the results in STEPS ONE through THREE; divided by~~
~~(2) three (3).~~
~~STEP FIVE: Determine the result of one (1) plus the STEP FOUR result.~~
~~(b) This subsection applies to calendar years beginning after December 31, 2003.~~

(a) For each school corporation, that is not a charter school, the index used in subsection ~~(c)~~ **(c)** is determined under the following STEPS:

STEP ONE: Determine the greater of zero (0) or the result of the following:

(1) Determine the percentage of the population in the school corporation who are at least ~~twenty (20)~~ **twenty-five (25)** years of age with less than a twelfth grade education.

(2) Determine the quotient of:

(A) ~~eight hundred seventy dollars ($870) in 2004 and nine hundred seventy~~ **one thousand nineteen** dollars ~~($970); in 2005;~~ **($1,019);** divided by

(B) ~~four thousand three hundred fifty dollars ($4,350) in 2004 and~~ four thousand ~~three~~ **five** hundred ~~sixty-eight~~ **seventeen** dollars ~~($4,368) in 2005.~~ **($4,517) in 2006 and four thousand five hundred sixty-three dollars ($4,563) in 2007.**

(3) Determine the product of:

(A) the subdivision (1) amount; multiplied by

(B) the subdivision (2) amount.

STEP TWO: Determine the greater of zero (0) or the result of the following:

(1) Determine the percentage of the school corporation's students who were eligible for free lunches in the school year ending in ~~2003.~~ **2005.**

(2) Determine the quotient of:

(A) ~~one thousand one hundred dollars ($1,100) in 2004 and~~ one thousand two hundred **sixty** dollars ~~($1,200); in 2005;~~ **($1,260);** divided by

(B) ~~four thousand three hundred fifty dollars ($4,350) in 2004 and~~ four thousand ~~three~~ **five** hundred ~~sixty-eight~~ **seventeen** dollars ~~($4,368) in 2005.~~ **($4,517) in 2006 and four thousand five hundred sixty-three dollars ($4,563) in 2007.**

(3) Determine the product of:

(A) the subdivision (1) amount; multiplied by

(B) the subdivision (2) amount.

STEP THREE: Determine the greater of zero (0) or the result of the following:

(1) Determine the percentage of the school corporation's students who were classified as limited English proficient in the school year ending in ~~2003.~~ **2005.**

(2) Determine the quotient of:

(A) ~~three hundred ten dollars ($310) in 2004 and~~ four hundred ~~thirty~~ **fifty-two** dollars ~~($430); in 2005;~~ **($452);** divided by

(B) ~~four thousand three hundred fifty dollars ($4,350) in 2004 and~~ four thousand ~~three~~ **five** hundred ~~sixty-eight~~ **seventeen** dollars ~~($4,368) in 2005.~~ **($4,517) in 2006 and four thousand five hundred sixty-three dollars ($4,563) in 2007.**

(3) Determine the product of:

(A) the subdivision (1) amount; multiplied by

(B) the subdivision (2) amount.

STEP FOUR: Determine the greater of zero (0) or the result of the following:

(1) Determine the percentage of families in the school corporation with a single parent.

(2) Determine the quotient of:

(A) ~~four hundred forty dollars ($440) in 2004 and~~ five hundred ~~thirty~~ **fifty-seven** dollars ~~($530); in 2005;~~ **($557);** divided by

(B) ~~four thousand three hundred fifty dollars ($4,350) in 2004 and~~ four thousand ~~three~~ **five** hundred ~~sixty-eight~~ **seventeen** dollars ~~($4,368) in 2005.~~ **($4,517) in 2006 and four thousand five hundred sixty-three dollars ($4,563) in 2007.**

(3) Determine the product of:

(A) the subdivision (1) amount; multiplied by

(B) the subdivision (2) amount.

STEP FIVE: Determine the greater of zero (0) or the result of the following:

(1) Determine the percentage of families in the school corporation with children who are less

than eighteen (18) years of age and who have a family income level below the federal income poverty level (as defined in IC 12-15-2-1).

(2) Determine the quotient of:

(A) ~~two hundred twenty dollars ($220) in 2004 and~~ three hundred ~~thirty~~ **forty-seven** dollars ~~($330); in 2005;~~ **($347);** divided by

(B) ~~four thousand three hundred fifty dollars ($4,350) in 2004 and~~ four thousand ~~three~~ **five** hundred ~~sixty-eight~~ **seventeen** dollars ~~($4,368) in 2005.~~ **($4,517) in 2006 and four thousand five hundred sixty-three dollars ($4,563) in 2007.**

(3) Determine the product of:

(A) the subdivision (1) amount; multiplied by

(B) the subdivision (2) amount.

STEP SIX: Determine the sum of the results in STEPS ONE through FIVE.

STEP SEVEN: Determine the result of one (1) plus the STEP SIX result.

STEP EIGHT: This STEP applies if the STEP SEVEN result is equal to or greater than one and twenty-five hundredths (1.25). Determine the result of the following:

~~(1) Determine the STEP TWO (1) amount for the school corporation.~~

~~(2) Determine the quotient of:~~

~~(A) one hundred fifty dollars ($150); divided by~~

~~(B) four thousand three hundred fifty dollars ($4,350) in 2004 and four thousand three hundred sixty-eight dollars ($4,368). in 2005.~~

~~(3) Determine the product of:~~

~~(A) the subdivision (1) amount; multiplied by~~

~~(B) the subdivision (2) amount.~~

~~(4) Determine the STEP FIVE (1) amount for the school corporation.~~

~~(5) Determine the product of:~~

~~(A) the subdivision (4) amount; multiplied by~~

~~(B) the subdivision (2) amount.~~

~~(6) Determine the result of:~~

~~(A) the subdivision (3) result; plus~~

~~(B) the subdivision (5) result.~~

(1) Subtract one and twenty-five hundredths (1.25) from the STEP SEVEN result.

(2) Multiply the subdivision (1) result by five-tenths (0.5).

~~(7)~~ **(3)** Determine the result of:

(A) the STEP SEVEN result; plus

(B) the subdivision ~~(6)~~ **(2)** result.

The data to be used in making the calculations under STEP ONE, STEP FOUR, and STEP FIVE of this subsection must be the data from the 2000 federal decennial census.

~~(c)~~ **(b)** For each charter school, the index used in ~~section (d) or (e)~~ **subsection (c)** is the index determined under subsection (a) ~~or (b)~~ for the school corporation in which the charter school is located. **However, the index used in subsection (c) for Campagna Academy Charter School is the index determined under subsection (a) for Gary Community School Corporation.**

~~(d) This subsection applies to calendar years ending before January 1, 2004. A school corporation's target revenue per ADM for a calendar year is the result determined under STEP SIX of the following formula:~~

~~STEP ONE: Determine the result under clause (B) of the following formula:~~

~~(A) Determine the result of:~~

~~(i) four thousand five hundred sixty dollars ($4,560); multiplied by~~

~~(ii) the index determined for the school corporation under subsection (a) or (c), as applicable.~~

~~(B) Multiply the clause (A) result by the school corporation's adjusted ADM for the current year.~~

~~STEP TWO: Divide the school corporation's previous year revenue by the school corporation's adjusted ADM for the previous year.~~

~~STEP THREE: Multiply the index determined under subsection (a) or (c), as applicable, by the following:~~

~~(A) If the STEP TWO result is not more than four thousand five hundred sixty dollars ($4,560), multiply by ninety dollars ($90).~~

~~(B) If the STEP TWO result is more than four thousand five hundred sixty dollars ($4,560) and not more than five thousand eight hundred twenty-five dollars ($5,825), multiply by the result under clause (C).~~

~~(C) Determine the result of the following:~~

~~(i) The STEP TWO result minus four thousand five hundred sixty dollars ($4,560).~~

~~(ii) Divide the item (i) result by one thousand two hundred sixty-five dollars ($1,265).~~

~~(iii) Multiply the item (ii) result by forty dollars ($40).~~

~~(iv) Subtract the item (iii) result from ninety dollars ($90).~~

~~(D) If the STEP TWO result is more than five thousand eight hundred twenty-five dollars ($5,825), multiply by fifty dollars ($50).~~

~~STEP FOUR: Add the STEP TWO result and the STEP THREE result.~~

~~STEP FIVE: Determine the greatest of the following:~~

~~(A) Multiply the STEP FOUR result by the school corporation's adjusted ADM for the current year.~~

~~(B) Multiply the school corporation's previous year revenue by one and two-hundredths (1.02).~~

~~(C) The STEP ONE amount.~~

~~STEP SIX: Divide the STEP FIVE amount by the school corporation's adjusted ADM for the current year.~~

~~(c) This subsection applies to calendar years beginning after December 31, 2003.~~

(c) A school corporation's target revenue per ADM for a calendar year is the result determined under ~~STEP NINE of~~ the following formula:

STEP ONE: ~~Determine the result under clause (B) of the following formula: (A) Determine the result of: (i) four thousand three hundred fifty dollars ($4,350) in 2004 and~~ **Determine the product of:**

(A) four thousand ~~three~~ **five** hundred ~~sixty-eight~~ **seventeen** dollars ~~($4,368) in 2005.~~ **($4,517) in 2006 and four thousand five hundred sixty-three dollars ($4,563) in 2007**; multiplied by ~~(ii)~~ **(B)** the index determined for the school corporation under subsection ~~(b)~~ **(a)** or ~~(c),~~ **(b),** as applicable.

~~(B) Multiply the clause (A) result by the school corporation's adjusted ADM for the current year.~~

~~STEP TWO: Determine the result under the following formula:~~

~~(A) Determine the quotient of:~~

~~(i) the school corporation's previous year revenue; divided by~~

~~(ii) the school corporation's ADM for the previous year.~~

~~(B) Determine the product of:~~

~~(i) the clause (A) amount; multiplied by~~

~~(ii) one and two-hundredths (1.02).~~

~~(C) Determine the product of:~~

~~(i) the clause (B) amount; multiplied by~~

~~(ii) the school corporation's current ADM.~~

~~STEP THREE: Determine the result under the following formula:~~

~~(A) Determine the product of:~~

~~(i) the STEP TWO clause (A) amount; multiplied by~~

~~(ii) ninety-eight hundredths (0.98).~~

~~(B) Determine the product of:~~

~~(i) the clause (A) amount; multiplied by~~

~~(ii) the school corporation's current ADM.~~

~~STEP FOUR: Determine the lesser of:~~
~~(A) the STEP ONE amount; or~~
~~(B) the STEP TWO amount.~~
~~STEP FIVE: Determine the greater of:~~
~~(A) the STEP THREE amount; or~~
~~(B) the STEP FOUR amount.~~
STEP ~~SIX:~~ **TWO:** Divide the school corporation's previous year revenue by the school corporation's adjusted ADM for the previous year.
~~STEP SEVEN: Determine the product of:~~
~~(A) the STEP SIX result; multiplied by~~
~~(B) the school corporation's current adjusted ADM.~~
~~STEP EIGHT: Determine the greatest of the following:~~
~~(A) The product of~~
~~(i) the school corporation's previous year revenue multiplied by~~
~~(ii) one and one-hundredth (1.01).~~
~~(B) The STEP FIVE amount.~~
~~(C) The STEP SEVEN amount.~~
STEP THREE: Determine the difference of:
(A) the STEP ONE amount; minus
(B) the STEP TWO amount.
STEP FOUR: Divide the STEP THREE result by:
(A) six (6) in 2006; and
(B) five (5) in 2007.
STEP FIVE: A school corporation's STEP FIVE amount is the following:
(A) For a charter school that has previous year revenue that is not greater than zero (0), the charter school's STEP FIVE amount is the quotient of:
(i) the STEP SEVEN amount for the school corporation where the charter school is located; divided by
(ii) the school corporation's current ADM.
(B) The STEP FIVE amount for a school corporation that is not a charter school described in clause (A) is the following:
(i) The school corporation's STEP ONE amount, if the absolute value of the STEP THREE amount is less than or equal to fifty dollars ($50).
(ii) For 2007, the school corporation's STEP ONE amount, if the STEP ONE amount in 2006 equaled the STEP EIGHT amount in 2006.
(iii) The sum of the school corporation's STEP TWO amount and the greater of the school corporation's STEP FOUR amount or fifty dollars ($50), if the school corporation's STEP THREE amount is greater than fifty dollars ($50).
(iv) The difference determined by subtracting the greater of the absolute value of the school corporation's STEP FOUR amount or fifty dollars ($50) from the school corporation's STEP TWO amount, if the school corporation's STEP THREE amount is less than negative fifty dollars (-$50).
STEP SIX: Determine the product of:
(A) the STEP FIVE amount; multiplied by
(B) the school corporation's current adjusted ADM.
STEP SEVEN: Determine the greater of the following:
(A) The school corporation's STEP SIX amount.
(B) The amount determined under item (iii) of the following formula:
(i) Divide the school corporation's previous year revenue by the school corporation's previous year ADM.
(ii) Multiply the item (i) result by ninety-nine hundredths (0.99).

