

Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

SENATE ENROLLED ACT No. 112

AN ACT to amend the Indiana Code concerning human services.

Be it enacted by the General Assembly of the State of Indiana:

SECTION 1. IC 2-5-27.2-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. The commission shall do the following:

- (1) Develop a long range plan to stimulate further development of cost effective, innovative models of community based services, including recommendations that identify implementation schedules, plans for resource development, and appropriate regulatory changes.
- (2) Review and make recommendations regarding any unmet needs for mental retardation and developmental disability services, including the following:
 - (A) Community residential and family support services.
 - (B) Services for aging families caring for their children who are mentally retarded and developmentally disabled adults.
 - (C) Services for families in emergency or crisis situations.
 - (D) Services needed to move children and adults from nursing homes and state hospitals to the community.
- (3) Study and make recommendations for the state to use state employees or contract with a private entity to manage and implement home and community based services waivers under 42

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U.S.C. 1396n(c).

(4) Study and make recommendations regarding state funding needed to provide supplemental room and board costs for individuals who otherwise qualify for residential services under the home and community based services waivers.

(5) Monitor and recommend changes for improvements in the implementation of home and community based services waivers managed by the state or by a private entity.

(6) Review and make recommendations regarding the implementation of the comprehensive plan prepared by the developmental disabilities task force established by P.L.245-1997, SECTION 1.

(7) Review and make recommendations regarding the development by the division of disability, aging, and rehabilitative services of a statewide plan to address quality assurance in community based services.

(8) Annually review the infants and toddlers with disabilities program established under ~~IC 12-17-15~~ **IC 12-12.7-2**.

SECTION 2. IC 5-10-8-7.3, AS AMENDED BY P.L.246-2005, SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: 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~~ **IC 12-12.7-2** 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~~ **IC 12-12.7-2** 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:

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(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) may not be applied to any annual or aggregate lifetime limit on the first steps child's coverage under the health benefits plan.

(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 3. IC 12-7-2-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 9. "Agency" means the following:

(1) For purposes of IC 12-10-12, the meaning set forth in IC 12-10-12-1.

(2) For purposes of ~~IC 12-17-15~~, **IC 12-12.7-2**, the meaning set forth in ~~IC 12-17-15-1~~. **IC 12-12.7-2-1**.

SECTION 4. IC 12-7-2-44, AS AMENDED BY P.L.217-2005, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 44. "Council" means the following:

(1) For purposes of IC 12-9-4, the meaning set forth in IC 12-9-4-1.

(2) For purposes of IC 12-12-8, the meaning set forth in IC 12-12-8-2.5.

(3) For purposes of IC 12-13-4, the meaning set forth in IC 12-13-4-1.

(4) For purposes of IC 12-15-41 and IC 12-15-42, the Medicaid work incentives council established by IC 12-15-42-1.

(5) For purposes of ~~IC 12-17-15~~, **IC 12-12.7-2**, the meaning set forth in ~~IC 12-17-15-2~~. **IC 12-12.7-2-2**.

(6) For purposes of IC 12-18-3 and IC 12-18-4, the domestic violence prevention and treatment council established by IC 12-18-3-1.

(7) For purposes of IC 12-21-4, the meaning set forth in IC 12-21-4-1.

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(8) For purposes of IC 12-28-5, the meaning set forth in IC 12-28-5-1.

SECTION 5. IC 12-7-2-69, AS AMENDED BY P.L.234-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 69. (a) "Division", except as provided in subsections (b) and (c), refers to any of the following:

- (1) The division of disability, aging, and rehabilitative services established by IC 12-9-1-1.
- (2) The division of family resources established by IC 12-13-1-1.
- (3) The division of mental health and addiction established by IC 12-21-1-1.

(b) The term refers to the following:

(1) For purposes of the following statutes, the division of disability, aging, and rehabilitative services established by IC 12-9-1-1:

- (A) IC 12-9.
- (B) IC 12-10.
- (C) IC 12-11.
- (D) IC 12-12.
- (E) IC 12-12.5.
- (F) IC 12-12.7.**

(2) For purposes of the following statutes, the division of family resources established by IC 12-13-1-1:

- (A) IC 12-13.
- (B) IC 12-14.
- (C) IC 12-15.
- (D) IC 12-16.
- (E) IC 12-17.2.
- (F) IC 12-18.
- (G) IC 12-19.
- (H) IC 12-20.