(iii) Multiply the item (ii) amount by the school corporation's current ADM.

STEP ~~NINE:~~ **EIGHT:** Determine the quotient of:

(A) the STEP ~~EIGHT~~ **SEVEN** amount; divided by

(B) the school corporation's current adjusted ADM.

SECTION 197. IC 21-3-1.7-6.8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 6.8. (a) This section does not apply to a charter school.

~~(b) This subsection does not apply after December 31, 2003. A school corporation's target general fund property tax rate for purposes of IC 6-1.1-19-1.5 is the result determined under STEP THREE of the following formula:~~

~~STEP ONE: This STEP applies only if the amount determined in STEP FIVE of the formula in section 6.7(d) of this chapter minus the result determined in STEP ONE of the formula in section 6.7(d) of this chapter is greater than zero (0). Determine the result under clause (E) of the following formula:~~

~~(A) Divide the school corporation's 2002 assessed valuation by the school corporation's current ADM.~~

~~(B) Divide the clause (A) result by ten thousand (10,000).~~

~~(C) Determine the greater of the following:~~

~~(i) The clause (B) result.~~

~~(ii) Thirty-nine dollars ($39) in 2002 and thirty-nine dollars and seventy-five cents ($39.75) in 2003.~~

~~(D) Determine the result determined under item (ii) of the following formula:~~

~~(i) Subtract the result determined in STEP ONE of the formula in section 6.7(d) of this chapter from the amount determined in STEP FIVE of the formula in section 6.7(d) of this chapter.~~

~~(ii) Divide the item (i) result by the school corporation's current ADM.~~

~~(E) Divide the clause (D) result by the clause (C) result.~~

~~(F) Divide the clause (E) result by one hundred (100).~~

~~STEP TWO: This STEP applies only if the amount determined in STEP FIVE of the formula in section 6.7(d) of this chapter is equal to STEP ONE of the formula in section 6.7(d) of this chapter and the result of clause (A) is greater than zero (0). Determine the result under clause (G) of the following formula:~~

~~(A) Add the following:~~

~~(i) An amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.~~

~~(ii) The portion of the maximum general fund levy for the year that equals the original amount of the levy imposed by the school corporation to cover the costs of opening a new school facility during the preceding year.~~

~~(B) Divide the clause (A) result by the school corporation's current ADM.~~

~~(C) Divide the school corporation's 2002 assessed valuation by the school corporation's current ADM.~~

~~(D) Divide the clause (C) result by ten thousand (10,000).~~

~~(E) Determine the greater of the following:~~

~~(i) The clause (D) result.~~

~~(ii) Thirty-nine dollars ($39) in 2002 and thirty-nine dollars and seventy-five cents ($39.75) in 2003.~~

~~(F) Divide the clause (B) result by the clause (E) amount.~~

~~(G) Divide the clause (F) result by one hundred (100).~~

~~STEP THREE: Determine the sum of:~~

~~(A) ninety-one and eight-tenths cents ($0.918) in 2002; and~~

~~(B) ninety-five and eight-tenths cents ($0.958) in 2003; and~~

~~if applicable, the STEP ONE or STEP TWO result.~~

~~(c) This subsection applies to calendar years beginning after December 31, 2004.~~

(b) A school corporation's target general fund property tax rate for purposes of IC 6-1.1-19-1.5 is the result determined under STEP FOUR of the following formula:

STEP ONE: Determine **the product of:**

(A) the amount determined for the school corporation in STEP ONE of the formula in section ~~6.7(c)~~ **6.7(c)** of this chapter; **multiplied by**

(B) the school corporation's adjusted ADM for the current year.

STEP TWO: This STEP applies only if the amount determined in STEP ~~EIGHT~~ **SEVEN** of the formula in section ~~6.7(c)~~ **6.7(c)** of this chapter ~~minus~~ **is not equal to** the STEP ONE result. ~~is greater than zero (0).~~ Determine the result under clause ~~(E)~~ **(F)** of the following formula:

(A) Divide the school corporation's assessed valuation by the school corporation's current ADM.

(B) Divide the clause (A) result by ten thousand (10,000).

(C) Determine the greater of the following:

(i) The clause (B) result.

(ii) ~~Forty-three~~ **Thirty-six** dollars and ~~sixty-five~~ **thirty** cents ~~($43.65).~~ **($36.30).**

(D) Determine the result determined under item (ii) of the following formula:

(i) Subtract the STEP ONE result from the amount determined in STEP ~~EIGHT~~ **SEVEN** of the formula in

section ~~6.7(c)~~ **6.7(c)** of this chapter.

(ii) Divide the item (i) result by the school corporation's current ADM.

(E) Divide the clause (D) result by the clause (C) result.

(F) Divide the clause (E) result by one hundred (100).

STEP THREE: This STEP applies only if the amount determined in STEP ~~EIGHT~~ **SEVEN** of the formula in section ~~6.7(c)~~ **6.7(c)** of this chapter is equal to the STEP ONE result and the result of clause (A) is greater than zero (0). Determine the result under clause (G) of the following formula:

(A) Add the following:

(i) An amount equal to the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years.

(ii) The part of the maximum general fund levy for the year that equals the original amount of the levy imposed by the school corporation to cover the costs of opening a new school facility during the preceding year.

(B) Divide the clause (A) result by the school corporation's current ADM.

(C) Divide the school corporation's assessed valuation by the school corporation's current ADM.

(D) Divide the clause (C) result by ten thousand (10,000).

(E) Determine the greater of the following:

(i) The clause (D) result.

(ii) ~~Forty-three~~ **Thirty-six** dollars and ~~sixty-five~~ **thirty** cents ~~($43.65).~~ **($36.30).**

(F) Divide the clause (B) result by the clause (E) amount.

(G) Divide the clause (F) result by one hundred (100).

STEP FOUR: **This STEP applies to all school corporations.** Determine the sum of:

(A) ~~sixty-three~~ **seventy-two** and ~~seven-tenths~~ cents ~~($0.637)~~ **($0.72) in 2006 and seventy-two and ninety-two hundredths cents ($0.7292) in 2007;** ~~and,~~ **plus**

(B) if applicable, the STEP TWO or STEP THREE result.

~~(d) For the calendar year beginning January 1, 2004, and ending December 31, 2004, a school corporation's general fund ad valorem property tax levy is determined under IC 6-1.1-19-1.5(f).~~

SECTION 198. IC 21-3-1.7-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 7. If a computation under this chapter results in a fraction and a rounding rule is not specified, the fraction shall be rounded as follows:

(1) ~~If it is a~~ **All** tax ~~rate calculation,~~ **rates shall be computed by rounding the rate** to the nearest one-hundredth of a cent ($0.0001).

(2) ~~If it is a~~ **All tax levies shall be computed by rounding the levy to the nearest dollar amount ($1).**

(3) All tuition support ~~calculation~~ **distributions shall be computed by rounding the tuition support distribution** to the nearest cent ($0.01).

~~(3)~~ **(4)** If ~~it is~~ a calculation **is** not covered by subdivision (1), ~~or~~ (2), **or (3), the result of the calculation shall be rounded** to the nearest ten-thousandth (.0001).

SECTION 199. IC 21-3-1.7-8.2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 8.2. ~~(a) As used in this section, "transfer amount" means the product of:~~

~~(1) a school corporation's assessed valuation for calendar year 2002 divided by one hundred (100), multiplied by~~

~~(2) the lesser of:~~

~~(A) three hundred twenty-eight ten-thousandths (0.0328); or~~

~~(B) the school corporation's capital projects fund tax rate for calendar year 2002 multiplied by five-tenths (0.5).~~

~~(b) This subsection applies to calendar years ending before January 1, 2004. Notwithstanding IC 21-3-1.6 and subject to section 9 of this chapter, the state distribution for a calendar year for tuition support for basic programs for each school corporation equals the result determined using the following formula:~~

~~STEP ONE:~~

~~(A) For a school corporation not described in clause (B), determine the school corporation's result under STEP FIVE of section 6.7(d) of this chapter for the calendar year.~~

~~(B) For a school corporation that has target revenue per adjusted ADM for a calendar year that is equal to the amount under STEP ONE (A) of section 6.7(d) of this chapter, determine the sum of:~~

~~(i) the school corporation's result under STEP ONE of section 6.7(d) of this chapter for the calendar year; plus~~

~~(ii) the amount of the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years; plus~~

~~(iii) the part of the maximum general fund levy for the year that equals the original amount of the levy imposed by the school corporation to cover the costs of opening a new school facility during the preceding year.~~

~~STEP TWO: Determine the sum of:~~

~~(A) the school corporation's tuition support levy;~~

~~(B) the school corporation's excise tax revenue for the year that precedes the current year by one (1) year;~~

~~(C) for the last six (6) months of calendar year 2002, the school corporation's transfer amount; plus~~

~~(D) for the first six (6) months of calendar year 2003, the school corporation's transfer amount.~~

~~The amount determined under this STEP for a charter school is zero (0).~~

~~STEP THREE: Determine the difference between:~~

~~(A) the STEP ONE amount; minus~~

~~(B) the applicable STEP TWO or STEP THREE amount.~~

~~(c) This subsection applies to calendar years beginning after December 31, 2003.~~ **(a)** Notwithstanding IC 21-3-1.6 and subject to section 9 of this chapter, the state distribution for a calendar year for tuition support for basic programs for each school corporation equals the result determined using the following formula:

STEP ONE: **For a:**

(A) ~~For a~~ school corporation not described in clause (B), determine the school corporation's result under STEP ~~EIGHT~~ **SEVEN** of section ~~6.7(c)~~ **6.7(c)** of this chapter for the calendar year; **and**

(B) ~~For a~~ school corporation that has target revenue per adjusted ADM for a calendar year that is equal to the amount under ~~STEP ONE (A) of~~ section ~~6.7(c)~~ **6.7(c) STEP ONE** of this chapter, determine the sum of:

(i) the school corporation's result under ~~STEP ONE of~~ section ~~6.7(c)~~ **6.7(c) STEP ONE** of this chapter for the calendar year **multiplied by the school corporation's adjusted ADM for the current year;** plus

(ii) the amount of the annual decrease in federal aid to impacted areas from the year preceding the ensuing calendar year by three (3) years to the year preceding the ensuing calendar year by two (2) years; plus

(iii) the part of the maximum general fund levy for the year that equals the original amount of the levy imposed by the school corporation to cover the costs of opening a new school facility **or reopening an existing facility** during the preceding year.

STEP TWO: This STEP applies to a school corporation that is not a charter school. Determine the sum of:

(A) the school corporation's tuition support levy; plus

(B) the school corporation's excise tax revenue for the year that precedes the current year by one (1) year.