(3) For purposes of the following statutes, the division of mental health and addiction established by IC 12-21-1-1:

- (A) IC 12-21.
- (B) IC 12-22.
- (C) IC 12-23.
- (D) IC 12-25.

(c) With respect to a particular state institution, the term refers to the division whose director has administrative control of and responsibility for the state institution.

(d) For purposes of IC 12-24, IC 12-26, and IC 12-27, the term refers to the division whose director has administrative control of and

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responsibility for the appropriate state institution.

SECTION 6. IC 12-7-2-74 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 74. "Early intervention services", for purposes of ~~IC 12-17-15~~, **IC 12-12.7-2**, has the meaning set forth in ~~IC 12-17-15-3~~. **IC 12-12.7-2-3**.

SECTION 7. IC 12-7-2-117.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 117.4. "Infants and toddlers with disabilities", for purposes of ~~IC 12-17-15~~, **IC 12-12.7-2**, has the meaning set forth in ~~IC 12-17-15-4~~. **IC 12-12.7-2-4**.

SECTION 8. IC 12-9-1-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The division consists of the following bureaus:

- (1) Disability determination bureaus required or permitted under IC 12-9-6.
- (2) The bureau of aging and in-home services established by IC 12-10-1-1.
- (3) The rehabilitation services bureau established by IC 12-12-1-1.
- (4) The bureau of developmental disabilities services established by IC 12-11-1.1-1.
- (5) The bureau of quality improvement services established by IC 12-12.5-1-1.
- (6) The bureau of child development services established by IC 12-12.7-1-1.**

SECTION 9. IC 12-9-5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The division shall administer money appropriated or allocated to the division by the state, including money appropriated or allocated from the following:

- (1) The Older Americans Act (42 U.S.C. 3001 et seq.).
- (2) The United States Department of Agriculture (7 U.S.C. 612C et seq.).
- (3) The Vocational Rehabilitation Act (29 U.S.C. 701).
- (4) Social Services Block Grant in-home services for the elderly and disabled (42 U.S.C. 1397 et seq.).
- (5) Randolph Sheppard Act (20 U.S.C. 107 et seq.).
- (6) Medicaid waiver in-home services for the elderly and disabled (42 U.S.C. 1396 et seq.).
- (7) Office of Disability Determination (42 U.S.C. 1302 and 42 U.S.C. 1383).
- (8) Technology Related Assistance to Individuals with Disabilities Act (29 U.S.C. 2201).
- (9) Social Security Act Payments for Vocational Rehabilitation

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Services (42 U.S.C. 422).

(10) Part C of the federal Individuals with Disabilities Education Act, Subchapter III (20 U.S.C. 1431 et seq.).

~~(10)~~ **(11)** Money appropriated or allocated to the division to administer a program under this title.

~~(11)~~ **(12)** Other funding sources that are designated by the general assembly or that are available from the federal government under grants that are consistent with the duties of the division.

SECTION 10. IC 12-9-5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. The division shall administer the following programs:

- (1) Programs established under any of the following statutes:
 - (A) This article.
 - (B) IC 12-10.
 - (C) IC 12-11.
 - (D) IC 12-12.
 - (E) IC 12-12.5.
 - (F) IC 12-12.7.**
- (2) Programs under the following statutes, to the extent the division has responsibilities for programs under those statutes:
 - (A) IC 12-24.
 - (B) IC 12-26.
 - (C) IC 12-27.
 - (D) IC 12-28.
 - (E) IC 12-29.
 - (F) IC 12-30.
- (3) Supported employment for a person with developmental disabilities.
- (4) Epilepsy service centers program.
- (5) Epilepsy clinic program.
- (6) Medicaid waivers for in-home services.

SECTION 11. IC 12-12.7 IS ADDED TO THE INDIANA CODE AS A **NEW ARTICLE** TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:

ARTICLE 12.7. CHILD DEVELOPMENT SERVICES

Chapter 1. Bureau of Child Development Services

Sec. 1. The bureau of child development services is established within the division.