STEP THREE: This STEP applies to a charter school. Determine the product of:

(A) the amount determined under ~~STEP EIGHT of~~ section ~~6.7(c)~~ **6.7(c) STEP SEVEN** of this chapter for the charter school; multiplied by

(B) thirty-five hundredths (0.35).

STEP FOUR: Determine the difference between:

(A) the STEP ONE amount; minus

(B) the STEP TWO or STEP THREE amount, as applicable.

~~(d)~~ **(b)** If the state tuition support determined for a school corporation under this section is negative,

the school corporation is not entitled to any state tuition support. In addition, the school corporation's maximum general fund levy under IC 6-1.1-19-1.5 shall be reduced by the amount of the negative result.

SECTION 200. IC 21-3-1.7-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: Sec. 9. (a) Subject to the amount appropriated by the general assembly for tuition support, the amount that a school corporation is entitled to receive in tuition support for a year is the amount determined in section 8.2 of this chapter.

(b) If the total amount to be distributed as tuition support under this chapter, **in 2005** for enrollment adjustment grants under section 9.5 of this chapter ~~for at-risk programs under section 9.7 of this chapter,~~ **(before its repeal),** for academic honors diploma awards under section 9.8 of this chapter, **in 2005** for supplemental remediation grants under section 9.9 of this chapter **(before its repeal),** for primetime distributions under IC 21-1-30, for special education grants under IC 21-3-2.1, and for vocational education grants under IC 21-3-12 for a particular year, exceeds:

~~(1) three billion five hundred eighty million dollars ($3,580,000,000) in 2003;~~

~~(2) three billion six hundred seventy-six million dollars ($3,676,000,000) in 2004; and~~

~~(3)~~ **(1)** three billion seven hundred ~~twenty-one~~ **fifty-nine** million **three hundred thousand** dollars ~~($3,721,000,000)~~ **($3,759,300,000)** in 2005;

(2) three billion seven hundred fifty-four million seven hundred thousand dollars ($3,754,700,000) in 2006; and

(3) three billion seven hundred forty-seven million two hundred thousand dollars ($3,747,200,000) in 2007;

the amount to be distributed for tuition support under this chapter to each school corporation during each of the last six (6) months of the year shall be **proportionately** reduced ~~by the same dollar amount per ADM (as adjusted by IC 21-3-1.6-1.1)~~ so that the total reductions equal the amount of the excess. **The amount of the reduction for a particular school corporation is equal to the total amount of the excess multiplied by a fraction. The numerator of the fraction is the amount of the distribution for tuition support that the school corporation would have received if a reduction were not made under this section. The denominator of the fraction is the total amount that would be distributed for tuition support to all school corporations if a reduction were not made under this section.**

SECTION 201. IC 21-3-1.7-9.8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 9.8. (a) In addition to the distributions under ~~sections~~ **section** 8.2 ~~9.5, 9.7, and 9.9~~ of this chapter, a school corporation is eligible for an honors diploma award in the amount determined under STEP TWO of the following formula:

STEP ONE: Determine the number of the school corporation's eligible pupils who successfully completed an academic honors diploma program in the school year ending in the previous calendar year.

STEP TWO: Multiply the STEP ONE amount by nine hundred ~~sixty-three~~ dollars ~~($963).~~ **($900).**

~~(b) Each year the governing body of a school corporation may use the money that the school corporation receives for an honors diploma award under this section to give nine hundred sixty-three dollars ($963) to each eligible pupil in the school corporation who successfully completes an academic honors diploma program in the school year ending in the previous calendar year.~~

(b) An amount received by a school corporation as an honors diploma award may be used only for:

(1) any:

(A) staff training;

(B) program development;

(C) equipment and supply expenditures; or

(D) other expenses;

directly related to the school corporation's academic honors diploma program; and

(2) the school corporation's program for high ability students.

(c) A governing body that does not comply with this section for a school year is not eligible to

receive an award under this section for the following school year.

SECTION 202. IC 21-3-1.7-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. This chapter expires January 1, ~~2006.~~ **2008.**

SECTION 203. IC 21-3-2.1-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 10. This chapter expires January 1, ~~2006.~~ **2008.**

SECTION 204. IC 21-3-12-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 12. This chapter expires January 1, ~~2006.~~ **2008.**

SECTION 205. IC 21-6.1-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) The board shall segregate the fund into the following accounts:

(1) The pre-1996 account.

(2) The 1996 account.

(b) The board shall segregate each of the accounts established under subsection (a) into the following subaccounts:

(1) The annuity savings account.

(2) The retirement allowance account.

(c) Except as provided in subsection (d), member contributions shall be credited to the annuity savings accounts within the pre-1996 account.

(d) Member contributions made after June 30, 1995, with respect to the following members shall be credited to the annuity savings account within the 1996 account:

(1) ~~A~~ **An individual who first became a** member ~~who was hired~~ **of the fund** after June 30, 1995. ~~by a school corporation or other institution covered by the fund.~~

(2) A member who:

(A) before July 1, 1995, served in a position covered by the fund; and

(B) after June 30, 1995, and before July 1, ~~2001,~~ **2005,** was hired by another school corporation or institution covered by the fund or rehired by a prior employer.

(3) A member described in subdivision (2) who, after June 30, ~~2001,~~ **2005,** is hired by another school corporation or institution covered by the fund or rehired by a prior employer.

(e) Member contributions made to the pre-1996 account with respect to a member covered by subsection (d) shall be transferred to the annuity savings account within the 1996 account.

(f) Employer contributions made after June 30, 1995, with respect to members described in subsection (d) shall be credited to the retirement allowance account within the 1996 account. Employer contributions made after June 30, 1995, with respect to all other members shall be credited to the retirement allowance account within the pre-1996 account.

~~(g) Employer contributions, if any (as determined by the board), made to the pre-1996 account with respect to a member covered by subsection (d) shall be transferred to the retirement allowance account within the 1996 account.~~

~~(h)~~ **(g)** The board shall administer these accounts and subaccounts as specified in IC 5-10.2-2.

SECTION 206. IC 21-6.1-2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) The general assembly shall appropriate from the state general fund an amount that is sufficient to cover the state's actuarial liability for each member covered by the pre-1996 account and for each state employee covered by the 1996 account. The board may reduce this liability by the amount of interest earned on the deposits in the fund. This liability is determined by the actuarial investigation prescribed in IC 5-10.2-2-9. **The actuarial investigation and the board shall include in the determination of the liability, contribution rate, and appropriation the amount necessary to fully fund any past and estimated future cost of living increases for members of the pre-1996 account and the 1996 account, amortized over thirty (30) years. The actuary shall consult with the budget agency in making this determination.** The board shall prepare its budget based on this investigation and for other specified expenditures and shall submit it to the governor or to another officer or committee authorized by law to recommend the necessary appropriation.

(b) Each school corporation shall contribute to the 1996 account as specified in IC 21-6.1-7.

(c) If members receive compensation from federal funds, the board shall at the end of each fiscal year determine the employer's contribution, excluding administration expenses, to be paid from federal

funds. The amount shall be determined by such method adopted by the board as results in an equitable sharing of the employer contribution by the federal government on account of members receiving compensation from federal funds.

SECTION 207. IC 21-6.1-4-6.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 6.1. (a) This subsection applies to members who retire before July 1, 1980. A member who had completed four (4) years of approved college teacher ~~training~~ **education** before voluntary or involuntary induction into the military services is entitled to credit for that service as if the member had begun teaching before the induction. A member who serves in military service is considered a teacher and is entitled to the benefits of the fund if for or during the leave of absence the member pays into the fund the member's contributions. Time served by a member in military service for the duration of the hostilities or for the length of active service in the hostilities and the necessary demobilization time after the hostilities is not subject to the one-seventh rule specified in section 5 of this chapter.

(b) This subsection applies to members who retire after June 30, 1980. A member who had completed four (4) years of approved college teacher ~~training~~ **education** before voluntary or involuntary induction into military service is entitled to credit for the member's active military service as if the member had begun teaching before the induction. A member who serves in military service is considered a teacher and is entitled to the benefits of the fund if:

(1) the member has an honorable discharge; and

(2) except as provided in subsection (f), the member returns to active teaching service within eighteen (18) months after the completion of active military service.

The time served by a member in military service for the duration of the hostilities or for the length of active service in the hostilities and the necessary demobilization time after the hostilities is not subject to the one-seventh rule specified in section 5 of this chapter. However, not more than six (6) years of military service credit may be granted under this subsection. In order to be eligible for any military service credit under this subsection, a member must have at least ten (10) years of in-state service credit.

(c) This subsection applies to members who retire after May 1, 1989. A member who had begun but had not completed four (4) years of approved college teacher ~~training~~ **education** before voluntary or involuntary induction into the military services is entitled to service credit in an amount equal to the duration of the member's active military service if the following conditions are met:

(1) The member has an honorable discharge.

(2) Except as provided in subsection (f), the member returns to a four (4) year approved college teacher training program within eighteen (18) months after the completion of active military service and subsequently completes that program.

(3) The member has at least ten (10) years of in-state service credit.

(d) This subsection applies to members who retire after May 1, 1991, and who are employed at state institutions of higher education. A member who had begun but had not completed baccalaureate or post-baccalaureate ~~training~~ **education** before voluntary or involuntary induction into military service is entitled to the member's active military service credit for the member's active military service in an amount equal to the duration of the member's military service if the following conditions are met:

(1) The member received an honorable discharge.

(2) Except as provided in subsection (f), the member returns to baccalaureate or post-baccalaureate ~~training~~ **education** within eighteen (18) months after completion of active military service and subsequently completes that ~~training.~~ **education.**

(3) The member has at least ten (10) years of in-state service credit.

(e) The maximum amount of service credit that may be granted to a member who meets the conditions of subsection (c), or (d) is six (6) years. However, for purposes of subsection (c), or (d), the time served by the member in active military service for the length of active service in hostilities and necessary demobilization is not subject to the one-seventh rule specified in section 5 of this chapter.

(f) The board shall extend the eighteen (18) month deadline contained in subsection (b)(2), (c)(2), or (d)(2) if the board determines that an illness, an injury, or a disability related to the member's military service prevented the member from returning to active teaching service or to a teacher ~~training~~

education program within eighteen (18) months after the member's discharge from military service. However, the board may not extend the deadline beyond thirty (30) months after the member's discharge.

(g) If a member retires, and the board subsequently determines that the member is entitled to additional service credit due to the extension of a deadline under subsection (f), the board shall recompute the member's benefit. However, the additional service credit may be used only in the computation of benefits to be paid after the date of the board's determination, and the member is not entitled to a recomputation of benefits received before the date of the board's determination.

(h) Notwithstanding any provision of this section, a member is entitled to military service credit and benefits in the amount and to the extent required by the Uniformed Services Employment and Reemployment Rights Act (38 U.S.C. 4301 et seq.), including all later amendments.

(i) Subject to the provisions of this section, an active member may purchase not more than two (2) years of service credit for the member's service on active duty in the armed services if the member meets the following conditions:

(1) The member has at least one (1) year of credited service in the fund.

(2) The member serves on active duty in the armed services of the United States for at least six (6) months.

(3) The member receives an honorable discharge from the armed services.

(4) Before the member retires, the member makes contributions to the fund as follows:

(A) Contributions that are equal to the product of the following:

(i) The member's salary at the time the member actually makes a contribution for the service credit.

(ii) A rate, determined by the actuary of the fund, that is based on the age of the member at the time the member actually makes a contribution for service credit and computed to result in a contribution amount that approximates the actuarial present value of the benefit attributable to the service credit purchased.

(iii) The number of years of service credit the member intends to purchase.

(B) Contributions for any accrued interest, at a rate determined by the actuary of the fund, for the period from the member's initial membership in the fund to the date payment is made by the member.

However, a member is entitled to purchase service credit under this subsection only to the extent that service credit is not granted for that time under another provision of this section. At least ten (10) years of service in Indiana is required before a member may receive a benefit based on service credits purchased under this section. A member who terminates employment before satisfying the eligibility requirements necessary to receive a monthly allowance or receives a monthly allowance for the same service from another tax supported public employee retirement plan other than under the federal Social Security Act may withdraw the purchase amount plus accumulated interest after submitting a properly completed application for a refund to the fund.

(j) The following apply to the purchase of service credit under subsection (i):

(1) The board may allow a member to make periodic payments of the contributions required for the purchase of the service credit. The board shall determine the length of the period during which the payments must be made.

(2) The board may deny an application for the purchase of service credit if the purchase would exceed the limitations under Section 415 of the Internal Revenue Code.

(3) A member may not claim the service credit for purposes of determining eligibility or computing benefits unless the member has made all payments required for the purchase of the service credit.

SECTION 208. IC 23-13-5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 8. (a) Should for any cause any action of the board of directors or trustees of a corporation be invalid or ineffective in whole or in part as and for a cancellation or retirement of capital stock as provided in this chapter, then the entire act of cancellation or retirement as to all other stock shall be held null and void. If at any time after the transfer of any stock to the corporation or to the trustees or

directors it becomes no longer possible for the corporation to operate the university, college, or institution of learning as a university, college, or institution of learning, and the fact is found to exist by the board of trustees or directors, the property and assets of the corporation vest in and belong absolutely to the local public school corporation within whose territorial limits the college, university, or institution of learning is situated unless the local public school corporation elects to refuse to accept the property and assets in writing served upon the board of trustees or an officer thereof within one hundred twenty (120) days. If the local public school corporation elects to refuse to accept the property and assets, then the property and assets of the corporation vest in and belong absolutely to the county within whose territorial limits the college, university, or institution of learning is situated unless the county, acting by its legislative body, elects to refuse to accept the property and assets in writing served upon the board of trustees or an officer within one hundred twenty (120) days. If the county refuses to accept the property and assets, the property and assets vest in and belong absolutely to the ~~common school~~ **state general** fund. ~~of the state of Indiana.~~ If the university, college, or institution of learning is situated in a school township, the election shall be made by the township executive with the approval of the township legislative body. If situated in a school city or town corporation, the election shall be made by the school board of the municipality.

(b) The local school corporation receiving the property or assets is responsible for the payment of the lawful debts and liabilities of the corporation. For the purpose of raising funds to pay the debts and liabilities, the township executive, with the concurrence and sanction of the township legislative body, or the city or town school board, as the case may be, is authorized and empowered to issue and sell bonds of the school township, school city, or school town. The debt created by the bonds, together with all other indebtedness of the school corporation, may not exceed two percent (2%) of the adjusted value of the taxable property within the school corporation as determined under IC 36-1-15. If the building or property of the corporation vested in the school corporation is suitable for instructing students of the township in the arts of agriculture, domestic science, or physical or practical mental culture, and in which to hold school or civic entertainments or be used for township, town, or city purposes, then the township executive, with the concurrence and sanction of the township, city, or town legislative body, as the case may be, is authorized and empowered to issue and sell bonds of the civil township, city, or town, as the case may be, and apply the proceeds to the payment of the debts and liabilities of the corporation. The proceeds of the bonds, together with all other indebtedness of the civil township, city, or town, may not exceed two percent (2%) of the adjusted value of the taxable property within the civil township, city, or town, as determined under IC 36-1-15. If the county receives the property, it is authorized to issue its general obligation bonds to pay the debts and liabilities as general obligation bonds of counties are issued under the general law. Unless the school and civil townships and school and civil cities and towns can liquidate the debts and liabilities without violating Article 13, Section 1 of the Constitution of the State of Indiana and IC 36-1-15, they shall elect to refuse to accept the property. Unless the county can liquidate the debts and liabilities without violating the constitutional provision, it shall elect to refuse the property. If a civil township, city, or town uses its funds or the proceeds of the sale of its bonds to liquidate the debts and liabilities, it shall have an interest in the property in the proportion the funds expended by it bear to the funds expended by the school township, school city, or school town.

(c) Any bonds issued under this chapter shall be payable in not more than twenty (20) years after the date of their issuance. The municipal corporation issuing the bonds shall annually levy a tax on all of the taxable property within the municipal corporation in an amount sufficient to pay the interest on and the principal of such bonds as they mature. The bonds may mature and be payable either semiannually or annually. Notice of sale of the bonds shall be published once each week for two (2) weeks in a newspaper published in the municipal corporation issuing the bonds, or in a newspaper published in the county seat of the county in which the municipal corporation is located. Additional notices may be published.

(d) If the corporation ceases to exist or winds up its affairs without its board of trustees or directors finding that it is no longer possible for the corporation to operate the university, college, or institution of learning as a university, college, or institution of learning, this shall have the same effect as such a

finding.

SECTION 209. IC 24-9-9-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. On or before June 30 and December 31 of each year the auditor of state shall distribute one dollar and twenty-five cents ($1.25) of the mortgage recording fee to the ~~home ownership education account established by IC 4-4-3-23~~ **state general fund** and one dollar and twenty-five cents ($1.25) of the mortgage recording fee to the homeowner protection unit account established by IC 4-6-12-9.

SECTION 210. IC 25-1-1.2-2, AS AMENDED BY HEA 1288-2005, SECTION 191, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. As used in this chapter, "board" means an entity that regulates occupations or professions under this title and the ~~professional standards board~~ **department of education** as established by ~~IC 20-28-2-1.~~ **IC 20-19-3-1.**

SECTION 211. IC 25-33-1-3, AS AMENDED BY HEA 1288-2005, SECTION 196, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) There is created a board to be known as the "state psychology board". The board shall consist of seven (7) members appointed by the governor. Six (6) of the board members shall be licensed under this article and shall have had at least five (5) years of experience as a professional psychologist prior to their appointment. The seventh member shall be appointed to represent the general public, must be a resident of this state, must never have been credentialed in a mental health profession, and must in no way be associated with the profession of psychology other than as a consumer. All members shall be appointed for a term of three (3) years. All members may serve until their successors are duly appointed and qualified. A vacancy occurring on the board shall be filled by the governor by appointment. The member so appointed shall serve for the unexpired term of the vacating member. Each member of the board is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). Such a member is also entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties, as provided in the state travel policies and procedures established by the **Indiana** department of administration and approved by the state budget agency.

(b) The members of the board shall organize by the election of a chairman and a vice chairman from among its membership. Such officers shall serve for a term of one (1) year. The board shall meet at least once in each calendar year and on such other occasions as it considers necessary and advisable. A meeting of the board may be called by its chairman or by a majority of the members on the board. Four (4) members of the board constitute a quorum. A majority of the quorum may transact business.

(c) The board is empowered to do the following:

(1) Establish reasonable application, examination, and renewal procedures and set fees for licensure under this article. However, no fee collected under this article shall, under any circumstances, be refunded.

(2) Adopt and enforce rules concerning assessment of costs in disciplinary proceedings before the board.

(3) Establish examinations of applicants for licensure under this article and issue, deny, suspend, revoke, and renew licenses.

(4) Subject to IC 25-1-7, investigate and conduct hearings, upon complaint against individuals licensed or not licensed under this article, concerning alleged violation of this article, under procedures conducted in accordance with IC 4-21.5.

(5) Initiate the prosecution and enjoinder of any person violating this article.

(6) Adopt rules which are necessary for the proper performance of its duties, in accordance with IC 4-22-2.

(7) Establish a code of professional conduct.

(d) The board shall adopt rules establishing standards for the competent practice of psychology.

(e) All expenses incurred in the administration of this article shall be paid from the general fund upon appropriation being made in the manner provided by law for the making of such appropriations.

(f) The bureau shall do the following:

(1) Carry out the administrative functions of the board.

(2) Provide necessary personnel to carry out the duties of this article.

(3) Receive and account for all fees required under this article.

(4) Deposit fees collected with the treasurer of ~~the~~ state for deposit in the state general fund.

(g) The board shall adopt rules under IC 4-22-2 to establish, maintain, and update a list of restricted psychology tests and instruments (as defined in section 14(b) of this chapter) containing those psychology tests and instruments that, because of their design or complexity, create a danger to the public by being improperly administered and interpreted by an individual other than:

(1) a psychologist licensed under IC 25-33-1-5.1;

(2) an appropriately trained mental health provider under the direct supervision of a health service provider endorsed under IC 25-33-1-5.1(c);

(3) a qualified physician licensed under IC 25-22.5;

(4) a school psychologist who holds a valid:

(A) license issued by the ~~professional standards board~~ **department of education** under IC 20-28-2; or

(B) endorsement under IC 20-20-28-12;

practicing within the scope of the school psychologist's license or endorsement; or

(5) a minister, priest, rabbi, or other member of the clergy providing pastoral counseling or other assistance.

(h) The board shall provide to:

(1) the social work certification and marriage and family therapists credentialing board; and

(2) any other interested party upon receiving the request of the interested party;

a list of the names of tests and instruments proposed for inclusion on the list of restricted psychological tests and instruments under subsection (g) at least sixty (60) days before publishing notice of intent under IC 4-22-2-23 to adopt a rule regarding restricted tests and instruments.

(i) The social work certification and marriage and family therapists credentialing board and any other interested party that receives the list under subsection (h) may offer written comments or objections regarding a test or instrument proposed for inclusion on the list of restricted tests and instruments within sixty (60) days after receiving the list. If:

(1) the comments or objections provide evidence indicating that a proposed test or instrument does not meet the criteria established for restricted tests and instruments, the board may delete that test from the list of restricted tests; and

(2) the board determines that a proposed test or instrument meets the criteria for restriction after reviewing objections to the test or instrument, the board shall respond in writing to justify its decision to include the proposed test or instrument on the list of restricted tests and instruments.

(j) This section may not be interpreted to prevent a licensed or certified health care professional from practicing within the scope of the health care professional's:

(1) license or certification; and

(2) training or credentials.

SECTION 212. IC 25-33-1-14, AS AMENDED BY HEA 1288-2005, SECTION 197, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 14. (a) This section does not apply to an individual who is:

(1) a member of a teaching faculty, at a public or private institution of higher learning for the purpose of teaching, research, or the exchange or dissemination of information and ideas as an assigned duty of the institution;

(2) a commissioned psychology officer in the regular United States armed services;

(3) licensed by the ~~professional standards board~~ **department of education** (established by ~~IC 20-28-2)~~ **IC 20-19-3-1)** as a school psychologist and using the title "school psychologist" or "school psychometrist" as an employee of a school corporation; or

(4) endorsed as an independent practice school psychologist under IC 20-28-12.

(b) As used in this section, "restricted psychology test or instrument" means a measurement instrument or device used for treatment planning, diagnosing, or classifying intelligence, mental and emotional disorders and disabilities, disorders of personality, or neuropsychological, neurocognitive, or cognitive functioning. The term does not apply to an educational instrument used in a school setting to assess educational progress or an appraisal instrument.

(c) It is unlawful for an individual to:

(1) claim that the individual is a psychologist; or

(2) use any title which uses the word "psychologist", "clinical psychologist", "Indiana endorsed school psychologist", or "psychometrist", or any variant of these words, such as "psychology", or "psychological", or "psychologic";

unless that individual holds a valid license issued under this article or a valid endorsement issued under IC 20-28-12.

(d) It is unlawful for any individual, regardless of title, to render, or offer to render, psychological services to individuals, organizations, or to the public, unless the individual holds a valid license issued under this article or a valid endorsement issued under IC 20-28-12 or is exempted under section 1.1 of this chapter.