Sec. 2. The director shall organize the bureau in the manner necessary to carry out the bureau's duties. However, the bureau must include a unit of services for infants and toddlers with disabilities.

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Sec. 3. The bureau shall do the following:

- (1) Plan, establish, and operate programs and services relating to child development services.**
- (2) Design all necessary state plans for child development services required for the receipt and disbursement of any money available to the state from the federal government.**
- (3) Direct the disbursement and administer the use of money from all sources for child development programs administered under this article.**

Chapter 2. Infants and Toddlers With Disabilities Program

Sec. 1. As used in this chapter, "agency" means a department, a commission, a council, a board, a bureau, a division, a service, an office, or an administration that is responsible for providing services to infants and toddlers with disabilities and their families, including the following:

- (1) The division of mental health and addiction.**
- (2) The state department of health.**
- (3) The division of family resources.**
- (4) The division of disability, aging, and rehabilitative services.**
- (5) The department of education.**
- (6) The department of child services.**

Sec. 2. As used in this chapter, "council" refers to the interagency coordinating council established by section 7 of this chapter.

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 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.**
- (3) Meet all required state and federal standards.**
- (4) 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.**

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- (H) Nutritionists.**
- (I) Family therapists.**
- (J) Orientation and mobility specialists.**
- (K) Pediatricians and other physicians.**

(5) To the maximum extent appropriate, are provided in natural environments, including the home and community settings in which children without disabilities participate.

(6) 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, audiology, and sign language and cued language services.**
- (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 an infant or a 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's or toddler's family to receive early intervention services.**

Sec. 4. (a) As used in this chapter, "infants and toddlers with disabilities" means individuals from birth through two (2) years of age who need early intervention services because the individuals meet the following conditions:

- (1) Are experiencing developmental delays, as measured by appropriate diagnostic instruments and procedures, in at least one (1) of the following:**
 - (A) Cognitive development.**
 - (B) Physical development.**
 - (C) Communication development.**
 - (D) Social or emotional development.**
 - (E) Adaptive development.**
- (2) Have a diagnosed physical or mental condition that has a high probability of resulting in developmental delay.**

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(b) The term may also include, under rules adopted by the division, individuals from birth through two (2) years of age who are at risk of having substantial developmental delays if early intervention services are not provided.

Sec. 5. The purposes of this chapter are as follows:

- (1) To enhance the development and minimize the potential for developmental delay of infants and toddlers with disabilities.
- (2) To reduce educational costs to the state by minimizing the need for special education and related services after infants and toddlers with disabilities reach school age.
- (3) To minimize the likelihood of institutionalization and maximize the potential for independent living of individuals with disabilities.
- (4) To enhance the capacity of families to meet the special needs of infants and toddlers with disabilities.
- (5) To comply with 20 U.S.C. 1431 through 1445.

Sec. 6. (a) The division shall do the following:

- (1) Carry out the general administration and supervision of programs and activities receiving assistance under this chapter, monitor programs and activities implemented by the state, regardless of whether the programs and activities are receiving assistance under this chapter, and ensure that the state complies with 20 U.S.C. 1431 through 1445 in implementing this chapter.
- (2) Identify and coordinate all available resources from federal, state, local, and private sources, including public and private insurance coverage and using all existing applicable resources to the full extent of the resources.
- (3) Develop procedures to ensure that early intervention services are provided to infants and toddlers with disabilities and their families in a timely manner pending the resolution of disputes among public agencies and providers.
- (4) Resolve disputes within an agency or between agencies.
- (5) Enter into formal interagency agreements that define the financial responsibility of each agency for paying for early intervention services consistent with Indiana law and procedures for resolving disputes, including all additional components necessary to ensure meaningful cooperation and coordination.
- (6) Develop and implement utilization review procedures for services provided under this chapter.

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(b) The state shall designate an individual or entity responsible for assigning financial responsibility among appropriate agencies under this chapter.

Sec. 7. The interagency coordinating council is established.