(e) It is unlawful for an individual, other than:

(1) a psychologist licensed under IC 25-33-1-5.1;

(2) an appropriately trained mental health provider under the direct supervision of a health service provider endorsed under IC 25-33-1-5.1(c);

(3) a qualified physician licensed under IC 25-22.5;

(4) a school psychologist who holds a valid:

(A) license issued by the ~~professional standards board~~ **department of education** under IC 20-28-2; or

(B) endorsement under IC 20-28-12;

who practices within the scope of the school psychologist's license or endorsement; or

(5) a minister, priest, rabbi, or other member of the clergy providing pastoral counseling or other assistance;

to administer or interpret a restricted psychology test or instrument as established by the board under ~~IC 25-33-1-3(g)~~ **section 3(g) of this chapter** in the course of rendering psychological services to individuals, organizations, or to the public.

(f) This section may not be interpreted to prevent a licensed or certified health care professional from practicing within the scope of the health care professional's:

(1) license or certification; and

(2) training or credentials.

SECTION 213. IC 29-1-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. **(a) Except as provided in subsection (b),** the right of election of the surviving spouse is personal to the spouse. It is not transferable and cannot be exercised subsequent to the spouse's death. A person with a valid power of attorney for the surviving spouse may elect for the spouse if the power of attorney has general authority with respect to estates as provided in IC 30-5-5-15(a)(4). If the surviving spouse is a protected person, the court may order the guardian of the spouse's estate to elect for the spouse.

(b) The spousal election may be exercised subsequent to the spouse's death under the following circumstances:

(1) The surviving spouse died before the election could be made.

(2) The election is being made to recover Medicaid benefits that were paid on behalf of the deceased surviving spouse.

The office of Medicaid policy and planning may exercise the right of election under this subsection. The spousal election is only enforceable up to the amount of Medicaid benefits that were received and the amount may only be distributed to the office of Medicaid policy and planning.

SECTION 214. IC 31-33-1.5-5.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 5.5. (a) This section applies after June 30, 2008.**

(b) A child protection caseworker or a child welfare caseworker may not be assigned work that exceeds the following maximum caseload levels at any time:

(1) For caseworkers assigned only initial assessments, including investigations of an allegation

of child abuse or neglect, twelve (12) active cases per month per caseworker.

(2) For caseworkers assigned only ongoing cases, seventeen (17) active children per caseworker.

(3) For caseworkers assigned a combination of initial assessments, including investigations of an allegation of child abuse or neglect, and ongoing cases under subdivisions (1) and (2), four (4) investigations and ten (10) active ongoing cases per caseworker.

(c) The department of child services shall comply with the maximum caseload ratios described in subsection (b).

SECTION 215. IC 31-33-2-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. **(a)** The ~~local child protection service:~~ **department of child services:**

(1) must have sufficient qualified and trained staff to fulfill the purpose of this article;

(2) must be organized to maximize the continuity of responsibility, care, and service of individual caseworkers toward individual children and families;

(3) must provide training to representatives of the child protective services system regarding the legal duties of the representatives, which may consist of various methods of informing the representatives of their duties, in order to protect the legal rights and safety of children and families from the initial time of contact during the investigation through treatment; and

(4) must provide training to representatives of the child protective services system regarding the constitutional rights of the child's family, including a child's guardian or custodian, that is the subject of an investigation of child abuse or neglect consistent with the Fourth Amendment to the United States Constitution and Article I, Section 11 of the Constitution of the State of Indiana.

(b) This section expires June 30, 2008.

SECTION 216. IC 31-33-2-2.1 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 2.1. (a) This section applies after June 30, 2008.**

(b) The department of child services:

(1) must have sufficient qualified and trained staff to:

(A) fulfill the purpose of this article; and

(B) comply with the maximum caseload ratios for:

(i) child protection caseworkers; and

(ii) child welfare caseworkers;

set forth in IC 31-33-1.5-5.5;

(2) must be organized to maximize the continuity of responsibility, care, and service of individual caseworkers toward individual children and families;

(3) must provide training to representatives of the child protective services system regarding the legal duties of the representatives, which may consist of various methods of informing the representatives of their duties, in order to protect the legal rights and safety of children and families from the initial time of contact during the investigation through treatment; and

(4) must provide training to representatives of the child protective services system regarding the constitutional rights of the child's family, including a child's guardian or custodian, that is the subject of an investigation of child abuse or neglect consistent with the Fourth Amendment to the United States Constitution and Article I, Section 11 of the Constitution of the State of Indiana.

SECTION 217. IC 32-34-1-34 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2004 (RETROACTIVE)]: Sec. 34. (a) Except as provided in section 42(d) of this chapter, the treasurer of state shall, on order of the attorney general, pay the necessary costs of the following:

(1) Selling abandoned property.

(2) Mailing notices.

(3) Making publications required by this chapter.

(4) Paying other operating expenses and administrative expenses, including:

(A) salaries and wages reasonably incurred by the attorney general in the administration and

enforcement of this chapter; and

(B) costs incurred in examining records of the holders of property and in collecting the property from the holders.

(b) If the balance of the principal of the abandoned property fund established by section 33 of this chapter exceeds five hundred thousand dollars ($500,000), the treasurer of state may, and at least once each fiscal year shall, transfer to the ~~common school~~ **state general** fund ~~of the state~~ the balance of the principal of the abandoned property fund that exceeds five hundred thousand dollars ($500,000).

(c) If a claim is allowed or a refund is ordered under this chapter that is more than five hundred thousand dollars ($500,000), the treasurer of state shall transfer from the state general fund sufficient money to make prompt payment of the claim. There is annually appropriated to the treasurer of state from the state general fund the amount of money sufficient to implement this subsection.

(d) Before making a deposit into the abandoned property fund, the attorney general shall record the following:

(1) The name and last known address of each person appearing from the holder's reports to be entitled to the abandoned property.

(2) The name and last known address of each insured person or annuitant.

(3) The number, the name of the corporation, and the amount due concerning any policy or contract listed in the report of a life insurance company.

(e) Except as provided in subsection (f), earnings on the property custody fund and the abandoned property fund shall be credited to each fund.

(f) On July 1 of each year, the interest balance in the property custody fund established by section 32 of this chapter and the interest balance in the abandoned property fund shall be transferred to the state general fund.

SECTION 218. IC 32-34-3-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. (a) If a sum of money remains in the abandoned property fund for at least five (5) years after the date the money is deposited in the fund under section 2(d) of this chapter without any order directing the return of the money:

(1) title to the sum vests in and escheats to the state; and

(2) the sum shall be ~~distributed as part of the common school~~ **deposited in the state general** fund.

(b) Any claimant who does not file an application with the court within five (5) years after the sum is deposited in the unclaimed funds account is barred from asserting a claim.

SECTION 219. IC 32-34-9-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. (a) A person who finds and secures any boats, fleets of timber, rafts, platforms, sawlogs, or other logs or trees prepared for the purpose of sale, or any cross or railroad ties, boards, planks, staves, heading, or other timber prepared for market that is the property of another and that is found adrift in the waters of Indiana without a boom or other arrangement provided by the owner to preserve the logs or timber below the point at which they are found, whether the logs or timber have a brand or not, is entitled to receive from the owner the following compensation:

(1) For each freight boat or other heavy boat, two dollars ($2) per ton for all cargo.

(2) For each jack-boat, skiff, or canoe, one dollar ($1).

(3) For each fleet of timber, fifty dollars ($50).

(4) For each raft of not less than forty (40) logs, fifteen dollars ($15).

(5) For each platform of at least ten (10) logs, four dollars ($4).

(6) For each sawlog or other log or tree prepared for sale, fifty cents ($0.50).

(7) For each cross or railroad tie, fifteen cents ($0.15).

(8) For boards or planks caught in rafts or a large body:

(A) one dollar ($1) per one thousand (1,000) board feet for a quantity twenty thousand (20,000) board feet or less; or

(B) fifty cents ($0.50) per one thousand (1,000) board feet for a quantity greater than twenty thousand (20,000) board feet.

(9) For loose and scattered boards or planks, five dollars and fifty cents ($5.50) per one thousand (1,000) board feet.

(10) For staves and heading, four dollars ($4) per one thousand (1,000) pieces that are merchantable.

(b) The compensation due under subsection (a) is payable by the owner, if required, upon the delivery to the owner of the logs or timber.

(c) The finder has a lien upon the property found for the charges provided in subsection (a).

(d) If the owner of the property fails to pay the compensation due under subsection (a) within sixty (60) days after the day the property is found, the property may be sold at the request of the person to whom the compensation is due by a constable, sheriff, or other officer of the county in which the property was found. The sale must be at the courthouse door at public auction to the highest bidder, upon thirty (30) days written or printed notice that gives the time and place of sale and a written or printed description of the property and any marks or brands on the property. The notice of the sale must be posted at the front door of the courthouse of the county in which the sale is to be made and at two (2) other public places in the county where the property is located. It is the duty of the constable or other officer making the sale to pay to the finder the finder's legal fees and charges after deducting the constable's or other officer's commission. The commission charged may be the same as if the constable or other officer had sold the same property under execution. If any sale money remains after payment of the charges and fees described in this section, the constable or other officer shall pay the remainder to the clerk of the circuit court in the county in which the sale occurred and obtain a receipt for the amount. If the constable or other officer fails to perform the constable's or other officer's duties under this chapter, the constable or other officer is liable on the constable's or other officer's official bond to the party aggrieved.

(e) If the owner, within one (1) year after the date of the sale, appears before the county judge of the county where the money is deposited with the clerk and establishes the owner's right to the satisfaction of the court to the money, the money must, upon the order of the county judge, be paid over to the owner by the clerk; otherwise, it shall be paid into the ~~common school~~ **state general** fund. ~~of Indiana.~~

(f) This chapter may not be construed to permit a person to recover under subsection (a) for any fleet of timber, raft or platform, sawlog, or other log or tree prepared for the purpose of sale, or any cross or railroad tie, board, plank, stave, heading, or other timber prepared for the market that is above any boom or other arrangement made by the owner to preserve the logs or timber.

SECTION 220. IC 33-23-3-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) A senior judge is entitled to the following compensation:

(1) For each of the first thirty (30) days of service in a calendar year, a per diem of fifty dollars ($50).

(2) Except as provided in subsection (c), for each day the senior judge serves after serving the first thirty (30) days of service in a calendar year, a per diem of ~~one~~ **two** hundred dollars ~~($100).~~ **($200).**

(3) Reimbursement for:

(A) mileage; and

(B) reasonable expenses, including but not limited to meals and lodging, incurred in performing service as a senior judge;

for each day served as a senior judge.

(b) Subject to subsection (c), the per diem and reimbursement for mileage and reasonable expenses under subsection (a) shall be paid by the state.

(c) The compensation under subsection (a)(2) must be paid by the state from funds appropriated to the supreme court for judicial payroll. If the payroll fund is insufficient to pay the compensation under subsection (a)(2), the supreme court may issue an order adjusting the compensation rate.

(d) A senior judge appointed under this chapter may not be compensated as a senior judge for more than one hundred (100) total calendar days during a calendar year.

SECTION 221. IC 33-33-48-7.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: **Sec. 7.5. (a) The judges of the Madison superior court may jointly appoint one (1) full-time magistrate under IC 33-23-5 to serve the superior court.**

(b) The magistrate continues in office until removed by the judges of the superior court.

SECTION 222. IC 33-33-62-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 1. (a) Perry County constitutes the seventieth judicial circuit.

(b) The Perry circuit court has a standard small claims and misdemeanor division.

(c) The judge of the Perry circuit court may appoint one (1) full-time magistrate under IC 33-23-5. The magistrate continues in office until removed by the judge.

SECTION 223. IC 33-33-84-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. There is established a court of record to be known as the Vigo superior court. The superior court has ~~four (4)~~ **five (5)** judges who shall hold their office for six (6) years and until their successors have been elected and qualified.