Sec. 8. (a) The council consists of at least fifteen (15) but not more than twenty-five (25) members appointed by the governor as follows:

(1) At least twenty percent (20%) of the members must be individuals who:

(A) are parents, including minority parents, of infants or toddlers with disabilities or of children who are less than thirteen (13) years of age with disabilities; and

(B) have knowledge of or experience with programs for infants and toddlers with disabilities.

At least one (1) of the members described in this subdivision must be a parent of an infant or toddler with a disability or of a child less than seven (7) years of age with a disability.

(2) At least twenty percent (20%) of the members must be public or private providers of early intervention services.

(3) At least one (1) member must be a member of the general assembly.

(4) Each of the state agencies involved in the provision of or payment for early intervention services to infants and toddlers with disabilities and their families must be represented by at least one (1) member. The members described in this subdivision must have sufficient authority to engage in policy planning and implementation on behalf of the state agency the member represents.

(5) At least one (1) member must be involved in personnel preparation.

(6) At least one (1) member must:

(A) represent a state educational agency responsible for preschool services to children with disabilities; and

(B) have sufficient authority to engage in policy planning and implementation on behalf of the agency.

(7) At least one (1) member must represent the department of insurance created by IC 27-1-1-1.

(8) At least one (1) member must represent an agency or program that is:

(A) located in Indiana; and

(B) authorized to participate in the Head Start program under 42 U.S.C. 9831 et seq.

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(9) At least one (1) member must represent a state agency responsible for child care.

(10) At least one (1) member must represent the office of Medicaid policy and planing established by IC 12-8-6-1.

(11) At least one (1) member must be a representative designated by the office of coordinator for education of homeless children and youths.

(12) At least one (1) member must be a state foster care representative from the department of child services established by IC 31-33-1.5-2.

(13) At least one (1) member must represent the division of mental health and addiction established by IC 12-21-1-1.

(b) To the extent possible, the governor shall ensure that the membership of the council reasonably represents the population of Indiana.

Sec. 9. (a) The governor shall make the initial appointments under section 8 of this chapter with staggered terms and subsequent appointments for terms of three (3) years.

(b) A council member may be reappointed for succeeding terms.

Sec. 10. (a) The governor shall:

(1) designate a member of the council to serve as the chairperson of the council; or

(2) require the council to designate a chairperson from within its membership.

(b) A member of the council who is a representative of the division may not serve as chairperson of the council.

(c) A chairperson may be reappointed for succeeding terms.

Sec. 11. Any of the following may call a meeting of the council:

(1) The governor.

(2) The chairperson of the council.

Sec. 12. The governor shall fill vacancies on the council.

Sec. 13. The council shall meet at least quarterly each year.

Sec. 14. The council may prepare and approve a budget using funds under this chapter to do the following:

(1) Conduct hearings and forums.

(2) Reimburse members of the council for reasonable and necessary expenses for attending council meetings and performing council duties, including child care for the members who are representatives of parents.

(3) Pay compensation to a member of the council if the member is not employed or is required to forfeit wages from other employment when absent from the other employment

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due to the performance of council business.

(4) Hire the staff and obtain services that are necessary to carry out the council's functions.

Sec. 15. The council shall do the following:

(1) Advise and assist the division in the performance of the responsibilities set forth in section 6 of this chapter, particularly the following:

(A) Identification of sources of fiscal and other support for services for early intervention programs.

(B) Use of existing resources to the full extent in implementing early intervention programs.

(C) Assignment of financial responsibility to the appropriate agency.

(D) Promotion of interagency agreements.

(E) Development and implementation of utilization review procedures.

(2) Advise and assist the division in the preparation of applications required under 20 U.S.C. 1431 through 1445.

(3) Prepare and submit an annual report to the governor, the general assembly, and the United States Secretary of Education by November 1 of each year concerning the status of early intervention programs for infants and toddlers with disabilities and their families. A report submitted under this subdivision to the general assembly must be in an electronic format under IC 5-14-6.

(4) Periodically request from the agencies responsible for providing early childhood intervention services for infants and toddlers with disabilities and preschool special education programs written reports concerning the implementation of each agency's respective programs.

(5) Make recommendations to the various agencies concerning improvements to each agency's delivery of services.

(6) Otherwise comply with 20 U.S.C. 1441.