SECTION 224. IC 34-16-1-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 4. If, within the one hundred eighty (180) day period, the person fails to sue or to effectively prosecute the action, the prosecuting attorney of the county shall bring a civil action to recover the money or other property so lost and delivered, in the name of the state and for the benefit of:

(1) the person's dependent children who are less than eighteen (18) years of age and the person's spouse; or

(2) if there are no children or spouse, the ~~common school~~ **state general** fund.

SECTION 225. P.L.224-2003, SECTION 174 IS REPEALED [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]:.

SECTION 226. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2005]: IC 11-8-1-3; IC 11-8-2-2; IC 11-8-2-3.

SECTION 227. THE FOLLOWING ARE REPEALED [EFFECTIVE JANUARY 1, 2006]: IC 21-2-4-7; IC 21-2-11.5-5; IC 21-2-15-13.1; IC 21-3-1.7-6; IC 21-3-1.7-9.5; IC 21-3-1.7-9.7; IC 21-3-1.7-9.9; IC 21-3-4.5.

SECTION 228. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2005]: IC 20-28-1-4; IC 20-28-5-6.

SECTION 229. IC 14-11-2-3 IS REPEALED [EFFECTIVE UPON PASSAGE].

SECTION 230. IC 12-15-9-0.7 IS REPEALED [EFFECTIVE JULY 1, 2005].

SECTION 231. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2005]: IC 20-12-3.2-3; IC 27-8-27-7.

SECTION 232. P.L.224-2003, SECTION 173, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: SECTION 173. (a) Notwithstanding IC 21-3-1.6-1.2 ~~as added by this act,~~ and IC 21-3-1.7, the tuition support determined under IC 21-3-1.7-8 **(repealed) and IC 21-3-1.7-8.2** for a school corporation shall be reduced as follows:

(1) For 2001, the previous year's revenue determined without regard to IC 21-3-1.6-1.2 ~~as added by this act,~~ shall be reduced by an amount determined under the following STEPS:

STEP ONE: Determine the difference between:

(A) the school corporation's average daily membership count for 2000, without regard to IC 21-3-1.6-1.2; ~~as added by this act,~~ minus

(B) the school corporation's average daily membership count for 2000, as adjusted by the school corporation under this act after applying IC 21-3-1.6-1.2. ~~as added by this act.~~

STEP TWO: Determine the result of:

(A) the school corporation's previous year's revenue under IC 21-3-1.7-3.1, without regard to IC 21-3-1.6-1.2; ~~as added by this act,~~ divided by

(B) the school corporation's average daily membership for 2000, without regard to IC 21-3-1.6-1.2. ~~as added by this act.~~

STEP THREE: Multiply the STEP ONE result by the STEP TWO result.

STEP FOUR: Multiply the STEP THREE result by one-third (1/3).

(2) For 2002, the previous year revenue determined without regard to IC 21-3-1.6-1.2 ~~as added by this act,~~ shall be reduced by an amount equal to the result under the following:

(A) Determine the result of:

(i) the amount determined under STEP THREE of subdivision (1); minus

(ii) the amount determined under STEP FOUR of subdivision (1).

(B) Divide the clause (A) result by three (3).

(C) Multiply the clause (B) result by one and three-hundredths (1.03).

(3) For 2003, the previous year revenue determined without regard to IC 21-3-1.6-1.2 ~~as added by this act,~~ shall be reduced by an amount equal to the reduction amount under subdivision (2) multiplied by one and two-hundredths (1.02).

(4) For 2005, **the previous year revenue determined without regard to IC 21-3-1.6-1.2 shall be reduced by an amount equal to** the product of:

(A) the reduction amount under subdivision (3) divided by three (3); multiplied by

(B) one and three-hundredths (1.03).

(5) For 2006 and 2007, the ~~product of:~~

~~(A)~~ **previous year revenue determined without regard to IC 21-3-1.6-1.2 shall be reduced by an amount equal to** the reduction amount under subdivision (4). ~~divided by three (3), multiplied by~~

~~(B) one and one-hundredth (1.01).~~

(b) This SECTION expires January 1, 2008.

SECTION 233. [EFFECTIVE UPON PASSAGE] **(a) The department of education shall adjust distributions made to a school corporation, including a charter school, after the effective date of this SECTION to eliminate the difference between the state primetime distribution that the school corporation, including a charter school, received, as a result of IC 21-1-30-3, as amended by P.L.224-2003, SECTION 141, and the state primetime distribution to which the school corporation, including a charter school, is entitled to receive under IC 21-1-30-3, as amended by this act.**

(b) The adjustments required under this SECTION shall be made on the schedule determined by the department of education.

SECTION 234. [EFFECTIVE JULY 1, 2005] **(a) The professional standards board established by IC 20-28-2-1 is abolished.**

(b) The following are transferred on July 1, 2005, from the professional standards board to the department of education established by IC 20-19-3-1:

(1) All real and personal property of the professional standards board.

(2) All powers, duties, assets, and liabilities of the professional standards board.

(3) All appropriations to the professional standards board.

(c) Money in the professional standards board licensing fund established by P.L.224-2003, SECTION 9, is transferred on July 1, 2005, to the professional standards fund established by IC 20-28-2-10, as added by this act.

(d) Rules that were adopted by the professional standards board before July 1, 2005, shall be treated as though the rules were adopted by the advisory board of the division of professional standards of the department of education established by IC 20-28-2-2, as amended by this act.

(e) After June 30, 2005, a reference to the professional standards board in a statute or rule shall be treated as a reference to the division of professional standards established by IC 20-28-2-1.5, as added by this act.

(f) The members appointed before July 1, 2005, to the professional standards board:

(1) become members of the advisory board for the division of professional standards established by IC 20-28-2-2, as amended by this act; and

(2) may serve until the expiration of the term for which the members were appointed.

(g) A license or permit issued by the professional standards board before July 1, 2005, shall be treated after June 30, 2005, as a license or permit issued by the department of education established by IC 20-19-3-1.

(h) Proceedings pending before the professional standards board on July 1, 2005, shall be transferred from the professional standards board to the department of education and treated as if initiated by the department of education established by IC 20-19-3-1.

SECTION 235. [EFFECTIVE JULY 1, 2005] **The board shall allocate from the pension**

stabilization fund (IC 21-6.1-2-8) to the Indiana state teachers' retirement fund's 1996 account an amount equal to the unfunded liability for individuals who were members of the Indiana state teachers' retirement fund's pre-1996 account before July 1, 1995, (and survivors and beneficiaries of these members) who after June 30, 1995, became members of the Indiana state teachers' retirement fund's 1996 account.

SECTION 236. [EFFECTIVE JULY 1, 2005] **(a) As used in this SECTION, "fund" refers to the public employees' retirement fund, with respect to members (and survivors and beneficiaries of members) of the fund.**

(b) The amount determined in this SECTION shall be paid from the fund on or before December 1, 2005, to any person who was a retired member of the fund (or to a survivor or beneficiary of a retired member of the fund) before January 1, 2005, and who was entitled to receive a monthly benefit on November 1, 2005. The amount shall be paid in a single check. The amount is not an increase in the pension portion of the monthly benefit.

(c) The amount determined under the following formula shall be paid from the fund to a retired member of the fund (or to a survivor or beneficiary of a retired member of the fund) who meets the requirements of subsection (b):

STEP ONE: Multiply by twelve (12) the pension portion, plus postretirement increases to the pension portion, of the monthly benefit that was payable to the retired member of the fund (or to a survivor or beneficiary of the retired member of the fund) and provided by employer contributions during the month before the payment is made under this SECTION.

STEP TWO: Multiply the amount determined in STEP ONE by the applicable percentage from the following table:

Calendar Year of Last Retirement of Member	Applicable Percentage
Before 1990	2%
1990 through 2004	1%

(d) This SECTION expires July 1, 2006.

SECTION 237. [EFFECTIVE JULY 1, 2005] **(a) IC 4-24-7-4(b), as amended by this act, applies only to accounts for claims at a juvenile institution that the department of correction may have against any county for the payment of the county's portion of the cost of the maintenance of any inmate of the institution for days served after June 30, 2005.**

(b) If a county has an account with an outstanding balance on June 30, 2005, for claims that the department of correction may have against any county for the payment of the county's portion of the cost of the maintenance of any inmate of the juvenile institution for days served before July 1, 2005, the county and budget agency shall attempt to establish a repayment plan before August 15, 2005.

(c) A repayment plan under this SECTION may provide for repayment in:

(1) the number of installments specified in the plan from any revenue source available to the county and not otherwise restricted to a particular purpose by law; or

(2) full in one (1) payment from the proceeds of bonds issued in the manner provided in IC 36-2-6-18, 36-2-6-19, and 36-2-6-20.

The bonds under subdivision (2) must be entered into before the date specified in the repayment plan. The term of the bonds under subdivision (2) may not exceed ten (10) years. IC 6-1.1-18.5 and IC 6-1.1-20 do not apply to bonds issued under subdivision (2). The proper officers of a county shall fix a tax rate for a debt service or other similar fund that is sufficient to pay the principal and interest on the funding or refunding of bonds issued to repay a loan entered into under subdivision (2). The ad valorem property tax levy limits imposed by IC 6-1.1-18.5-3 do not apply to property taxes imposed by a county under this SECTION. For purposes of computing the ad valorem property tax levy limit imposed on a county under IC 6-1.1-18.5-3, the county's ad valorem property tax levy for a particular calendar year does not include that part of the levy imposed under this SECTION. The limit on outstanding loans established in IC 36-2-6-18(d) does not apply to bonds

issued under subdivision (2). For purposes of computing the outstanding loan limit under bonds issued under IC 36-2-6-18(d), the county's outstanding loans for a particular calendar year does not include the outstanding amount of bonds issued under subdivision (2).

(d) If an agreement on a repayment plan is not signed before August 15, 2005, the auditor of state shall, notwithstanding anything to the contrary in IC 6-1.1-21, reduce the distributions of property tax replacement credits under IC 6-1.1-21 to the county and withhold the amount owed on the account by spreading the reductions equally over the distributions in those state fiscal years that end in 2006, 2007, 2008, and 2009. The auditor of state shall credit the contract payments or any withheld amount to the state general fund for the purpose of curing the default. The account is then considered paid to the extent of the withheld amount. A county that has the county's distribution reduced under this SECTION shall apply the withheld amount only to the county unit's share of the distribution and may not reduce a distribution to any other civil taxing unit or school corporation within the county.

(e) This SECTION expires July 2, 2009.

SECTION 238. [EFFECTIVE JULY 1, 2005] **(a) The department of child services shall submit a report to the legislative council and the health finance commission established by IC 2-5-23-3 that contains statistics concerning the education levels and salaries of all:**

(1) child protection caseworkers and child welfare caseworkers; and

(2) child protection caseworker and child welfare caseworker supervisors;

by September 1, 2005.

(b) The report required by subsection (a) must be in an electronic format under IC 5-14-6.

(c) This SECTION expires December 31, 2005.

SECTION 239. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "office" refers to the office of Medicaid policy and planning established by IC 12-8-6-1.**

(b) The office shall apply to the United States Department of Health and Human Services to amend the state Medicaid plan concerning limiting dental services to provide that a Medicaid recipient who is at least twenty-one (21) years of age is only eligible for the following dental services without prior authorization under the Medicaid program:

(1) Diagnostic and preventative care.

(2) Direct restorations.

(3) Treatment of lesions.

(4) Extractions.

(5) Periodontal treatment for the following immuno-compromised individuals:

(A) Transplant patients.

(B) Pregnant women.

(C) Diabetic patients.

(6) Emergency and trauma care.

The office may authorize other dental services not listed in this subdivision for a Medicaid recipient if the recipient first obtains prior authorization from the office for the dental service.

(c) The office may not implement the amendment until the office files an affidavit with the governor attesting that the amendment applied for under this SECTION is in effect. The office shall file the affidavit under this subsection not later than five (5) days after the office is notified that an amendment is approved.