Sec. 16. (a) To the extent that the services are appropriate, the council shall advise and assist the department of education regarding the transition of toddlers with disabilities to preschool special education services under IC 20-35.

(b) The council may advise and assist the division and the department of education regarding the provision of appropriate services for children who are less than six (6) years of age.

Sec. 17. (a) A family shall participate in the cost of programs and services provided under this chapter to the extent allowed by

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federal law according to the following cost participation schedule:

Percentage of Federal Income Poverty Level		Copayment Per Treatment	Maximum Monthly Cost Share
At Least	But Not More Than		
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

(b) A cost participation plan used by the division for families to participate in the cost of the programs and services provided under this chapter:

(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 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;

(2) may allow a family to voluntarily contribute payments that exceed the family's required cost participation amount;

(3) must require the family to allow the division access to all health care coverage information that the family has concerning the infant or toddler who is to receive services;

(4) must require families to consent to the division billing third party payors for early intervention services provided;

(5) may allow the division to waive the billing to third party payors if the family is able to demonstrate financial or personal hardship on the part of the family member; and

(6) must require the division to waive the family's monthly copayments in any month for those services for which it receives payment from the family's health insurance coverage.

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(c) Funds received through a cost participation plan under this section must be used to fund programs described in section 18 of this chapter.

Sec. 18. 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.

Sec. 19. The budget agency shall annually report to the health finance commission, the budget committee, and the commission on mental retardation and developmental disabilities 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 for 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.

Sec. 20. To the extent required in 20 U.S.C. 1431 through 1445, the statewide system must include the following:

- (1) A definition of the term "developmentally delayed" to be used in carrying out the programs under this chapter.
- (2) The timetables necessary for ensuring that the appropriate early intervention services are available to all infants and toddlers with disabilities before the beginning of the fifth year of the state's participation under 20 U.S.C. 1431 through 1445.
- (3) A timely, comprehensive, multidisciplinary evaluation of the functioning of each infant and toddler with disabilities in Indiana and the needs of the families, to appropriately assist

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in the development of the infant and toddler with disabilities program.

(4) For each infant and toddler with disabilities in Indiana, an individualized family service plan in accordance with 20 U.S.C. 1436, including case management services consistent with the individualized family service plan.

(5) A comprehensive system for identifying infants and toddlers with disabilities, including a system for making referrals to service providers that:

(A) includes time lines; and

(B) provides for the participation by primary referral sources.

(6) A public awareness program.

(7) A central directory that includes early intervention services, resources, experts, and research and demonstration projects being conducted.

(8) A comprehensive system of personnel development.

(9) A policy pertaining to contracting or making other arrangements with service providers to provide early intervention services in Indiana, consistent with 20 U.S.C. 1431 through 1445 and including the contents of the application used and the conditions of the contract or other arrangements.

(10) A procedure for securing timely reimbursement of funds used under this chapter in accordance with 20 U.S.C. 1440(a).

(11) Procedural safeguards with respect to programs under this chapter as required under 20 U.S.C. 1439.

(12) Policies and procedures relating to the establishment and maintenance of standards to ensure that personnel necessary to carry out this chapter are appropriately and adequately prepared and trained, including the following:

(A) The establishment and maintenance of standards that are consistent with any state approved or recognized certification, licensing, registration, or other comparable requirements that apply to the area in which the personnel are providing early intervention services.

(B) To the extent the standards are not based on the highest requirements in Indiana applicable to the specific profession or discipline, the steps the state is taking to require the retraining or hiring of personnel that meet appropriate professional requirements in Indiana.

(13) A system for compiling data on the following:

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(A) The number of infants and toddlers with disabilities and their families in Indiana in need of appropriate early intervention services, which may be based on a sampling of data.

(B) The number of infants, toddlers, and families of infants and toddlers served.

(C) The types of services provided, which may be based on a sampling of data.

(D) Other information required under 20 U.S.C. 1431 through 1445.

SECTION 12. IC 12-17-19-19, AS ADDED BY P.L.1-2005, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. Notwithstanding IC 4-13-2-20 and IC 12-8-10-7 and in addition to the authorization to enter into contracts for services under section 18(b) of this chapter, a contract issued by the division for programs administered by the bureau of child care services, including a contract for the administration of the programs authorized under ~~IC 12-17-15~~ **IC 12-12.7-2** and this chapter, may include a provision for advance funding if the provision is not inconsistent with the terms of any applicable federal law or regulation and any of the following conditions is met:

- (1) The annual contract amount is at least fifty thousand dollars (\$50,000) and the advance funding is not more than one-sixth (1/6) of the contract amount.
- (2) The annual contract amount is less than fifty thousand dollars (\$50,000) and the advance funding is not more than one-half (1/2) of the contract amount.
- (3) The advance funding is in the form of interim payments, with subsequent reconciliation of the amounts paid under the contract and the cost of the services actually provided.

SECTION 13. IC 12-17-19-25, AS ADDED BY P.L.1-2005, SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 25. (a) Each step ahead proposal must provide for the implementation of a preschool or developmental child care program for preschool children.

(b) The goals of the preschool or developmental child care program for preschool children are to:

- (1) enhance the child's readiness for learning and facilitate the transition from home to school when the preschool child reaches the age of compulsory school attendance;
- (2) identify developmental problems or concerns in preschool children and make referrals to the appropriate service providers

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or to provide the appropriate services;

(3) prevent disruptive employment conditions for parents who are employed; and

(4) ensure a continuity in access to step ahead programs as each preschool child nears the age of compulsory school attendance.

(c) To qualify for an implementation grant under this chapter for preschool or developmental child care programs for preschool children, the eligible entity implementing a preschool or developmental child care program for preschool children must demonstrate cooperation with the following programs within the county:

(1) Public schools, particularly those public schools that provide preschool or special education preschool services.

(2) Head Start programs under 42 U.S.C. 9831 et seq.

(3) Infants and toddlers with disabilities programs under ~~IC 12-17-15~~; **IC 12-12.7-2**.

(4) County health department programs.

(5) Private industry council programs.

(6) Women, Infants, and Children (WIC) programs under 42 U.S.C. 1786 et seq.

(7) Community mental retardation and mental health centers that provide services to preschool children with disabilities.

(8) The county office of family and children.

(9) Consumer representation groups.

SECTION 14. IC 16-38-4-8, AS AMENDED BY P.L.2-2005, SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) The state department shall establish a birth problems registry for the purpose of recording all cases of birth problems that occur in Indiana residents and compiling necessary and appropriate information concerning those cases, as determined by the state department, in order to:

(1) conduct epidemiologic and environmental studies and to apply appropriate preventive and control measures;

(2) inform the parents of children with birth problems:

(A) at the time of discharge from the hospital; or

(B) if a birth problem is diagnosed during a physician or hospital visit that occurs before the child is:

(i) except as provided in item (ii), three (3) years of age at the time of diagnosis; or

(ii) five (5) years of age at the time of diagnosis if the disorder is a pervasive developmental disorder or a fetal alcohol spectrum disorder;

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resources, including local step ahead agencies and the infants and toddlers with disabilities program (~~IC 12-17-15~~); **(IC 12-12.7-2)**; or

(3) inform citizens regarding programs designed to prevent or reduce birth problems.

(b) The state department shall record in the birth problems registry:

(1) all data concerning birth problems of children that are provided from the certificate of live birth; and

(2) any additional information that may be provided by an individual or entity described in section 7(a)(2) of this chapter concerning a birth problem that is:

(A) designated in a rule adopted by the state department; and

(B) recognized:

(i) after the child is discharged from the hospital as a newborn;

(ii) before the child is five (5) years of age if the child is diagnosed with a pervasive developmental disorder or a fetal alcohol spectrum disorder; and

(iii) before the child is three (3) years of age for any diagnosis not specified in item (ii).

(c) The state department shall:

(1) provide a physician and a local health department with necessary forms for reporting under this chapter; and

(2) report in an electronic format under IC 5-14-6 to the legislative council any birth problem trends that are identified through the data collected under this chapter.

SECTION 15. IC 20-12-3.2-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) For purposes of this chapter, "covered individual" means an individual entitled to coverage under an employee health plan.

(b) For purposes of this chapter, "early intervention services" means services provided to a first steps child under ~~IC 12-17-15-3~~ **IC 12-12.7-2** and 20 U.S.C. 1432(4).