(d) If the office receives approval for an amendment under this SECTION from the United States Department of Health and Human Services and the governor receives the affidavit filed under subsection (c), the office shall implement the amendment not more than thirty (30) days after the governor receives the affidavit.

(e) The office may adopt rules under IC 4-22-2 necessary to implement this SECTION.

(f) This SECTION expires December 31, 2012.

SECTION 240. [EFFECTIVE JULY 1, 2005] **(a) This SECTION covers officer positions created for the 2005 legislative session that were not set forth in P.L.274-2003, SECTION 3.**

(b) The following officers of the senate are entitled to the following amounts to be paid after June 30, 2005, and before December 31, 2005. These amounts are in addition to the subsistence allowance: appropriations committee chair, $5,000; tax and fiscal policy committee chair, $5,000; appropriations committee ranking majority member, $1,500; tax and fiscal policy committee ranking majority member, $1,500; appropriations committee ranking minority member, $2,000; tax and fiscal policy committee ranking minority member, $2,000.

(c) The following officers of the house of representatives are entitled to the following amounts to be paid after June 30, 2005, and before December 31, 2005. These amounts are in addition to the subsistence allowance: chairman of the education subcommittee of ways and means, $1,500.

(d) This SECTION expires December 31, 2005.

SECTION 241. [EFFECTIVE UPON PASSAGE] **On the effective date of this SECTION, the powers of the department of natural resources to establish fees are transferred to the natural resources commission. After the effective date of this SECTION, the natural resources commission may exercise any power delegated to the department of natural resources to establish fees, and a rule of the department of natural resources that establishes a fee for any of the following shall be treated as a rule of the natural resources commission:**

(1) Programs of the department of natural resources or the natural resources commission.

(2) Facilities owned or operated by the department of natural resources or the natural resources commission or a lessee of the department of natural resources or the natural resources commission.

(3) Licenses issued by the natural resources commission, the department of natural resources, or the director of the department of natural resources.

(4) Inspections or other similar services under IC 14 performed by the department of natural resources or an assistant or employee of the department of natural resources.

SECTION 242. [EFFECTIVE UPON PASSAGE] **(a) The commission for higher education shall complete the establishment of the initial core transfer library under IC 20-12-0.5-8(18), as amended by this act, for at least seventy (70) courses and the initial articulation agreements for at least twelve (12) degree programs under IC 20-12-0.5-8(19), as amended by this act, before July 1, 2007. State educational institutions shall assist the commission for higher education as necessary to comply with this SECTION.**

(b) This SECTION expires June 30, 2008.

SECTION 243. [EFFECTIVE JULY 1, 2005] **(a) Effective July 1, 2005, the names of the Indiana University programs, centers, and schools related to medicine are changed to those set forth in IC 20-12-30.5-2, as amended by this act.**

(b) A reference to the former name described in IC 20-12-30.5-2, as amended by this act, in any law, rule, or document shall be treated after June 30, 2005, as a reference to the new name given to the program, center, or school.

(c) The legislative council shall provide for the preparation of legislation to change the references in all laws to the programs, centers, and schools described in IC 20-12-30.5-2, as amended by this act.

SECTION 244. [EFFECTIVE JULY 1, 2005] **(a) The trustees of the following institutions may issue and sell bonds under IC 20-12-6, subject to the approvals required by IC 20-12-5.5, for the following projects if the sum of principal costs of any bond issued, excluding amounts necessary to provide money for debt service reserves, credit enhancement, or other costs incidental to the issuance of the bonds, does not exceed the total authority listed below for that institution:**

Ivy Tech - Valparaiso New Campus - Phase II	**20,000,000**
Ivy Tech - Madison Main Campus Expansion	**19,144,000**
Ivy Tech - Marion New Campus	**21,015,000**
University of Southern Indiana - Education/Science Building Completion SOB/GCB A&E and Physical Plant Expansion	**6,600,000**

Indiana State University - University Hall Renovation for College of Education 26,880,000

The foregoing projects are eligible for fee replacement appropriations.

University of Southern Indiana - Recreation and Fitness Center Expansion Phase II 7,250,000

Purdue University-North Central Campus Parking Garage No. 1 5,000,000

The foregoing projects are not eligible for fee replacement appropriations.

(b) The trustees of the following institutions may issue and sell bonds under IC 20-12-6, subject to the approvals required by IC 20-12-5.5, for the following projects if the sum of principal costs of any bond issued, excluding amounts necessary to provide money for debt service reserves, credit enhancement, or other costs incidental to the issuance of the bonds, does not exceed the total authority listed below for that institution:

Indiana University - Bloomington Campus - Central Heating Plant Renovation Phase I 45,000,000

Purdue University - West Lafayette Campus - Infrastructure and Utilities Improvement 43,600,000

Ball State University - Boiler Plant Replacement and Chilled Water Plant Improvements 48,000,000

The budget agency shall, with the cooperation of the institutions, coordinate the planning, direct a process for developing detailed specifications, and develop a coordinated plan for contracting and implementing the construction and operation of the above projects. The projects may not be commenced by the institutions until alternatives for the projects such as privatization, joint ownership, phased construction, and joint operation of the improvements have been considered by the budget agency and the institutions. The coordinated plan may include alternatives required by the budget agency. The projects are eligible for fee replacement appropriations.

SECTION 245. [EFFECTIVE JULY 1, 2005] **(a) The budget agency shall make an early distribution of state tuition support to school corporations under IC 21-3-1.7 that may not exceed fifty percent (50%) of the most recent accrued tuition support payment delay balance, as determined by the budget agency. The distribution is to reduce accrued payment delay balances to school corporations that were created because of the distribution of eleven-twelfths (11/12) of the appropriated amount in the state fiscal year ending June 30, 2002. If the budget agency determines that insufficient combined balances exist to make an early distribution of fifty percent (50%), the budget agency may make an early distribution that is less than fifty percent (50%), so long as the percentage of the accrued payment delay is the same under this subsection as that used under subsection (b). An early distribution under this subsection is to be treated as a tuition support distribution under IC 21-3-1.7 for the calendar year in which the early distribution is made.**

(b) The budget agency shall make an early distribution of property tax replacement credits and homestead credits under IC 6-1.1-21 that may not exceed fifty percent (50%) of the most recent accrued property tax replacement credit and homestead credit payment delay balance, as determined by the budget agency. The distribution is to reduce accrued payment delay balances that were created because of the statutory change in IC 6-1.1-21-10 that was made by P.L.192-2002(ss), SECTION 43, to move the May distribution to July beginning with the May 2003 distribution. If the budget agency determines that insufficient combined balances exist to make an early distribution of fifty percent (50%), the budget agency may make an early distribution that is less than fifty percent (50%), so long as the percentage of the accrued payment delay is the same under this subsection as that used under subsection (a). An early distribution under this subsection is to be treated as a distribution under IC 6-1.1-21 for the calendar year in which the early distribution is made.

(c) The budget agency shall make an additional distribution to Indiana University, Purdue University, Indiana State University, Ball State University, the University of Southern Indiana,

Vincennes University, Ivy Tech State College, and the Indiana Higher Education Telecommunications System (IHETS) that may not exceed fifty percent (50%) of the claim of each of the above state educational institutions resulting from the previous distribution of eleven-twelfths (11/12) of the budgeted amount in fiscal year 2001-2002, as determined by the budget agency. If the budget agency determines that insufficient balances exist in the state general fund, after making any early tuition distribution to school corporations under this act, to make an additional distribution under this SECTION of fifty percent (50%), the budget agency may make an additional distribution that is less than fifty percent (50%). An additional distribution under this subsection reduces the claim of a state educational institution receiving the distribution, and the institution shall reflect the reduction on its financial statements.

(d) Distributions under this SECTION:

(1) may be made in one (1) or more installments before July 1, 2007; and

(2) shall be separately allotted and the accrued payment delay balances for the state fiscal year shall be reduced accordingly.

(e) There is appropriated from the state general fund or property tax replacement fund to the budget agency the amount necessary to make early distributions under this SECTION.

(f) This SECTION expires July 2, 2007.

SECTION 246. [EFFECTIVE JULY 1, 2005] **For purposes of reconciling the amount the property tax replacement fund paid under IC 4-33-13-5(g) to entities covered by IC 6-3.1-20-7, with respect to taxable years ending in 2001, 2002, and 2003, the treasurer of state shall reduce the supplemental distributions under IC 4-33-13-5(g) to the entities covered by IC 6-3.1-20-7. The total reduction amount is what is necessary so that the property tax replacement fund realizes the difference between payments made compared to the payments that should have been made had the reimbursement under IC 6-3.1-20-7 been treated as provided in IC 4-33-13-5(g), as amended by this act. The reduction shall be allocated equally to the supplemental distributions made before September 2005, 2006, and 2007 for state fiscal years ending in 2006, 2007, and 2008.**

SECTION 247. [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: **IC 6-1.1-3-23, as amended by this act, applies only to property taxes first due and payable after December 31, 2004.**

SECTION 248. [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: **(a) As used in this SECTION, "taxable year" has the meaning set forth in IC 6-3-1-16.**

(b) IC 6-3-1-11, as amended by this act, applies only to taxable years beginning after December 31, 2004.

SECTION 249. [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]: **IC 6-3-1-3.5 and IC 6-5.5-1-2, both as amended by this act, apply only to taxable years beginning after December 31, 2004.**

SECTION 250. [EFFECTIVE JANUARY 1, 2004 (RETROACTIVE)]: **(a) Notwithstanding IC 6-3-1-11, as effective before the passage of this act, this SECTION applies to taxable years beginning after December 31, 2003, and before January 1, 2005.**

(b) As used in this SECTION, "Internal Revenue Code" means the Internal Revenue Code of 1986 of the United States as amended and in effect on January 1, 2004.

(c) Whenever the Internal Revenue Code is mentioned in IC 6-3, the particular provisions that are referred to, together with all the other provisions of the Internal Revenue Code in effect on January 1, 2004, that pertain to the provisions specifically mentioned, shall be regarded as incorporated in IC 6-3 by reference and have the same force and effect as though fully set forth in IC 6-3. To the extent the provisions apply to IC 6-3, regulations adopted under Section 7805(a) of the Internal Revenue Code and in effect on January 1, 2004, shall be regarded as rules adopted by the department under IC 6-3, unless the department of state revenue adopts specific rules that supersede the regulation.

(d) An amendment to the Internal Revenue Code made by an act passed by Congress before January 1, 2004, that is effective for any taxable year that began before January 1, 2004, and that affects:

(1) individual adjusted gross income (as defined in Section 62 of the Internal Revenue Code);
(2) corporate taxable income (as defined in Section 63 of the Internal Revenue Code);
(3) trust and estate taxable income (as defined in Section 641(b) of the Internal Revenue Code);
(4) life insurance company taxable income (as defined in Section 801(b) of the Internal Revenue Code);
(5) mutual insurance company taxable income (as defined in Section 821(b) of the Internal Revenue Code); or
(6) taxable income (as defined in Section 832 of the Internal Revenue Code);
is also effective for that same taxable year for purposes of determining adjusted gross income under IC 6-3-1-3.5.

(e) However, this act may not be construed to authorize a taxpayer to deduct, in computing the taxpayer's Indiana adjusted gross income, the amount of bonus depreciation (as defined in IC 6-3-12-33, as amended by this act, or IC 6-5.5-1-20, as amended by this act, as applicable) or a deduction under Section 179 of the Internal Revenue Code in a total amount exceeding twenty-five thousand dollars ($25,000) in any taxable year beginning before January 1, 2005.