(c) For purposes of this chapter, "employee health plan" means:

(1) a program of self-insurance established and maintained by a state educational institution (as defined in IC 20-12-0.5-1) to cover the provision of health care services (as defined in IC 27-8-11-1) to its employees;

(2) a group contract entered into or renewed by a state educational institution with a health maintenance organization (as defined in IC 27-13-1-19) to provide services to employees of the state educational institution; or

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(3) a policy of accident and sickness insurance (as defined in IC 27-8-5-1) issued or renewed on a group basis to a state educational institution to provide coverage for employees of the state educational institution.

(d) For purposes of this chapter, "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.

(e) As used in this chapter, "first steps program" means the program established under ~~IC 12-17-15~~ **IC 12-12.7-2** 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.

SECTION 16. IC 20-35-2-1, AS ADDED BY P.L.218-2005, SECTION 79, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) There is established under the state board a division of special education. The division shall exercise all the power and duties set out in this chapter, IC 20-35-3 through IC 20-35-6, and IC 20-35-8.

(b) The governor shall appoint, upon the recommendation of the state superintendent, a director of special education who serves at the pleasure of the governor. The amount of compensation of the director shall be determined by the budget agency with the approval of the governor. The director has the following duties:

- (1) To do the following:
 - (A) Have general supervision of all programs, classes, and schools for children with disabilities, including those conducted by public schools, the Indiana School for the Blind and Visually Impaired, the Indiana School for the Deaf, the department of correction, the state department of health, the division of disability, aging, and rehabilitative services, and the division of mental health and addiction.
 - (B) Coordinate the work of schools described in clause (A).

For programs for preschool children with disabilities as required under IC 20-35-4-9, have general supervision over programs, classes, and schools, including those conducted by the schools or other state or local service providers as contracted for under IC 20-35-4-9. However, general supervision does not include the determination of admission standards for the state departments, boards, or agencies authorized to provide programs or classes

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under this chapter.

(2) To adopt, with the approval of the state board, rules governing the curriculum and instruction, including licensing of personnel in the field of education, as provided by law.

(3) To inspect and rate all schools, programs, or classes for children with disabilities to maintain proper standards of personnel, equipment, and supplies.

(4) With the consent of the state superintendent and the budget agency, to appoint and determine salaries for any assistants and other personnel needed to enable the director to accomplish the duties of the director's office.

(5) To adopt, with the approval of the state board, the following:

(A) Rules governing the identification and evaluation of children with disabilities and their placement under an individualized education program in a special education program.

(B) Rules protecting the rights of a child with a disability and the parents of the child with a disability in the identification, evaluation, and placement process.

(6) To make recommendations to the state board concerning standards and case load ranges for related services to assist each teacher in meeting the individual needs of each child according to that child's individualized education program. The recommendations may include the following:

(A) The number of teacher aides recommended for each exceptionality included within the class size ranges.

(B) The role of the teacher aide.

(C) Minimum training recommendations for teacher aides and recommended procedures for the supervision of teacher aides.

(7) To cooperate with the interagency coordinating council established by ~~IC 12-17-15-7~~ **IC 12-12.7-2-7** to ensure that the preschool special education programs required IC 20-35-4-9 are consistent with the early intervention services program described in ~~IC 12-17-15~~ **IC 12-12.7-2**.

(c) The director or the state board may exercise authority over vocational programs for children with disabilities through a letter of agreement with the department of workforce development.

SECTION 17. IC 27-8-27-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. For purposes of this chapter, "early intervention services" means services provided to a first steps child under ~~IC 12-17-15-3~~ **IC 12-12.7-2** and 20 U.S.C. 1432(4).

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SECTION 18. IC 27-8-27-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. As used in this chapter, "first steps program" means the program established under ~~IC 12-17-15~~ **IC 12-12.7-2** 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.

SECTION 19. IC 12-17-15 IS REPEALED [EFFECTIVE UPON PASSAGE].

SECTION 20. **An emergency is declared for this act.**

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President of the Senate

President Pro Tempore

Speaker of the House of Representatives

Governor of the State of Indiana

Date: _____ Time: _____

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