SECTION 251. [EFFECTIVE UPON PASSAGE] **(a) Notwithstanding IC 12-17-15-17, as amended by this act, the budget agency shall submit a report to the health finance commission established by IC 2-5-23 and the budget committee containing the following information concerning the funding for the infants and toddlers with disabilities program under IC 12-17-15:**
(1) The total amount billed to a federal or state program in state fiscal year 2004 for services provided under the infants and toddlers with disabilities program, including amounts billed to the following programs:
(A) Medicaid.
(B) The children's health insurance program.
(C) The federal Temporary Assistance to Needy Families (TANF) program (45 CFR 265).
(D) Any other state or federal program.
(2) The total amount billed in state fiscal year 2004 to an insurance company for services provided under the infants and toddlers with disabilities program and the total amount reimbursed by the insurance company.
(3) The total copayments collected for the infants and toddlers with disabilities program in state fiscal year 2004.
(4) The total administrative expenditures for state fiscal year 2004.
The report required under this SECTION must be submitted in an electronic format under IC 5-14-6 before September 1, 2005.

(b) This SECTION expires January 1, 2006.

SECTION 252. [EFFECTIVE JULY 1, 2005] **(a) As used in this SECTION, "commission" refers to the health finance commission established by IC 2-5-23-3.**

(b) The office of the secretary of family and social services shall study and submit a report in electronic format under IC 5-14-6 to the commission not later than October 1, 2005, concerning the following:
(1) The agency's progress in implementing SEA 493-2003.
(2) Provider reimbursement rates for home and community based services under:
(A) the aged and disabled Medicaid waiver; and
(B) the community and home options to institutional care for the elderly and disabled program under IC 12-10-10.
(3) The eligibility standards and procedures for:
(A) the community and home options to institutional care for the elderly and disabled program under IC 12-10-10; and
(B) home and community based waivers;
including the use of presumptive eligibility, emergency care placements, and local eligibility determinations.

(c) This SECTION expires December 31, 2006.

SECTION 253. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "program" refers to the community and home options to institutional care for the elderly and disabled (CHOICE) program established by IC 12-10-10.**

(b) The office of the secretary of family and social services shall submit the following information in electronic format under IC 5-14-6 to the legislative services agency not later than July 15, 2005, concerning the program for fiscal year 2005:

(1) The total number of individuals participating in the program.

(2) The total expenditures for the program.

(3) Information concerning each individual participating in the program, including the following:

(A) The number of activities of daily living (ADL) that an individual is unable to perform.

(B) The individual's monthly income and any deductions by source.

(C) The amount of assets reported by the individual, as determined by the division.

(D) The services provided to the individual.

(E) The cost of each service provided to the individual.

(F) The copayment, if any, that the individual is required to pay and the amount paid by the individual.

(G) Whether the individual participates in a Medicaid waiver or is Medicaid eligible.

(H) The county and the area agency on aging region in which the individual resides.

(4) The reimbursement rate for services provided under the program for each area agency on aging region in the preceding fiscal year.

(5) The number of individuals on a waiting list for the program and any services being received by the individual from the state while the individual is on the waiting list.

(c) The legislative services agency shall review the information submitted under this SECTION and compile a report determining the compliance of the submitted information with the requirements of this SECTION. The report must be submitted to the health finance commission established by IC 2-5-23 and the budget committee not later than September 1, 2005.

(d) This SECTION expires December 31, 2005.

SECTION 254. [EFFECTIVE UPON PASSAGE] **(a) Notwithstanding IC 6-1.1-20.6-2, as added by this act, a county may adopt an ordinance under this SECTION to apply the credit authorized by IC 6-1.1-20.6, as added by this act, to property taxes first due and payable in 2004 or 2005.**

(b) If a county has not issued property tax statements under IC 6-1.1-22-8 to the persons liable for property taxes in the county for property taxes first due and payable in 2004, the county fiscal body may adopt an ordinance to apply the credit under IC 6-1.1-20.6, as added by this act, to the property taxes first due and payable in 2004. A county fiscal body may not adopt an ordinance under this subsection after statements are issued under IC 6-1.1-22-8 for the property taxes first due and payable in 2004.

(c) If a county has not issued property tax statements under IC 6-1.1-22-8 to the persons liable for property taxes in the county for property taxes first due and payable in 2005, the county fiscal body may adopt an ordinance to apply the credit under IC 6-1.1-20.6, as added by this act, to the property taxes first due and payable in 2005. A county fiscal body may not adopt an ordinance under this subsection after statements are issued under IC 6-1.1-22-8 for the property taxes first due and payable in 2005.

(d) Notwithstanding any provision in IC 6-1.1-20.6, as added by this act, IC 6-1.1-20.6 applies to a credit authorized by an ordinance passed under this SECTION.

(e) Except as provided in subsections (b) and (c), IC 6-1.1-20.6, as added by this act, applies to property taxes first due and payable after December 31, 2005.

(f) This SECTION expires January 1, 2006.

SECTION 255. [EFFECTIVE UPON PASSAGE] **(a) All revenue that funds government comes from the people and it is the responsibility of every elected official to carefully guard against misuse**

of this revenue. Therefore, it is the intent of the general assembly that the state budget be reviewed comprehensively before the budgetary process for the next biennium begins in 2007.

(b) The general assembly requests that the governor to direct the office of management and budget to thoroughly review the:

(1) budget of each executive department agency and instrumentality; and

(2) overall functions of the executive department of state government;

for the purpose of finding efficiencies that might yield significant cost savings. The general assembly requests that both the size and the scope of these agencies and functions be thoroughly reviewed.

(c) The general assembly requests that:

(1) an interim report on the progress of the review under this SECTION be submitted to the general assembly in an electronic format under IC 5-14-6 before January 3, 2006; and

(2) the results of the comprehensive review, including recommendations for budgetary reforms and spending reductions throughout state government through the appropriation and allotment process be shared with the speaker of the house of representatives and the president pro tempore of the senate before December 2, 2006.

SECTION 256. [EFFECTIVE UPON PASSAGE] **(a) As used in this SECTION, "board or commission" includes any:**

(1) board;

(2) commission;

(3) committee;

(4) council;

(5) panel;

(6) task force;

(7) authority;

(8) foundation; or

(9) bureau;

that was created by an executive order or by statute and that is in existence on July 1, 2005.

(b) The government efficiency commission is established.

(c) The government efficiency commission consists of the following members:

(1) One (1) cochairperson appointed not later than fifteen (15) days after the effective date of this SECTION by the president pro tempore of the senate.

(2) One (1) cochairperson appointed not later than fifteen (15) days after the effective date of this SECTION by the speaker of the house of representatives.

(3) Ten (10) members appointed by the president pro tempore of the senate not later than thirty (30) days after the appointment is made under subdivision (1), five (5) of whom must be appointed with the advice and consent of the minority leader of the senate.

(4) Ten (10) members appointed by the speaker of the house of representatives not later than thirty (30) days after the appointment is made under subdivision (2), five (5) of whom must be appointed with the advice and consent of the minority leader of the house of representatives.

(d) The following may not be members of the government efficiency commission:

(1) An elected or appointed state or local official.

(2) A lobbyist (as defined by IC 2-7-1-10).

(e) The cochairpersons may appoint nonvoting advisory members to serve on the government efficiency commission.

(f) A member of the government efficiency commission is not entitled to a salary per diem.

(g) A member of the government efficiency commission entitled to reimbursement for traveling expenses and other expenses actually incurred in connection with the member's duties,as provided in state travel rules or this act.

(h) The government efficiency commission shall meet upon the call of the cochairpersons.

(i) The cochairpersons may advise the president pro tempore of the senate, the minority leader of the senate, the speaker of the house of representatives, and the minority leader of the house of

representatives concerning the appointment of other members of the government efficiency commission.

(j) A quorum of the government efficiency commission must be present to conduct business. A quorum consists of a majority of the voting members appointed to the government efficiency commission.

(k) The government efficiency commission may not take an official action unless the official action has been approved by at least a majority of the voting members appointed to serve on the government efficiency commission.

(l) The cochairpersons may establish and appoint government efficiency commission members to subcommittees as the cochairpersons consider appropriate to carry out the government efficiency commission's duties under subsection (m). The cochairpersons shall name the chairperson of each subcommittee.

(m) The government efficiency commission shall do the following:

(1) Make recommendations to improve efficiency and reduce unnecessary costs associated with any board or commission.

(2) Review and make recommendations to the governor concerning each board or commission about the following:

(A) Whether the board or commission should be continued, reorganized, or combined with another board, commission, or state agency.

(B) Whether the board or commission should terminated or allowed to expire.

(3) Make recommendations to reform K-12 education funding and budgeting as it relates to non-classroom expenditures so that adequate dollars are available for teacher training and classroom instruction.

(n) The government efficiency commission may accept donations to carry out the purposes of this SECTION.

(o) The office of the governor shall provide staff support to the government efficiency commission.

(p) As it pertains to subsection (m)(1) and (m)(2),the government efficiency commission shall provide its final recommendations before October 1, 2006, to the governor.

(q) The governor shall:

(1) review the recommendations made by the government efficiency commission under subsections (m)(1) and (m)(2); and

(2) before November 1, 2006, submit a report to the legislative council in an electronic format under IC 5-14-6 recommending legislation necessary to carry out those recommendations that the governor determines will improve the efficiency and operations of state government.

(r) The legislative council shall:

(1) review; and

(2) determine what legislation should be prepared for introduction in the 2007 regular session of the general assembly with respect to;

recommendations made under subsection (m)(1) and (m)(2).

(s) Nothing in subsection (m)(1) and (m)(2) may be construed to authorize the termination or reorganization of a board or commission, except as otherwise provided by law.

(t) As it pertains to subsection (m)(3), the government efficiency commission shall provide its final recommendations before November 1, 2006, to the governor.

(u) The governor shall:

(1) review the recommendations made by the government efficiency commission under subsection (m)(3); and

(2) before December 1, 2006, submit a report in an electronic format under IC 5-14-6 with recommendations for reform to the speaker of the house of representatives and the president pro tempore of the senate.

(v) This SECTION expires December 31, 2006.

SECTION 257. [EFFECTIVE JANUARY 1, 2006] **IC 6-1.1-20.9-2 and IC 6-1.1-21-2, both as amended by this act, and IC 6-1.1-21-2.5, as added by this act, apply only to property taxes first due and payable after December 31, 2005.**

SECTION 258. [EFFECTIVE JULY 1, 2005] **IC 21-2-11.5-3, as amended by this act, applies to property taxes imposed for an assessment date after February 28, 2005, and first due and payable after December 31, 2005.**

SECTION 259. [EFFECTIVE UPON PASSAGE] **The following rules are void:**

(1) An emergency rule adopted by the Indiana gaming commission on April 21, 2005 pursuant to Indiana gaming commission resolution 2005-17 concerning the imposition of a transfer fee for riverboat license transfers.

(2) Any other rule adopted after April 1, 2005, that establishes a transfer fee for riverboat licenses, including operating permits.

SECTION 260. [EFFECTIVE JULY 1, 2005] **(a) Notwithstanding IC 33-33-84-3, as amended by this act, the Vigo superior court is not expanded to five (5) judges until January 1, 2006.**

(b) The governor shall appoint a person under IC 3-13-6-1(c) to serve as the initial judge added to the Vigo superior court by IC 33-33-84-3, as amended by this act.

(c) The term of the initial judge appointed under subsection (b) begins January 1, 2006, and ends December 31, 2006.

(d) The initial election of the judge of the Vigo superior court added by IC 33-33-84-3, as amended by this act, is the general election in November 2006. The term of the initially elected judge begins January 1, 2007.

(e) This SECTION expires January 2, 2007.

SECTION 261. **An emergency is declared for this act.**

(Reference is to EHB 1001 as reprinted April 9, 2005.)

Conference Committee Report
on
Engrossed House Bill 1001

Signed by:

_____	_____
Representative Espich Chairperson	Senator Meeks R
_____	_____
Representative Buell	Senator Kenley
House Conferees	**Senate Conferees**